

## Problems and Methods of Rural Internet Finance Development

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**Abstract:** with the rapid development of Internet, information technology and other technologies and related industries, it has promoted the progress of big data and cloud computing industry in China. Under this background, the economic development pattern of rural areas has also undergone profound changes, and the characteristics of Internet financial development model are more and more obvious. How to use the advantages of emerging technologies to continuously promote and innovate the rural financial development service system and promote the improvement of rural economic development level has become a major concern of many people. From the current situation, due to the imperfect credit system, rural Internet Finance in the development process is also faced with many fraud problems, low degree of organization, lack of risk response ability and other related problems, which seriously affect its further development. To this end, this article is completed after the actual investigation and research, aiming at the problems existing in the work at this stage, put forward the corresponding solutions, hoping to have some enlightenment on the rapid development of rural Internet finance.

### 1. Introduction

Foreword: for a long time, as an important area of production and development of the Chinese nation, rural areas have played an important role in the process of social and economic development. In view of the prominent problems faced by rural areas in the process of development, the national level also put forward the “Rural Revitalization” development strategy and planning. From its impact, it can not only effectively improve the economic development efficiency of rural areas to a certain extent. At the same time, it has also played a positive role in promoting the realization of the great rejuvenation dream of the Chinese nation. In this process, it is necessary to fully realize the impact of Internet Finance on economic development benefits. From the perspective of overall planning, strictly implement the principle of “suit measures to local conditions”, put forward targeted planning for the development of rural areas, effectively improve the economic development efficiency, and lay a good foundation for the promotion of the national comprehensive level.

### 2. Problems in the Development of Rural Internet Finance At the Current Stage

#### 2.1 Internet Finance is in the Initial Stage of Development, and the Logistics System is Not Perfect

The current stage of rural Internet finance is still in the initial stage of development. From its characteristics, as a new product of the development of traditional finance in the new era, it not only contains the risk characteristics of traditional finance. At the same time, it also includes the problems of insufficient security and high risk in the Internet era. In terms of operation mechanism, due to its relatively late start, it also faces the problem of imperfect management mechanism. In view of various problems in the development process, the lack of problem-solving ability of relevant staff leads to the long-term existence of some security risks, which seriously limits the improvement of their development level.

At the same time, the modern economy in rural areas started late, and the logistics system is also faced with imperfect problems. From the analysis of the reasons, this is mainly in the past for a long

time, the rural infrastructure is not perfect, not able to provide guarantee for the construction of the logistics system. In addition, the construction of highway and logistics system need to consume a lot of capital, and invest a lot of human and material resources. These factors restrict the development of rural finance to a certain extent. Therefore, in the context of the rapid development of e-commerce, rural areas need to constantly improve the logistics system if they want to take advantage of the positive role of Internet finance to promote their economic development level. But on the other hand, in the process of building self built logistics, the amount of money needed is relatively large, and not all e-commerce platforms can afford it. These high costs have made many e-commerce platforms feel “daunted” and some internet financial businesses cannot be carried out in an orderly manner. In terms of the current development situation, only Alibaba, Jingdong and Suning e-commerce giants have launched the rural Internet entry business in China. It can be seen that: due to the influence of high logistics cost factors, the rapid development of rural e-commerce platform is restricted to a certain extent, and it also has a lot of influence on financial transformation and redevelopment. From the perspective of rural policies, combined with the requirements of national economic development, its development policies have been changing and adjusting. The existence of these large amounts of change information increases the difficulty of work to a certain extent, which are the key issues to be considered in the development of rural Internet finance.

## **2.2 The Problems of Financial Supply Chain Are More Prominent, and Farmers' Mortgage Loan Repayment Ability is Insufficient**

From the perspective of the positive role of the Internet in rural areas, it can not reduce the positive role of the Internet. But at the same time, we also need to see the new requirements for the organization ability of e-commerce platform at both ends of the supply chain. Under the background of today's era, if rural e-commerce wants to get further development, it needs to constantly improve its online and offline organization ability and coordination ability. It can combine the future development requirements of the whole industry and provide sufficient guarantee for its development from the perspective of the actual situation of rural economic development. Accordingly, this has also become a key factor in the rapid transformation of rural Internet finance. Specifically, it is mainly reflected in the following aspects.

In the sales process. In the traditional rural economic development, most of them rely on the discrete e-commerce farmers for their own development. Due to the lack of systematic industrial chain as its support, e-commerce households get relatively less effective information in the development process, and the buyers and sellers can not be effectively United. In addition, in the development of these scattered farmers' e-commerce, their economic benefits are relatively low, and it is difficult to pay a lot of transportation costs, management costs and transportation costs, thus reducing the improvement of their economic benefits. In the financing link, most of the rural financial needs have not formed a correct understanding of the Internet financial financing mode, development mode and its positive role. In the process of financing, the staff of rural e-commerce is relatively limited, which can not give targeted explanation and guidance as the traditional physical store financing, resulting in the slow development of its transformation and upgrading.

From the perspective of the development characteristics of agricultural industry, it has strong flexibility, is more affected by the natural environment, and the farmers' own sensitivity is poor. There are many restrictive conditions formed by rural financial institutions, and the loan system is strict. From the perspective of farmers themselves, their sense of integrity is relatively weak. Many farmers don't have to pay back the loan according to the research of the country: they can even make mistakes. Accordingly, these problems have restricted the rapid development of rural finance to a certain extent. A large number of financial institutions prefer not to do agricultural financial business, but also do not want to face the problem of increasing the obstacle rate. In the mortgage, farmers have limited collateral, which is obviously incompatible with the development mode of modern banks. To be specific, when modern banks carry out loan business, they usually resort to property mortgage and house mortgage. However, it is difficult for farmers to take out the exchange matching with the borrowed property, so it is difficult to obtain the support of financial institutions.

### **2.3 The Problems of System Are More Prominent, and the Credit System is Not Perfect**

In the development of rural areas, farmers' cooperatives have been occupying a leading position because of their unique organizational advantages. However, from its specific development situation, there are still many outstanding problems in the system management, which leads to its slow development. Specifically, the tasks of farmer cooperatives are mainly in the purchase of seeds, fertilizers and agricultural machinery and equipment. Due to the limited education ability and low education level of farmers, most farmers lack correct understanding and sufficient understanding of the agricultural policies, loan regulations and the advantages and disadvantages of various Internet financial products implemented by the state. If the rural financial institutions open up the loan business, they will need to bear greater credit risk, which will increase its cost. Due to the obvious imbalance of regional economic development, rural areas are also facing the problems of imperfect infrastructure and uneven distribution of financial outlets. There is no financial network in some remote mountainous areas in the west, which seriously limits the development and progress of rural economy.

## **3. Specific Countermeasures to Solve the Problems of Rural Internet Finance Development**

### **3.1 With the Help of the Positive Role of Supervision Platform and Service Platform**

In the future work, we need to fully recognize the positive role of rural financial data supervision and service platform in this process. Combined with the actual situation of rural economic development, promote the rapid establishment of credit system. Strengthen the communication, exchange and cooperation with the central bank, and promote the integrated and systematic construction of the credit reference system. At the same time, it is necessary to strengthen the evaluation of some financial outlets and legal institutions. From the perspective of its positive role, it mainly shows two advantages. On the one hand, it can find all kinds of problems existing in the development process of these institutions in a short time, and solve them timely and effectively, so as to avoid unnecessary problems and improve their risk prevention awareness. On the other hand, it can also form a mutual supervision mode among various departments and organizations, strengthen supervision and create favorable conditions for the rapid development of rural economy.

In the process of development, there will always be some disputes, so we need to strengthen the resolution of financial disputes. For some illegal operations, we should crack down on them and protect the legitimate rights and interests of investors to the greatest extent. At the present stage, the development mode of rural Internet finance is still in the initial stage of research. Therefore, we need to make use of the advantages of the dispute settlement system. For example, through the professional complaints committee, regular staff can be arranged to solve the disputes on a regular basis to protect the rights and interests of investors and reduce their losses. Establish a perfect punishment mechanism, rely on the advantages of scientific punishment measures, restrict the behavior of e-commerce platform in the process of business promotion and operation, and increase the punishment and treatment of illegal platform. Including: forced exit mechanism, fine and other ways. In addition, it can also provide the basis for the orderly development of investors' investment activities by dividing their credit rating.

### **3.2 Strengthen the Innovation of Rural Internet Finance Development Planning**

Combined with the development characteristics of rural Internet finance, its fragmentation and complexity are obvious, which involves the collection, analysis and collation of various financial data. And after the completion of the data forecast, find out the financial phenomenon behind it, make reasonable planning and judgment, and finally achieve the purpose of reducing the cost of financial information acquisition. For example: China's two largest e-commerce platforms - Taobao and Jingdong. It can judge the consumption situation according to the consumer behavior. With the help of the positive role of risk assessment, the final assessment results are applied to the judgment of repayment ability of rural customers' loan behavior.

In recent years, the dual development characteristics of economic structure are more and more obvious. In this context, if the traditional loan mode and financial development mode are still adopted, it will be difficult to further improve the quality of economic development. Therefore, from the perspective of enterprises, we can strengthen the training of professional talents, so that they can understand the latest Internet technology. Some employees with outstanding performance and strong comprehensive ability are selected to be trained in financial institutions or Internet enterprises on a regular basis, so as to strengthen the understanding of Internet knowledge and financial knowledge and provide guidance for the smooth development of relevant work. In addition, through school enterprise cooperation, enterprise employees can regularly study advanced theoretical knowledge in Colleges and universities. For the development of enterprises, colleges and universities export more complex Internet financial talents with strong comprehensive ability, so as to achieve the goal of mutual benefit and win-win.

### **3.3 Continuously Increase the Publicity of Rural Internet Finance**

In view of the problem that farmers in some areas have insufficient understanding of the development mode of Internet finance, it is necessary to increase social publicity and let more people participate in this development. At the government level, it is necessary to increase encouragement and support, so that commercial banks and rural credit cooperatives can set up relevant internet financial services in combination with the local economic development. Regularly invite some experts to explain relevant knowledge in rural areas, so that people can fully understand the positive role of Internet finance, and promote the steady improvement of rural economic benefits.

Conclusion: To sum up, in the context of rapid economic development in the new era. The rural areas must fully meet the new requirements of the economic development mode innovation from the time to the times, and promote the transformation and upgrading of the rural economy with the advantage of “Internet plus” development strategy, laying a good foundation for the long-term development of our economy.

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