# Financial Support for High-quality Development in the Context of Digital Economy

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**Abstract.** As a new form of business of international concern and a new force to promote the world economy, the digital economy is considered by many countries as a difficult choice to promote economic growth and improve business structure, and also provide new opportunities and new ways for China's economic development and construction of technical infrastructure business today. Economic development is the most important of the real economy, and the development of a good economic system is very important to integrate China's economic base. The financial market is considered as another important force to support the positive development of the manufacturing industry after the concept of "Internet plus", because the resources can be distributed the contents. Recently, the financial industry has been considered as a good development of business development. In research, the paper analyzes the current situation and the problems of the integration of finance and production in the background of the digital economy, and proposes solutions. better to direct resources to production.

**Keywords:** digital economy, financial sector, high-quality development.

## 1. Introduction

At present, countries around the world are committed to solving the dual problems of COVID-19 prevention and control and economic revitalization, so it is particularly important to strengthen international communication and exchange. From the experience of the Newcastle pneumonia epidemic, it is clear that social patterns and lifestyles have been forced to change globally in order to prevent and control the epidemic, and that the transition to a "no-touch economy" using digital technology will become increasingly important[1]. However, how to deal with the expansion of the digital economy is probably the most pressing issue for any country, any industry, and even any business. Technologies such as artificial intelligence, RPA and blockchain have the potential to fundamentally change the structure of economies and societies. In particular, with the development of big data collection and analysis technologies, many new services and products have been generated[2]. In the financial services sector, there is a trend toward "unbundling" as digital technology advances, the traditional financial services such as payment and settlement, loans, asset management, etc., which are monopolized by financial institutions, are gradually being overturned. In this environment, financial institutions need to fundamentally revamp their business models. In the financial industry, it shows a clear paradigm shift which is from traditional "face-to-face" marketing to smartphone-enabled digital marketing. The global epidemic is bound to accelerate this shift[3].

## 2. The Conceptual Content and Measurement Ideas of Digital Economy

The rapid development of information and communication technology (ICT) and its rapid penetration into many economic and social sectors not only contributes to economic transformation and development, ensure the development of business models, and improve business performance, but also change the direction of business and development, and create new business - digital business [4].

### 2.1 The evolutionary process of digital economy

Tracing the evolutionary process, it can be found that the formation of the concept of digital economy cannot be separated from the promotion of information technology and digitalization

process. As early as the 1960s, the application of the information revolution in the economic field first formed the concept of information economy, unlike the development of the industrial economy, which was dominated by traditional industries such as steel, energy and automobiles, the information economy was dominated by new industries such as chips, integrated circuits and fiber optic cables, and the importance of sectors such as science and technology, culture and education became increasingly prominent[5]. In the early 1990s, thanks to the rapid development of technologies such as the Internet, databases and multimedia, countries began to implement information superhighway programs one after another, significantly saving time and energy, increasing labor productivity and bringing huge economic benefits [6-7].

### 2.2 The concept and connotation of digital economy

In this context, many governments have developed strategic plans for infrastructure development, demand model innovation, and the development of digital and traditional businesses. Researchers and research centers have also done some research based on the development of digital marketing, trying to define the concept of digital marketing and explain the meaning of digital marketing. For example, the Ministry of International Trade and Industry of Japan defines the digital economy as e-commerce in the broad sense. Although the US Department of Commerce often defines the digital economy as the sum of e-commerce and information technology in its report, it points out that information technology is the key to supporting the development of e-commerce, and has begun a process of special research data to define the digital economy. The UK also places the digital economy in an important position in the construction industry. The National Institute of Economic and Social Research considers the digital economy as all economic benefits brought about by digital strategies [8].

It is not difficult to know from the connection between the existing studies that, until now, the relevant studies have not established the unity of the concept of business digital marketing, and the understanding of the meaning of digital marketing has many aspects. The main reason is that digital marketing is a new form of economic development and social development with the emergence of new technologies, which is very complex and scientific less for use [9]. On the one hand, digital marketing is in the process of change, its concept is constantly changing and improving, and its thinking and continuity are increasing and increasing. On the other hand, different studies have different entry points and different definitions when defining the concept of digital marketing [10].

Nevertheless, it can be found that behind the different ways of expressing the concept of digital economy, there are many key points that are consistent or similar. An in-depth analysis of the connotation of digital economy and a firm grasp of some of its essence will be an effective way to clarify the concept of digital economy. First of all, digital economy is a new and special economic form which is obviously different from agricultural economy and industrial economy, and is the sum of a series of economic activities based on digital and oriented to resource allocation optimization[11]. Secondly, economic activities have inputs and outputs. From this perspective, the digital economy is the total economic output brought by all kinds of digital inputs, including digital skills, digital equipment such as software, hardware and communication, and other digital intermediate products and services used in the production process, which have a positive effect on the improvement of economic efficiency. Once again, similar to the steam engine and electrical technology revolutions that gave birth to the industrial economy, the digital economy is an inevitable product of the information technology revolution, which enables the networking of the economy and society through digital technologies such as the Internet and cell phones, the development of which requires both mature technologies and a complete digital infrastructure. Finally, as digital technology gradually penetrates into other industries, the integration between digital economy and traditional economy deepens and begins to expand from a narrow digital economy such as platform economy and sharing economy to a broad digital economy including smart manufacturing and precision agriculture, i.e., the digital economy is in a dynamic change process, with increasingly blurred boundaries and rich content. The above analysis shows that the digital economy is a series of economic activities based

on the new generation of information and communication technology, modern information network as an important carrier, and digital knowledge and information including digital technology, digital equipment and other digital intermediate goods and services used in the production process as production factors, so as to achieve production and consumption, cooperation and exchange, and social governance[12]. In fact, with the rapid development of technologies such as the Internet of Things, artificial intelligence and cloud computing, the digital economy includes not only the information industry, but also traditional industries or fields such as logistics and transportation and industrial control that are undergoing digital transformation, and it continues to change the mode of operation of the economy and society through the integration of technology, industry and producers and consumers, promoting the improvement of production efficiency and the optimization of economic structure[13]. Therefore, the digital economy is not only the result of the expansion and widespread use of information and communication technology, but also a new business form. behind agriculture and industry, and also new energy to promote economic development. The concept of digital marketing is shown in Figure 1.

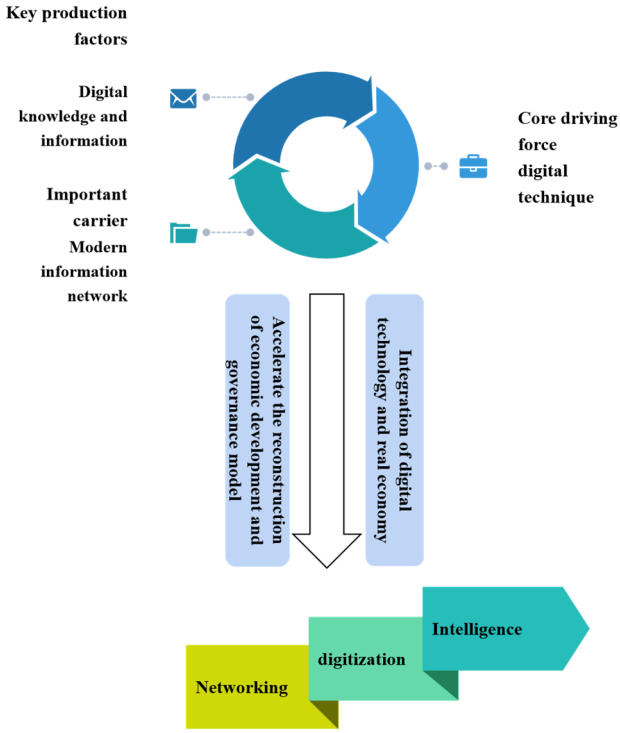



**Figure 1.** The concept of digital economy

### 2.3 The measurement system of digital economy

The digital economy has a pervasive impact on the economy and society, not only changing the long-term trend and overall pattern of economic development at the macro level, but also profoundly changing the production and life style of each individual at the micro level. The construction of a measurement system for the digital economy and further analysis of its impact are essential for understanding the overall economic situation. However, in contrast to the booming digital economy, the development of digital economy accounting is still in its infancy, and there are significant differences in the systems of digital economy measurement indicators among countries[14].

## 3. The mechanism of the digital economy leading the high-quality economic development

Now, China is in an important period of changing the development mode, improving the old economic structure and changing the growth momentum. The economy transitions from the stage of

growth to the stage of high performance. See Figure 2 for the process of good business development [15].

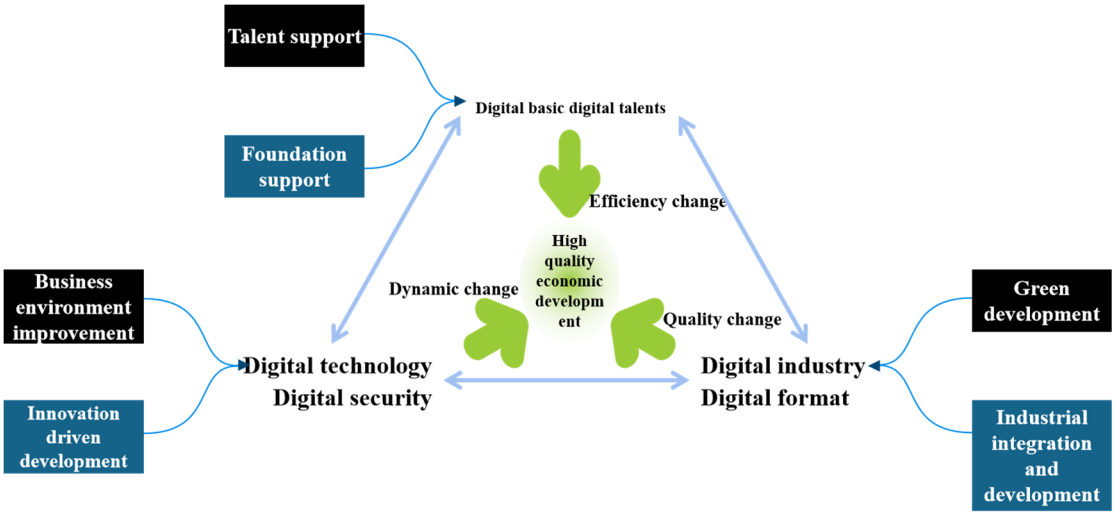



**Figure 2.** The process of high-quality economic development

The important direction of economic and social development in the new era is coordinated development, balanced growth and sharing for all, and the generation and development of digital economy provides an important opportunity for the realization of these goals. On the one hand, the emergence and application of digital economy (finance) platforms have significantly changed the convenience and accessibility of economic and financial services, and effectively improved the inclusiveness of economic and financial development. Specifically, the digital economy (finance) not only makes financial services available to groups that would otherwise be unable or inconvenienced to access the financial market by means of the increasingly popular Internet and mobile terminals, but also relies on the daily use of the digital economy platform's functions of payment, purchase and payment in the lives of residents, which not only provides credit records for residents, but also can serve as an important basis for the digital platform's lending audit, fully alleviating the financial exclusion from the lending constraints of the outside group[16]. On the other hand, the digital economy has greatly reduced the difficulty of cross-regional transactions, largely compensated for the regional disadvantage of economic development, blurred the spatial boundaries of economic development, and played an important role in narrowing the income gap between regions, cities, and urban and rural areas. In addition, the development of digital economy is also characterized by faster development in less developed regions, which plays a more important role in raising household income, especially the income of low-income groups, thus effectively promoting inclusive economic growth and sustainable development[17]. The above analysis shows that the digital economy leads the high-quality development of the economy through three levels: micro factors, meso structure and macro balance, and its mechanism is shown in Figure 3.

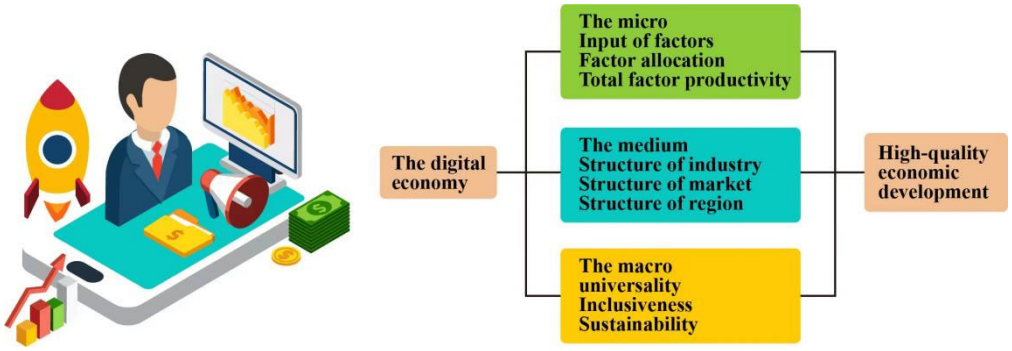



**Figure 3.** Mechanism of the digital economy leading to high-quality economic development

### 3.1 Financial support for the manufacturing industry can more effectively promote the rapid development of the real economy

Only by combining the financial industry with the real economy using a scientifically appropriate approach can the stable development of the real economy be more deeply promoted. Based on the strengths and weaknesses of our financial information, the selection enables to accurately grasp the development cycles and prospects of each industry. Finance can accurately identify the important technologies of these manufacturing companies, and it also minimizes the risk of financing innovation. Finance can allocate resources to companies with a high potential for market development and determine the market position and market prospects based on manufacturing operations[18].

### 3.2 Financial support for the manufacturing industry can enable effective risk control and management

Certain risk pressures do not threaten the stability of the financial system, and the specific ways to achieve and reduce financial risk are as follows. If it is the premise that the relevant credit risk is borne by the enterprise as the main participant in the market, then the financial system of the enterprise itself can absorb the credit risk. In other words, if a firm assumes the potential risk, then not only is finance unaffected, but stable operations improve financial contracts, exclude firms in the quality market, and reduce the likelihood of risk occurring under the underlying causes[19].

In addition, the financial system can absorb and resist risks in its own system. Each financial institution in the system will always use its corporate issuance to monitor the risk profile in the market after issuance, so that firms can repair and manage the weaknesses of their R&D products and the risks arising from their institutional operations, increase their own capital ratios, and reduce the ratio of high-risk operations. Then, a series of dynamic management measures for risk within the organization are implemented. Finally, if a firm experiences financial risks and certain financial losses, then the risk reserve reserves and loans available in the back-up system of the financial system can cover part of the financial losses.

### 3.3 Finance can innovate products

The modern financial system is an innovative and dynamic system centered on the innovation of financial products and the financial system. This innovation is implemented in at least two ways. First, changes in the real economy and market demand can help people to independently innovate and optimize products in the financial system. Second, if fluctuations in the financial and economic system bring significant financial risks to the financial system, we can respond in a timely manner to the work of innovation related to financial products and the financial system and continuously improve risk management. And in the manufacturing industry, the financial industry is developing innovative products (such as financial credit insurance) and addressing the quality development and liquidity issues that arise in the manufacturing process. Credit risk issues and risk aspects play an important supporting role.

## 4. Suggestions for Financial Support for High-quality Development of Manufacturing Industry

### 4.1 Tapping into the role of market mechanisms to promote a new model of digital manufacturing

According to the continuous deepening of enterprise reform, we should maximize the role of market enterprise mechanism, accelerate enterprise digital manufacturing, develop new business models, and deepen enterprise reform, maximize the role of market mechanism, from differentiated selection types to universal function types. We should give full play to the role of financial market resource allocation in the transformation of industrial policies, the screening and cultivation mechanism of digital emerging industries and new information technology companies. Relevant

R&D institutions in some developed countries are establishing professional government guidance fund systems so as to be able to utilize the digital economy and the Belt and Road Initiative, to establish cross-border cooperation and information technology exports, and to expand the digital development and digital manufacturing space (Figure 4).

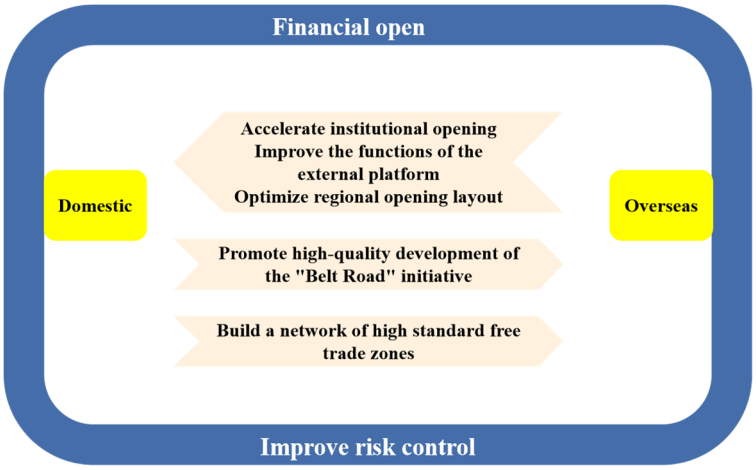



**Figure 4.** The implementation process

### 4.2 Accelerating the construction of new infrastructure and reserving strategic underlying foundation

First, we should strengthen financial investments in strategic emerging industry infrastructure with knowledge and technology reserves, and enhance their innovation capabilities and digital applications through the industry chain. Second, we should integrate the "new infrastructure" to consolidate the smart transformation of power grids, water networks and transport networks to create a national strategy for fast-moving ubiquitous security. Third, we should use new infrastructures to unify industry databases to enhance the high penetration of productive and digital goods, changing the main role of solution providers in the integrated service system of enterprises and driving innovation in productive services[20].

### 4.3 Actively encouraging financial reform to support the transformation and upgrading of high-tech manufacturing industries

From the perspective of financial regulation, overall financial innovation should be encouraged in the process of supervision and management of macro and micro soundness. Banks encourage the conversion of existing credit information into credit products. Financial support for the development of high-tech manufacturing industries is also necessary to manage the exposure of manufacturing industries through the introduction of liquidity. In the area of industrial insurance, the promotion of new insurance products is being developed by the insurance industry to prevent capital chain risks arising from the use of funds for manufacturing changes and upgrades. Other parties, such as trusts, are actively creating various financial products to facilitate the transformation and upgrading of high-tech manufacturing.

### 4.4 Introducing special manufacturing investment incentive policies

The transformation and high-quality development of manufacturing industry needs comprehensive, systematic and accurate support from the financial industry. Meanwhile, the establishment of venture capital projects for high-end manufacturing or private equity projects under the supervision of our Securities Regulatory Commission is encouraged, and high-tech manufacturing companies with core competencies are encouraged to be listed on the main board. At the same time, it is necessary to establish and improve the credit rating system in the capital bond market to reliably solve the credit guarantee difficulties and debt expansion problems of private manufacturing industries.

## 5. Conclusion

Enterprises are encouraged to use the financial industry to implement financial innovation in the manufacturing industry. Scientifically combining the development characteristics of our country's manufacturing industry, financial innovation products are used to simplify risk distribution. The financial market should directly invest in the manufacturing industry through traditional financial instruments such as the stock and bond class, so as to expand the financial channels of the manufacturing industry and encourage enterprises to obtain certain financial support. Therefore, the financial industry can provide a more solid and stable foundation for the development of the manufacturing industry, and it can also provide a relatively stable transition environment for manufacturing innovation.

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