



Chapter 2

Compilation of National Policies and Progress in Development

- (1) The high-quality development of inclusive finance in China
- (2) Advancing "Five Major Financing Tasks"—inclusive finance

(1) The high-quality development of inclusive finance in China

China's inclusive finance policy framework has undergone structural refinement, evolving into a three-dimensional framework encompassing top-level strategic design, implementation by ministries and agencies, and execution by local governments and financial institutions, ultimately ensuring that services reach target end-user groups. Policy orientation has shifted from lenient to more disciplined, transitioning from broad-based "flood irrigation" to more precise, targeted support. The approach to financial innovation has become increasingly sophisticated, with greater emphasis on balancing innovation with effective control of systemic financial risks.

In November 2013, to implement the strategic plan set forth at the 18th National Congress of the CPC on comprehensively deepening reform, the Third Plenary Session of the 18th CPC Central Committee deliberated on and adopted the *Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning Comprehensively Deepening Reform*³, which first proposed the development of inclusive finance. It called for efforts to improve the financial market

system, allow qualified private capital to legally establish small and medium-sized banks and other financial institutions, encourage financial innovation to enrich the structure and diversity of financial markets, accelerate the market-based reform of interest rates, and establish a deposit insurance system. At the same time, it also emphasized the need to promote the equal exchange of production factors between urban and rural areas and the balanced allocation of public resources. It is required that rural deposits collected by financial institutions be directed primarily toward supporting agriculture and rural development.

In 2016, the *Plan for Promoting the Development of Inclusive Finance (2016-2020)*⁴, issued by the State Council, for the first time established inclusive finance as a national strategic priority. It identified small and micro enterprises, farmers, and low-income urban populations as key service groups, and proposed three core objectives: "coverage, accessibility, and satisfaction." Policies during this period were marked by the expansion of physical banking outlets and the enhancement of basic financial service coverage. These efforts increased the coverage rate of township-level banking

3. Source: Central People's Government of the People's Republic of China | Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning Comprehensively Deepening Reform, https://www.gov.cn/zhengce/2013-11/15/content_5407874.htm.

4. Source: Central People's Government of the People's Republic of China | Implementation Opinions on Promoting the High-quality Development of Inclusive Finance, https://www.gov.cn/gongbao/2023/issue_10786/202310/content_6912660.html.

outlets from 95.6% in 2015 to 97.9% in 2020, thus fulfilling the objective of "a financial institution in every township and financial services in every village."

During the "14th Five-Year Plan" period, policy focus shifted toward digital transformation and high-quality development. The *14th Five-Year National Informatization Plan* introduced the "Digital Inclusive Financial Services Initiative," with goals to "achieve notable progress in the digital transformation in the financial industry by 2023, with more advanced service models, a richer supply of financial products, and broader service coverage; by 2025, establish an advanced, robust, and resilient infrastructure service system, achieve initial progress in digitalization and intelligent transformation in the financial industry, significantly enhance financial inclusiveness and the ability to serve the real economy, develop a regulatory framework adapted to fintech, and provide comprehensive financial support for the new development pattern."

In September 2016, the Ministry of Finance formulated the *Administrative Measures for Special Funds for Inclusive Finance Development* to implement the *Plan for Promoting the Development of Inclusive Finance (2016-2020)* adopted by the CPC Central Committee and the State Council.

The aim was to strongly support the development of inclusive finance, accelerate the establishment of an inclusive financial service and support system suited to the goals of building a moderately prosperous society in all respects, strengthen the management of special funds for inclusive finance development, and enhance the efficiency of fiscal fund utilization. The measures were revised in September 2019 and again in September 2023. Through mechanisms such as fiscal incentives, subsidies, and risk compensation, the policy supports initiatives including guaranteed loans for entrepreneurship and the development of inclusive finance demonstration zones.

In October 2023, the State Council issued the *Implementation Opinions on Promoting the High-quality Development of Inclusive Finance*⁶, further establishing a metaphorical "three-dimensional, four-pillar" policy framework. The "three dimensions" refer to the universal availability of basic financial services, improved access to financing in key areas, and strengthened financial consumer protection. The "four pillars" consist of institutional systems, product innovation, infrastructure, and regulatory mechanisms. As of the end of February 2025, the outstanding balance of inclusive loans to

5. Source: People's Daily Online | National Financial Regulatory Administration: Inclusive Loans to Small and Micro Enterprises Total 33.9 Trillion Yuan as of End-February.

6. Source: Central People's Government of the People's Republic of China | Implementation Opinions on Promoting the High-quality Development of Inclusive Finance, https://www.gov.cn/gongbao/2023/issue_10786/202310/content_6912660.html.

small and micro enterprises reached RMB 33.9 trillion, representing a year-on-year growth of 12.6%, 5.7 percentage points higher than the overall loan growth rate. Among them, credit loans accounted for RMB 9.4 trillion, up 25.8% year-on-year. The share of credit loans in total inclusive loans to small and micro enterprises rose to 27.6%, an increase of 2.9 percentage points compared with the same period last year⁷, reflecting the continued release of policy dividends.

Over the past decade, China has made noteworthy achievements in developing inclusive finance. First, the accessibility of basic financial services has improved significantly, with bank account ownership reaching 90%, approaching the level of high-income countries. A near-complete physical service network now ensures that even farmers in remote rural areas have access to basic financial services. Second, amid the

growing adoption of digital technologies, the credit market saw the emergence of new institutions, business models, and tools, enabling groups traditionally excluded by conventional financial institutions to access credit. Meanwhile, traditional financial institutions have continued to enhance their support for key sectors such as small and micro enterprises and the "three rurals" (agriculture, rural areas, and rural residents), with large state-owned banks gradually becoming the main force in the inclusive credit market for small and micro enterprises. In addition, the legal and regulatory framework for inclusive finance has been further improved, and a government-backed financing guarantee system has been largely established. Looking ahead, China's inclusive finance sector will enter a new stage of high-quality development.

7.Source: People's Daily Online | National Financial Regulatory Administration: Inclusive Loans to Small and Micro Enterprises Total 33.9 Trillion Yuan as of End-February.

(2) Advancing "Five Major Financing Tasks"—inclusive finance

In October 2023, at the Central Financial Work Conference, General Secretary Xi Jinping emphasized the need to foster a sound monetary and financial environment and to provide high-quality financial services for major national strategies, key areas, and weak links. He called for advancing the development of the "five major financial tasks"—sci-tech finance, green finance, inclusive finance, pension finance, and digital finance." This statement elevated these five areas to the level of national strategic priorities.

In May 2024, to thoroughly implement the Central Financial Work Conference's strategic deployment on advancing the "five major financial tasks"—sci-tech finance, green finance, inclusive finance, pension finance, and digital finance—the State Financial Supervision and Administration Bureau, under the overall coordination of the Central Financial Commission and with a focus on developing new quality productive forces, issued the *Guiding Opinions on the Banking and Insurance Industries for Advancing the "Five Major Financial Tasks"*⁸. The document aims to translate strategic goals into concrete actions and enhance the quality and effectiveness of financial services for the real economy. For inclusive finance,

the primary objective is to "basically establish a high-quality inclusive financial system and help achieve new progress in common prosperity." This includes continuous improvement of the inclusive financial service system, the consolidation and refinement of the inclusive credit system, and the gradual development of an inclusive insurance system. The guidance emphasizes the need to address key pain points and difficulties in inclusive financial services. Banking and insurance institutions are required to fairly treat enterprises of all ownership types and to intensify financial support for private enterprises, small and micro enterprises, and self-employed individuals. They are encouraged to develop tailored products and services for small and micro enterprises and self-employed individuals, and to increase the supply of first-time loans, renewal loans, credit-based loans, and medium- to long-term loans. Financial institutions should actively support comprehensive rural revitalization, with enhanced financing for high-standard farmland, seed industry revitalization, industrial development, and agricultural infrastructure projects. The supply of inclusive insurance products should be expanded, while insurance application and

8. Central People's Government of the People's Republic of China | Guiding Opinions Issued by the State Financial Supervision and Administration Bureau on the Banking and Insurance Industries for Advancing the "Five Major Financial Tasks" (J. F. [2024] No. 11)

claim processes should be improved to ensure comprehensive coverage for key areas in inclusive finance. In response to the specific financing needs of agricultural-related entities, institutions are encouraged to explore diverse credit enhancement mechanisms and optimize financial products and service models for agriculture. The scope of full-cost insurance and crop income insurance policies should be expanded, and locally distinctive agricultural insurance products should be developed based on regional advantages. Efforts should also be made to consolidate and expand poverty alleviation achievements, maintain consistent financial support, and enhance the quality and efficiency of financial services for specific groups.

In March 2025, the General Office of the State Council issued the *Guiding Opinions on Advancing the "Five Major Financial Tasks"*⁹, calling for the development of a multi-tiered, broad-based, and sustainable inclusive financial system. The guidance emphasizes the need to strengthen the

institutional architecture of inclusive finance across multiple levels and to improve the supply of products and services in key inclusive finance areas. It supports enhancing financial service capabilities for small, medium, and micro enterprises, including the continued advancement of initiatives such as the "Credit-Easy Loan" and the "One Chain, One Policy, One Batch" financing promotion program. The goal is to expand the volume, coverage, and quality of inclusive lending to small and micro enterprises. It calls for improving policy and institutional frameworks to support financing for private enterprises, enhancing rural revitalization financial services, safeguarding national food security, and consolidating and building on the achievements of poverty alleviation. It also urges increased financial support for the employment and education needs of specific groups, including persons with disabilities, retired military personnel, new urban residents, and economically disadvantaged college students. The document also advocates for active participation in the global governance of inclusive finance.

9. Central People's Government of the People's Republic of China | Guiding Opinions of the General Office of the State Council on Advancing the "Five Major Financial Tasks" (G. B. F. [2025] No. 8)