

## Financial inclusion and regional growth in China: panel data analysis

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China recently declared the readiness to launch the digital currency and started to prepare the financial infrastructure to reach the best results in the shortest time. Actually during the Olympic Games the pilot projects with digital yuan (e-CNY) was already launched and some lessons learned.

Government do understand that it would give the great competitive advantage in the whole world in terms of transactions' conditions and facilities. The main goal is to make the economic agents use e-CNY in daily transaction, to increase the financial inclusion. It is too complicated to evaluate the role of e-CNY for the economic growth and we made the attempt to evaluate its role in the indirect way - to estimate the role of financial inclusion's indicator on the Gross regional product, demonstrates its significant role for Chinese Provinces.

We made the assumption that e-CNY will be interesting to use first of all for those who are already involved in the financial market - who have already had WeChat or Alipay apps and accounts. Unfortunately there is no possibility to find the exact data, so we try to use one that reflects the same tendency for us. So as for indicators of financial inclusion we use data from World Bank, such as - account ownership at the financial institutions or with a mobile-phone service provider for young adults and for older adults (25+). There is data only for 2011, 2014, 2017 and 2021 yy., so we decided to make the panel data analysis only for these years.

We decided to use the basic economic growth model (Solow and Romer's ones) and included the indicators of financial inclusion. To understand the role of financial inclusion for the economic growth we used data from National Bureau of Statistics of China, such as - growth regional product, population, investment (investment in fixed assets, excluding Rural Households), expenditure on RD. As a result we will provide the empirical evidence about the role of financial inclusion for economic growth in Chinese provinces. There is the opinion that financial inclusion may not give any effect in case there is no enough level of financial literacy or there is any imperfection in financial markets' - it could give the advantage only to those households that have already had the access to the financial markets. From another point of view - financial inclusion could create new opportunities for getting new skills, education and so on with the additional access to financial resources, and increase the economic growth as a result. Based on econometrics we uses it will be possible to make our own reliable conclusions for Chinese provinces.