

The Empowering Role of Inclusive Finance for Small and Micro Enterprises: A Case Study of Jining City's Experiences

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Abstract: This paper investigates the empowering role of inclusive finance for small and micro enterprises (SMEs) in Jining City, Shandong Province, China. In the context of globalization and economic development, SMEs are pivotal to job creation, innovation, and social stability. However, they often face challenges in accessing affordable financing. The study explores the impact of inclusive finance on reducing financing costs, expanding financing channels, and enhancing risk management capabilities for SMEs in Jining City. Through policy analysis, case studies, and a review of financial practices, the paper identifies key factors contributing to the successful empowerment of SMEs through inclusive finance. The findings suggest that government policies, financial innovation, and risk management education significantly influence the development of SMEs. The paper concludes with recommendations for policymakers, financial institutions, and SMEs to further optimize financial resource allocation and promote sustainable economic growth.

Keywords: Inclusive Finance; Small and Micro Enterprises; Empowerment; Financing Costs; Risk Management; Jining City

1 Introduction

1.1 Research Background

In today's globalized economic environment, small and micro enterprises (SMEs) serve as a vital source of economic vitality, playing an irreplaceable role in promoting employment, innovation, and social stability. However, due to reasons such as small scale, insufficient collateral, and incomplete credit records, SMEs generally face the problem of difficult and expensive financing. Inclusive finance, as a concept and practice aimed at providing reasonable financial services to all economic entities, has received widespread attention in recent years. It provides more development opportunities for SMEs by innovating financial products and services, reducing service thresholds, and improving the accessibility and affordability of financial services.

The Chinese government attaches great importance to the development of SMEs and has introduced a series of policy measures to promote financial resources to be inclined towards SMEs. Jining City, as one of the important cities in Shandong Province, has a rich group of SMEs, which play an important role in promoting local economic development and social employment. However, SMEs in Jining City also face many challenges in the financing process. Therefore, studying how inclusive finance empowers SMEs in Jining City is of great theoretical and practical significance for solving the financing problems of SMEs and promoting local economic development.

1.2 Research Purpose and Significance

This study aims to deeply analyze the practice of inclusive finance in Jining City and explore its role in empowering the development of SMEs. Through specific case analysis, this study will reveal how inclusive finance helps SMEs reduce financing costs, expand financing channels, and enhance risk management capabilities, and how these factors jointly promote the healthy growth of SMEs and the prosperity of the local economy. The purpose of the study is to provide useful references and insights

for policymakers, financial institutions, and SMEs to optimize the allocation of financial resources and promote sustainable economic development.

2 Theoretical Framework and Literature Review

2.1 Inclusive Finance Theory

2.1.1 Definition and Core Principles

Inclusive finance is a concept aimed at providing comprehensive and affordable financial services to all members of society, especially those groups that traditional financial services do not cover. Its core principles include accessibility, affordability, appropriateness, and sustainability. Accessibility emphasizes the popularization of financial services to ensure that everyone can access basic financial services; affordability focuses on the cost of services to ensure that service prices are reasonable for all users; appropriateness means that financial products and services should meet the actual needs of users; sustainability requires that financial services are economically feasible and can be provided over the long term.

2.1.2 Theoretical Models

The theoretical models of inclusive finance are mainly based on the following aspects:

Demand-side model: Analyzing the demand for financial services, including savings, credit, insurance, and payment services.

Supply-side model: Studying how financial institutions meet these demands through innovation and optimization of services.

Market failure model: Discussing the limitations of market mechanisms in providing financial services, especially for low-income and marginalized groups.

2.1.3 Policy and Practice

When promoting inclusive finance, policymakers and financial institutions usually take the following measures:

Policy support: Providing policy support and incentives for inclusive finance through legislation and regulation. Financial product innovation: Developing financial products suitable for different user groups, such as microloans, savings products, and insurance products. Financial education: Raising the financial literacy level of the public and enhancing their understanding and use of financial services.

2.2 SME Financing Theory

2.2.1 Credit Rationing Theory

Credit rationing theory believes that under the condition of limited funds, banks will allocate credit resources according to the credit risk of borrowers. SMEs, due to the lack of collateral and credit records, are often at a disadvantage in credit rationing. This theory emphasizes the trade-offs and choices of banks in credit decision-making.

2.2.2 Information Asymmetry Theory

Information asymmetry refers to the inequality of information between borrowers and lenders. SMEs, due to their small size and insufficient information disclosure, often face information asymmetry issues. This leads to difficulties for banks in assessing credit risks, increasing the difficulty of financing for SMEs.

2.2.3 Relationship Lending Theory

Relationship lending theory emphasizes the establishment of long-term and stable cooperative relationships between banks and enterprises, overcoming information asymmetry issues through repeated transactions. This relationship helps banks better understand the operating conditions and credit status of enterprises, thereby reducing credit risks.

2.2.4 Financing Gap Theory

Financing gap theory points out that SMEs often face a gap between capital demand and financing capacity during their growth process. This gap not only affects the operation and development of enterprises but may also cause enterprises to miss development opportunities.

2.3 The Relationship Between Inclusive Finance and SME Development

2.3.1 Expansion of Financing Channels

Inclusive finance helps SMEs obtain a wider range of financing channels by providing a variety of financial products and services. For example, innovative models such as microloans, supply chain finance, and internet finance provide financing options beyond traditional bank credit for SMEs.

2.3.2 Reduction of Financing Costs

Inclusive finance helps to reduce the financing costs of SMEs through competition and technological innovation. For example, financial institutions can reduce operating costs by using online platforms and automated approval processes, thus providing lower-cost loan products.

2.3.3 Enhancement of Risk Management Capabilities

Financial education and consulting services of inclusive finance help SMEs improve their risk management capabilities. Through financial knowledge training and risk assessment tools, SMEs can better identify and manage operational risks, enhancing

their own anti-risk capabilities.

2.3.4 Enhancement of Innovation and Competitiveness

SMEs that obtain financial support are more capable of technological innovation and market expansion, thereby enhancing competitiveness. Financing not only provides enterprises with necessary financial support but also helps enterprises acquire new knowledge and technology, promoting enterprise innovation and upgrading.

2.3.5 Challenges and Countermeasures

Although inclusive finance provides many benefits to SMEs, it also faces some challenges in practice. For example, the sustainability of financial products and services, the risk management capabilities of financial institutions, and the support of the policy environment, etc. To overcome these challenges, it is necessary for policymakers, financial institutions, and SMEs to work together to optimize the financial policy environment and improve the quality and efficiency of financial services.

3 Jining City's Economy and SME Overview

3.1 Economic Background of Jining City

Economic Development Overview: Jining City is located in the central southern part of Shandong Province and is one of the important cities in Shandong Province. In recent years, the economy of Jining City has continued to develop healthily, with steady GDP growth. As an economic stronghold of Shandong Province, Jining City has achieved significant accomplishments in various fields such as agriculture, industry, and services. In terms of agriculture, Jining City is an important grain production base with abundant agricultural product resources. In terms of industry, Jining City has a comprehensive industrial system, especially in equipment manufacturing, chemical industry, building materials, and other fields with strong competitiveness. In terms of services, with the continuous optimization of the economic structure, the proportion of the service industry in Jining City's economy has been increasing year by year, becoming an important force in promoting economic growth.

Industrial Structure Characteristics: The industrial structure of Jining City is characterized by diversification. The primary industry is mainly agriculture, the secondary industry is mainly industry, and the tertiary industry covers various fields such as finance, education, healthcare, tourism, etc. In recent years, the Jining City government has actively promoted the adjustment of the industrial structure, vigorously developing high-tech industries and modern services, striving to achieve high-quality economic development. The optimization and upgrading of the industrial structure have provided a broad space and opportunities for the development of SMEs.

Policy Environment: The Jining City government places great importance on economic development and has introduced a series of policy measures to promote economic growth and structural adjustment. In the financial sector, the government encourages financial institutions to provide more financial services to SMEs through policies such as tax incentives, financial subsidies, and credit support. At the same time, the government also actively promotes innovation and entrepreneurship, providing policy support and resource docking for SMEs, creating a favorable development environment.

Regional Economic Development: Jining City has multiple districts and counties under its jurisdiction, and there are certain differences in the level of economic development and industrial structure among them. Some districts and counties have strong advantages in specific industrial fields, such as some showing outstanding performance in agriculture and tourism, while others are competitive in industry and high-tech industries. This diversity in regional economic development provides a variety of development opportunities and choices for SMEs.

3.2 Current Status of SMEs

Number and Distribution: There are numerous SMEs in Jining City, covering various industries and fields. These enterprises play an important role in promoting employment, increasing tax revenue, and driving innovation. The distribution of SMEs in Jining City is relatively extensive, with some concentrated in the central urban areas and others distributed in the suburbs and rural areas. There are also differences in the level of development and industrial structure of SMEs in different regions.

Industry Characteristics: SMEs in Jining City are mainly concentrated in the fields of manufacturing, wholesale and retail, catering, agriculture, and agricultural product processing. These industries are closely related to the economic development and industrial structure of Jining City. Manufacturing SMEs play an important role in providing employment opportunities and promoting technological innovation. Wholesale and retail SMEs have significant advantages in promoting the circulation of goods and meeting the consumption needs of residents. Catering SMEs provide a rich variety of catering services for residents and promote the development of the local economy.

Financing Situation: SMEs face many challenges in financing. Due to reasons such as small scale, lack of transparency, and lack of collateral, SMEs find it difficult to obtain sufficient financial support from traditional financial institutions. At the same time, high financing costs and single financing channels also limit the development of SMEs. Nevertheless, with the development of inclusive finance, the financing situation of SMEs has improved to some extent. Some innovative financial products and services, such as microloans and supply chain finance, provide more financing options for SMEs.

Development Challenges: Although SMEs in Jining City play an important role in economic development, they also face some development challenges. For example, market competition is becoming increasingly fierce, and enterprises need to continuously improve their competitiveness; the demand for technological innovation and transformation is increasing, and enterprises need to increase investment in research and development and talent cultivation; changes in the policy and market environment also bring uncertainty to the operation and development of enterprises.

Policy Support: In order to promote the development of SMEs, the Jining City government has introduced a series of policy measures. These policies include providing tax incentives, financial subsidies, credit support, etc., aiming to reduce the operating costs of enterprises and enhance their market competitiveness. At the same time, the government also actively promotes innovation and entrepreneurship, providing policy support and resource docking for SMEs, creating a favorable development environment.

4 Inclusive Financial Practices in Jining City

4.1 Policy Environment Analysis

The Jining municipal government has played a pivotal role in promoting the development of inclusive finance by formulating a series of policies and measures to optimize the financial ecosystem. The government's policy support is mainly reflected in the following aspects:

Tax Incentives: Providing tax relief for financial institutions to reduce their operational costs, thereby enabling small and micro enterprises to enjoy financial services at lower costs. **Financial Subsidies:** Offering financial subsidies for loans provided by financial institutions to small and micro enterprises, reducing the risk undertaken by financial institutions, and encouraging them to increase credit allocation to small and micro enterprises. **Credit Support:** Establishing government guidance funds and risk compensation funds to provide a risk-sharing mechanism for financial institutions, enhancing their ability to serve small and micro enterprises. **Policy Guidance:** Issuing relevant policy documents to clarify the direction and focus of financial institutions serving small and micro enterprises, guiding financial resources to tilt towards the real economy, especially small and micro enterprises.

4.2 Innovation in Financial Products and Services

Financial institutions in Jining City actively respond to the government's call and continuously innovate financial products and services to better meet the financing needs of small and micro enterprises:

Microloan Products: Introducing microloan products tailored for small and micro enterprises, which are typically characterized by a simple approval process and fast disbursement. **Supply Chain Finance:** Developing supply chain financial services, integrating information flow, logistics, and capital flow of upstream and downstream enterprises to provide financing support for small and micro enterprises within the supply chain. **Internet Financial Services:** Utilizing internet technology to provide online financing services, assessing enterprise credit through big data analysis to reduce service costs and improve service efficiency. **Customized Financial Solutions:** Providing customized financial solutions according to the industry characteristics and financing needs of different small and micro enterprises.

4.3 Exploration of Inclusive Financial Models

In the exploration of inclusive financial models, Jining City has made various attempts and innovations:

Cooperative Financial Model: Encouraging and supporting the development of small financial institutions such as rural credit cooperatives and village banks, utilizing their geographical advantages to provide more accessible financial services for small and micro enterprises. **Social Impact Finance:** Introducing social capital to participate in the financing of small and micro enterprises, achieving dual goals of economic and social benefits through social impact investment. **Application of Financial Technology:** Actively exploring the application of financial technologies such as blockchain and artificial intelligence in financial services to enhance the transparency and security of financial services. **Cross-industry Integration Model:** Promoting the integration of finance with industries such as e-commerce and logistics, providing comprehensive financial services for small and micro enterprises through cross-industry cooperation.

5 Empowerment Analysis of Inclusive Finance for Small and Micro Enterprises in Jining City

5.1 Impact on Financing Costs The impact of inclusive finance on the financing costs of small and micro enterprises in Jining City is mainly reflected in the following aspects:

Reducing Transaction Costs: Through online financial service platforms, small and micro enterprises can obtain loans and other financial services at lower costs, reducing intermediary fees and time costs in traditional financial services. **Improving Capital Utilization Efficiency:** Inclusive financial products are usually designed to be more flexible, allowing small and micro enterprises to borrow according to actual capital needs, avoiding the idleness and waste of funds. **Reducing Information Asymmetry:** By establishing credit assessment and information sharing mechanisms, financial institutions can more accurately assess the credit status of small and micro enterprises, reducing additional risk costs caused by information asymmetry.

5.2 Expansion of Financing Channels Inclusive finance provides a more diverse range of financing channels for small and micro enterprises in Jining City:

Alternatives to Traditional Bank Credit: Such as microloans, private lending, and supply chain finance-based financing methods, providing financing channels that are more in line with the characteristics of small and micro enterprises. **Internet Financial Platforms:** Utilizing new types of internet financial models such as P2P lending and crowdfunding, providing faster and more flexible financing channels for small and micro enterprises. **Government-Supported Financing Projects:** Various financing support projects launched by the government, such as entrepreneurial guarantee loans and tax reductions, provide additional financing sources for small and micro enterprises.

5.3 Enhancement of Risk Management Capabilities Inclusive finance also helps small and micro enterprises in Jining City to enhance their risk management capabilities:

Strengthening Risk Awareness: Through financial knowledge popularization and education, improving small and micro enterprises' understanding and prevention capabilities for market risks. **Providing Risk Management Tools:** Derivatives, insurance, and other risk management tools provided by financial institutions help small and micro enterprises hedge operational risks. **Establishing Risk Early Warning Mechanisms:** Using technical means such as big data analysis to establish risk assessment and early warning systems, enabling small and micro enterprises to detect and respond to potential risks in a timely manner.

6 Case Studies

6.1 Typical Small and Micro Enterprise Cases

Jining Pao Bao Cultural and Creative Industry Park Co., Ltd.

Jining Pao Bao Cultural and Creative Industry Park Co., Ltd. (Pao Bao Hui Zhi Entrepreneurship and Innovation Base) is one of the demonstration bases for small and micro enterprise entrepreneurship and innovation in Jining City in 2020. The company has promoted the development of small and micro enterprises by providing entrepreneurship and innovation services. Its success lies in establishing a comprehensive service system and functions, using modern information technology to innovate

services and operational models, enhancing service capabilities, and meeting the needs of small and micro enterprises for entrepreneurship and innovation.

Qufu Tiancheng E-commerce Co., Ltd.

Qufu Tiancheng E-commerce Co., Ltd.'s Kongfu Yin Pavilion Seal Carving E-commerce Base is also one of the demonstration bases for small and micro enterprise entrepreneurship and innovation in Jining City in 2020. The company provides small and micro enterprises with online sales and promotion opportunities through e-commerce platforms, helping them expand their markets and increase income.

Shandong Zhengfang Intelligent Robot Industry Development Co., Ltd.

Shandong Zhengfang Intelligent Robot Industry Development Co., Ltd.'s Jining City Robot Industry Park Entrepreneurship and Innovation Base promotes the development of high-tech small and micro enterprises by providing related entrepreneurship and innovation services. The company's success lies in its focus on small and micro enterprises in the high-tech field, providing professional services and support.

Jinxiang County Kaisheng Agricultural Development Co., Ltd.

Jinxiang County Kaisheng Agricultural Development Co., Ltd.'s Jinxiang Kaisheng International Small and Micro Enterprise Entrepreneurship and Innovation Base focuses on entrepreneurship and innovation in the agricultural field. The company helps agricultural small and micro enterprises enhance competitiveness and increase economic benefits by providing agricultural technology support and market promotion services.

Jining Yuanxiang Investment Co., Ltd.

Jining Yuanxiang Investment Co., Ltd.'s Jiexiang County Chemical Industry Park Technology Incubation Base provides a platform for entrepreneurship and innovation in the chemical field. The company helps chemical small and micro enterprises achieve technological innovation and market expansion by providing technology research and development and market promotion services.

Shandong Zhongmei Mining Material Group Co., Ltd.

Shandong Zhongmei Mining Material Group Co., Ltd.'s Jining City E-commerce Industry Park provides online sales and promotion opportunities for small and micro enterprises through e-commerce platforms. The company's success lies in providing comprehensive e-commerce solutions for small and micro enterprises, helping them gain an advantage in fierce market competition.

6.2 Policy Implementation Cases

Jining City "14th Five-Year" Financial Industry Development Plan

The Jining municipal government issued the "Jining City '14th Five-Year' Financial Industry Development Plan (2021-2025)", clarifying the overall goals and key tasks for the development of the financial industry. The plan emphasizes deepening the supply-side structural reform of finance, accelerating the construction of a modern financial service system, comprehensively enhancing the comprehensive competitiveness of finance, and better playing the supporting, driving, and service guarantee role of the financial industry.

Financial Support Policies for Small and Micro Enterprises

The Jining municipal government encourages financial institutions to provide more financial services to small and micro enterprises by providing tax incentives, financial subsidies, and credit support policies. For example, the municipal government has revised and improved the support policies for listing and listing, promoting enterprises to enter the capital market and enhance their

financing capabilities.

Financial Innovation and Service Models

The Jining municipal government actively promotes financial innovation and supports financial institutions in using the internet, big data, artificial intelligence, and other technologies to transform business processes, innovate financial products, and control internal risks. Through these measures, the capabilities and efficiency of financial institutions in serving small and micro enterprises have been improved.

Financial Consumer Rights Protection

The Jining municipal government has strengthened the protection of financial consumer rights, improved the coordination mechanism for protecting the rights of financial consumers, smoothed the channels for complaints and rights protection, established a diversified dispute resolution mechanism for financial consumption, and resolved financial consumption disputes in a timely and effective manner.

Green Finance and Science and Technology Finance

The Jining municipal government actively develops green finance and science and technology finance, supports financial institutions to establish green finance business departments or special branches, explores new types of financial business such as green bonds, green funds, and green credit asset securitization. At the same time, through risk compensation incentive mechanisms, it expands the scale of business such as technology achievement transformation loans and intellectual property pledge financing, leveraging banks to issue credit loans to technology enterprises.

7 Challenges and Suggestions for Countermeasures

7.1 Challenges Faced

Financing Difficulties Remain

Despite some progress in inclusive finance, the problem of financing difficulties for small and micro enterprises remains prominent. Due to their small scale, insufficient collateral, and incomplete credit records, small and micro enterprises find it difficult to obtain sufficient financial support from traditional financial institutions.

Insufficient Innovation in Financial Products and Services

Currently, the financial products and services provided by financial institutions are still relatively singular and fail to fully meet the diverse financing needs of small and micro enterprises. The lack of innovation in financial products makes it difficult for small and micro enterprises to find suitable financing channels.

Policy Implementation Needs to Be Improved

Although the government has introduced a series of policies to support the development of small and micro enterprises, the actual implementation of these policies varies. Some policies have not been effectively transformed into tangible benefits for small and micro enterprises, and the intensity and effectiveness of policy implementation need to be enhanced.

Lack of Risk Management Capabilities

Small and micro enterprises generally lack effective risk management mechanisms and capabilities, making it difficult for them to respond timely and effectively to market fluctuations and operational risks. This not only affects the stable development of small and micro enterprises but also increases the credit risks for financial institutions.

Limited Financial Knowledge Popularization

The level of financial knowledge popularization among owners and managers of small and micro enterprises is not high, and their understanding and recognition of financial products and services are limited. This restricts their ability to effectively utilize financial services for financing and risk management.

Intensified Market Competition

With the intensification of market competition, small and micro enterprises are facing increasing competitive pressures. Enterprises need to continuously improve their competitiveness, but this is difficult due to limitations in funds and resources.

7.2 Suggestions and Recommendations

Strengthen Policy Support and Implementation

The government should continue to introduce policies to support the development of small and micro enterprises and enhance the intensity of policy implementation. By providing tax incentives, financial subsidies, credit support, and other measures, reduce the financing costs of small and micro enterprises and enhance their financing capabilities.

Promote Innovation in Financial Products and Services

Financial institutions should develop more innovative financial products and services based on the actual needs of small and micro enterprises. For example, introduce microloans, supply chain finance, internet finance, and other products to provide more diverse financing options for small and micro enterprises.

Improve Transparency and Efficiency of Policy Implementation

The government should strengthen supervision and evaluation of policy implementation, improving the transparency and efficiency of policy execution. By establishing a policy implementation feedback mechanism, promptly understand problems in policy implementation and make adjustments and optimizations.

Enhance Risk Management Education and Training

The government and financial institutions should strengthen risk management education and training for owners and managers of small and micro enterprises, improving their risk awareness and management capabilities. By providing risk management tools and consulting services, help small and micro enterprises better cope with market risks.

Increase Financial Knowledge Popularization

The government and financial institutions should increase efforts to popularize financial knowledge, improving the level of financial knowledge among owners and managers of small and micro enterprises. Enhance their understanding and recognition of financial products and services, and improve their ability to utilize financial services.

Support Small and Micro Enterprises to Enhance Competitiveness

The government should support small and micro enterprises in enhancing competitiveness through technological innovation, management optimization, and other means. By providing technical support, talent training, market promotion, and other services, help small and micro enterprises gain an advantage in fierce market competition.

Optimize the Financial Regulatory Environment

The government should optimize the financial regulatory environment, strengthen supervision of financial institutions, and ensure their compliant operations. By establishing effective regulatory mechanisms, reduce financial risks and protect the legal rights and interests of small and micro enterprises and consumers.

Promote Integration of Finance and Industry

The government should promote deep integration of finance and industry, supporting financial institutions to establish long-term and stable cooperative relationships with small and micro enterprises. By supply chain finance, industrial chain finance, and other methods, provide more targeted financial services for small and micro enterprises.

Strengthen Regional Financial Cooperation

The government should strengthen regional financial cooperation and promote the optimal allocation of financial resources. By establishing regional financial cooperation mechanisms, promote the sharing of financial innovation policy information, and enhance the level and level of financial cooperation.

8 Conclusion and Research Outlook

8.1 Research Conclusions

The Empowerment Role of Inclusive Finance for Small and Micro Enterprises is Significant Through this study, we found that inclusive finance has played an important role in reducing the financing costs of small and micro enterprises, broadening financing channels, and enhancing risk management capabilities. The practical cases in Jining City demonstrate that through the innovation of financial products and services, small and micro enterprises can obtain more development opportunities and resources.

Policy Support is Key to the Development of Inclusive Finance Government policy support is crucial for the development of inclusive finance. The Jining municipal government has introduced a series of policy measures, such as tax incentives, financial subsidies, and credit support, providing a favorable development environment for small and micro enterprises and promoting the tilt of financial resources towards them.

Innovation in Financial Products and Services is an Important Way to Enhance the Financing Capability of Small and Micro Enterprises The efforts of financial institutions in product and service innovation have provided more diversified financing options for small and micro enterprises. Innovative models such as microloans, supply chain finance, and internet finance have effectively addressed the financing difficulties of small and micro enterprises.

Enhancing Risk Management Capabilities is Crucial for the Stable Development of Small and Micro Enterprises Small and micro enterprises generally lack effective risk management mechanisms and capabilities. Strengthening risk management education and training, and providing risk management tools and consulting services can help small and micro enterprises better cope with market risks and achieve stable development.

Financial Knowledge Popularization has a Positive Impact on the Financing and Risk Management of Small and Micro Enterprises The level of financial knowledge popularization among owners and

managers of small and micro enterprises is not high, which limits their ability to effectively use financial services for financing and risk management. Increasing efforts to popularize financial knowledge can enhance the financial literacy of small and micro enterprises and strengthen their ability to utilize financial services.

Intensified Market Competition Poses Higher Requirements for Small and Micro Enterprises With the intensification of market competition, small and micro enterprises are facing increasingly fierce competitive pressures. Enterprises need to continuously improve their competitiveness, and enhance their market competitiveness through technological innovation and management optimization.

8.2 Research Limitations and Future Directions

Research Limitations This study is mainly based on case analysis in Jining City and may have certain regional limitations. Future research can consider expanding the scope of the study to cover more regions and cities to obtain a more comprehensive perspective. In addition, this study mainly relies on existing literature and policy documents, and the in-depth understanding of the actual operation and financing situation of small and micro enterprises may not be sufficient.

Future Research Directions

Deepen the Theoretical and Practical Research of Inclusive Finance: Future research can further explore the application effects of inclusive finance in different regions and types of small and micro enterprises, and analyze its adaptability and feasibility in different economic environments. **Strengthen the Matching Research between Financial Innovation and the Needs of Small and Micro Enterprises:** Research how financial institutions can better develop and provide suitable financial products and services according to the actual needs of small and micro enterprises. **Enhance the Risk Management Capabilities of Small and Micro Enterprises:** Future research can explore how to improve the risk management capabilities of small and micro enterprises through education, training, and technical support, helping them better cope with market risks. **Expand the Coverage of Financial Knowledge Popularization:** Research how to improve the level of financial knowledge among owners and managers of small and micro enterprises through various channels and methods, and enhance their ability to utilize financial services. **Explore the Impact of Market Competition on the Development of Small and Micro Enterprises:** Research the impact of intensified market competition on the development of small and micro enterprises, and explore how they can gain advantages and enhance competitiveness in fierce market competition. **Strengthen Regional Financial Cooperation:** Research how to optimize the allocation of financial resources and promote the sharing of financial innovation policy information through regional financial cooperation, and enhance the level and level of financial cooperation.

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