

The Development of Digital Finance and Common Prosperity from the Perspective of “Optimal Financial Structure”

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Abstract

The integration of urban and rural development is the only way to achieve rural revitalization. How to use digital financial development to achieve common prosperity is worthy of in-depth discussion. Based on the perspective of "optimal financial structure", this paper examines the impact and mechanism of digital finance development on common prosperity. The results show that: First, the development of digital finance is conducive to promoting common prosperity. There is an "inverted U" relationship between the financial structure and the common prosperity, which proves that there exists an "optimal financial structure". Second, digital finance plays a significant role in improving the level of financial marketization to promote common prosperity. Third, the impact of digital finance development on common prosperity has regional heterogeneity and phased differences. Based on this, this paper provides suggestions on how to optimize the financial structure, realizing the basic functions of the financial system effectively, and thus promoting inclusive economic growth.

Keywords: Digital Finance, Optimal Financial Structure, Financial Marketization, Common Prosperity