



Financial inclusion in China: Deepening high-level financial inclusion for foreigners in China

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Abstract

There have been researches on Financial Inclusion in China; however, not much has been researched on Financial Inclusion indicators for foreigners in China. Based on the 2014 Global Findex Database report, the paper analyses the determinants of Financial Inclusion in China in general and touches on some reasons for those outcomes.

Also, researchers determine financial inclusion indicators and depth for foreigners in China. Questionnaires on Financial Inclusion indicators and individual characteristics are administered to foreigners in China and observe that foreigners mainly have access to essential banking services as a transaction account from their banks. Mostly, foreigners are satisfied with their bank's services; however, they feel limited in acquiring sophisticated banking services except for primary use.

Observation is made that Wechat and Alipay Payment Services remain the most accessed and used financial services platform, providing the most depth financial access and usage without limitation for foreigners in China; hence foreigners rely mostly on the two services traditional bank for their financial transactions.

Keywords: financial inclusion, financial institutions, government policy and regulation, financial markets, economics of minorities, races, indigenous peoples and immigrants, regulation and business law

1. Introduction

China has seen some rapid development and economic growth, coupled with reducing its citizens' poverty over the last decade. Data reveal that within the previous two decades, China has consistently taken its people out of poverty. MasterCard (2014) ^[1] observed that since 1980, where two-thirds of Chines lived below the poverty line of less than \$1 a day, fast-forwarded to 2010, conservatively more than 680 million people have been taken out of poverty. This cut its poverty rate from 84% in 1980 to below 10% in 2014. China alone accounts for around three-quarters of the world's total decline in extreme poverty over the past 30 years. China's dramatic development efforts have come with its challenges: Thus, the opportunities created have led to income inequality. Other issues of concern are the repercussions that include inequalities in opportunities for all.

Deepening Financial Inclusion for all is, therefore, an important economic policy that China has to abreast, and fair enough, the nation's policymakers are right on with such policies over the years. In the simplest form, financial inclusion means the use of formal financial services. Fungáčová & Weill (2014) ^[2] define Financial Inclusion as access to and use of financial services. How people get access to and being able to use financial services determines how financially included they are. Hannig & Jansen, (2010) ^[3] also ascribe to the definition earlier that access to and use of financial services is Financial Inclusion, the lack of it meaning one is financially excluded. In its primary sense, it means having an account at a formal institution or recently, having ownership of a mobile money account. This is the first step to a whole range of financial services that make one financially included.

Countries and institutions are aggregating global efforts for financial. Demirgüç-Kunt & Levine (2008) ^[5] noted that this is mostly because access to and use of a broad range of

financial services have been linked to the financial well-being of individuals and the economic growth stability of nations.

The World Bank, together with funding from the Bill & Melinda Gates Foundation started since 2011, data on financial inclusion for nations. It followed with the 2014 database research and coming out with the 2017 database research. The database has consistently been published by the group every three years since 2011. The Global Findex database responds to securing credible data on financial inclusion to enable and foster further research and for policymakers to consider in the area of Financial Inclusion and countries of different demography. Other institutions like the International Monetary Fund and Africa Development Bank have also undertaken much research in Financial Inclusion across the world.

In improving access and usage of financial services, it has been recorded that China has gone ahead to develop a 5-year inclusive finance strategy. China, on its land, has been embarking on activities to increase financial inclusion. The Chinese government and private sector stakeholders are now embracing branchless banking alternatives to increase accessibility and utility for millions of low-income people, particularly in Western and Central China's less developed areas. In 2011, the People's Bank of China launched agent banking pilots with leading banks and mobile network operators, which quickly built out networks of over 500,000 merchant agents processing a cash out only, utilizing Point of Sale terminals and bank cards.

Financial inclusion for foreigners in China is essential. China is the largest and most populous country in the world, with a population of 1.4 billion. China has launched poverty reduction strategies, including priority cities, where direct support to eliminate poverty. China's revolution in financial inclusion, primarily through the mobile landscape, is a story that brings more people to include financially. However,

China's landscape in this is not dominated by mobile telecommunication services, as is seen in some parts of the world. This goes to say that financial inclusion drivers are different per the circumstances. Many people are already banked in China; however, there are still some connected every day. Thus, China's branchless banking, therefore, the principle of widening financial services accessible to all, is sped by financial institutions, Financial Technology Firms (Fintech), which works to provide access and usage of products services to the people.

China has opened its doors to foreigners, and a lot of people travel to the country. Such people obviously will need financial services in many forms and ways. The accessibility and usage of financial services are essential and necessary to make stays productive, especially payments easier and convenient. Payments are the building blocks of every economy, and financial institutions serve as a linkage between institutions and individuals to enable payments. Therefore, researching how foreigners' access banking services in China and the use of those services is an essential study for China and all. Indeed, financial inclusion should go beyond essential services owing an account to sophisticated services as an investment.

This paper is significantly organized as follows: First, a review of the literature on the core financial inclusion indicators are done, Then China's performance and financial inclusion indicators per the Global Findex Database 2014 on China is analyzed further. The results from our research arising out of the answered questionnaires are analyzed and discussed and conclusions made; while finally, recommendations are made to deepen Financial Inclusion for foreigners in China

1.1 Objectives of the Study

The study's first objective is to evaluate China's Financial Inclusion drive using indicators from the 2014 Global Findex Database. Here the analysis of China's efforts and challenges is made base on the 2014 Global Findex Database indicators and findings.

Secondly, the level and of Financial Inclusion of foreigners in China is determined and recommendations made on how to deepen access and usage of Financial Inclusion of the same

1.2 Methodology

Our indicators were drawn from a survey which covered foreigners in Zhenjiang, a prefecture-level city in Jiangsu Province, China. It represented foreigners with different purposes in China. The survey was concluded in September 2017 through an online questionnaire administering using randomly sent over to foreigners in the area, with the target population being the entire foreigners in the city.

The researcher employs the use of both quantitative and qualitative techniques of research to define the present study

This research is grounded in both Primary and Secondary sources of data. Primary sources were used through questionnaires while secondary data was gathered from many sources, including the Global Findex Database 2014 and other relevant data as duly referenced.

2. Literature Review

It is well recognized that financial development is vital for economic growth (Levine, 2005) ^[9]. Researchers to date

have found some positive relationship between having access to financial services and the reduction of poverty levels at the macro-level (Beck, Demirguc-Kunt, and Levine, 2007) ^[5]

China plays a significant part globally in financial inclusion. Notably, it was during China's pres,y that the G20 (supposedly group of 20 most powerful and dynamic) nations came up with the G20 High-level Principles on Digital Financial Inclusion. In GPFI (2016) held in China, the 8 G20 High-Level Principles for Digital Financial Inclusion are observed below:

PRINCIPLE 1: Promote a Digital Approach to Financial Inclusion Promote digital financial services as a priority to drive the development of inclusive financial systems, including through coordinated, monitored, and evaluated national strategies and action plans.

PRINCIPLE 2: Balance Innovation and Risk to Achieve Digital Financial Inclusion Balance promoting innovation to achieve digital financial inclusion with identifying, assessing, monitoring, and managing new risks.

PRINCIPLE 3: Provide an Enabling and Proportionate Legal and Regulatory Framework for Digital Financial Inclusion Provide an enabling and proportionate legal and regulatory framework for digital financial inclusion, taking into account relevant G20 and international standard-setting body standards and guidance.

PRINCIPLE 4: Expand the Digital Financial Services Infrastructure Ecosystem Expand the digital financial services ecosystem—including financial and information and communications technology infrastructure—for the safe, reliable, and low-cost provision of digital financial services to all relevant geographical areas, especially underserved rural areas. G20 High-Level Principles for Digital Financial Inclusion

PRINCIPLE 5: Establish Responsible Digital Financial Practices to Protect Consumers Establish a comprehensive approach to consumer and data protection that focuses on issues of specific relevance to digital financial services.

PRINCIPLE 6: Strengthen Digital and Financial Literacy and Awareness Support and evaluate programs that enhance digital and financial literacy in light of the unique characteristics, advantages, and risks of digital financial services and channels.

PRINCIPLE 7: Facilitate Customer Identification for Digital Financial Services Facilitate access to digital financial services by developing or encouraging the development of customer identity systems, products, and services that are accessible, affordable, and verifiable and accommodate multiple needs and risk levels for a risk-based approach to customer due diligence.

PRINCIPLE 8: Track Digital Financial Inclusion Progress. Track progress on digital financial inclusion through a comprehensive and robust data measurement and evaluation system. This system should leverage new sources of digital data and enable stakeholders to analyze and monitor the supply of and demand for digital financial services, as well as assess the impact of critical programs and reforms

2.1 Understanding Financial Inclusion in China (Global Findex Database 2014 Perspective)

The Global Findex Database 2014 observed 2 billion unbanked people in 2014, which is a decrease in the number of unbanked from 2.5 billion globally in its 2011 report. This explains that there are 500 million more adults who

have access to banking services, out of which 180 million newly banked are in China. The database in 2014 has some good prospects and indicators for China and the next database; thus, the Global Findex Database 2017 will even see better hands for China and globally. The data showed that approximately 8 in 10 adults (80%) in China owns a financial account

China's financial inclusion strides didn't come out of no planning. The state has sponsored policies aimed at arriving at a financially included society over the years. This, again, has been enhanced by available technology within the financial services industry that is further making services readily available in their most innovative reforms at a lesser cost and meeting the needs of the people. Some of the government's policies over the years include the award of license for credit reference bureaus and the establishment of internet banks: Webank by Tencent and MYbank by Alibaba Ant Financial Group

There are several possible reasons for China's recent accomplishments in financial inclusion. Conducive government policies for the expansion of banks, the people's willingness to adopt these services, and the emergence of new technology-driven models are particularly important.

Some positive prospects (Findex 2014 perspective)

Adults using Mobile phones for a transaction on a bank account

The data shows mobile phones' use in making payments on their bank accounts is high, with 19% of adults with bank accounts in that category. This is significant, arising from the fact that China's population continues to increase in mobile phones. Mobile banking in the future will continue to grow. This is a significant indicator since it reflects actual usage

Increasing newly banks form the Rural and poor segments

In 2014, 74 % of rural adults have formal accounts, an impressive increase of 20% from 2011. Whiles the rural area continue to be brought into mainstream financial inclusion, 66% of adults in the lowest segment now have access to a formal bank account in 2014, an increase of 28% over the 2011 data results

a. Quality and use of accounts

Financial inclusion starts with owning a bank account but does not end there. Using financial services propels greater and broader effects; 92 % of funds in China are actively used. This is remarkable as compared to other countries in the region. India has 57% of accounts being actively used in the comparison.

Issues China needs to tackle

Even though China has considerable make great strides in improving access to financial services for its people, there still exist some talking points: Issues that need to be relooked at and solutions and policies brought on for improvement.

China still has a large number of unbanked people. Partly because of its large population, it won't be surprising. According to the Global Findex Database 2014, over 234 million unbanked Chines which further reveals some disparities in Individual characteristic as gender, Income, Education, and geographical location

▪ **Gender:** Notably, there are 10% more unbanked women than their male counterparts. Of the 234 million unbanked adults in China, 55% of women are unbanked

whiles 45% of men are unbanked. This disparity in gender is a cause for worry, and policymakers will have to put out policies that will close the gender gap

- **Education:** The less educated an adult is in China, the most likely to be financially excluded. This explains why 80% of the financially excluded have less education and specifically at the elementary school level or even less education. This is not surprising since the more years people spend in school, the most likely to be more connected to the use of financial services to making payments as tuition fees, receiving salaries, and others
- **Income:** It is realized that there are gaps that are related to income. The less income one has in China; the Findex data show that the more likely one will be financially excluded. A large number of 54% of the financially excluded can be traced to being among the segment of the poorest 40% of household

While financial Inclusion in China has seen significant progress in rural areas and with the poor, there is still a long road ahead for these segments. However, the prospects are bright in terms of the financial inclusion indicators. Suppose the government continues to embark on policies that make financial services readily available to people digitally, at its cheapest means and with innovative services. In that case, the country will see even more progress. The government could also use opportunities that will allow for more profound financial inclusiveness of foreigners in China.

3. China's Financial Inclusion Efforts

Within the past 20 years, China has seen rapid economic growth and development, and currently, as of 2018, it is the world's second-largest economy. Research by various scholars, including Li & Luo, (2008); Lin, Zhuang, Yarcia, & Lin, Zhuang, (2008) also observed that there are observable disparities in access to primary and social services as health care, education resources, and other social services.

The disparities is not uncommon globally the negative consequences are detrimental to the economic fortunes of every country; as such, China's government continues over the last decade undertaking key policies and actions aimed at promoting the accessibility of banking services, which have led to a sharp increase in access to banking infrastructure as bank outlets and service points (Sparreboom & Duflos, 2012). One key issue is that balanced development and economic growth creates opportunities for all and enhance social and economic stability for people

Financial inclusion could lead to empowering people economically. In this sense, access to credit catalyzes economic empowerment and income equality. Countries, therefore, in their public policies, would need to priorities this enabler. Beck, Demirgüç-Kunt, & Levine (2007) ^[9] aarguehat it when one has access to credit. In research by Han & Melecky (2013) ^[13], they also argue that economic empowerment can be enhanced when people have access to credit. When putting into productive use, these credits have the potential of helping to achieve some improvement in economic empowerment.

3.1 Ownership of Transaction Accounts

Ownership of accounts is the first step to financial inclusion.

Owning a transaction account and the use of the account propels many other benefits of financial services.

Bruhn, Miriam, and Love Inessa, (2009) ^[14] observed that Azteca began its operations by offering savings accounts targeted to low-income customers that could be opened with as little as \$5. Within the first month, 157,000 accounts were opened, increasing to 250,000 accounts by the end of December 2002. They revealed that "the new bank opening in Mexico led to a 7.6% increase in informal businesses' proportion when lower-income individuals lower documentation requirements. In contrast, formal business owners have easier access to commercial bank credit and likely prefer it because of Azteca's higher interest rates.

They also show that real GDP per capita growth rates increased following the introduction of Banco Azteca and explained that the growth results further illustrate the positive effect that access to finance for low-income individuals has on economic activity and income. This aroused from the opening of 815 bank branches simultaneously by Banco Azteca in almost all the stores of its parent company "Grupo Elektra" (which was in the retail of household goods and electronics and got a banking license in 2002. It was this banking license out of which Banco Azteca was introduced

Research by Y Sui, G Niu (2017) observed that China's rural population is more likely to be financially excluded than its urban counterpart. The research that also investigated China's urban-rural gaps in ownership of deposit accounts, credit cards, and risky financial assists concluded that there are both demand-side and supply-side barriers to financial inclusion and the existence of financial services vacuum in rural areas that need to be filled.

3.2 Credit Taking Activities in China

Taking credit is one of the indicators of financial Inclusion: Others are the usage of account for savings purposes and investment. China is leaving no stone unturned in its financial inclusion drive. Small and Medium Enterprises, other businesses, and individuals are all undertaking financial inclusion measures to either reach out to people or make payments comfortable and more accessible. For China, their efforts are worth mentioning, and the nation is optimistic about what deepening financial inclusion activities hold for them.

Financial inclusion can lead to people's empowerment economically because people who have access to financial services and use them are more likely to start their business, expand their business, employ people at the micro level indicators, and largely contribute to a positive macroeconomic outlook. Beck, Demirgüç-Kunt, & Levine (2007) ^[5] argue that it could serve as a catalyst for economic empowerment and enhance income equality when one has access to credit. Hudon 2009 ^[15] instead takes it as a legal issue of right whiles Han & Melecky (2013) ^[13] opine that financial inclusion is related to economic empowerment. However, there have been issues with China's undervalued credit market. The country has a less developed formal credit market. Sparrboom and Dufflos (2012) noted that China has an undeveloped credit market but with relatively rapid economic growth. China has, for the time, been achieving economic growth rapidly. However, other issues of concern are worth discussion. Topics such as how foreigners can partake in getting access and usage of financial services is a significant one that could further help

develop China's financial services industry. These will come from taxes and fees from the use of financial services and improve generating and tracking more records of transactions by foreigners in China.

Data again from Global Findex Database 2014 shows that only 10% of adults in China borrowed by 2014 compared to 7% in 2011, therefore an increase of 3%. The rate is significantly less. In research by Zibe Chen and Minchao Jin (2017) ^[16], Financial Inclusion in China: Use of Credit observed using the year 2011 data from the China Household Financial Studies, concluded that over half of the sample (53.21%) used credit, and only 19.77% used formal recognition. An extraordinary revelation was that formal credit was associated with household heads' socioeconomic characteristics such as education, income, and employment. In China, they are noted for low credit taking behavior. The low credit has been of concern to China as it has predicaments. For example, a business will be missing out on the opportunity to expand if they are not qualified for credit or cannot access it. And consumers will not be able to build a credit history to qualify for loans. This will then influence citizens and businesses to instead serve for emergence and investments since borrowing becomes difficult. Even if banks are better thinking of providing better opportunities for credits, the issue is economical and social as well- Growing up, and Chines have instead save than borrow.

In 2015, the Chinese government attempted to whip up credit taking awarded eight firms licenses to operate as credit-rating firms. However, the big success is coming from the contribution of Financial Technology backed firms. For example, Sesame Credit uses data derived from transaction behavior on Alibaba's Alipay Payment Service to build clients' history. China Rapid Finance, which partners with Tencent (Managers of messaging and payment service known as Wechat), also uses similar data on users buying history and contacts. Simply, the program is best explained as that: What and how you buy can be used to calculate one's risk. The frequent buying of children's clothing may mean one is highly responsible while frequent buying of luxuries may give one a signal. One's habit is used in calculating risk.

Another issue of concern is how available credit is to foreigners who hold legal stay in China. Over the years, China has seen rapid and positive economic powerhouse, which has put them on as the second most valuable economy as of April 2018 and could overtake the United States of America in the next few years. Therefore, the country continues to position itself as a welcoming one, which has its economy opened to all and ready to derive mutual and respecting benefits.

3.3 Savings Culture in China (Global Findex Database 2014 Perspective)

Researchers past have shown China has a high savings rate. According to both 2011 and 2014 Global Findex Database, data suggest that China has a high saving rate. Among other reasons that could account for this is the sharp rapid economic growth and development being realized in China, which directly increases people's disposal income and revenues, making people save. The change also makes the country gain more tax receipts for spending, which again brings money into the economy.

Data from the World Bank report on savings rates of some

countries in 2013 shows that only Kuwait and Bermuda were only nations with higher savings rates as of 2013 than China globally. The data also showed that Asia in general (except for Japan) has a higher savings rate.

Dennis Tao Yang, Junsen Zhang, and Shaojie Zhou. (2011) [17] concluded that at corporate and business levels, what accounted for SMEs saving and relying on such funds mostly to finance their fixed – asset investment is that there has been a weakness in China's financial sector. Firms, therefore, saved for future expenditure, investment, and emergency reasons

4. Data and Analysis from Survey

4.1 Data

Here, the researchers gave questionnaires to foreigners to gather primary data that could determine the indicators and level of financial inclusion of foreigners in China.

4.2 Results

The research has given some credible and reliable data on foreigners' financial Inclusion in China. The respondents' total number was 47 people; however, respondents were at will to either answer or not. This meant that each item depending on whether it was answered or not, may have different numbers of total responses differently from other

4.2.2 Measures of Financial Inclusion

a. Access: Ownership of Bank Accounts Foreigners in China

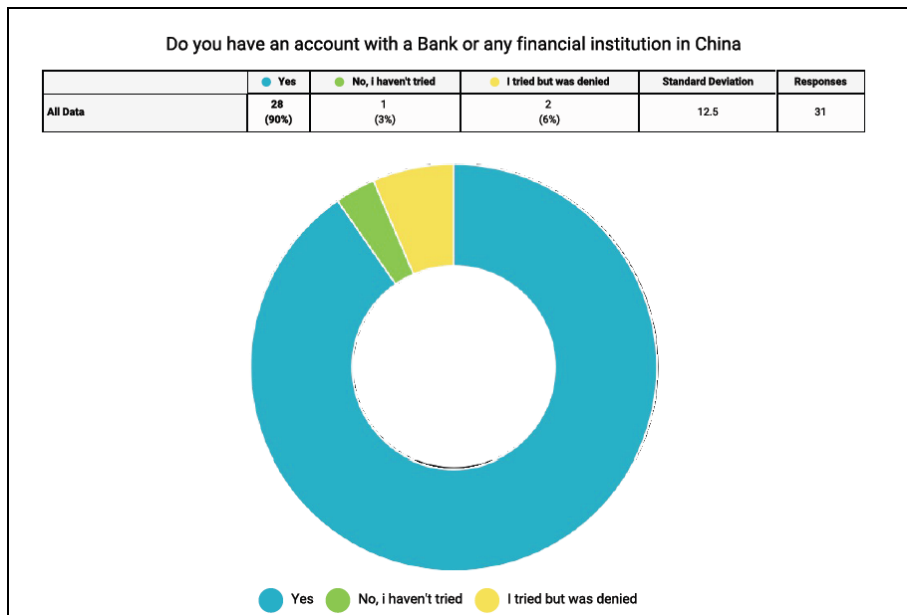


Fig 1

Here, our primary objectives are to determine if foreigners in China have access to financial services in both basic and sophisticated ones. Out of the 31 foreigners who answered this part, 28 persons (representing over 90%) have a bank account, while three foreigners (representing around 9%) do not have a bank account. Of the three foreigners with no

questions.

4.2.1 Individual Characteristics

1. Gender

Out of the total number of 32 persons who disclosed their gender, 21 (representing 66%) were males, while 11 (representing 34%) were females. The indication is that more males answered the questionnaires.

2. Age

Respondents amounting to 34 answered the part to disclose their age. 9%, 41%, 38%, 12% wherein the age categories of 15-20, 21-30, 31-40, and 41-50 years of age respectively. None of the respondents was above 50% years.

Visa Type

81% (26%) of the respondents who answered the type of visa said they had a student visa, 9% (3 people) had working visas while 3% (1 person) had tourist Visas, while 6% (2 persons) were on other means of legitimate stay in China. This gives the indication that the majority of the respondents were students hence may provide a more general view of financial inclusion among students. Also, it reinforces the growing numbers of foreigners in China on educational pursuits, which have indeed outgrown other visa types in China significantly

bank account, two tried unsuccessfully to own a bank account formally, and while one hasn't made any attempt at having a bank account.

Also, 86% of respondents have either a debit/credit card linked to their bank account

b. Usage of Bank Account

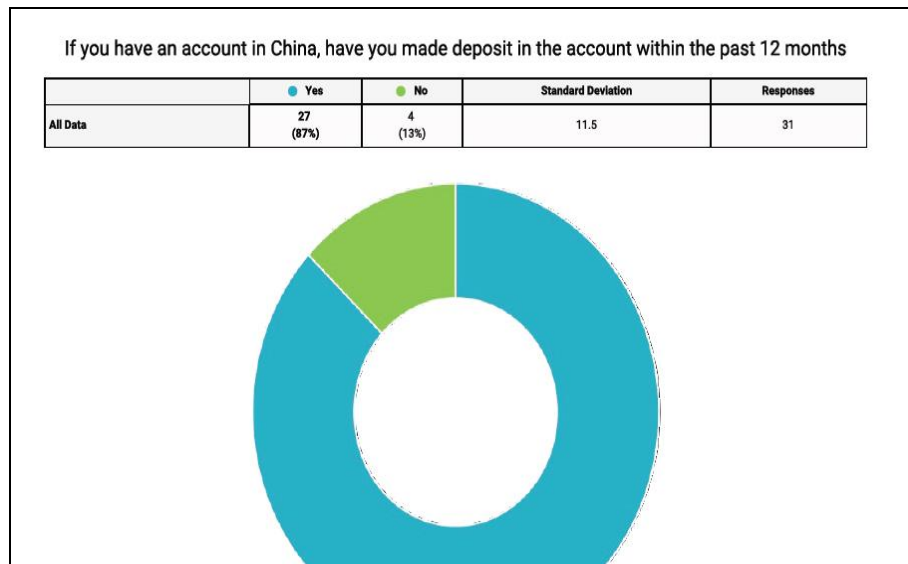


Fig 2

Out of a total number of 31 respondents, 27 (87%) have directly deposited to their bank accounts in China within the last 12 months, while only 4 (representing 13%) did not make any deposit to the bank account within the previous 12 months

Use of enhanced (Sophisticated services) - Linking of Bank account to payment services (Wechat and Alipay)

Out of the total number of 31 respondents, 81 % of respondents who have linked their bank account to the two payment services, Alipay and Wechat have been able to either withdraw funds or deposit funds between the payment services account and their Chinese bank account. 16% (5 persons) could not undertake such a transaction, while 1 (3%) had no bank account. Also, 97% of total respondents of 29 have been able to use their Alipay and Wechat transaction account to make a successful financial transaction on their linked formal bank account. One person (representing 3%) was able to use this service until it stopped.

Unable To Use Other Services

Within the past 12 months, 53 % (8 persons) of a total number of 15 respondents were denied a particular added service to their account upon formal request. Services including internet banking, foreign currency account, online banking account were rejected.

c. Credit Access (Foreigners access to credit from their bankers in China)

Of the 27 foreigners who responded to this questionnaire, none of them (0) had any loan from their bank.

However, only one respondent (4%) felt qualified enough to take a loan from the bank, 15 respondents (56%) feel they can't get a loan, while 11 respondents (41%) feel their bank won't give them a credit facility and would instead use family and friends for financial support.

d. Financial Literacy

78% (21 foreigners) of respondents admit they do not have sufficient knowledge of the laws governing financial services in China. However, six foreigners (representing 22%) feel they sufficiently know the laws and regulations governing Ghana's banking sector. On the knowledge of the specific regulations and laws governing the particular

service with their Chinese bank, 21% of respondents admit to not knowing sufficiently about their bank product, 43% admitted to not knowing sufficiently the laws governing specific banking services they operate. 36% admitted to knowing a few. The total number of respondents was 14.

92 % (23 persons) of total respondents of 25 appreciated the need for sensitization of foreigners in China on banking service, risk, and regulations in China. However, 8% (2 persons) admitted sensitization is not necessary. Also, while 57 % (8 persons) prefer financial institutions to lead in sensitization and financial literacy programs for their foreign customers, 21% (3 persons) call for school authorities to lead the sensitization and financial literacy programmes for foreigners, and another 21 % (3 persons) prefer government supervisory agencies lead in sensitization and financial literacy programmes for foreigners in China.

In all, 15 persons (representing 56%) admit their bank has treated them very well with regards to meeting their concerns always. 4 foreigners (representing 15%) admit their bank have not treated their problems with priority while eight foreigners (representing 30%) admit they have never submitted any concerns to their bank. The total number of respondents was 27

5. Discussion and Implications

5.1 Financial Inclusion Indicators

a. Access: High Access to a transaction account

Access to financial services is high for foreigners in China. 90% of foreigners either have a bank account or another transaction account (Wechat / Alipay) to use financial services. This is high and buttresses the view with evidence that mostly foreigners in China have access to basic financial inclusion. However, there is still some restriction, of which 6% of respondents tried accessing the most basic financial inclusion indicator, thus, having a bank account. The limits can be attributed to many reasons that would be discussed later.

b. Savings: High Savings by foreigners

In the effort to find out the savings culture, the researchers asked the question, `` have you saved at any financial institution in China within the last one month``? Here, also, the interest was the top find out savings culture. Two-thirds

of Foreigners saved within the previous 12 months in their financial service while One-third did not save within the last 12 months. Foreigners in China mostly deposit funds in their accounts and make periodic deductions.

In using the account, foreigners tend to rely mostly on their Wechat and Alipay account service for financial transactions in China even than through the bank directly

c. Credit Facility- Limited Supply of Formal Credit

Foreigners in China, to the most considerable extent, do not use credit from financial service providers. None of the respondents has ever taken credit, and indeed 96% think they won't get a loan if they did. This is not only for foreigners since many researchers observe a generally low credit-taking culture in China. Fungáčová & Weill (2014) [2] established that Chinese households had deficient levels of credit from financial institutions. Most households with access to credits are those with high income and financial assets. Of course, their research was on Chinese nationals and households, consistent with our study on financial institutions opening up credit to foreigners. Indeed in the scheme of things, foreigners may not legally be prevented; however, meeting the strict requirements may be restricted, if they are even known.

Sparreboom & Duflos, (2012) observed that there had been some growth in credit products by financial services providers that Chinese households are having access to over the decade. There has been much research on foreigners, however. Our study points out that foreigners may need credit for many productive purposes, but mainly foreigners (96%) believe getting credit in China is not an option that may yield success. There is, therefore, a perception by foreigners in China that the possibility of gaining credit approval is nearly impossible.

5.2 Customer Service

Mainly most foreigners feel satisfied with the customer services rendered to them by their financial service provided. Out of the 14 customers that reported some problems and issues to their bank, Over 78% of customers were satisfied with how the banks handled it, and while 22% felt that the bank didn't treat them with priority. This means that generally, banks have exhibited satisfactory customer services to their customers, which foreigners deemed right.

5.3 Deepening Financial Inclusion

A vital issue of great concern is that half of the respondents to the question posed to access the depth of financial inclusion answered that they had needed a particular service within the past 12 months. Yet, their financial service provider could not register those services for them.

The question ``have you at any time within the last 12 months needed a particular banking service yet your financial institution was unable to register it for you because of some reason`` was asked to gather evidence on how deep financial inclusion is for foreigners in China. 50% of respondents answered yes, a situation that needs to improve. All the half stated that it was an internet banking service required, but their financial service provider could not add it to their banking services to enrich their banking services experience. The risk here is that foreigners may be using other means of transferring funds, especially to the home countries, which may not be detected, thereby denying the

country of its taxes. Therefore, financial services providers would need to further explain the regulations to customers and provide for ways to help foreigners access these services if possible within the current legislative framework governing financial services.

5.4 Financial Literacy and Capabilities

Here, the objective is to understand how well users of financial services are aware and capable of understanding the sector's regulations and risks. First, to get a fair knowledge of foreigners' financial literacy in China in general, the question asked, thus, do you sufficiently know the laws governing financial services in China. Interestingly, 78% of foreigners believed that they do not adequately govern financial services in general in China. Only 22% held they knew sufficient knowledge of the sector in general. The various stakeholders, including the financial institutions will have to do more beyond opening accounts for customers. The researchers then narrowed it and asked respondents whether they had sufficient knowledge about the same service their account enables them to use. Again a worrying observation was that 43% held they do not know, 36% said they knew a few. However, 21% had that they knew sufficiently the regulations guiding the account they operated with their financial services.

6. Conclusion

The present study is to determine the access and usage of foreigners' financial services in China and how deep financial inclusion is for foreigners. Our outcomes reveal that largely Banks and Other Financial Services providers in China have their services readily accessible to foreigners in China. This is to say that foreigners in China have access to Basic Financial Services from their banks- Basic services mean they have access to a transaction account to basically for receiving and making payments with their traditional bank account. 96% of foreigners have a bank account.

However, foreigners in China mainly do not have access to sophisticated services from banks in China. For example, foreigners are primarily not registered for internet banking by banks and are not registered for a transaction account without reasons given. 50% of respondents were denied to enhance services like registration for internet banking. Banks will have to explain well to foreigners to understand why certain services are not delivered.

7. Recommendations

7.1 Sensitization of foreigners on financial services

First of all, stakeholders, including financial institutions, should continue their efforts to better sensitize foreigners on the regulations guiding financial services.

7.2 Expanding access

Also, financial institutions especially should further seek ways in which foreigners could be registered for sophisticated financial services and put in measures at reducing the risk of using such services. Therefore, banks need to open up their services to foreigners, which will then put those banks in a position to track transactions and information of customers. This will be beneficial in many ways. It can be used to ascertain customers' exposure to risk and further safeguard the sector and customers if such information is appraised as such.

7.3 Deeping Usage of Financial Services for Foreigners

When foreigners are able to obtain credit from financial institutions like banks, they have better chances to creating wealth additionally and save, resulting in the need for other financial services as insurance and more investment

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