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Original Paper

Analysis of the Real Economy and Internet Economy Development from the Perspective of Financialization of the Economy

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Abstract

As an important trend of contemporary economic development, economic financialization has gradually penetrated into all links of the real economy and the Internet economy. The two rely on financial resources to achieve coordinated development, but also face many adaptation problems. The real economy is the foundation of the national economy, and the Internet economy is an important driving force for transformation and upgrading. While financialization injects vitality into the development of both, it also brings about minor challenges such as unbalanced resource allocation. Rationally guiding the direction of the development of financialization can promote the deep integration of the two, help the high-quality development of the national economy, and provide practical reference for relevant practices.

Keywords

Financialization of the economy, Real economy, Internet economy, Development measures

1. Introduction

At present, the process of economic financialization continues to advance, and finance is increasingly bound to the real economy and the Internet economy. The three interact and support each other, forming the core pattern of contemporary economic development. The steady development of the real economy cannot be separated from the precise empowerment of financial resources. The rapid rise of the Internet economy also uses financialization to achieve scale expansion. However, in actual development, there is still a mismatch between financial services and the development needs of the two. An in-depth analysis of the internal relationship and development status of the three is of great practical significance to break the development bottleneck and activate the momentum of economic development.

2. The Theoretical Connection Between Financialization and the Development of the Real and Internet Economies

2.1 Conceptual Definition and Measurement of Financialization

Economic financialization is not simply the expansion of the financial industry, but a dynamic process in which financial capital gradually penetrates into all aspects of the economy, making financial logic the core direction of various economic activities. Its core is the orderly evolution of monetary capitalization and capital virtualization, rather than capital idling away from reality. The entropy TOPSIS method can be used to construct a comprehensive evaluation index for measuring economic financialization, combining specific data from non-financial enterprise balance sheets and income statements, focusing on core indicators such as the proportion of financial assets and financial investment returns, while taking into account the actual development of both financial and non-financial sectors. This measurement method conforms to the laws of real economic operation and can intuitively reflect the true degree of financialization without complex calculations, avoiding the one sidedness of relying solely on a single indicator and allowing ordinary audiences to understand the rationality of the measurement logic (Wang, Liu, Wang et al., 2024)

2.2 The Intrinsic Logic of Real and Internet Economic Development

The real economy is the foundation of the development of the Internet economy, and the Internet economy provides path support for the transformation and upgrading of the real economy. The two are not antagonistic, but rely on data flow and resource exchange to form a dynamic cycle of two-way empowerment. This logic can be clearly presented through specific associated processes, as shown in Figure 1. The real demand generated by the production, circulation and consumption of the real economy provides the scene carrier and data source for the Internet economy. The Internet economy integrates and matches these scattered demands with the help of big data collection and simple algorithm analysis, and transforms them into landing services and supplies, which feed back the production optimization and efficiency improvement of the real economy (Yang, Pu, Tavera et al., 2026). The application of big data technology does not need complex operations. The core is to achieve the accurate connection between demand and supply, which not only fits the practical application capabilities of ordinary enterprises, but also makes the internal relationship between the two more operable and practical.

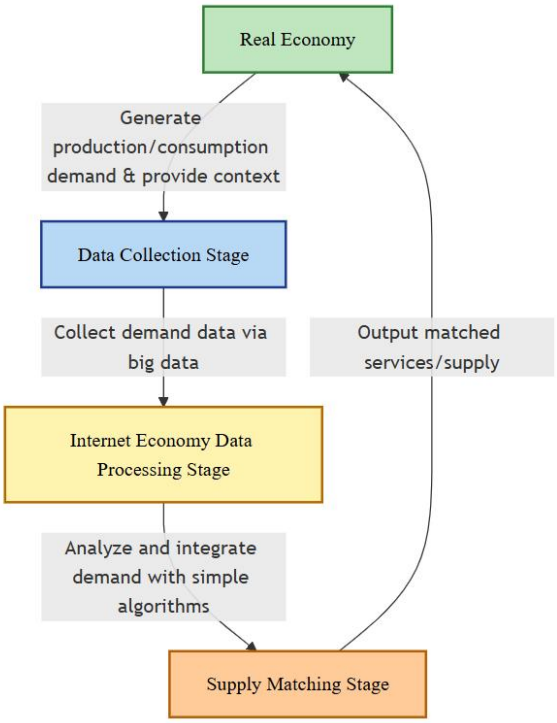

Figure 1. Logic Diagram of Internal Correlation between Real Economy and Internet Economy

2.3 Transmission Mechanisms Through Which Financialization Affects the Real and Internet Economies

Financialization affects the real economy and the Internet economy through three core paths: capital flow, price signal and risk transmission. As the basic transmission carrier, capital flow will dynamically allocate financial resources between the two according to market income expectations. Ordinary enterprises and Internet platforms can intuitively feel the change of capital flow. The price signal mainly transmits influence through visual indicators such as interest rate and financing cost. The slight change of financing cost will directly change the production input planning of the real economy and the expansion rhythm of the Internet economy, and its influence can be perceived without complex analysis. Risk transmission relies on financial linkage to form a linkage effect. Financial fluctuations in one field will penetrate into another field through fund transactions. This transmission is not uncontrollable and can be captured through simple risk monitoring methods. It is not only in line with the real economic operation scenario, but also in line with the understanding of ordinary audiences. Each transmission link is closely connected, forming a complete and perceptible logical chain (Li & Fan, 2010).

3. Practical Issues in Real and Internet Economic Development from a Financialization Perspective

3.1 Imbalanced Allocation of Financial Resources Between Real and Internet Sectors

Influenced by the risk aversion orientation, financial institutions are more inclined to invest financial

resources in Internet platforms. Such platforms rely on their own data advantages to build simple risk control models, form capital pools by detaining merchants' payments and collecting deposits, and then carry out lending business in a quasi financial model, which not only reduces the risk assessment costs of financial institutions, but also can obtain stable income. The real economy, especially small and medium-sized enterprises, mostly operates with light assets and lacks collateral that meets the requirements of traditional financial institutions. The standardization of financial management is insufficient and the transparency of credit information is not high. Even if there is a real need for production and operation funds, it is difficult to obtain sufficient credit support from financial institutions. Internet platforms rely on this resource acquisition advantage to further expand the accumulation of funds, while the real economy is difficult to carry out equipment upgrading and capacity optimization due to insufficient fund supply, forming an unbalanced pattern of financial resources gathering in the Internet sector and the real economy is short of funds. This imbalance is not due to the essential difference between their development potential, but the mismatch of resources caused by the mismatch between the risk assessment logic of financial institutions and the operational characteristics of both sides.

3.2 The Trend Toward Excessive Financialization in the Internet Economy and Its Impacts

Under the background of peak traffic and weak profitability of the main business, the Internet platform gradually deviates from the core business direction, builds a simple risk control model based on its own vast user data, embeds various lending portals without full compliance review, induces users to borrow with low interest gimmicks and collects hidden fees, and some platforms even change the use of funds through multi-layer nested financial products, making funds idle in the financial field and away from the needs of the real economy. Under the guidance of the platform, users are prone to excessive borrowing difficulties. Once overdue occurs, they may also face pressure from the platform through methods such as privacy breaches and violent debt collection, which not only damages their own rights but also disrupts the normal order of financial consumption. Although regulatory authorities have issued multiple rules and regulations to regulate platform financial behavior, some platforms evade supervision by disguising compliance, making it difficult to completely curb the tendency towards excessive financialization. This not only leads platforms to fall into the development misconception of emphasizing finance over their main business, but also indirectly exacerbates the problem of financial resources shifting from real to virtual (Paraná, 2024).

3.3 Financialization Pressures on the Real Economy and the Risk of Core Business Marginalization

Real economy enterprises are facing sustained financialization pressure, which stems from the financing difficulties caused by the high credit threshold of financial institutions, as well as the temptation of short-term high returns in the financial investment field. Many physical enterprises, especially traditional manufacturing enterprises, have begun to shift their funds originally used for upgrading their main businesses to financial fields such as real estate and securities, as their profit margins have narrowed and production costs continue to rise. Some enterprises have even established

dedicated investment departments to venture into equity, wealth management, and other businesses, neglecting core product research and development and production process improvement. Financial institutions tend to provide credit support to large leading enterprises in the real economy, while small and medium-sized enterprises find it difficult to obtain stable financial support and can only alleviate their financial pressure through high cost private financing, which further squeezes the profit margins of their main businesses. The short-term returns of financial investment have led some physical enterprises to gradually weaken their investment in their main business. Funds originally used to purchase production equipment and optimize production processes have been diverted, and some enterprises have even experienced stagnation in their main business and excessive dependence on investment returns, gradually falling into the dilemma of marginalization of their main business (Ning, Phoebe, & Zhenzhong, 2024). This dilemma is not a voluntary choice by enterprises, but the result of the combined effect of profit seeking and financing environment under the wave of financialization.

3.4 Inadequate Adaptability of Financial Regulation Between the Real and Internet Economies

At present, the financial supervision department still uses some traditional regulatory frameworks, which is difficult to adapt to the new financial formats after the integration and development of the real economy and the Internet economy. Its regulatory technology update speed lags behind the financial innovation pace of the Internet platform. It has not yet fully used big data, blockchain and other simple and practical technologies to build an integrated regulatory system, which can not accurately track the capital flow of financial businesses nested on the Internet platform, and it is also difficult to quickly identify the platform's compliance camouflage behavior to avoid supervision. The Internet financial platform continues to launch new financial products based on its technical advantages. Some products are nested at multiple levels to blur business boundaries, making it difficult for existing regulatory rules to accurately define their business nature and regulatory ownership, leading to blind spots in regulation. The financial activities of small and medium-sized entity enterprises are scattered and small in scale, and the regulatory authorities lack targeted regulatory means. It is difficult to investigate the behavior of enterprises' misappropriation of main business funds to invest in the financial field. However, there is a lag in the response to the excessive financialization of the Internet platform, which makes it difficult to achieve accurate and effective control because of the imbalance between the regulatory efforts (Davis, 2017).

4. Policy Recommendations for Promoting Coordinated Development of the Real and Internet Economies

4.1 Optimizing Financial Resource Allocation to Guide Capital Toward Serving the Real Economy

Financial institutions need to break through the limitations of traditional risk control models, rely on big data technology to build a three-dimensional evaluation system of "technology flow+cash flow+industry chain", abandon the credit logic of excessive reliance on collateral, focus on connecting with small and medium-sized entities and science and technology innovation enterprises in the real

economy, and promote credit products that are suitable for their light asset and long-term characteristics, such as plant new variety right pledge loans for breeding enterprises or special subsidized loans for equipment updates for manufacturing enterprises, making technical strength and growth potential the core basis for credit approval. The government can establish special guarantee plans and financing guarantee risk compensation funds to collaborate with financial institutions to reduce credit risks, while expanding the exit channels for private equity funds, promoting the formation of a virtuous cycle of "investment exit reinvestment" of capital, and guiding more funds to flow back from the virtual economy to the production, research and development, and upgrading links of the real economy (Daniele & Özlem, 2018). Real economy enterprises can use Internet technology to connect with digital service platforms of financial institutions, accurately submit financing needs and business data, reduce financing obstacles caused by information asymmetry, and enable financial resources to accurately match the actual development needs of enterprises. This resource allocation model can be clearly shown in Figure 2.

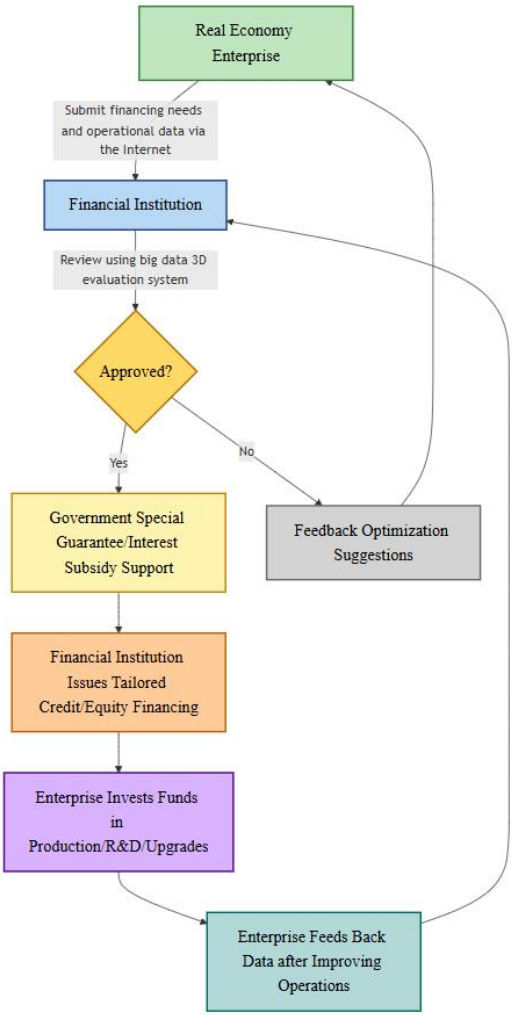

Figure 2. Optimizing the Allocation of Financial Resources to Guide the Process of Capital Serving the Real Economy

4.2 Regulating Financial Activities in the Internet Economy to Prevent Excessive Expansion of the Virtual Economy

The regulatory department can rely on the big data supervision model to build a dynamic monitoring system for Internet financial activities, integrate the transaction data of the Internet platform, industrial and commercial registration information and anti fraud platform data, extract the common characteristics of abnormal transactions, accurately identify and warn the illegal clues such as the transfer out immediately after high-frequency collection, false merchant registration, etc., and issue clear regulatory rules to prohibit the Internet platform from carrying out lending activities in disguised form by virtue of loan assistance business, require the platform not to interfere with the independent credit review of commercial banks, nor collect undisclosed additional interest fees from borrowers, so as to effectively plug the regulatory loopholes in the disorderly expansion of virtual capital. The Internet platform needs to strictly implement the regulatory requirements, comprehensively sort out its own financial related businesses, take the initiative to shut down illegal stock recommendation, virtual currency trading publicity and other illegal sectors, improve the internal risk control mechanism, and ensure that all financial activities within the platform are legally qualified and do not touch the regulatory red line (Xu & Tan, 2024).

Online small loan companies need to adhere to the principles of small and decentralized operations, focus on the reasonable financing needs of small and micro enterprises and individual businesses, and are not allowed to conduct business across provinces, nor outsource core businesses such as credit review and risk control. Their loan funds must be strictly controlled for their intended use, and are prohibited from flowing into virtual economy fields such as financial asset investment and equity investment. By establishing a list management mode, the regulatory authorities can strictly review the cooperative institutions of online microfinance companies, regularly assess their compensation capacity, and take timely rectification, shutdown and other measures against illegal institutions. The Internet platform needs to cooperate with the regulatory authorities to carry out investigation, timely report the clues of illegal financial activities in the platform, form a pattern of coordinated supervision and platform control, and avoid disconnection between the virtual economy and the real economy.

4.3 Promoting Internet Technology to Empower Transformation and Upgrading of the Real Economy

In the context of economic financialization, Internet technology has become an important support for the real economy to break through the development bottleneck and improve its core competitiveness. In combination with the actual pain points of the current digital transformation of the real economy, it is necessary to focus on technology adaptability and inclusiveness to promote the deep integration of the two. Real economy enterprises need to base on their own production and operation pain points, actively connect with the technical services of Internet technology enterprises, abandon the traditional extensive operation mode, and introduce lightweight industrial Internet modules to adapt to their own development scale. For example, electronic device manufacturers can introduce AMC online monitoring system to monitor the concentration of pollutants in the clean room in real time, help

improve product yield, and can also use the MES system to open the black box in the production process to achieve real-time control of production progress and equipment status. Digital optimization of production can be achieved without investing a lot of money to build complex systems. Internet technology enterprises can create a "platform+professional services" inclusive model based on the common needs of the real economy in different industries, dismantle complex digital functions into independent modules that can be purchased on demand, reduce the transformation costs of enterprises in the real economy, and embed low code tools and simple and understandable operating interfaces, so that front-line employees of enterprises can operate skillfully without mastering professional skills.

The government can issue targeted support policies, grant subsidies of "cloud coupons" to alleviate the financial pressure of SMEs' digital transformation, and establish an industrial Internet empowerment center to provide free technical advice and talent training for real economy enterprises, and help enterprises solve practical problems such as technology adaptation, operation and maintenance during the transformation process. Real economy enterprises can use the collaboration platform built by Internet technology enterprises to integrate upstream and downstream supply chain data, realize intelligent inventory management and logistics scheduling, and reduce inventory backlog and logistics losses. Internet technology enterprises can continue to optimize technical services and module functions according to the actual use feedback of real economy enterprises, so that Internet technology can be truly integrated into the whole process of production, management and operation of the real economy, and avoid the disconnection between technology and actual production (Wang & Gao, 2025).

4.4 Improving the Financial Regulatory Framework to Enhance Policy Coordination and Effectiveness

Financial regulation is an important bottom line to prevent financial risks and ensure the coordinated development of entities and the Internet economy. The current regulatory system still has problems such as information barriers and inadequate policy adaptation. It is necessary to improve the effectiveness of regulation by improving the framework and strengthening coordination. The financial supervision department needs to rely on the inter ministerial joint meeting system of financial supervision coordination, build a cross sectoral digital supervision sharing platform, use privacy computing technology to achieve the safe sharing of data among various supervision departments, integrate the supervision data of the People's Bank of China, the General Administration of Financial Supervision, the Securities Regulatory Commission and other departments, break the regulatory information barrier, avoid the situation of regulatory vacuum or repeated supervision, issue appropriate regulatory rules for new businesses in the integration of Internet finance and the real economy, clarify the business boundaries and access conditions of each business type, do not need to engage in a "one size fits all" regulatory approach, and adapt to the actual operation of market entities of different sizes. Local governments need to combine the development characteristics of the local real economy and the Internet economy, refine and implement the national level regulatory policies, avoid copying the regulatory model of other regions, take the initiative to contact the financial regulatory authorities to feedback local regulatory difficulties, assist in troubleshooting the clues of cross-border financial

violations within the jurisdiction, and make the regulatory policies more suitable for local development. Financial institutions need to take the initiative to access the digital monitoring system of the regulatory authorities, truthfully report business data and business development as required, optimize their own risk control model with the help of risk data shared by the regulatory authorities, timely adjust the business layout related to the real economy and the Internet economy, not blindly follow the trend to carry out high-risk financial business, while cooperating with the regulatory authorities to carry out compliance review and risk assessment, and timely rectify the problems identified. Financial regulatory authorities can use big data technology to build intelligent risk warning models, dynamically capture abnormal fluctuations in the financial market, and timely push risk warnings to financial institutions and local governments. Local governments can then collaborate with financial institutions to promote regulatory policies, allowing market entities to clearly understand regulatory requirements, forming a regulatory pattern of coordinated efforts among regulators, localities, and institutions, and ensuring that regulatory policies are truly implemented and effective (Zhang & Liu, 2017).

5. Conclusion

From the perspective of economic financialization, the development of the real economy and the Internet economy has both opportunities and slight challenges. The coordinated development of the two is the key to conform to the economic development trend and cultivate new development momentum. The rational application of financialization can provide support for the transformation and upgrading of the real economy, and can also standardize the development path of the Internet economy, and solve related problems such as resource allocation and regulatory adaptation. In the future, it is necessary to continue to optimize the development strategy, promote the deep adaptation of financialization to the two, so that the physical economy has a stronger foundation, the Internet economy has a more stable development, and inject lasting impetus into the sustainable and healthy development of the national economy.

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