

Original Paper

Study on the Implementation Path of Financial Support for Rural Revitalization

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Abstract

Rural revitalization is an important strategy of the Chinese government to solve the new “three rural” problems, Carrying out rural vitalization work, It creates a whole set of financial needs. This paper analyzes the current situation and existing problems of China’s financial support for rural revitalization, And then put forward financial support for rural revitalization related suggestions.

Keywords

Rural revitalization, Financial support, Path analysis

1. Introduction

In recent years, the No. 1 Document of the Central Committee of China has focused on the issues of “agriculture, rural areas and farmers” and stressed the need to comprehensively promote rural revitalization. But, since the last century, The unbalanced development of economy and society has destroyed the population balance between urban and rural areas, Large numbers of people from the countryside have moved into the cities, Resulting in a decline in rural productivity, Urban and rural economic development is unbalanced, So the rural revitalization strategy can not be realized and play.

2. Current Situation of China’s Financial Support for Rural Revitalization

The supply of credit to agriculture by financial institutions is increasing, in recent years, under the leadership of local governments, the support for rural infrastructure has been continuously strengthened. By reviewing the data, Bank credit quantity was increasing year by year from 2017 to 2021.

The basic financial service system has gradually improved, Revitalization of the policy background in the country, China's rural financial system continues to improve, generally, it is divided into regular rural financial system and non-regular rural financial system.

Financial support for agricultural industrialization has been effective, by integrating institutions such as the agricultural sector, finance and finance, Jointly established a financial support system, Select leading agricultural enterprises as the pilot, to carry out orders, accounts receivable, agricultural machinery and other pledge credit business.

3. Reasons for Insufficient Financial Support for Rural Revitalization in China

3.1 Rural Credit Service Supply and Demand do not Match

From the demand, the capital demand of agricultural production and management activities is very strong, But the existing formal financial financing and credit institutions cannot satisfy, Most used in the production of liquidity from the informal financial institutions, their funding sources is unknown and instability of prepayment risk is bigger. From the point of supply, normality of credit channel is still in a state of supply, money supply growth slowed in agriculture.

3.2 The Agricultural Insurance Guarantee System Is not Perfect

The occurrence frequency, coverage and loss degree of agricultural natural disasters in China are very large, and farmers have a huge demand for effective disaster risk dispersion mechanism. However, the single type of agricultural insurance in the current society cannot effectively meet the needs of farmers for dispersed agricultural disaster risks and high protection of agricultural products in the process of agricultural production, processing, transportation and sales. In addition, due to the strong homogeneity of agricultural insurance products, farmers' insurance enthusiasm is not strong enough and the supply and demand of agricultural insurance products are seriously unbalanced.

3.3 Lack of Comprehensive Functions and Systems of Inclusive Financial Services

The lack of inclusive financial service system is mainly due to the improper handling of the relationship between the market and the government in China, and the excessive intervention in the market leading to the "offside of the government". The insufficient supply of rural financial market infrastructure further aggravates the imbalance of rural financial resources allocation, and finally makes rural financial institutions face the problem of cost and benefit mismatch.

3.4 Agricultural Industry Chain Financial Sector Foundation Is Weak

Too single agricultural financing products and insufficient supply of financial services lead to a small number of traditional farmers and farmers are still unable to get reasonable financing. The increasingly harsh competitive environment of the rural market and the gradually shrinking financial institutions lead to the weakening of rural financial service functions, which ultimately makes it more difficult for farmers and farmers to obtain high-quality financial resources. The low level of modern production technology in rural areas of China is quite different from that in rural areas of developed countries. The

low level of production technology greatly limits the steady development of agricultural industry chain finance, thus directly affecting its transformation and upgrading.

4. Financial Support for the Implementation of Rural Revitalization

4.1 Establish and Improve the Credit Service System

To improve and develop the rural credit financial service system, rural financial institutions must continue to improve their services, expand their services, and continuously improve the quality of services. In order to develop the financing platform effectively, the financial service of rural credit cooperatives must be innovated, and the business service scope should be constantly broadened. Following the development trend of the combination of the Internet and agriculture, the financing platform provided by the Internet is used for financing to raise funds for agricultural production, and then through the jingdong, Tmall, spell of sales of agricultural products, such as Internet sales platform to generate income, the rural economy development.

4.2 Improve the System of Agricultural Insurance, Achieve Risk Hedging

The implementation of rural revitalization cannot be separated from the guarantee of risk mechanism, Improving and promoting agricultural insurance mechanism is of great significance to the development of rural economy. Nowadays there are many insurance enterprises and companies in China, all localities should actively cooperate with insurance companies, and in combination with the current situation of agricultural economy in our country and the needs and deficiencies of rural people, speed up the innovation of agricultural insurance products, research and launch insurance products that are conducive to the individual protection of farmers, and form a standardized agricultural insurance system environment. Based on the protection of crops, the insurance liability has been extended to fields such as farm house and farm machinery, and agricultural house insurance and farm machinery insurance have been innovated, so as to resist risks in all aspects and meet the high security needs of production and operation entities.

4.3 Pay Attention to the Development of Rural Pratt & Whitney Financial System

Focus on the development of a new rural financial system, through the concept and technology innovation, development mode innovation and product technology innovation, and according to the actual rural and market demand, make full use of Internet big data analysis information, in order to reduce the risk of information asymmetry and transaction costs, to achieve flexibility, high efficiency and low cost. By enhancing the comprehensive service capability, value-added business empowerment and multi-party data and resource sharing in the field of inclusive financial services in rural areas, comprehensive comprehensive financial services will be carried out, so as to form shared finance in a true sense.

4.4 Strengthen and Extend the Industrial Chain of Financial Services

The financial service of agricultural industrial chain refers to the service provided by agricultural financial institutions to each market player in the industrial chain by integrating the credit status of

upstream and downstream related enterprises and farmers in the agricultural industry and cooperating with financial institutions such as insurance and guarantee.

To dimensional layout, and promote the “extension” of agricultural industrial chain, further understanding the local leading industries, including the start and end-result of regional agriculture industry chain, the overall structure, production process and related links.

Accelerate promote agricultural industrial chain “complement”, from three aspects to perfect the structure, financing, science and technology, rural agricultural industrial chain of financial operation.

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