

The Reflect on the Questions of Farmers Financial Rights of China

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Abstract – In this paper, we discuss the problems of financial right about peasants in the process of rural finance development in China with a fair perspective. Meanwhile, the author put forward some ideas and suggestions on how to promoted the rural finance develop and to guarantee the financial rights of peasants. Financial essential attribute determines the pursuit of the interests of the capital and greed, finance is a system design “despise the poor and curry favor with the rich” and tools, under normal circumstances financial is conducive to the rich rather than poorer. If a system design does not show concern for the weak, and cannot uphold social justice and equality at the legal level, then finance will not help the weak and the poor actively. For the weak, it is importance to protect the financial rights. This paper tries to do some exploratory thinking on the financial rights of peasants from the perspective of fairness.

Keywords – Credit System, Rural Finance, Financial Rights, Financial Regulation, Financial Market.

I. INTRODUCTION

1.1 *Farmers Financial Rights in a Fair Perspective*

At present, the equality of Chinese peasants in the form of financial rights is only an equal opportunity for farmers, but not the result of final equality. In terms of financial rights, this form of equality and freedom can made the stronger gain more economic benefits, while the weaker ones made no sense. For example, in many rural areas of China, the financial system is imperfect and is not perfect, which was resulted the coexistence of more capital and less financial channels and loans are difficult and difficult to borrow. Despite the excess liquidity in urban areas, the capital of county economy, private enterprises, township enterprises were still nervous, maybe it indicated that rural financial system lack the function of free channel savings^[1]. Products and services of most rural financial institutions are still continue the traditional deposit and loan business, which is less innovative and can not adapt to the growing demand for financial services from farmers^[2]. Peasants as the economic agents, which subject to the unequal rights to enjoy economic and further aggravates the polarization between the rich and the poor.

Rural finance is the core of rural economic development, which is necessary to realize the industrialization of agriculture and increase the income of farmers. However, one of the biggest problems to farmers is that they could not equal to enjoy the financial rights, made the most farmers, township enterprises and small and medium-sized private enterprises not get the enough financial support, lead to lose the equal competition of economic market^[3].

In our country, due to the financial policies that have been applied to the city in the past, lead to the rural capital flowing out constantly. To protect the financial rights of farmers to meet the rural economic transition to a

constantly growing demand for financial services, specific to the farmers, to solve the realistic difficult problem such as medical treatment cost, children education cost, pension costs, this is also the economic reasons that life right, education right, property rights and social security of farmer not guaranteed. If the above rights were not guaranteed, farmers often hope to get financial support in time to solve problems such as medical care and children's admission. Due to the complicated loan procedures of formal financial institutions and the strict auditing in rural of China, made the farmers financial needs were seldom to meet^[4]. Hence, farmers turned to private finance. Although private financial played a huge role to solve the peasants capital requirements, but the country for the sake of “financial security” make the folk finance has been in a state of “gray”, did not get due development, so made the farmers do not guarantee the financial rights. While the financial rights is the main body of all members of society, but farmers at disadvantages do not have the essential condition to exercise the financial right, so they have the urgency to realize the financial rights, and through the financial support to farmers, it reflect the significance of peasant financial right in the a certain range. In the development view of the protection of farmers financial rights, it is actually the fact how the state realizes and protects farmers development rights through the allocation of financial resources^[5]. For a long time, legal system of China has maintained the financial resource allocation, caused the capital outflow constantly and made the farmers unable to enjoy the financial rights. If not protect the financial rights of farmers, rural finance can not only non-agricultural, rural industrialization also non-agricultural, the productive autonomy, management autonomy, employment and liberty were not fully guaranteed. Lager differences between farmers and other social groups, in market competition, everyone is seeking to maximize its own interests as the “economic man”, the philosophy of survival of the fittest show a bigger gap between farmers and other social groups, which was seriously hindered the development of farmers. To protect the farmers financial rights made them constantly change from weak to strong in order to participate in the competition better, that is what justice should be.

1.2 *The Contents of Peasant Financial Rights*

First, it is the right to obtain financial loans equally, thus realizing farmers rights to had a better quality and better development. The difficulty for farmers is that they cannot borrow from formal financial institutions like everyone else, and lack the most basic material conditions to escape poverty. Give the farmers the right of certain loans and break out the failure credit market system innovation, which would provide a way to change the allocation of initial elements for farmers.

Second is the right to obtain agricultural insurance. Since agricultural production cycle is long and our country agricultural foundation is weak, lead to small-scale farmers and rural small enterprises had a bigger risk for production and management, the agriculture sustainable development of agriculture if the risk cannot effectively disperse and transfer [6]. Therefore, it is significantly to guarantee farmers right and establish a perfect agricultural insurance system to create a good rural financial environment.

The third is farmers right to financial cooperation. The realization of farmers financial cooperation will enable farmers fully enjoy the benefits of rural finance, agricultural products processing and marketing, agricultural raw material for production and marketing, and the securitization of land or other property rights .

Financial rights also regarded as one of basic right of people to live. Financial rights of farmers is a kind of human rights, from the perspective of social equity and justice, farmers should get the equal rights of financial right to meet the needs of the development of their own compare to the other social groups [7]. Proper human rights need to be translated into legal human rights, only the law can protect the rights of farmers financial actually enjoy, that is human rights from the legal transform to the human rights in reality, only in this way, financial rights can be realized by peasants and enjoy and exercise.

The subject of the protection of peasants financial rights is the state. In terms of the rights that farmers get the financial loans, the duty of the state is to provide the perfect rural financial system, to establish the corresponding rural financial institutions, to guarantee rural capital outflows consistently, which can be used for the rural economic development; In terms of farmers obtain the rights of agricultural insurance, the obligation for country is to provide the perfect system of agricultural insurance, provide relevant support for establishing a perfect agricultural insurance system, to reduce the loss for farmers caused by all kinds of frequent disasters and to realize the right of post-disaster rapidly development of peasants farmer; On the rights of farmers financial cooperation, the obligation of country is to perfect the corresponding laws and regulations, made the farmers can accumulate idle funds, promote the development of the rural cooperation economic organization and implement the rural financial resources integration [8].

Accompany with our country entering the area of market economy, under the background of the adjustment of social benefit distribution pattern and the redistribution of social resources made rural capital serious outflow through commercial banks, and the country lending to the countryside is limited to some mega project such as large infrastructure, national debt matching funds and ecological construction, leading to the agricultural production small of farmer and medium-sized enterprise financial services in a state of atrophy. The role of agricultural insurance in the risk management of agricultural production has not been effectively played, the risk of agricultural production cannot be dispersed and restricted the initiation for financial institutions to grant agricultural loans. The

unreasonable financial resources allocation system that made the farmers cannot on the equal basis to enjoy the right for survival and development, it directly determines the opportunities and conditions for farmers survival and development, the generation of poverty determines the next generation of poverty directly, so the farmers without the financial rights will less get rid of poverty to realize self-development opportunities compared to the urban residents. A justice society should be based on the justice principle to made the policy, formulate reasonable financial allocation system, vigorously develop rural finance, to meet the financial needs of the farmers, to give financial rights of farmers as, to formulate a mechanism to protect the rights of farmers for a long time, which were the key to solve the problems of farmer and further realize social justice.

Farmers financial rights and the improvement of “three rural problems”. On the premise of differences between urban and rural areas, expect the differences in the ability of operator, credit standing and the possibility of moral hazard, also the amount of capital, technological innovation, market risk needed for financial services, these factors together determined the complexity of the rural financial service system construction.

At present, rural financial services system of China is weak and insufficient, which was severely affected rural economic restructuring and restricted farmer income. Therefore, started from the rural realities and farmers need, according to help to increase peasant household and business loans, to improve the rural financial service requirements, to speed up the reform and innovation of rural financial system, to better support for rural economic structure adjustment and promote the coordinated development of urban economy. Rural financial bring about the whole rural economic development. In the industry or industry supported by rural finance, a large degree is closely related to the production and living of vast majority of villagers that developed the social and economic form. Therefore, the service objects supported by rural finance have the quality of “farmer nature”, “grass-roots” and “timeliness” etc, which were relevant to the rural people livelihood in rural.

In addition, the development of rural finance is not a one-sided problem, it needs to be coordinated with all aspects (such as fiscal policy, industrial policy, education, science and technology etc.). To some extent, it also involves financial problems. Accordingly, improvement the livelihood of rural people requires many policies and coordinations. On the one hand, we should vigorously develop rural finance and rural insurance, on the other hand, we need to use fiscal means to support it. At present, the agricultural disaster losses mainly depend on the government agricultural disaster relief that implement by the civil affairs department, (but the nature of the compensation of disaster relief is restricted by the state finances, and is not conducive to fully arouse the enthusiasm of farmers to insurance, restricted the healthy development of agricultural insurance in a large extent) and the agricultural insurance established by the people insurance company of China. These two insurers that

operate agricultural insurance have been losing money because of a lack of policy support such as government subsidies and the high cost of agricultural insurance^[9].

Although some agricultural insurance companies have been set up recently, it is still far enough to meet the huge demand for rural economic development and agricultural structure adjustment.

To build a harmonious society in our country, it is necessary to maintain the financial sector healthy and stable development, in which depends on stable, sustained and healthy development of rural finance, at the same time also need to enhance the regulation of rural finance, research the coordinated development of the rural financial and regulatory problems.

1.3 The Theory and Practice Meaning of Rural Finance Coordinated Development and Strengthen Regulation

Use fiscal and monetary policy to solve the livelihood issues of rural residents, especially the compensation of agricultural land. In the process of promote the rural buildings industrialization and urbanization need to requisition a large number of farmers land, while the low compensation for the occupy the cultivated land and layer upon layer intercept, also the unreasonable fees and some rural regions and burden causes the rural capital outflows.

The coordinated development and supervision of rural financial market. Rural folk lending was activated in the rural financial market, expanding peasant household production and business operation capital source, promote rural private economic development and played a positive role, but it is easy to cause some problems such as debt disputes, to pursuit the high profit and take risk. In the event of a debt default, some of the debts was recovered their loans by the the threat of violence, which severely disturbs the financial order and endangers social stability^[10]. It is because of the folk finance lurk a certain financial risks, and emerge some financial frauds, so it is necessary to specify and protect the folk financial, that is to say to strengthen the rural financial regulatory problems.

The problem of development and the macroeconomic regulation of rural finance. The macro-control system of rural finance is not sound, and the monetary policy is not smooth in the countryside. Due to the existence of informal financial market activities, made a large amount of money is circulating in vitro, affecting the transmission effect of monetary policy in the countryside; At the same time, the activity of informal financial market expand the money supply in certain extent, and this part of the money supply was out of the central bank monitor and lack of regularity, which increases the difficulty of the central bank to control the actual money supply.

Construction of rural credit system. Due to the lagging of rural credit system, industry and commerce, tax, bank and other departments were fragmented and scattered of most farmers about the credit information and not form a unified comprehensive coverage of the rural credit system currently, and the rural financial institutions is difficult to grasp enterprise and personal credit state, these phenomenon not only is difficult to prevent credit risk in rural financial institutions, but also makes it more difficult for the central bank to realize monetary policy transmission effect. The coordinated development of the rural financial problems, such as rural industrial policy, science and technology, education,

etc., among the rural financial institutions and its regulation, fiscal policy and monetary policy coordination is need to further research.

II. CONCLUSION

In a word, the development of rural finance is not a unilateral problems, it needs coordination and support with each aspect, such as fiscal policy, industrial policy, education policy, health care, social security, science and technology, etc. Therefore, the development of rural finance should be a system problems that coordinated development, meanwhile, due to the weak and the shortcomings of the rural financial development, in addition, legal consciousness of farmers was weakness, all these causes lead the development of rural financial of our country had a long way to go.

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