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Development of Productive Forces and the Changes of Rural President's Consumption Concept

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Abstract The developmental status of productivity in Chinese rural area is introduced. Since the implementation of the agriculture supporting policies in 2004, the productive forces in rural areas have been improved greatly. It is reflected on the following aspects: great enhancement of rural labors' cultural quality; the quantity of agricultural machines has been increased; the level of production management and decision has been increased greatly. The paper analyzes the promotion role played by the development of productive forces to rural residents' consumption conception. The development of productive forces has laid a solid foundation for changing rural residents' consumption concept; changed rural residents' consumption structure and improved the socialized degree of rural residents' consumption. Countermeasures on cultivating new consumption fields in rural areas are put forward including leading rural residents to foster the modern consumption conception; intensifying the governmental support and leading rural residents to set up healthy consumption concept.

Key words Development of productive forces, Rural president, Consumption concept, Cultural consuming, China

Since the reform and opening up, the productive force in rural area has obtained great development and the mechanization and modernization degree of agricultural production has been improved greatly. Driven by the development of productivity, the consumption concept of rural residents has changed gradually. Exploring the relations between the development of productive force and the change of rural residents' consumption concept and mastering the changing trend of rural residents' consumption concept are of great significance to cultivating new consumption fads, promoting industrial structure adjustment by consumption and realizing the transformation of social economic development mode.

1 The status quo of developmental level of productivity in rural areas

Chinese government gives priority to agricultural production and lays stress on the improvement of agricultural productive forces. Notably, since the implementation of preferential policies issued by the central government for supporting agriculture

in 2004, the productive force in Chinese rural areas has obtained rapid growth. The improvement is mainly represented in the following aspects.

1.1 The great improvement of educational degree of rural labors Human is the basic productive force. The improvement of productivity bought by the development of human has surpassed that bought by any material investment. Since the foundation of new China, Chinese government has endeavored to enhance rural residents' educational degree. The release of compulsory education law and the free of compulsory education laid solid legal basis and political basis for improving the rural residents' educational degree and actual condition for the enhancement of rural residents' educational degree. In the years 1990 and 2008, the structural change of educational degree of rural labors can be seen on Table 1^[1]. It can be seen from Table 1 that, in the years 1990 and 2008, the educational degree of rural labors has enhanced substantially. In particular, the labors with high educational degree have provided human resource and intellectual basis for the application of advanced productive force and advanced management technology.

Table 1 The structural change of educational degree of rural labors in China in the years 1990 and 2008

Year	Illiterate or half illiterate	Primary school	Junior middle school	High school	Secondary vocational school	Vocational college or above	%
1990	20.73	39.86	32.84	6.96	0.51	0.10	
2008	6.15	25.30	52.81	11.40	2.66	1.68	

1.2 The continuing increase of retain number of agricultural machine The agricultural machine is an important mark of the improvement of agricultural productivity in the process of

agricultural production. Promoted by the continuous increase of governmental financial support and rural residents' productive input, the retain number of agricultural machine has increased continuously. The changing situation of retain number of agricultural machine in the years of 2000 and 2009 can be seen on Table 2^[2].

1.3 The gradual improvement of production management and decision-making level The improvement of rural residents' educational degree and the use of agricultural ma-

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chine have created favorable conditions for improving the level of production management and decision making level. For one thing, the elevation of the degree of agricultural mechanization and the modernization demands high level management; for another thing, the improvement of rural residents' educational degree, especially the existence of labor with high education degree has created favorable conditions for the improvement of management level and decision making level. At present, the improvement of rural residents' production management and decision making management is mainly represented on the fol-

lowing aspects: the management and decision making mode has changed from traditional mode to modern mode; the management and decision making transferred from relying on experiences to scientific management and decision making; in the process of management and decision making, rural areas have transferred from making decision according to productive capability to market demand. The improvement of management and decision making level has improved the soft environment of rural social and economic development and has laid favorable foundation for the development of productivity in Chinese rural areas.

Table 2 The changing situation of the retain number of Chinese agricultural machine in the years 2000 and 2009

Year	Big and medium-sized tractor // Piece	Small size tractor // $\times 10^4$ piece	Supporting agricultural tools of big and medium sized tractor // $\times 10^4$ piece	Supporting agricultural tools of small size tractor // $\times 10^4$ pieces
2000	974 547	1 264.4	140.0	1 788.8
2009	3 515 757	1 750.9	542.1	2 880.6

2 Effects of improvement of rural productivity to the change of rural residents' consumption concept

The development of productivity has not only improved agricultural productivity, but also increased rural residents' income. Besides, it has laid a solid foundation for the change of rural residents' consumption concept. The promotion role played by the improvement of productivity in changing rural residents' consumption concept is presented as follows.

2.1 The development of productivity has laid a solid material foundation for the changes of rural residents' consumption concept and rural residents' consumption demand has been improved

The development of productivity has directly improved rural residents' income level. During the 11th Five-Year Plan period, the net income of rural resident per capita has increased from 3 255 in 2005 to 5 919 in 2010, with the growth of 2 664 and the growth rate of 81.8%, and annual growth rate of 12.7%. Excluding the price factor, the actual annual average growth was 8.9%^[3]. The growth of income level increases rural residents' willingness on consumption and the consumption expenses of rural residents showed the upward trend gradually. In 2010, the living expenses of rural residents per capita was 4 382 yuan, 1 826 yuan more than that in 2005, with the annual nominal growth of 11.4%, excluding price factor, the annual actual growth was 7.8%^[3].

2.2 The development of productive force has improved the consumption structure of rural residents

With the application of modern agricultural science and technology in agricultural production, modern agriculture has began to replace traditional agriculture, so rural labors who undertake agricultural production and management should be equipped with higher quality. In order to satisfy the demand of production and technology innovation, farmers began to realize the importance of learning new technology and management experience, so the expenditure on self education began to take a certain proportion in household expenditure of rural residents. Education becomes a commodity in rural areas and the expenditure on it showed upward trend. In the meantime, with the living expenditure of rural households, the Engel coefficient was decreasing and the consumption structure of rural residents was optimizing. In

1990, rural households' expenditures on transportation and communication, and cultural, educational products and services accounted for 1.44% and 5.37% respectively, in 2009, the proportion has increased to 10.09% and 8.53%^[4]. It is indicated that the consumption structure of Chinese rural residents has been optimized significantly and it is transforming from subsistence type to enjoyment and development type.

2.3 The socialization degree of rural residents' expenditure has been increasing

At the same time of transforming traditional agriculture into modern agriculture, the development of productive force brings the whole rural area into modern society. Market awareness and cost awareness are included in the production and operation decisions of farmers. Farmers begin to think about their production activities from the perspective of comparing profits, which directly leads to farmers' adjustment on production. At the same time of gradual specialization of agro-products, the socialization degree of rural residents' life has been improving continuously. The traditional small agricultural life style is disintegrating gradually. Driven by the development of productive force, the life concept of rural households has been modernized gradually and the socialized degree of rural residents' consumption has been increased. When investigating the mountainous areas of Hunan Province and Hubei Province, even in the mountainous areas, which are hundreds of miles away from county, the vegetables there purchased by vendors from county can be sold out completely.

3 Countermeasures and suggestions

The transformation of rural residents' consumption concept has cultivated new consumption points for China and created favorable situation for promoting the development of Chinese economy. At present, China should seize the great opportunity of consumption concept transformation of rural residents and lead farmers to form the modern consumption idea and cultivate new consumption points.

3.1 Leading rural residents to set up the modern consumption concept

Although the development of productive force has led to the enhancement of rural residents' consumption level, affected by traditional consumption concept and uncertainty on future life in particular, the consumption tendency

of Chinese rural residents fluctuates greatly. In 2008, the consumption expenditure per capita was 3 661 yuan, with the growth of 437 and the growth rate of 13.6%. Excluding the impacts of price factor, the actual growth rate was 6.6%, 1.5 percentage lower than the growth rate. At the same time, the consumption tendency of rural residents has further decreased, in 2008, the average consumption tendency rural residents was 0.769, 0.01 lower than the previous year^[5]. In view of the decrease of consumption tendency of rural residents, in the first place, the government should lead rural residents to set up a new consumption concept which is in accordance with modern society development and shakes off the traditional mode of low consumption and high saving; for another thing, the government should improve the level and coverage of social security through perfecting rural social security system to intensify the consumption confidence of rural residents. In some rural areas with favorable developmental conditions can develop and perfect rural consumption credit system and provide credit support for improving rural residents' consumption level.

3.2 Intensifying governmental support and cultivating new consumption points Leading rural residents to establish modern consumption idea, the government should guild rural residents' consumption through preferential policies and cultivate the consumption points in accordance with social economic development. Governmental policy, especially the financial policies have great impact on the consumption activities of rural residents. In 2008, Chinese government launched home appliances program, which provide preferential policies for farmers who buy home appliances. Driven by the national financial subsidies, the number of home appliances owned by rural households has increased sharply. The number of refrigerators, air-conditioners, micro-wave stoves, mobile phone, computers *et al.* have increased several fold. In 2010, the color TV owned by rural residents per one hundred rural household has reached 111.8 pieces, 21.8 more than that in 2005, with the growth rate of 24.2%. In 2010, every one hundred rural household owned 45.2 refrigerator among rural households, 23.3 and 1.1 times more than that in the year of 2005; 16 air-conditioners, 8.8 pieces and 1.2 times more than that in 2005; 57.3 wash machines, 14.2 more than that in 2005; 136.5 mobile phone, 77.1 pieces and 1.3 times more than that in 2005; 10.4 computers, 7.9 more than that in 2005, 3.2 times more than that in 2005. Among the total computers, 69.4% of them have internet access, 28.6 percent more than that in 2005. National financial subsidies promote the consumption of home appliances in rural areas and vigorously promote the consumption of rural residents. It is proved that with the reasonable direction, the consumption potential of rural residents can be tapped completely and rural areas can display great role in enlarging domestic demand and motivating economic development.

3.3 Leading rural residents to set up healthy consumption concept To cultivate rural consumption market needs, the government should direct rural residents to set up healthy consumption ideas. The increase of rural residents' consumption

expenditure is a good thing for Chinese economic development, but at the same time, it should be noted that restricted by its own conditions, some rural residents' consumption behaviors have deviated from the right track. The luxury consumption and harmful consumption are threatening the healthy development of rural consumption market. In some places, rural residents pursue luxury consumption before get rich and ignore the importance of reasonable accumulation and enlarging reproduction, and then pie down the developmental potential of rural residents and the living standard in some places even assumed downward trend. The harmful consumption appears in rural areas after the income increase of rural residents and the individual rural households or rural family assumes abnormal development. The harmful consumption of part rural residents not only affects new village construction and rural spiritual culture construction, but also gravely affects the development of rural economy and the stability of rural society. In view of the harmful demand of part of rural residents, for one thing, the government should reinforce its administration on rural areas. Any unit and individual who provide harmful commodities and services to rural residents should be punished to maintain the development of rural consumption market. For another thing, the direction intensity on rural residents should be intensified to help farmers to resist the expansion of harmful consumption in rural area to help them establish healthy and positive consumption culture and consumption idea. The development of productive force has created favorable condition for the enhancement of rural residents, so only when we seize the good chance and direct farmers to set up right consumption idea, Chinese rural areas can be improved to be an important force in promoting the social and economic development of China.

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