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# Predicament and Countermeasures of County Economic Development in the Context of New Socialist Countryside Construction

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**Abstract** From the perspective of building new socialist countryside, this paper analyses the interactive and mutually reinforcing internal relationship between construction of new socialist countryside and the development of county economy as follows: building new socialist countryside is a significant opportunity and a sturdy base for the development of county economy; the development of county economy is an effective approach and mighty support for construction of new socialist countryside. Then this paper researches the predicament of "big agricultural county, small industry county, county with weak economy, county with low revenue" confronted by the development of county economy at present. Finally corresponding countermeasures are put forward to address predicament in county economic development as follows: constantly promote the reform of "province administering county", enhance and reinforce the development initiative of county economy; vigorously develop modern agriculture, use modern agriculture to stabilize the county; make every effort to propel the development of modern industry, use emerging industry to rejuvenate the county; quicken the pace of urban construction, use charming cities to attract development elements; adhere to the people-oriented outlook, foster new farmers, to achieve harmonious development of county economy.

**Key words** New socialist countryside, County economy, Predicament, Harmony, China

We will comprehensively understand, positively summarize the intrinsic relationship between the development of county economy and construction of new socialist countryside, and have a profound understanding of predicament faced by the development of county economy and its external manifestation, which is of great practical significance to promptly resolving predicament and bottleneck in the development of county economy, truly achieving great development of county economy, and further promoting and accelerating the pace of building new socialist countryside.

## 1 Internal relationship between construction of new socialist countryside and development of county economy

**1.1 The construction of new socialist countryside is a significant opportunity and a sturdy base for the development of county economy** The 16th National Congress of Communist Party of China mentions "expanding county economy", and the Third Session of the 17th Central Committee of the Party also clearly states: "to expand the autonomous rights of county development, and enhance the vitality and strength of county economy", which has brought many opportunities for the development and growth of county economy. Due to impact of broad distribution of China's counties, different basic conditions of county, differences in direction of economic development and other factors, the county economy makes great

achievements, but the development of county economy in some regions still lags behind.

The advancing and implementation of building new socialist countryside brings great opportunities for long-term development of county economy, and also provides solid foundation for the rapid development of county economy. The process of building new socialist countryside is also a process of the development of county economy. Through the effective use of national policy support, economic support and guide of public opinion, we should make the government give top priority to the development of county economy, to effectively arouse whole society's attention and obtain support, forming favorable pattern. Through coordinating urban and rural development, we should integrate the development of county economy and construction of new countryside, regard the development of food and agricultural production as the basic anchor, take speeding up the development of agriculture, countryside and farmers as fundamental standpoint, take the coordination and propelling of urbanization and new rural construction as strategic focus, take advantage of policy support of building new countryside, and reform the system and mechanism which are not conducive to the coordination of urban and rural development. In addition, we should strengthen the building of characteristic county industry, and consolidate the support of the county projects, to obtain competitive advantage and significant growth potential.

**1.2 The development of county economy is an effective approach and mighty support for construction of new socialist countryside** At present, China has approximate 2000 counties in total (Including county-level cities, autonomous counties, banners), of which the area accounts for 90% of

China's land area; the population accounts for 60% of total population of China; the total social output value accounts for 50% of total output value of China's agriculture and industry; the total social spending accounts for 45% of that of China; GDP accounts for 63% of China's GDP<sup>[1]</sup>. It can be said that if without the county's economic development, there will be no new socialist countryside.

The construction of new socialist countryside is a major national strategic initiative of the Party and the State Council under the guidance of scientific concept of development, and also a long-term and complex historical task needing urgently to be resolved in the process of development in China. The construction of new socialist countryside is not just the construction of roads and building of new houses, the essence of which is to narrow the widening gap between urban and rural areas, and achieve equalization of basic urban and rural public services<sup>[2]</sup>. In the current and future period, to promote the construction of new socialist countryside, we must adhere to coordination of urban and rural development, continue to emancipate and develop the rural productive forces, and achieve continuous and rapid growth of farmers' income<sup>[3]</sup>. For the time being, we should firmly focus on the development of rural economy, constantly enhance the competitiveness of agriculture and rural economic strength, and strengthen the material basis of new rural construction. As the regional economy covering the vast rural areas, the county economy is the regional economy on the basis of agricultural economy, taking rural areas as carrier and farmers as the main body. Therefore, if the county economy develops, the economy in vast rural areas will developed; the fundamental status of agriculture will be consolidated; farmers' income will be increased; the economy and culture in rural areas will achieve comprehensive, coordinated and harmonious development. Development of county economy is a good carrier of reinforcing rural economic strength, stabilizing rural community, increasing farmers' income, and promoting urban and rural socio-economic integration, a effective way and strong support for the construction of new socialist countryside.

## 2 The predicament confronted by the development of county economy

**2.1 Big agricultural county** The industrial development system of county economy is unsound, mainly based on farming, breeding and other traditional patterns of agricultural development and operation modes, with slow process of agricultural modernization. Agriculture, as the primary industry, has excessive proportion in county development pattern, which does not chime in with the development proportion of the industry and tertiary industry. Big agricultural county has not yet been transformed into strong agricultural county, and the basic function of agriculture in consolidating county economy has not been exerted effectively, thus the tasks of food security and industrial restructuring are still arduous.

**2.2 Small industry county** The traditional industry still plays the dominant role, and the proportion of modern industry is too small. The technological content of industrial enterprise

products is low, lacking market competitiveness. It has not formed characteristic, classy and profitable industrial support system of county economy, and specialized, modernized and large-scale industrial development pattern is not obvious. The urban construction lags behind, never forming well-known urban centers with driving force and carrying capacity, and the factors of production and development have not been effectively absorbed and integrated.

**2.3 County with weak economy** The relatively weak economic base, inadequate power of social investment, and insufficient development of private enterprises, directly result in small aggregate of county economy. The projects concerning agriculture, industry and farmers' livelihood which need investment for construction, is increasing, forming passive situation of economic strain and financial austerity. The development of county financial system is imperfect, and the rural areas lack effective, timely, flexible and plenty of financial support, therefore, the financial needs in rural areas still have a huge gap, seriously hampering the pace of economic development in rural areas.

**2.4 County with low revenue** In the light of source of the county finance under current tax system, the financial source structure of county finance is simple, and the fiscal revenue obtained in limited county is split, causing weak strength of the county finance. The county government also undertakes a variety of great and arduous tasks, so that the county's financial power is inconsistent with the duties and responsibilities. It is difficult to bear the significant responsibility and development goal of effectively accelerating local economic development and promoting comprehensive local economic and social development merely by relying on the financial strength.

## 3 The countermeasures for addressing predicament in county economic development

**3.1 Constantly promote the reform of "province administering county", enhance and reinforce the development initiative of county economy** At present, China is actively exploring and vigorously implementing the reform of "province administering county", so that the reform of China's local administration system achieves important breakthrough. Nowadays, we should speed up the reform of "province administering county", explore and expand the scale of "pilot counties", conduct the experiment of "expanding power and invigorating county", straighten out the relationship between the "county zoning" and "municipal zoning", give the county government more autonomy and independence, and expand and enhance the initiative of developing the county economy, so as to enable the county to take more responsibilities of economic and social development, to adapt to a rapid increase in demand of the county community for the public services and public goods. In 1986 and 2001, Pingshan County in Hebei Province was identified as one of national poverty-stricken counties, and the national key poverty-alleviation-and-development county successively. In 2002, the fiscal revenue of whole county was only

155 million yuan. In 2005, Hebei Province carried out the pilot project of "expanding power and invigorating county", and Pingshan County was given the same authority of economy and social management as that of districts and cities, involving 27 provincial government departments, and a total of 62 items of powers in 11 aspects. With the decentralization policy, the financial strength of Pingshan County grows rapidly. In the first nine months of 2007, Pingshan County completed fiscal revenue of 1.05 billion yuan, becoming the first county-level city with the fiscal revenue exceeding 1 billion yuan in 17 county-level cities in Shijiazhuang. It is called the famous "Pingshan speed", and the former national-level poor county turns into the county with strong economy. "Pingshan speed" has verified the positive role of "expanding power" for the development of county economy<sup>[4]</sup>. In April 2004, Yunnan Province established 47 pilot counties of county economic development. Through attaching importance to mechanism, planning and project, the average economic growth rate of 47 pilot counties of county economic development in 2005 was 4 percentage points higher than the average provincial growth rate; the actual growth rate of farmers' income per capita was 3 percentage points higher than that of whole province; the counties with local fiscal revenue exceeding 100 million yuan increased by 7 as against those in the previous year; the competitiveness of pilot counties in promoting the county economy in whole province was further strengthened<sup>[5]</sup>.

**3.2 Vigorously develop modern agriculture, use modern agriculture to stabilize the county** The big agricultural county should give full play to the existing agricultural advantages, and adhere to the concept of developing the modern industry to plan the development of agriculture. We should accelerate the propulsion of agricultural industrialization management, further put the promotion of processing industry development of agricultural products and fostering the leading enterprises in important position, constantly improve the organizational degree and management level of farmers, and expand and promote the development of characteristic agriculture industry. Moreover, we should speed up the adjustment of agricultural structure, improve agricultural productivity, increase agricultural technology input, innovate upon agricultural science and technology promotion system, promote the technological content and technological level of agricultural production, and gradually make the scientific and technological progress become the powerful driving force for the development of modern agriculture.

The county government should strengthen the cooperation with universities; improve the level of cooperation with universities; rely on the jointly created and developed "one village, one product", "one county, one industry", and other science and technology demonstration projects; use the advantages of talents who have received higher agricultural education and technological advantages; foster knowledgeable industrialization-development technological talents who are adept at management for the rural areas; promote agricultural industrialization process. We should firmly establish the goal of exploring, fostering and guiding the growth point of characteristic county econo-

my, take the market as orientation, regard the industrialization management and large-scale development as the main direction, and effectively use the advantages of regional resources, to make the characteristic county economic industry powerful. In addition, we should fully use financial incentive and industry support policies offered by the state for large agricultural counties and major grain-producing counties, and actively strive for food industry construction projects, in order to guarantee the national food security, promote regional economic development, increase farmers' income, and lay solid economic foundation for the construction of new countryside<sup>[6]</sup>.

**3.3 Make every effort to propel the development of modern industry, use emerging industry to rejuvenate the county** In order to develop county economy, we should use industry to invigorate the county, vigorously propel the development of modern industry and foster new advantages for economic development. We should vigorously develop the leading industry in county economy, implement the construction of industrial park, form the pull effect of "developing one industry, driving the economy in one region", promote the related industries to form cluster effect, and make the leading enterprises and industrial parks, which support the new industrialization, continue to grow and develop. We should continue to adhere to the system of inviting investments from overseas, strengthen the degree of attracting investment, improve the level of inviting investments from overseas and capital utilization, foster a batch of strong enterprises on the basis of market demand, taking project as support, absorb surplus rural labour forces, and promote the level of urbanization. Based on the status quo and direction of economic development of county economy, we should take actions that suit local circumstances, adjust the industrial structure proceeding from the actual situation, vigorously develop new markets, and foster a number of large-scale export industry chains and bases of production and processing.

In addition, we should unremittingly strengthen project building, carry out attracting investment, construct large projects, and promote the great development. At the same time, it will encourage and guide the enterprises and projects to take the initiative to attract investment, actively undertake the industrial transfer in developed regions and urban areas, develop supporting industrial economy, and effectively promote the development of the county's industrial economy. We should strengthen the construction of ecological agriculture cultural parks, eco-industrial parks, market logistics parks and other parks, and build a platform for undertaking the industrial transfer and preparing for new round of economic development, to provide gripping device for seizing opportunities. We should actively build the great parks into "internationally-known, influential and advanced" parks, and forge the parks into a great platform that can bear industry and absorb the project, and the economic aggregate with a great driving force, directly increasing fiscal revenue and a large number of jobs. As for the land planning when constructing great parks, we should maximize the use of wasteland, flood plain and other non-agricultural land, and cultivate new urban areas with enormous driving force.

### 3.4 Quicken the pace of urban construction, use charming cities to attract development elements

We should accelerate the urbanization building, and develop central county-level cities and small towns. The urbanization building is inseparable from the development of county economy, and they promote each other. The development of county economy promotes urbanization, and the urbanization promotes the development of county economy. In China's coastal cities and counties, the mushrooming small towns gradually form dense town clusters, which not only promote the integration of urban and rural development, but also promote the rapid development of local economy, and enhance the competitiveness of county economy<sup>[3]</sup>. Therefore, to accelerate the development of county economy, we must accelerate the pace of constructing county towns, coordinate overall county development planning, make the central cities stronger, change the situation of "small horse pulling big cart", and improve the primacy of the central cities. We should use beautiful city to attract factors of development, and give full play to the "leading" role of cities, towns in boom of county economy. In the process of urbanization, we should combine government domination and market promotion; stick to high-starting – point planning, high – quality construction, and efficient management in accordance with the principles of scientific orientation, prominent features, and complementary advantages; actively build the new urban system on the basis of existing towns, taking the county as the core and central towns as focus.

We should strengthen the urban infrastructure construction, improve the urban functions, improve the urban image, strengthen its leading role, and improve the capacity of the central city in carrying population and industries, so as to make it become an effective vehicle for the development of county economy. We should use tax, household registration and other policy levers to promote industries and population to cluster in "big counties" and central towns; reasonably determine strategic support industry; consider the industrial layout; scientifically determine the division of functions, to promote comprehensive and coordinated development of economy, community, culture, tourism, commerce, finance, logistics, communications and other services in "big counties" and central towns. We should combine construction and demolition planning, urban function zoning, spatial distribution, and transportation networks, systematically construct the urban pattern, and systematically integrate urban nodes, to create a new livable city.

### 3.5 Adhere to the people-oriented outlook, foster new farmers, to achieve harmonious development of county economy

We should adhere to the people-oriented outlook, innovate upon development mechanisms, and activate the internal momentum for the development of county economy. Through promoting innovation upon government management system, we should effectively improve the administrative efficiency, and make every effort to make people really satisfied with and trust the government; promote innovation upon urban and rural regional development mechanism, and provide equal

public services for people to share the fruits of development; promote innovation upon employment and social security system, and promote the optimization of development environment. We should focus on solving the direct and practical interests issues that the masses are most concerned about; further protect and improve people's livelihood; solve the housing difficulties for laid-off workers, teachers and the of low-income families; establish urban-rural-coordinated fair employment, pension, health insurance, social assistance and other systems; gradually expand coverage of security, and promote the security ability and level; improve the public well – being index; vigorously explore and practise the development model of "harmony invigorating county".

Moreover, we should focus on building long-term mechanism of cultivating new farmers, so as to provide continuous momentum for the development of county economy. Through large-scale, persistent education and training for farmers, we should constantly improve farmers' scientific and cultural quality, ideological and moral level and production and labour skills, enhance the overall quality of the modern farmers, so as to provide strong intellectual and talent support for the construction of new socialist countryside. We should consolidate rural compulsory education, speed up the construction of vocational education and training base, expand the scope of enrollment, improve the professional level of vocational education, actively carry out vocational and technical training for rural labour forces, set the major based on the local pillar industries and characteristic economy, and cultivate all kinds of practical talents. And we should widely carry out various types of spiritual civilization activity, carry out the activities of constructing harmonious villages, towns and families, and foster rural civilization, in order to foster good atmosphere for the development of county economy and the construction of new countryside<sup>[7]</sup>.

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