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On the Government Function Orientation in China's Agricultural Management Reform

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Abstract Since the reform and opening up, China's market-oriented agricultural management reform has achieved remarkable results, but the reform has not yet been put in place, and there are some flaws in some areas of reform. To deepen the reform of government's agricultural management reform under the new situation, it is necessary to further define the boundary between government and market on the basis of following the general rules of world's agricultural development and considering China's special situation of agriculture, nail down the scope of government functions, pinpoint the key areas of reform, and actively promote the rapid development of China's characteristic modern agriculture.

Key words China, Agricultural management reform, Government function orientation

1 Introduction

The Third Plenary Session of the 18th Central Committee of the CPC pointed out that we will make market play a decisive role in the allocation of resources and better play the role of government. It is a major strategic decision made by the CPC profoundly following the law of China's economic development and advancing with the times. The Fourth Plenary Session of the 18th Central Committee of the CPC made a plan on comprehensive rule of law in order to further clarify the relationship between government and market, and promote the sustained and stable development of market economy. These major strategic decisions made by the CPC reflects the changes in the CPC's thinking about governing a state in the new normal economy, and points out the direction of rural and agricultural reform in the new era. In this context, the in-depth study and implementation of these strategic plans need to be combined with the actual situation of China's agricultural and rural economic development, and it is necessary to effectively deepen the agricultural management reform, correctly handle the relationship between government and market, and promote scientific development of modern agriculture with Chinese characteristics.

2 Current situation of Chinese agricultural management

2.1 Enormous pressure on effective supply of grain and other major agricultural products China's per capita arable land resources and water resources are only 40% and 20% of the world average. With the deepening of industrialization and urbanization, population growth and consumption structure upgrading, there is an additional demand for 4 billion kg of grain, 0.8 million t of meat and 0.5 million t of vegetable oil every year. Studies have

shown that by 2020, China's consumer demand for food will reach about 720 billion kg, and the supply and demand gap will be about 70 billion kg.

2.2 Constraints of small-scale decentralized management on agricultural restructuring The average farmland area for each rural household is less than 10 mu, 2.5% of that in EU and 0.25% of that in the USA. Even for Japan or South Korea with similar national conditions, the average scale of operation is 2–3 times that of China.

2.3 Urban-rural dual structure and serious outflow of resource elements in rural areas The urban and rural development is unbalanced and the conflict between industry and agriculture is obvious. The income gap continues to widen, and farmers enjoy inferior education, health care, social security and other basic public services compared with their urban counterparts. The scissors gap between the prices of industrial and agricultural products dwindles or even disappears, but the new scissors gap between the prices of some factors (such as land, capital and labor) is intensified. It is estimated that since the reform and opening up, the total value transferred by all levels of government from farmers through the expropriation of land has reached 20–30 trillion yuan.

2.4 Vulnerable ecology and arduous task of achieving agricultural sustainable development The soil erosion area nationwide reaches 2.95 million km², the annual average amount of soil erosion is 4.5 billion t, and there is an annual loss of nearly 1 million mu of arable land due to soil erosion; the desertified land area reaches 1.73 million km², and the rocky desertification area is 0.12 million km²; more than 90% of grassland suffers from varying degrees of degradation; lake water area declines from 71000 km² to 52000 km².

2.5 High degree of opening up in agriculture and enormous import pressure on agricultural products In recent years, affected by the rising prices of production materials, labor, and other factors, the prices of domestic agricultural products is undergoing a comprehensive hike. In addition, the average agricultural

tariff of China is less than 25% of the world average, resulting in inversion of domestic and international prices of agricultural products. It is more and more difficult to optimize agricultural market regulation, and ensure the domestic agricultural industry security.

3 The problems in China's agricultural management

3.1 Weak agriculture's ability to absorb resource elements

Agricultural labor objects are mostly live animals and plants, vulnerable to extreme weather, pests and other factors, so the natural risk is much higher than that of other industries. Even though a country has high level of agricultural modernization, it is difficult to effectively circumvent such risk. In the market, the agricultural products are harvested and come into the market in a relatively concentrated period, and fresh products are difficult to preserve for a long time. The supply and demand changes have typical "cobweb" feature, often leading to price fluctuations. Natural and market risks are interleaved, making agriculture difficult to attract capital, labor, technology and other elements.

3.2 Lack of motivation for infrastructure investment The stable supply and price of grain and other major agricultural products are foundation and prerequisite for sustained and healthy economic development, social and political stability in a country. At the same time, agriculture also plays an important role in soil and water conservation, water conservation, air purification, cultural inheritance, wealth gap reduction and social stability. However, the agricultural infrastructure investment pays off slowly; R&D costs on new varieties of agricultural products and new technologies are high; it is very difficult to protect property rights. These factors determine the lack of intrinsic motivation of rural households and enterprises for infrastructure investment, restricting the improvement of agricultural productivity.

3.3 Difficulty in quality supervision of agricultural products

There are many factors that affect various aspects of agricultural production. Environmental pollution, excessive application of pesticides and fertilizers, irrational use of feed additives and veterinary drugs, and contamination and mildew during harvesting, storage and processing, will pose a direct threat to the quality and safety of agricultural products. At the same time, the production and marketing of agricultural products is highly fragmented, and serious information asymmetry exists between production operators and consumers. The agricultural market is difficult to achieve "high quality and competitive prices", and quality and safety incidents occur frequently.

4 Functional orientation of government in China's agricultural management reform

4.1 Optimizing agricultural macro-control In this area, the main responsibility of government is to adjust the agricultural development goals, regulate the allocation of resources, prevent the operating risk, and ensure the effective supply of food and other important agricultural products, to increase farmers' income and promote the sustained and healthy development of agriculture and

rural economy. "Focusing goals, changing the way, optimizing the decisions" is the direction of reform. "Focusing goals" is to focus the regulation goals, implement new national food security strategy, explore the grain production functional areas, develop agricultural trade strategies, promote the integration of urban and rural market factors, progressively achieve equal exchange of urban and rural elements and balanced allocation of public resources, and explore the establishment of long-term mechanism for farmers' income. "Changing the way" is to reform the regulation way, change the passive regulation to active regulation, promote stable agricultural market, and explore the establishment of national monitoring and early warning system for key agricultural products and industrial damage assessment and relief mechanism. "Optimizing decisions" is to improve the regulatory decision-making mechanism, and perfect the mutual restraint and mutual coordination mechanism of decision-making, enforcement and oversight power.

4.2 Increasing the supply of public services In this area, the main responsibility of the government is to provide agricultural services on infrastructure building, technological R&D and extension and information monitoring and analysis, to support development of modern agriculture. "Strengthening the role of government and innovating upon the supply ways" is the direction of reform. To strengthen the role of government, it is necessary to strengthen the building of major water conservancy projects, high standard farmland, seed industry base and agricultural research, deepen reform of agricultural science and technology system, and improve the agricultural talent management mechanism. In innovating upon the supply ways, the focus is to attract and encourage social capital to participate in the supply of public services, and promote government procurement of social services. Except for the necessary services provided directly by the government, all services can be undertaken by the market and social organizations through entrusting, contracting, and procurement.

4.3 Strictly regulating agricultural markets The main responsibility of the government in this area is to regulate the behavior of agricultural market entities, conduct supervision and management in terms of product quality and price, and establish fair, efficient and orderly agricultural market order. "Fulfilling responsibility, defining standards, strengthening support and regulating strictly" is the direction of reform. In terms of "fulfilling responsibility", the key is to build the responsibility system of "local management, graded responsibility", and fulfill the main responsibility of production operators. In terms of "defining standards", the focus is to revise and improve the relevant industry standards and product standards, and introduce the industry self-regulation norms and information disclosure system. In terms of "strengthening support", the focus is to improve environmental monitoring network of agricultural product origin, and perfect agricultural input quality monitoring system, and agricultural product quality and safety testing, labeling, traceability and law enforcement system. In terms of "regulating strictly", the focus is to establish market supervision mechanism linking multiple departments, strengthen

the exit criteria and market access, and explore the establishment of market regulatory decision-making system based on large data.

4.4 Promoting sustainable development The main responsibility of the government in this area is to promote the rational use of agricultural resources, restore agricultural ecosystems, and strengthen virtuous cycle of agricultural production systems. "Defining property rights, focusing on control, building mechanism" is the direction of reform. In terms of "defining property rights", the focus is to define the agricultural resource property rights relationship, complete certification of household land contract rights as soon as possible, accelerate the reform of grass rights, forest rights and water rights, and establish a scientific resource pricing mechanism on the basis of clear property rights. In terms of "focusing on control", the focus is to strengthen agricultural pollution control and ecological restoration, enhance the disposal of dead livestock, poultry wastes, and carry out the control of heavy metal pollution of farmland and non-point source pollution. In terms of "building mechanism", the focus is to build resources, ecological protection mechanism, increase farmland protection and quality, and establish ecological compensation mechanism for important water sources and ecological areas.

4.5 Perfecting agricultural system The main responsibility of the government in this area is to form a legal system environment with complete system, scientific norms and effective operation. "Strengthening legislation, improving law enforcement" is the direction of reform. In terms of "strengthening legislation", the focus is to accelerate the legislation in the areas of cultivated land protection, water and soil conservation, farmland quality construction, food security, quality and safety of agricultural products, agricultural investment protection, and ecological compensation, to ensure that there are laws to abide by. In terms of "improving law enforcement", the focus is to promote the comprehensive agricultural law enforcement, and fully implement financial security law enforcement system; strengthen law enforcement team construction, and enhance the professional training and operational assess-

ment for the grass-roots and front-line law enforcement forces.

5 Conclusions

In short, since the reform and opening up, China has adhered to taking promoting agricultural management reform and promoting agricultural marketization as an important means to get rid of the shackles of planned economy and promote the flow of factors of production, and carried out long-term unremitting exploration. After thirty years of reform and development, China's agricultural management reform is constantly deepened, and the market-oriented construction of agriculture achieves remarkable results. Given the special nature of agriculture, the governments in the world, especially developed countries, have made a large investment in agriculture and provided strong support and protection for agricultural development. The particularity of China's agriculture is more prominent, and agricultural development is facing the severe challenges of higher costs, greater risk and more difficult control. Therefore, the government has to bear more tasks and responsibilities in agricultural development, and there is a need to strengthen the role of government and effectively make advantages of government and market complement each other. Basically, China's agricultural management reform is a process of "strengthening market, weakening plan, increasing services, reducing intervention", a process of continued decentralization, and a process of continuously adjusting and optimizing the relationship between government and market.

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