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# Development Paths of the Sixth Industry in Jingzhou of Hubei Province

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**Abstract** As a new light spot and form of current agricultural development, the sixth industry is a new way to solve the problems of rural development. This paper first introduced current situations of the development of the sixth industry in Jingzhou of Hubei Province, analyzed the related problems, and then came up with some feasible development paths. First of all, the local government should formulate the financial support policies for the sixth industry. Second, local government should focus on strengthening the cultivation of new type of agricultural business entities and carrying out agricultural brand strategy. Finally, local government should develop leisure agriculture, ecological agriculture and promote the integration of rural tourism in the whole region.

**Key words** Jingzhou, Development path, The sixth industry

## 1 Introduction

In the 1990s, when rural economy in Japan was suffering from the insufficiency of development vitality, Imamura Naranchen, emeritus professor of Tokyo University, put forward the concept of the sixth industry to solve the dilemma faced by Japanese agriculture. Professor Zhang Laiwu, the former vice minister of Ministry of Science and Technology of China, and some Chinese scholars further developed the theoretical system of the sixth industry. According to their theory, the sixth industry is the highest form of the industrial structure, and its core is to develop the primary, secondary and tertiary industry and integrate Internet and cultural and creative industry. The ultimate objective is to increase the agricultural added value and farmers' income.

Nowadays, the rural areas in China are facing the challenge of massive labor transfer as well as feminization and aging of labor force. Chinese government tries every means to solve these problems. In the *No. 1 Central Document* and *Document on Central Rural Work Conference* in China in 2017, such modern industrial organization modes as industry chain and value chain were introduced into agriculture to promote the integration of the primary, the secondary and the tertiary industry. As a new light spot and form of current agricultural development, the sixth industry is an effective way to enhance the rural economic vitality, improve agricultural performance, and increase farmers' incomes.

## 2 Current situations of the sixth industry in Jingzhou

**2.1 Steady growth of agricultural product processing industry** Jingzhou is a large agricultural city and is reputed as "land of fish and rice, China granary". In recent years, relying on the advantages of abundant agricultural resources, agricultural product

processing enterprises in Jingzhou have been developing rapidly, and the scale has been growing. The number of enterprises above designed size reached 542 in 2016, and their output value was 134.61 billion yuan and the year-on-year growth was up to 9.13%. Leading enterprises have been developing and growing, the number of processing enterprises with output value over 3 billion yuan has reached 7, and 10 agricultural products processing parks have been formed. In addition, the agglomeration scale of agricultural product processing industry is expanding unceasingly, and it has formed many agricultural products processing industry gathering areas.

**2.2 Relatively backward but promising development in rural service industry** From 2012 to 2015, there was an obvious increasing trend in the added value of services of agriculture, forestry, animal husbandry and fishery. Specifically, it has increased cumulatively by 811 million yuan or by 247.26%, while the added value of accommodation and catering industry took on a fluctuation state, and their cumulative growth was 54 million yuan and 400 million yuan respectively, that is to say, the cumulative growth rate was 6.89% and 13.23% respectively; in addition, from 2013 to 2015, the average annual growth rate was 2.51%, 4.54%, and 67.55% for the accommodation, catering industry and agriculture, forestry and the added value of service industry of agriculture, forestry, animal husbandry and fishery.

**2.3 Diversified development of agricultural business entities** By 2015, there have been 39 000 new agricultural business entities in Jingzhou, including 254 city-level leading enterprises of agricultural industrialization, over 20 000 specialized farmer households, 4 800 farmer cooperatives, 48 cooperative alliances, and 5 500 registered family farms in the business sector. The rapid development of new agricultural business entities not only promoted rural land circulation, but also greatly enhanced farmers' enthusiasm in joining cooperatives. Nowadays, about 512 000 farmers

have joined the cooperatives, accounting for 48.8% of the total number of farmers in Jingzhou, and the average income increase of each farmer household was 13 000 yuan.

### 3 Main problems of the development of the six industry in Jingzhou

**3.1 Talent shortage** With the increase in the rural migrant workers year by year, rural areas face a serious problem of shortage of labor forces. In recent years, although some migrant workers return home, the growth rate of labor and talented person still cannot keep pace with rapid development of the sixth industry. In addition, there is much more serious shortage in some kinds of agricultural professional and technical personnel. The existing structure of scientific and technological personnel is aging and thus lacks passion and innovation, which becomes an obstacle to the further development of the sixth industry.

**3.2 Financing difficulties** To develop the sixth industry, it needs a long cycle and relatively huge construction funds. However, it is difficult to raise fund simply by a single investment subject. As a result, the new operators tend to face the plight of capital shortage, especially in seasonal funds. There is usually a relatively high, complex program, limited loan amount in commercial loan, which lead to the blockage of financing channel. In addition, in the process of cooperation and development, due to lack of trust in partners, some investors resist investing much capital to the operators. Without the sufficient funds, it is difficult for the operators to carry out advanced agricultural technology, collect rich information and increase the scale of the industry, which severely restrict the development of the sixth industry in Jingzhou.

**3.3 Brand building lagging behind** Brand building is of great significance to increase the added value of agricultural products. Nowadays, the characteristic agriculture product superiority in Jingzhou has not been transformed as the scale superiority and benefit superiority, the main reason for which lies in the lagged brand building. Firstly, brand cultivation and protection systems have not been established. Brand development lacks a unified, systematic planning, organization and guidance. Secondly, brand influence is urgently needed to expand. The brand influence only remains in the local area, leading to the lower social trust degree. The agricultural brand status in Jingzhou is not commensurate with the status of the big agricultural city. Thirdly, the concept of regional public brand needs to be popularized. The construction of regional public brand has not been planned as a whole, the brand resources have not been well integrated, and the public brand system has not yet been established.

### 4 Development paths of the sixth industry in Jingzhou

As early as 20 years ago, Japan and South Korea started the exploration and practice of the sixth industry, and they have accumulated abundant experience. In recent years, many provinces and cities in China also actively take part in the practice of sixth industry. Learning from successful practical experience both at home

and abroad, it is undoubtedly important to cultivate and develop the sixth industry in Jingzhou.

#### 4.1 Formulating the financial support policies for the sixth industry

The development of the sixth industry is inseparable from the financial support. First of all, financial institutions should study and formulate the credit policy to support for the development of the sixth industry. For the business entities of the sixth industry with large-scale, strong leading role, high credit ratings, the banks should implement preferential policies such as loan priority, interest rate concessions, easing and simplifying procedures. Secondly, local agricultural sectors, financial offices, banking regulatory bureau should study specific policies to support financial institutions for the sixth industry to carry out mortgage loan business towards orders for agriculture, agricultural production facilities, agricultural machine, land contract and management rights, forest ownership, right to use water and beach. Thirdly, guarantee institutions should study and formulate access conditions, include the eligible sixth industrial entities into the scope of loan guarantee services, and give priority to guarantee services. In addition, policies should also be formulated to attract social capital to participate in the development of the sixth industry. Last but not least, following the experience of Japan and South Korea, the government and the relevant departments should put into more fund to carry out fiscal subsidies for the sixth industry, establish specialized accreditation agencies, standardize certification process, which can be considered as the basis that provide precise assistance and the sixth industry business owners to obtain financial subsidies. As a result, it can improve the implementation effect of government subsidy policy.

#### 4.2 Strengthening the cultivation of new type of agricultural business entities

The shortage of talent resources is the bottleneck of the current development of the sixth industry in Jingzhou, so it is necessary to cultivate new type of agricultural business entities to improve staff quality, including cultivating leading specialized households, taking family farm as the backbone, making professional cooperatives and leading enterprises as the link.

**4.2.1** Speeding up the cultivation of new type of professional farmers. The authorities should try every means to broaden training channels and forms to carry out vocational education and training, expand the scale of sunshine projects and rural practical personnel training, conduct a wide range of training on large grain farming, large breeding family, family farm operators, leaders of cooperatives and so on. Furthermore, the government and the relevant departments should study and formulate identification standard of professional farmers as the basis of cultivation and support.

**4.2.2** Vigorously developing specialized households and family farms. The government and the relevant departments should explore identification standards towards specialized households and family farms of different production areas. The new added agricultural subsidies will be tilted to those identified specialized households and family farms, and the contracted land transfer should also be encouraged and supported for them.

**4.2.3 Accelerating the development of farmer's cooperatives.** The government and the relevant departments should encourage farmers to set up diversified and multi-type cooperatives, such as professional cooperation and joint-stock cooperation. At the same time, they should establish an evaluation mechanism for model cooperatives to publish a list of model cooperatives at different levels, and take them as the key supportive subjects.

**4.2.4 Strengthening the leading enterprises of agricultural industrialization.** The government and the relevant departments should actively promote the leading enterprises to cooperate with farmers and cooperatives, and take the road of win-win development between agricultural enterprises, farmers and cooperatives.

**4.3 Carrying out agricultural brand strategy** Jingzhou should take the development of modern agriculture, aim at developing brand agriculture, leisure agriculture, ecological agriculture and building the sixth industry as the goal, and take "Internet +", "cultural creativity +" as the means. Through adjusting the industrial structure of agriculture and innovating the way of agricultural development, it is expected to improve the level of agricultural modernization and increase farmers' income. Firstly, "*Jing Chu taste*" regional agricultural products can be taken as the core public brand to excavate and protect special agricultural products, so as to form leading and dominant industrial structure of "high quality rice, green vegetables, famous fruits and special breeding", "one village with one industry" and "one village with one product". It is essential for the operators to improve the agricultural quality, brand and taste. Secondly, the operators should further strengthen the brand integration, gradually improve standardized cultivation technology of brand agricultural products, and formulate the operation procedures, technical standards and product packaging standards of representative agricultural brands. Thirdly, it is recommended to properly deal with the external image of the product and brand, to enhance the intrinsic value of product brands.

**4.4 Developing the leisure agriculture, ecological agriculture and promoting the integration of rural tourism in the whole region** Firstly, combined with the sixth industry, the government should actively promote the integration of agriculture, forestry and tourism, culture, health and other industries, and strive to build pastoral complex, so as to form the new highlight and new form on agricultural industry development of "eco-oriented, industry-based and cultural landscape". Secondly, combined with the characteristics of Jingzhou, the government should vigorously build the Chu Culture leisure tourism industry belt, red leisure tourism industry belt, pastoral scenery leisure tourism industry belt, green development leisure tourism industry zone, eco-tourism leisure tourism industry and other agricultural tourism agglomeration area construction. Thirdly, combined with agricultural and special resources, it is recommended to organize a series of agricultural festivals, such as grape festival, peach blossom festival, strawberry festival, peach festival, crayfish festival and so on. Through deep-

ly seeking organic integration of traditional culture and modern elements, the operators can guide the development of farming and fishing culture, promote integration of agriculture and cultural creativity, scientific and technological development, design services, ecological construction, landscape tourism, and build leisure agriculture park combined with agriculture sightseeing, farming experience, education exhibition and cultural heritage.

## 5 Conclusions

It is of great practical significance to cultivate and develop the sixth industry in Jingzhou, change the mode of agricultural development and promote the modernization of agriculture. Developing the sixth industry can effectively stimulate the vitality of agriculture, promote the development of local industries and new industries, and enhance the driving force of rural economic development. From the perspective of reciprocity benefit and industry complementarities, the sixth industry is an important starting point to accelerate the modernization of agriculture. From the perspective of the continuous increase of basic requirements for quality of life, the sixth industry is an effective way to expand the multi-function of agriculture. From the realistic challenge of coping with the hard constraints of resource environment, the sixth industry is the objective requirement of sustainable development of agriculture.

From the gradual change in farmers' income, the sixth industry is an inevitable choice to build a moderately prosperous society in all respects. Learning from successful practical experience both at home and abroad, based on the actual situation in Jingzhou, the government and the relevant departments should formulate the financial support policies for the sixth industry. What's more, they should focus on strengthening the cultivation of new type of agricultural business entities and carrying out agricultural brand strategy. Last but not least, they should develop leisure agriculture, ecological agriculture and promote the integration of rural tourism in the whole region.

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