



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Study on the Strategy of Rural Industry Development in the Central China under the Background of Urban-Rural Integration

Ling MENG, Wenhai ZENG*, Zewen GAN, Hongbing ZHOU, Peng ZHONG

College of City Construction, Jiangxi Normal University, Nanchang 330022, China

Abstract Taking the rural areas in the central China as the target, the representative achievements and difficulties faced by rural industries in the process of urban-rural integration were sorted out systematically in this article. In the new stage of development, it is necessary to adjust the development strategy, focus on tapping the rural characteristic industries, accelerate the upgrading of agricultural products, aim at market demand, and implement multi-channel marketing strategies to expand the influence of agricultural brands. The government must actively promote the integration of urban and rural industries and the development of division of labor, actively cultivate and develop rural characteristic industrial clusters, and encourage farmers to explore various types of rural industrial models.

Key words Urban-rural integration, Central China, Rural characteristic industry, Market demand

1 Introduction

In the 1950s, the Chinese government implemented a planned economic system, leading to the strengthening of China's dual economic structure, the widening of the urban-rural gap^[1], and the slow development of rural industries. Since the reform and opening up, the rural industries have shown a rising trend. But because the urban and rural industries are self-contained and closed, it is impossible to integrate a complete industrial system^[2]. The Party's 19th National Congress judged the situation and proposed the "Rural Revitalization Strategy", of which the core is to crack the current situation of urban and rural division, strive for a new pattern urban and rural integration^[3], and realize the common development of rural and urban areas.

2 Dilemmas of rural industry development in central China

2.1 The changes in the market environment have not caused changes in the rural industry With the acceleration of the pace of opening up to the outside world, China's import and export trade market has become increasingly hot, and the eastern coastal areas have developed rapidly^[4]. However, rural industries in the central region have failed to reform their systems in a timely manner in the tide of economic globalization and have gotten into stagnation.

The promotion of urban-rural integration has brought development opportunities to the rural industries and also brought new problems. The increase in the size of the labor mobility between urban and rural areas has led to a gradual reduction in the differ-

ence in labor compensation between urban and rural areas, and the rural cheap labor has gradually disappeared^[6]. This problem is particularly prominent in the central region of China where agriculture is the mainstay. The stagnation of agriculture caused by the stagnation of rural industries has led to an increase in the scale of surplus labor. Therefore, rural industries in the central region urgently need industrial changes and rely on their own development to absorb surplus labor.

2.2 Lack of talent and insufficient funds restrict the development of rural industries Rural industrial construction requires two-way investment in human and capital. The backwardness of infrastructure in the rural areas of central China makes it less competitive in attracting investment, and its weak economic foundation is difficult to support the development of local industries. Compared to the shortage of funds, lack of talents has become a more important factor restricting the development of rural industries in the central region. The development of rural industries needs the support of science and technology, but talents often gather in developed areas along the eastern coast. There is a shortage of professional talents in the large surplus labor force in the central rural areas, which seriously restricts the development of rural industries.

2.3 The backwardness of thought has become the inherent resistance of the development of rural industries Central China is located inland and has relatively few foreign exchanges. It is often difficult to accept new ideas. In the new era of promoting innovation and entrepreneurship, the central rural residents who lack entrepreneurial traditions have a weak sense of entrepreneurship, and they are skeptical about innovation and entrepreneurship. Most farmers in the central region want their children to have stable jobs in the future and avoid risky industries. The outdated ideas have led to a lack of innovation in rural areas in the central region, so the production technology is relatively backward. What's more, because most farmers are evading the risks of

entrepreneurship, the rural industries in the central China have lost potential market opportunities. Even worse, the problem of surplus labor has not been properly resolved. The backward thinking has become an important obstacle to the development of rural industries in the central region.

3 Development strategies of rural industries in central China

In the context of urban-rural integration, rural industries in central China have great room for development. However, in the new stage of development, the rural industries in the central region need to review the situation, clarify market demand, conduct industry positioning and explore development strategies in the new situation.

3.1 Positioning of rural industries

3.1.1 Production positioning of rural industries. It is needed to clarify the positioning of rural industrial production and explore local specialty industries. The vast area of farmland in the central region is conducive to the development of agricultural products, but with the rise of new industries, many township and village enterprises are more inclined to high-profit non-agricultural industries, such as mining and electronic product processing industry. These industries lack the support of agricultural advantages and have no export competitiveness when compared with the eastern coastal areas. As a result, the original rural characteristics have been gradually weakened. Therefore, the rural industries in the central region should clearly define their own position and cannot follow the trend, and they must not ignore the limitations of their own conditions and the original agricultural advantages.

3.1.2 Market positioning of rural industries. If the rural industries want to develop steadily, they must accurately grasp the market positioning. The new era is an era of rapid development of information. The level of informatization determines the level of development to a certain extent. Most agricultural products are supplied externally. In the rural areas of the central region, due to problems such as the inconvenience of network communication and inconvenient transportation, the industries have failed to grasp the latest market information in a timely manner, resulting in an imbalance between supply and demand. The prices of agricultural products fluctuate greatly, and farmers' enthusiasm for planting will decrease. Therefore, when the rural industries in the central region are positioning the market, they should strengthen information exchange with the outside world, understand the changes in the needs of urban residents, and develop specialty agricultural products combining their own advantages to meet market demand.

3.2 Internal reform of rural enterprises

3.2.1 Accelerating scientific and technological innovation in agricultural production. Rural enterprises in the central region often lack professional theoretical guidance and advanced technical support. While reforming, enterprise should actively introduce the latest production technology and machinery and equipment, regularly arrange for technical personnel to go out to study and provide

technical guidance for the production update. In addition, the development of enterprises depends on agriculture. A farmer-enterprise cooperation mechanism should be established. Enterprises should give full play to their competitive advantages and leading role, cooperate with farmers through various means, increase the promotion of good varieties and good methods, promote efficient and productive crop cultivation methods and increase agricultural productivity.

3.2.2 Strengthening measures for energy conservation and emission reduction, quality safety supervision, and sanitary environment improvement. As people pay more attention to resource conservation and environmental protection, pollution prevention and control of township enterprises is increasingly important. The pace of rural energy construction in the central region should be sped up, the rural biogas construction should be promoted continuously, and new clean energy and renewable energy such as solar energy and wind energy should be developed actively. In addition to energy saving and emission reduction, the quality and safety of agricultural products have also become a hot issue for consumers. Enterprises should strengthen the construction of inspection and testing infrastructure for agricultural products, improve the level of quarantine equipment and testing technology, enhance the ability to prevent and deal with the invasion of alien pests and promote the standardization of agricultural production.

3.3 Exploring the marketing strategies for rural industries

3.3.1 Implementing a distinctive brand strategy. Competition in the product market is fierce, and brand marketing has become a trend^[7]. This has brought development opportunities to the uncompetitive central region. Rural enterprises can enhance their competitiveness through brand strategy and establish their own brand image. This will not only maintain a stable market share, but also ensure stable agricultural production. The rural industries in the central region have made their products more acceptable and recognized by consumers by creating distinctive brands, thereby achieving better product marketing results.

3.3.2 Developing rural tourism market. The central region of China with a large area of farmland has unique idyllic scenery, and it is a natural tourist market development land. The development of the rural tourism market can be accompanied by the development and sale of tourism products. For example, sightseeing agriculture is a hot tourism project in recent years, and many citizens yearn for rural original pure natural products, and hope to relax themselves in nature. Rural industries in the central region need to seize this demand, vigorously build an agricultural tourism-oriented tourism market, establish an ecological civilization display area and special agricultural product plantations, and hold activities such as picking and tasting agricultural products to let consumers actually feel the high quality of agricultural products. Thus, the visibility and sales of agricultural products will be enhanced while meeting consumer needs.

3.3.3 Taking an online sales strategy. With the rise of the network, sales are no longer limited to physical stores, and various

new types of network marketing methods are emerging. Statistics show that the national rural online shopping transaction volume reached 353 billion yuan, and the total retail sales of agricultural products was 150.5 billion yuan in 2015^[5]. Due to the geographical limitations, the central China is weak in competition for foreign exports. The emergence of the Internet boom is an opportunity for the development of rural industries in the central region. Rural enterprises can develop online sales strategies for agricultural products, opening up a vast online market for agricultural products through planning, packaging, and online sales. Thus, the sales scope will be expanded, and the limitations of the geographical environment will be also brought through.

3.4 Actively introducing new ideas and vigorously promoting innovation and entrepreneurship It turned out that only a good business and innovative entrepreneurial atmosphere can provide a good development environment for industrial development^[8]. Therefore, the rural areas in the central region need to vigorously promote new ideas of innovation and entrepreneurship and create a good atmosphere of thought and culture.

3.4.1 Increasing publicity efforts. Various media such as newspapers, radio and television should be used to promote the advantages of innovation and entrepreneurship to villagers to dispel the suspicions and concerns of the masses, let the concept of innovation and entrepreneurship be deeply rooted in the hearts of the people and facilitate them to accept new ideas and new forms of business.

3.4.2 Implementing preferential policies for returning entrepreneurs. Returning hometown entrepreneurs have the experience of working hard outside. They accept new ideas and new technologies faster and understand the current market situation. The rural governments in the central region can give certain preferential treatment and subsidies to returning hometown entrepreneurs, so as to attract more people who work hard to return home to start a business. Through the practice and demonstration of entrepreneurs in returning to the countryside for innovation and entrepreneurship, an impact will be produced on the traditional ideas inherent in the rural areas of the central region.

3.4.3 Change of mind begins with education. The spread of ideas should start from children. The student group accepts new ideas faster. Schools can offer courses and explain the benefits of inno-

vation and entrepreneurship to the student community in the form of telling successful people. The renewal of student thoughts can also affect their families to a certain extent, thereby forming a good atmosphere of innovation and entrepreneurship.

4 Conclusions

The rural industries in the central region face difficulties such as changing market environment, lack of talent funds, and backward thinking. In the new stage of development, the market positioning must be clarified first, and enterprise system reform must be carried out. In addition, marketing strategies can be adopted to expand the sales scope of agricultural products, thus bringing tangible benefits to the rural industries in the central region. At the same time, the ideas of innovation and entrepreneurship should be promoted actively to eliminate the inherent resistance of rural industrial development and form a benign interaction of ideas, talents and funds, realizing the rapid development of rural industries in the central China.

References

- [1] CHENG DN, HAO Y. The predicament of China's rural industry and new ideas of development under the background of urbanization[J]. Study and Practice, 2014, 31(3):37-42. (in Chinese).
- [2] HE WY. The path to realization of rural industrialization in the central region of China[J]. Journal of Hainan Radio & TV University, 2016, 17(3):93-97. (in Chinese).
- [3] LIU YS. Research on the urban-rural integration and rural revitalization in the new era in China[J]. Acta Geographica Sinica, 2018, 73(4):637-650. (in Chinese).
- [4] ZHAO H. On the integrated development of rural primary, secondary and tertiary industries[J]. Management and Administration on Rural Cooperative, 2015, 33(7):26-29. (in Chinese).
- [5] WANG XG. An analysis on the main participants motive mechanism of "Internet + rural retailing" [D]. Qingdao University of Technology, 2018. (in Chinese).
- [6] ZHONG NH. How far can rural industrialization go [J]. Economic Research Journal, 2011, 46(1):18-27, 56. (in Chinese).
- [7] PENG L. On marketing strategies of developing agricultural industry market[J]. Market Modernization, 2016, 45(8):68-69. (in Chinese).
- [8] HAN L, SU WM. The strategies of the development of Shandong rural industry market[J]. Co-Operative Economy, 2009, 25(4):30-31. (in Chinese).
- [9] HANSEN BE. Sample splitting and threshold estimation[J]. Econometrica, 2000, 68(3):575-603.
- [7] WANG QY. Fixed-effect panel threshold model using Stata[J]. Stata Journal, 2015, 15(1):121-134.
- [8] HANSEN BE. Estimation of TAR models[J]. Boston College Working Papers in Economics, 1996, 2(1):1-16.
- [9] National Development and Reform Commission, All-China Federation of Supply and Marketing Cooperatives, Ministry of Agriculture of the People's Republic of China, *et al.* National compilation of information on the cost income of agricultural products [M]. Beijing: China Prices Press, 2016. (in Chinese).

(From page 5)

[4] LIU RM. Study on the relationship between fertilizer application of corn and fertilizer partial productivity in Yunnan Province[A]. Soil Sciences Society of China. Soil Science for the Future (Chinese Book)—The 12th National Congress of the Chinese Soil Association and the 9th Cross-Strait Symposium on Soil Fertilizer[C]. Soil Sciences Society of China, 2012. (in Chinese).

[5] SHI CL, GUO Y, ZHU JF. Evaluation of over fertilization in China and its influencing factors [J]. Research of Agricultural Modernization, 2016, 37(4):671-679. (in Chinese).

[6] HANSEN BE. Sample splitting and threshold estimation[J]. Economet-