

Institutional Causes, Practical Difficulties and Mitigation Strategies of the Mismatch between Urban and Rural Financial Resources

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Abstract

The mismatch of financial resources between urban and rural areas is an important constraint to the overall revitalization and development of rural areas. Therefore, starting from the institutional arrangement of urban-rural dual division, this paper discusses the institutional causes of the mismatch of China's urban and rural financial resources, analyzes the practical dilemma of the mismatch of China's urban and rural financial resources under the strategy of "ecological civilization and rural revitalization", and follows the path of "mapping and determining rural spatial ecological resources -- valuation and capitalization of rural spatial ecological resources -- capitalization and appreciation of rural spatial ecological resources", Study the solutions under the background of capitalization of rural spatial ecological resources, and then discuss the mitigation strategies for the mismatch of urban and rural financial resources from the aspects of registered residence system, property rights system, rural enterprise management and organization system, rural investment and financing system and social security system, and villager autonomy system.

Keywords

Mismatch of urban and rural financial resources; Institutional causes; Rural spatial ecological resources; Overall rural revitalization.

1. INTRODUCTION

In order to further solve the problem of rural financing constraints, in recent years, the national top-level design has paid more attention to the development of rural financial services. In 2023, the No. 1 document of the Central Committee stressed the need to "strengthen rural revitalization of financial services". The report of the 20th CPC National Congress pointed out that it is necessary to "improve the agricultural support and protection system and improve the rural financial service system". Therefore, it is of great theoretical and practical significance to study the causes, difficulties and mitigation strategies of the mismatch of urban and rural financial resources in China.

Since the reform and opening up, the process of rural economic development in China has changed from solving the problem of food and clothing and achieving a well-off society to the current stage of achieving prosperity. That is, it aims to lead rural development to a higher level by solving major problems such as unbalanced urban and rural development and inadequate rural development [1]. For a long time, under the overall development idea of "rural supporting cities", rural financial resources have flowed to urban areas in large quantities, and the

mismatch of urban and rural financial resources has continued to increase. After calculating the price in 2012, some scholars found that in the 35 years from 1978 to 2012, the net inflow of capital from rural areas to urban areas was about 26.66 trillion yuan through the way of fiscal, financial institutions and price scissors of industrial and agricultural products [2]. The C-D production function measurement shows that the factor mismatch coefficient of China's agricultural sector has been greater than 1 for a long time, which shows that the agricultural sector allocates too little capital [3]. There are many reasons for the mismatch of financial resources in China, such as ownership differences, information asymmetry, financial friction, imperfect financial system, government intervention and other multiple factors [4]. At the same time, based on the micro-data of China's industrial enterprises, measuring the degree of financial resource mismatch under ownership discrimination has long existed [5], but based on the perspective of rural spatial ecological resource capitalization, it is very rare to carry out research on the mismatch of urban and rural financial resources, which does not meet the actual needs of the current development and comprehensive revitalization of rural ecological economy in China.

China's agricultural and rural development cannot be separated from strong financial support. At the Fifth National Financial Work Conference, President Xi Jinping pointed out that "we should build an inclusive financial system, strengthen financial services for small and micro enterprises," agriculture, rural areas and farmers "and remote areas, and promote financial targeted poverty alleviation". In the report of the 20th National Congress of the Communist Party of China, President Xi Jinping further stressed that "we should give priority to the development of agriculture and rural areas, adhere to the integration of urban and rural development, and smooth the flow of urban and rural factors." Therefore, how to accelerate the reversal of the mismatch of urban and rural financial resources in China is not only a positive response to the important strategic deployment of the CPC Central Committee for the overall revitalization of rural areas, It is also the key to solve the problem of insufficient supply of financial resources and financing constraints in the process of rural revitalization and development in China.

2. INSTITUTIONAL CAUSES AND REALISTIC DILEMMAS OF THE MISMATCH OF URBAN AND RURAL FINANCIAL RESOURCES

2.1. Institutional causes of mismatch of urban and rural financial resources

Taking 1978 as the boundary, China's urban-rural relationship can be roughly divided into two stages: urban-rural dual division and urban-rural integration development. It has successively gone through the institutional design process of urban-rural separation, urban-rural integration, urban-rural integration and urban-rural integration development. Since the 18th National Congress of the Communist Party of China, it has deeply cracked the remaining adverse effects of the urban-rural dual division system and mechanism, and further promoted the two-way flow of urban-rural elements, which has been highly valued by the top-level design. The third plenary session of the 18th CPC Central Committee pointed out that "the dual structure of urban and rural areas is the main obstacle to the integration of urban and rural development." The 19th CPC National Congress clearly proposed "to establish and improve the institutional mechanism and policy system for the integrated development of urban and rural areas". The report of the Twentieth National Congress of the Communist Party of China (CPC) also takes "improving the agricultural support and protection system and the rural financial service system" as one of the important tasks to comprehensively promote rural revitalization. Therefore, how to speed up the solution of the mismatch of economic resources such as urban and rural finance and accelerate the development of the new urban-rural relationship through

the reform and innovation of urban and rural systems has become an important strategic task for China to comprehensively promote the construction of agricultural and rural modernization.

In retrospect, the institutional arrangement that once caused the dual division of urban and rural areas in China is still the bottleneck restricting the integrated development of urban and rural areas in China, and mainly includes the registered residence system, land system, rural management organization system, labor employment system, investment and financing system and social security system [6]. Among them, the registered residence system is the most basic system, which still hinders the healthy development of urban-rural relations [7]. In addition to the adverse effects of the diachronic and synchronic correlation of the system, the efficiency of the institutional change in urban and rural areas in China has been low. The rural economic system, rural financial investment system, labor employment system and social welfare system have been slow to change, and the path dependence of the reform of the land ownership system, which directly affects the vital interests of rural residents, has long existed, resulting in the current promotion of the development of rural moderate scale operation, There are still various obstacles and difficulties to better attract financial resources to concentrate in rural areas. Although the system design of the household contract responsibility system has promoted the development of rural economy in decades, it contains the problem of the lack of rural land property rights subject, which leads to the general lack of credit mortgage assets and loan contract subject matter of rural residents, and becomes the main obstacle to the development of the new rural collective economy, new agricultural management subject and socialized services. It is increasingly critical to promote the complete change of the mismatch of financial resources between urban and rural areas through the institutional mechanism and policy system innovation of urban-rural integrated development.

2.2. The real dilemma of the mismatch of financial resources between urban and rural areas

President Xi Jinping stressed that "green waters and green mountains are golden mountains and silver mountains" and should promote "ecological industrialization and industrial ecological industrialization". China's major strategic adjustment in the 21st century will be "ecological culture + rural revitalization". Rural revitalization requires the overall systematic development of ecological resources [8], and requires accelerating the transformation of rural spatial ecological resources into assets, villagers into shareholders, and investment into equity, further stimulating the enabling role of financial elements in rural revitalization and development.

Financial products and financial services are important factors of production. The insufficient allocation of financial resources in rural areas is obviously not conducive to the development of rural economy, nor is it conducive to the promotion of ecological industrialization and industrial ecological process in rural areas. In the context of the transformation of ecological civilization, only by promoting the orderly flow of urban and rural factors, strengthening the collective economy and increasing the property income of farmers, and solving the problem of mismatch of urban and rural financial resources, can we better promote the natural resources that have been deposited in the past industrialized rural areas through "leverage", and realize value visualization and value appreciation [9]. The transformation of spatial ecological resources in rural areas into spatial ecological assets and then into rural spatial ecological capital is in line with the current situation and needs of rural revitalization and development in China. However, the problem is that the rural spatial ecological resources have the attributes of indivisibility and publicity as a whole, and can only be utilized through overall planning and development. However, China's basic land system, especially the household contract system, promotes the most important rural land, water, forest, grassland and other resources in the rural spatial ecological resources to be in the state of decentralized contract management by small farmers,

and the joint production contract responsibility households do not have ownership of the contracted rural spatial ecological resources, which is difficult to promote large-scale operation, nor can they use resources as the subject of credit to obtain financial credit support. Some rural collective space ecological resources that have the value of economic development and utilization are also vulnerable to long-term unclear property rights, and are actually in the situation of no protection or suffering from "tragedy of the commons" destruction. In addition, the problem of encroaching on rural collective assets and resources is often accompanied, resulting in the damage to the collective space ecological resources rights and interests of rural residents, and it is almost impossible to spontaneously form organizational forces to develop these resources, Rural enterprises and rural entrepreneurs are also difficult to connect with rural spatial ecological assets and obtain financial support from financial institutions, resulting in the mismatch of urban and rural financial resources.

3. THE WAY TO ALLEVIATE THE MISMATCH OF URBAN AND RURAL FINANCIAL RESOURCES: CAPITALIZATION OF RURAL SPATIAL ECOLOGICAL RESOURCES

In the new era, how to better practice the "green water and green mountains are golden mountains and silver mountains" and "ice and snow are also golden mountains and silver mountains" in rural areas is not only related to the mitigation effect of urban and rural financial resources mismatch, but also the national strategy to promote the overall revitalization of rural areas. For this, President Xi Jinping pointed out that "we should improve the interest linkage mechanism, and let farmers participate as much as possible through" resources into assets, funds into shares, and farmers into shareholders ". The essence is to take the capitalization of rural spatial ecological resources as the premise and the rural "three changes" reform as the channel to constantly attract financial resources to flow to rural areas, and form a community of interests that can better promote the participation of farmers. Therefore, the key to solve the mismatch of urban and rural financial resources is to promote the capitalization process of rural spatial ecological resources, and should follow the path of "finding out and confirming the rights of rural spatial ecological resources - valuation and capitalization of rural spatial ecological resources - capitalization and appreciation of rural spatial ecological resources".

3.1. Finding out and confirming the right of rural spatial ecological resources

Based on the rural "three changes" reform practice in Liupanshui City, Guizhou Province and Dingxi City, Gansu Province, the rural production factors involved can be divided into eight categories, namely, resource-based assets, operational assets, non-operational assets, other assets, government funds, farmers' own funds, rural labor and agricultural intangible assets, including resource-based assets and the ecological environment in other assets, It is the main component of rural spatial ecological resources. It includes collective cultivated land, forest land, forest, mountain, grassland, four wastelands, water area, desert, and good natural ecological environment and wildlife resources in rural areas. In this regard, the local government should promote the exploration of rural spatial ecological resources, explore all kinds of resources with economic and ecological environmental values, and make a picture of the exploration, especially the mapping and survey of the rural spatial ecological resources that have not yet been developed and utilized, so as to efficiently complete the preparation of the rural spatial ecological resources balance sheet. For the space ecological resources intentionally damaged by human in rural areas, they should be repaired according to the actual extent of damage, and the main responsible person should be held accountable to ensure that the space ecological resources in rural areas are properly protected and become an important resource base for rural revitalization and development. At the same time, take the county as the unit to do a good job in confirming the rights of rural spatial ecological resources, clarify the main body of the

development, utilization and protection of rural spatial ecological resources, effectively avoid the "tragedy of the commons" that may be caused by the public characteristics of rural spatial ecological resources, and effectively establish the direct participants of rural spatial ecological resources into assets and the credit objects of financial institutions.

3.2. Valuation and capitalization of rural spatial ecological resources

Scientific and reasonable valuation is the prerequisite for the capitalization of rural spatial ecological resources. In recent years, under the guidance of the requirements of "exploring the preparation of natural resources balance sheets and implementing the off-duty audit of natural resources assets for leading cadres" put forward in the Decision of the CPC Central Committee on Several Major Issues of Comprehensively Deepening Reform, Hubei Province, Jiangxi Province, Fujian Province and other regions in China have successively experimented and explored the work of natural resources balance sheets, and have made certain progress and achievements. Rural spatial ecological resources are the most important elements of natural resources assets in all provinces and cities in China. Based on the preparation of the balance sheet of rural spatial ecological resources, we should adopt the methods of theoretical circles to measure the value of ecological resources assets in a single ecosystem, namely, emergy analysis, material quality evaluation and value quantity evaluation. By constructing the value evaluation system of rural spatial ecological resources assets, from the perspective of economic value at the three levels of ecological value and social value, complete the evaluation of rural spatial ecological resources. The appraised rural spatial ecological resources, taking into account the economic, ecological and social values, will be transformed into the assets of the rural collective economic organization through the corporate restructuring of the village collective economy. The village collective has the right to use, dispose and profit. The village collective will complete the quantification of the shares of the rural spatial ecological assets and distribute the quantified assets shares to the villagers according to certain rules. The joint-stock rural spatial ecological assets can become the credit mortgage and credit target of financial institutions, and then completely change the weak situation that rural residents have a large amount of spatial ecological resources but lack the asset target.

3.3. Capitalization and value-added of rural spatial ecological resources

After the village collective completes the registration of spatial ecological assets in the county platform company, it can use the rural spatial ecological assets as capital to develop appropriate economies of scale, continuously attract financial resources to gather in rural areas, and give full play to the economic value of rural spatial ecological resources by establishing the village collective company by itself, contracting new professional farmers individually or introducing foreign enterprises. Of course, in view of the obvious differences in rural geography and geomorphology in the eastern, middle and western regions of China, the uneven distribution of rural spatial ecological resources, and the different foundation of rural economic development in different regions, the local government should take the way of "classified guidance and precise implementation", fully pay attention to and adopt the collective opinions of rural residents, and can adopt the model of pilot before promotion to flexibly promote the process of rural spatial ecological resources capitalization. In addition, the ultimate goal of promoting the capitalization of rural spatial ecological resources is to develop the ecological economy in vast rural areas. Therefore, while seeking economic wealth from rural spatial ecological resources, special attention should also be paid to the protection of rural spatial ecological resources and rural spatial ecological environment. This will help to deeply implement the "two mountains" theory on the one hand, and on the other hand will help to realize the value appreciation of rural spatial ecological resources, We will improve the solvency and asset appreciation level of credit entities in rural areas, and promote the acceleration of the overall revitalization of rural areas and the continuous improvement of rural common prosperity.

4. MITIGATION STRATEGIES FOR THE MISMATCH OF URBAN AND RURAL FINANCIAL RESOURCES

The institutional arrangement lagging behind the demand for urban-rural integration development is the root cause of the long-term mismatch of urban and rural financial resources. Therefore, to reverse this situation through the capitalization of rural spatial ecological resources, it is urgent to promote the institutional innovation of urban-rural integrated development, specifically involving the reform of the registered residence registration system, property rights system, rural enterprise management and organization system, rural investment and financing system and social security system, villagers' autonomy system, and should pay attention to the scientific creation of the system.

4.1. Further promote the reform of the registered residence system and protect the vital rights and interests of returning labor

In recent years, the reform of China's registered residence system has accelerated. In November 2013, the Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning Comprehensively Deepening Reform pointed out that it is necessary to "innovate population management, speed up the reform of the registered residence system, fully liberalize the restrictions on the settlement of organic towns and small cities, orderly liberalize the restrictions on the settlement of medium-sized cities, reasonably determine the conditions for the settlement of large cities, and strictly control the population size of megacities." The Opinions of the State Council on Further Promoting the Reform of the registered residence System issued in 2014, It is required to further adjust the household registration policy, unify the urban and rural household registration system, and fully implement the residence permit system. However, there are still problems that the basic institutional arrangement of urban and rural residents divided into "agricultural household registration" and "non-agricultural household registration" has not been completely changed, the two-way change mechanism of registered residence of the two types of registered residence population is still not perfect, and the registered residence registration of urban residents returning to their hometown and settling down in the countryside still has many obstacles. To this end, we should further relax the conditions for urban residents to settle in rural areas, so that entrepreneurs, college graduates and urban residents who return to work can enjoy the same right of income from ecological assets in rural space as rural residents, and encourage more talents to return to their homes, so as to drive the return of financial resources to their homes, help them, and establish their villages, and better play the role of financial empowerment in the overall revitalization and development of rural areas.

4.2. Improve the property rights and enterprise management organization system in rural areas, and stimulate the internal power of financial resources flowing back to the countryside

Clear property rights of rural spatial ecological resources are the prerequisite for their capitalization and value. According to the Opinions on Improving the Separation Method of Rural Land Ownership Contracting Right and Management Right issued by China in 2016, in the perspective of the capitalization of rural spatial ecological resources, we should also pay attention to the right to income and management right. That is to say, a complete property right of rural space ecological resources should include "ownership, contracting right, management right, income right and management right". Among them, the village collective mainly enjoys the right of ownership, management and profit, the villagers mainly enjoy the right of contract and profit, and the local government mainly enjoys the right of management, forming the property right system design of "village collective + villagers + government management department". To this end, we should further reform and improve the system of rural collective

economic organizations, including the establishment and registration system of rural collective economic organizations, the operation and management system of rural collective economic organizations, etc. On the basis of the Model Constitution of Rural Collective Economic Organizations (for Trial Implementation) issued by the Ministry of Agriculture and Rural Affairs, we can improve the institutional guarantee function of serving rural new collective economic companies, supply and marketing cooperatives, rural cooperative economic cooperatives, rural joint-stock economic cooperatives and rural individual economic organizations, remove the institutional barriers to the operation and organizational development of rural enterprises, finance rural enterprises and attract industrial enterprises Cultural and tourism enterprises provide solid institutional support for investment.

4.3. Innovate the rural investment and financing system and optimize the social security system to solve the problem of talent returning home

Strictly speaking, there is no investment and financing system designed specifically for rural revitalization in rural areas of China. Rural agriculture-related investment and financing platforms, rural agriculture-related investment and financing markets, and rural agriculture-related investment and financing credit reporting services are all lagging behind the needs of rural spatial ecological resources capitalization. Rural agriculture-related investment and financing entities are lacking, and rural agriculture-related investment and financing macro-management is also significantly inadequate. Therefore, we should accelerate the innovation of rural investment and financing system and mechanism, cooperate with the reform of rural property rights system, clarify the transaction subjects of rural agriculture-related investment and financing, promote the construction of rural agriculture-related investment and financing transaction platform and transaction market, and improve rural agriculture-related investment and financing credit reporting services and macro management with digital tools. In addition, the design of urban and rural social security systems is different. Due to historical, economic and other reasons, it is generally difficult for rural residents to enjoy the same social security benefits as urban residents. To alleviate the mismatch of urban and rural financial resources, a large number of talents serving the rural economic development are required. To take advantage of the way of capitalization of rural space ecological resources, it is also necessary to encourage these talents to settle in rural areas, while urban and rural residents in the labor employment security system The difference in the supply of endowment insurance system, education investment system, public facilities supply system and medical security system will affect the implementation of this process. Therefore, it is also necessary to further optimize the social security system, effectively ensure that rural residents enjoy the same social welfare treatment as urban residents, and solve the worries of talents, especially financial investment talents who master digital technology and rural innovation and entrepreneurship talents.

4.4. Constantly improve and improve the villagers' autonomy system and effectively protect the rights and interests of rural residents

Civilized rural style, fair and transparent villagers' management organization and efficient rural autonomy process of rule of law are one of the basic guarantees for the capitalization of rural spatial ecological resources and the rational allocation of urban and rural financial elements. A sound and perfect design of the villagers' autonomy system is conducive to the smooth implementation of the process of capitalization of rural spatial ecological resources, the improvement of the rural investment and financing environment, and the active participation of urban and rural residents in the overall revitalization and development of rural areas. To this end, we should ensure that the goal of rural governance is scientific, the governance subject is responsible, the governance object is clear, and the governance method is modern [10]. We should strengthen the construction of Party organizations in rural areas, give better play to the exemplary and leading role of rural party members and cadres, constantly explore the reform

of the induced villagers' autonomy system from the bottom up, and effectively guarantee the right of discourse, autonomy, birth and income of rural residents in the process of capitalization of rural space ecological resources.

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