

Research on the Realistic Dilemma and Path of Rural Supply Chain Financial Policy Implementation

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Abstract: With the proposal of rural revitalization strategy, rural inclusive finance plays an increasingly important role in the economic development of rural areas. Under the support and guidance of relevant national policies, China has vigorously developed rural supply chain finance in recent years, and issued a series of policies to promote the development of supply chain finance from the state to the provinces and cities at all levels. However, due to the lack of service awareness of financial institutions, insufficient policy publicity and the low level of modernization of agriculture and rural areas, China's supply chain financial policies are difficult to implement. Based on the above practical problems, this paper puts forward the optimization path to promote the implementation of rural supply chain finance policies in China, so as to effectively play the role of supply chain finance in solving the financing difficulties in rural areas and promote the stable and healthy development of rural economy in China.

Keywords: Rural supply chain finance, Realistic predicament, Optimized path.

1. Introduction

The 19th National Congress of the Communist Party of China made a major policy decision and deployment for the implementation of the rural revitalization strategy, and proposed to accelerate the modernization of agriculture and rural areas and achieve common prosperity for all the people. Since China's development has entered a new era, the government and relevant departments have continuously increased policy preferences and financial support for rural development, and with the further popularization of rural Internet technology, the rural agriculture-related industrial chain and supply chain will gradually be clearly improved, thus bringing unprecedented development opportunities for supply chain finance. Document No. 1 of the Central Committee in 2021 further highlights the important role of finance in supporting rural security, proposes to strengthen the investment guarantee for the priority development of agriculture and rural areas, develop rural digital inclusive finance, promote rural financial institutions to return to their roots, and improve the governance institutions and internal control mechanisms of agriculture-related financial institutions. After 70 years of gradual reform and development, China's rural finance has gradually established a modern rural financial system of "multi-level, wide coverage, sustainability, moderate competition and controllable risks", and has moved from financial suppression to a stage of high-quality development [1].

Most of the rural economy belongs to small and micro economy, with the characteristics of small production scale, infrequent cash flow, low level of informatization and standardization, etc., and there are generally problems of difficult and expensive financing in production and operation activities[2]. As a major innovation in rural finance, rural supply chain finance is of great significance for alleviating the financing constraints of agricultural and rural development, optimizing the process of rural financial services and improving service quality. Therefore, we need to actively study and explore the development ideas and optimization paths of rural supply chain financial policies in rural areas,

promote the implementation and landing of relevant policies, strengthen financial risk prevention in rural areas, and then promote the smooth implementation of rural revitalization strategies and promote the high-quality development of rural economies.

2. Implementation Status of China's Rural Supply Chain Financial Policy

2.1. Implementation status of rural supply chain financial policies in Henan Province

In recent years, Henan Province has vigorously promoted the development of agricultural and rural industrialization, continuously promoted the modernization of agriculture and rural areas, actively implemented the rural revitalization strategy on the basis of combining the actual local conditions, and introduced a series of policies and measures to stimulate the development of inclusive financial undertakings in rural areas in the province, which greatly extended and added value to the local agricultural and rural industry value chain, and also greatly improved the competitiveness of the province's agricultural and rural industries in China, and alleviated the financing difficulties of farmers to a certain extent. As a major province of agriculture and logistics and trade, Henan Province has shortened the distance between Zhengzhou and most other cities in Henan by virtue of its favorable geographical location in the central area of the country and the rapid construction of international airports, which also provides innate convenience for the development of rural supply chain finance in Henan.

2.2. Implementation status of rural supply chain financial policies in Jiangsu Province

In the process of agricultural and rural industrialization and modernization, Jiangsu Province is also deeply aware that the stable and healthy development of the economy in rural areas is inseparable from financial incentives and support, but under the influence of the rapid development of regional industrial economy, many financial institutions in the

province are less motivated to provide financial services to rural areas, and the service level needs to be improved, resulting in the scale and speed of economic development in rural areas in the province are far behind the cities, and the problem of insufficient funds in the rural supply chain is prominent, which seriously hinders the process of urban-rural integration in the province. Therefore, how to tilt financial resources to the key areas and weak links of rural economic and social development, and promote the development of local agriculture and rural areas, has become an urgent problem to be solved in Jiangsu Province. In order to meet the diversified trend of rural financial needs in the process of rural revitalization, Jiangsu Province has continuously innovated financial service methods and development paths, and achieved remarkable results, among which the characteristic agricultural product industry development financing system in Wuxi and Xuzhou is the most typical.

2.3. Implementation status of rural supply chain financial policies in Heilongjiang Province

In the process of rural finance in Heilongjiang Province, due to the scattered collection of land information, the lack of integration of industrialization information, the inability to interconnect the overall transaction data, and the lack of innovation and autonomy of credit products of financial institutions, the situation of serious mismatch between rural credit financial needs and services, so the practical difficulties such as difficult financing, slow financing and expensive financing in rural areas of Heilongjiang Province still seriously hinder the pace of development of rural revitalization in the province. In response to the above problems, the relevant departments of Heilongjiang Province attach great importance to and actively guide all kinds of agricultural and rural business entities to strengthen cooperation and innovation, and finally formed a relatively perfect "company + cooperative + farmer + bank + science and technology + insurance + government" rural supply chain finance new model, this financial service model presents diversified development characteristics, so that different business scale entities join the rural financial market, and then obtain greater financial resources support, in addition to various commercial banks and other financial institutions under the incentive of this model, Gradually keen to open up the business market in the field of agriculture, strengthen its own product innovation, so as to provide farmers with more perfect all-round financial services and products[3].

3. The Practical Dilemma of The Implementation of China's Rural Supply Chain Financial Policy

3.1. Lack of service awareness of financial institutions

Although China's financial institutions serving rural areas have made great progress in the number and coverage of establishment, and the asset scale of the entire banking industry has steadily expanded, compared with the growth rate of rural loan demand, the number of specialized financial institutions is still relatively small, lack of innovation power, capital supply and services are far behind, and there is a large funding gap in the development of rural industries, which has

led many rural households to choose informal financing channels, affecting the sustainable and healthy development of rural economy[4]. The reasons for this can be summarized in the following two aspects: first, banks and other financial institutions can only lend a relatively small amount of funds to farmers for the safety of their own funds, and even if the funds are sufficient, it is difficult to finally reach the hands of small farmers; Second, because smallholder farmers lack collateral that can meet the credit assessment of financial institutions, they are subjectively prone to give up lending to outside parties or deliberately reduce their own capital needs. This eventually led to the difficulty of smooth operation of high-risk and high-cost agriculture-related financial business, forming a sick situation in which "farmers dare not ask for money when they lack money, and banks dare not give money when they have money".

3.2. The key mechanisms of the credit system are not perfect

Generally speaking, the implementation and development of rural supply chain finance in China is relatively short, and financial institutions such as commercial banks lack sufficient understanding and countermeasures for the complex and changeable rural supply chain. The key to the smooth operation of rural supply chain finance is to increase the credit rating of the entire supply chain through the credit binding of core enterprises and upstream and downstream enterprises, so as to meet the capital needs of various business entities. If the rural supply chain wants to complete the credit bundling, each entity must improve its own information transparency and credit capacity, which is obviously difficult to achieve in actual operation, and because rural industries, especially agriculture, are vulnerable to natural disasters, with great instability, farmers are in distress and more prone to the risk of default, relying only on the moral constraints of farmers themselves is obviously insufficient[5].

3.3. Insufficient supply of professional talents and technical support

The "smallholder thinking" in rural areas of China is deeply rooted, and it is difficult to truly recognize and accept the new agricultural and rural financing method of rural supply chain finance. This new financing method involves the operation of the entire supply chain, so the business entities involved are relatively extensive, the operation principle and mode are more complex and cumbersome than traditional loans, the education level of farmers cannot be well matched, and the staff arranged by some financial institutions when conducting business lack professional skills, resulting in the lack of systematic and correct understanding of supply chain financial policies by rural subjects, which seriously hinders the application and development of rural supply chain finance. In addition, under the background of the rapid development of "Internet +", the innovation of rural supply chain finance especially needs the help of high-quality professional and technical personnel. However, there is a huge gap in the construction of talent teams in related fields, which makes it difficult for rural supply chain finance in Shandong Province to adapt to the characteristics of "informatization" and "interconnection" in the new era, resulting in insufficient innovation stamina and difficulty in effectively improving its scientificity, which ultimately seriously hinders the overall management of rural supply chain finance.

3.4. Inadequate supervision by relevant public authorities

With the rapid development of financial technology, the competitive pattern and risk characteristics of rural finance are being reshaped at an accelerated pace, but China's traditional agriculture-related financial institutions and some new agriculture-related financial institutions still mainly rely on traditional credit granting models and prevention and control methods under the original financial policy and legal framework[6]. These policies and laws can no longer meet the supervision and management of the new rural financial pattern and situation, and at the same time, in the context of the rapid development of the Internet, there are more unknowns and uncertainties in rural supply chain finance, and we must have a stricter financial supervision and management mechanism to ensure the efficient performance of the functions of relevant public power departments.

3.5. Backward rural financial infrastructure facilities

With the smooth progress of China's poverty alleviation battle and the vigorous implementation of the rural revitalization strategy, the economy of rural areas has made great progress and development, but the difference in financial services under the dual structure of urban and rural areas still makes the overall economic level of rural areas still have a large gap with that of cities[7]. China's rural areas mainly use rural cooperative financial institutions as the carrier for financing activities, this simple deposit and loan service has caused a huge lack of rural financial services, which in turn limits the efficient use of supply chain finance and the enhancement of their own strength of relevant agricultural and rural leading enterprises, and finally leads to the overall modernization and low level of science and technology in agriculture and rural areas, hindering the further development of rural economy. As the supply side of rural supply chain finance, policy and commercial financial institutions have obvious homogenization problems in their financial products and services serving the development of agricultural and rural industries, and cannot provide differentiated products or services according to the actual needs of agricultural and rural business entities, and lack the construction of corresponding rural financial service outlets.

3.6. The synergy of multiple subjects is not strong

As a relatively complex system, rural supply chain carries and connects four basic links such as commodity flow, capital flow, information flow and logistics, and these "four flows" also directly affect whether the rural supply chain can really play its own advantages and roles. In the process of the above "four streams" attached to the coordinated operation of the supply chain, it will involve commercial banks and other financial institutions, leading enterprises, individual farmers, insurance institutions and governments and other subjects, but at present, when China's rural supply chain finance is carried out, multiple subjects can not achieve good cooperation and coordination, such as due to the relevant government departments for the construction of public information platform is relatively lagging behind, so that the rural supply chain on the rural business entities and third-party logistics enterprises information construction level is low. The real-time production of agricultural products cannot

be fed back in time, which eventually leads to the decoupling of agricultural and rural production activities from the social market[8].

4. The Optimization Path of The Implementation of China's Rural Supply Chain Financial Policy

4.1. Strengthen policy support and stimulate the awareness of innovative services of financial institutions

The government has always occupied a core and dominant position in the development of rural finance, and the reform of the management system of financial institutions, the adjustment of rural financial policies and the formulation of normative requirements for the development of private finance all have a deep imprint of government behavior, which is undeniable that this has played a huge role in the development of rural economy and rural finance in a certain historical period. However, with the deepening of the reform of the socialist market economy, it is difficult for rural supply chain finance to play its real role in supporting agriculture under the original government behavior model, so the Chinese government needs to actively change the behavior mode, find its own positioning, and transform the past direct intervention means into more policy support and incentive means, stimulate the innovation of differentiated products and services of banks and other financial institutions, and promote the improvement of the efficiency of rural supply chain finance to support agriculture.

4.2. Build an information management platform and improve key credit mechanisms

The lack of traditional farmers' production behavior and credit records, and the imperfection of agricultural and rural credit reporting system are the main obstacles restricting the operation and development of China's rural supply chain finance, therefore, in order to fundamentally solve the "difficult, slow and expensive" problem of agricultural and rural financing system, we should accelerate the establishment and improvement of rural credit system, so that all kinds of information resources can be integrated, and information sharing in the supply chain should be realized. Under the background of "Internet +", the development of rural supply chain finance is willing to actively introduce modern information science and technology to create a comprehensive information management platform, and relevant government departments provide credit information of credit subjects appropriately in the process of financial services, and on the other hand, standardize the platform operation environment, and promote the development of services in the direction of transparency. Relevant financial institutions providing supply chain financial services should continuously introduce advanced and perfect credit reporting systems through the information platform, strengthen the connection and sharing of data between different links, and establish a relatively complete rural supply chain financial credit mechanism.

4.3. Accelerate the training of professional talents and provide full technical support

The management and development of rural supply chain finance work is inseparable from the support and promotion of high-quality comprehensive financial talents, especially for the development and innovation of related businesses, not only require relevant staff to have sufficient financial professional knowledge reserves, but also have business skills in agricultural and rural production. Therefore, we should improve the pertinence of personnel training, guide employees to actively participate in the practice of rural supply chain financial management, truly combine agricultural knowledge with practice, and improve their own business development level and comprehensive application ability[9]. At the same time, the "Internet +" era puts forward higher requirements for the overall quality of the supply chain financial talent team, which requires financial institutions based on Internet technology to increase investment in technical costs, improve their platform technology through the training of technical talents, and build a relatively complete Internet rural supply chain financial service system[10].

4.4. Improve the agricultural financial supervision mechanism and standardize financial supervision work

The whole chain of rural supply chain finance is relatively long and involves many participants, in the process of supply chain operation, interlocking and interdependent, any alleviation errors or problems may affect the operation of the entire supply chain or even lead to chain paralysis, so we need to strengthen rural supply chain financial risk prevention, improve its development of risk supervision and control system. First of all, the development of agricultural and rural industrialization is greatly affected by force majeure factors, which is very unstable and uncontrollable, and financial institutions such as commercial banks need to formulate a set of risk control systems based on relevant policies and systems and the characteristics of rural supply chain operation. Secondly, financial institutions should regularly and comprehensively evaluate the operation of the supply chain over a period of time, evaluate its operational efficiency, identify its potential risks, and formulate risk mitigation plans in advance to minimize losses; Finally, when initiating and setting up rural supply chains, financial institutions should implement a strict market access mechanism for farmers and core enterprises to ensure that rural business entities have a high level of credit and reduce the risk of moral default due to capital repatriation.

4.5. Promote infrastructure construction and create a good financial ecology

First of all, we should increase the construction of financial support networks in rural areas, and promote the application and popularization of mobile payment by improving the financial structure settlement system, so as to reduce the cost of supply chain financial services and improve the service efficiency of financial institutions; Secondly, the rapid development of Internet technology has made it possible for Internet finance to achieve development in rural areas, and we must widely promote new technologies to rural supply chain finance, and greatly reduce supply chain financing costs through the sharing of real-time transaction information;

Finally, combined with big data and Internet finance-related technologies, in response to differentiated rural financing needs, accelerate the construction of a rural social credit system, and provide credit granting services for rural business entities through the linkage of regional information, credit and credit, so as to form a good financial ecological environment.

4.6. Coordinate with multiple subjects to participate in the development of rural supply chain finance

The construction and improvement of the multi-subject cooperation system is particularly important to promote the implementation of supply chain financial policies and economic development in rural areas, and all kinds of subjects should strengthen communication and cooperation, for example, financial institutions should actively communicate with government departments and seek support from policies and systems such as risk compensation; Strengthen cooperation with guarantee institutions, seek guarantee support, and reduce the risk of agricultural and rural industry development; Actively contact agricultural and rural leading enterprises, actively integrate into the industrial chain with leading enterprises as the core, and closely bind their own interests with the interests of leading enterprises[11]. In the system of multi-subject cooperation, all parties need to participate in the development of rural finance, so straightening out the relationship between all parties will not only facilitate the implementation of rural supply chain financial policies, efficiently solve rural financing problems, but also greatly promote the green and healthy development of rural finance.

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