

Research on Economic Development Management of Poor Villages

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Abstract: Taking Liuzhuang Village of Zaozhuang City as an example, this paper analyzes and studies the development situation of Liuzhuang Village through the investigation on three aspects including the income, consumption and labor mobility, etc. of villagers in Liuzhuang Village, finds out the factors influencing the economic development of Liuzhuang Village, such as poor condition of cultivated land and unreasonable agricultural structure, Liuzhuang Village being mainly with primary industry without the development of secondary industry and tertiary industry and villagers having a low level of education and their minds being not emancipated enough, etc. and puts forward some countermeasures according to the analyses of influencing factors.

1. Introduction

At present, the economic development of villages has become one of the core issues of national economic development and the economic development of poor villages is the top priority. Poverty alleviation of poor villages is of great significance to the building of a well-off society in an all-round way. With the convening of the 19th CPC National Congress, poverty alleviation has entered a sprint period. The Party Central Committee and the State Council have intensified targeted poverty alleviation efforts. To solve the problem of poverty comprehensively, poverty alleviation should be carried out from villages to households and the causes of poverty should be accurately mastered by entering villages and households, so as to better implement poverty alleviation policies. Based on the consideration of targeted poverty alleviation and village and household entering poverty alleviation and China's current poverty alleviation policies and economic development situation, taking Liuzhuang Village of Zaozhuang City as the main body of research and taking many experts' research results on economic development of poor areas as reference, this paper makes an in-depth investigation by entering the village and households to understand the economic situation of each household, summarizes the overall economic development situation of Liuzhuang Village and finds out the problems existing in Liuzhuang Village and the reasons for its poverty, so as to provide appropriate countermeasures and suggestions for the poverty problem of Liuzhuang Village.

Amata Sen (2004) believed that poverty not only means that people's income is lower than others, but also means that they do not have the ability to acquire certain basic materials[1]. Karl Gunnar Myrdal (1992) defined poverty as the income that cannot support the lowest standard of living. The World Bank says people are poor when they do not have enough resources to achieve the lowest standard of living[2]. Dong Fureng (1995) pointed out that poverty refers to a situation in which the needs of life and spiritual life cannot be satisfied[3]. Tong Xing and Lin Mingang (1994) believed that poverty is a generalization of economic, social and cultural backwardness and a living condition in which low-income people lack necessities and solutions[4].

Arthur. Okun (1989) believed that equality was a factor influencing economic development in poor areas and that solving the problem of equality could effectively alleviate poverty[5]. Todaro (1988) believed that economic development in poor areas was also affected by natural factors, because a place with poor natural environment was not conducive to economic development. This theory has certain significance, but it is not completely correct. Some areas with poor natural environment are likely to have abundant natural resources and economy can be developed through the effective utilization of resources[6]. Yang Juliang (2017) concluded that there were two main factors

influencing the development of rural economy through the investigation and research on the rural economy of Guyuan City. First, the village committee was not equipped with enough capacity and the mind was not emancipated. Second, the rural economic development of Guyuan City was mainly based on agricultural production, without the development of secondary and tertiary industries[7]. Xia Mingzhong, Zhao Liang and Tang Juye (2017) believed that poor land condition and low educational level of rural population were factors influencing economic development in poor areas[8]. Xu Longshun and Li Chan, etc. (2016) concluded from the investigation of villages that the low participation of farmers and nepotism in targeted poverty alleviation were the main factors influencing poverty alleviation of poor villages[9]. Shen Wangen (2014) drew the conclusion from his research on the economic problems of poor rural areas in Yanbian Korean Autonomous Prefecture that the poor rural production environment and infrastructure, the low centralized utilization rate of land, the aging of rural population and the large number of young and middle-aged disabled people in rural areas, etc. were the main factors influencing economic development[10]. Yang Anna (2009) believed that the main causes of poverty in poor villages in China were the low level of farmers' education, unreasonable agricultural economic structure, poor land conditions and the lack of characteristic industries, etc[11].

2. Investigation on Economic Development Situation of Liuzhuang Village

2.1 Overall Economic Situation of Liuzhuang Village.

Liuzhuang Village is located in the northeast mountainous area of Shanting District of Zaozhuang City. There are 23 families in the village with a total population of 91 people. As most of the villagers of Liuzhuang Village go out to work, the labor force in the village is greatly reduced, which makes Liuzhuang Village become a hollow village gradually. At present, the remaining population of Liuzhuang Village is mainly the elderly and children. Liuzhuang Village has about 100 mu of arable land and villagers mainly grow wheat, sweet potato, peanuts, corn, red pear, peach and pepper, etc. Liuzhuang Village is short of infrastructure and there is no leisure infrastructure or education infrastructure in the village. Children need to walk 3 kilometers to Guanzhuang Village Primary School to go to school. The traffic condition of Liuzhuang Village is relatively good and a concrete road has been built to lead out of the village. Most of villagers have primary school education or below, while the number of junior high school education or above is small. The economic income of villagers in Liuzhuang Village mainly depends on going to work, followed by agricultural income. According to the village committee of Liuzhuang Village, people at the age of 60 and above can receive a state subsidy of RMB60 per month, and people at the age of 80 to 90 can receive a state subsidy of RMB80 per month.

2.2 Basic Situation of Investigation and Samples.

There are 23 households in Liuzhuang Village and this investigation adopts the method of comprehensive investigation to make the investigation content to be more comprehensive and specific, so as to be able to reflect the overall situation of Liuzhuang Village adequately. In the investigation of the economic development of Liuzhuang Village, we not only made an in-depth investigation in the villagers' homes, but also visited the village committee of Liuzhuang Village and learned the basic situation of Liuzhuang Village from it.

Population. Liuzhuang Village has a labor force of 51 people, 24 students, 14 elderly people and 2 children. The age distribution of the labor force in Liuzhuang Village is 14-60 years old, that of the students is 3-24 years old, that of the elderly people 60-90 years old and that of the children is 0-3 years old. China stipulates that people over the age of 16 are members of the labor force, but the investigation found that there were 4 minors at the age of about 14 in Liuzhuang Village no longer accepted education but entered into the society to work due to family poverty. It can be seen that children in Liuzhuang Village cannot accept good education due to poverty, nor can they provide talent resources for the development of the village. Among the 23 households in Liuzhuang Village, the largest family has 7 people and peasant households having 5 people per household are the most,

and the calculation shows that each household has 4 people averagely. According to the investigation, each household has at least two children among the households having children in the village. The fertility rate of villagers is relatively high, so the consumption expenditure of villagers is relatively large. Due to the low income level of villagers, they cannot afford the corresponding consumption level, which leads to the poverty problem of some villagers in Liuzhuang Village becoming more prominent.

Age Distribution. For the age distribution of villagers in Liuzhuang Village, there are 22 people at the age of 0-22, there are 40 people at the age of 20-40, there are 15 people at the age of 40-60 and there are 14 people at the age of 60-90. Therefore, it can be seen that the population of working age is relatively large and the labor resources in Liuzhuang Village are relatively abundant.

Educational Level. The overall educational level of Liuzhuang Village is relatively low with 76% of the total population being at the level of primary school and below, 13% being at the level of junior high school and technical secondary school, 7% being at the level of senior high school and 4% being at the level of university and above.

2.3 Income Situation of Farmers.

Overall Income Situation. For the total income situation of 23 households in Liuzhuang Village, the total income of 15 households is mainly distributed in RMB30,000-50,000 and the total income of the remaining 5 households is distributed in RMB1,000-20,000. Among which, the total income of No.22 and No.23 households has exceeded RMB50,000. According to the investigation, the whole families of these two households are labor forces and their incomes mainly rely on migrant workers. The total income of the first four households is relatively low, because they are mostly elderly people and the income sources are mainly household income and transfer income. The per capita income of each household is mainly distributed in RMB6,000-10,000. Among which, the per capita income of No.8 peasant household is RMB17,500 and the per capita income of this peasant household is the highest level among 23 households. According to the investigation, the members of this peasant household are a young couple. Both of them have a education level of junior high school and they work in a factory in Xuzhou, so they have a higher income.

Household Operating Income. Household operating income refers to the income earned by peasant households from production based on their families, which mainly includes agricultural income, livestock raising income, service income and other household operating incomes, etc. According to the specific situation of Liuzhuang Village, household income is mainly divided into four aspects, including food crop income, cash crop income, animal husbandry income and service income. (1) The distribution proportion of household income in Liuzhuang Village is 50% for cash crop income, 20% for food crop income, 19% for animal husbandry income and 11% for service income. It can be seen from this that the land in Liuzhuang Village is mainly planted with cash crops and the proportion of food crops is small. The main reason is that the land condition of Liuzhuang Village is relatively poor and the productivity of food crops is low. (2) The low-income group of RMB0-2,000 includes 5 households, among which, the food crop income and service income are 0, the cash crop income is RMB2,800, accounting for 2.59%, and the animal husbandry income is RMB800, accounting for 0.74%. The medium-income group of RMB2,000-6,000 includes 13 households, among which, the food crop income is RMB12,800, accounting for 11.86%, the service income is 0, the cash crop income is RMB26,700, accounting for 24.75%, and the animal husbandry income is RMB4,400, accounting for 4.08%. The high-income group of over RMB6,000 includes 5 households, among which, the food crop income is RMB8,700, accounting for 8.06%, the service income is RMB12,000, accounting for 11.12%, the cash crop income is RMB24,400, accounting for 22.61%, and the animal husbandry income is RMB15,300, accounting for 14.18%. It can be seen that peasant households with low or medium household income have no service income and the animal husbandry income is relatively low. Peasant households with high household income are mainly due to their higher service income and animal husbandry income.

Wage Income. Wage income refers to the income earned by rural members who are employed by units or individuals and sell their labor. According to the investigation, Liuzhuang Village does not

have collective economy, so wage income mainly refers to income from working outside. Income from working outside accounts for 83% and income from working accounts for 17%, and it shows the serious outflow of labor force. For the 4 peasant households with the income from working exceeding RMB10,000, the educational level of these 4 households is at the level of junior high school and above according to the investigation and their income from working is about three times higher than the average level. It can be seen that educational level influences the income level.

Transfer Income. Transfer income refers that a peasant household can get goods, services, capital or ownership of assets without paying anything, such as pension, subsidy and agricultural subsidy. The proportion of transfer income is 32% for agricultural subsidy, 26% for pension, 17% for elderly subsidy, 17% for gift from relatives and friends and 8% for alimony. According to the investigation, the elderly at the age of 60 and above in the village can receive a subsidy of RMB60 per month and the elderly at the age of 80-90 can receive a subsidy of RMB80 per month. Agricultural subsidy policy is to subsidize RMB10 per mu of the land on which food crops are grown and not to subsidize the land on which cash crops are grown.

Property Income. Property income refers to the income derived from putting intangible or tangible assets at the disposal of others, such as interest and rent. The proportion of property income is 80% for interest income, 20% for rent and 0 for insurance income and investment income. Villagers in Liuzhuang Village may lack basic investment consciousness due to their low educational level. For the 4 peasant households with higher interest income, it can be seen that the average interest income of each household is RMB430 from the figure, while the interest income of the 4 households in the figure is more than two times higher than the average, especially No.20 and No.23 households, whose interest incomes reach RMB1,500 and RMB2,000. According to the investigation, these 4 peasant households did not deposit their money in the bank as other villagers did, but put idle funds into private institutions. As private institutions have higher interest rates, their interest income is higher than that of other peasant households. The rest of villagers also know the existence of private institutions, but they only choose to deposit their money in the bank due to their low educational level and lack of investment concept, resulting in low interest income.

2.4 Consumption Expenditure Condition of Farmers.

For the expenditures of villagers, the first one is the expenditure on residence, which accounts for 39%, followed by the expenditures on education and food, which account for 20% and 16% of the total expenditure respectively. Expenditure on health care accounts for 7%, expenditure on clothes accounts for 6%, expenditure on others accounts for 6%, expenditure on transportation and communication accounts for 4% and expenditure on household equipment accounts for 3%. It can be seen that the income of Liuzhuang Village is mainly used for daily consumption expenditure and education expenditure and less for other aspects. For the food expenditure of villagers in Liuzhuang Village, daily food expenditure is the largest, accounting for 81% of food expenditure, followed by holiday gift expenditure of 13% and snack expenditure of 6%. For the resident expenditure of villagers, the house-buying expenditure is the largest, accounting for 65%, followed by decoration expenditure of 21% and rental expenditure of 14%. According to the investigation, it is cheaper by building houses on residential land in the village and the price is about RMB50,000. The cost will be higher if villagers buy apartment house and the price is about RMB130,000. Clothing expenditure accounts for 6% of the total expenditure. According to the analysis, the average clothing expenditure of each household in Liuzhuang Village is about RMB1,600. Peasant households with children have higher clothing expenditure, which is about RMB2,200 and the clothing expenditure of the elder living alone is about RMB240. Villagers' demand for household equipment and supplies is not high and the expenditure on household equipment and supplies and service only accounts for 3% of the total expenditure. Expenditure on household equipment and supplies and service of villagers in Liuzhuang Village is mainly used for the purchase of electric vehicles and maintenance equipment, etc. The expenditure on health care of villagers is relatively high, but due to the reimbursement of the state, the real cost of seeing a doctor is relatively low. Generally, 50% of the medical treatment cost can be reimbursed. A widowed old man in Liuzhuang Village received an operation, with 70% of the

operation cost being reimbursed and the town donating money to him, so he paid very low medical expenses. It can be seen from the calculation that the average health care expenditure of each household is RMB1,843, while it can be seen from Table 2-3 that the health care expenditures of other peasant households with elderly people are all higher than the average, so it can be seen that the health care expenditure of peasant households with elderly people will be relatively high. In terms of transportation and communication expenditure, the transportation cost accounts for 44%, the telephone cost accounts for 40%, the broadband cost accounts for 16% and the oil cost accounts for 0%. It can be seen that the proportion of labor force flowing to the outside is relatively high in Liuzhuang Village, while the transportation and communication expenditure accounts for 4% of the total expenditure. It will save a lot of expenditure if it can reduce the labor force outflow number of Liuzhuang Village. There is education expenditure of high school students or college students in Liuzhuang Village. It can be seen from the figure that education expenditure of these 6 households is much higher than the average value. It shows that households with college and high school students will have higher education expenditure. For other expenditures, agricultural expenditure accounts for 56% and wedding and funeral expenditure accounts for 44%. According to the investigation, every household in Liuzhuang Village owns about 4mu of land averagely and the largest one owns 6mu of land. During the farming season, the average fertilizer cost per mu is about RMB300, the labor cost per person is about RMB100 by hiring others to pick pepper and it costs about RMB120 per mu by hiring others to plow the land.

2.5 Labor Flow Situation.

Migrant workers of Liuzhuang Village are mainly divided into three kinds and the first kind is the workers that come back when it is busy farming season. They come back at this time for two reasons. One is to come back to harvest crops and the other is that this kind of migrant workers mainly do construction work, they cannot work in hot and cold weather and they have no wages, so the workers choose to go home. The second kind is the perennial migrant workers. The place they work is basically developed city. It mainly has four types for the workers working outside all the year round. The first one is young newly-married couple, as they do not have the burden of child and elderly people and they want to go outside to make a career. The second one is that the whole family live in other places and their children also go to school in other places. The third one is that husband and wife work outside and their children are in the care of elderly people. The fourth one is unmarried people. The third kind is that farmers who can make snacks, such as sugar gourd. They will go to developed cities to sell snacks around the Spring Festival.

3. Analysis on the Influencing Factors of Economic Development in Liuzhuang Village

3.1 Poor Land Condition and Traditional Farming Methods.

Liuzhuang Village's land condition is relatively poor and farming methods are relatively traditional, which lead to low agricultural productivity and low agricultural income level. Meanwhile, as there are no professional agricultural technicians in Liuzhuang Village, the planting structure of Liuzhuang Village is unreasonable and villagers tend to plant crops with low economic value.

3.2 Primary Industry is the Main Industry, without Development of Secondary and Tertiary Industries.

The agricultural production of Liuzhuang Village is mainly based on the cultivation of food crops and cash crops. It is a traditional agricultural production without the development of ecological agriculture and tourism agriculture, or the agricultural industry creating higher economic value. Villagers in Liuzhuang Village raise livestock, but they only raise some sheep, pigs and chickens by themselves. The production scale is small and there is no standardized feeding industry, so the household income level of villagers is low. These traditional planting and breeding industries belong to primary industry. The income of villagers in Liuzhuang Village is mainly from primary industry and migrant workers, without the development of secondary and tertiary industries.

3.3 Serious Outflow of Labor Force.

The outflow of labor force in Liuzhuang Village is serious. A large number of young people leave the village to work, leaving only elderly people and children in the village. The phenomenon of left-behind children becomes more and more serious. Meanwhile, the land is abandoned, the village is becoming more and more poor and people do not want to stay in the village. It will eventually form a vicious circle and the village will be abandoned. Therefore, only with sufficient labor force can the village develop. Only with human resources and the support of the state and government can the village get rid of poverty and become rich.

3.4 Low Level of Education in Villages and Their Traditional Minds

According to the investigation, the educational level of villagers in Liuzhuang Village is mostly concentrated in primary school and below. Migrant workers can only sell their labor, doing the work of high risk and low wages. Meanwhile, as villagers' educational level is low and they do not know how to sign labor contract and defend their rights with the law, they do not know how to protect their interests when their rights are violated. Villagers who are engaged in farming at home are not open-minded enough. They only plant some traditional crops, such as wheat, corn and sweet potato, etc., with less harvest and low price. They dare not try some crops with high economic value that are suitable for farming. Therefore, it is necessary to transform the thoughts of villagers and improve their educational level.

4. Countermeasures and Proposals of Economic Development of Liuzhuang Village

4.1 Improve Technical Level and Adjust Agricultural Production Structure.

In order to solve the agricultural production situation of Liuzhuang Village, first of all, hire experts to test the land conditions and find suitable crops with higher economic value. Secondly, set up an agricultural technology group, introduce advanced agricultural technology and adjust agricultural structure. Finally, provide guidance to villagers by technical personnel to improve their technical level and cultivate their scientific consciousness.

4.2 Attract Investment Actively and Encourage Farmers to Start Businesses.

The land of Liuzhuang Village is relatively broad and the lumber resource is rich, so it can introduce capital to set up lumber processing plants. Meanwhile, the recruitment of lumber plants can attract labor force to flow back. Liuzhuang Village has a large area and few people, so the government can call on experienced villagers to raise livestock on a large scale and provide technical and financial support for those who want to do it. Besides, Liuzhuang Village is rich in red pear. Red pear is a fruit that can relieve cough, with high nutritional level. But because there is no suitable channel, villagers reduce the planting area. Therefore, it can help them develop Internet e-commerce to let villagers sell red pears on the Internet and expand sales profits.

4.3 Improve Educational Level of Villagers and Guide Villagers to Emancipate Their Minds.

The village committee can set up study classes to strengthen the cultural education of villagers, improve their educational level and legal awareness and further emancipate their minds. Meanwhile, hold incentive meetings regularly to stimulate the entrepreneurial consciousness of villagers. It can play videos about success of farmers' entrepreneurship and preferential policies of the government for farmers' entrepreneurship in the meetings. Guide villagers to look for more income-generating opportunities through these activities.

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