

DRIVERS OF RURAL DEVELOPMENT IN CHINA

In the framework of China's agricultural resources review, it should be noted that the state of China's agricultural resources determines the characteristics of China's agricultural development. From a national point of view, China's climate, land, water and biological resources have the following characteristics:

- 1) favorable lighting and heat conditions, but accompanied by a dry and humid climate depending on the region;
- 2) the amount of precipitation gradually decreases from the southeast to the northwest. The characteristics of climatic resources (rainfall distribution) created China's farming system;
- 3) difficult terrain conditions, stepped distribution;
- 4) richness and diversity of land resources;
- 5) uneven distribution of water resources in time and space. Mainly located in the south and east of the country;
- 6) the total amount of river runoff is large, however, the coordination of water and soil is not coordinated.

The statistic shows the total acreage of agricultural land in China in selected years from 1980 to 2020. In 2020, the acreage of agricultural land in China amounted to approximately 167.5 million hectares (Fig 1).

Considering the current state of China's agricultural development, it is necessary to present the achievements in China's agricultural development [25].

1. Great progress has been made in agricultural production and value, and in the integrated and coordinated development of agriculture, forestry, livestock and fisheries.

2. Huge leap in terms of agricultural production: the level of agricultural mechanization continues to rise; effective irrigated area continues to increase.

3. Continuous improvement of the new agricultural management system.

New types of agricultural business entities and service enterprises, such as large professional households, family farms, farmer cooperatives, leading enterprises, agricultural business service organizations and others, continue to be established, gradually develop and grow.

4. To a large extent, a new impetus for the development of agriculture has been formed: the agricultural processing industry has reached a new level; rapid development of rural e-commerce.; recreational agriculture and rural tourism flourish.

5. The life of rural residents is moving towards all-round well-being: the incomes of rural residents are continuously growing; the living conditions of rural residents

continue to improve, moreover, the consumption structure is constantly optimized and updated; achievements in the fight against poverty attracted the attention of the whole world.

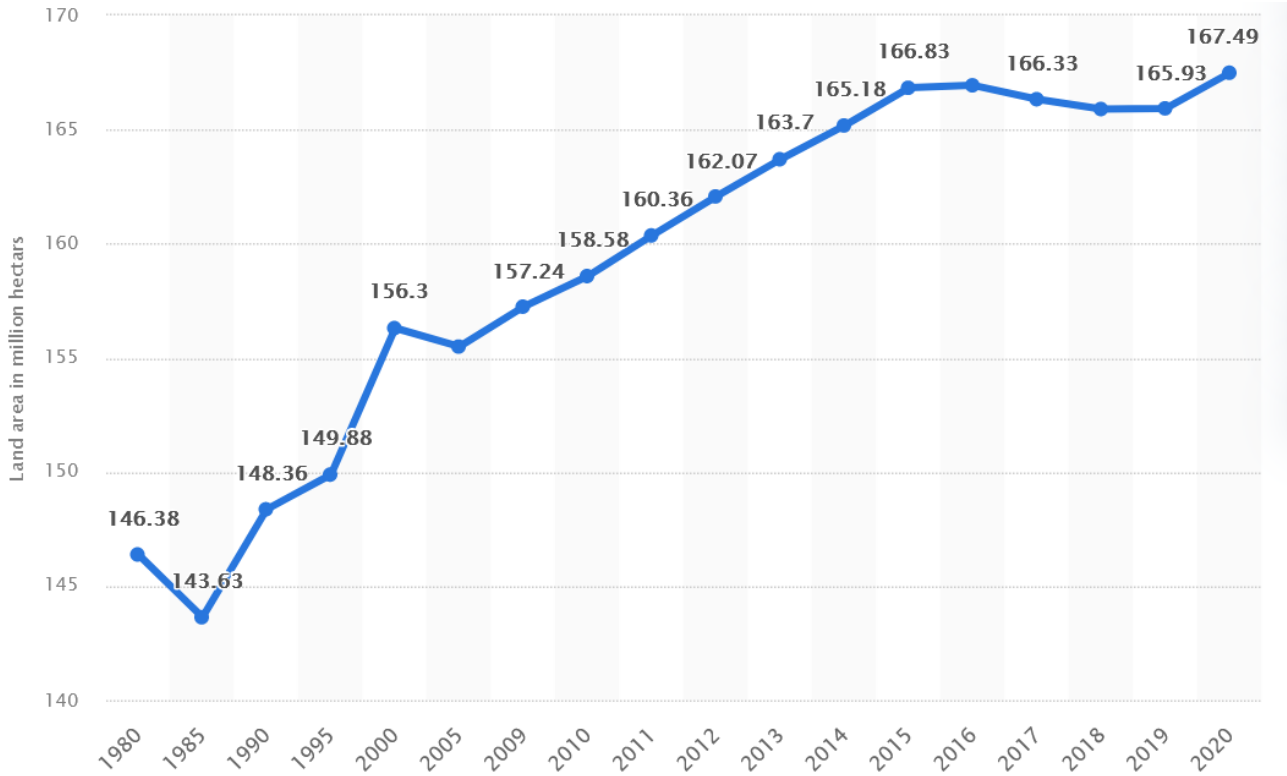


Fig. 1. Acreage of sown or harvested land of farm crops in China, 1980-2020 (in million hectares)

The future trends in the development of China's agriculture should be indicated: grouping of farmers, which leads to the formation of a new type of agribusiness; agricultural land transfers are accelerating, but agricultural production is clearly “non-grain”; farmers' income increased "ten times in a row", but the profitability of agricultural production fell.

On the other hand, there are a number of problems of China's agricultural development.

1. The overall efficiency of agricultural production is low. With regard to manual labour, there is a very high labour intensity of farmers and extensive management is often applied, which leads to a decrease in grain production. For five years (2015-2020), there were no signs of an increase in agricultural production throughout the country, and the overall efficiency of agricultural production remained consistently low.

2. Many agricultural products are surplus, in addition, the prices of agricultural products are declining. The Chinese government has put forward a policy of agricultural structural adjustment for several consecutive years since 2000, and actively supports farmers in adjusting the industrial structure. However, the quality of many

agricultural products is still low, not competitive on the international market and can only be targeted at domestic consumers.

3. Backlog in turnover and processing. The low level of processing of agricultural products and the high share of low value-added products not only limit the increase in value-added benefits, but also hinder the expansion of consumer demand.

4. Low efficiency of industrialization of agricultural scientific and technological achievements. The total volume of agricultural scientific and technological achievements is very large. According to statistics, China produces more than 6,000 agricultural scientific and technological achievements annually, but there are few scientific and technological achievements that are actually used in production and bring real economic benefits. The conversion rate of agricultural scientific and technological achievements in the developed countries of the world is from 65 to 85%, while in China it is only 30-40%.

It seems possible to formulate the following ideas for the innovative development of China's agriculture:

1) choose the path of agricultural development, taking into account the specifics of Chinese culture;

2) support Chinese companies, "enter the global market" and continue to develop international markets;

3) establish and improve the national system for the dissemination of agricultural technologies at the grassroots level;

4) strengthen the formation of agricultural ecological environment to achieve sustainable development.

Table 1

Evolution of Chinese policy of rural support

Period	Late 1970s to Mid-1990s	Late 1990s to late 2000s	2010 to Present
Objectives	Increase food production and grain self-sufficiency	Increase farm income Competitiveness of agriculture Quality and safety of agricultural products	Sustainable development of agriculture Improvement of economic, social, and environmental welfare in rural areas Targeted poverty reduction and realization of moderately prosperous rural society
Instruments	Household responsibility system and the separation of collective land ownership and individual land use rights Marketing and procurement system reforms for grains and other crops Investment in basic infrastructure Land tax	WTO accession and agriculture trade policy reform Abolition of agricultural taxation Introduction of price-based and direct subsidy to boost production Incentives for agricultural mechanization and other measures to build "modernized agriculture"	Moderate food import Investment in R&D Increased provision of basic services and public goods Partnership with other industries such as ICT Investment in rural environmental infrastructure Rural vitalization and integrated urban-rural development strategy

“The PRC’s overall rural development strategy has been to adapt to evolving agricultural production and rural development situations over time. In the economic

reform and opening up era, a series of major reforms and adjustments were conducted. For many of the years in this period, the PRC leadership, i.e., the Central Committee of the Communist Party of China (CCCPC) and the State Council, jointly released a series of five agricultural and rural development-focused guidelines outlining major policy priorities and measures” (Table 1).

In September 2018, the Chinese Government published the Strategic Plan of Rural Development (2018-2022) aiming to prioritize the development of rural areas (Fig. 2).

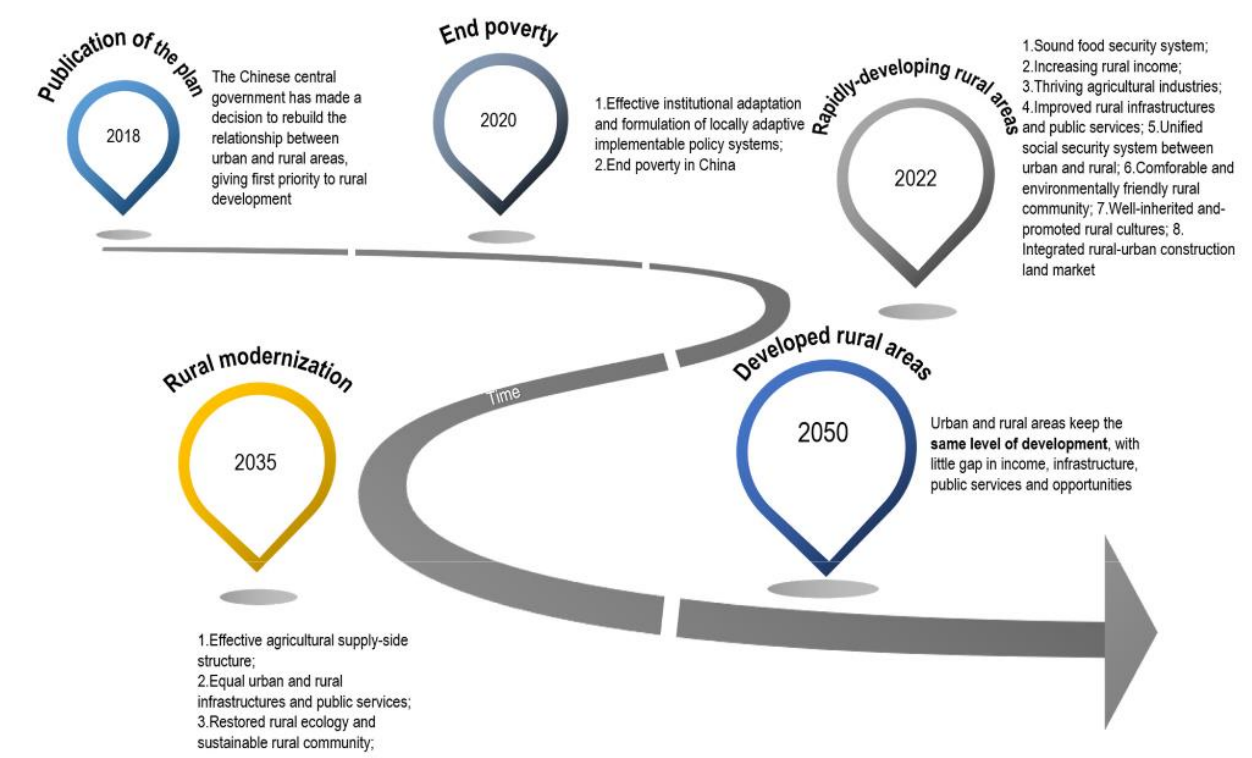


Fig. 2. Milestones and goals of China’s rural development strategy

In short, China is trying to rebuild the relationships between rural and urban areas in a new approach: unification, rather than transition. The plan sets four milestones and 22 goals (Supplementary Material Table S2) to help rural industries, ecological rehabilitation, and community development in rural areas, and achieve sustainable development goals. The plan aims to help implement the latest national strategies, in particular, the “China Dream” and “Ecological Civilization”. It also proposes to remedy existing problems and potential risks associated with rapid urbanization that have not been addressed in the National New-type Urbanization Plan. While China’s rural development strategy is possible in theory, it will not be successful if it fails to be relevant to national or local contexts or lacks detailed planning for sound implementation.

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CROSS-BORDER E-COMMERCE BETWEEN CHINA-UKRAINE: PANDEMIC CHALLENGES

The Internet has changed our lives globally, given the impetus to globalization. Everyone went online: children study, we meet with employees, meet suppliers, find business partners. All this can be done sitting on the couch. One customer recently told: "I have not seen my product, although I have already sold 20 cars." World started buying more online. According to a study by GroupM and Kantar "The state of e-commerce in 2021", 66% of retailers' points of contact with customers are carried out online. Five years ago, it was impossible to imagine anyone getting acquainted with a product without going to an offline store.

Now the situation is completely different, and the pandemic has made this trend even brighter. This means that new opportunities have opened up for the e-commerce market and the emergence of new players. However, the client is becoming more legible.

According to the consulting agency Digital Commerce 360, more than 50% of buyers from Europe, Africa and America are ready to buy on foreign online resources. The ability to easily buy goods abroad motivated to buy better for less money. This