

Analysis on the Relationship between Agricultural Economic Growth and Rural Financial Development

Zhuo Yanchen, Wu Zhengwei, Xing Lirong, Qiao Zhongkui, Sang Junshuai

Shandong University of Technology, Zibo, China

Keywords: agricultural economic growth, rural financial development, relationship analysis

Abstract: China is a big agricultural country, so the agricultural economy is the key component of our national economy, the primary industry in China's economic development, and also the primary task in the national economic development strategy. Agricultural economic growth depends on the development of rural finance. The relationship between these two is interdependent and has a greater impact on each other. Therefore, this paper has a certain practical significance to analyze the relationship between agricultural economic growth and rural financial development.

1. Introduction

With the continuous vigorous development of construction in all areas of society, the state has paid more and more attention to agriculture, rural areas and farmers. Since ancient times, China has established its country based on agriculture. Agriculture occupies a very important position in our national economy and people's livelihood. Agricultural economy is also an important part of China's economic structure. Similar to other economic fields, the development mode of agricultural finance has gradually been incorporated into the development of agricultural economy. However, due to the lack of research on the relationship between agricultural finance development and agricultural economic growth in the world, even in a developed country like the United States, its research time on agricultural finance development and agricultural economic growth has been up to 30 years, so it can be seen that our research in this area is still in the initial stage. However, the study of the relationship between agricultural financial development and agricultural economic growth plays an important role in promoting the healthy and sustainable development of agriculture in our country. Therefore, it is of positive significance to strengthen the research on related aspects. The relationship between agricultural economic growth and rural financial development will be discussed in detail below.

2. Present Situation of Agricultural Development in China

Throughout the history, China has always been a big agricultural country. In ancient China, farmland economy was an important basis for social development. The development of agriculture restricted the development of other industries. Therefore, research on agricultural economy was quite rich. With the establishment of New China and the further development of socialist construction, China's economy has also developed rapidly. However, the development of economic construction has not changed the basic structure of China's economy. Our country is still a big agricultural country, and the proportion of agricultural economy still takes a big proportion. There is no doubt that at this stage, agricultural economy is still an indispensable part of China's economic industry, so the focus on agriculture and agricultural economy is still the focus. Looking at the current situation of rural finance in China, we can see that rural finance is an important part of China's financial system, which is closely related to the development of farmers, rural areas and agriculture. At present, the rural finance in China has made rapid progress, but there are also some problems in the rural financial system, such as the outflow of rural financial funds, the loss of rural financial institutions, the lack of rural financial services and so on. These problems hinder the progress of rural finance as well as the development of agricultural economy. Therefore, while paying attention to agricultural economy, we should also pay more attention to rural finance. The

relationship between the growth of agricultural economy and rural finance should be stressed. The study of the relationship between them is the requirement of the current economic development era in China. Because of the foundation and particularity of China's agricultural economy, in the analysis of the relationship between agricultural economic growth and rural finance, various factors should be taken into account, and the results of previous studies should be fully utilized to achieve the best combination.

3. Relationship between Agricultural Economy and Growth of Agricultural Finance

3.1 Consider the Development of Agricultural Economy

At the present stage, the development of agricultural economy has become an important factor affecting the overall economic development of our country. The main reason is that with the economic growth of all countries in the world, the agricultural economic growth of developed countries has declined, and the population engaged in agricultural production has gradually decreased, which is not conducive to the development of agricultural economy. In order to solve this problem, it is essential to establish a corresponding financial subsidy system in rural areas and encourage people to emphasize the development of agriculture. Let's take Ningwu County Finance Bureau Township Finance Center in Xinzhou City, Shanxi Province as an example. The center will formulate a minimum security system for workers engaged in agricultural production, which promotes farmers to get life security under the system. The formulation of this system will stimulate farmers' enthusiasm for production to a certain extent so as to ensure the growth of agricultural economy. In addition, the continuous development of agricultural finance is also one of the effective measures to promote agricultural economic growth, which can ensure the growth of agricultural economy on the basis of increasing financial types.

3.2 Consider from the Perspective of Agricultural Finance

Financial markets produce an important impact on economic development. From theory and practice, it is not difficult to draw a conclusion that efficient financial system will quickly lead monetary resources to advantageous projects and fields, and improve economic growth by sharing risks and promoting transactions. This theory can also be applied to agricultural finance. In rural finance, there are effective intermediaries, which can not only transform savings resources in rural finance into potential consumption, but also increase savings value by interest in financial institutions. Therefore, the direct result of the development of rural finance is the change of the amount of savings, which can also promote the transformation of a large amount of savings to agricultural investment, thus increasing the investment in agricultural economic development and promoting the development of agricultural economy. Moreover, China's actual situation shows that the largest number of entities in agricultural economy is farmers. Their importance to rural finance is obvious. Therefore, the factors of farmers must be taken into account. The high utilization rate of rural finance not only increases the amount of savings in rural financial intermediaries, but also leads to the return of rural funds, attracts more funds into the agricultural field, and absorbs more surplus rural labor while promoting agricultural economic growth. Moreover, the development of rural finance tends to invest more funds in the field of agriculture, which can effectively guarantee the demand for funds for rural economic development, thus changing the current situation of urban plunder and distribution of rural financial resources. On the other hand, by promoting the increase of farmers' specialized production scale, it is propitious to promote the further deepening of rural social division of labor and further deepen the full development of agricultural economy. For the current situation of our country, we should give full play to the combined role of various financial forces to create good conditions for the positive interaction between rural economy and finance.

3.3 Mutual Restriction between Agricultural Economic Growth and Rural Finance

3.3.1 Restriction of rural economic growth on rural finance

From the perspective of rural economic growth, its constraints on rural financial development are

mainly reflected in the following aspects. Firstly, rural economic growth is a phenomenon that constitutes the backflow of rural population, which on the contrary leads to a large number of rural people out of rural areas and into the city. Some rural people will buy houses and live in cities after they are well-off, and look for jobs in cities, which will gradually reduce the number of rural financial service objects, and then restrict the development of rural financial credit. Secondly, compared with the national support for the first-line and second-line urban finance, the national support of the rural economy is relatively weak, so that the financial industry will be restricted. The development mainly focuses on urban groups, so as to restrict and restrict the development of rural finance.

3.3.2 Restriction of rural finance on rural economic growth

In addition to the constraints of rural economic growth on rural finance, rural finance also has certain constraints on the growth of agricultural economy, which are mainly reflected in the following aspects:

Rural financial institutions have low professional quality, lack professional service awareness and poor service quality. Compared with the financial structure of big cities, there is a big gap. This will affect the rural groups when they deal with relevant business, thus repelling the enthusiasm of rural users to apply for loan business. Because of the low professional quality of the staff in their work, they did not clearly explain the specific situation of business to rural users in the process of handling business. Moreover, they had a low cultural level of rural population. The above causes farmers to encounter obstacles in dealing with the loan business. In this case, the growth of rural economy has been affected to a certain extent.

The distribution of rural financial institutions is not normal. At present, many rural institutions are basically distributed in villages and towns, which makes it difficult for residents in remote areas to handle financial business, and then can not enjoy fair financial services, which also restricts the growth of agricultural economy to a certain extent.

Rural economic growth is the primary task in China's economic development strategy, and government departments need to effectively solve these problems. In practical work, it is necessary to improve the professional quality of rural financial institutions, so that they are able to explain the specific content of financial business to local villagers in detail and villagers can understand the real situation and develop rural real economy with the support of financial business. Moreover, people from rural financial institutions need to go to the grass-roots units and introduce financial services to local villagers in remote areas. Through radio, television and newspaper publicity, local villagers will fully understand the financial business related to rural economic development, stimulate the enthusiasm to start businesses and increase income, gradually promote the rapid growth of agricultural economy on this basis, and then promote the development of rural finance.

3.4 Mutual Promotion between Agricultural Economic Growth and Rural Finance

In the development of agricultural economic growth and rural finance, their mutually reinforcing relationship is manifested in many aspects which are manifested in many dimensions and many levels. In terms of rural economic growth, it largely promotes the development needs of farmers' credit business. With the popularization of knowledge and the improvement of national education level, the economic quality of the rural masses has been greatly improved, and they have gradually established a certain economic awareness. In practice, the way of applying for credit for production or other business activities is more diversified. In this case, rural finance promotes the development of agricultural credit business, thus promoting the development of rural economy and the diversification of rural business methods and enriching the sources of rural income. From the perspective of financial development, rural economic growth depends on rural finance. The promotion relationship between these two is mainly reflected in the following aspects:

(1) Increased financial services can increase financial support for rural economic growth. In finance, the key indicator of the level of financial services is the number of types of financial services. In rural areas, financial products and businesses of different types and characteristics can make different people enjoy themselves, meet the development needs of different economic forms,

and then promote a more solid carrier of rural economic growth. All-round development of rural economy requires that each economic entity plays its role and meet its own requirements. Through the development of agricultural financial business, the diversification of financial business can be promoted, and the goal of overall development and growth of rural economy can be achieved in the management and implementation of business.

(2) The development efficiency of rural financial institutions promotes rural economic growth. Under normal circumstances, the operational efficiency of rural financial institutions can be reflected in many aspects, such as credit business and operation mechanism, and the number of formalities to be handled. That is to say, less formalities and more simple and convenient operation mechanism are propitious to save the time for rural users to deal with business. In this case, financial business and related products will have their own attraction and farmers' financial problems will be effectively solved in a short time, so that various economic entities in rural development can get enough support, and on this basis, further promote the growth of rural economy, and then promote the rapid development of rural finance.

4. Conclusion

In order to fully understand the relationship between agricultural economy and agricultural finance, the corresponding research mode should be established. Data analysis can be carried out on the basis of mode, and the influencing principle between agricultural economy and agricultural finance can be judged, which is conducive to the continuous development of agricultural economy. In the analysis of the relationship between agricultural economy and agricultural finance, we should proceed from these two angles, ensure the comprehensive analysis of their relationship, and further investigate their relationship based on the results of the study, so as to effectively grasp the relationship between them and promote the growth of agricultural economy.

References

- [1] Jia Huiting. Discussion on Rural Financial Development and Agricultural Economic Growth under Institutional Constraints [J]. Market Forum, 2019 (03): 47-49.
- [2] Wang Yue. A Brief Talk on the Relationship between Agricultural Economic Growth and Rural Financial Development [J]. Science and Technology Economic Guide, 2019, 27 (02): 214.
- [3] Tian Jing. Impact of Rural Financial Development on Agricultural Economic Growth [J]. Brand Research, 2018 (06): 125 + 127.
- [4] Niu Jiali. An Empirical Study on the Relationship between Rural Financial Development and Economic Growth in Hebei Province [J]. Times Finance, 2018 (32): 99-100.
- [5] Jiao Jinpeng, Zhao Dawei and Yang Huiying. Empirical Analysis of the Relationship between Rural Financial System Development and Rural Economic Growth Based on Data of Heilongjiang Province from 1978 to 2015 [J]. Rural Economy, 2018 (10): 78-83