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## Analysis of service-oriented government guiding role in China's rural economic cooperation organization

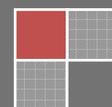
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### ABSTRACT

The service-oriented government as the inevitable trend and the developing direction of Chinese government occupies a pivotal position in the Chinese society, and also has the indelible effect on China's economic development. With the deepening of the reform and opening up, the politics and economy and other aspects of China has shown a tendency of vigorous development, and the stable, open and liberal political system has promoted the development of China's regional economy constantly. Through consulting relevant information, China's rural economic cooperation organization has been investigated and studied in order to summarize the current development situation of China's rural economic cooperation organization and the problems arising from the development process, and at the same time points out that the service-oriented government has play a positive role in guiding China's rural economic cooperation organization, and some solutions and advice have been put forward to the rising problems. The study found that the problems rising in the process of China's rural economic cooperation organization development are mainly: the government's policy support, the effective specification of national laws and regulations and financial support by financial institutions. However, in the process of guiding China's rural economic cooperation organization, the service-oriented government also has made a contribution. The study shows that in order to give full play to the guiding role of service-oriented government, the government must provide the corresponding knowledge science and technology for different regions and different nature of the rural economic cooperation organization according to location conditions, and adhere to the market-oriented rural economic development mode, meanwhile, the government must encourage, support and guide the talent flow to rural economic cooperation organization.

### KEYWORDS

Service-oriented government; China; Rural economy; Guiding function.



## INTRODUCTION

In China, the development of rural economic cooperation organization can date back to the middle of the 20th century, especially after 1978, with the scope of China's reform and opening up expanding and the degree deepening, China's rural economic cooperation organizations has also become specialization gradually, promoting the rapid development of the agricultural industrialization and the enterprise greatly. In 1984, the central committee of the communist party of China issued document pointing out that "allow farmers and collective funds flow freely, without being limited by the region. Encourage farmers to invest in stocks of various enterprises; and also encourage collective and farmers to put their money together in order to establish all sorts of enterprises based on the principle of mutually beneficial in resources"<sup>[1]</sup>. Since then, the development of China's rural economic cooperation organization has entered a new period. At present, although China's rural economic cooperation organization has huge development, there are still a series of issues and problems such as policy, system, capital, technology and others, and some problems cannot be solved just relying on the power of the organization itself, and they need the social from all walks of life especially the power of the local government related department to solve.

The concept of "service-oriented government" has been introduced into China to use earlier. The ultimate goal of the government is to serve the people based on real conditions, and the service is not a theoretical rhetoric, it must be implemented to the specific work, therefore, so to say the social service function is the main function of the service-oriented government<sup>[2]</sup>. The report of the 17th national congress has already made clearly the task of "speed up the reform of the administrative system and build a service-oriented government", and the 18th national congress of the CPC once again put forward the task of building the service-oriented government that people satisfied with. Therefore, the construction of service-oriented government has played a positive role in guiding the development of China's rural economic cooperation organization<sup>[3]</sup>.

Through consulting relevant literature, the formation and development of China's rural economic organizations has been carried on the investigation and research, the connotations of rural economic cooperation organization and the service-oriented government have been respectively carried on the summary and analysis, describing the present situation of the development of Chinese rural economic cooperation organization. And the service-oriented government guiding role in the development of Chinese rural economic cooperation organization has been acquired, and then reform plan and opinions have been put forward to solve the problems, so as to promote steady and healthy development of China's rural economy and the society.

## THE PRESENT SITUATION OF DEVELOPMENT OF CHINA'S RURAL ECONOMIC COOPERATION ORGANIZATION

### The connotation of rural economic cooperation organization

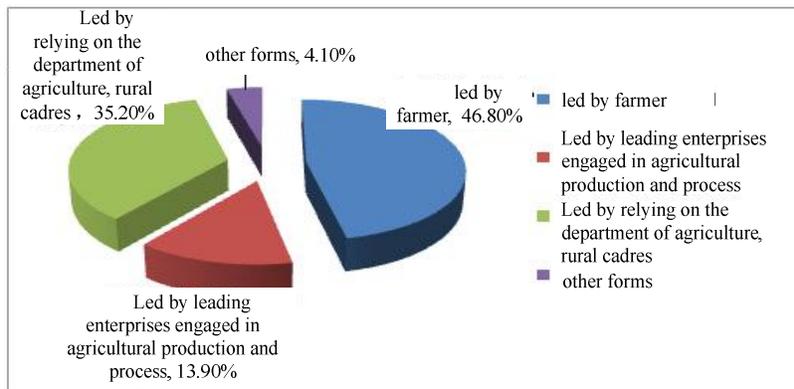
As early as in nationalist government period before liberation, sun yat-sen has proposed in the article of the local autonomy began to implement laws: "the duties of local autonomy groups include agricultural cooperation, industrial cooperation, trade cooperation, banks cooperation and insurance cooperation and others."<sup>[4]</sup> And since then, China's cooperative movement and the organization have been sprung up.

Rural economic cooperation organization as an economic organization form instead of trade between individual agricultural production and large market is a global economic phenomenon<sup>[5]</sup>. Rural economic cooperation organization itself does not reflect some ownership relations, so it can be used for developed countries, and also can be used for developing countries. Since China's reform and opening up, in the rural management system innovation and practice of the agriculture industrialization, farmers and other social aspects has joined the capital, labor and technology together, on the basis of voluntary and mutual benefit, economic cooperation organization engaged in business or service has formed, and it is often referred to as China's rural economic cooperation organization<sup>[6]</sup>.

### The present situation of China's rural economic cooperation organization

Since China's reform and opening up, Chinese rural economic cooperation organization has experienced stages including the new type of rural cooperative organizations, vigorous development and sustainable development. At present, the number of China's various types of rural economic cooperation organization has reached more than 1400 thousand. Among which the more specification are about 150 thousand, and the number of members has reached more than two million, accounting for 9.8% of the total number of national farmers<sup>[7]</sup>. Especially in the end of the 20th century, China's rural economic cooperation organizations have developed rapidly, and have sprung up continuously in developed areas.

In terms of the establishment subject, China's rural economic cooperation organizations are established by farmers spontaneously, or established by large enterprises of agricultural industrialization operation or related leadership department, supply and marketing cooperatives, of course, there are also some rural economic cooperation organization established by the cooperation of farmers and companies. According to the survey of agriculture and rural committee research group of the National People's Congress in 17 provinces of China in 2005, the establishment of rural economic cooperation organization led by farmers accounting for 46.8%; and of which Led by leading enterprises engaged in agricultural production and process, accounting for 13.90%; led by relying on the department of agriculture, rural cadres, accounted for 35.2%; Other forms of establishment accounted for about 4.1% of<sup>[8]</sup> (see it in Figure 1)



**Figure 1 : The subject classification of building China's rural economic cooperation organization**

### Problems encountered in the development of China's rural economic cooperation organization

First of all, in the process of development, China's rural economic cooperation organization lacks the necessary policy support. Although China's rural economic development is the premise and foundation of policy development, the development of rural economic organizations still cannot be separate with the government policies support. Under China's current system, the market of various kinds of production factors including land, capital and so on still limited by all sorts of policy, making the government has little support of rural economic cooperation organization in policy, and however, farmers need policies conducive to the development of rural economic cooperation organization on various aspects such as finance, banking and so on. In order to encourage the development of the local new rural economic cooperative organizations, although some local governments have introduced related preferential policies, the feasibility and enforcement of the policy itself needs further investigation and verification. However, some governments lack the understanding of the new rural economic cooperation organization, mistaking the new rural economic cooperation organization as a recognized "cooperative", which greatly limits the establishment, development, and expansion of the China's rural economic cooperation organization.

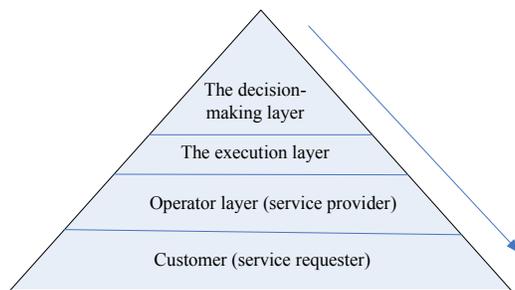
Secondly, the legal status of the new rural economic cooperation organization in China hasn't been cleared. The law is the premise and foundation for the healthy development and the growing of the organizations, the development of China's new rural economic cooperation organization is also no exception, depending on the reasonable perfect law legal system. And if there is no perfect laws and regulations as protection, China's new rural economic cooperation organization in terms of registration as a legal person will lack legal basis, making the difficulty of the new rural economic cooperative organization at beginning. And because there is no clear positioning of the law on the legal status and properties of the new rural economic cooperation organization, making the relationship between the new rural economic cooperation organization and relevant departments of the government been in the fuzzy state. The establishment of the new rural economic cooperation organization must be allowed by government departments such as departments for industry and commerce, civil affairs, and others, this not only bring trouble for the leaders and members of the new rural economic cooperation organizations, but also make the relevant government departments can't do anything about it, once problem appearing, the organization leaders don't know whom can turn to, and the head of relevant government department also don't know whether it is their duty to charge, and how to solve, thus resulting in the low efficiency of the new rural economic cooperation organization, and the practicability is also needed to investigate.

Finally, China's rural economic cooperation organization has no formal support of financial institutions. For the rural in China at present, the fund is still the most rarely and most shortage of the production factors. On the one hand, China's booming financial system has been taken the urban economy as the guidance, rarely accessing to the huge demand for rural areas; on the other hand, the precondition of rural economic cooperation organization increasing the production and expanding the scale is strong financial support by China's financial institutions. It has produced a stubborn antinomy in the development of China's rural economic cooperation organization. The current new type of rural economic cooperation organization is also subject to the influence of traditional "one man, one vote" system, and part of the organization member's enthusiasm have been discouraged, hindering the development of rural economic cooperation organization.

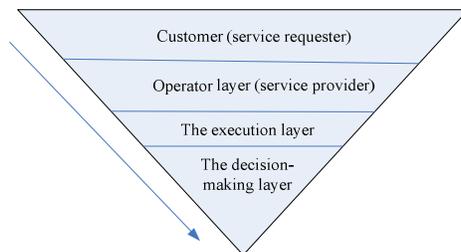
## SERVICE-ORIENTED GOVERNMENT GUIDING ROLE IN CHINA'S RURAL ECONOMIC COOPERATION ORGANIZATION

### The connotation of the service-oriented government

In short, the so-called service-oriented government is a government that provide better public goods and services in order to meet the demand of the public, which is often said that the government of "serve the people". However, the current service-oriented government has been more emphasized on providing public services for the public. And it has great difference with China's traditional government management model in essence (see Figure 2 and Figure 3).

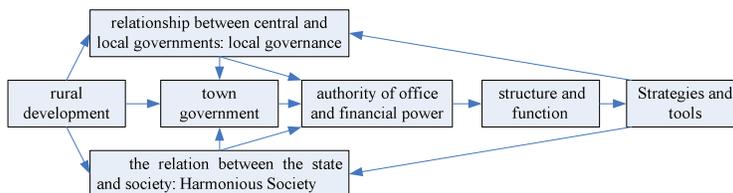


**Figure 2 : The traditional management-oriented government**



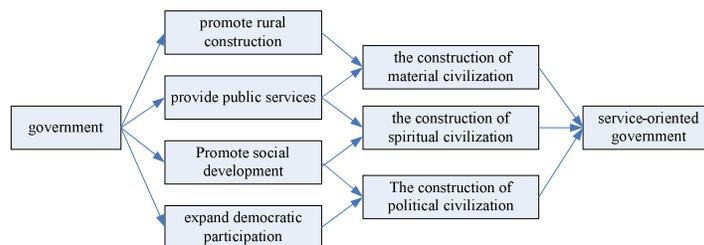
**Figure 3 : The modern service-oriented government**

The essence of the service-oriented government is to provide adequate public services and facilities, and ensure the equal opportunity to enjoy these services and facilities, making all members of the society obtain benefits brought about by the economic development. And building a service-oriented government, in fact, is to enable the public to enjoy the process of economic growth results from the “reject” to “tolerance”<sup>[9]</sup> (see Figure 4).



**Figure 4 : Theoretical foundation of service-oriented government**

The main function of government is to promote rural construction, provide public services, promote social development and expand democratic participation, but in the construction of a service-oriented government, the provision of public services is priority of the government function display (see Figure 5). The government must take the provision of public service as its core, and at the same time adhere to function display of the rest, so as to promote the construction of China's rural material civilization, spiritual civilization and political civilization, eventually develop into a service-oriented government serving the people heart and soul.



**Figure 5 : The connotation of the service-oriented government**

**Service-oriented government guiding role in China's rural economic cooperation organization**

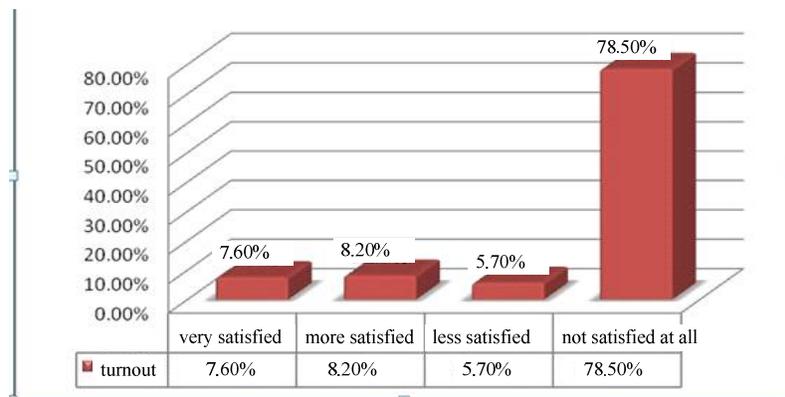
Firstly, the service-oriented government administrates according to the law, proving the rule of law guarantee for China's rural economic cooperation organization. “The healthy growth of rural economic cooperation organization is inseparable

from the leadership of the country and the financial aid, and the existence and development of economic cooperation organization cannot without the country's fiscal help"<sup>[10]</sup>. Service-oriented government is established under the legal system, with laws and regulations safeguard, it can guarantee basic rights of citizen, at the same time examine the public services provided by the government. The law should take serving rural economic cooperation organization wholeheartedly as the fundamental goal, insist on the responsibility of rural economic development, integrate the executive power into rural economic cooperation organization, guaranteeing the specific work of rural economic cooperation organizations having legal basis.

Secondly, service-oriented government protects the interest of the farmers and provides financial support for China's rural economic cooperation organization. A service-oriented government, according to Chinese citizens will, stands on the position of the masses to serve the people, provide public services for people. At present, many rural economic cooperation organizations in China have a shortage of funds, and need the increase of governments' financial investment and expenditure, ensuring the steady development of China's rural economic cooperation organization.

Thirdly, a service-oriented government puts people's interests before everything else, and provides information support for China's rural economic cooperation organization. The so-called service-oriented government, the first is to provide public services for the people to meet the needs of the people. Due to limited channels to acquire information of many rural areas in China, and the quality of acquired information resources is much older, the number is relatively scarce, so the government needs to give full play to the role of the service-oriented government, and provide the most effective information for the majority of rural economic cooperation organization in order to help the fast and efficient development of rural economy, promoting the economic development of the whole China.

Although a service-oriented government plays an important role in guiding the development of China's rural economic cooperation organization, some problems still exist, as shown in Figure 6, the satisfaction of Chinese people on a web service provided by the government's is low on the whole, it reflects that China's service-oriented government needs to be developed further.

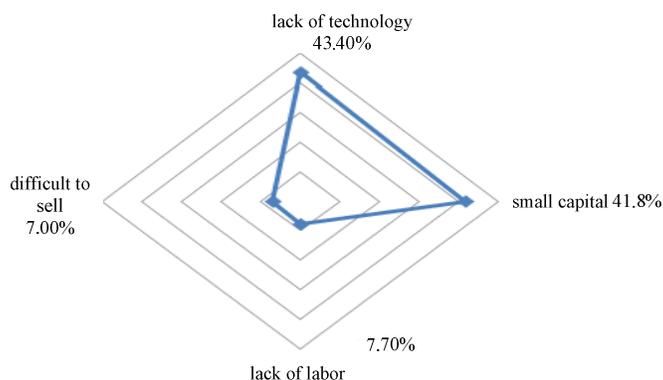


**Figure 6 : The Chinese government website user satisfaction survey**

### **THE SUGGESTIONS AND IDEAS OF GIVING FULL PLAY TO THE GUIDANCE ROLE OF SERVICE-ORIENTED GOVERNMENT**

Firstly, a service-oriented government must provide corresponding science and technology knowledge for the rural economic cooperation organizations which have different natures in different areas according to the local conditions. In vast rural areas of China, the knowledge structure of farmers is simple, and the scope of knowledge is much narrow, some areas even still maintains the original habit of reaping crops depend on the weather, knowing very little about agricultural science and technology knowledge. Technical issues have become the big problem for China's rural development (see Figure 7). However, since China joined the world trade organization in 2001, China's economic development mode has transformed from extensive to intensive, and rural economic development shall keep up with the pace of the whole society. Using limited production factors to create more value depends on China's service-oriented government providing the corresponding science and technology knowledge and science skills for the rural economic cooperation organization.

Secondly, a service-oriented government must adhere to market-oriented rural economic development mode. Many countries in the world took the advantage of local resources, combined with the demand of the market, developed the local agricultural successfully, and also promoted the sustainable and rapid growth of domestic economy. Therefore, China must learn from them, although the marketization of China has been developed further since the reform and opening up, for some rural areas, the degree of marketization is extremely limited. Given the effective configuration of resources in the market, for China's service-oriented government, it is very important to establish effective contact between small-scale production in rural area and big market in the whole society.



**Figure 7 : Aanalysis of the biggest problem encountered in production and operation by Chinese farmers**

Again, a service-oriented government must encourage, support and guide the talent flow to rural economic cooperation organization. Talent is also an important factor to enhance the competitiveness of countries and regions. In Germany, many rural economic cooperation organizations have strong agricultural technology, because the German agricultural has introduced lots of high-quality talents, so as to promote the development of agriculture in Germany. As for China, encouraging high-caliber talents to join the rural practical and technical guidance, not only can accelerate the development of rural economy, but also can solve the employment problem of some fresh graduates effectively, so to speak it is pretty good deal.

## CONCLUSION

Through the investigation of China's service-oriented government positive role in the development of rural economic cooperation organization, some disadvantages and shortcomings of the construction of China's service-oriented government have been obtained. From the study, it can be concluded that the service-oriented government must provide corresponding science and technology knowledge for the rural economic cooperation organizations which have different natures in different areas according to local conditions, and adhere to market-oriented rural economic development mode, at the same time encourage, support and guide the talent flow to rural economic cooperation organization, thus promoting the vigorous development of the rural economic cooperation organization.

## ACKNOWLEDGEMENT

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