

# Discussion on Rural Cooperative Economic Organization and Farmers' Income Increase

Rongjing Sun\*

Anhui University of Finance and Economics, Bengbu, Anhui, 233030, China

\*1097470327@qq.com

## Abstract

After entering the 21st century, rural economic and social development has been rapid, and rural cooperative economic organizations have emerged at the historic moment. It is an important carrier of agricultural modernization and a leading factor related to the development of agricultural economic modernization. This article discusses the development experience and development countermeasures of rural cooperative economic organizations, and at the same time considers the improvement of farmers' income under the background of rural cooperative economic organizations.

## Keywords

rural cooperative economic organization; development experience; countermeasures; farmers' income increase; improvement ideas.

## 1. Introduction

At present, my country's rural cooperative economic organization is developing rapidly, and it has a greater role in improving the rural social service system. Especially in the current overall layout of new rural construction, the analysis of rural cooperative economic organizations by rural local governments and relevant departments has become more and more in-depth. Its development is truly market-oriented, with farmers' leading industries as the main core, and the establishment of professional At the same time, the cooperative link also once again demonstrated the practical value and effectiveness of rural cooperative economic organizations.

## 2. About Rural Cooperative Economic Organization

Rural cooperative economic organizations specifically take farmers as the main body, and farmers' production and product sales management private organizations as the main core. It can be said that the private organizations and farmers' behaviors have voluntary characteristics. Its construction and application on the one hand is conducive to the improvement of individual farmers' risk resistance ability, on the one hand, it is also conducive to providing farmers with scientific management technology, it has become a promoter of farmers' income increase [1].

From the current point of view, the more common rural cooperative economic organizations in China include many types, the more common are the "company + farmer" model, the joint-stock cooperative model, the professional agricultural cooperative model and the rural cooperative model. In the above model, the "company + farmer" model accounts for more than 70% of the total proportion of all models. The rural cooperative economic organization under this model not only can reduce the production and operation costs for rural enterprises, but also is very conducive to the unification of farmer groups. Management is good for promoting farmers' income and improving company's benefits. The other is the professional agricultural cooperative model, which is mainly responsible for agricultural products sales, agricultural

production technical guidance, etc. The advantage of this model is that it can avoid the huge risks that farmers may bear in the process of selling agricultural products. The scientific management technology is used in the planting process to achieve stable income and increase income; in contrast, the share cooperation model emerged relatively early. It mainly uses the principle of collective resources, distribution according to shares, and distribution according to work, which is actually very conducive to Increase farmers' income [2].

In China, as early as the 1950s, a certain scale of agricultural cooperatives had emerged, and its model mainly used the existing resources to improve the ability of individual farmers to resist risks in agricultural production, which is also very important for farmers' income increase. Favorable [3].

### **3. Development and Construction Problems of Rural Cooperative Economic Organizations and their Causes**

#### **3.1. Development and Construction Issues**

In summary, the establishment and development of the rural economic cooperation organization is very beneficial to my country's comprehensive agricultural development, but it has to admit that there are still certain problems in the development of its organization. The summary includes 4 points:

First, the current policy guarantees and rural cooperative economic organization policies are not perfect.

Second, farmers lack a good sense of cooperation.

Third, rural cooperative economic organizations still need to improve their advantages in terms of development management, and they cannot yet form their own complete service management system.

Fourth, rural cooperative economic organizations have relatively low informationization performance.

#### **3.2. Causes of Development and Construction Problems**

Combining the above four points, this paper believes that the causes of problems in the development and construction of rural cooperative economic organizations mainly include the following points.

First of all, the government guarantees are insufficient, and there is a serious lack of relevant policies to support rural cooperative economic organizations. This problem has seriously affected the current development of rural cooperative economic organizations. Taking into account that the rural cooperative economic organization itself lacks government guarantees, the farmers themselves dare not want to try the rural cooperative economic organization and seriously lack trust. As a result, few farmers participated in rural cooperative economic organizations, so the establishment of organizations became a bubble.

Secondly, farmers are a typical vulnerable group, their economic income is relatively low, and some farmers have suffered serious economic losses after participating in rural cooperative economic organizations, which led to a sharp increase in their distrust of rural cooperative economic organizations. At the same time, the security support from the government is very weak, which has caused huge pressure on the operators of rural cooperative economic organizations, which has led to the collapse of rural cooperative economic organizations in the long run [4].

The farmers are not only disadvantaged, but also lack the sense of cooperation, which has seriously affected the development of rural economic organizations. Because farmers themselves are the main body of production, but they do not cooperate, making the

development of rural cooperative economic organizations unsustainable. In this regard, it must be taken into account that most of the peasants in our country have historically developed from periods of poverty. Their ideological awareness of small farmers is very serious, and there is generally a psychological plot to take advantage of small ones. Therefore, farmers often have difficulty in compromising rural cooperative economic organizations, which has led to the fact that rural cooperative economic organizations may not be able to take effective scientific management countermeasures for a long time. For example, in the "company + farmer" model, companies require pollution-free production and prohibit the use of various highly toxic pesticides. However, in order to avoid the loss of agricultural income caused by diseases and insect pests, some farmers secretly adopt various illegal agricultural poplars, which not only It has caused huge economic losses for both farmers and enterprises, and also seriously affected the company's reputation, which may be irreversible [5].

Rural cooperative economic organizations perform poorly at the management level, because rural cooperative economic organizations perform poorly at the management level, which makes it difficult for them to attract large amounts of capital and advanced technology in the short term, and it will not be possible to form an organizational structure of conscientious development in the long run. , Its internal management is relatively chaotic and cannot sustain healthy and stable development. In fact, this is also related to the low level of informatization of rural cooperative economic organizations. The informationization degree of rural cooperative economic organizations is not high at present, and the market people do not understand the popularization of the application of informationized agriculture. This has seriously slowed down the development of rural cooperative economic organizations and has also hindered the improvement of their economic organizations. . Rural cooperative economic organizations that currently lack an information platform cannot monitor and forecast the market in real time, so they cannot provide relatively timely service guidance to farmers. This has led to serious obstacles to the development of rural cooperative economic organizations, which has affected farmers' income. Greater [6].

#### **4. Improvement Ideas for the Development and Construction of Rural Cooperative Economic Organizations to Increase Farmers' Income**

Under the background of new rural construction, the development and construction of rural cooperative economic organizations has become the key. It has put forward many ideas for improvement in increasing farmers' income. The following specific analysis points [7].

##### **4.1. Foster and Develop Farmers' Cooperative Economic Organizations**

First of all, we must cultivate and develop peasant cooperative economic organizations, which is the necessary requirement and fundamental for the development of productive forces. Under the current background of vigorously advocating the household contract responsibility system, rural local governments hope to stimulate farmers' enthusiasm for agricultural production through the responsibility system itself. At the same time, it is also necessary to analyze the many disadvantages brought about by the rural economic and social development, such as the high agricultural production costs, the continued low efficiency of agricultural land use, and the gradual increase in transaction costs. Rural areas need to explain these problems through institutional economics. To some extent, the existence of institutions reduces the transaction costs of farmers' cooperative economic organizations, and the efficiency of resource allocation will increase accordingly. In the process of reducing the transaction costs of farmers' economic cooperation organizations, it is also necessary to clarify the costs of transaction objects, and analyze the costs of signing contracts and the costs of supervising the execution of contracts. In short, it is precisely because of the emergence of farmers' cooperative economic organizations

that changed the vulnerable position of farmers, and it has also helped to improve the level of agricultural industrialization [8].

If individual farmers belong to vulnerable groups in the market, then the establishment of farmers' cooperative economic organizations can alleviate the practical problems of farmers' unorganization in rural areas to a certain extent, and its value is evident. At present, the farmers' cooperative economic organization has become an important part of the social service system. It gradually establishes and strengthens farmers' groups in the process of cooperation between individual farmers, effectively avoiding market risks. In this process, the farmers' cooperative economic organization on the one hand guides farmers' production, on the one hand, it also hopes to provide farmers with information consultation and technical support [9]. Furthermore, it is to establish an independent cooperative economic organization that cultivates farmers' groups. Its purpose is still to organize individual scattered farmers to form a whole. What this process seeks is to maximize the benefits, which is suitable for farmers to participate in cooperative economic organizations to guide the development of farmers' production, create favorable conditions for farmers to produce products for marketing, and promote excellent agricultural varieties. In the process of agricultural industrialization, we hope to create more agricultural value through cooperative economic organizations formed spontaneously by farmers and lay the foundation for farmers to increase their income. For example, the more classic forms of "company + farmer household", "shareholding + cooperative system" and so on have gradually promoted the development of my country's agricultural industrialization. The establishment of the organization has created prerequisites and space for dialogue between farmers and the government. The services provided by the Farmer Cooperative Economic Organization are also irreplaceable by the market, for which it has also received policy support from the government, legal protection, and credit and tax incentives. It can be said that the Peasant Cooperative Economic Organization has become an important platform carrier to ensure that farmers get added value of agricultural products. It also protects the negotiating and profit status of the peasant organizations in the market, saves farmers' costs, and indirectly increases their economic income. The government has relaxed policies, hoping to establish farmers' cooperative economic organizations in various forms, and pursue the innovation and development of the organization, strive for more freedom for farmers, and always ensure the relative independence of farmers' production and management. At the same time, the organization itself is more The technology base is gradually promoted in rural areas and a technology incubator platform is built [10].

#### **4.2. Improve the Social Security System**

In farmers' cooperative economic organizations, all links in the farmers' income process do not exist independently. They are closely related, and together form a relatively complex system engineering. For example, the social side hopes to improve the effective guarantee for farmers, which will greatly increase the income level of farmers [11]. On the other hand, in the process of paying social guarantee fees through farmers' cooperative economic organizations, farmers also enjoy high-guaranteed welfare from society, which forms a virtuous cycle between farmers' cooperative economic organizations and farmers' revenue mechanism. In this process, the state increased the income of farmers through macro-control, and national laws and regulations can also help farmers solve the problems of infringement of various rights and interests faced in the process of agricultural production and sales, such as arrears of farmers' wages, disadvantages in farmers' signing of employment contracts, Requisition of farmers' land at will and so on. In short, the establishment of the peasant cooperative economic organization has also provided a relatively comfortable social security system for peasant groups, and this system is gradually being improved [12].

Of course, the Peasant Cooperative Economic Organization has not ignored the "three rural" issues, and the core issue of the "three rural" issues is the peasant issue. Therefore, the key to the development of the peasant cooperative economic organization under the guidance of the current scientific development concept lies in the people-oriented. Farmers provide an environment for agricultural production development that has no worries, and raise the government's general awareness of protecting farmers' rights and interests. In this regard, farmers' cooperative economic organizations must raise farmers' income and farmers' rights to the standard of superstructures. For example, the organization itself must solve the problem of the farmers' household registration system to ensure that farmers enjoy political democracy while optimizing rural infrastructure. The issue of application of construction funds as a whole is to correct the development pattern of farmers through organization, and to ensure the economic and political rights of farmers while giving them real national treatment, so that they can talk about increasing farmers' income and social harmony.[13 ].

#### **4.3. Promote the Diversified Development of Rural Cooperative Economic Organizations**

The diversified development of rural cooperative economic organizations will inevitably bring more opportunities for farmers to increase their income, because according to the current development trend of the agricultural market, it has achieved all-round adjustment and upgrading of the agricultural industrial structure, accelerated the pace of agricultural production development, and Production is very favorable. Taking a rural area as an example, they built a rural cooperative economic organization around their leading industries, such as soybeans and corn, to find an entry point, give full play to the inherent market competitiveness of rural cooperative economic organizations, and hope to effectively expand the industry scale and realize economic organization. The effective improvement of functions truly adapts to the agricultural structure and pursues adjustment and upgrading to ensure the rapid development of industrialization. In this process, it is hoped that market effective information and advanced product technology will be used to adjust the agricultural structure for farmers' agricultural production, clarify the favorable production conditions and marketable sales of various agricultural products, and gradually build an agricultural pillar industry for the local area. In this process, the organization also hopes to continuously promote the adjustment of agricultural structure and accelerate the optimization and improvement of the process of agricultural industrialization. At present, many local agricultural cooperative economic organizations have established rural cooperative economic organizations based on market demand, hoping to fully understand market demand, fully grasp the regional industrial characteristics of rural agricultural production, and ensure that the production of marketable products is on track. Agricultural production, ensuring production supply and meeting market demand, on the one hand, realize the active adjustment of agricultural production structure, grasp the future agricultural development direction, combine multi-level, multi-channel, diversified optimization and adjustment of agricultural production mechanism, further expand the function of rural cooperative economic organization Connotation, integrating the industrial advantages of different agricultural industrial organizations, realizing the coordinated development of the agricultural industrialization layout, strongly promoting the breakthrough of the structural reform on the agricultural supply side, and paving the way for farmers' agricultural production [14].

#### **4.4. Facilitate the Process of Large-scale Development of Rural Cooperative Economic Organizations**

Rural local governments must give full play to their due functions, promote the large-scale development of rural cooperative economic organizations, set up specialized agencies, build good service platforms, and insist on building rural cooperative economic organizations into a

set of backbone power systems with complete service functions. At present, the rural cooperative economic organization has combined its own comprehensive guidance and coordinated service content to establish a local three-level rural cooperative economic organization guidance service network. Its network content is diversified, the form is diversified, and the typical social service system is built. In the process of actively guiding the development of rural cooperative economic organizations, it also hopes to discuss the issue of increasing farmers' income. For example, the local government has built a diversified farmer agricultural technology training system with the help of an organizational platform, and then used the power of the cooperative economic organization to actively integrate the advantages of potential human resources, and fully used the cooperative economic organization to establish scale and industrialization development advantages to ensure that rural farmers have more opportunities to establish contact with the outside world, communicate with each other, and use the government service platform to live and expand, to form effective experience in agricultural production, and to create conditions for their own agricultural production to increase income. In this process, the rural cooperative economic organization also hopes to spread more new varieties and technologies with practical value in the agricultural industry to the audience of farmers, and accelerate the development and transformation of agricultural scientific and technological achievements into the direction of actual productivity.

In this paper, rural cooperative economic organizations also provide good credit support policies in the process of boosting agricultural production of farmers, mainly through the government's adjustment of bank credit policies and loan policies for farmers, and the relaxation of loans for rural cooperative economic organizations. To help farmers better finance, solve the problems of financing difficulties in rural cooperative economic organizations, farmers' low income and so on. The third is to improve the rural cooperative economic organization's credit service for farmers, continuously reduce the approval items, and improve the efficiency of farmers' agricultural production credit [15].

#### **4.5. Lead Farmers to Establish Talent Support System**

Another role of the rural cooperative economic organization is to lead farmers to establish a talent support system and to pull farmers into the agricultural technology development system. For example, the current "China Agricultural University Experimental Station", "Science and Technology Institute" and other resource platforms make full use of the current relatively abundant advantages of agricultural talent resources, and establish a comprehensive ecosystem of experimental station platform system for rural agricultural development. At the same time, a team of professional talents with farmers' agricultural talents as the main body has also been established. In this process, the rural local government should invite professional agricultural talents engaged in agricultural scientific research and agricultural technology demonstration and promotion to join the rural cooperative economic organizations for a long time to play their business capabilities, build a relatively good academic exchange environment, and help Farmers solve various theoretical and technical practical problems that may exist in production and management. Of course, it is also necessary to actively invite leaders of cooperative organizations and rural talents to participate in training activities, to ensure that farmers are actively guided to participate in farmers' cooperative economic organizations, so that more farmers have the opportunity to learn agricultural technology and communicate with experts, and indirectly improve Own agricultural production level and agricultural economic income.

### **5. Conclusion**

At present, my country is in the stage of new rural construction. The scientific and rational development of rural cooperative economic organizations is comprehensive and in-depth. It

hopes to effectively improve the development of rural agricultural economy, vigorously promote agricultural technology and help farmers increase their income. Based on this, the government, rural cooperative economic organizations and farmers must work together to establish a sustainable and healthy cooperative economic organization based on national policies and rural agricultural production technology reform, creating unlimited space and conditions for farmers' economic income to increase.

## References

- [1] Li Jie. An analysis of rural cooperative economic organizations and farmers' income increase[J]. *Agricultural Engineering Technology*, 2017, 37(2): 7, 16.
- [2] Wang Xiaowen, Li Yujie, Ma Lingyun. Research on the development of farmers' professional cooperative organizations——Taking Gansu as an example[J]. *Development Research*, 2011(5):78-80.
- [3] Zhao Bo. Research on Farmer Participation in Agricultural Science and Technology Extension——Tang County in Hebei Province as an Example[D]. Hebei: Hebei Agricultural University, 2016.
- [4] Wang Hui. Research on the promotion of party organization construction on farmers' cooperatives in Chongzhou [D]. Sichuan: Southwestern University of Finance and Economics, 2016.
- [5] Liao Chengxi. A comparative study of Fujian-Taiwan farmers' cooperatives [D]. Fujian: Huaqiao University, 2014.
- [6] Bian Yingchang. Research on increasing farmers' income in Linquan County [D]. Anhui: Anhui University, 2010.
- [7] Liu Feng. Study on the problem of rural migrant workers returning home to start a business——Taking Linquan County as an example[D]. Anhui: Anhui University, 2013.
- [8] Dai Shuxun. On how to promote the continuous increase of income of village collective economic organizations through farmers' cooperatives in the new period[J]. *Decision Exploration*, 2019 (14): 79.
- [9] Wang Ni, Wang Enxue. Discussion on the economic effect of increasing farmers' income from the perspective of rural commerce and circulation[J]. *Commercial Economic Research*, 2020(2): 128-130.
- [10] Xiong Hanru. Research on the factors influencing the performance of farmers' cooperative economic organizations in Hunan Province [J]. *Anhui Agricultural Science Bulletin*, 2020, 26(5): 3-4.
- [11] Shen Mengru, Dong Hua. Path analysis of increasing farmers' income in Yao'an County [J]. *Practical Technology in Rural Areas*, 2019(12): 56-57.
- [12] Li Chongguang. Comment on "Marketing Channel Power of Farmers' Professional Cooperative Economic Organizations--Research on Western Regions Based on Vertical Organizational Relations"[J]. *Journal of Inner Mongolia University of Finance and Economics*, 2018, 16(2): 151-152.
- [13] Wang Dongmei. Develop farmers' cooperative economic organizations to speed up the pace of farmers getting rich and increasing income[J]. *Charming China*, 2015(23): 20.
- [14] Wang Naling, Li Piao. Research on the effect and mechanism of Hunan new rural cooperative organization to increase farmers' income[J]. *Education Teaching Forum*, 2018(32):137-138.
- [15] Song Ying, Zhu Mei, Zhang Chi. An analysis of the influencing factors of farmers' professional cooperatives in impoverished villages to promote the increase of income and poverty alleviation in agriculture——Based on the micro survey data of 176 members from Guizhou and Chongqing[J]. *Special Zone Economy*, 2019(8):59 -64.