

# Practical Exploration of Grass-Roots Party Branches Leading Cooperatives

## -- Based on the Case Study of Yantai, Shandong

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### Abstract

Based on the field investigation of 16 Party branch-led cooperatives in Yantai City, Shandong Province, this paper explores the relationship between grassroots Party branches, cooperative operation and collective economic development. The Yantai Party branch-led cooperative adopts various factors such as capital, labor, land and other factors to invest in shares, and adopts a secondary rebate distribution system of "guaranteed dividends + floating income", which fully protects the interests of small farmers. While the grassroots party branch develops the collective economy by leading the cooperative, it also reunites the scattered farmers, activating the grassroots party organization's ability to govern the countryside.

### Keywords

Grassroots Party Branch; Cooperative; Rural Revitalization; Common Prosperity; Collective Economy.

## 1. Introduction

In 2017, Yantai City, Shandong Province first proposed and implemented the "Party Branch Leader Cooperative" nationwide, focusing on the overall leadership of grassroots party organizations in rural areas. The "Party Branch Leader Cooperative" provides a new idea for the development of the rural collective economy in the new era. The "Party Branch Leader Cooperative" initiated by Yantai can also be called "The Road to Common Prosperity of Socialism with Chinese Characteristics - Qilu Model". Yantai's experience answers the dialectical relationship between the party's leadership and economic development, and proves that the strengthening of party building can solve various drawbacks brought about by economic development since the reform and opening up, and endow economic development with new meanings.

In recent years, Yantai City has adhered to and strengthened the party's overall leadership over rural work, strengthened the political leadership function of the party branch, and combined with the actual situation of Yantai's agricultural and rural development, creatively put forward a new development path for the "Party branch to lead the cooperative" to strengthen the collective economy. Under the comprehensive planning of the Yantai Municipal Party Committee, the party branch leading the cooperative is a spontaneous and voluntary organic combination of the political advantages of the village collective party branch and the economic advantages of the village farmers' professional cooperative.

In order to deeply explore the internal development mechanism of the cooperatives led by the Party branch of Yantai City, I went to Yantai, Shandong for investigation twice. The first survey area was Yantai Laiyang and Haiyang two county-level cities, and the second survey area was Yantai Muping District and Qixia City. A total of 16 party branch-led cooperatives were investigated before and after, involving 16 There are both professional cooperatives and town-

level cooperatives in the village. We systematically surveyed various cooperatives currently led by the Party branch.

## **2. What is a Party Branch-led Cooperative?**

### **2.1. Definition of a Cooperative Led by a Party Branch**

Different from the collective economic joint-stock cooperatives, the cooperatives led by the party organization "combine politics and economy into one", and on the basis of strengthening the rural collective economy, they have improved the ability of village governance. When the party organization leads the cooperative, neither the party branch is built inside the cooperative, nor is the joint-stock cooperative established by the party branch secretary alone, but the cooperative is registered and established by the party branch secretary on behalf of the village collective economic organization, farmers and the village collective. The organization puts various production factors into the cooperative, and makes reasonable regulations on the shares held by the village collective and farmers. In this way, the two village committees and farmers are intrinsically connected, so as to integrate the idle resources in the village. On this basis, a complete set of institutional systems will be created to fully integrate the political work of the grassroots party branches and the economic development of the village collective.

### **2.2. The Form of the Party Branch Leading the Cooperative**

#### **2.2.1. The Party Branch Leads the Land Joint-stock Cooperative**

For example, in Xiaoyuan Village, Wandu Town, Laiyang City, the village party branch led the establishment of Baihui Farmers' Professional Cooperative in Wandu Town, Laiyang City, and organized the masses to invest in land, and the village collectives invested in collective resources such as land and ponds, with a total circulation of 1,500 mu. land, develop the cultivation of peaches, vegetables, and medicinal materials, and all cooperative products are planted on order to achieve intensive development. The 369 villagers in the village have invested in the land, and the villagers have become "shareholders". "Shareholders" enjoy three guarantees, one is to enjoy the guaranteed fund of the land; It is the villagers who can work in the cooperative, realizing a new way of development for the villagers of "rent for losses, wages for work, and dividends for profits".

#### **2.2.2. Party Branches Lead Production and Operation Cooperatives**

Based on the industrial characteristics of the village, through standardized production mode, promote industrial scale, standardization, mechanization and branding. For example, Heduihou Village, Muping District, Yantai City, is located in Dayao Street, Muping District. In 2019, the Chamduihou Village Party Committee established the Yantai Clamduihou Aquatic Product Breeding Professional Cooperative based on the advantageous resources of the village. The village collective and the villagers all invested with funds, accounting for 67.9% and 32.1% of the shares respectively. Seafood farming, processing and sales. The cooperative insists on scientific management and scientific breeding, and employs 5 staff with rich experience in marine fishing operations to form a professional sausage breeding management team; at the same time, it is equipped with underwater robots, radar, navigation and monitoring equipment to dynamically monitor the growth and breeding of sausage. It plans to purchase speedboats, fishing boats and other equipment for seafood fishing; build a 50-ton refrigerated freezer for seafood storage. At present, 300 acres of sea sausages are cultivated, the yield per mu can reach 600 catties, and the profit is expected to be 2 million yuan.

#### **2.2.3. The Party Branch Leads the Three-Industry Integration Cooperative**

Relying on the village's landscape resources, cultural resources and pastoral scenery, we will create a characteristic industry of "agricultural tourism integration" that integrates tourism, leisure and vacation and agricultural experience. For example, Zhanzhanbo Village, Guocheng

Town, Haiyang City. In 2019, Zhanzhanbo Village Party Branch established "Zhanzhanbo Fruit and Vegetable Planting Professional Cooperative in Haiyang City" and "Zhanchangbo Agricultural Tourism Development Professional Cooperative in Haiyang City". At present, the number of farmers joining the cooperative is 298 People, cooperatives will transfer the land to explore the development direction of modern agriculture. The village collective invested 57% of the shares through public assets and collective land, and the peasants invested 43% of the shares through labor, capital and land. A total of 1,500 mu of land has been transferred, of which about 600 mu of Wenguan fruit, cherries, mulberries, Beibei pumpkins and other kinds of About 400 acres of economical fruit trees are planted. The cooperative intends to take advantage of its existing advantages to combine elements such as flower viewing and fruit picking, picking entertainment, and agricultural experience into a comprehensive ecological agricultural park. Relying on the red resources of General Xu Shiyou in the Jiaodong Memorial Hall and the former site of the Eighth Route Army Jiaodong Military Region, the infrastructure will be improved around the students' "eating, living and working together". With an investment of more than 10 million yuan, 55 villagers were carefully screened and identified as "Santong" contact households. At the same time, 106 red homestays in 28 buildings were renovated and renovated as co-living bases; 4 sets of 16 large dining halls "Yikusitian", which can accommodate more than 80 people, were built. There are 2 sets of 8 reception centers, and 1 red development training base covering an area of 10 acres.

### **3. Difficulties Existing in Leading Cooperatives by Party Branches**

#### **3.1. Difficulty in Industry Selection**

Based on the investigation of Yantai City, the first problem facing the cooperatives led by the Party branch is the problem of industry selection. Some villages have weak industrial foundations, neither resource advantages nor geographical advantages, and development projects lack basic support. The right industry is the most pressing issue. The selected industry must not only have stable income, but also be able to meet the actual local conditions, and there will be no problem of industrial isomorphism, so that the selected industry can develop sustainably.

#### **3.2. Lack of Professional Talents**

First, there is a lack of compound professionals. The operation and management of cooperatives led by grass-roots party branches are mostly maintained by local villagers.

According to the data obtained from the Organization Department of the Yantai Municipal Party Committee, it is found that the daily operation and management personnel of the cooperative are mostly farmers over the age of 40, and there is a serious lack of leaders who can drive the development of local industries, which greatly affects the long-term development of the cooperative. .

Second, the loss of young and middle-aged labor force in rural areas is relatively serious. At present, most young people in rural areas choose to develop in cities, especially college students studying abroad. The lack of professional management talents and technical talents has become the main problem restricting the development and growth of the cooperatives led by the village party branch.

#### **3.3. Risk Prevention is Difficult to Achieve**

There are three main risks in the agricultural production and operation activities of the party branch-led cooperatives.

One is production risk, which is mainly caused by irresistible factors such as natural disasters. Most areas in Yantai, Shandong are hilly areas, and the crops grown are mainly economic crops

such as melons, fruits and vegetables, especially strawberries, cherries, apples, pears and other fruits. In addition, due to the imperfect supporting policy system of relevant agricultural insurance, production risks can only be borne by cooperatives, which increases the operational burden of cooperatives.

The second is operational risk, which is mainly caused by the non-standard management system of cooperatives and the shortage of capital chain for operating projects. At present, the Party branch-led cooperatives initiated by Yantai City are still in their infancy, and many cooperatives' rules and regulations still have imperfections, such as the equity setting for the participation of elements, the distribution of shares by village collectives, villagers and other subjects, and the proportion of cooperative income and dividends. Wait. In addition, the selection of management projects by the cooperatives led by the party branch is also accompanied by great risks. Since most of the crops grown in Yantai are mainly fruit trees, once the cooperatives choose an industry to develop, take Yantai Qixia apple industry as an example, In the early stage, a lot of money needs to be invested in the cultivation and planting of saplings. It takes about 4 years for apple saplings to grow from planting to fruiting. The investment during these 4 years will not generate any income. When a major problem occurs in a certain management link or there is a shortage of funds, Then not only will there be no benefits, but all the previous costs will not be recovered.

The third is market risk, which is mainly caused by the sharp drop in the prices of agricultural products due to market fluctuations of agricultural products. At present, most party branch-led cooperatives in Yantai City only involve the primary industry, and rarely extend the industrial chain to the secondary and tertiary industries, which also leads to the low added value of agricultural products produced by cooperatives. Once the isomorphism of the agricultural products produced in the market is serious, and the supply is far greater than the demand, it will inevitably lead to a sharp drop in prices, resulting in serious losses for the cooperative.

### **3.4. The Policy Supporting System is not Perfect**

First, the government's financial support for grass-roots party branches to lead cooperatives is insufficient. The promotion of the preliminary project of the cooperatives led by the village party branch requires a certain amount of funds, but most of the current funds have flowed into some well-developed cooperatives led by the party branch, and some of the underdeveloped cooperatives still lack project start-up funds. Continuous capital investment, but limited by funds, it is difficult to be implemented.

Second, the government's public service policy system for cooperatives led by grass-roots party branches is not perfect. In order to support and guide the development of cooperatives, support through public services and goods is an important way. However, the current public service policies issued by Yantai still have pain points that are difficult to solve in some aspects, such as special investment funds and the construction of public service platforms. In addition, the grass-roots party branch leading cooperatives have not received sufficient policy guidance in several major aspects such as brand building, agricultural modernization, and agricultural socialization services, and lack comparative advantages in market competition.

Third, policy support cannot be fully implemented. The phenomenon of "shell villages" is not uncommon. From the perspective of Yantai area, there are many problems such as "empty shell society" and irregular operation. For example, the preferential policies and support funds of some cooperatives are concentrated in the hands of a small number of members, but the majority of the people who have not joined the cooperative cannot enjoy it, so that the collective economy has not been significantly improved, and this is mainly because the policy support cannot be fully implemented. Meet all the resources needed for cooperative development.

## 4. The Development Path of Cooperatives Led by the Party Branch

### 4.1. Promote the Development and Growth of the Team of Leaders of the Party Organization

The heads of the two village committees must be selected and promoted in strict accordance with the procedures, and adhere to the identity of the party branch secretary and the chairman of the cooperative. If the cooperatives run by the Party branch want to develop sustainably, they must build a leadership team with firm thinking and strict discipline, and must have a good leader to lead the development of the cooperatives. Adhere to the selection of capable people among good people, it is necessary to strictly abide by political standards, but also to understand business management. A good leader must have firm political principles and keen market judgment.

### 4.2. Build a Comprehensive Service System

At present, the business direction of most party branch-led cooperatives is the production and processing of agricultural and sideline products, and the added value of products is low, so it is necessary to continue to explore the development prospects of party branch-led cooperatives. The next stage of development should be in coordination with agriculture and other departments to build agricultural complexes at a higher level, fully expand the scale through the leadership of party building, and give full play to its unique comprehensive performance.

### 4.3. Focus on Policy Support

Adhere to the demand-oriented, improve the policy list, reflect the urgent needs of the grassroots and the more prominent problems in the policy, and use government policies to help development. Cooperate with agriculture, finance, supply and marketing, finance and other departments, and use the advantages of party organizations to focus on breaking down difficulties and difficulties.

### 4.4. Carefully Guide the Layout of the Project

Local governments at all levels should combine local characteristic industries and advantageous industries, and deeply integrate the integration of cooperatives led by party branches and agricultural industries in the county and township. Increase financial support for areas where the village collective economy is weak, and combine the economically weak villages with the economically strong villages in a targeted manner according to the actual situation, and jointly plan the industrial layout, so as to realize the integrated development of the villages.

## 5. Conclusion

General Secretary Xi Jinping clearly pointed out in "Getting Out of Poverty" that developing the collective economy is an important guarantee for achieving common prosperity and the only way to revitalize the agricultural development in poverty-stricken areas. In 2020, China has lifted all the poor by the current standard and eliminated absolute poverty. The next step is to solve the problem of relative poverty, narrow the gap between urban and rural areas and between regions, and finally achieve common prosperity. The issue of "agriculture, rural areas and farmers" is a hurdle that must be overcome in order to achieve common prosperity in China. Whether it is Tangyue Village in Guizhou or Yijia Village in Qixia, it roughly reveals a truth: Party branches leading cooperatives can promote common prosperity. Compared with other models, cooperatives led by party branches can maximize industrial development and increase people's income through various channels. Only with the revitalization of the countryside can the road to common prosperity become smoother and smoother, and the revitalization of the

countryside is not only economic revitalization, but also ecological, civilized, and organizational. Only by leading the cooperatives through the Party branch, while developing the collective economy, can also improve the governance capacity of the grass-roots party organizations, so as to closely link the interests of the party and the people, so as to realize rural revitalization in the true sense Steady step into the path of common prosperity of socialism with Chinese characteristics.

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