



China's Sustainable Agricultural Development Policy Suggests To Vietnam

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Abstract

China is one of the most successful countries in economic development, especially in agriculture and rural areas. To achieve these successes, China has adopted appropriate agricultural development policies, especially land use management policies, agricultural support and investment policies, high technology agricultural development policies, credit policy and agricultural tax, agricultural insurance market development. This article introduces, analyzes some of China's sustainable agricultural development policies and suggestions for Vietnam that are very important and useful for the successful implementation of sustainable agricultural development in Vietnam now on.

Keywords: Agricultural development, Sustainable Development, China



1. Introduction

Agriculture plays a very important role and contributes greatly to China's socio-economic development. As a country with limited agricultural land, the rate of labor in agriculture is high. China's view is that it is necessary to improve land-use efficiency, overcome redundant labor, shift more labor-intensive farm-based business models to capital-intensive and technology-based agriculture. This view is very beneficial for farmers, for rural reform and the optimal allocation of resources in agriculture. According to Hu Jintao, "China has 1.3 billion people, most of whom are rural people, farmers and rural areas cannot grow, farmers life is not significantly improved, we cannot achieve the goal to build a well-off society, we cannot be able to carry out the modernization of the country, to implement all the people of the same wealth, cannot be stable in the long run ", this shows the importance and the urgency of agriculture, rural areas, farmers (three farmers). In order to achieve its ambition to become an agricultural empire, China is constantly adjusting its agricultural policy, and thanks to these adjustments, agriculture and rural development have improved and farmer's livelihood has improved dramatically. Therefore, policy research on sustainable agricultural development is a good lesson for perfecting and reforming policies and policies for agricultural development in Vietnam today.

2. Overview of agriculture, rural China recently

Since the beginning of reform and opening up, China's rural socio-economic institutions have changed, contributing to the liberalization of production and the driving force for agricultural and rural development. According to China there is no stability of the countryside will not have the stability of the country, without the affluence of farmers will not have the affluence of the people of the country, without the modernization of agriculture, there will no modernization of the entire national economy. In the future, agriculture plays an important role in economic development strategy; Modernization of agriculture is a key component in the process of industrialization and modernization of the country. Thus, agriculture is an important sector of the economy. The China Communist Party's (CCP) document number one in 2014 also states: Continue to focus on rural issues, focusing on the development of a sustainable agriculture that can provide self-sufficient food and allow the import of appropriate quantity of food. According to the Ministry of Industry and Trade (2013), in 2012, China produced 58.95 million tons of food and imported agricultural products worth \$ 112.48 billion and \$ 63.29 billion in exported. Thanks to appropriate agricultural adjustment, China has reduced rural poverty from 10.2 percent of the population in 2000 to 2.8 percent in 2010. In 2016, China's per capita GDP reaching US \$ 10,160 (ranked 89th in the world) thanks to the tremendous contribution of agriculture, which is now a Chinese strengthen sector. To become a major agricultural power, the Chinese government plans to invest 3 trillion yuan (\$ 450 billion) in 2016-2020 with the aim of modernizing agriculture and rural development. The issue of three farmers mentioned more than 20 years ago has given impetus to China agriculture, rural prosperity and farmer's life has made great progress.

After becoming a member of the WTO in 2001, the implementation of the agricultural commitments that this organization has brought together with the challenge of agrarian transition to market mechanisms has raised many problems for the agricultural sector as well as the life of rural China such as the loss of agricultural land of 40 million farmers in industrialization and urbanization; employment for rural workers; the rich and poor in rural areas; using resources and polluting the environment. That fact requires the Chinese government to implement the necessary policies to develop a sustainable agriculture that aims to create more jobs, increase farmer incomes and stabilize rural livelihoods.



3. Methodology

This study is based on Statistic, comparative and comprehensive analysis method.

The data source and data processing method

- China statistical yearbook 2015

- Secondary data is collected from China Agricultural Bank, Ministry of Trade of China

- Primary data is Ministry of Agricultural and cooperative about Sustainable

Agricultural and Rural Development

4. Some policies for sustainable agricultural development in China

4.1. Policy on management and use of agricultural land

Since the reform and opening up (1978), China's agricultural land policy has been constantly supplemented, revised and improved. With the policy of contracting agricultural production in September 1980 (CCP document), the agreement was signed between three parties: the state, the collective, the household or the farmer group, in which ownership of land still belongs to the state, collective ownership, and the right to do business is given to households receiving land. The objective of land policy in rural areas is to create favorable conditions for commodity production to develop and use land efficiently

For farmers to invest in improving land and agricultural businesses, China has decided to change land use rights for farmers from 15 years (early reforms) to 70 years to ensure the benefits to farmers more complete. With this change, farmers can exchange, transfer, lease without restriction of agricultural land use rights as long as no change of purpose. Subjects to transfer or lease land use rights can be individuals or companies. Farmers are allowed to pledge their land use rights to borrow capital from banks or contribute capital to agricultural companies. These changes have facilitated the emergence of large scale farms with modern farming technology. The proceeds from the acquisition of agricultural land for industrial development should be transferred to the rural government and the commune authorities to support the socio-economic development of the farmers.

4.2. Agricultural support and investment policy

As a country with limited and scarce farmland, high rates of agricultural labor, there is the need for Chinese agriculture to make dramatic changes to meet the demand for food of people and reduce food imports from the outside. Thus, state funding for agriculture plays an important role and has continued to increase over the years. In 2011, the Chinese government provided 140.6 yuan (about US \$ 22 billion) in support for agriculture, mainly for food production, high-quality seed production, and the purchase of machinery and agricultural supplies. As a result, rice, wheat, maize, soybeans, meats, poultry feeds and seafood have been at the top of the world.

China invests in the construction of irrigation works and rural transport with the aim of improving production conditions and improving labor productivity in agriculture. From 2005 to 2010, China spent 100 billion yuan for improving, upgrading and making inter-district roads, inter-commune roads by asphalt. Thus, rural China today is more spacious, farmer life is significantly improved

In order to create a breakthrough in agriculture, China offers a number of incentives to attract private sector capital, such as tax incentives, reduced regulations on rural production and business, reform administrative procedures. As a result, the number of enterprises operating in rural areas is increasing, accounting for 30% of the total number of enterprises in the country. In addition, agricultural investment funds have been established to attract investment from the private sector, and the state shares risk by tax policy and insurance services to reduce the risk of investment funds.



Along with domestic investment, China has also attracted FDI into agricultural development. According to the statistics yearbook of China, from 2012 FDI into agriculture of this country reached 2.06 billion, from 2005-2007 was 0.75 billion dollars. This shows that China's agriculture has a strong appeal to multinational corporations. China's FDI mainly focuses on cultivation, forestry, animal husbandry and aquaculture, of which agriculture is the largest FDI attraction with \$ 1.33 billion in 2012, up 54.02%. Fishery sector attracted the lowest FDI in agriculture 6,135 FDI inflows increased 10.59%

Table 1: FDI inflows into China's agricultural sectors

Year	Agriculture		forestry		Animal husbandry		Fishery	
	Size	(%)	Size	(%)	Size	(%)	Size	(%)
2003	600	-	372	-	180	-	145	-
2004	500	-16,67	633	70,16	190	5,56	17	17,24
2005	300	-40,00	600	-90,52	130	-31,58	83	-51,18
2006	240	-20,00	900	50,00	54	-58,46	59	-28,92
2007	395	64,58	139	54,44	106	96,30	74	25,42
2008	554	40,25	173	24,46	160	50,94	114	54,05
2009	751	35,56	150	-13,29	211	31,88	156	36,84
2010	951	26,63	315	110,00	218	3,32	144	-7,69
2011	872	-8,31	353	12,06	336	54,13	109	-24,31
2012	1.329	52,41	133	-62,32	239	-28,87	111	1,83

Source: Ministry of Trade of China 2013

China's FDI into agriculture is mainly concentrated in the east, with more than 80% of FDI in agriculture, while other sectors account for only 1% to 8%. Thus, China's FDI into agriculture not only imbalances the structure of the industry, but also imbalances in geographical distribution, which is a problem that China continues to adjust in the future.

4.3. Policy on development of hi-tech agriculture

China's policy is to increase technology investment, modernize agriculture, research new varieties, support GMO programs, invest in irrigation and soil improvement to increase production and quality. agricultural; Encouraging relevant ministries and agencies to study preferential policies to attract trained human resources and scientific research institutes for rural areas.

To achieve its goal, China has renewed research policies and applied high technology in agricultural development. The state only supports initial investment, the scale depends on the conditions of each locality such as area, market demand and especially the capacity of enterprises when participating. For officials, workers, people coming to study and work in hi-tech agricultural zones, China requires the policy to be open, good conditions for accommodation, work and attractive wages.

According to China, the development of rural human resources will help solve the strategic development of agriculture and rural development. In the past time, China has



concentrated on training human resources in the direction of specializing young talented technical staff, divided into groups according to their talents and interests to maximize their effectiveness in manufacturing. At the same time, China has selected qualified managers who are good at management, good at business and combine with doing science. High-tech agriculture is also the place to provide scientific basis for the development and planning of agricultural development for the government at all levels.

In the development of high-tech agriculture, China is also exploring foreign experiences to re-structure the agricultural science and technology. Chinese scientists gain Western experience in promoting eastern agriculture, so that one-third of China's cultivated land has been applied to new technologies and planted many crops. High-tech agricultural areas focus on producing high-grade agricultural products for consumption and export. China is also interested in building and protecting its agricultural products brandname. As a result, many Chinese agricultural brandnames have gained fame and foothold in the world market of agricultural products (Tran Hoa Phuong 2013).

The building of high-tech agriculture in China has brought about the achievements of modern agricultural development, the production of new products, the development of rural economy and the increase of income for agriculture people. In particular, high-tech agricultural areas in Yunnan, Shaanxi, Beijing, Shandong, and Guangdong. So far, China has built more than 1,600 research, teaching and supply facilities. providing 1.5 million senior officials for the provinces. The Technical Task Force (TTF) was established to give farmers an orientation to the agricultural market, and this model was applied in many provinces to guide farmers in accessing new and high technology technologies. China's high-tech agricultural zones have served as the basis for the development, transformation and expansion of modern scientific achievements. However, there are also some limitations appeared in the construction of hi-tech agriculture, such as:

- The relationship between high tech agriculture zone and agricultural research units is not tight
- Enterprises in hi-tech agricultural parks are not strong enough, and the ability to exploit science and technology is not big enough
- Lack of capital to renovate science and technology

4.4. Credit policies and agricultural taxes

In order to have a sustainable agricultural development, China has continuously improved its agricultural development policy, especially financial support for agricultural product processing, employment creation and improving livelihoods for farmers. That is also a necessary measure for agricultural and rural development. China has taken appropriate measures to raise capital from various sources for investment in agriculture, especially in remote and isolated areas such as building a rural credit network with many types and organizations participate together. Agricultural Bank of China is the core of rural credit development. Banks provide loans to farmers for a variety of purposes, the most important of which are loans for the construction of rural infrastructure and loans to businesses for investment in the agricultural sector.

In addition to the banking system, credit cooperatives were also formed to increase rural credit loans. China also encourages small banks, financial companies and rural credit



institutions to source their capital for agricultural development. The postal system also changes to support the capital, if in the past, the post office just received the savings deposit, now the post office also made loans to rural areas, especially difficult areas. towel. At the same time, China creates conditions for foreign investors to open branches or set up joint ventures to invest in agricultural and rural development.

Along with the development of banking services to villages, towns, China has also implemented tax reforms. So far, rural China has only three taxes and fees, including agricultural taxes, livestock taxes and administrative fees. The contribution of agricultural taxes to the budget only accounts for a small proportion of about 1%, but agricultural taxes are still a burden on the lives of farmers. China has decided to completely abandon the agricultural tax that has existed for a long time in the countryside. For nonagricultural enterprises as well as enterprises investing in agriculture and rural areas, the government also offers tax incentives.

4.5. Policy on development of agricultural insurance market

Chinese agriculture is one of the industries most affected by natural disasters. To assist farmers in preventing risks in agricultural production, maintaining income stability, and ensuring the sustainable development of agriculture, China has set up an agricultural insurance system to provide services crop insurance, health and life insurance for farmers. China is now the second largest premium income country in the world (after the United States). According to the Pinging (2017), China's premium income increased from \$ 800 million (2007) to \$ 1.9 billion (2009); US \$ 2.5 billion (2011) and US \$ 3.4 billion (2014), and now there are four companies specializing in agricultural insurance. From 2002 to 2015, number of provinces joining the agricultural insurance is growing

The subsidization of the government for Agricultural insurance premiums is about 4.8 billion. The Chinese government subsidizes the purchase of agricultural insurance for farmers. As a result, they receive compensation in the event of a risk. This is also an important solution to promote the agricultural insurance market development. According to the China Insurance Regulatory Commission (CIRC), from 2007 to 2011, the government has allocated 26.4 billion RMB2 from the state budget to subsidize agricultural insurance. The amount of agricultural credit is 32.8 billion RMB (CNY), the highest level of insurance in China up to this point. China's insurance includes farm insurance, crop insurance, aquaculture insurance, livestock insurance and farmer insurance. China is increasingly paying more attention to agricultural insurance and providing more funding and agricultural insurance subsidies with annual increases. In addition, China has always won foreign aid for its programs. agricultural insurance

After China joined the WTO, from 2001 to 2015, China's agricultural insurance increased rapidly, with a forecast of about 20 years (2015-2035) China will be the largest



agricultural insurance market in the world. Effective risk management is the key to China's consolidation of the world's leading agricultural insurance market. China's agricultural insurance will be increasingly modernized, from the goal of protecting the cost of money to safeguarding the cost of money to ensure production, ensuring price and ensuring income.

5. Evaluation of Policy Implementation Results: Achievements and Constraints

5.1. Achievement

China is currently the second fastest growing country in the world (behind the United States), including the great contribution of agriculture. After the reform and opening up of agriculture, China has achieved the following achievements:

First, rapid agricultural growth: After reform and opening up, China's agriculture had a fast growth rate. In the period 1979 - 1984, agricultural growth was 4% per year, from 1983 to 2000. more than 7.1 times, reaching \$ 178 billion USD. In 2015, China produced 600 million tons of foodstuffs. As a result, China from a food importer rose to the top of the world in terms of output of major agricultural products such as rice, wheat, maize and medicine. leaves, cotton, potatoes, oilseeds, barley, pork, fruits ... ranked third in the world in terms of vegetable production ... average consumption of Chinese meat, fish and dairy products surpassed World average expenditure (Dang Kim Son)

Second, the agricultural structure is improved. Thanks to the policy of sustainable agricultural development, China's agriculture has made remarkable progress. China not only meets domestic demand but also exports agricultural products. In 2007 China was the eighth largest exporter of agricultural products, supplying 15% of all agricultural exports to Japan.

As analyzed above, the agricultural policy of China after 1978 up to now is based on the principle that: land, including agricultural land is owned by the state, the state maximizes the effectiveness of land use to prevent and control all illegal land use practices, restrict land use for non-agricultural purposes, and implement special protection policies with arable land that contribute significantly to the success of reform in China.

Third, reduce the incidence of poverty in agriculture. Over the past years, China has focused on linking four houses (state, farmers, scientists and enterprises) through mechanisms and policies to ensure production, market promotion for domestic consumption and export. Thus, China's poverty rate has dropped from 16% to 10%. Agricultural growth has helped 500 million people out of poverty, and rapid urbanization has brought jobs, cheap land, and good infrastructure.

In addition, China attaches great importance to training human resources in agriculture and rural areas in combination with mechanisms to motivate and ensure social security for farmers.



5.2 Restrictions

In addition to China's achievements in reform and opening up, China's agricultural production has made a number of positive changes. However, there are still shortcomings and challenges in the sustainable development of agriculture in terms of safety for both producers and consumers. This is the abuse of technology and chemicals in stimulating growth, preserving food in production, circulation and consumption, the area of agricultural land is increasingly narrowed, increasing the status of unemployment in agriculture, the cost of agricultural production tends to increase, leading to a decrease in profitability in investment. As such, mechanisms and policies in state management need to have strong containment measures for the violations of land, production, processing and circulation of agricultural products in China.

6. Some experiences for Vietnam

Vietnam and China are neighbors with many similarities. China's reform and renewal process of Vietnam began in agriculture and rural areas. Policy research on sustainable agricultural development in China has both scientific and practical implications, and it is possible to draw some lessons for agricultural development in Vietnam as follows:

Firstly, implement land allocation in rural areas. Farmers should be allocated 50 to 100 years for long-term farming so that farmers can directly cultivate, stimulate production, invest and apply scientific and technical advances in agriculture to improve production efficiency. It is necessary to minimize the use of rice land for non-agricultural purposes. Promulgate policies and closely monitor the planning and use of agricultural land throughout the country. When recovering agricultural land, it is necessary to compensate farmers appropriately, so they need to arrange jobs so that people who have land recovered can stabilize their lives.

Second, enhance the application of high-tech science in agriculture. In order to have a high-tech agricultural area, Vietnam needs a large-scale agricultural production and requires state support for agricultural production to bring scientific advances into production. Agriculture. According to the experience of China, high-tech agricultural areas are the main place for enterprises and farmers' organizations to work together to promote agricultural production in the direction of commodity as well as training and retraining. scientific and technological level, level of organization of production management toward industrialization for farmers. Thus, in Vietnam, when large-scale agricultural production is under the control of enterprises or cooperatives, it is possible to introduce science and technology into the fields of cultivation, cultivation and processing. and harvesting. As it is today, it is expensive and ineffective to put science and technology into practice

Thirdly, sustainable agricultural development policy should focus on the production of comparable agricultural products in Vietnam. When there is no protection for the production of



any agricultural product, the way to survive and develop is to promote comparative industries or to create a comparative advantage for survival and development. It is necessary to assess the impact on the production sector, to increase the supply and update information on agricultural products for farmers. To attach importance to the linkage between the State, farmers, scientists and enterprises through mechanisms and policies to ensure production, organize production and create markets to promote domestic consumption

Fourthly, agricultural and rural development is associated with the protection of natural resources and the environment. In Vietnam, growth in agriculture is largely broad-based, using a great deal of natural resources, using a wide range of fertilizers and pesticides, leading to toxic residues in agricultural products and increasing resistance of pests. In order to have a sustainable agriculture, Vietnam should limit the use of chemicals in agriculture, apply farming methods and use friendly organic fertilizers, including agricultural products to make rich soil and provide useful nutrients for plants.

Fifth, the agro-based policy and management system also needs to make timely changes, orienting the agricultural sector to change the production structure and export. To attach importance to training agricultural and rural sources in combination with mechanisms to create motivation and ensure social security for farmers. In summary: After 17 years since the WTO accession, implementing the policy of sustainable agriculture development, China agriculture has achieved many achievements. Basically, agriculture meets the needs of food of 1.3 billion people and occupy most of the world market. At present, China's agriculture has a high rate of development. The rate of advanced science and technology has contributed significantly to the stable development of agriculture and rural China.

Vietnam and China have many similarities in terms of culture and economics. Vietnam needs a proper vision and strategy in line with its geographical position and economic strategy to survive and develop with China. That is also advantageous, the biggest challenge for Vietnam. Experience in sustainable agricultural development in China helps Vietnam to have more experience in sustainable agricultural development.

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