

Research on the Problems and Countermeasures of the Two Funds Policy in Sichuan Province of China

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Abstract: Subsidy fund for promoting rural revitalization at the provincial level (ethnic minority development tasks) and Ethnic Areas Development Fund of Sichuan Province play a positive role in helping ethnic areas consolidate and expand the achievements of poverty alleviation, promote the economic and social development of ethnic areas, and maintain ethnic unity and progress in ethnic areas. Therefore, improving the performance of the two funds in ethnic areas is an important issue. By summarizing the current situation of the two funds management in Sichuan Province, summarizing the existing problems, analyzing the causes of the problems, this paper proposes to improve the quality and efficiency of the two fund management and promote the high-quality economic and social development of ethnic areas from the point to point to provide practical experience.

1. Introduction

Sichuan Province has 14 ethnic minorities, including Tibetan, Yi, Qiang, Miao, and Hui. 55 ethnic minorities are distributed in the Province, including the only Qiang inhabited area, the largest Yi inhabited area, and the second largest Tibetan area in China. The ethnic minority areas of Sichuan Province cover an area of 302,100 square kilometers, accounting for 62.14% of the province's total area of 486,000 square kilometers. The 19th CPC National Congress made it clear that the main contradiction in Chinese society has changed from the contradiction between the people's growing material and cultural needs and backward social production to the contradiction between the people's growing need for a better life and unbalanced and inadequate development. Subsidy fund for promoting rural revitalization at the provincial level (ethnic minority development tasks) and Ethnic Areas Development Fund of Sichuan Province (two funds) are used in the underdeveloped Sichuan ethnic areas, which are of great significance for consolidating the achievements of building a moderately prosperous society in an all-round way, continuously meeting the needs of the people of all ethnic groups in ethnic minority areas for a better life, promoting exchanges and blending between different ethnic groups, and further forging the sense of community of the Chinese nation.

2. The Two Funds

2.1. Subsidy Fund for Promoting Rural Revitalization at the Provincial Level (Ethnic Minority Development Tasks)

In March 2021, the Ministry of Finance and other five departments jointly issued the Measures for the Management of Subsidy Funds for Promoting Rural Revitalization by Central Fiscal Convergence. It proposed that all localities should strengthen the management of bridging funds and projects, implement performance management requirements, fully implement the public announcement system, accelerate budget implementation, and improve the efficiency of fund use.

In September 2021, the Sichuan Provincial Department of Finance issued the Measures for the Management of Subsidy Funds for Promoting Rural Revitalization at the Central and Provincial Fiscal Levels, which proposed that the county level should give full play to the guiding role of funds, coordinate and integrate the use of relevant financial funds related to agriculture, ensure the accurate use of funds, and improve the efficiency of fund use [1]. It is required to actively explore innovative institutional mechanisms in accordance with the relevant policies and regulations of the state and Sichuan Province, and leverage more financial capital, social and assistance funds to consolidate the linkage work.

2.2. Ethnic Development Fund of Sichuan Province

In 1985, in order to help the development of impoverished ethnic areas focusing on Aba Prefecture, Ganzi Prefecture and Liangshan Prefecture in Sichuan Province, the central government specially allocated 30 million Yuan to set up the Sichuan Minority Area Development Fund (Sichuan Province designated as the Sichuan Province Three Prefecture Development Fund) as a special subsidy for the economic and cultural development of the three prefectures. After many adjustments, the current annual fund for the development of ethnic minority areas in Sichuan Province is 400 million Yuan, and in addition to the 50 million Yuan of financial subsidies for the three prefectures arranged by the fixed amount, the funds that can be used for project arrangements are 350 million Yuan. The Measures for the Administration of Development Funds for Ethnic Areas in Sichuan Province, revised in March 2022, clarifies that the development funds for ethnic areas in Sichuan Province are composed of central subsidies and provincial budget arrangements, and the support targets are 3 autonomous prefectures of Aba, Ganzi and Liangshan, 3 autonomous counties of Beichuan County, Ebian County and Mabian County, and 16 counties treated by ethnic minorities including Renhe District, Jinkouhe District and Xingwen County. The scope of use of funds for the development of ethnic minority areas in Sichuan Province is mainly the establishment of ethnic unity and progress, the development of characteristic industries, rural infrastructure, the development of social undertakings and other categories.

3. Analysis of the Current Situation of the Two Funds Management in Sichuan Province

3.1. Management Policy

In terms of key project management, in 2020, the "Sichuan Provincial Ethnic Unity and Progress Demonstration Village Project Management Measures" was formulated to strengthen the management of Sichuan Provincial Ethnic Unity and Progress Demonstration Village Project with system improvement. In terms of the management of key matters, in 2019, the Measures for the Management of Training Fees for the Management of Development Funds in Ethnic Areas of Sichuan Province was revised and improved, further clarifying the scope of use of project management training fees and institutionalizing fund management. In accordance with the new requirements of the modern fiscal system, the Sichuan Province Two Funds Performance Evaluation Management Measures was revised and improved in 2020, subdivided the evaluation indicators into two categories: capital expenditure performance evaluation indicators and project management performance evaluation indicators, built a classification evaluation system of Funds expenditure performance and Funds management performance, and improved the evaluation indicators of fiscal expenditure funds. In 2020, the "Two Funds Warehousing System and Negative List System of Sichuan Province " was formulated, which clarified the responsible body for project warehousing management, the principles, conditions and procedures for project warehousing, the management and use of project libraries, and the negative list of projects that cannot be deposited, etc., so as to consolidate the foundation of the preliminary work of the project with system standards.

3.2. Management Procedures

According to the specific use of funds, a closed-loop management process of overall planning,

declaration guidance, fund issuance, review and filing, organization and implementation, and completion acceptance has been formed. In terms of supervision and management, a process of supervision and inspection of projects and funds has been formed for prior review and inspection, follow-up and monitoring during the event, and follow-up and efficiency after the event, to prevent unauthorized adjustment of projects, expand or reduce the coverage of projects, reduce or raise subsidy standards, prevent corruption, misappropriation and retention of project funds, strengthen project and fund supervision, and improve the efficiency of the use of funds. In terms of performance management, gradually establish a scientific and reasonable performance evaluation management system [2]. The performance evaluation work is carried out in the second half of each year, and the provincial people set up a joint Sichuan Provincial Department of Finance to select some projects for random evaluation and take the performance evaluation results as an important reference basis for the allocation of funds in the next year, forming a performance evaluation workflow of "formulating plans and issuing notices - discussion and research, collecting data - verifying the situation, exchanging opinions - comprehensive analysis and forming conclusions - submitting reports, establishing files, and applying results, rewarding the good and punishing the inferior", and the performance evaluation activities are carried out more seriously, seriously and scientifically than before.

4. Problems in the Management of the Two Funds in Sichuan Province

4.1. The Projects of the Two Funds are Scattered, Small and Discontinuous

On the whole, project planning and construction pursues large and complete, but the actual project construction is relatively scattered and small, and the overall phenomenon of scattered and small is incompatible with the principle of concentrating funds to do big things. The two funds support projects are almost one-time inputs, the investment mechanism is single, no effective continuous support mechanism has been established, and the financial benefits have not been further expanded. For example, the development of characteristic industries in ethnic minority areas requires a relatively large amount of funds and a long project cycle, and it is difficult to effectively promote the construction of a modern industrial system in ethnic areas, so that the exemplary and driving role of funds is not strong [3]. There is a lack of tracking and promotion mechanism for the completed demonstration villages of national unity and progress, and after the completion and acceptance of the project, there is little comprehensive analysis of the experience and shortcomings of the project in forging a strong sense of the Chinese national community and promoting collective economic development after completion, which makes the investment performance of funds discounted.

4.2. The Level of Scientific Management Needs Improved

The grassroots management departments of two funds have not done enough to formulate special or long-term plans, and often use the previous year's capital project arrangements directly for the current declaration and filing. Due to the unscientific planning in the early stage, it is easy to find that the declared project is not suitable for local development needs when the project is organized and implemented after the project funds are issued, thus affecting the project implementation progress and financial benefits [4].

4.3. Performance Management is not in Place

Although performance management has gradually begun to be valued, the performance evaluation mechanism is not yet perfect, and performance management is not in place. In terms of the fund allocation mechanism, the two funds have not really achieved zero-based budgeting, that is, they have not been affected by the previous budget arrangement, and all project funds have been rationally arranged based on actual needs. In the process of performance evaluation, the evaluation activities are not carried out systematically and rigorously. For example, when performance evaluation activities are carried out in small groups and batches, the quality of evaluators is uneven,

the detailed standards for evaluating specific projects are not uniform, and the quality of evaluation activities is easily affected by external factors (for example, due to poor environment and difficult language communication with local ethnic minority people, etc., it is difficult to get the most real and direct ideas of the masses during questionnaire surveys) and other phenomena still exist [5]. In the application of performance evaluation results, the results of performance evaluation do not really link fund allocation with performance, and lack of necessary reward and punishment mechanisms, which makes the reward and punishment role of performance management play a poor role, resulting in a decrease in financial efficiency.

4.4. The Information Sharing Mechanism Needs Improved

The Special Fund Management System for Ethnic Work operated in 2019 has built a platform for sharing information for the internal special fund management department for ethnic work within the Sichuan Provincial Ethnic and Religious Committee, but there is no sound information sharing mechanism, data updates are not timely, and information sharing is still on the surface. In October 2021, the Notice on Strengthening and Standardizing the Supervision of Two Capital Projects by the Sichuan Provincial Economic Development Centre for Ethnic Areas pointed out that since the launch of the Special Fund Management System for Ethnic Work. The formalization, refinement and whole-process management level of the management of the two funds projects have been significantly improved, and at the same time, some places have problems such as failure to formulate project stage plans in a timely and accurate manner, failure to upload important project-related materials in a timely manner, and irregular data in the application of the project supervision module. As a result, the system cannot accurately reflect the latest status of the project, and some projects have lagging construction progress and low fund reporting rate [6]. At the same time, the information sharing mechanism has not been established and improved with the Sichuan Provincial Department of Finance, the Provincial Rural Revitalization Bureau and other government departments and non-governmental organizations, and the integration of information resources is not in place, and the optimal allocation of resources cannot be achieved, and the high-quality economic and social development of ethnic areas cannot be coordinated and efficiently promoted.

5. Suggestions for Improving the Level of the Funds Management

5.1. Improve Funds Performance Management

The two funds management departments should improve the performance of fund management in the new era and new situation. First of all, it is necessary to establish a sense of performance, change the previous concept of doing good and bad, and adhere to the principle of maximizing the benefits of special financial funds. Second, it is necessary to rationally design performance indicators, systematically establish a performance evaluation index system, establish and improve a third-party performance evaluation mechanism, scientifically implement performance evaluation, and achieve openness, fairness and justice. Finally, we should pay attention to the use of performance evaluation results, link fund allocation with performance results, make hard rewards and punishments, enhance the enthusiasm of departments with better fund management, and force departments with poor fund management to improve their work methods and work performance. The two funds management departments should establish a new concept of performance, pay more attention to results and outputs while paying attention to input and process, closely link performance management with personnel selection, promotion, training, etc., and jointly improve the efficiency awareness of development fund management departments and their managers.

5.2. Make Good Use of the Special Funds Management System for Ethnic Work

Making good use of the special fund management system for ethnic work is conducive to real-time resource sharing among relevant subjects of special fund management. As far as the two funds management departments are concerned, it is necessary to further promote the transformation of special fund management from traditional methods to formalization, strengthen the operation and

application of functions such as special fund policy and regulation review, statistical analysis of economic data in ethnic areas, project supervision, project filing, information exchange, and mobile user terminal applications, and improve the utilization rate of information systems. Through the vertical and horizontal statistics and analysis of structured data and real-time data flow, it accurately and intuitively reflects the working status, process and performance of capital project management, provides effective data support for scientific decision-making, and improves work efficiency. All entities participating in the management of funds for the development of ethnic areas in Sichuan Province should promptly and accurately enter the relevant information resources they own into the information sharing platform, and use functions such as consultation, statistics, and search to understand the relevant dynamics of the management of special funds in ethnic areas in real time.

5.3. Improve Performance Evaluation, Supervision and Inspection

In terms of performance evaluation, the two funds management departments should further improve the performance evaluation system of development funds, conduct comprehensive scientific analysis of capital investment performance, and implement the system of linking fund allocation and performance. The two funds management departments should implement a reward system for projects with good performance, appropriately increase the funding arrangements for cities (prefectures) and counties with outstanding project implementation performance for the next year, and increase the enthusiasm of grassroots units to do a good job in supervising fund performance. In terms of supervision and inspection, in accordance with the requirements of the Budget Law and other relevant laws and regulations, the two funds management departments should promptly revise and improve a series of systems and norms for the management, evaluation and supervision of development funds, continuously improve the planning, declaration, issuance, filing, implementation, acceptance, supervision and evaluation of development fund projects, clarify the specific requirements and conditions for meeting the standards in each link, and promote the institutionalization and scientific management of funds. The two funds management departments should timely track the progress of project implementation, progress of fund reporting, acceptance and transfer, internal industry data and other relevant situations, and improve while checking and correcting to ensure project construction standards.

5.4. Actively Guide the Masses to Participate in Funds Supervision

Government management in the new era should attach importance to the main position of the people in participating in social and economic development, and give full play to the endogenous motivation of the people in ethnic areas. On the one hand, we should attach importance to the supervisory role of the people in ethnic areas, and actively guide the people in ethnic areas to participate in activities such as the supervision and performance evaluation of development funds. The two funds management departments should adhere to the timely disclosure of the use of funds in the ethnic minority areas of Sichuan Province to the public, and introduce third-party professional evaluation institutions with the help of auditing, society, public opinion and other supervisory forces to ensure that the use of funds is implemented and effective. On the other hand, we should actively guide the people in ethnic minority areas to participate in the construction of the two capital projects, change their awareness and enhance their capabilities in the process of participation, and ensure the main position of the people in ethnic minority areas in promoting development. For example, the use of information technology, through the project drive, to bring the latest scientific and technological achievements to the grassroots and ordinary people in ethnic areas, so that they can master and apply advanced technology as soon as possible, promote their ideological transformation and labour skills improvement, and achieve the purpose of poverty alleviation and intellectual support.

6. Conclusion

As a large multi-ethnic province, Sichuan Province's two funds for ethnic minority areas play an obvious role in promoting the high-quality economic and social development of ethnic areas in

Sichuan Province. This paper analyzes the main problems in the management of two funds in ethnic minority areas of Sichuan Province, and deeply finds out the reasons for the problems. Finally, this paper considers how to improve the quality and efficiency of the two funds management in ethnic minority areas of Sichuan Province, and elaborates on specific and feasible countermeasures on this basis.

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