

Research on the Legal System of Rural Financial Poverty Alleviation from the Perspective of Legal Changes

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Abstract: Rural finance is an important policy for rural poverty development. Increasing financial support for poor groups has become an important part of China's rural poverty alleviation and development policy. Since the "August 7th" poverty alleviation, the Party and the state have issued a series of policies and regulations on financial support for rural poverty alleviation and development, which have effectively promoted the process of rural anti-poverty. Because the construction of rural community finance system in China is still lagging behind, the universal application of community finance is difficult. Therefore, this paper studies the legal system of rural financial poverty alleviation from the perspective of legal changes. In order to better adapt to the new changes in the financial needs of rural poverty alleviation and development, we must take the improvement of rural financial services as the leading factor, implement product innovation, policy innovation, service innovation and system innovation, improve the rural credit system in poverty-stricken areas, implement the financial support policies for rural poverty alleviation and development in China, improve the financial support system for rural poverty alleviation and development, build a good environment for financial support for rural poverty alleviation and development, and promote better and faster economic and social development in poor rural areas.

1. Introduction

Against the backdrop of the financial crisis, the imbalance in China's financial ecosystem is constantly intensifying, and private lending activities are exceptionally active. The legalization of rural private finance has ushered in an opportunity. The timing of the promulgation of the 'Lender Regulations' will enable private lending to obtain legal status through national legislation. This is not only conducive to breaking financial monopolies and building an effective competitive order; Moreover, it is conducive to regulating rural private finance and maintaining financial security. In some impoverished areas with harsh ecological environments, weak agricultural infrastructure, and low levels of agricultural production technology, agricultural production still has a strong dependence on natural conditions, and measures and capabilities for disaster prevention and resilience are poor[1]. In the face of frequent natural disasters, farmers are often helpless, and returning to poverty has become an inevitable phenomenon. Increasing financial support for impoverished groups has become an important part of China's current rural poverty alleviation and development policies. Based on the actual situation of rural poverty in the region, various regions across the country have creatively implemented a series of new financial support measures for rural poverty alleviation and development, on the basis of conscientiously implementing national policies such as microcredit, project credit, industrial credit, and fiscal discount[2]. Due to the lagging construction of rural community finance system in China, there are difficulties in the widespread application of community finance. Its role in filling the gap in rural finance and promoting the realization of farmers' financial development rights has not yet been fully realized[3]. Therefore, this article studies the legal system of rural financial poverty alleviation from the perspective of legal changes. Strengthen the information disclosure system to effectively combine market constraints with government regulation; Emphasize the supervision of off balance sheet businesses, making financial regulatory agencies more operational in obtaining information from financial

institutions and disclosing information to the public; Strengthen the audit system of financial institutions. In order to better enhance the sustainable development capacity of impoverished rural areas, it is necessary to implement China's financial support policies for rural poverty alleviation and development, improve the system of financial support for rural poverty alleviation and development, build a good environment for financial support for rural poverty alleviation and development, and promote better and faster economic and social development in impoverished rural areas[4-5].

2. The financial support dilemma of rural poverty alleviation and development

2.1. Service shortage

In rural areas, loans are the main financing, while the development of direct financing lags behind. Short-term financing bills, collective bills, medium-term bills, collective trusts and other financing fields have not yet been set foot in. The population returning to poverty in rural areas is mainly concentrated in contiguous poverty-stricken areas with large poverty areas in the central and western regions. Although there are also problems of returning to poverty in some sporadic poverty-stricken areas in the east, the degree of returning to poverty is relatively light and the rate of returning to poverty is relatively low. China has comprehensively reformed the management system of poverty alleviation loans. The issuance of poverty alleviation loans is undertaken by any banking financial institution willing to participate in poverty alleviation work, and the financial poverty alleviation has entered the market-oriented and diversified stage of independent participation and self-financing of financial institutions [6]. Due to the monopoly of the fund accumulation function of rural formal financial institutions, the development of rural formal financial market is slow, and the distribution function of funds is mainly completed by personal loans. Farmers play the role of net suppliers of funds in the formal financial market, which leads to a vicious circle of insufficient demand for loans and financing by farmers in rural finance. Limited by technology and financial resources, rural credit cooperatives, rural banks and other local legal entities can only rely on provincial rural credit cooperatives and holding commercial banks to carry out business, and cannot independently develop financial products with local characteristics [7].

2.2. Institutional shortage

The financial system in rural areas has not been fully established, and the scale of credit can not meet the growing credit demand in poor rural areas. Agriculture is dominated by single cultivated land, and the proportion of other diversified businesses is very low; Poor natural conditions lead to low and unstable agricultural output, resulting in little accumulation that agriculture can form for expanding reproduction. The unilateral nature of policy-based financial poverty alleviation can not fully mobilize the initiative and creativity of poor people to get rid of poverty and become rich, and it is difficult to fully mobilize the enthusiasm of participating institutions, which leads to the relative inefficiency of policy-based financial poverty alleviation itself. Non-bank financial institutions are developing slowly, and securities companies, insurance companies and microfinance companies are small in scale, while quasi-financial institutions such as financial leasing companies and consumer finance companies are still blank[8].

2.3. Poor environment

Rural poverty alleviation and development finance is at the end of the financial system, product innovation is very low, and no good operating mechanism has been formed. The Crop insurance market, rural guarantee market, and agricultural product futures market related to poverty alleviation and development have not been developed, and the corresponding rural mortgage mechanism, guarantee mechanism, and rural financial service mechanism and constraint mechanism have not been established basically [9]. In some impoverished areas with harsh ecological environments, weak agricultural infrastructure, and low levels of agricultural production technology, agricultural production still has a strong dependence on natural conditions, and measures and

capabilities for disaster prevention and resilience are poor. Financial poverty alleviation is carried out by offering interest discounts to impoverished villagers and poverty alleviation enterprises who have already obtained loans. Although it has to some extent improved the efficiency of interest subsidies and ensured the safety of poverty alleviation loans, this approach cannot truly help the registered impoverished individuals, especially those who cannot enjoy policy free support such as "Five Guarantees" and "Low Guarantee". Private Microfinance is on the edge of legality and illegality, and there is a legitimacy crisis, which affects the vitality of private funds in poverty alleviation and development[10].

3. Research on the Legal System of Poverty Alleviation in Rural Financial Institutions

3.1. Establishing a legislative guarantee system

The legalization of rural folk finance essentially involves incorporating rural folk finance into the formal financial system, and the legalized rural folk financial entities will also be subject to supervision from financial management entities. From the perspective of the changes and current situation of the legal system of rural financial poverty alleviation, most of the Sources of law of China's rural poverty alleviation system are policy Sexual norm, administrative regulations and departmental rules [11]. Not only is the legislative level relatively low, but the system is scattered and messy, even conflicting and contradictory. Therefore, a sound legislative system is a fundamental requirement for the innovation of China's rural financial poverty alleviation legal system. The details are shown in Figure 1.

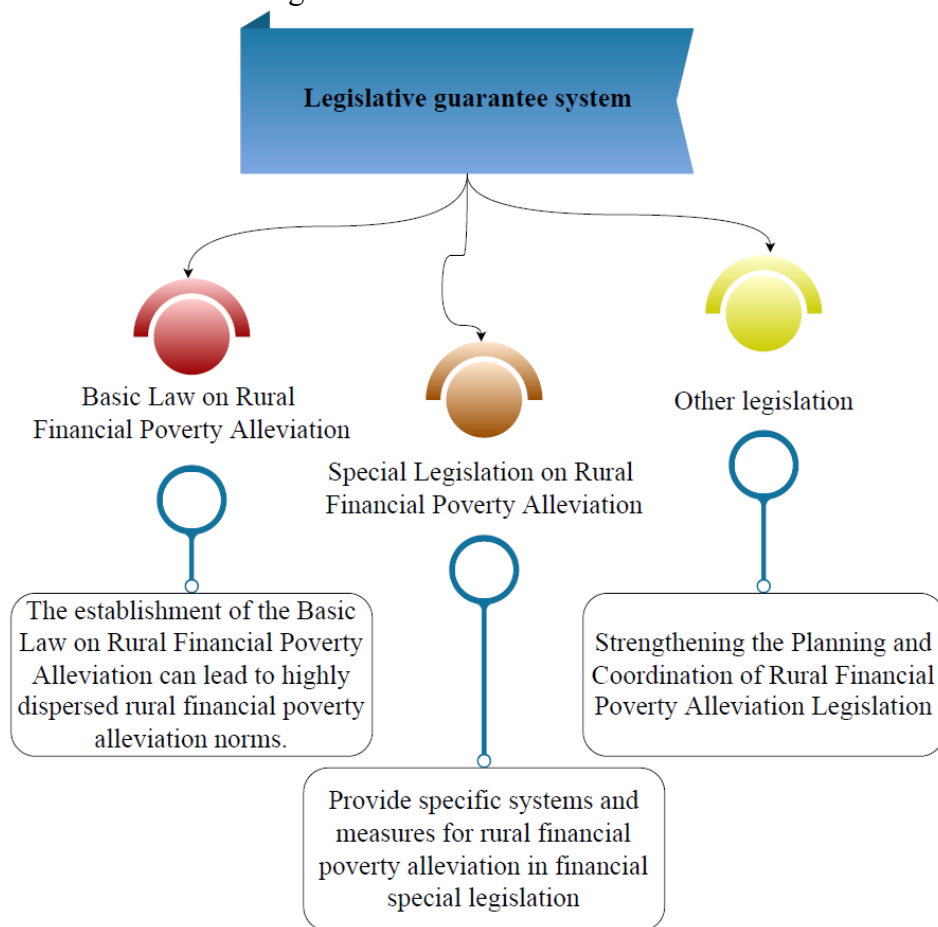


Figure 1 Legislative Guarantee System

The legalization of rural folk finance should include both legal affirmation and containment of illegality in terms of content. From a practical perspective. The government should regulate different types of private finance in accordance with the law. Encourage banks to establish financial information service departments to support poverty alleviation and development, and carry out

financial services such as loans, guarantees, financial leasing, risk credit management, consulting and agency for impoverished people; Encourage accounting firms, law firms, auditing, evaluation, taxation, securities firms, insurance and other intermediary institutions to enter the field of poverty alleviation and development, provide consulting services for impoverished people, and carry out financial advisory services.

Covering regulatory actions in various aspects such as market access for financial institutions, daily operations of financial institutions, and market exit for financial institutions; Strengthen the information disclosure system to effectively combine market constraints with government regulation; Emphasize the supervision of off balance sheet businesses, making financial regulatory agencies more operational in obtaining information from financial institutions and disclosing information to the public; Strengthen the audit system of financial institutions.

3.2. Build a basic institutional system

Construct supporting legal systems such as finance, taxation and industrial policies that are conducive to rural financial poverty alleviation. Meanwhile. The government should establish a crisis early warning system and a market exit mechanism. In order to prevent financial risks and promote the efficient operation of private financial markets. In practice, the disadvantaged groups, who are the targets of rural financial poverty alleviation, cannot be on an equal footing with the government and financial institutions. The main reasons for the financial poverty of rural poverty alleviation targets lie in the poverty of rights and the imperfect guarantee mechanism. Because the government financial poverty alleviation funds are allocated step by step through government departments and dominated by lower government departments, the phenomenon of improper misappropriation in use is quite serious; At the same time, due to the scarcity of poverty alleviation resources, there is also improper competition in the distribution of poverty alleviation funds, and corruption and bribery occur from time to time. Therefore, strengthening the financial rights of rural vulnerable groups and ensuring their equal status in the supply and demand of financial services is the basic direction of the innovation of rural financial legal system in China. Through the above analysis, this paper constructs the basic system, and the details are shown in Figure 2.

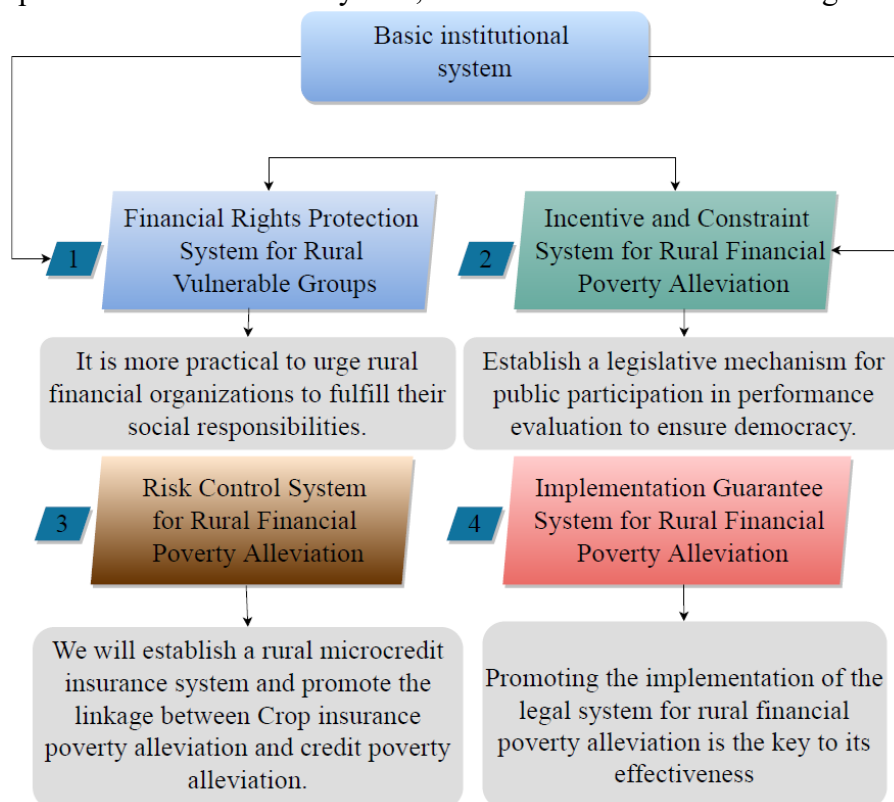


Figure 2 Basic institutional system

Establish a deposit insurance system in China to play its emergency function and protect the

interests of depositors in the event of financial risks, clarify the priority right and amount of compensation for depositors, and enhance the confidence of depositors and investors in the credit system. Rural private financial institutions should provide financial services in strict accordance with the business scope approved by the People's Bank of China, especially the use and raising of funds should be subject to the supervision of the People's Bank of China. The regulatory authorities should resolutely crack down on and ban private financial organizations engaged in illegal activities such as money laundering, speculation in foreign exchange. Usury, and illegal fund-raising. Financial institutions should set up special credit institutions for poverty alleviation, actively explore and expand mortgage and pledge financing loans for Usufruct such as rural housing mortgage, forest right mortgage, land circulation, agricultural machinery, orchard, tea garden, breeding base, processing equipment, etc. Establish a coordination mechanism for poverty alleviation systems such as rural financial poverty alleviation, fiscal poverty alleviation, and industrial poverty alleviation, strengthen the coordination and leading role of rural poverty alleviation development institutions, and lay the foundation for the implementation of the legal system for rural financial poverty alleviation.

4. Conclusions

Innovating the guiding concept of China's rural financial poverty alleviation legal system is the requirement of consolidating its innovative theory. First of all, China's rural financial poverty alleviation legal system should be guided by new development concepts such as shared development, coordinated development and innovative development. Improve the external environment of rural financial institutions. The government should regulate different types of private finance in accordance with the law. Encourage banks to establish financial information service departments to support poverty alleviation and development, and carry out financial services such as loans, guarantees, financial leasing, risk credit management, consulting and agency for impoverished people; Encourage accounting firms, law firms, auditing, evaluation, taxation, securities firms, insurance and other intermediary institutions to enter the field of poverty alleviation and development, provide consulting services for impoverished people, and carry out financial advisory services. The government should support the legal status of rural financial institutions such as rural mutual funds cooperatives through laws and regulations; Strengthen the construction of agricultural insurance, unemployment insurance and social minimum living security system, so that farmers can let go to get rid of poverty and become rich, and rural financial institutions can relax their minds to develop credit business. Strengthen financial supervision and management. Financial credit institutions in poverty-stricken areas should formulate effective measures to prevent and resolve risks, strengthen financial supervision, and strengthen effective supervision over the investment and risk of credit funds to ensure the smooth implementation of financial tilt and preferential policies and the efficiency of capital utilization. The establishment of the basic law of rural financial poverty alleviation will play an important role in strengthening the unity and integrity of rural financial poverty alleviation norms, alleviating the conflicts between norms and improving the authority and implementation of rural financial poverty alleviation system.

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