

Utilization of Soft Governance in Promotion of Benign Subject Relationship Construction in Rural Three-Industry Integration

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Abstract—The advance of three-industry integration in Chinese rural areas requires the government, enterprises and farmers to join hand in extending the industrial chain. The soft governance executed by the local government will promote the practice. China has a tradition of soft governance of different characteristics based on different regions. Under the impact of marketization, we need to carry out new soft governance and debug benign subject relationship regionally to facilitate the integration of the three industries. This paper examines in detail the experiences of Xinxing County in Guangdong Province in applying Zen culture, one of the soft governances means, to carry out governance on the government, enterprises and other principal subjects, in order to improve the necessity awareness and provide directional exploration for promoting the integration of the three industries from this perspective.

Keywords—three-industry integration in rural areas; soft governance; Zen culture; principal subject

I. INTRODUCTION

The three-industry integration in rural areas is the only way for agricultural modernization, and also an important pathway to organic connection between farmers and modern agricultural industry management system. China is now vigorously advocating rural three-industry integration. We need to pay attention to subject participation in the relevant process and the subjects themselves are the subjects in the concrete reality of Chinese society. When guiding the subjects to participate in relevant activities, we need to take into consideration the local basis then explores an applicable pathway. What kind of subject relationship should we establish in the integration of rural three industries? And how? To be specific, how the government, enterprises and farmers form synergy in extending the agricultural industrial chain and promote the revitalization and development of rural areas is not only an operational problem at the level of industrial economy, but also a benign subject cultivation problem at the level of governance.

II. THE SUBJECT ISSUE OF THE THREE-INDUSTRY INTEGRATION IN RURAL AREAS—THINKING FROM THE GOVERNANCE PERSPECTIVE

A. *The integration requires the participation of necessary subjects*

From domestic and foreign experience, there are many types of industrial chain construction paths for rural three-industry integration, and experts and scholars have different ways to summarize. Based on the experiences of Japan, from the perspective of different industrial bases, Jiang argued that the integration can be divided into three types, namely, the industrial-direct-selling type based on the scale operation of the primary industry, the processing-in-producing-areas type based on the agriculture products processing in the secondary industry, and the tourism-consumption type based on rural tourism [1]. From the perspective of different industrial development patterns, ZHAO Xia and others thought that it could be divided into industry extension type, industry crossing type and industry penetration type, etc. [2] Both the classification of research and the diversity of practice show that the systematicness and complexity of the integration of primary, secondary and tertiary industries. Therefore, scholars coincidentally put forward that the integration of the primary, secondary and tertiary industries must involve multiple subjects to form joint forces. Liu proposed that pluralistic subject participation mainly refers to various market-type subjects [3], which has limits to the understanding of pluralistic subject. LI Min [4], NIAN Yanhui [5] and other scholars all mentioned the necessity of government policy support, cultivation of new business subjects and investments on science and technology and talents in their suggestions to issues accompanying the integration of the three industries in China. Nonetheless, they did not think deeply about the pluralistic subject participation framework of these means.

From the perspective of social governance, the benign development of any mode of rural three-industry integration, as a result of implemented mechanism, requires the organic combination of the government, enterprises and farmer groups to form a subject participation relationship i.e. the so-called "government-led, business-dominated, farmers-oriented" relationship [6].

Government-led. The state council's guideline on the rural three-industry integration clearly states, "The government should play the role better, the cultivation of the market players should be accelerated; reform and innovation should be continued, the development of rural industrial agglomeration should be promoted". Local governments need to take the lead and scientifically plan the region and target for the integration of the three industries. They also need to lead the integration in the right direction and come up with a good top-level design to help farmers and enterprises develop together.

Business-dominated. According to the guidelines from the third plenary session of the 18th CPC central committee, the market should play a decisive role in the allocation of resources and the leading agricultural enterprises should be given full play to their role as active market players, which is the main force to promote the integration of business entities, industrial links and resource elements. The agglomeration effect of leading enterprises gives full play to the leading role of market players, and the scattered small farmers are organically brought into the "big workshop" of modern production, so as to establish a close interest linkage and build a modern agricultural industrial system.

Farmers-oriented. One of the ultimate goals of developing new forms of rural industry is to increase farmers' income. The No. 1 central document issued by the Chinese government in 2019 stressed that "developing and expanding rural industries and expanding channels for farmers to increase their income". Farmers are not only the most important participants, but also the main beneficiaries of the integration of the industries integration. It is necessary to clarify the main function of the four new types of agricultural operating entities, namely, agricultural enterprises, farmer cooperatives, family farms and large professional families, and their links in the integrated development of the industries. By cultivating new professional farmers, building modern cooperatives and modern family farms, we will guide farmers into cross-border development to increase their annual income and improve their lives.

B. The rural three-industry integration faces a dilemma

The integration of primary, secondary and tertiary industries is not only the integration of industries, but also the gathering of people. At present, China's rural industries integration has just begun, and various regions are still piloting the implementation and summarizing experience. Under the background of unbalanced development of urban and rural areas and market economy, China, with a vast territory, cannot fully learn from its neighbor Japan to take the industry integration route of "production and market in the same place". Instead it must utilize special approaches according to different local conditions. Different from the mixed structure of urban and rural areas in Japan, China is trying to solve dilemma of city-countryside dualization in the social structure. This dilemma is essentially belonging to the subjects, which is a pull on the subjects, including the government, enterprises and farmers.

In traditional Chinese society, local governments, markets and farmers have a traditional relationship of regional integration, which has three characteristics. First, the

government plays a guiding role despite of absence. As the saying goes, the imperial power does not belong to the county, and the county depends on the autonomy. Although the government does not belong to the county, a set of cultural tradition of "consolidating the agriculture" has reached the common people's homes, which has been organically combined with the household registration system [7] in Qin dynasty, forming the cultural and political system of the same structure of family and state. Second, the limited development of the market and community characteristics. The system logic of emphasizing agriculture and restraining commerce and govern by doing nothing that is against nature influences the formation of the market. In traditional villages, both mobile markets and fixed shops have distinct geographical restrictions. On the one hand, they flow regularly and at fixed points like phenology and the four seasons. On the other hand, the market behavior carries the feature of Tonnies's so-called "community", that is, the affinity and geopolitics. Buyers and sellers pursue long-term cooperation. An interesting saying goes that all businessmen are dishonest, which was originally said that all businessmen are in good faith. The ancient rice traders not only fill up the bucket, but also to scoop some more. They surrender part of the profits in order to gain buyers' like and trust, thus making the business larger. Third, the stability of farmers as the main body of the countryside. The tradition of returning to where you were born and raised up endows the grassroots with great similarity. They share the same local resources and receive the same local cultural influence. These three characteristics constitute the long-term stability, illiquidity and non-profit orientation of traditional regional integration.

However, after the establishment of People's Republic of China, with the needs of construction of a modern country and the economic development after the reform and opening up, the integration of traditional regions began to be seriously impacted by marketization. Due to the development of the socialist market economy and the cancellation of the household registration, rural society has broken the traditional principle of regional restrictions and non-interest [8]. Farmers gets mobilized and go out to earn money amid the socialization with the medium of currency. In the respect, the population heterogeneity makes the system of social autonomy incomplete and the farmers can't get effective guarantee in the big market. What's worse, the government has shown insufficient regulatory capacity in the face of the drastic transformation of the grassroots society.

Under the circumstances, the development of rural industries integration requires the integration of the government, market entities and farmers in the context of new marketization, so as to adapt to the mobility and dissimilarity of grassroots under the background of marketization, and coordinate the resulting rich but intertwined multi-stakeholder conflicts of interest.

III. SOFT GOVERNANCE: THE SOLUTION AND INSTANCE OF THE SUBJECT RELATION ISSUE

A. *The soft governance perspective*

Rather than referring to the government policies and industrial system strategic suggestions, in the light of the characteristics of regional integration in China, it is a way worth exploring to find solutions from regional culture. Some scholars pointed out that cultural governance, different from the rigid orders, policies and regulations regarding military, economy, legislation, etc., is a "soft governance". [9] Soft governance is spirit-to-spirit, in order to achieve a heart-to-heart relationship from the government to the market and then to the people in society. Both the input and effect of soft governance have diachronic characteristics. An effective soft governance can achieve long-term stability and cohesion of people. In order to realize an effective soft governance, local governments should fully understand the long-standing local cultural traditions and carry out continuous cultural innovation and promotion on this basis.

For example, in Xinxing County, Guangdong Province, the integration of primary, secondary and tertiary industries in rural areas has begun to take shape. The key to its development lies in the benign integration of the government, enterprises and farmers. The formation of this benign subject relationship is closely related to the development and utilization of local Zen culture by the government in the process of governance. This paper will analyze this particular case in detail.

B. *Instance of soft governance—Xinxing County*

Xinxing County is one of the 137 rural pilot areas designated in 2016 to promote the industry integration. It is the origin and headquarter of Wen's Group, as well as the hometown of the Huineng, the Sixth Patriarch of Zen Buddhism, one of the "Three Saints of the Orient". There is rich Zen culture tradition in this place, which refers to cultural beliefs such as inclusion and symbiosis, joy, kindness and happy to help. The local history was formed under the deep influence of the community culture of Hakka and She people in Xinxing County and has become a local cultural symbol influencing the local society in the contemporary era. Because of the importance of Zen in the local customs and folklore, Xinxing County government is not limited to the development of tourism, but takes advantage of its cultural characteristics as a powerful governance starting point to create advanced experience of rural industry integration, and carries out a series of cultural "soft governance".

Firstly, to govern officials with Zen and connected with party and government forces. Since XI Jinping became the Chairman of China, officials are required to "turn the blade inward" and promote the construction of a clean government. Xinxing County also actively uses the power of Zen culture to launch the "Zen and integrity" culture. On the theoretical level, experts and scholars from local universities and Zen associations are invited to think cooperatively, linking the cultural connotation of Zen culture, such as stoicism, salvation and self-cultivation, with the integrity culture's requirements on cadres' rejection of corruption, serving the masses and self-discipline [10]. On the practical level, Zen and integrity theory

publications are published and the Zen and integrity cultural education base is founded for the cadres to visit and receive education regularly. The introduction and construction of Zen and integrity culture not only conform to the socialist core values, but also cater to the local cultural traditions, so that the Xinxing County clean government project is positively recognized by the local people and actively implemented by local officials. It joins the pressure from the top and the power from the bottom to form a governance that is of extensive influence.

Secondly, "governing the city by Zen", the cohesion of diverse forces. Xinxing County maintains a sound industrial structure and a clear echelon of market players in the market construction. At present, the proportion of primary, secondary and tertiary industries in Xinxing County is 24%, 42% and 34% respectively. A balanced development of the three industries is being maintained, and each has its own leading enterprises. The primary industry has its own leading enterprise, Wens Foodstuff Group, which is the largest agricultural leading enterprise in China. [11] The current market value of Wens is approaching 160 billion yuan. The secondary industry mainly focuses on the stainless-steel industry and the county is the largest stainless-steel kitchenware production and export base in China. The tertiary industry mainly focuses on Zen culture industry. The secret of success of local market construction is to coordinate the vertical relationships between governments, companies and farmers and the horizontal relationships between companies. The government plays a great role in promoting the Zen culture of symbiosis, self-abnegation and salvation.

On the one hand, Zen culture successfully leads to extensive cooperation among farmers, enterprises and governments. First, among enterprises, emerging markets have formed a market environment where cooperation is greater than competition. The "external harmony" of Zen culture is intended to "help others to gain benefits" and share with others. Not only do large enterprises not gobble up small businesses, but they even help small businesses in the face of competition. "If a company receives an order but no capacity, we will make a phone call to ask another company in Xinxing to do, as long as the final benefit belongs to a local company" [6]195. "Cooperation first" has not only become the corporate philosophy of many companies in Xinxing, but also formed the symbiosis and co-prosperity relationship between the government and enterprises under the influence of Buddhism. As a major agricultural development county, the government has made a lot of remedial and subsidy work for the enterprises hit by several livestock influenza since 1997, in order to retain the market life of some enterprises with strong upward momentum.

On the other hand, Zen culture promotes regional sharing. Since its founding, the Wens Group has adhered to the employee stock ownership plan (the chairman's share is less than 10%). Enterprises in Xinxing also have done a lot of social welfare. From the local people's point of view, all these actions are closely related to the beliefs of equality of all beings and salvation in Zen culture. Both for individual farmers and rural communities, enterprises try their best to share profits. For the individuals, if the annual profit of an enterprise is much

higher than the guaranteed income of the cooperative farmers, a noninstitutionalized dividend will be paid to the cooperative farmers as extra benefits. Farmers work with Wens in Shitouchong village mentioned that, in good years, according to the total number of chickens per household, a chicken can get an extra of 0.2 yuan, which can be up by a few hundred yuan totally [6]195. For the community, especially the hometown where the enterprises originated, the enterprises have repeatedly contributed to the construction of infrastructure to improve the rural living environment. For example, Wens Group invested more than 400 million yuan in Lezhu Town to establish more than 10 agricultural upstream and downstream companies. Huineng, the Sixth Patriarch of Zen Buddhism, left home when he was young, preached the sutra after becoming famous, and insisted on returning to the Guo'en Temple in Xinxing before he passed away. In the opinion of the locals, this embodies the implicit homesickness in Zen culture. It has been transformed into the willingness and responsibility of enterprises in the Buddhist land to contribute to their hometown.

IV. ENLIGHTENMENT – THE BENIGN RELATIONSHIP IN THE INDUSTRY INTEGRATION IN RURAL AREAS

The experience of Xinxing County is that the Zen serves the production, which solves the problem that the subjects are divided, uncooperative or difficult to cooperate in the integration of the industries. Although this experience has the particularity of culture and region, it still has the general significance in the perspective of soft governance.

Establishing the necessity awareness of pluralistic subject view. The construction of the mechanism of rural three-industry integration and operation involves many parties. However, while discussing the improvement for the system design, the previous researchers and practitioners only focused on how to link small farmers with modern agriculture organically, or how can enterprise, the main body of the market, lead the farmers make a profit. Whereas few exploration or researches were carried out on the whole relationship and contradiction among agricultural enterprises, the government and the farmers. In fact, the implementation of policies and the establishment of industrial chain should be based on the benign relationship among these subjects. Different from merely considering how to generate revenue or make profits from the perspective of industrial economy, this kind of research perspective tends to depicts the three-industry integration in rural areas as the so-called "organized by government and played by enterprises" mode. In which the government is regarded as a nanny, and the relationship between enterprises and farmers is a kind of leading and being led. In fact, it is not helpful to give the answer to the key interest distribution and supporting mechanism in the integration of the three industries from the perspective of theory or practice, such as how to divide the profits between enterprises and farmers and how can the government balance the development and security. The theory and practice of governance let us put forward a new concept of pluralistic subject view - symbiosis. The government, enterprises and farmers should form a benign subject relationship in the operation of the rural industry integration system, that is, the symbiotic relationship. Being

intertwined together, any subject cannot work without the help and containment of other subjects.

The directional exploration that borrows momentum from regional culture. A prominent feature of the practical experience of Xinxing County is the promotion of traditional culture on the mechanism of industry integration, which should be a new development direction of regional culture worth learning. In the general three-industry integration system, the regional traditional culture is only enlarged and remolded as tourist attractions and not really activated. Even the over-development often leads to the embarrassing situation that outsiders are happy about it, while locals are unfamiliar with it. However, the experience of Xinxing County, based on the perspective of pluralistic subject view, allows the local "Zen culture" to be fully applied in the field of government governance and market economy, so that local officials, enterprises and the general public can share and use this cultural resource. A soft governance is then naturally formed. There are other regional traditional cultures with similar potentials in China that are worth exploring in this direction to facilitate the integrated development of primary, secondary and tertiary industries.

V. CONCLUSION

It can be foreseen that industry integration in a must for rural areas to develop the agriculture and it will be accompanied by the participation of the local government, enterprises and farmers. The academic community shares much consensus but only a few studies conducted. This actually involves the study of local governance. The traditional Chinese government used to be very good at using soft governance as a mean to unite and stabilize local subjects, but that was based on limited social differentiation. In today's highly differentiated society led by the rapid social development, there emerges complicated conflicts of interests between different subjects, and it is difficult to establish cooperation. Therefore, it is necessary to regain and innovate soft governance in the new era. Xinxing County of Guangdong Province in China has a long history of Zen culture. The local government makes full use of this cultural foundation in industry integration, magnify the Zen cultural tradition of encouraging profit transfer, cooperation, consultation and communication, and integrate it into the cultural construction of the government, enterprises and rural society, which not only shows the local characteristics, but also conforms to the public sentiment, greatly influencing the decision-making of each subject. Zen's spirit of purity and dedication makes the government willing to serve enterprises, issue preferential policies and security policies. Zen's harmony and cooperation guide enterprises to reduce friction in the market, provide farmers with more market dividends, and perform their public service function. With the influence of Zen culture, farmers can cooperate with the government and enterprises and contribute to the effective governance and industrial prosperity. These arguments are based on material and experience gained from field investigations. We should draw inspiration from Xinxing's experience and explore directional paths applicable to different regions of China and even other countries.

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