

In the Context of Rural Revitalization: Analysis of the Impact of the Internet on the Stability of Farmers' Interest Connection Mechanism

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Abstract: *A new round of internet-centered information technology revolution has affected the pattern of interest connection in rural society. This paper analyzes the occurrence mechanism of the traditional interest linkage mechanism of "company + peasant household" with contract as the core, and summarizes the endogenous reasons for the disadvantages in the process of operation. This paper expounds the theoretical mechanism of the influence of Internet on farmers' interest connection mechanism from three aspects: expanding farmers' social relations, reducing information asymmetry and improving organization degree. This paper argues that the Internet consumers directly from the choice of power, increase farmers cooperation building a community of interests, farmers union set wisdom to choose partners, to promote industrial linkage benefit, enhance the level of village governance provide standardized security benefit and so on five aspects has a positive influence on the stability of farmer benefit coupling mechanism.*

Keywords: *Internet, Mechanism of Farmers' Interest Connection, The Stability*

1. Introduction

The 19th National Congress of the Communist Party of China (CPC) proposed that the development of small farmers and modern agriculture should be linked up. In order to support small farmers, enhance their ability to develop modern agriculture, accelerate agricultural and rural modernization, lay a solid foundation for implementing the rural revitalization strategy, and promote the organic linkage between small farmers and modern agriculture, the General Office of the CPC Central Committee and The State Council issued the Opinions on Promoting the Organic linkage between small farmers and modern Agriculture in 2019. The interest linkage mechanism is the key to the organic connection between small farmers and the development of modern agriculture, the guarantee for farmers to increase their income, and the focal point of the rural revitalization strategy. Xi Jinping will pay close attention to link the interests of farmers, general secretary in 2020 in central rural work conference stressed that to perfect the benefit coupling mechanism, let farmers more share industry value-added benefits. Government to cultivate support the development of agricultural industrialization leading enterprises which is just the starting point and the foothold. Since the reform and opening up, the fact shows that leading enterprises have played a huge role in promoting agricultural efficiency, farmers' income and rural prosperity while developing and strengthening themselves by establishing various forms of interest connection mechanism with small farmers.

In recent years, local governments have actively explored mechanisms to link farmers' interests, and formed models such as stock cooperation, branch management, order management, service promotion, farmer mutual assistance, and transfer of employment. These models have helped the poor to lift themselves out of poverty and increase their incomes, revitalized rural resources and factors, enriched rural governance methods, expanded agricultural operation models, and strengthened the rural collective economy. Practice shows that benefit coupling mechanism is a farmer from the land and the key to benefit from the industry developing steadily, be to consolidate development of poverty crucial achievements effective connection with country revitalization of the key link.

After the revolution of science and technology into the country for the center with the Internet, break through the existing rural benefit pattern, the stability of the affected farmers benefit coupling mechanism of the traditional. This paper firstly analyzes the general rules of the operation of the traditional benefit linkage mechanism of farmers, and analyzes the endogenous problems caused by abuses. Then, how the

social characteristics of the Internet affect the mechanism and action path of farmers' traditional interest connection is discussed.

2. Analysis on the Traditional Mechanism of Farmers' Interest Connection

The mechanism of interest connection includes connection mode and connection guarantee. The connection mode is to solve how to connect and how to stabilize the connection mode of interest. Farmers' interest connection can be divided into internal connection and external connection between farmers. At the same time, whether the rural internal interest connection is close or not will also affect the stability of external interest connection mechanism. This paper mainly discusses the reasons and the path of the stability change generated by farmers' embedding into external interest groups under the condition of new technology.

The traditional model is mainly in the form of contract "hard connection", signing agreements with farmers, forming "company + farmer" interest connection mode in variants such as "market + farmer", "base + farmer", "company + cooperative + farmer", "double shares" and so on. Farmers accept this way of "hard connection" game is based on farmers in the face of exterior market to lack grasp the regulation of the agricultural products market, and have more market anti-risk ability of companies to achieve "bundling" of interest, the essence of which is relative to an alliance with the farmers external adverse interest groups in a weak position. [1] This mode has companies and farmers are constrained by the contracts and the capital formation, under the market profit situation of outside companies, farmers often at a disadvantage in the distribution of interests.[2] Around the "contract" as the center of benefit pattern, gradually form the other benefit of a more detailed way, such as the supply of agricultural materials - production - sales, joint-stock cooperative mode, service driven model, and set the above characteristics of mixed mode, etc.[3]

The core of the traditional model of farmers' interest connection is the "contract" of contract, and its disadvantage is endogenous instability.[4] One of its disadvantages is that farmers are in a disadvantageous position in the game with companies that take profit maximization as the principle. Different from industrial products, agricultural industry itself is affected by natural force majeure events. Meanwhile, after China's accession to WTO, agricultural products are affected by global agricultural market fluctuations, which further strengthens the instability of agricultural market. Second, it is difficult to form a community of shared interests and risks, and farmers do not have a strong sense of participation. As the agricultural industrial contract is an "incomplete contract", the profit-seeking characteristics of foreign "companies" will lead to adverse game results for farmers. In extreme cases, they will choose to run away to avoid risks or stop losses in time. The instability of the contract relationship leads to the frequent occurrence of "one-stick" business between farmers and companies, and the stability of the interest connection mechanism is insufficient. Third, government intervention will also affect its stability. As important national actions such as rural revitalization and poverty alleviation have been carried out in an all-round way, external companies and village collectives have borne most of the risks generated by the "company + farmer" strategy, and the burden is too heavy. Once the market is depressed, rural revitalization will not be sustainable. Sometimes the government often intervenes excessively to protect farmers' interests, which will distort the market price of agricultural products. Farmer undertakes agricultural production enthusiasm will be thwarted. The interest distribution system problems lack of rationality, security system is not mature, affect the interests of the individual farmers, causing marginal situation.

3. Theoretical Mechanism of the Impact of the Internet on the Interest Connection Mechanism of Farmers

3.1. *The Internet Empowers Farmers with Social Capital*

The Internet has expanded farmers' social networks and enhanced their social capital. [5] Social network refers to a relatively stable relationship constructed between related individuals. With the continuous expansion of its application scope, economic affairs and economic activities are embedded in it and affected accordingly. The expansion of farmers' social network means that more information resources flow into farmers' production and life, empowering farmers. The theory of "strong and weak relationship" means that the links between people and organizations are generated by communication and contact. There are strong and weak connections, and the relationships with different degrees of strength play different roles among individuals, between organizations, and between individuals and

social systems. The Internet's expansion of peasant household social relations is reflected in two aspects, face-to-face social relations and Internet-based social relations.[6] Traditional rural China is acquaintances society is ethics on the basis of human society, analogy theory, the strength relationship between the former tend to strong relationship with the latter tend to be weak, the former for more social trust, social interaction bearing strong relationship to more purposeful organizational social action, such as rural electricity business operators, often within the village social network operations team; Weak relationships established through the Internet are conducive to information acquisition and knowledge learning, improve the quality of social content, and realize the expansion of online social relationships through the transformation of strong and weak relationships.[7] The Internet strengthens the two social relations between farmers and promotes the transformation from the latter to the former, imperceptively empowering and empowering farmers themselves. Farmers have more social participation rights and more social learning ways to improve themselves.

3.2. The Internet Provides Peasant Households with Information Empowerment

The Internet reduces the degree of "information asymmetry" of farmers and improves their ability to make independent choices. Information asymmetry is the difference in the understanding of relevant information between the two parties in economic activities. The party with more information is in a more favorable position than the party with less information. Information asymmetry may lead to agency problems, moral hazard and reverse. issues such as choice, and injury is on the disadvantaged side.[8] There are several "information asymmetries" in the traditional "company + farmer" model. Farmers are all in the "information asymmetry" in terms of the ability to control agricultural product market information, the degree of mutual understanding between farmers and the company, and the timing of execution and termination of contracts. "The unfavorable side. With the advent of the Internet, the zero-cost or low-cost dissemination of agricultural product markets and related markets in cyberspace provides convenience for farmers to understand the external market, provides a strong reference for farmers to choose whether to bundle their interests with the company, and partially balance farmers and companies. unequal relationship. The "information asymmetry" in the mutual understanding between farmers and companies has also improved after the emergence of the Internet, which is more conducive to farmers' selection of cooperation partners.

3.3. The Internet Enhances the Organizational Level of Farmers

The improvement of the level of organization of farmers on the Internet is mainly reflected in the organization of agricultural production, which points to the improvement of the rural primary, secondary and tertiary industry collaboration capabilities. Relying on e-commerce and social platforms as the main media, agricultural cooperative organizations have formed a new agricultural Internet independent management model with huge development potential. At present, the basis for the development of agricultural organization in my country is the main body of new agricultural management, mainly including farmers' professional cooperatives, large breeding households, Leading enterprises and family farms, etc. The use of the Internet also enhances the self-development and generation capabilities of cooperative organizations, which helps to improve the stability and service capabilities of cooperative organizations, but the relevant management capabilities of individual farmers will also be improved accordingly. The relatively transparent market information, financial financing channels, convenient communication channels, and social learning channels provided by the Internet promote more effective internal division of labor among farmers, more flexible and effective agricultural professional cooperatives, and socialized agricultural service organizations. The prosperity of all kinds of rural e-commerce has strengthened the market awareness of farmers, and doing a good job in e-commerce requires product branding, specialization, personalization, and speediness, which requires farmers to cooperate in marketing, logistics, sales, etc. It will give priority to finding partners within the village, which will invisibly stimulate the division of labor among farmers.

3.4. The Internet Has Improved the Decision-Making Ability of Farmers in Agricultural Production and Sales

Information is a fundamental element of any business activity in modern society. In the pre-Internet era, the distance between producers and consumers was long, and agricultural information was often difficult to obtain. Therefore, producers could only rely on their own experience to make rough agricultural arrangements. The Internet has greatly improved the ability of producers to obtain information, not only achieved a leap in the amount of information collected, but also improved the

accuracy of data acquisition. The biggest feature of agriculture is the decentralization caused by small farmers, and the Internet can realize forward-looking production and inventory based on the real-time nature and advanced forecasting ability of big data. The improvement of decision-making accuracy at the production end of agricultural production and the optimized layout of inventory at the post-production sales end benefit from the powerful information analysis capabilities of Internet technology. With the continuous development of data generation and processing methods, the powerful analytical and predictive capabilities in big data management can provide producers with accurate market information and production decisions, thereby alleviating the losses caused by decision-making mistakes.

4. How the Internet Affects Farmers' Interest Linking Mechanism

As the eye of the new technological revolution, the Internet is changing the pattern of social interests in rural areas. Internet technology has created a more complex restructuring of interest relationships in rural areas where traditional and modern coexist. New technologies empower rural households and have an important impact on the existing interest linkage mechanism, which can be attributed to the following aspects.

4.1. With Whom to Form a Community of Interests, Farmers Have More Right to Choose Independently

The Internet has expanded the social relations between farmers and villages, and farmers have more choices for the main body of interest linking with whom to form a community of interests. With the full implementation of the rural revitalization strategy, various social capitals have begun to enter the countryside. In addition to the market profit-seeking aspect of corporate organizations, there is also the aspect of practicing social responsibility. It is more important for farmers to choose who to form an interest alliance with and when to form an alliance. Lots of options. Farmers can choose enterprises with "friendly" interests of farmers to cooperate, which further enhances the ability of farmers to choose the object of interest linkage. At the same time, this phenomenon of strengthening the choice of the main body of farmers' interest linkage will have a check and balance effect on other potential interest linkage objects, and stabilize the formation and operation of the farmers' interest alliance to a certain extent.

4.2. Farmers Face Consumers Directly through the Internet, and Build a "Short Chain of Agricultural Product Consumption" to Establish a Community of Interest Linkages with Consumers

The Internet has expanded farmers' social connections and enhanced social connectivity. In addition to farmers relying on online e-commerce platforms to enter the agricultural product market, there are also forms of agricultural products e-commerce live broadcast based on personal mobile terminals, WeChat group purchases, and community group purchases.[9] This kind of sales behavior initiated by individual farmers directly to consumers is a sales activity based on market segmentation and individual needs of farmers, which promotes the direct consumption of agricultural products on the table. The fundamental reason for the continuation of this way of directly connecting interests with consumers is the unlimited market expansion of the Internet and the possibility of interconnecting everyone, as well as the improvement of the Internet-based logistics system and the traceability of the quality of agricultural products.

4.3. The Use of the Internet Has Enhanced Farmers' Awareness of the Village Community, the Collective Economy Has Been Strengthened, and Farmers Have Gathered Wisdom to Select Objects of Interest

After the reform and opening up, after the cities siphoned the rural population, the group of farmers is also changing. It can be simply divided into local farmers and migrant farmers. The former are farmers who are directly engaged in agricultural production within the village, and the latter are not in the village, but participate in agriculture. production decisions. The Internet penetration rate is increasing year by year, especially the mobile Internet provides a more convenient way for mobile farmers to participate in agricultural production. Modern agricultural production requires farmers to have more efficient collaboration capabilities, and the collaboration capabilities among farmers have been greatly enhanced in the new generation of information revolution with the Internet as the central axis, and their organizational level has also been improved accordingly. The external manifestation of the improvement of the internal organization level of the village is the emergence of a new type of agricultural cooperative

organization, which has revitalized the collective economy of the village.[10] The process of prospering the collective economy is a kind of "wisdom gathering" behavior in rural areas, and it connects interests with the outside world, which improves the ability of farmers to select and game the objects of interest linkage.

4.4. The Internet Promotes the Strengthening of the Linkage between the Three Industries in Rural Areas and Strengthens the Way of Connecting Interests

Traditional agricultural farmers are firmly tied to the agricultural production link, and the circulation, processing and sales links are far away from farmers. The interest linkage mechanism of "company + farmers" is to realize the realization of agricultural products in the external market at the "principal-agent" level, and the inequality between the farmers and the company leads to the instability of the interest linkage mechanism. The emergence of the Internet has disturbed the linkage between primary, secondary and tertiary industries in rural areas, and rural e-commerce, farmhouses, agricultural tourism, experience agriculture, smart agriculture, and precision agriculture have promoted the integration of rural tertiary industries. The Internet promotes industrial linkage. Under the background of industrial integration, farmers' market awareness and ability to distinguish the market have been improved, which greatly reduces information asymmetry and strengthens the stability of the interest linkage mechanism.

4.5. The Internet Promotes the Improvement of the Internal Governance of the Village and Ensures the Stability of the Interest Linkage Mechanism

The Internet enhances the way and enthusiasm of farmers to participate in village public affairs, and at the same time improves the level of farmers' organization. Rural governance tends to be digitized and intelligent, so that the government's public power sinks to the rural grassroots level, and the interests of farmers are guaranteed by legalization and standardization. Rural governance empowered by Internet technology has broken the "discourse hegemony" of elitism and the "aphasia" of the grassroots, and promoted the transition of the rural public energy field from "authority-led" to "interactive game".[11] Village public power plays a functional role to provide institutional guarantee for farmers and multiple subjects to form an interest linkage mechanism.

5. Conclusions

The Internet empowers farmers in terms of social relations, social capital, access to information, and capabilities. In the process of selecting interest alliances, there are more choices, and they can directly face consumers. Farmers gather wisdom and choose interest alliances. Object, the linkage of the three industries is strengthened, the internal governance pattern of the village is changed, and the stability of the interest connection mechanism is guaranteed.

Acknowledgements

This work was financially supported by Chongqing Social Science Planning Project: *Research on the problems and countermeasures of the integration of "Internet +" and rural revitalization strategy in Chongqing (2018BS52)* fund.

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