

Education, Local Financial Investment and Rural Financial Repression: Learn from the U.S.'s Demonstration Effect on China

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Abstract

This paper uses the panel data of the rural areas of China and the United States from 2006 to 2017, and uses the Fuzzy-Set Qualitative Comparative Analysis (fsQCA) to use the economic development level as an intermediary to conduct a comparative study of the configuration results of the level of financial repression in China and the United States. Take the United States as an example to provide a reference for how to reduce financial repression in rural China. Compared with American rural areas, China's rural areas have the "Stiglitz effect". The relatively backward financial awareness affects farmers' endogenous demand mechanism, prompts farmers to prefer low-risk financial instruments, which leads to financial development hindered and forms the inner source of the higher level of rural financial repression. Government infrastructure investment, local economic level, and financial supply are external factors that affect the level of financial restraint in rural finance. By improving the education level of farmers, increasing government investment in rural areas, and building a rural credit system, we can effectively improve my country's rural financial repression goals and promote the further development of urban-rural integration.

Keywords: *Financial repression, education level of farmers, local government input, Fuzzy-Set Qualitative Comparative Analysis (fsQCA)*

I. Introduction

Excessive government intervention directly leads to financial repression and affects the country's economic development. This phenomenon is widespread in developing countries and is particularly prominent in China's rural financial system. Although my country's rural finance has developed through advancing, the financial repression environment has clearly improved, and it has begun to gradually shift from financial repression to high-quality and balanced development. However, there are still inhibitory financial policies that hinder the development of the rural economy, especially the pulling financial demand generated by the endogenous mechanism, which makes compulsory and discriminatory credit allocation particularly common in the rural financial market. Eliminating financial repression has become a necessary condition for urban-rural integration.

In developing countries, through local economic planning, the government invested funds to promote the development of the local rural financial market, effectively promote the development of the local economy, to a large extent eliminate the problem of uneven distribution of rural areas, so the level of local economic development determines the level of local economic development. The core element of the level of financial repression. In addition, the government's key planning areas often invest a lot of money and carry out demolition and land acquisition, etc., to effectively improve the living conditions of local farmers, promote economic development, and finally effectively reduce the level of financial restraint. The phenomenon of financial repression is proposed by American economist McKinnon and others mainly in response to the prevailing rural financial situation in developing countries. In most developed countries, the higher GDP level effectively guarantees that local governments have access to agricultural fixed assets higher input levels, especially in developed countries, have generally a high degree of agricultural mechanization. The realization of machinery to replace part of human resources not only improves agricultural production efficiency, reduces the number of agricultural employees, but also increases the per capita disposable income of farmers. Coupled with a relatively complete financial system, the government's intervention in the financial market has significantly improved the level of financial restraint in rural areas. In addition, compared with cities, the rural financial environment and the education level of farmers determine

the amount of rural financial supply to a certain extent. The relatively backward financial consciousness has formed the endogenous demand mechanism of farmers, determined that farmers prefer financial tools with low financial risks, and increased the degree of financial restraint in rural areas.

Government intervention and low efficiency of financial allocation are the main reasons for financial repression in developing countries [1], but for developed countries, whether financial repression also exists in rural areas, how deep the financial repression exists, and how deep is the impact what are the factors are worth studying and exploring. By studying the level of financial repression in developed countries represented by the United States and developing countries represented by China, this paper analyzes the respective influencing factors, which is not only helpful for finding the root cause of the gap in rural financial development between my country and developed countries, but also for reference. The experience of low levels of financial restraint in developed countries, seeking breakthroughs in rural financial development, carrying out targeted reforms and improvements, and conducive to my country's rural financial market to maximize strengths and avoid weaknesses, give full play to the advantages of the socialist system, promote rural economic development, and finally achieve urban-rural integration .

II. Literature Review and Comment

The root cause of financial repression. Financial repression comes from excessive government intervention. The backward planned economy was once popular in developing countries. The government exercised full control over the market and resources, leading to stagnant financial development. Therefore, this phenomenon is particularly common in developing countries. Mc Kinnon [1] believes that financial repression is mainly caused by an unreasonable system. Over-regulation by the government leads to inefficient capital allocation, which leads to financial repression. This viewpoint has become the basic viewpoint of the financial development theory, and it is also reflected in my country's rural financial system. It is the fundamental reason that hinders the rural economic development since my country's reform and opening up. The inherent weakness of agriculture and the duality of finance have formed external factors that inhibit rural finance. Chen Binkai and Lin Yifu [2] found that under the low-interest financing environment of my country's heavy industry, the level of financial repression will continue to deepen. Due to the information asymmetry of the rural business entities and the lack of guaranty assets [3], the development of rural finance has slowed down and the degree of financial repression has deepened, which ultimately affected the development of the rural economy and led to the dualization of urban and rural areas. Long-term existence.

The relationship between financial repression and economic development. Financial repression and economic growth are related to each other, but the two are not a simple positive or negative linear relationship, but a U-shaped nonlinear relationship. The McKinnon effect is negative, emphasizing that financial repression reduces the allocation efficiency of the financial market and hinders financial deepening; the Stiglitz effect shows that under moderate government intervention, the economic impact is positive, and financial repression helps to convert savings into investment and helps maintain financial stability. Obviously, the financial constraint theory proposed by Stiglitz inherited and developed McKinnon's financial development theory, mainly by adjusting the degree of government intervention, so that financial repression can promote the positive economy to a certain extent of development.

The research of Grilli & Milesi [4] shows that proper control of capital by the governments of developing countries can promote economic development and deepen the financial level, which is in line with the Stiglitz effect. Lu Bingyang and Mao Jie [5] also proposed that the increase in government investment will slow down the development of financial repression. Wang Xiaohua, Wen Tao, and Wang Dingxiang [6] found that financial repression is particularly obvious in rural China, and it is negatively correlated with rural residents' income. Chen Zhiguo et al. [7] found through empirical research that financial repression has a significant negative impact on farmers' consumption expenditures, net income, and operating income, and financial repression is significantly correlated with farmers' demographic characteristics, income levels, and activity expenditures. He Zhixiong and Qu Ruxiao [8] believe that the supply of agricultural finance should be increased.

Financial repression and the development of financial markets. Scholars at home and abroad generally recognize the interrelationship between the two and have established multiple models to measure the level of financial repression in countries and regions. Ma Chunxiao [9] put forward a series of suggestions for accelerating the process of rural finance Internetization in response to the problems of supply and demand suppression in my country's rural finance. Song Bo [10] found that rural financial restraint led to the lack of sufficient capital reserves for rural economic development, resulting in insufficient economic development momentum. Zhou Qingni [11] concluded through empirical research that a reduction in the degree of financial repression will improve resource allocation and can keep more resources in rural areas where resource allocation is more needed. Although it is less efficient, it may widen the income gap in rural areas. However, it can meet farmers' living and production needs, increase farmers' income, and narrow the urban-rural income gap.

III. Empirical analysis

3.1 Research design

This paper chooses to use the fsQCA method to test how the seven explanatory factors of rural output, labor input, agricultural fixed asset investment, agricultural land, rural residents' per capita disposable income, rural household Engel coefficient and Gini coefficient interact and contribute to rural finance. The level of inhibition has an impact. The QCA method is mainly based on Boolean logic and analytic geometry to complete and analyze sufficient judgments of examples, and then find the "joint effect" of several influencing factors "coordination" of special socio-economic phenomena. In terms of actual technical indicator analysis methods, there are three main reasons for choosing fsQCA: ① Different from traditional multiple regression methods, fsQCA is not only important for finding the "net utility" of a single factor, but also can find the middle of various factors. The correlation between configuration software and mutual conversion; ② Although some other methods can also detect the correlation between configurations, such as cluster analysis and factor analysis, there are limitations. The interdependence of the configuration software, the equivalent circuit of the configuration software and its causality are asymmetrical, and it is impossible to identify them correctly and reasonably; ③ fsQCA has more advantages than other types of QCA analysis techniques. Since most of the causal influencing factors in this article are continuous variables, the application of fsQCA can more clearly discover changes in conclusions caused by changes in different levels or advanced standards.

3.2 Selection and processing of influencing factors and data sources

3.2.1 Variable selection

Outcome variable Y: Rural financial repression level LFR (represented by LFR): Due to the importance of the "three rural" issues, China gives special support to agricultural credit, so financial institutions also list agricultural loans separately for statistics. In cross-country comparisons, many foreign countries do not make separate statistics on agricultural loans, so it is difficult to use relevant data on agricultural loan balances to measure rural financial restraint. In cross-country comparisons, we refer to the practice of Mosley (1999) and use the ratio of credit balance to GDP as the operational variable of rural financial repression. The higher the value, the lower the level of financial repression.

Influencing factor X1: Rural output AGDP: This article selects the primary industry's gross output value—agricultural GDP to measure the output status in rural areas, which is calculated by the agricultural value-added (accounting for GDP %)*national GDP

Influencing factor X2: Rural labor REP: The number of agricultural employees (% of total employment) is used to express.

Influencing factor X3: fixed asset investment in agriculture RFAI: the proportion of agricultural investment in the national economy.

Influencing factor X4: Sown area of crops AL: Use agricultural land (% of land area) to express.

Influencing factor X5: Per capita disposable income of rural residents in China RPCNI: Income received by rural households after two distributions. Calculation method: Disposable income of rural households = total income of rural households-household operating expenses-taxes and fees-depreciation of productive fixed assets-property expenditures-transfer expenditures-survey subsidies.

Influencing factor X6: Engel coefficient of rural households REC: refers to the proportion of the total household expenditure on food in the total personal consumption expenditure. If a family has a small income, the expenditure on food purchases in the household income will account for more a large proportion, and this proportion will decline with increasing income. From a national perspective, the national Engel coefficient will also show a downward trend with economic development. The Engel coefficient is often used internationally to measure the living standards of people in a country and region. According to the standards proposed by the Food and Agriculture Organization of the United Nations, an Engel coefficient above 59% means poverty, 50-59% means food and clothing, 40-50% means well-off, 30-40% means rich, and below 30% means the richest.

Influencing factor X7: Gini coefficient GC: Gini coefficient is often used to measure the income gap of residents in a country or region. The Gini coefficient ranges from "0" to "1". International practice regards 0.2 or less as a high average income, 0.2-0.3 as a relatively average income; 0.3-0.4 as a relatively reasonable income; 0.4-0.59 as a large income gap. When the Gini coefficient reaches 0.6 or more, it means income the gap is very wide.

3.2.2 Data sources

Based on the availability of data, this article is based on data related to China's rural financial repression and agricultural output from 2006 to 2017. The data used in China's agricultural production value, rural credit balance, agricultural employees, per capita disposable income of Chinese rural residents, agricultural fixed asset investment, rural household Engel coefficient and Gini coefficient are all from the Wind database, while relevant foreign data are from the Wind database. EPS database and the World Bank, etc.

3.2.3 Measurement and calibration

In fsQCA, a set corresponds to a condition and result, and the so-called calibration refers to the process of assigning set membership scores to the influencing factors in the case. At present, there are three common calibration methods in academia: direct assignment, direct calibration and indirect calibration. According to the required data type, this paper adopts the direct calibration method to convert the data into fuzzy set membership scores. Because the direct calibration method is more accurate and official, it is most commonly used in the academic circles among the above three methods. Through the use of logic functions, the direct calibration method selects the following three qualitative anchor points: 1 (complete membership), 0.5 (intersection point) and 0 (complete non-membership) to calibrate the original data. Based on the existing research, this article sees that most relevant literatures are more inclined to regard 95%, 50%, and 5% as the thresholds of complete affiliation, intersection, and complete non-affiliation, respectively. Therefore, when calibrating in this article, the above three anchor points are also selected for calibration.

3.3 QCA research results analysis

3.3.1 Necessary condition analysis

The necessary condition analysis is to explore the extent to which the configuration result set constitutes a subset of the condition set, that is, whether it is a necessary condition for the occurrence of economic phenomena. From the perspective of set theory, if the single factor is a subset of the set of necessary conditions for the result, then the factor

is the necessary condition for the result to occur. To measure whether a factor is a necessary condition for the result, generally choose to look at its consistency. Academia generally believes that only when the agreement is greater than 0.9 can it be explained that the factor is an indispensable condition that can lead to the result.

Import the calibrated membership score of the fuzzy set into the qualitative comparative analysis software to construct a truth table to detect consistency and coverage. The results are shown in the following Table 1:

Table1: An analysis of the necessary conditions for the level of rural finance repression

Antecedent conditions	Rural financial repression level LFR	
	Consistency	Coverage
AGDP	0.449400	0.461268
REP	0.799314	0.861368
RFAI	0.802745	0.843243
AL	0.674099	0.660504
RPCNI	0.444254	0.482309
REC	0.847341	0.853195
GC	0.857633	0.868056

The results show that only the consistency score of RPCNI is greater than 0.9, which meets the consistency requirements, indicating that this variable is a necessary condition for the growth of financial repression, and there is no necessary condition among them. However, considering that a result will not be caused by a variable, it is necessary to combine these conditional factors and analyze them to find the configuration condition combination that affects the level of financial repression.

3.3.2 Configuration condition combination analysis

Due to the lack of a single factor as a necessary condition for the result, it is necessary to analyze the combination of factors that lead to the sufficient condition of the result. Import the constructed truth table into the software and analyze the selection criteria. Since this article studies the occurrence of a condition that has an impact on the result, choose to present before reaching the “solution”. fsQCA will output three kinds of solutions: complex solution, intermediate solution and concise solution. Each of the three solutions reflects which combinations of counterfactual conditions exist in each. The complex solution excludes all counterfactual combinations, while the condensed solution contains a large number of counterfactual combinations, and the intermediate solution lies between the two. Scholars who adopt the QCA method in academia generally choose the intermediate solution because it has high utility value, is most similar to the real situation, is relatively concise, and is more understandable.

The key of QCA is to analyze the sufficiency of the conditional configuration, mainly analyzing the sufficiency of the configuration formed by multiple factors to the result. It is based on truth table analysis and also uses consistency to measure its adequacy. According to existing studies, the consistency level of the determination adequacy should not be less than 0.75. In determining the frequency threshold, it needs to be determined according to the sample size. For small and medium samples, the frequency threshold is 1; if it is a large sample, the frequency threshold should be greater than 1. Specifically for this article, the standard of consistency level is 0.75, which has been recognized. Because the sample size in this article is small, the frequency threshold is 1.

This article focuses on the analysis of intermediate solutions. By building the following model:

Table 2: All solutions to the level of rural financial repression

Condition combination		Original coverage	Unique coverage	consistency
Complex	~ AGDPfs * REPfs * RFAIfs* ~ ALfs	0.571184	0.571184	0.84949

solution	*~ RPCNIfs * RECfs * GCfs			
	Result coverage		0.571184	
	Consistency of results		0.84949	
Concise solution	RFAI	0.802745	0.0548885	0.843243
	REC	0.847341	0.0994854	0.853195
	Result coverage		0.90223	
	Consistency of results		0.84949	
Intermediate solution	REPfs * RFAIfs * RECfs * GCfs	0.730703	0.730703	0.874743
	Result coverage		0.730703	
	Consistency of results		0.874743	

It can be seen from the Table 2 that there is only one combination of conditions that can promote the growth of agricultural GDP in the intermediate solution. The results are as follows:

Combination One (REPfs * RFAIfs * RECfs * GCfs): Engel Coefficient of Rural Households*Fixed Asset Investment in Agriculture * Agricultural Employment * Gini Coefficient

Due to the small sample size, the consistency is 0.874743, which is greater than 0.75, indicating that the condition combination meets the basic requirements of the sufficiency of the results, and has certain persuasiveness. The total coverage rate reached 0.730703, indicating that this combination of conditions can explain 73.0703% of the economic phenomenon.

3.3.3 Factor inductive combination

Different factors are summarized and combined: This article divides all factors into core conditions and auxiliary conditions, which makes it easier to analyze causal conditions. Academia generally refers to the factors that appear in both the intermediate solution and the reduced solution as the core condition; the factors that only exist in the intermediate solution and are replaceable are called auxiliary conditions. The two solutions are comprehensively analyzed, and the core conditions and auxiliary conditions that affect the level of financial repression are obtained, that is, the configuration of the antecedent conditions for the increase in the level of rural financial repression. As shown in the following Table 3:

Table 3 Configuration analysis of rural financial restraint level	
Antecedent conditions	solution
	1
AGDP	
REP	●
RFAI	●●
AL	
RPCNI	
REC	●●
GC	●
consistency	0.874743
Original coverage	0.730703
Unique coverage	0.730703
The consistency of the overall solution	0.874743
Overall solution coverage	0.730703

Annotations: ● =The core condition exists; ● =Auxiliary conditions exist; "Space" means that the condition can exist or be absent

There is a configuration condition in the table, the consistency of the overall solution is 0.87, and the coverage is 0.73. Both the configuration solution and the overall solution conform to the corresponding standard of 0.75. From this point of view, for the level of financial restraint in rural areas, agricultural fixed asset investment and the Engel coefficient of rural households have played a more effective role in promoting. Both indicators are actually a manifestation of the improvement of farmers' living standards. The change in Engel's coefficient indicates that farmers' pursuits have progressed from material needs to spiritual needs. Then the acceptance of new financial things will also increase, which will increase the loan ratio. The main reason is that farmers have changed their concept of money. Money can be used to make money instead of keeping it.

3.3.4 Robustness test

This paper uses the adjustment consistency level (the consistency level is increased from 0.8 to 0.83) for the robustness test, and with the help of the two standards for the robustness of the QCA results proposed by Schneider and Wagemann [12] (the state of the collective relationship of different configurations and the state of different configurations) The difference of the fitting parameters) to be judged. The configuration solution has not changed, and its consistency is also in line with the normal level, so the research conclusions of this paper are still stable.

3.4 Comparative analysis of empirical results

According to the results of QCA, the American configuration solution is obtained:

1. Agricultural GDP*Agricultural employment*Agricultural fixed asset investment * Gini coefficient * Per capita GDP
2. Agricultural GDP*Agricultural employment*Agricultural land * Gini coefficient * Per capita GDP

Agricultural employment is a common solution in the empirical results of China and the United States. Agricultural employment, agricultural investment in fixed assets, and the Gini coefficient are the common solutions in the configuration solutions of China and the United States. It can be seen that in the case of different economic systems, the factors affecting the level of financial restraint in rural areas are common. Agricultural employees can be used as a core variable. Employment status can reflect the level of economic development in rural areas. Relatively speaking, areas with high employment rates will have a higher degree of financial development. High employment drives the development of bank storage and loans, thereby promoting rural finance development of. It is worth pointing out that from the empirical results, it is concluded through comparison that the household Engel coefficient still has a large impact on China's financial repression, but it is not significant for the United States. It shows that within the time frame included in the data, part of the life of rural residents in China is still mainly to solve the problem of food and clothing. According to Maslow's demand theory, it is still at the lowest level of physiological needs, so the knowledge and understanding of money it is still on the surface. Farmers cannot understand that money makes money. There is only basic savings. As a result, rural finance is not taken seriously, financial assets are difficult to effectively use, and development is inhibited. At this point, there is the most fundamental gap between China and the United States. This is due to the impact of inequality in economic and social development. However, in recent years, poverty alleviation and prosperity have been the main theme of domestic policy advocacy, and rural financial development has also been supported by the government and the masses. Only by thoroughly solving the poverty and food and clothing problems in rural areas can this gap be gradually narrowed and even achieved China's overtaking.

IV. Conclusions and Recommendations

This paper uses the fsQCA method to study the total rural output, rural labor force, fixed asset investment in

agriculture, crop sown area, per capita disposable income of Chinese rural residents, and Engel coefficient of rural households using data from rural China and rural America from 2006 to 2017. The impact of seven influencing factors, including the Gini coefficient, on the level of rural financial suppression, and explore the "joint effect" among them, so as to obtain a series of factors that promote the improvement of rural financial suppression. The research results show that the Engel coefficient of rural households and fixed asset investment in agriculture are the key factors that promote changes in the level of rural financial restraint. When analyzing the necessity of a single condition, there is no single necessary condition factor, so it shows that one condition cannot significantly affect the level of rural financial suppression. However, when analyzing the "joint effect", no single factor can be a sufficient condition to affect the changes in the level of rural financial restraint. When analyzing the adequacy of the conditional configuration, it can be seen that the fixed asset investment in agriculture and the Engel coefficient of rural households appear in the three solutions. Therefore, it can be concluded that these two variables are the core elements and are the most important rural areas. Financial restraint factor.

Analyze the situation in China: In the only intermediate solution, the Engel coefficient and fixed asset investment are the core conditions, indicating that the two have a more profound impact on the level of financial repression. In addition, the labor factor and the Gini coefficient can also be derived from the intermediate solution. It will also promote changes in the level of financial repression. The Gini coefficient is used to describe the gap between the rich and the poor. The labor factor is mainly used to express the situation of agricultural employment. It can be seen that if the Gini coefficient approaches 1, and the number of people employed in agriculture increases, the development of rural finance will be slower or even grow anymore.

Analyze the two solutions in the United States: The analysis shows that agricultural employment is a common solution in the empirical results of China and the United States, which means that the human resource factor is the same basic element that affects the level of financial repression in both countries. In addition, agricultural GDP, Gini coefficient, and per capita GDP are other conditional elements in the configuration. From this, it can be concluded that in developed countries, financial development is directly related to income levels. Therefore, in the comparison, the following conclusions can be drawn about the influence of the level of financial repression:

One: The human resource factor is the basic element that affects the level of financial repression. The level of financial repression is positively correlated with the number of agricultural employees. The lower the number of agricultural workers (accounting for employment), the higher the level of mechanization in the country, and the more stable development of the region, the fewer migrant workers, and therefore the lower the level of financial restraint in the country. Even in the United States, which has a relatively high level of mechanization, its financial development will still be affected by human resource factors. We can find that employment is a core issue in financial development. Therefore, in order to significantly reduce the level of financial repression, we must first improve the level of mechanization and intelligence, that is, develop some high-tech, and promote the efficiency of production work through the improvement of technology. The proportion of the number of people employed in agriculture to the number of people employed can reduce the level of financial repression.

Two: Agricultural investment in fixed assets will significantly affect the development of finance. If farmers invest their funds in investment in fixed assets, it means that capital flows in the financial lending market more frequently, thereby driving the development of rural finance. Moreover, the level of financial repression is positively correlated with the proportion of savings in national GDP. The higher the proportion of farmers' savings, the higher the level of financial repression in the country. Therefore, we need to expand the scale of the financial market and expand the amount of loans so that farmers can obtain loans more flexibly, thereby driving the development of the financial market.

Three: On the whole, the United States, as a capitalist country, has a relatively low level of financial repression and is affected by the combination of multiple conditions. The reason may be that the current financial development in the United States has entered a mature period, and the improvement of financial standards has effectively promoted the

development of the US economy. Throughout the entire process of financial development in the United States, from financial restraining economic development to financial significantly promoting economic development, the experience and lessons of the United States are worthy of reference and learning from developing countries. My country is still in the stage of economic structural transformation, and agriculture is the foundation of the country and is closely related to financial development. Therefore, we need to reduce the level of financial repression while achieving financial deepening, and find a path that meets the socialist national conditions. Realize your own financial innovation. By summarizing the influencing factors and experience of the low level of financial repression in the United States, I put forward the following suggestions for reference:

1. Focus on the real economy and promote the development of rural finance. Before the war, the United States relied on the development of the real economy and manufacturing industry. Now the American economy has begun to deviate from the real economy. Although it performs well in rural finance, it is in view of China's large and abundant national conditions. The development of the real economy is the foundation of financial development. Therefore, the government needs to strengthen financial support for the construction of rural projects, and promote the intelligent and mechanized transformation of the traditional rural real economy, so as to promote financial deepening.

2. Strengthen rural education, especially financial. American farmers have a relatively high level of education. The broadening of their horizons and the growth of knowledge make them not only limited to traditional farming, but will learn about market trends, finance, law and other related knowledge through mastering modern technology. Therefore, the financial system in the United States Rural areas are also relatively complete. In developed countries, in addition to daily farming, farmers also choose financial products to manage wealth or expand production through financial loans. And from the empirical results, the level of education in rural areas will significantly affect the level of financial repression. In developing countries such as China, relatively backward financial awareness has formed farmers' endogenous demand mechanism, which determines farmers' preference for financial instruments with low financial risks, and even excludes financial products, which increases the degree of financial restraint in rural areas. The government needs to strengthen the scientific popularization of financial knowledge and increase publicity, but at the same time, it needs to be alert to the excessive use of financial means and transactions related to inside information.

3. Strengthen the construction of the rural credit system. The U.S. credit cooperation system originated from the demand for credit by the people of the agricultural society. Because there is endogenous demand, farmers will spontaneously carry out lending activities related to the credit system. The earlier development of the financial industry and the expansion of their own needs have made the U.S. credit system be perfected. As for China, land is still the foundation of farmers' survival, and the existing credit system cannot be separated from land. We should actively explore new financing models around land. First: Strengthen the construction of the credit investigation system, accelerate the reform of rural credit cooperatives, and explore new models of financial development; Second: Improve related technologies such as identifying lenders' credit records, and establish a credit protection system to ensure the safety of loan savings; Develop agricultural insurance and agricultural term deposits to diversify the risk of bank loans to farmers.

4. Improve the relevant legislative settings on agricultural deposits and loans. The legal systems of developed countries are generally more complicated, but they cover a wider range. The development of finance is inseparable from complete order and norms. For developing countries such as China, we should rely on Based on the experience of financial development in developed countries, we have established a sound financial market system and related laws and regulations to eliminate financial operations that violate laws and disciplines from the source, make the financial market more fair and just, and make the development of my country's financial industry burst into new vitality.

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