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Demand of Rural Public Goods in Western Ethnic Minority Areas

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Abstract In the context of Development of the West Regions and the construction of new countryside, on the basis of defining the concept of public goods, this article analyzes the status quo and layers of demand of rural public goods in western ethnic minority areas; the demand of rural public goods in ethnic minority areas shows "pyramid" structure, that is, the most basic layer is production-based rural public goods, followed by life-based rural public goods and democratic-management-based rural public goods. Finally the countermeasures for achieving effective demand of rural public goods are put forward as follows; adhere to customers (farmers)-oriented principle; innovate upon the rural residents' demand expression mechanism of public goods in ethnic minority areas; achieve diversification of supply subject of rural public goods in ethnic minority areas.

Key words Western ethnic minority areas, Rural public goods, Demand, Hierarchy, Participation

Since the implementation of strategy of Development of the West Regions in China, the economy and society in western ethnic minority areas have developed by leaps and bounds. In 2008, the net per capita income of farmers and herdsmen in ethnic minority areas was 3 389 yuan, an increase of 2.1% over 1999; there were 2.6 beds in hospital and health care stations per thousand people, an increase of 22% over 1999; there were 3.3 health technicians per thousand people, an increase of 1.04% over 1999; the coverage rate of radio and TV reached 91.3% and 93.6%, an increase of 11 percentage points and 9 percentage points, respectively^[1]. However, due to the historical factor, geographic factor and many other factors, the supply of rural public goods in western ethnic minority areas is generally inadequate, making some rural areas stuck in a long period of backwardness and underdevelopment, closed and semi-closed state. Some rural areas have even still been isolated from the outside, in the self-sufficient state of natural economy. Therefore, vigorously developing public goods, through pro-poor policies, is an urgent and arduous task in western ethnic minority areas. But a series of urgent problems that need to be urgently resolved arise in this process, for example, the ecological environment and national culture have been damaged to a certain extent; "image projects" and "performance projects" mushroom, and even there is "excess supply", while the rural public goods, urgently needed by western ethnic minority areas related to life and production, are neglected, or the supply of rural public goods is inadequate. This will trigger economic and social instability arising from the continuing shortage of rural public goods in western

ethnic minority areas. Therefore, based on the discussion of the status quo and sequence structure of demand of rural public goods in western ethnic minority areas, this article strives to meet needs of rural residents for their own survival and development in western ethnic minority areas to the extreme, to make the villagers in ethnic minority areas fully participate in decision-making mechanism of public goods, in order to facilitate the implementation of strategy of Development of the West Regions, achieve rural economic development and social stability in western ethnic minority areas.

1 Defining of the concept of public goods

1.1 Public goods Different scholars have different interpretations and definitions of public goods, but so far, most scholars still endorse and cite P. Samuelson's definition of public goods in his paper *The Pure Theory of Public Expenditure*. The pure public good is a good that is non-rival and non-excludable, that is, consumption of the good by one individual does not reduce availability of the good for consumption by others^[2]. He also distinguishes between pure private goods and pure public goods, and points out the three basic characteristics of the pure public goods-inalienability of utility, non-rivalry and non-excludability. Two points should be noted: first, the public goods can either be tangible (hard), such as roads and water conservancy, or be intangible (soft), such as technology promotion and public security; second, non-rivalry and non-excludability are the "necessary conditions" but not "sufficient conditions" of public goods, non-excludability and non-rivalry are variable, and with social development and technological progress, the original non-excludable and non-rivalry public goods may become excludable and rivalry quasi-public goods or non-public goods^[3].

1.2 Rural public goods in western ethnic minority areas

The rural public goods in western ethnic minority areas are the products and services that can meet the public needs of rural areas, agriculture and farmers, characterized by inalienability of utility, non-excludability and non-rivalry. However, in this ar-

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ticle, in addition to the pure public goods (village roads, ecological governance, culture, law and order, *etc.*), the rural public goods we discuss include the mixed public goods between the pure public goods and the pure private products (namely the quasi-public goods we often talk, such as education, health care, social security, vocational education), and the focus of the paper is this type of public goods.

2 The status quo and layers of demand of rural public goods in western ethnic minority areas

2.1 The rural demand for the public goods related to life and layer of demand in western ethnic minority areas The life-based rural public goods are what the farmers depend on for survival, and even the basis of rural poverty alleviation and maintaining social stability in ethnic minority areas. At present, the life-based rural demand of public goods in ethnic minority areas is mainly divided into the following categories: transportation, communications, water use, education, health care, social security, sports facilities, the problem of law and order, environmental protection, village planning, national culture and religious freedom. Investment in life-based rural public goods in western ethnic minority areas in 2010 can be seen in Table 1^[4]. These life-based rural public goods are hierarchical in terms of theory and practice. The first layer is transportation; the second layer is education; the third layer is health care, social security and social welfare; the fourth layer is national culture, sports and entertainment (Table 1). Certainly, there are also some differences in different villages of the ethnic minority areas, for example, we find, through survey in Guanling Buyi and Miao Autonomous County, lying in Anshun, Guizhou Province, that environmental protection is placed in the third layer.

Table 1 Investment in life-based rural public goods in western ethnic minority areas in 2010 10⁸ yuan

Region	Total investment	Transportation, postal service, storage	Education	Health care, social security and social welfare	Culture, sports and entertainment
Inner Mongolia	238.5	10.5	1.4	0.1	0.5
Guangxi	674.3	82.5	3.5	2.5	5.3
Guizhou	495.6	29.2	2.0	1.9	2.4
Yunnan	476.1	44.0	12.7	4.1	1.3
Tibet	57.7	5.1	0.4	0.3	0.2
Qinghai	176.9	19.7	1.2	0.8	0.9
Ningxia	151.4	36.9	0.6	2.0	0.3
Xinjiang	358.1	46.7	3.2	2.7	1.1

Data source: *China Rural Statistical Yearbook in 2011*.

From Table 1, we can see that although the governments in ethnic minority areas invest most in rural transportation but little in layers of national culture, sports and entertainment, the farmers in ethnic minority areas still have strong needs for the most basic life-based public goods, not that the masses have

higher demand in our imagination.

2.2 The rural demand for the public goods related to production and layer of demand in western ethnic minority areas At present, the demand of people in western ethnic minority areas for production-based public goods in rural areas, is mostly reflected in the irrigation and water conservancy facilities, agricultural machinery, agricultural technology guidance and promotion, but these needs are hierarchical to a certain extent: the first layer is the irrigation and water conservancy facilities; the second is agricultural technology guidance and promotion; the third is agricultural machinery, as shown in Fig. 1. Especially in the context of frequent emergencies of various natural disasters in recent years, the countryside in ethnic minority areas has strong demand for the public goods at the first layer such as the irrigation and water conservancy facilities, because it is related to the issues concerning their survival rights. From Fig. 1, we can find that the government invests little in the public goods needed urgently by farmers in ethnic minority areas; under increasingly severe circumstance of issues concerning agriculture, countryside and farmers, the majority of rural residents living together in ethnic minority areas can still only be self-sufficient, dressing warmly and eating one's fill, but other non-minority people can become rich depending on agriculture. Therefore, in the survey, we find that they have strong needs for guidance and promotion of agricultural technology, and for the production equipments, Fig. 1 apparently shows there is great investment in the production equipments, but many of them are not what the masses want, because influenced by terrain, most villages in western ethnic minority areas must plant using the traditional way, for example, in many ethnic villages in Guizhou, the land is almost all slopes above 20 degrees, making the modern machinery fail to be used.

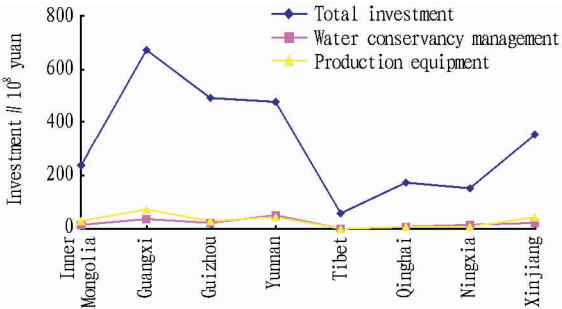


Fig. 1 Investment in production-based rural public goods in western ethnic minority areas in 2010 (10⁸ yuan)

2.3 The rural demand for democratic-management-based rural public goods in western ethnic minority areas In villages of ethnic minority areas, the effective supply of democratic-management-based public goods is of great significance to promoting economic development in ethnic minority areas, the national cultural continuity, as well as communication between the different ethnic groups, and especially the harmony and stability in ethnic minority areas. From the summer of 2010 to August in 2011, we visited the villages successively in ethnic minority areas where significant social emergencies occurred in recent two years. Through visit and interview, we find that the demand of villages in ethnic minority areas for democratic-management-

based public goods is mostly reflected in village affairs transparency, self-government by villagers and democratic participation. And it is hierarchical to a certain extent, that is the first layer is village affairs transparency, the second layer is democratic participation, and the third layer is self-government by villagers, because the villagers in ethnic minority areas believe that China's national policy is good, and policies on ethnic affairs are implemented in different ethnic minorities, whether it is in the villages of concentrated areas of nationality, or in villages and communities mixed together. However, there are poverty relief funds for the poor and backward ethnic villages, but the effect of poverty relief funds is invisible, therefore, the demand for making village affairs open and transparent is very strong. Their demand for democratic participation is to seek their own benefits (meet their own demand for public goods). The demand for self-government by villagers is ranked in the third layer, because they think that their own villages and regions all can meet their demand for national language, character, customs and religion, but in the places mixed together, their demand for self-government by villagers comes in the second place.

2.4 Differences in demand of different villages in western ethnic minority areas for public goods In the above paragraphs, we have analyzed the demand of villages in western ethnic minority areas for life-based, production-based and democratic-management-based public goods. These analyses are only at macro-level, and there are some differences in the demand of different rural areas for public goods, specifically in terms of different ethnic minority areas. In the light of our survey in regions of Guizhou, Yunnan and Xinjiang, people's first-layer demand for life-based, production-based, and democratic-management-based public goods, in ethnic villages characterized by "large mixed communities, small concentrated settlements" in Guizhou and Yunnan, is reflected in transportation, guidance and promotion of agricultural technology, and self-government by villagers, respectively. In the Xinjiang Uygur Autonomous Region and Guangxi Zhuang Autonomous Region, the rural residents' first-layer demand for life-based, production-based, and democratic-management-based public goods is reflected in transportation, national culture, irrigation and water conservancy facilities, and village affairs transparency.

Although we have carried out the internal hierarchy arrangement of different types of rural demand of public goods in ethnic minority areas, the arrangement of external sequence structure is still important, because the government or organizations at all levels, generally meet the rural demand for public goods in terms of the external structure. Therefore, it is also necessary to arrange the external sequence structure in this paper. On the basis of giving full consideration to the common and individual needs of villagers in concentrated areas of nationality, we arrange the external sequence, as shown in Fig. 2. Fig. 2 indicates that the demand of rural public goods in ethnic minority areas presents pyramid-style structure. The most basic layer is production-based rural public goods followed by life-based rural public goods, and finally the democratic-management-based rural public goods.

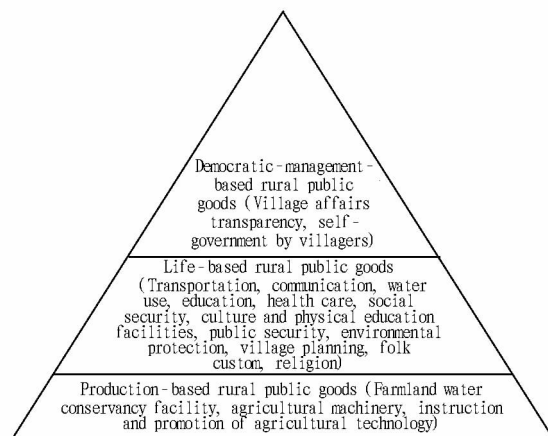


Fig. 2 Layers of demand of rural public goods in western ethnic minority areas

3 Countermeasures for achieving effective demand of rural public goods in western ethnic minority areas

3.1 Adhere to customers (farmers)-oriented principle

Since the past five years of building new socialist countryside, outwardly and essentially, the villages in ethnic minority areas have been improved wonderfully, but in this process, there is also a series of issues incompatible and even conflicting with demand of rural residents in ethnic minority areas. For example, the supply of production and life-based rural public goods, urgently needed by rural residents in ethnic minority areas, such as water conservancy, roads, social security and education, is insufficient, or the road of "image projects" is taken, but the supply of rural public goods that the masses do not urgently need or do not want in ethnic minority areas, such as (cultural library), is surplus. Therefore, in the next decade of "Development of the West Regions" and five years of the Twelfth Five-Year Plan, we must adhere to taking the demand of customers (farmers) as orientation to provide rural public goods, to meet effective demand of rural residents in ethnic minority areas for public goods.

Specifically, we should provide directed rural public goods, based on the characteristics and the status quo of different villages in ethnic minority areas, different needs and demand sequences of farmers. Since the minority people in China are both distributed in the autonomous regions and distributed in multi-ethnic mixed regions, it shows the characteristics of "large mixed communities, small concentrated settlements" in general. In addition, there are also great differences within ethnic villages, for example, due to mixed living of many nationalities, many habits of the Miao people, who are scattered in Village A, Baijin Town, Huishui County, Guizhou Province, are influenced greatly by the Han national culture, therefore, they have not strong demand for the national culture and custom, but have intense demand for the production-based rural public goods. As for the rural residents in Lijiang scenic spot of Yunnan Province and even most of the western national scenic spots, they already have good economic foundation as well as specific geographic resources, which determines that the rural public goods urgently needed by these residents are national

culture that should be protected and developed, not the production-based rural public goods. Even in some economically developed villages in ethnic minority areas, the residents have strong demand for democratic-management-based public goods. Therefore, in the process of the construction of new socialist countryside, we must take into account the differences in demand of the minority people for rural public goods in different rural areas, and meet effective demand of rural residents for rural public goods in ethnic minority areas, in accordance with principle of demand determining supply.

3.2 Innovate upon the rural residents' demand expression mechanism of public goods in ethnic minority areas

In the analysis of the status and hierarchy of the demand of rural public goods in ethnic minority areas, we find that not only the villagers' demand for the same kind of rural public goods in ethnic minority areas is hierarchical to a certain extent, but also the villagers' demand for different kinds of rural public goods in ethnic minority areas is also hierarchical to a certain extent, which requires the government and relevant departments to innovate upon the rural residents' demand expression mechanism of public goods in ethnic minority areas when providing rural public goods, and at the same time, and give play to the role of the masses in decision-making mechanism of public goods.

When providing public goods for villages in ethnic minority areas formerly, it generally goes in accordance with the "top-to-down" decision-making mode, and adopts the method of imposing uniformity in all cases. Even if there is expression mechanism, it is the expression by village cadres for the masses, but this expression of interests often ends by the performance. Now, with the advance of Development of the West Regions and the construction of new countryside, the rural public goods cannot be provided in accordance with traditional customary way, and we should establish a new demand expression and decision-making participation mechanism of rural public goods, namely demand (interests) expression of the masses in ethnic villages-democratic discussion of village meeting-tripartite decision-making of representatives of the masses, the village cadres and government departments-common supervision of the government, the village cadres and the masses. Such expression and decision-making mechanism of rural demand of public goods can fully achieve self-government by villagers in ethnic minority areas, and makes the initiative of rural demand of public goods mastered by the villagers, which thus not only addresses the predicament of insufficient demand (disorder) and excess supply (arbitrariness) arising from providing rural public goods by virtue of government preferences alone in the past, but also achieves minimization of supply costs and maximization of demand will of rural public goods in ethnic minority areas, so as to promote rapid and healthy rural economic development in ethnic minority areas, and maintain the stability of the western frontier.

3.3 Achieve diversification of supply subject of rural public goods in ethnic minority areas For the ethnic villages either in the western autonomous regions or multi-ethnic regions,

most of them are located in remote mountainous and pastoral areas, where the topography and natural environment are inclement, and the villagers live scatteredly, so that some ethnic villages still have no electricity and roads, and the villagers have to trek arduously to go to street every time. For one of the supply subjects of rural public goods-the government, limited human and financial resources hamper the effective demand of these areas for the public goods, making it difficult to achieve the goal of equalization in rural public goods, and achieve harmonious development in ethnic minority areas, therefore, in the context of Development of the West Regions, the construction of new countryside and the Twelfth Five-Year Plan, we must seize this opportunity to expand the supply subject of rural public goods in ethnic minority areas, and achieve diversification of the supply subject. That's to say, we must overcome the pattern of long promoting rural public goods merely by relying on the government, and establish the supply pattern of rural public goods in ethnic minority areas integrating the government (the central government, the local government), rural communities, civil organizations and enterprises (individuals).

First, in this "four-in-one" supply pattern, the government is still the main body of the body, and at the core in supply of production-based, life-based and democratic-management-based rural public goods. In particular, the central government must bear the supply of some rural public goods, such as national culture, religion, national education, stability in border areas, and environmental protection, because it relates to social harmony and national stability in China. Second, the rural communities in ethnic minority areas should adopt the ways of the village-level finance or fund-raising to provide the supply or maintenance of some most basic rural public goods, such as the mutual guarding of rural public order, irrigation and other infrastructure. Third, due to non-profit, voluntary and non-governmental characteristics, the civil organizations can raise considerable poverty relief funds. In addition, they possess some professional techniques and skills, thus they are widely distributed in villages of ethnic minority areas, which can not only provide free much-needed public goods for people in ethnic villages, such as water cellars, drains and even schools, but also help farmers to carry out scientific livelihoods service. Finally, since the villages in ethnic minority areas boast abundant natural resources and tourism resources, introducing different types of enterprises to these areas, can not only increase local people's income indirectly, but also improve the basic rural public goods in ethnic minority areas.

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