

STRATEGIC GUIDELINES OF RESOURCE POLICY  
IN AGRICULTURAL SECTOR OF THE PRC

ҚХР АГРАРЛЫҚ СЕКТОРЫНДАҒЫ РЕСУРСТЫҚ САЯСАТТЫҢ  
СТРАТЕГИЯЛЫҚ БАҒДАРЛАРЫ

СТРАТЕГИЧЕСКИЕ ОРИЕНТИРЫ РЕСУРСНОЙ ПОЛИТИКИ  
В АГРАРНОМ СЕКТОРЕ КНР

**MA MIN GUAN\***

*Ph.D student*

**N. DABYLTAJEVA**

*C.E.Sc.*

*Al-Farabi Kazakh National University, Almaty, Kazakhstan*

*\*corresponding author e-mail: maminyuang@gmail.com*

**МА МИНЬ ЮАНЬ\***

*Ph.D докторанты*

**Н. ДАБЫЛТАЕВА**

*Э.Ф.К.*

*Әл-Фараби атындағы Қазақ ұлттық университеті, Алматы, Қазақстан*

*\*автордың электрондық поштасы: maminyuang@gmail.com*

**МА МИНЬ ЮАНЬ\***

*докторант Ph.D*

**Н. ДАБЫЛТАЕВА**

*К.Э.Н.*

*Казахский национальный университет им. Аль-Фараби, Алматы, Казахстан*

*\*электронная почта автора: maminyuang@gmail.com*

**Abstract.** *The goal* is to study the guidelines in implementation of the resource policy of the PRC and its features. *Research methods* – analytical, which allows to reveal the problems of agriculture; comparative analysis of sectoral structure of agricultural sector with a characteristic predominance of crop production industry: areas of agricultural land located on a large territory, arable land, use of land resources; based on the cause-and-effect method, animal productivity, crop yields are shown. *The originality/value of the study* – two concepts: the Silk Road Economic Belt and the XXI Century Maritime Silk Road, called the "One Belt and One Road" initiative, which are acquiring special significance in development and prospects of Eurasia. This transcontinental long-term policy and investment program, which is proclaimed in China as the "project of the century", covers many countries and is aimed at building trade relations between China, Russia, the states of Central Asia, Europe and the coastal states of the Indo-Pacific region. *Results* – the authors state that the solution of economic objectives of Kazakhstan and, in particular, agro-industrial complex is also very important as solution of similar problems in the PRC. Increasing the efficiency of agricultural production, creating a reserve of food security and necessary conditions for products sales are problematic topics for both sides. *Conclusions* – the deepening of Chinese-Kazakhstani bilateral cooperation in the field of AIC is growing rapidly and is becoming one of the key factors in interstate economic cooperation, contributing to the inflow of investments from China and diversification of the economy.

**Аңдатпа.** *Мақсаты* – ҚХР ресурстық саясатын жүргізудегі нұсқауларды және оның ерекшеліктерін зерттеу. *Зерттеу әдістері* – ауыл шаруашылығы проблемаларын ашуға мүмкіндік беретін талдамалық; өсімдік шаруашылығы саласына тән басымдықпен аграрлық сектордың салалық құрылымын салыстырмалы талдау: едәуір аумақта орналасқан ауыл шаруашылығы алқаптарының алаңдары, егістік жерлер, жер ресурстарын пайдалану; себеп-салдарлық әдіс негізінде жануарлардың өнімділігі, ауыл шаруашылығы дақылдарының өнімділігі көрсетілген. *Зерттеудің бірегейлігі/құндылығы* – екі тұжырымдамаға: «Бір белдеу және бір жол» бастамасы деп аталатын жібек жолының экономикалық белдеуі және XXI ғасырдағы теңіз Жібек жолы, Еуразияның дамуы мен перспективаларында ерекше



the exploration and development of new territories (environmental security).

**Material and methods of research.** The primary and basic sector of the economy, the fundamental basis for the existence of the country and society is agriculture. And this is not only because food is produced here, but also conditions are created for the life and work of a person.

In the economic literature the study of problems of agrarian policy and its priorities, resource policy guidelines is presented widely enough. This problem is especially urgent for the countries, each of which to a greater or lesser degree faced the issues of resource policy implementation.

Buzdalov I.N. noted that "the developed countries of the modern world in their agrarian and general economic policy proceed from the recognition of the basic importance of agriculture in the economy, creating all the necessary conditions for the sustainable functioning of the industry, the social well-being of the peasant class". He emphasized that "the situation in the countryside and, as a result, in the overall socio-economic development of the state will be diametrically opposed in countries where agriculture is not among the priority sectors" [1,2].

Some authors note that China's special attention to Kazakhstan is associated with the fact that among the countries of Central Asia Kazakhstan is the main partner of both the European Union and China. The authors believe that Kazakhstan should continue to develop bilateral cooperation in its favor, since the influence of these two powers is different in nature [3].

Having studied the more than one hundred economic programs developed within the SCO in the areas of transport, energy, environmental protection, agricultural production and cross-border cooperation, some aspects of the process of political and economic cooperation between member states within the Shanghai Cooperation Organization are examined, it is noted that the gradual stabilization of the region, the desire of member states for economic development and the expansion of membership have significantly increased the potential of economic and The Shanghai Cooperation Organization is a platform for promoting regional economic cooperation by further promoting economic and trade agreements.

**Results and their discussion.** The vital components of any economy are the production and trade of agricultural products, because this, in turn, affects the provision of food, food security, employment, social stability, the development of new territories and

the environmental security of the state as a whole [4].

Due to the ongoing agricultural reform, the continuous emergence of new technologies, agriculture in China is developing steadily. China is the largest producer of many types of agricultural products (grain, meat), aquatic products, vegetables and fruits. One of the most important sectors of the economy is agriculture, with its help the population is provided with food, and the country shows its independence and level of development.

In the next 10 years, China will speed up the transformation and renovation of the agricultural industry, the level of modernization of agriculture will gradually increase and the focus of agricultural development in China will shift from increasing production to improving quality [5].

The production and supply of environmentally friendly, high-quality and safe products will increase significantly, the country will continue to gradually reduce the area under crops by optimizing the volume of grain crops. At the same time, increasing yields per unit area will contribute to a steady increase in rice and wheat production with an average annual growth rate of less than 1% over the next 10 years [1k.5].

China's population growth will lead to a further increase in food consumption. Total domestic consumption of rice and wheat is expected to increase by 2.4% and 11.8%, respectively, over the next 10 years. Total domestic consumption of corn and soybeans is expected to increase by 18.7% and 14.5%, respectively.

China's agricultural sector will become even more open to the outside world. One of Kazakhstan's key partners among the Silk Road Economic Belt states is China. Initiation of two concepts - the Silk Road Economic Belt and the 21st century Maritime Silk Road, called the "Belt and Road" initiative, is of great importance for the development of Eurasia. This initiative, proclaimed in China as the "project of the century", covers about 78 countries and aims to build trade routes between China, Russia, Central Asian countries, Europe and coastal Indo-Pacific countries - using roads, railroads, oil pipelines, electricity networks, ports and other infrastructure projects. Within the framework of this initiative, the development of trade relations with both Africa and Latin America is of no small importance for China [6].

One of the countries in the world with the largest production of wheat, corn, cotton, soybeans, tea, tobacco, silkworm cocoons, etc. is China. More than 70% of the value of gross agricultural output is crop production [7].

350 million hectares or more than 1/3 of China's territory is agricultural land, 135 million hectares (14%) of the land fund are arable land. And if we take into account that some areas can harvest two or three crops a year, then it can be assumed that China's sown area far exceeds the area of arable land and is estimated at 150-170 million hectares, and their main territorial affiliation is in the east of the country [Ik.7].

The yield of rice and millet crops in China is over 1/3 of the world volume. Production in China accounts for 1/4 of the world's meat production, with 1/10 of the cattle and over 2/5 of the pigs concentrated in the country [Ik.7].

The main part of the country's food supply is grain farming. The traditionally cultivated crop is rice, the harvest of which is about 200 million tons. In the Yangji area, wheat and barley are also cultivated along with rice; in the north of the country, wheat, corn and one of the subspecies of millet, kaoliang, are more often sown [Ik.7].

The main cultivated industrial crops are cotton and jute. Important crops for sugar production are sugarcane, for oil production - soybeans and peanuts. At the same time, soybeans are produced in volumes of over 15 million tons per year. Also, the second (700 thousand tons) place in the world after India is occupied by the production of tea. An important part of the food is vegetable growing. More than a hundred different types of vegetable crops are grown in the country [Ik.7].

According to the State Statistical Office of the PRC, agriculture in the country has grown rapidly over the past 70 years, with grain production increasing 4.8 times. Since 1949, China's grain production has grown at an average annual rate of 2.6% to 658 million tons in 2018, this amount is enough to feed about 20% of the world's population while using less than 9% of the world's arable land [8].

China has increased the diversity of its food supply by developing aquaculture. Aquaculture production has ranked first in the world since 1989, amounting to 64.6 million tons in 2018. The structure of the agricultural industry has been continuously optimized, with a modern model that promotes the comprehensive development of agriculture, forestry, livestock and fisheries has replaced the traditional model of agriculture. Progress in rural land turnover has expanded the scope of agriculture [9]. In 2018, more than 35 million hectares of arable land were circulated under family contracting.

New types of agricultural production and service entities have also emerged in the country. As of the end of 2018, there were

600,0 registered family farms and 2.17 million agricultural cooperatives.

The PRC has maintained grain production above 650 million tons in 2021 to ensure its food security, the country intends to keep the total cultivated area of agricultural land stable and actively seeks to increase yields.

JSC "Astykh Trans" jointly with JSC "NC "Kazakhstan Temir Zholy" in 2021 launched a pilot project of integrated transportation of grain cargo to China by loading grain carriers and subsequent transshipment into containers at Altynkol station, located on the border with China. Grain from 19 grain carriers arriving from Kostanay station was transshipped into containers and sent to Xi'an station (PRC), in compliance with all sanitary norms.

China is an attractive market for Kazakh agricultural producers because of its proximity and high demand. In 2020, when quarantine measures and measures have made significant adjustments to logistics and trade relations around the world, Kazakhstan's trade turnover with China amounted to more than \$15 billion.

In 2020, exports of wheat amounted to 244 thousand tons, barley -196 thousand tons, sunflower seeds -115 thousand tons, oilseeds - 49 thousand tons, wheat flour -18 thousand tons.

There is an increase in demand for Kazakh grain from the PRC, but to date he cannot be satisfied in full due to logistical problems, and with the strengthening of quarantine measures, including the need to reduce human involvement in all stages of delivery of agricultural products to consumers. Infrastructural restrictions came into force, expressed in a ban on the delivery of agricultural goods in boxcars.

Since last November, about 12 thousand wagons were refused to receive cargo in boxcars and were not allowed to cross the border. Along with them, grain hoppers were waiting for unloading due to the low unloading front in China, the turnaround time of grain wagons in the direction of China increased. JSC "Astykh Trans" decided to provide comprehensive transportation, to maintain a stable market for the sale of grain of the new harvest. The use of this type of transportation has more potential for Kazakhstani agricultural producers - exporters of agricultural products.

The uniqueness of the complex scheme is in using of grain carriages on the territory of Kazakhstan for transportation of grain with the following transshipment in containers at the points where it is necessary. Container cargo flow is easy to handle due to modularity of containers and standardization of their sizes and tonnage, which makes it possible to introduce full automation of cargo flow processing,

which also reduces the use of human resources in the process with observance of sanitary and epidemiological norms. One should also take into consideration that container transportation is justified in case of transportation of high-quality grain crops, i.e. oil crops and ecologically pure crops. It is possible to choose an appropriate container for any cargo and arrange its delivery "from door to door".

This noticeably increases speed of cargo movement and leads to cheaper delivery. Introduction of the new container transportation service will positively influence the development of infrastructure of Kazakhstan. Traditionally, elevators have not been designed for loading of grain cargoes into containers, most of them are designed for loading into grain-carrying wagons, few private elevators in the country have possibility of container loading. JSC "Astyk Trans" takes this into account: providing a comprehensive container transportation service, offers owners of elevators and traders a service solution that allows the use of existing infrastructure without the need for additional financial cost to re-equip elevators.

By developing such schemes, JSC "Astyk Trans" enables elevators, without significant investment in re-equipment, to initially load grain into grain-carriers, and then transship grain into containers at those logistic points where it is economically justified. Since it is more expedient to transship grain into containers at several points of border crossing than to equip all elevators and grain-receiving stations of Kazakhstan, of which there are more than 110 units in the vast territory, to deliver cargo to the border to make it in hoppers-grain carriers.

In the future, the pilot project of complex transportation of JSC "Astyk Trans", having proven its effectiveness and economic benefit, will give impetus not only to the development of logistics infrastructure of the country, but also in the implementation of the resource policy of the agricultural sector, will significantly expand rural producers' access to world markets, reduce costs and risks.

The rate of China's economic growth in 2021 was the highest for the past 10 years, amounting to 8.1%. China's services trade grew 16.1% year over year to about \$831.4 billion in 2021. Compared to 2019 levels, trade in services decreased by 2.2%, but exports increased by 30% and imports decreased by 20.4% [1k.9].

The first year of the PRC's new economic development strategy of resource policy has been more than successful, the country in November 2020 switched to a new strategy called "double circulation". It envisages reliance on domestic demand and innovation as the main driver, while the former drivers - export growth,

investment and cooperation in the foreign economic circuit - are assigned an auxiliary role.

China spends a lot of money on overcoming its technological dependence: from 2010 to 2020 R&D expenditure rose from 1.7 to 2.4% of GDP (up to \$580.9 billion). In terms of the share of R&D expenditure in GDP, China is still far behind Japan (\$188.9 billion - 3.5% of GDP), the US (\$656 billion - 3.06%) and South Korea (\$103.6 billion - 4.64% of GDP). By comparison, Russia spent 1.13 trillion rubles on R&D in 2019 (\$44.3 billion), or 1.03% of GDP. China plans to increase R&D spending by at least 7% per year, and by 2025 it should reach \$815 billion. Last year, China registered 68.7 thousand international patents, while the U.S. registered only 59.2 thousand.

By 2030, China plans to become the world leader in artificial intelligence (AI). To do this, it plans to increase investment in the industry to \$150 billion, and in related industries to \$1.5 trillion. China has already become the absolute leader in the use of 5G communications technology and, to date, 86% of the world's 5G users are Chinese.

For Chinese high-tech products, most Western markets, including Australia, New Zealand, are blocked. This slows down the implementation cycle, and negatively affects the retraining system. China has to develop technology only for domestic use, as is the case with the global social networking analogues.

In March of 2021 in Beijing there was a crucial event - the session of the National People's Congress, which resulted in the definition of China's development targets for 2021, the approval of the 14th Five-Year Plan (2021-2025) for National Economic and Social Development and long-term targets up to 2035. Thus, the country's leadership has demonstrated a vision of China's socio-economic development not only for the next five years, but also for the long-term perspective - as far as it seems possible in the current uncertain conditions of the world economy functioning against the background of both the pandemic and the related global recession.

It is largely because it is impossible to assess with a sufficient degree of accuracy the trends in the global economy during the ongoing pandemic and in the coming years after its end that the next five-year plan differs significantly from those adopted earlier. Thus, the list of planned indicators is limited to 20 parameters divided into 5 categories, with no planned values for a number of indicators. Nevertheless, it is possible to identify the main guidelines that China will adhere to in its development in the coming years.

Since China was the only major country in the world to avoid an economic recession

caused by the pandemic in 2020, the government set a GDP growth target of at least 6% in 2021.

Efforts to reduce poverty are largely related to ensuring sustainable access to staple foods. The issue of food security for China is important not only in terms of the need to provide the world's largest population with food, but also in terms of the volatility of global agricultural markets. Therefore, among the key parameters of

the country's economic development is to strengthen self-sufficiency in grain crops and achieve a production volume of at least 650 million tons by 2025 (table) [10].

Along with the five-year plan, the March session also approved the long-term guide-lines for socio-economic development of the country for the period up to 2035, they are related to the medium-term priorities specified in the 14th Five-Year Plan and further develop them.

Table - Planned indicators of the "Safety" category, 2020, 2025

Indicator	2020	2025	Annual/total	Achievement of the planned indicator
Food security - total production of crops	-	Atleast 650 million tons	-	necessarily
Energy security - total energy generation	-	Notlessthan 4.6 mmt	-	necessarily

Note: compiled by the authors on the basis of [1k.10].

**Conclusions**

1. The period of agrarian reforms allowed China to significantly increase the production of agricultural products, which in turn influenced the increase in the living standards of the population and brought the dignity to the fourth place in the world in terms of economic power.

2. Similar economic tasks, problematic issues in the agricultural sector, make the experience of solving China's problems extremely important for Kazakhstan. Increasing the efficiency of production, creating the necessary competitive conditions for the sale of products, creating a reserve of the country's food security are the main problems that unite Kazakhstan and China.

3. Further increase in efficiency in the agricultural sector is possible in the following areas: the influence of the state on the development of the agricultural sector; the use of new technologies in the production of agricultural products. These events will influence the results of the resource policy and change the situation around the agricultural sector of the two countries.

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