The coordination and supervision of county-level fiscal funds for poverty alleviation

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Abstract: It is necessary to realize the financial coordination of the fragmented poverty alleviation resources at the county level, In order to improve the effectiveness of poverty management. Thus, the author analyses the theoretical basis and the ways for finance to play a role in poverty alleviation, clarifies the necessity and challenge of poverty alleviation funds coordinated by county-level finance, and discusses the path to improve the county-level fiscal coordination system.

1 Introduction

Coordinating capacity is one of the key elements of poverty management, and the coordinating ability in poverty management mainly measures the level of integration of poverty alleviation resources by the government. Fiscal consolidation is the most critical component of overall planning capability system. According to the different levels of consolidation, fiscal consolidation can be divided into township consolidation, county consolidation, municipal consolidation, provincial consolidation and central consolidation[1]. It is generally believed that the higher the level of coordination is, the higher the efficiency and fairness of resource allocation will be. But the effective coordination of resources requires an accurate response to the real needs of society. From this point of view, the lower the level of the government is, the more comprehensive grasp of social demand information will be, and the higher level of the government is more likely to deviate from the real social demand due to information asymmetry. Thus it can be seen, it is not always true that the higher the level of coordination, the better the effect of resource allocation, so the government needs to find a balance between the level of coordination and the effective response to social needs.

2 The theoretical basis of the role of finance in poverty alleviation

According to the theory of "three functions of finance", in the effective connection between poverty alleviation and rural revitalization, the role of finance is reflected in the following three aspects.

In the first aspect, from the perspective of resource allocation, finance can promote the transfer of social resources to poor rural areas and poor population through the function of fiscal resource allocation, and provide public goods and services for poor rural areas and poor population. Finance realizes the role of poverty alleviation and rural revitalization through the following functions of resource allocation: First, finance can speed up the construction of roads, water conservancy, electricity, communications and other basic public infrastructure in poor rural areas; Second, finance can speed up the construction of basic public services such as education, culture, science and technology, and medical treatment in poor rural areas[2]; Third, finance can promote ecological construction such as basic farmland construction and afforestation in poor rural areas; Fourth, finance can promote the development of social public services such as social insurance, social relief and unemployment insurance in rural poor areas.

The second aspect is income distribution. Through exerting its function of income distribution, finance can narrow the gap between urban and rural income distribution, raise the income level of poor rural areas and poor people, and prevent polarization. The finance realizes the role of poverty alleviation and rural revitalization through the following income distribution functions: First, tax adjustment can be carried out, with higher tax rates for high-income areas and groups, and lower tax rates or even tax exemption measures for poor rural areas and poor people; Second, finance can implement transfer payments and direct subsidies, that is, fiscal funds will be provided to poor rural areas and the poor population directly to subsidize the economic development and improve the income level and self-development ability of those areas; Third, finance can promote a social security system that provides basic education, medical care, old-age care and other social services to the rural poor population, so as to promote their self-development.

The third is the perspective of stabilizing economic
development. The goal of the function of finance to stabilize economic development is to promote the comprehensive, coordinated and sustainable development of economy, society, ecology, resources and so on. This function of finance has an obvious poverty alleviation orientation. First of all, only stable economic development can provide a solid foundation for poverty alleviation and rural revitalization, and only by reducing or eliminating poverty can the society improve the efficiency of economic development and promote the steady development of economy[3]. Economic stability and poverty alleviation promote each other, influence each other and develop together. Secondly, on the premise of guaranteeing the basic right to life of the rural poor, finance can also pay attention to ecological protection and resource conservation, and promote the coordinated development of economy, society, resources, environment and population in poor areas, so as to solve the problem of rural poverty fundamentally[4]. Finally, the essence and core of the stable economic development is to adhere to putting people first and realize the all-round development of people, but the problem of poverty is an important obstacle to the comprehensive development of human beings. Finance emphasizes the unity of economic stable development and individual's all-round development, and finally achieves this goal.

3 The necessity and challenge of the coordination of county-level fiscal funds for poverty alleviation

In order to overcome the problem of fragmentation of poverty alleviation resources, it is necessary to improve the county-level financial coordination system further and enhance the overall benefit of poverty alleviation resources. There are also some unavoidable challenges to strengthen the county-level financial coordination system.

3.1. The necessity of the coordination of county-level fiscal funds for poverty alleviation

As grass-roots government poverty alleviation organizations in China, county-level poverty alleviation and development groups have great advantages to coordinate poverty alleviation funds by county-level finance.

First of all, the county is the basic financial units and management units in China. The relevant government agencies have been grass-roots governance, grounding on basic situation and the demand for poverty alleviation. Therefore, to a certain extent, the information asymmetry between the management and allocation of poverty alleviation funds by the superior and the demands of local poverty alleviation funds can be eliminated, and various poverty alleviation funds can be better managed as a whole and used in places that can exert greater benefits.

Secondly, the overall planning of poverty alleviation funds by county-level finance can realize the integration of resources among relevant departments more perfectly, and establish the effective connection between poverty alleviation funds and the actual needs of the poor population. County-level financial coordination of poverty alleviation funds can start from the actual situation better, together with other relevant departments at the grassroots level to play a synergistic role according to local conditions. For example, the relevant departments apply for funds from financial administrative departments at the county level according to the actual situation, and use the financial poverty alleviation funds to solve the problems of backward infrastructure such as transportation, medical care, education and hydropower.

Thirdly, the county-level financial coordination has the advantage of information symmetry. Compared with the central and provincial governments, county-level governments have a better understanding of the real situation and actual needs of rural society; which is crucial for the overall planning of poverty alleviation funds. Counties, townships and villages are the main bodies of rural governance. They constitute a complete governance system and are the main media of interaction between the state and the grass-roots society. Poverty control needs to be supported by sufficient micro information. Therefore, it is more reasonable for county-level governments to carry out fiscal coordination rather than central or provincial governments; and with the advantage of information symmetry, county-level financial coordination can provide a more effective platform to express social needs and respond to the development needs of poor villages and households accurately.

3.2. The challenge of the coordination of county-level fiscal funds for poverty alleviation

There is no doubt that county-level financial coordination is also facing many challenges. The integration of various poverty alleviation funds by county-level governments will objectively increases the risk that power will expand or spiral out of control at the county level, especially considering that the decision makers have their own preferences and even personal interests. With the increase of disposable resources, the power of the county level will be strengthened.

Even without considering the risk of losing control of power caused by financial coordination, it is very difficult to realize the integration of resources between departments under the existing financial system. Each department has its own interest demands. In the allocation of financial resources, there is a certain competitive relationship between departments. It is the fundamental interest of each department to obtain more financial budget. In addition, departments will also compete with each other in the limited space for political promotion to strengthen their own power. Therefore, based on these internal competition relations, if there is no clear legal system to support, the integration of resources between departments will be difficult.
4 Perfect the system of overall planning for county-level finance

At present, the focus of China's poverty alleviation work will shift to the solution of relative poverty, and the way of poverty alleviation work will be adjusted from centralized combat to normal progress, which means that the original poverty alleviation fund system of county-level finance needs to be improved.

4.1. Innovate the mode of overall planning for the redistribution of poverty alleviation funds by county-level finance

In order to play the role of poverty alleviation funds effectively, the government can try to break through the limitation of "Earmarks" and innovate the overall planning mode for the redistribution of poverty alleviation funds, so as to improve the accurate rate of poverty alleviation resources. Special fund support can focus on five aspects of revitalization, including industry, talent, culture, ecology and organization, and promote the implementation of rural revitalization and the construction of spiritual civilization and ecological civilization simultaneously.

4.2. Reform the evaluation method for poverty alleviation

Targeted poverty alleviation evaluation system also has some shortcomings through the deepening of poverty alleviation assessment work in recent years. It is necessary to explore more perfect poverty alleviation assessment methods in order to achieve the goals of the national poverty alleviation strategy, mobilize the enthusiasm of the county-level financial coordination fully, and promote the effective use of poverty alleviation resources and the smooth progress of poverty alleviation work.

5 Strengthen oversight of poverty alleviation funds coordinated by county-level governments

In addition to improving the financial audit system, strengthen the third-party evaluation of poverty alleviation funds and other regular regulatory policies, we should also pay attention to the following aspects.

5.1. Budget the standard of fund input and assess the financial bearing capacity

When applying for the task plan of poverty alleviation projects, the government should first make a budget for the standard of fund input and conduct a financial capacity assessment. While ensuring the source of funds and performance objective management, it should take full account of the current financial resources and long-term impact, and explore the potential of funds. It is also important to estimate the balance and financing of poverty alleviation projects as well as demonstrate the degree of financial support on the basis of the overall planning of the financial fund needs of the key issues of the administrative region.

5.2. Improve the standardization of financial management of poverty alleviation projects further

The financial management level of poverty alleviation projects can influence the use efficiency of poverty alleviation funds significantly. Therefore, this paper proposes to standardize the financial management of poverty alleviation projects further from the aspects of improving the level of budget management and capital control, paying attention to project cost management and financial analysis, perfecting the processing system of accounting business, and constructing the risk sharing mechanism, so as to ensure the successful development of poverty alleviation projects.

5.3. Focus on the performance of poverty alleviation funds combining with the nature of special projects

This paper selects the performance of poverty alleviation funds as the explained variable, and comes up with factors which affect the construction of the performance evaluation system of poverty alleviation funds in county-level finance in the end, combined with the focus of poverty alleviation work, seeking explanatory variables from three aspects of society, economy and ecology, namely, the construction of living security facilities, the distribution and distribution of financial poverty alleviation funds and the establishment of of archives of poor households.
5.4. Improve the performance audit of county-level government funds for poverty alleviation

The first thing to do is to strengthen accurate assessment of the performance audit of poverty alleviation funds funded by county-level governments. The government may lack experience in the work of evaluation indicators, because the development of performance audit in China has not yet reached the mature stage.

Second, the performance audit of poverty alleviation funds at the county level should be combined with other audits to increase the intensity and depth of the audit. Since the performance audit is mainly for the evaluation after the event, the county-level auditors can combine the policy tracking audit, which includes both the pre-event audit and the in-process audit, with the performance audit.

Third, improve the performance audit evaluation index system of county-level fiscal poverty alleviation funds. In the process of auditing, the audit department should clarify the division of responsibilities and division of labor among various departments in the process of poverty alleviation, supervise the management of poverty alleviation projects and the use of poverty alleviation funds in the performance audit, find problems in time, and encourage the audited departments to correct problems in a timely manner.

Fourth, strengthen the training of performance audit personnel for poverty alleviation funds at the county level. Under the current information technology environment, auditors not only need to be more proficient in the use of computers, need to have knowledge of accounting related to traditional auditing, but also must keep pace with the times to make some achievements in computer and engineering technology.

5.5. Strengthen the tracking and collection of the effects of poverty alleviation projects, and improve the accounting information disclosure of poverty alleviation funds in county-level finance

A case analysis can be made on the effect management of poverty alleviation projects: Grasp the status of poverty alleviation projects such as construction, management and operation, through interviews, data verification, field trips and other methods; analyse the internal and external factors affecting the implementation effect of poverty alleviation projects comprehensively; and guide the performance management of poverty alleviation projects scientifically, in order to provide institutional guidance and practical reference for the further evaluation of the effect of poverty alleviation projects. As for the improvement of accounting information disclosure of county-level financial poverty alleviation funds, it is suggested to make up the defects of the government accounting system itself, improve the laws and regulations of accounting information disclosure of government poverty alleviation funds, and strengthen the social public's demand for accounting information of government poverty alleviation funds.

References