

Regional Unbalanced Development: Theoretical Basis and Chinese Practice

Shilu Zhou

School of Economics, Anhui University of Finance and Economics, Bengbu, Anhui, 233030, China
1948381944@qq.com

ABSTRACT

Regional unbalanced development refers to a common phenomenon in the process of regional development. China is currently in the process of transitioning from regional unbalanced development to balanced development. Therefore, it is of theoretical and practical significance to sort out the theory of regional unbalanced development and China's practical experience. Representative regional historians and economists have explained the process of regional unbalanced development from the perspectives of historical reality and economic theory, and have developed relevant theories. Pero believed that the significant differences in the foundations of economic development among different regions led to the emergence of regional imbalances. Hirsch emphasized the necessity of imbalanced development in the early stages of economic development, while Myrdal further explained the reasons and mechanisms of uneven growth, as well as how it affects regional economic development. The main manifestations of unbalanced regional development in China currently include: uneven development in the four major regions, uneven development within regions, and uneven development between urban and rural areas. In response to the problem of unbalanced development in China, China has taken measures such as organizing and implementing the poverty alleviation campaign, deepening the implementation of regional coordinated development strategies, and promoting new urbanization centered on people to narrow the regional development gap.

KEYWORDS

Regional imbalance; Economic development; Improvement measures

1. INTRODUCTION

The report of the 19th National Congress of the Communist Party of China proposed that the main contradiction in Chinese society has been transformed into the contradiction between the growing needs of the people for a better life and the unbalanced and insufficient development. The "imbalance" of development is first reflected in the imbalance between regions, and this imbalance is showing an increasing trend under the influence of various factors such as structural transformation, technological progress, and globalization. This regional binary structure characterized by imbalance is not beneficial for the coordinated and harmonious development of the entire social economy in the long run. Therefore, it is generally believed that regional imbalanced development is only a means and method to achieve balanced development, rather than the ultimate goal of development. The report of the 20th National Congress of the Communist Party of China proposed to deeply implement the strategy of regional coordinated development, major regional strategies, optimize the development pattern of national land space, promote the coordinated development of Beijing Tianjin Hebei, the development of the Yangtze River Economic Belt, and the integrated development of the Yangtze River Delta. At the same time, promote the new urbanization centered on people and promote regional

coordinated development. Therefore, studying the development laws of China's regional economy has important theoretical and practical significance. The diffusion of technology and information, as well as the flow of products and personnel, between different regions and economic development are not isolated, but interact and influence each other, and develop dynamically and unevenly over time. Exploring and analyzing the laws of China's economic development not only promotes the development of regional economic basic theories, but also has important significance for the economic progress of the real society.

2. THEORETICAL BASIS

2.1. Definition

Regional unbalanced development refers to a common phenomenon in the process of regional development. Regional unbalanced development refers to the disharmony and inequality that exist in the development process of a region. The development level and growth rate of some regions are faster than others, which can be specifically divided into absolute imbalance and relative imbalance. Absolute imbalance is usually measured by absolute indicators, reflecting the actual gap in economic development between regions; Relative imbalance refers to the speed gap of regional economic development at a relative level, measured by relative indicators. In areas where the absolute level is backward, the development speed may also be faster, while in areas where the relative level is more developed, the development speed may also be slower.

2.2. Theoretical Sources

2.2.1. Growth Pole Theory

French economist Perrault proposed the theory of growth poles in 1950, which was further expanded by Boudeweil in the mid-1960s. The theory of growth poles holds that due to significant differences in the foundations of economic development in different regions, economic growth does not occur simultaneously in different areas from a geographical perspective. Instead, it is distributed in different geographic spaces with varying levels of development intensity, and then spreads through different channels from the point development poles to surrounding areas, thereby affecting the overall economic development of the region. The theory of growth poles advocates that the government should play a leading role in the process of regional economic development. In the early stages of economic development, limited resources should be concentrated and prioritized for areas or industries with good foundations and development potential. Then, through the development of advantageous areas and industries, the development of surrounding underdeveloped areas or related industries can be driven by the development of advantageous areas and industries, thereby effectively driving the overall development of the regional economy. However, the growth pole theory based on cities, commercial centers, and industrial parks neglects the continuous widening of regional disparities that may occur during the formation of growth poles due to factors such as regional industrial mismatch, leading to unbalanced development of regional economies.

2.2.2. Unbalanced growth theory

Hirsch proposed the theory of unbalanced growth in his "Economic Development Strategy" (1958), in which he believed that economic development mainly depends on the efficiency of existing resources to exert their capabilities, rather than on the formation of capital. The economic development process of a country or region is not a balanced development process, but rather one or more powerful regions that prioritize development and drive the development of other regions. This theory not only emphasizes the necessity of imbalanced development in the early stages of economic development, but also provides an alternative economic path for developing countries to choose from. Due to the lack of interconnection between industries in economically underdeveloped areas, resource

allocation cannot be comprehensive. Therefore, the most promising industries should utilize limited resources and prioritize development. When the economy reaches a certain level of development, government economic departments should coordinate and accelerate regional economic development.

2.2.3. Circular cumulative causality theory

In his 1944 book "The American Dilemma," M ü ller first proposed the theory of cyclic cumulative causality, which pointed out that economic development does not occur simultaneously and uniformly in space. It starts from some better regions, and due to the existence of agglomeration economies, developed regions can achieve sustained and faster development, while producing diffusion and reflux effects. The reflux effect refers to the return of labor and capital from underdeveloped areas to developed areas in pursuit of higher returns, while the diffusion effect refers to the problem of rising factor costs and declining external economic benefits in developed areas after reaching a certain level of economic development, leading to the flow of production factors such as labor and capital to underdeveloped areas. The reflux effect exacerbates the economic recession in underdeveloped areas, widens the economic gap between regions, while the diffusion effect can promote the development of underdeveloped areas. Under the influence of the market, it usually only makes the developed regions more developed, while the underdeveloped regions cannot catch up with the developed regions, and the regional gap continues to widen. That is, in the process of cyclic accumulation, if the government does not make predictions, the reflux effect will always be greater than the diffusion effect, and the economy of developed regions will show an upward movement and become more developed, while the economy of underdeveloped regions will show a downward movement and become more backward, ultimately leading to an exacerbation of regional economic imbalance.

Both the growth pole theory and the unbalanced growth theory emphasize the unevenness of economic growth, that is, economic growth does not occur simultaneously in all regions, but tends to be concentrated in certain specific regions or sectors. But the policy propositions of the two are different. The growth pole theory mainly selects specific locations as growth poles from a spatial perspective to drive national economic development, while the unbalanced growth theory advocates selecting sectors with driving effects from an industrial perspective to drive the development of other sectors. The theory of cyclic cumulative causality further explains the reasons and mechanisms behind this uneven growth, as well as how it affects the development of regional economies.

3. PRACTICE IN CHINA

3.1. The Main Manifestation of Uneven Regional Development in Our Country

Uneven development in the four major regions: the east-west gap and the north-south imbalance. In 2000, the GDP of the eastern, central, western, and northeastern regions accounted for 53.44%, 19.15%, 17.51%, and 9.90% of the national total, respectively. In 2023, they were 51.72%, 21.41%, 21.36%, and 4.72%, respectively. In the past thirteen years, the proportion of the eastern region has decreased, but the situation where the total economic output accounts for more than half of the country has not changed. The proportion of the central and western regions has slightly increased, and the proportion of the northeast region has declined significantly. In recent years, the economic growth rate in some northern regions of China has slowed down, while the southern regions still maintain a good development trend. The widening gap between the north and the south has become a new regional development issue that attracts attention. From 2004 to 2023, not only did the economic gap between the northern and southern regions gradually widen, but there has also been a significant gap in economic growth in recent years. Since 2013, the growth rate in the southern region has significantly exceeded that in the northern region.

Uneven development within the region: regional differentiation. The development of different regions and provinces within the four major regions is also uneven. Within the western region, the Southwest region far exceeds the Northwest region. Since 2011, the growth rate of the Southwest region has

been significantly higher than that of the Northwest region and has continued to this day; In the Northeast region, the development gap between Dalian, Changchun, Shenyang, and Harbin and other old industrial base cities is very obvious; In the central region, Henan, Hubei, and Hunan have shown good development momentum, while Anhui, Jiangxi, and Shanxi lack strong growth poles with driving forces; In the eastern region, Guangdong, Jiangsu, Zhejiang, Shandong, Beijing, and Shanghai have strong economic growth momentum, while Hebei, Hainan, and other regions have relatively weak growth.

Uneven urban-rural development: Income distribution imbalance. From the internationally recognized Gini coefficient, which reflects the degree of inequality in national income distribution, China's Gini coefficient has remained around 0.477 from 2003 to 2023, exceeding the internationally recognized warning line of 0.4. This indicates that China has long been among the countries with severe global income inequality, and the main reason for this phenomenon is the continuous widening of the income gap between urban and rural residents in China. The multiple of the urban-rural income gap in China is basically consistent with the trend of the Gini coefficient curve. By the end of 2023, the per capita disposable income of urban residents in China will reach 51821 yuan, while the per capita disposable income of rural residents will only be 21691 yuan, a difference of 2.38 times. Although it has decreased from the peak of 3.33 times in 2009, the absolute difference is still expanding, increasing from 12021 yuan in 2009 to 30130 yuan in 2023.

3.2. Our Country's Experience and Practices in Addressing Regional Development Imbalances

One is to organize and implement the battle against poverty. Firstly, implement precise poverty alleviation strategies. Adhere to poverty alleviation by accurately identifying poverty, implementing support targets, project arrangements, and fund utilization, and implementing poverty alleviation policies in various aspects such as production development, relocation, ecological compensation, education development, and social security support. Secondly, establish a diversified funding system. From 2013 to 2020, governments at all levels have cumulatively invested 1.598 trillion yuan in special poverty alleviation funds, with over 440 billion yuan invested through land increase and decrease linkage. Nine provinces and cities in the eastern region have provided 100.5 billion yuan in financial and social assistance funds to poverty alleviation cooperation areas, and a total of 10578.8 billion yuan in various financial poverty alleviation loans have been issued. Finally, combining poverty alleviation with intellectual support. Strengthen education and training for impoverished people, enhance their basic skills in production, employment, and business development, and guide them to rely on labor to create happiness through production incentives, labor subsidies, and work for relief programs.

The second is to deeply implement the strategy of regional coordinated development. Firstly, coordinate and promote regional coordinated development. We will deepen the implementation of strategies such as the Western Development in the new era, the high-quality development of the central region, and the comprehensive revitalization and development of old industrial bases in Northeast China. We will significantly enhance the endogenous driving force for high-quality development in the central and western regions, and gradually solve structural and mechanistic problems in old industrial bases in Northeast China; Secondly, support the development of special types of areas such as the elderly, young, border poor, etc. The government supports poverty alleviation and revitalization development in revolutionary old areas such as the Central Soviet Area and Shaanxi Gansu Ningxia according to local conditions, and implements major measures such as revitalizing the border and enriching the people, and expanding border opening. Finally, vigorously develop the marine economy. Approve the establishment of a demonstration zone for the development of marine economy, strengthen the governance and protection of marine ecological environment in coastal provinces, and support the development of emerging marine industries.

The third is to promote a new type of urbanization centered around people. Firstly, accelerate the urbanization of agricultural migrant population. Most cities across the country have lifted the household registration threshold, significantly enhancing the convenience of basic public services and handling affairs. They have implemented a policy of linking people, land, and money, and basic public services have become equal, standardized, and inclusive. Secondly, improve the quality and carrying capacity of the city. Governments at all levels are promoting the renovation and upgrading of shantytowns, old residential areas, traditional neighborhoods, etc., restoring urban ecosystems, and building smart cities. Finally, we will orderly promote the integrated development of urban and rural areas. We will carry out top-level design for the integrated development of urban and rural areas, carry out pilot projects in 11 regions across the country, and deepen relevant institutional reforms in areas such as urban-rural population mobility, rural collective construction land entering the market, and industrial coordination.

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