The industrialization progress of the Haixi Economic Zone and its enlightenment

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Abstract: Chinese has been developing rapidly over this past 20 years. The construction and development for the Haixi Economic Zone has been point out in a strategic level for China development recently. To honestly criticize current development and provide proper suggestion according to its development would have both theoretic and realistic meaning for the Haixi Economic Zone. By referring to industrialization standard analysis, this paper tries to make judgment for industrialization progress of each city of the Haixi Economic Zone. Furthermore, the enlightenment for the industrialization progress would be offered.

Key Word: The Haixi Economic Zone, industrialization, development

1. Introduction

Chinese has been developing rapidly over this past 60 years. Especially during the last 20 years, China transforming its economy from a under developing nation into a world economic powerful country. Following China economic development strategy reform, accelerating the west bank of Taiwan Strait Economic Zone (as knowing Haixi Economic Zone) development has been put under spot light. On May, 2009, the state council release "the opinion about accelerating the Haixi Economic Zone construction" the Haixi Economic Zone construction is in a new stage. According to "the Haixi Economic Zone development plan" from the National Development and Reform Commission, its territory start form three cities in Zhejiang (Wenzhou, Lishui, Quzhou), to Fujian Province, till south Guangdong Province (Shantou, Meizhou, Chaohou, Jieyang) and another four in Jiangxi Province (Shangrao, Yingtan, Fuzhou 、Ganzhou), with which totally 270 thousand Sq. Km. Its population was nearly 89. million on 2011 which shared around 6.7% of whole country. It is one of the most important economic zone along the south-east coast of China, which connect with the Pearl River Delta, the Yangtze River Delta and along with Taiwan Straits. According to "Statistical Communiqué on the 2011 National Economic and Social Development.", this area shared 6.43% of China GDP. As located at both side of Taiwan Strait, they share the same culture. 80% Taiwanese were from Fujian, they have same belief 、culture and custom. Tey share same value. Their culture influence both and they have close relationship as the have same Chinese history.

2. The lecture review about Industrialization Progress

There are different theories for identify a notion's industrialization progress. In general, it could be classified into three stage as prime (P), middle(M) and later(L) stage. Besides, we have before and after industrialization stage knowing as pre-industrialization and post-industrialization. John Code (1990) indicated the rate for manufacture industry added value against all products added value as industrialization level. These are shown as non-industrialization (below 20%), industrializing (20%~40%), half industrialization (40%~60%) and well industrialization (more than 60%).

W.G. Hoffmann (1931) use industry net product value for consumer against production. There are four industrialization stages, its rate are showing as 4~6, 1.5~3.5, 0.5~1.5 and below 0.5, the lower the higher.

S·kuznets assumed the industry structure rate of primary industry 、 secondary industry and tertiary industry for his industrialization level. Once the primary industry below 20% and secondary industry rate is higher than tertiary industry , it is on middle stage of industrialization. As the primary industry reaches 10% and secondary industry rate is on the highest, knowing as well industrialization. Moreover, Syrquin and Chenery adopted real GDP per capita in US$ as their industrialization level. The higher the real GDP per capita in US$ of a city is, the higher its level would be. The following table 1 shown as: Chenery also adopted urbanization rate to divide its industrialization level.

3. The industrialization measurement for each city at the Haixi economic zone.

Three methods are used in order to measure its
industrialization level, namely: three industries structure rate, real GDP per capita in US$ and urbanization rate.

3.1 The industrialization level according to urbanization rate
Urbanization rate is also used as a measurement for a city's industrialization. In this study, the 6th population inspection for whole country are applied in order to scale its urbanization. As table 4, there are large difference of its urbanization rate for each city at Haixi economic zone. Shantou is the highest city which reach to 90%, following by Xiamen. On the other hand, Fuzhou (Jiangxi), Ganzhou are the lowest cities as its urbanization rate only 37.20% and 37.53% correspondently.

3.2 The industrialization level according to three industries structure
According to S·kuznets industrialization standard, the industrialization level for each city at Haixi in 2011 is shown on table 2. Fuzhou(Fujian), Xiamen, Putian, Quanzhou, Wenzhou, Lishui, Quzhou and Yingtan and so on, are all located itself on later industrialization level. Xiamen, especially, shared only 1.0% in primary industry. On the other hand, Nanping and Meizhou still on prime stage of its industrialization as their primary industry still over 20%.

3.3 The industrialization level according to real GDP per capita in US$
According to Statistical Communiqué on the 2011 National Economic and Social Development for each city, we calculated the real GDP per capita in US$ shown on table 3. As table 3, each city has its own industrialization progress which is much difference from others. Xiamen has enjoyed the highest real GDP per capita in US$, following by Quanzhou, Fuzhou (Fujian), Longyan and Sanming. They all located themselves in later stage of their industrialization. However, Lishui, Shangrao, Fuzhou (Jiangxi) and Ganzhou are still in prime stage of industrialization. The rest are in middle stage and transfer into later stage. The industrialization for each city at Haixi economic zone are still not good enough.

<table>
<thead>
<tr>
<th>City</th>
<th>2004</th>
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<tr>
<td>Shantou</td>
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<td>Xiamen</td>
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<td>Fuzhou</td>
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<td>Ganzhou</td>
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Table 3: The industrialization level according to urbanization rate
4. The analysis and enlightenment for the industrialization progress

I. Analysis

There is little doubt that there are much difference in terms of its industrialization progress for each city at the Haixi economic zone, while the measurement results are more or less the same. Xiamen and Fuzhou (Fujian) are in advanced positions. Those two cities are in later industrialization stage. Two of them are still in prime level, namely Fuzhou (Jiangxi) and Ganzhou. Most cities are all in the middle stage of industrialization. As a result, while industrializing, each city is looking for selecting more comparative advantage development policy in order to promote its economy.

1 For those in prime stage of industrialization

Those cities, likely Fuzhou (Jiangxi), Lishui and Meizhou where their industrialization still stay in prime stage, have the same limitation. They are not able to attract many industries invest in there. Their consumption markets are still not big enough, its real GDP per capita lower than average. Their primary industry share is high relatively. As this is the case, maybe they could try to focus on agriculture industry. If they could process agriculture product with excellent quality. They could rely on agriculture and build up its own first industry industrialization. Besides, these cities could try to play a part of those well development provinces. such as: Meizhou joints with Guangdong Province, Lishui joints with Wenzhou (Zhejiang Province). They could become their satellite cities and specialized in its own field.

2 For those in middle stage of industrialization

As mentioned above, most cities are located themselves in middle stage of industrialization. This conforms to Chinese national industrialization progress. These cities are recommended that continue in technology innovation, especially for generic technology innovation. They should specialized in what are professional with. Due to industrialization would also caused environment pollution problem, it is necessary to prevent in advance.

3 For those in later stage of industrialization

As above analysis, only Xiamen and Fuzhou (Fujian) have already got into the later stage of industrialization. Xiamen was point as city specifically designated in the state plan. Fuzhou is the capital city of Fujian. Both cities have deep foundation in industry or technology. For both cities, the most important is to improving their resisters in living quality. They have to acting as the central of this region. They could develop their tertiary industry, such as: finance, logistic and traveling. Try to promote their tertiary industry scale. The new technology development is required for their future growth.

II. Enlightenment

1. industrialization and urbanization

Following the industrialization, the urbanization would caused. There are a lot of people move in, in order to find a better job. Those people would work and live there. Once the administrate area may not change, this would become crowd. This would cause environment pollution · traffic jam, lacking of water, food ...etc. We may call this as population explosion pollution.

2. infrastructure building could not catch up industrialized progress

While industrialization, the infrastructure (such as: road, power supply, building and bridge) must be built up. Unfortunately, infrastructure build may take time and money. The government need more budget for doing these. Thus, the infrastructure building always far away behind industrialized progress.

3. wealth imbalance

The gap between rich and poor would increase as the industrialization progress. Those who have the ability to make fortunate would create lots of wealth. On the other hand, those disadvantaged group would lost their fortunate as they do not have the condition to create their wealth. This is little doubt that wealth imbalance would cause more social problems. wealth imbalance.

Reference

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