

Research on the Economic Status in Central Region of China

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Abstract: Central region of China is often seen as a subsidence area in China's economic map. For further boosting scheme of central region's economic status, this article analyses the causes of the central region's economy status through the open level, government policy, industrial structure, etc, and horizontally draws experience from developed countries such as Germany, the United States in balancing regional development, combines with actual China's regional economic development, and proposes that China needs to increase its support to the central regions and timely adjustment in education.

1. Introduction

The central region of China includes Jiangxi, Hunan, Henan, Shanxi, Hubei and Anhui provinces. This region accounts for 10.7% of China's land area and has about 26.6% of China's population. Promote the rise of the central region and play a role in connecting the east with the west has always been one of the strategies of the Chinese government. According to the National Bureau of Statistics of China, the total GDP of 6 provinces in central China in 1980 was about 98.1 billion yuan, accounting for 21.38% of the national GDP at the time. In 2018 the total GDP of the 6 provinces in central China is 19,286.5 billion yuan, accounting for 21.39% of the national GDP. In 1980, China was in the early stages of reform and opening up, and the economy was in its infancy. 2018 is the 40th anniversary of China's reform and opening up. 40 years have passed. Central China The total economic volume of China has achieved a huge leap like China's overall economic development, and the economic structure has also improved significantly. The manufacturing industry has been growing faster than the national average in recent years. However, the central region's share of the country's economy has not improved significantly, which means that the gap between the economic status of central China and the developed eastern regions has not narrowed, and the central region has become flaw on the economic map of the country, to prevent the region from the central region the status of strategic focus of the current downturn is causing problems of regional economic importance to many Chinese scholars.

2. Reasons for the Economic Status of the Central Region

Central China did not reach China's per capita GDP level until 2015, but this is only a province. The output of central China and its population are still inconsistent. The economic growth rate of central China in the past 20 years is higher than that of the whole country. However, the small total base makes its economic status not outstanding and it is still difficult to be quickly reversed. The reasons are summarized as follows:

2.1 The Central Region is Late in Opening to the outside World and Its Level of Opening is Insufficient

China's reform and opening up pattern is from east to west, with a clear and progressive hierarchical relationship, which makes the central region and the eastern region have different starting lines. If it is, the eastern region of China has geographical advantage, the location should be given priority to development, but the central region lacks innovative leap-forward development for a long time in the future. Instead of cultivating emerging industries to take advantage of its latecomer advantages, it chooses to follow the pace of the eastern region and undertake the

industrial enterprises eliminated in the eastern region, as a result, the development difference between central China and eastern China is getting bigger and bigger.

2.2 The Lack of Policy Support in the Central Region

Mr. Deng Xiaoping, the father of China's reform and opening up, said a word: let some people get rich first, rich first, rich later, and finally achieve common prosperity. The central region started late and wanted to go hand in hand with the eastern region. The law of economic development is far from sufficient, and policy support is essential. China's local administration has given several administrative units more autonomous levels of economic management authority, such as special economic zones, national social and economic development separate cities, all of which are located in the eastern region without exception. The development potential of eastern China's coastal areas is considerably greater than that of central China, but this approach of supporting which side has the greatest potential will undoubtedly indirectly widen the development gap between localities. Policy formulation should refer to the theory of barrels and water collection in barrels. How much depends on shortcomings, and economic development is the same. A balanced development economy has better overall results.

2.3 The Development Characteristics of the Central Region are Inadequate, and the Industrial Structure is Too Single

As mentioned in the first point, the development of the central region of China is too much like that of the east, lacks innovative leap-forward development, and does not fully cultivate its own advantageous industries. Competition cannot form complementary advantages.

3. World Comparison and Experience

3.1 Regional and Balanced Development at Home and Abroad

Data from the National Bureau of Statistics of China shows that China's Gini coefficient has been above 0.46 for a long time. According to the standards of relevant United Nations organizations, China is a country with a large income gap, and the income gap is a reflection of the development gap between China's regions to a certain extent. In 2020, the goal of building a well-off society in an all-round way will be achieved, and the poor will be eliminated. The Chinese government is also investing huge financial funds to achieve the goal of governance. The goal is self-evident. The poverty alleviation has become a hot topic in China in recent years. This shows that the Chinese leadership is aware of the social problems caused by the excessive wealth gap, and the Chinese people are also paying close attention to the issue of social equity. In addition to China, the development differences between South Africa, India, Russia, Brazil and other countries are also quite obvious. Become a tricky issue for policy makers. We can find some experience from several balanced countries in the world to deal with problems like the underdevelopment in central China.

3.2 National Example of Balanced Regional Development

Germany: Fiscal balance. The German government's fiscal balance includes horizontal and vertical balances. Horizontal balances allow German rich states to make the same level of transfer payments to poor states, and vertical balances are federal supplementary funding for weaker places [1]. Policies and regulations and related organizations and laws are a powerful guarantee for balanced development. Establish a reasonable regional development strategy. Two of the top three cities in Germany are not in the coastal and river regions, and nine of the top ten cities are not in the coastal regions. Emphasis is placed on the development of backward areas. Helping instead of overly pursuing the size of the city deserves global reference.

United States: The United States was once a country with large differences in regional economic development, and now it has achieved good results in the issue of imbalanced regional development. The federal government's support for education in backward areas has weakened regional development differences. An important measure. The funding provided by the U.S. government was

first invested in education and training. In the 1960s, the U.S. government allocated about 45% of education funding to the southwest region with less than 1/3 of the population [2-3]. People rely on fishing to promote balanced development between regions, and education needs to be a priority.

4. Necessity Analysis of the Development of Central China

4.1 Requirements for Balanced Development

From the perspective of regional economic development, China has a typical coastal dependency disorder. The four major cities are all along the coast except the capital. The nation's top 500 enterprises and the eastern coast have 348, accounting for 69.60%. Dependence, China's large cities can not be ignored. China has more than ten cities with a population of over 10 million. On the surface, this is a proud achievement, but in reality it means excessive concentration of resources, which is not conducive to regional fair development, gain face but lost the inside, especially the typical provincial capital dependence, habitually placing all important urban functions in the provincial capital, causing the expansion of Chinese capital cities and the decline of other cities. This is especially true in central China's Hubei and Shanxi provinces. Strictly speaking, China lacks a strategic hinterland. History shows that the more concentrated and prosperous the more vulnerable it is to destruction. Under the influence of geopolitics, China needs to build a sufficient economic hinterland. "The rise of the central region, the development of the western region and the revitalization of the northeast region" strategy is very comprehensive, taking into account all regions of the country, but people have only two hands, when it inevitably would care to re-light.

4.2 Requirement for Sustained Economic Growth

China's economic growth rate has slowed down significantly and may be further reduced in the future. If the central economic hinterland is not developed in time to form a more complete industrial structure, the economic growth of the world's second largest economy will be more lack of motivation, relying solely on the eastern region is not enough to support the sustainable development of such a large country. For example, the major economic divisions in the United States are more reasonable. East, west, north, and south have their own economic characteristics, and they form a certain scale and complement each other.

5. Suggestions for the Economic Development of Central China

5.1 Decentralization and Institutional Arrangements

In summary, China urgently needs to formulate more detailed incentive policies for potential but underdeveloped regions such as the central hinterland, and give more economic management authority to the central region so that cornering overtaking is not subject to speed restrictions. Local governments must treat all regions equally, get rid of excessive provincial capital dependence, and get rid of imagism, but not excessively pursue the creation of big cities, pursue balanced development among regions, and promote each other. Second, the development of a region cannot be achieved overnight, and must be sustainable attention, and the best way is to reform the system, improve regulations, and establish long-term investment instead of unprecedented planning.

5.2 Policy Principles

China is a nation with a large population and any change in regional development policy or fiscal policy will be resisted by different relevant interest groups. The government needs to have sufficient courage and adhere to the principles of fairness and common development. To provide more policy support for the central region, in the long run, this will definitely help the entire country to prosper.

5.3 Education Investment

From the perspective of education investment, as many as half of the provinces in the central

region do not have a national top 50 university or a subordinate university, forming a vacuum zone for higher education, which also means that talent training in these provinces will lag behind developed regions for a long time. China has invested most of its education funds in the eastern region for a long time, which has also caused the fault of Chinese universities to a certain extent. Except for a few provincial capitals in the central and western regions of China, there is almost no top university in the rest of the region. The development of education needs financial investment and education must also develop in a balanced manner. Tsinghua Peking University cannot be the only universities in China, and the United States does not rely on Harvard.

5.4 Timely Adjustment

China has a term called Shenzhen Speed. Shenzhen is located in the southern part of Guangdong Province, close to Hong Kong, China. After only 40 years, Shenzhen has become the third largest city in China, surpassing the provincial capital of Guangdong Province, and the old Chinese city Guangzhou. Shenzhen's development has enlightened the development of our region must require breakthroughs and innovation in order to take advantage of late development [4]. If Shenzhen followed the development of Guangzhou in China at the beginning, it will certainly not have today's achievements. In order to leapfrog development in central China, we must pay attention to the development of the tertiary industry in a timely manner. The Chinese government must also adjust the distribution of the economic cake to avoid polarization. When the regional differences have not expanded to a very serious level, adjustments will also produce better economic results.

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