

# The Reference of China's Regional Cooperation and Development Experience to the Cooperation of Huaihai Economic Zone

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**ABSTRACT.** *The Huaihai Economic Zone is located between the developed Yangtze River Delta Economic Zone and the Bohai Rim Economic Zone, but it is a low-lying zone for national economic development. On the basis of expounding the status quo and existing problems of economic development in Huaihai Economic Zone, this paper analyzes the constraints of Huaihai economic cooperation and development, and finds the cooperation mode suitable for the development of Huaihai Economic Zone by summarizing the experience of domestic regional cooperation.*

**KEYWORDS:** *Huaihai Economic Zone, constraints, cooperation mode*

## 1. Introduction

In 1986, Huaihai Economic Zone was established as the first inter-provincial horizontal economic cooperation organization in Xuzhou City, Jiangsu Province, China. Although the Huaihai Economic Zone has a superior geographical location, profound cultural heritage, rich tourism resources and convenient transportation, the development of this region has been relatively lagging behind for various reasons. In recent years, this region has finally gained widespread attention and attention from the Chinese government, and ushered in new opportunities for development.

Regional cooperation is the only way to promote the coordinated development of regional economy. It is of great significance to narrow regional gaps, resolve vicious competition, industrial convergence, market barriers, and promote the transformation of economic growth mode. How to achieve regional cooperation and deepen the depth and breadth of cooperation to improve the overall economic efficiency and competitiveness of each region has become the main task facing local development. Summarizing and analyzing the existing regional cooperation models in China, drawing lessons from them and finding a model suitable for the

cooperation and development of the Huaihai Economic Zone is of great significance to promoting the development of the region.

## **2. Review and summary of China's regional cooperation**

China is a large developing country with a vast territory and a large population. The natural, economic and social conditions of different regions are significantly different. In an increasingly competitive market environment, in order to enhance their economic strength and competitiveness, each region must attract more resources, build a larger market, and complement the advantages of other regions. With the development of economy and society, the cross-regional nature of urban public affairs has been continuously enhanced, and local governments under a single administrative boundary have been unable to fully and effectively respond. The coordination and cooperation between cities and cities have become more and more important.

Under the market economy, local cooperation cannot be driven by the two forces of market mechanism and administrative coordination. In theory, in the process of local cooperation, market regulation should play a fundamental role, and administrative coordination is a useful supplement to market regulation. In practice, due to the influence of local governments as the main body of interest and the information asymmetry among various stakeholders, the market mechanism must rely on the coordination of "market failure" by administrative coordination. In practice, due to the influence of local governments as the main body of interest and the information asymmetry among various stakeholders, the market mechanism must rely on the coordination of "market failure" by administrative coordination.

### ***2.1 Local cooperation under the leadership of the central government***

Before the reform and opening up, China implemented a centralized centrally planned economic system, and adopted a vertical management model of top-down and vertical integration for a long time. The central government is the only economic interest subject. Therefore, in regional cooperation, the central government is also dominant, and local governments and enterprises can only act as an intermediary and subsidiary role for central

Government management.

In the early days of the founding of the People's Republic of China, China's economic region was divided into two major divisions, the coastal and the mainland. In June 1958, the Central Committee of the Communist Party of China issued the "Agreement on Strengthening the Work of the Cooperation Zone" and decided to divide the country into seven collaborative zones: Northeast China, North China, East China, Central China, South China, Southwest China, and Northwest China. After the reform and opening up, China's economic system and economic operation mechanism have undergone major changes. The national regional management system and regional economic development strategy policies have also undergone

profound changes. These changes have influenced and determined China's regional economic cooperation during this period. However, during this period, the country's division of economic regions was relatively rough, and the boundaries between economic zones and administrative zones were unclear. Due to the strong planning and loose links of local cooperation, the localities were mostly in a passive position in the joint process.

## ***2.2 Local cooperation under the guidance of market mechanism***

Although the local government can establish a more effective local cooperative relationship, local cooperation will not affect the expansion of local cooperation content and methods. The cooperation between the local governments is highly complementary, and there is a broad space for cooperation in industries, markets, resources, talents, and technology. The increasingly perfect market economy system provides favorable conditions for cooperation.

### **(1) Regional adjacent cooperation mode**

In the early days of reform and opening up, the remote areas of several provinces bordering each other actively joined forces to get rid of the marginalized situation during the planned economy. For example, in 1983, the Sichuan-Chongqing Border Economic Cooperation Zone was established; in 1985, Yunguichuan was adjacent to the County Economic and Technical Cooperation Association, and Sichuan and Chongqing were adjacent to the Twelve Prefectures Economic and Technical Cooperation Association; in 1986, the Economic Cooperation Zone of Fujian, Guangdong and Guizhou Provinces, The Economic Cooperation Zone adjacent to the Yuchuan-Shaanxi area, the Economic Coordination Meeting of the Shaanxi-Gansu-Ningxia-Shan Border Region, and the Economic Cooperation Zone adjacent to the Sichuan-Yunnan-Tibet-Tibet Province in 1987, and the Xiang-Europe adjacent to the four-city cooperation zone.

### **(2) Interregional local cooperation model**

In cross-regional local cooperation, the market mechanism plays a leading role, and local enterprises act as the main body of cooperation, and the economic complementarity between the joint localities is strong. For example, the Yangtze River Delta local cooperation spans the three provinces of Shanghai, Jiangsu and Zhejiang, the Pearl River Delta spans the three provinces of Guangdong, Hong Kong and Macao (special administrative region); the Pan-Pearl River Delta "9+2" regional cooperation; the Beibu Gulf (Guangxi) Economic Zone Nanning, Beihai, Qinzhou, Fangchenggang, Yulin, Chongzuo City cooperation, Wuhan metropolitan area with Wuhan as the center, including Wuhan and Huangshi, Ezhou, Xiaogan and other eight surrounding cities for local cooperation. Cross-regional local cooperation has expanded the space and field of regional cooperation, and has built a regional market network, enriching the connotation and form of regional economic cooperation.

The market mechanism is the best choice for local cooperation. Under the guidance of the market mechanism, no matter between developed regions,

underdeveloped regions, developed and underdeveloped regions, different administrative divisions can develop various forms on the basis of complementary advantages. Local cooperation. However, in the context of the insufficient development of China's market economy, market-oriented local cooperation, market power is not strong enough, still not enough to completely break through the restrictions of administrative forces and administrative divisions, local cooperation is still largely administrative areas. As a unit, the fact that the economic, political, cultural and social links between administrative regions are also restricted by the local government cannot be ignored.

### **3. The regional cooperation development model for the experience of cooperation in Huaihai Economic Zone**

After more than 30 years of development, the Huaihai Economic Zone has made great progress, but its base is weak and its productivity is relatively lagging. It is still in the "low-lying" region of national economic development. The reasons are mainly as follows: 1. Administrative barriers are the institutional factors that affect the rapid rise of the Huaihai Economic Zone. Constrained by administrative divisions, the cities in the Huaihai Economic Zone have their own policies, coordination and linkage are insufficient. It is difficult to reach some consensus on some important development strategies. Low-level redundant construction and even robbing of resources, projects and other vicious competition issues are more prominent, and homogenous industries. The structure loses the advantages and external effects of economies of scale, scope economy and knowledge spillover that can be brought about by industrial agglomeration.

#### ***3.1 Cultivate and strengthen regional central cities and accelerate the development of urban agglomerations***

As the central city of Huaihai Economic Zone, Xuzhou City has basically completed the transition from resource-based cities to industrial-oriented cities, and is in a critical period of development from industrial-type cities to regional integrated cities, as the central city of Huaihai Economic Zone. Radiation effects are also being gradually released. Promoting the overall coordinated development of the Huaihai Economic Zone with the construction of high-quality central cities is a major measure to promote the coordinated and coordinated development of the Jiangsu region, which is conducive to the realization of the rise of the Huaihai Economic Zone and the improvement of the overall layout of the national development. However, the current problem in the Huaihai Economic Zone is that the driving role of the central city is not strong. The economic driving role of the core city is crucial to regional development. In any economic zone, the "engine" role of the central city is indispensable, just like Shanghai is in the Yangtze River Delta, Beijing is in the Bohai Sea, and Guangzhou is in the Pearl River Delta. No matter the new Eurasia Bridge, the Huaihai Economic Zone with Xuzhou as the center is the center of Zhengzhou. The Central Plains Economic Zone, the Guanzhong

Economic Zone with Xi'an as the center, the Northwest Economic Zone with Lanzhou as the center, and the Western Economic Zone with Urumqi as the center. Only Xuzhou is a prefecture-level city. According to the current situation, Xuzhou City has limited ability to mobilize resources for common development in the Huaihai Economic Zone. From the perspective of economic strength, the core city of Huaihai Economic Zone has a relatively small economic aggregate. There is no large-scale city in the economic zone. The regional GDP of the central city of Xuzhou in 2018 is 675.523 billion yuan, although compared with Jining (493 billion yuan). Cities such as Linyi (471.78 billion yuan) have certain advantages, but the absolute advantage is not obvious. Therefore, there have been cases in which several major cities in the region have talked about cooperation and are busy with competition. On the other hand, the Yangtze River Delta Economic Zone, the core city of Shanghai, accounted for more than a quarter of the total economic output of the region, more than twice the second Suzhou.

Therefore, the development of the Huaihai Economic Zone can rely on, but cannot rely solely on, the development of Xuzhou City. From the experience of cross-regional local cooperation model, the Yangtze River Delta Economic Zone takes Shanghai as the core city, Nanjing and Hangzhou as the regional central cities, the Pearl River Delta region with Guangzhou and Shenzhen as the regional central cities, and the Shanxi-Shaanxi-Yellow River Golden Triangle with Yuncheng, Linyi, Weinan and Sanmenxia as the central cities; the economic zone on the west side of the Straits is centered on Fuzhou, Quanzhou, Xiamen, Wenzhou and Shantou. The development of Huaihai Economic Zone can be used as a guide. Take Xuzhou as the core, and take Jining, Linyi and other cities as the central cities. At the same time, accelerate the development of urban circles such as Xuzhou and Jining Lunan, and strive to build urban agglomerations and cultivate regional growth poles. It is the key to accelerating the urbanization level of the Huaihai Economic Zone and enhancing the overall competitiveness of the region. At the same time, it is also conducive to the "high rise of the leader" and the rise of the Bohai-Lanxin economic belt, better promote and serve the development and opening up of the central and western regions; and the rise of the "economic downturn" in China's coastal areas, and promote the integrity of the eastern coastal areas of China. The formation of a continuous Gold Coast has made greater contributions to the sustained and rapid development of the national economy.

### ***3.2 Building a "sub-regional" cooperation circle***

The "sub-regional" cooperation circle was first proposed in the "Guangdong-Shaanxi-Yellow River Golden Triangle Regional Cooperation Plan". Among the six sub-regional cooperations in the "Planning", there are 4 cross-city and 3 inter-provincial sub-regional cooperation. In addition to Hancheng, which is a sub-district-level "planned city" under the jurisdiction of Shaanxi Province, other counties (cities, districts) involvedIt is a county-level unit. An important feature of the regional cooperation in the Yellow River Golden Triangle is that it not only tries to open up the administrative and regional barriers of the provinces and

municipalities, but also further refines the cooperation to the county, and decomposes the regional cooperation of the four cities into several sub-regions, and integrates inter-county regional cooperation. Regional cooperation in the four cities. Because this small-scale regional cooperation is more easily carried out by geographical connection, and there is the support of the existing national reform policy of “provincially directly governing county reform and expanding county-level economic management authority”, coupled with geographical connection, this small Regional cooperation in the scope is easier to carry out. While promoting cooperation between the main cities in the region, the need to promote sub-city cooperation in the region is also that the sub-regional cooperation circle can promote cooperation in the inter-city border zone, starting from breaking the boundary between the city and the county administrative division. Regional integration creates conditions.

There are 147 county-level units in the administrative division of the Huaihai Economic Zone, which can draw on the experience of the Yellow River Golden Triangle. Promote sub-regional cooperation between counties, explore the development of counties in the linked economic zone, break down administrative barriers, and achieve regional integration and development.

### ***3.3 Promoting industrial division of labor and cooperation***

An important problem facing the Huaihai Economic Zone is the serious phenomenon of industrial similarity, strengthening industrial cooperation, promoting complementary advantages, rational division of labor and layout optimization, building a modern industrial system with comparative advantages and reflecting regional characteristics, and promoting the construction of industrial transfer demonstration zones. The overall level of industrial development is the key to promoting the overall economic strength of the Huaihai Economic Zone.

(1) Cultivate and strengthen leading industries and build advantageous industrial clusters

Each city in the region is based on its own characteristics, promoting the industry to promote integration, coordinated development, agglomeration and development, and optimize regional industrial layout. For example, the urban group of Hubao and Emei mainly promotes the high-end development of energy and chemical industry clusters with clean energy and coal-based fine chemicals as the core; the industrial cluster of metal processing and equipment manufacturing, with Baotou and Yulin as the main bodies, focusing on building coal-blue carbon - Ferrosilicon-magnesium-magnesium processing and other non-ferrous metal production and processing industrial chain.

Chengdu-Chongqing City Group utilizes the equipment manufacturing industry base along the main city of Chongqing and Chengmian to optimize the aerospace, energy equipment, energy-saving and environmental protection equipment, internal combustion engines and general machinery, instrumentation, rail transit and other industries. Taking advantage of the comprehensive channel of Chengyu, we will

focus on the development of CNC machine tools, automobile and motorcycles, robots, complete sets of electrical machinery, machine tools, and modern agricultural machinery in the areas along Chengde and Chengnan.

(2) Orderly undertake industrial transfer

In terms of undertaking industrial transfer, the Pan-Pearl River Delta promotes the construction of cooperative parks and cooperative pilot zones, promotes the construction of the Guangzhou Pan-Pearl Cooperation Park, the Guangdong-Guizhou-China High-speed Rail Economic Zone Cooperative Experimental Zone, and supports the Guangdong-Guangxi Cooperation Special Experimental Zone and the Fujian-Guangdong Economic Cooperation. District, Beibu Gulf Linhai Industrial Park, Hunan-Chongqing Open Cooperation Experimental Zone and other inter-provincial cooperation platforms to promote professional transfer; Hubao E'ao urban agglomeration choose to establish a "standardization of standards, process norms, mutual recognition of qualifications" technology trading market and Technology transfer alliance; the Bohai Rim region supports the construction of industrial parks through entrusted management and investment cooperation, and explores the benefit sharing mechanism for cross-regional transfer of innovative industries.

(3) Strengthen agricultural cooperation

For the first time, the planning of the Yellow River Golden Triangle sub-region incorporates agricultural areas into regional cooperation, proposes to jointly build agricultural science and technology demonstration bases and dry farming demonstration bases; and play the role of regional industrial associations such as the Yellow River Golden Triangle Fruit Industry Association to strengthen production management and technology research and development. Marketing, coordination services and other functions. Strengthen cooperation in scientific research and integrate and establish a regional Apple innovation technology platform. Jointly establish a remote monitoring and diagnosis management center for crop production to form a major prevention and control mechanism for animal and plant diseases. Integrate various agricultural information resources in the region, establish a unified agricultural information exchange platform, accelerate the construction of agricultural geographic databases, and form an agricultural comprehensive information network service system.

### ***3.4 Working together to develop modern service industry***

Adhere to the people-oriented development thinking, strengthen the construction and sharing of basic public services, improve people's health and population quality, jointly promote regional culture, innovate social governance system, comprehensively improve the level of equalization of basic services in the economic zone, and gradually realize the system of regional social public services. Docking to better meet the needs of the people in the region for a better life.

(1) Create a tourism brand together

Together to create a wealth of tourism products and boutique routes. For example, relying on the characteristics of Dawan District and the status of Hong Kong International Shipping Center, Guangdong, Hong Kong and Macao Dawan District will build a multi-tourism product system such as cultural history, leisure and holiday, health care and cruise yachts, and develop high-speed rail "one-way multi-station" tourism products. Macao established the Dawan District Urban Tourism Cooperation Alliance to promote Guangdong, Hong Kong and Macao to share regional tourism resources and build a tourism brand in Dawan District.

Accelerate the construction of tourism infrastructure in the region. The urban group of Hubao Emei proposed to strengthen the inter-regional tourism traffic connection, build the Yellow River Scenic Road and the Great Wall Tourism Corridor, accelerate the construction of bicycle rally supply stations, tourist stations, self-driving camps and other infrastructure, and open up the urban agglomeration and Yinchuan. Tourism routes in neighboring cities such as Yan'an and Taiyuan.

#### (2) Promote educational cooperation

Strengthen school exchanges and cooperation. The Beibu Gulf urban agglomeration proposed the establishment of Beibuwan University and Zhanjiang University of Science and Technology, and established a mechanism for exchanges and cooperation between university experts and teachers. The Hanjiang Eco-economic Belt proposed to strengthen the joint operation of the members of the "Hanjiang River Basin University Alliance" and conduct mutual elections. Various forms of inter-school exchanges and cooperation, such as mutual recognition of credits, mutual recruitment of teachers, student visits, and joint disciplines.

Strengthen youth cultural exchanges. Dawan District of Guangdong, Hong Kong and Macao actively promotes the implementation of key projects such as the "Hong Kong, Macao and Macao Youth Cultural Journey", the Hong Kong "Young Mainland Exchange Funding Scheme" and the Macao "Thousand Talents Plan" to promote youth exchanges and cooperation in Dawan District.

#### (3) Promote the sharing of medical and health resources

Establish an intra-regional information exchange platform. Promote the use of universal medical records and mutual recognition of medical examination results in various medical institutions, and promote mutual recognition of occupational health surveillance results. The Hanjiang Eco-economic Belt proposes to build a connected and universal health information platform, establish a collaborative management mechanism for insured patients in different places, and carry out telemedicine cooperation. The Beibu Gulf area encourages the establishment of major epidemic information notification and joint prevention and control work mechanisms, emergency public health emergency response mechanisms and health incidents.

Conduct a joint consultation. The Bohai Rim region supports the establishment of a medical inspection quality control center and a medical image quality control center, and conducts joint research on difficult diseases and joint consultations on major diseases.



(4) Promote cultural prosperity together

Establish a cross-regional cultural alliance. The Beibu Gulf urban agglomeration advocates the establishment of cross-regional cultural alliances and the establishment of a cross-regional public library literature and local document sharing network platform.

Create a cultural event brand. Guangdong, Hong Kong, Macao and Dawan Districts and Beibu Gulf Areas all have similar geographical advantages, co-organize various cultural heritage exhibitions and performances, and jointly create a number of international and regional brand events to jointly promote the development of sports and sports industry in the region.

(5) Strengthen human resources and social security cooperation

Promote the integration of information. Through the implementation of “Internet + People's Society”, the Beibu Gulf region has promoted the informatization construction in the fields of social security, formed an integrated information application support system, and gradually realized the “one card” of social security in urban agglomerations. Chengdu-Chongqing City Group jointly promotes the construction of employment service platform integrating policy consultation, career guidance, career introduction, and entrepreneurial services, and establishes a unified and flexible human resources market. The Bohai Rim region has realized the sharing of information on residence and household registration by establishing a statistical information sharing mechanism for migrants.

### ***3.5 Promoting the co-construction of the ecological environment***

Promote the integration of ecological environment, improve the environmental management, ecological restoration and ecological compensation system, work together to create an ecological civilization demonstration zone where people and nature are harmonious, and jointly build a beautiful home of sky blue, green land and water clear.

(1) Jointly establish an ecological protection compensation mechanism

The Bohai Rim region encourages the exploration and establishment of a horizontal ecological compensation system, and conducts a horizontal ecological compensation pilot between the river basin ecological protection zone and the beneficiary zone. We will carry out pilot projects for compensation of ecological benefits of wetlands in important wetlands, gradually improve the compensation level of ecological benefits of forests at the national level, and improve the reward mechanism for grassland ecological protection subsidies.

(2) Establish a unified environmental testing system

Establish and strengthen a joint prevention and control mechanism and cooperation platform for pollution prevention and control. The Shanxi, Shaanxi, and Yellow River Golden Triangles jointly monitor and manage key industries and key

areas, and promote clean production in key industries such as thermal power, steel, and building materials, and reduce emissions of atmospheric pollutants.

### ***3.6 Innovation and improvement of cooperation mechanism***

All cities in the economic zone should conform to the development needs of the new situation, strengthen communication, dialogue and cooperation, and build a smooth new regional coordinated development mechanism for colleges and universities.

#### **(1) Establish a joint meeting system for executive heads**

The Pan-Pearl River Delta region advocates the full play of the role of the executive heads joint conference system, strengthens the decision-making, promotion and coordination of major regional cooperation issues, and the communication with the relevant departments of the State Council to expand the influence of the Pan-Pearl River Delta Regional Cooperation and Development Forum. Introduce market-oriented resources to operate, and build it into an important think tank to promote cooperation in the Pan-Pearl River Delta region, and provide strong intellectual support for cooperation and development.

#### **(2) Establishment of a regional cooperation development fund**

Many regions have advocated the transfer of funds from the provinces and cities in the region, the establishment of regional cooperative development funds, and the active introduction of social capital, focusing on cross-regional infrastructure construction, ecological construction and environmental governance, public service system construction, industrial cooperation and other cooperation. Co-construct projects, coordinate and resolve inter-regional interests in cooperation, and promote regional integration development.

#### **(3) Establish a benefit sharing mechanism for cross-regional transfer of industries**

In the Shanxi, Shanxi and Henan regions, the benefits of inter-city layout industrial projects are shared by all parties involved. The tax revenues generated after the project is put into production can be divided into a certain proportion on the basis of consensus. It also actively promoted the construction of a regional rule of law cooperation platform and established a system for coordinating and handling cross-regional interest disputes. The East-West Cooperation Demonstration Zone proposes the localization of value-added tax and income tax generated after the project is put into operation. The two parties can be divided according to a certain proportion on the basis of consensus.

#### **(4) Establish regional unofficial coordination mechanisms**

The Pan-Pearl River Delta region has established a coordination mechanism for unofficial (including intermediaries, civil organizations, etc.) in the Pan-Pearl River Delta region. Encourage the Pan-Pearl River Delta region to make full use of the coordination network and advantages of intermediaries and civil organizations, and

play the role of non-official organizations such as industry associations in coordinating the members and enterprises of the Pan-Pearl River Delta region. Study and establish a dispute mediation and settlement mechanism for mediation enterprises in different provinces and regions, and gradually form a unified complaint, mediation, and arbitration mechanism.

(5) Accelerate the construction of the market system

Through the establishment of a regional unified human resources market, the Yangtze River Delta region will improve the talent evaluation system and human resources development and allocation mechanism, establish a household registration, housing, education, personnel management and social insurance relationship transfer system that is conducive to talent exchange; establish a regional unified capital market Promote cooperation in property rights trading markets, support cross-regional operations of financial institutions such as banks, accelerate the organization and innovation of financial institutions, establish a central and local joint supervision and responsibility mechanism; establish a regional unified technology market, implement unified technical standards, and implement High-tech enterprise and mutual recognition system for achievement qualifications.

#### 4. Conclusion

In order to achieve coordinated development, each region has continuously explored new mechanisms and new models for regional cooperation. These beneficial explorations provide a more diversified path for regional cooperation and provide experience for other regional cooperation and development. The Huaihai Economic Zone has a vast territory and involves more than 20 prefecture-level cities in four provinces. There are great differences in the region. In order to achieve coordinated economic development in the region, we must seek common ground while reserving differences. Local governments should promote economic and trade exchanges between localities and form a good pattern of close cooperation and integration from top to bottom, and seek common development. The cities should also strengthen economic ties and coordination with the entire region, strengthen the macro management strategy research of regional overall development, and formulate corresponding regional development plans. In the process of cross-regional cooperation in the fields of infrastructure construction, tourism development, ecological environment construction and protection, we must strengthen strategic planning and collaborative management from the overall regional perspective, and implement a reasonable regional layout and industrial division on this basis.

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