

Analysis of the Coordinated Development Mechanism of Regional Economy

Quan Xu¹

¹Tianjin university, Tianjin, 300072

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Abstract: There is a close relationship between finance and economic growth. The coordinated development of regional economy and finance is an economic guidance policy that must be grasped by China's economic reform and development. In the initial period of reform and opening-up, China's financial policy did not consider the economic development gap between regions. In the process of implementation of financial policies, regional economic gaps have gradually widened and the economic development in the central and western regions has been delayed. In order to promote the coordinated development of regional economy and finance, it is necessary to start with the mechanism of the financial economy, and make overall plans and coordinate development.

1. Introduction

Since the reform and opening up, the Chinese economy has maintained a growth rate as high as 9% to 10%, which is related to the implementation of regional economic policies since the reform and opening up. China's regional economic development strategy can be divided into two major phases. The first phase is based on the development stage of efficiency priority. It has implemented a regional development strategy of unbalanced development, giving priority to opening up the eastern coastal areas, and the eastern coast has become China's major contribution to economic growth. 1 At the same time, the economic development gap between the eastern region and the central and western regions continued to widen, and a phenomenon of "converging clubs" emerged. 2 The second phase of the regional economic development policy began to shift from the primary focus of the first phase, "efficiency first", to "priority and fairness," and from the unbalanced development strategy to the balanced development strategy, 3 related to the central and western regions. In the 21 provinces and regions of the Northeast, this is also an adjustment to the development strategy of the first stage. Balanced development among the regions has been highly valued in policy formulation. However, balanced development between regions is difficult to achieve in a short time.

2. Influencing Factors of Coordinated Development of Regional Economy

According to the main functional area development framework, economic development involves the allocation of population and economic factors among regions and the intensity of resource inputs in various regions. From the factors that affect the coordinated development of regional economies, it can be mainly attributed to two aspects. First, the spatial distribution of population, which involves the distribution of the current population and the pattern of population movement. Second, the input of economic factors among various regions includes land, capital, and human capital. Since local governments control land use and thus affect investments related to land investment, the input of economic factors is closely related to local government behavior. Therefore, the coordinated development of regional economy can be inferred from the two aspects of population mobility patterns and local government behavioral motivation. the elements of.

Large-scale population migration is an important reflection of the incoordination of regional economic development. Migration and distribution of population is also one of the main factors that determine the economic structure of China's regional economy in the future. It also determines the dynamic changes in the carrying capacity of resources and environment in each region. From the perspective of the geographical distribution of population density, China's urban agglomeration

areas and agglomeration core areas have continuously expanded since the founding of the People's Republic of China. 3 With the central government's emphasis on the protection of arable land, constraints on land supply in the process of urbanization will continue to be prominent. The possibility and quantity of new urban agglomerations will be limited in the coming decades in China. The evolution trend of urban dense areas is mainly reflected in the further formation of the urban agglomeration areas that were in the development stage and the existing urban dense areas. Through the expansion of space, it is connected to form a continuous belt of cities with a wider geographical range. 4 Therefore, the economic links between adjacent regions will be further strengthened along with the development of urbanization, thus objectively requiring a coordinated development mechanism between regions.

3. Analysis of the Realistic Problems Affecting the Coordinated Development of Regional Economy and Finance in China

At the initial stage of reform and opening up, China's financial policy did not consider the economic development gap between regions. In the process of implementation of financial policies, regional economic gaps have gradually widened and the economic development in the central and western regions has been delayed. Through the above data analysis, there are great differences between China's financial development regions. Such differences have led to further expansion of regional economic development. The resulting "Matthew Effect" has made it difficult for regional economic and financial development to co-ordinate. There is a conflict between the funding needs of regional economic entities and the financial supply of financial institutions. There are mainly: the concept of marketing constraints; regional financial services function weakened; incentive mechanism and responsibility mechanism is not symmetrical; supply and demand conditions of credit funds do not match; financial product innovation and service lags behind. These directly led to the existence of problems such as loan guarantees, mortgages and other guarantees for SMEs, and micro-economic entities also have problems with borrowing capacity, which directly affect the financial efficiency of financial institutions.

Funds flow from economically underdeveloped areas to developed areas and from rural areas to cities. The existence of siphoning of funds has seriously affected the coordinated development of the financial economy. (Yang countries, Li Mu Xiang 2004) theoretical analysis and empirical research on 1997-2003 data, we can see characteristics of credit flows between our region is from rural to urban, from flowing to the economically developed regions economically backward regions. By analyzing the reasons for the outflow of credit funds in China's economically backward areas, the author believes that it is necessary to implement a differential financial policy in China. At present, China has not yet established a complete and scientific credit investigation, evaluation system, and security system. Although various credit guarantee agencies have been set up in each region, they are small in strength, lack experience, and are not standardized in operation. The inadequacy of communication and coordination mechanisms will affect the development of the real economy. Therefore, financial institutions lack attention to high-quality enterprises within the region, and they should use high-quality enterprises as a breakthrough to strengthen regional financial support for enterprises.

4. Analysis of the Mechanism of the Harmonious Development of Regional Economy

From the perspective of regional economy, perfecting the market system is a necessary condition for the effective allocation of factors, which is conducive to the promotion of economic division among regions, the improvement of economies of scale in the allocation of factors, the scope of economy, and the overall competitiveness of the region. As China's economy continues to integrate into the world economy, the expansion of market boundaries places higher demands on economies of scale and division of labor based on comparative advantages. In fact, under the conditions of continuous deepening of economic globalization and increasing competition between regions and regions, the significance of regional economic cooperation has gone beyond the scope of the region

itself, becoming a national and global, and serving the national economy. Develop long-term strategies. Perfecting the market system and regulating market competition largely depend on institutional arrangements. From a regional point of view of economic relations, improve the market mechanism is needed to break the boundaries between local governments in the area of governance, based on the principle of resource endowments and comparative advantage, configured via the price mechanism of the market, to achieve the adjacent area. The benign competition should pay particular attention to the areas established by the market mechanism between the "optimized development zone-optimized development zone", "optimized development zone-key development zone", and "key development zone-key development zone". Economic relations.

Perfecting the market system is also a necessary condition for balanced development among the regions. The premise of narrowing the regional gap is to recognize the differences in location and resources between different regions. First of all, location factors have played an important role in the expansion of regional disparities since the reform and opening up. They are embodied in the distributional differences of openness factors among different regions. Perfecting the market system is conducive to promoting the division of labor among regions, and through interregional relations. Industrial planning and infrastructure construction, integrating regional resources, adjusting regional industrial structure, and forming a reasonable regional economic division of labor will help reduce the impact of location factors. Second, because of the great differences in resource endowments in various regions of China, establishing a coordinated development mechanism for regional economies is conducive to the efficient use of resources in the central and western provinces. This needs to rationalize the pricing mechanism of resource-based products, increase the degree of marketization of the prices of production factors, promote the intensive use of resources, and increase the sustainability of economic development in resource-based regions, especially the development of resources in key development zones and restricted development zones. mechanism. Perfecting the market system is conducive to promoting sustainable development. Perfecting the market system needs to consider the environmental costs involved in the process of economic growth. This requires the establishment of an ecological compensation mechanism and an input mechanism for ecological protection in the process of resource development, so that the intensity of resource development is limited to the environmental carrying capacity. In addition, in the assessment of the performance of local government, we will improve the assessment criteria, strengthen the weight of environmental protection indicators, and strengthen the institutional construction of environmental supervision and governance. Promoting cross-region cooperation (cooperation) Despite the existence of a game of interest between regions, since the game between regions is repeated for many times, there is a long-term interest relationship between regions, and cooperation exists between regions. However, cooperation between regions needs inter-regional governance through institutional guarantees. An important means is to establish cooperative mechanisms for coordinated development among regions, and to address the provision of cross-regional public products (such as cross-border infrastructure) and various types of cross-border Externality issues (eg cross-basin governance, transboundary pollution issues). Cross-regional governance involves two aspects: First, the degree of economic correlation among various regions within the region. Second, the adjustment of interest relations between regions. The former determines the overall interest problems arising from the establishment of cooperation mechanisms between regions. It is determined by the resource endowments and relative locational relationships of each region, and its dynamic changes are related to the establishment and development of market mechanisms. The latter determines the cost sharing of regional cooperation and the transaction costs of establishing cooperative relations between regions, which are largely related to external institutional arrangements.

In the process of establishing a market economy system in China, the resource allocation of administrative plans gradually gave way to the price mechanism, but the government still has a strong ability to intervene in the economy. The development of economic competition among local governments also leads to regional The lack of coordination in economic development. Therefore, the establishment of a regional economic cooperation mechanism needs to dilute the color of

administrative divisions and strengthen the function of economic regions. This requires the formation of a new concept of government governance, that is, from the traditional “governance based on a single administrative region” to the “transformation based on comprehensive regional economic relations. "Public governance in the area". This transformation of the governance model does not deny the local government's dominance of local development planning, but rather strengthens the local government's objective requirements for more consideration of regional factors in the development planning process. At present, the cooperation between regional economies has just begun and no guarantee has been formed on the mechanism. This has also constrained the development gap between backward areas and developed areas. Regional economic cooperation organizations play an important role in achieving cross-regional governance. The establishment of a regional economic cooperation organization is based on the principle of voluntariness and equality. It must fully consider the subjective initiative of each province. As the economic strengths of various economies in the region are very different, the interest relationship is also complicated. The establishment of regional economic cooperation organizations needs to balance the differences in many fields. Therefore, although the member economies of regional economic cooperation organizations are equal, if there is no core member to play a leading role, regional economic cooperation organizations often cannot be established. From the perspective of the development of various regional economic cooperation organizations in the world, it is the core members who have played a leading role to gradually develop and grow.

5. Conclusion

Regional coordinated development is an important guiding principle for China's regional development and a major task for China's national economic and social development. Starting from the perspective of logical connection systems, comparative analysis of the concept of coordinated regional development, redefining the definition of the coordinated development of the region, and interpret the meaning of the concept. The motivations for regional coordinated development that have been neglected have been studied in terms of both internal and external dynamics, and a regional coordinated development mechanism system consisting of market mechanisms, space organization mechanisms, cooperation mechanisms, aid mechanisms, and governance mechanisms has been proposed. Through organic links and mutual restraint among various mechanisms, regional coordination and development will be promoted.

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