

Reform and Opening Up and the Development of Special Economic Zones

Bai Yunzhen

International Business School, Shaanxi Normal University, Xi'an, China

baibaiyz@163.com

Keywords: Reform and opening up, special economic zones, Chinese path

Abstract: The special economic zones decided to be established at the initial stage of reform and opening up fully embodies the scientific concept of development. This powerful institutional arrangement not only breaks the general equilibrium under the traditional system, but also makes the unbalanced social transformation the best choice for China's institutional changes. In the 40 years of reform and opening up, China has developed from the establishment of the original traditional special economic zones to the establishment of state-level high-tech zones, development zones, economic cooperation zones, free trade zones and other multi-level and multi-functional areas. The choice of path provides reference and experimentation, which plays a key role in the overall rapid development of China's economy. This paper will review the development path and experience by reviewing the establishment and development of special economic zones since the reform and opening up.

1. Introduction

First of all, to unify a concept, the special economic zones, the development zone, the special customs supervision zone, the economic cooperation zone, the free trade zone, the national high-tech zone, etc., all of which belong to the development zone, are all oriented to the government for a certain economic purpose. Economic regions in the region that are different from those of other regions of sovereign countries or regions.^[1]The establishment of special economic zones is a major initiative of China. As a pioneer and pilot of China's reform and opening up, the special economic zone has grown into a development model, namely the special economic zone model, after 40 years of exploration and practice.

2. Establishment of Special Economic Zones is the Only Way

Reform and opening up is a major choice in the future destiny of socialist China. In the course of reform and opening up, the establishment and development of special economic zones is a main line running through these 40 years.

Whether it is the four special economic zones in Shenzhen, Zhuhai, Shantou and Xiamen established in the early 1980s, the Hainan Special Economic Zone subsequently established in 1988, the Shanghai Pudong New District established in 1990, the Tianjin Binhai New District established in 1994, or the Chengdu-Chongqing Experimental Area established to coordinate the comprehensive reform of urban and rural areas throughout the country. In addition, the Xiong'an New District, which was established in 2017 to promote the coordinated development of Beijing-Tianjin-Hebei, and the state-level economic and technological development zones in the form of high-tech zones, bonded zones, export processing zones which have been established successively since 1988, are essentially aimed at enabling Chinese society to complete the final transformation from planned economy to market economy, to a socialist market economy with Chinese characteristics. And to improve the market economy system, to promote reforms through development, to promote development through openness, and truly transforms the achievements created by reform and opening up into making China stronger and improving the quality of the people life of the whole country.

The establishment of special zones create the idea, which has transformed the general equilibrium

into unbalanced ,this ideas and practical experience provides the best path choice for the institutional change of Chinese society and embodies the mandatory institutional arrangement of the scientific outlook on development, so that China can begin to move from general poverty to the market of "some people get rich first" in a relatively short period of time.

3. Development Path and Experience of Special Economic Zones

3.1 From point to line, from line to plane

The path of China's reform and opening up in the past 40 years is clear, and the construction of special economic zones runs through it all the time. The entry point of reform and opening up is special economic zones, and the experience of drawing lessons from and opening up are also special economic zones. Open the country with the first five special economic zones, break the traditional thinking, open the gap of the planned economic system, cultivate the socialist market economy with Chinese characteristics, promote the establishment and improvement of the socialist market economic system, lay a foundation for the reform and opening up, and promote the rapid development of the Pearl River Delta economic circle. The Pudong New District and Binhai New District, which were subsequently established, drove the rapid development of the Yangtze River Delta and the Bohai Economic Circle. The Xiong'an New District, which was established afterwards, is also aimed at relieving Beijing's "non-capital function", alleviating the pressure of Beijing's urban development, and at the same time realizing the coordinated development of Beijing, Tianjin and Hebei.^[3]

From 1980 to 1988, China established five special economic zones and 14 state-level development zones. From 1988 to 1997, 53 high-tech zones were established. From 1992 to 2002, state-level economic and technological development zones began to be established in cities along rivers, inland provincial capitals. Over the past 40 years, the number and scale of development zones in China have been in the forefront of the world. From the first few special zones to the development and opening up of the coastal areas, from the coastal areas to the inland provinces and municipalities, the development zones have blossomed all over the country, and the development and opening-up of these zones have been connect to one side. So far, China has established 552 national development zones of five types.

3.2 Demonstration effect and synergy effect

The five special economic zones set up at the beginning of the reform and opening up were carried out in underdeveloped cities or regions that had little impact on the national economic foundation. Their main functions were to test China's opening up and economic system reform, and their basic orientation was the "window" of reform and opening up. Comrade Deng Xiaoping once said that "our greatest test is the reform of the economic system". Shenzhen, as a "pioneer", is the most important contribution, that is, the innovation of the economic system.^[4]The goal of the 14th National Congress of the Communist Party of China to establish China's economic system reform is to establish a socialist market economy. In this "test field" of establishing the "maximum experiment" of the socialist market economic system, Shenzhen took the lead and fully demonstrated the "leaders". The style, which also means that the "market regulation" that has been experimented for 12 years will be promoted to the whole country and played a demonstration role. In the 1990s, the development of Shanghai Pudong and Tianjin Binhai were based on the reform and opening up before the comprehensive development and reform began with the large-scale central city as the leader, with greater courage, higher level and more "special" development and opening-up, which means that China's reform and opening-up oriented by market economy has reached a new level.

By 2007, the development and opening up of the Chengdu-Chongqing Experimental Area was aimed at coordinating urban and rural comprehensive supporting reforms, promoting the coordinated development of urban-rural dual structure, exploring new development models, and bringing reform and opening up to a deeper level.

The demonstration, radiation, promotion and synergy of the special economic zones for the development of the mainland can not be underestimated, and they have undoubtedly played a great role in China's rapid development.^[5] Special economic zones have strengthened economic cooperation with many provinces, municipalities and autonomous regions, passed on the experience of special economic zones to the Mainland, broken through the fetters of the rigid system in the Mainland, spread new concepts and ideas adapted to the market economy to the whole country, and effectively promoted the development of the Mainland.

4. Special Economic Zones and Chinese Path

"Chinese Path" refers to the choice of establishing a special economic zone in China to complete the institutional transformation and achieve economic development.^[6] The establishment of special economic zones has broken the traditional ideology and the general equilibrium under the traditional system, making the social transformation of non-balanced development the best path choice of institutional change in Chinese society.

While enjoying the "trial and error" privilege, the special economic zone undertakes the historical mission of reducing the risk cost of the country's reform and opening up and paving the way for it.^[7] The Special Zone has the function of "altruism" as well as "mutual benefit". Over the past 40 years, the development of the Special Economic Zone has also changed greatly. From the initial pursuit of economic development to the coordinated development of population, resources and environment, from the initial urban development to the dual development of urban and rural areas, from the world factory to the innovative development, the establishment of the Special Economic Zone has opened the way for Chinese society to lead to scientific development.

Acknowledgement

Thank my thesis tutors and classmates for their help in the process of writing papers. Thank you for the monographs of scholars cited in this paper. Their research results inspired me. Thank you for the opportunity to contribute to this conference.

Reference

- [1] Zhang Zhaotang. The construction of the Special Zone Development Zone is the epitome of China's 40-year reform and opening up [N]. *People's Political Consultative Conference*, 2018-12-21 (007).
- [2] Xiao Jincheng, An Shuwei. From regional unbalanced development to regional coordinated development: 40 years of regional development in China [J]. *Regional Economic Review*, 2019, (01): 1-12.
- [3] Bian Zeyang, Yin Xingmin, Zhang Qi. Evolution of Innovation Function of China's Special Economic Zone: From Pilot to Synergy: Taking Xiongan New Area as an Example [J]. *Scientific Management Research*, 2018, 36 (04): 5-8.
- [4] Tao Yitao, Lu Zhiguo. Development of China's Special Economic Zone (1978-2018) [J]. *Financial Review*, 2018, 10 (06): 2.
- [5] Zhang Wen. Tao Yitao, Lu Zhiguo, Editor-in-Chief: On the History of China's Special Economic Zones [J]. *China's Economic Issues*, 2009 (02): 42.
- [6] Tao Yitao. Talking about the essence and connotation of China's road from special economic zones [J]. *Social Science Front*, 2018 (06): 22-31.
- [7] Luo Qinghe, Xu Xinhua. Reflections on the coordinated development of special economic zones and non-special economic zones in the transitional period [J]. *Guangdong Social Sciences*, 2014 (03): 30-35.