

Research on Enclave Economic Model in Developed Coastal Areas

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Abstract—The enclave economic development model cooperated with Singapore in Jiangsu in 1994 has much important reference for the development of Pan'an in Jinhua of Zhejiang. Excellent performance has been obtained in Pan'an Economic Development Zone through 23 years of practical exploration, which provides powerful motivation for the economic development of Jinhua and Pan'an. The system and mechanism of Pan'an Economic Development Zone must be more complete under the new trend, and the currently existing problems and dilemmas must be solved so as to forge the upgrade version of mountain/sea collaboration.

Keywords—Enclave Economy; Pan'an Economic Development Zone; Countermeasures and Suggestions

I. PROBLEM INTRODUCTION

Mountain/sea collaboration implemented in 2002 and the presentation of "Eight-Eight Strategy" at the provincial level in 2003 indicate that Zhejiang launches the new model of economic development; thereinto, the item 6 of "Eight-Eight Strategy" presents to further exert the advantages of mountain/sea resources, energetically develop marine economy, promote leapfrog development for the underdeveloped areas, make efforts to make marine economy and the development of underdeveloped areas become the new growth point for Zhejiang; echoed with the content of mountain/sea collaboration, it lays solid foundation for the development of Zhejiang's economy. Enclave economy is the most important development model, which has obtained satisfied achievements after more than 20 years of practice. The word "Enclave" in "Enclave Economy" is not an economics terminology at the early stage, instead it's evolved from the concepts of politics and geography. The name of "Enclave" occurred in the Madrid Treaty of the 16th century at the earliest stage. As a kind of special human geography phenomenon, "Enclave" is affiliated to one administrative region, but it's the land that's not adjacent to the administrative region. The *Cihai* published in 1960s explains: "The owners occupy the land that's intersected with others, and the part entered into their territorial boundary is called enclave [1]."

Domestic scholars have done research on enclave economy since 1990s. With the continuous development and upgrade of overseas industries, China's coastal areas become the places carrying on overseas industry transfer, thus the industrial parks of the enclave continually enter into China. These cities

transfer their own industries to the central and western regions after 20 years of development, which gives rise to continuously development and upgrade of the economic model of enclave. As for the aspect of enclave economy research background, there are various opinions. Zhou Ke and Gu Zhouyang present the return background of international industry, they insist that the policy of deglobalization will affect the economic development [2]; Shen Changgeng, Cao Daming and He Weijun introduce the development of minority areas into the mode of "Enclave Economy", they deem that a certain kind of innovation shall be established from the perspective of organization and system, and the mode of blood transfusion should be changed into the hemopoietic assistance. Luckily, the mode of "Enclave Economy" just can solve these problems [3]; Yang Chunping, Chen Shibo and Xie Haiyan present the research on the basis of ecological compensation. They look on "Enclave Economy" as the development mode for the ecologically vulnerable areas and explain the issues of narrow scope, different standard and fund resources existing in the current ecological compensation by taking Sichuan-Aba industrial park as the research location. These issues limit the development in minority areas. Because the previous mode can't meet the economic development or protect the ecology more effectively, "Enclave Economy" is the important measure for the development of minority regions under such kind of background [4]. In terms of the significance of Enclave Economy, Lin Junxi presents that the "Enclave Economy" mode can promote the industrial development of Tongren, stimulate the industrial economic development in Dalong Development Zone so as to make the "Garden within Garden" mode in this Zone. Naturally, Dalong Economic Development Zone can become the typical model for the national development [5]; Zeng Wei and Chen Zhengyu think that the population control, resource utilization improvement and sustainable resource development shall be realized in the effective "Enclave Economy" mode so as to realize the development of sustainable green economy in the contiguous poverty areas [6]; Zeng Gui and Xu Yunbao present that the establishment of "Enclave Economy" park can improve the industrial aggregation capability, validly extend the industrial chain and strengthen the contact between the upstream and downstream enterprises, and it's favorable for the layout, innovation, opening-up and development for the industrial space in Hunan province [7].

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Overseas research and exploration on enclave economy can be tracked to the 1990s. The Enclave Economy written by Gallagher and Zarsky is the first book that got this named. The authors comprehensively explore the FDI and sustainable development problems in the book by taking Mexico IT industry for example [8]. Jiang Lingjie (2018) thinks that the enclave park is a favorable measure for mountain/sea cooperation, the “industrial” enclave for Zhejiang’s “ecological compensation”. She also summarized the “science innovation” enclave of “project drawing” and advantageous characteristics of “thin” enclave of “targeted poverty alleviation” and gave countermeasures and suggestions for the follow-up development [9].

China’s practice on enclave economy came into reality in (Sino-Singapore) Suzhou Industrial Park of Jiangsu which was mutually established by the governments of China and Singapore in 1994, while the earliest practice of Zhejiang’s enclave economy was the establishment of Jinpan Development Zone. After being approved by Zhejiang Provincial Party Committee and Government, an “Enclave” was planned in Jinhua city in order to support the development of Pan’an in 1995, thus the Jinpan Poverty Alleviation Economic Development Zone was established, with a planning area of 3.8km². It is 23 years since Jinpan Poverty Alleviation Economic Development Zone was established. The local takes “Eight-Eight Strategy” as guidance, and makes efforts to promote the demonstration area of mountain/sea collaboration and sample region of remote poverty alleviation development zone, which has been a successful model for China’s enclave economy.

II. QUESTIONS FOCUS

The establishment of Jinpan Development Zone is a mountain/sea collaboration model that crosses the county and city within the administrative area framework of the same prefecture city. This kind of innovative form is suitable for China’s main contradiction change, deals with imbalance and insufficiency of regional development and promotes high-quality development. It’s the important expression of enclave economic model, and born with characteristics of uniform concentration, flexible in policy and highly-effective coordination, which is of powerful practical significance and promotion value across the country. Therefore, it’s the reference model for China’s minority areas, poverty and remote regions. Until now, there are more than 1000 industrial enterprises, including 6 with the output of more than 0.1 billion RMB, 9 with more than 10 million RMB of tax, 3 with more than 50 million RMB of tax, 8 national high-tech enterprises, only 1 cultivated main board listed enterprise in Pan’an country, and 32 billion RMB accumulative industrial output.

Main Achievements and Significance

A. Become the Important Measures for Pan’an to Realize Poverty Alleviation.

Due to 23 years’ practice, the construction of Jinpan Development Zone accelerate more and more quickly and the economic aggregate increase continuously, which has become an important platform for Pan’an’s economic growth, a crucial

window for opening-up and a major pillar of financial income. The practice makes contributions to Pan’an’s acceleration on poverty alleviation and realization of “quick development”. Until 2017, the contribution degree of the main economic index in the area reaches 1/3, the high-tech enterprises occupy 80% of the whole county, accumulatively employment rate reaches more than 20,000 which occupies 1/10 of the county; accept more than 1000 immigrants which occupies 10% of the inhabitant resettlement 11069; the comprehensive development level of Pan’an county is upgraded to the 6th of the 2nd level counties among the 13 accelerated development counties from the bottom among the province, and the CPI-adjusted per-capita is No.1 for 4 continuous years in Jinhua.

B. Become the “New Force” to Promote Jinhua’s Urban Construction.

Under the uniform planning of Jinhua Development Zone, Jinpan Development Zone has gone through twice expansions and upgrades, and the accumulative infrastructure investment fund is 8.36 billion RMB, 28 municipal roads with the length of nearly 30km are constructed, 12,000m² of greening is implemented, the urban hygiene and other management expenses is 0.12 billion RMB, which has become an indispensable component for Jinhua. Currently, the development area and population collection in Jinpan Development Zone has separately occupied 1/7 and 1/8, the average density of population reaches 23,800/km² which is much higher than the average level of 5,600/km² of Jinhua Development Zone, and the center is only 2.5km away from the core commercial circle of Jinhua. 6 of each 10 Pan’an people choose to purchase a house in Jinhua and it forms good “win-win” situation for Pan’an remote development and Jinhua’s urban construction.

C. Become the “Pioneer” of Ecological Compensation Mechanism.

Jinpan Development Zone firstly explores to establish the ecological compensation mechanism of “increase tax by means of remote industrial development and provide funds to protect the environment in the county”, which undertakes 50% of industrial economy for Pan’an, provides more than 0.1 billion RMB financial support, partakes more than 0.1 million tons of industrial consumption and provides larger space for the ecological protection in Pan’an. Currently, Pan’an has successfully constructed “National Ecological Demonstration Area” and “National Ecological County”, including the coverage rate of forest of which reaches 80.95% and gets its 1st place in Jinhua and the forefront in the province; the surface water and area water quality meets 100% standard, the good air rate reaches 97.8%, the PM2.5 is 29mcg/m³ at average year, which is No. 1 in Jinhua and the top 10 in the province. The expert group of the Counselor’s Office of the State Council has ever evaluated: “Jinpan Development Zone has created valuable experience on the upstream and important ecological function area by performing effective development compensation is performed, and it’s worthy for summary and promotion.”

III. PROBLEM ANALYSIS

A. Model Analysis

The realization of enclave economic model can't get rid of the mechanism support, in that complete mechanism is an important factor to realize the benign development. Zeng Gui and Xu Yunbao (2018) assert that as a new kind of cooperative regional economic development model at cross administrative region, both of the fly-out and fly-in parties shall coordinate with each other in order to realize the regional cooperative effect of $1+1>2$ for enclave economy, and the cooperative mechanism of mutual construction, management and sharing with scientific win-win shall be constructed [10]. The practice of Zhejiang Jinpan Enclave Park can't be successful without the scientific system and mechanism. The operation model refers to the Fig. 1.

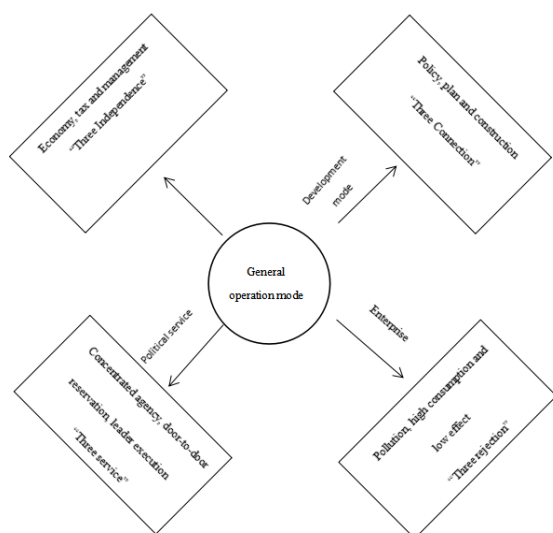


Fig. 1. Operation mode figure of Jinpan Development Zone

1) Persist on the scientific development principles of "Three Independence" —Economy, Tax and Management.

There's no reference pattern for the planning and construction of poverty alleviation economic development zone under the historical conditions at the beginning of Jinpan Development Zone's establishment, so systematic and comprehensive theory and practice innovation shall be performed. Therefore, two levels of Jinhua and Pan'an party committees play the pioneering role in creatively trying a series of exploration and gradually form the "Three Independence" remote development principles of "Independently execute the county-level economic management right, independently enjoy the output and tax within the zone and independently organize to implement the construction and management within the zone". As a result, they ensure the high-efficient operation of Jinpan Development Zone without interruption.

2) Establish win-win consciousness, abide by the integration development mechanism of "Three Connection" —Policy, Plan and Construction.

With the most important characteristic- "Remote", the mostly easiest occurrence of the remote development zone is

system collision, insufficient guidance and difficult coordination. Therefore, Jinpan Development Zone solidly execute the "Three Connection" development mechanism of "General planning in the park shall be linked to the Jinhua city, tax and other economic policies shall be basically consistent with the Jinhua city, and the land acquisition shall be uniformly implemented by the Jinhua Development Zone Management Committee", doesn't establish independent kingdom, regularly carries out the close communication and collaboration with the Jinhua Development Zone Management Committee, which can effectively avoid the detached planning and construction, bad competition of the same industry, and inconsistent policy treatment.

3) Implement the new development concept; abide by the enterprise access threshold of "Three Rejection" —Pollution, High-efficiency and Low Effect.

Jinpan Development Zone persists on the "Ecological construction" since the establishment, strictly executes the "Three Rejection" policies of "reject the enterprises with high-pollution and energy consumption, low efficiency and output as well as the ones that don't meet the industrial planning", and makes efforts to develop the headquarter and information economy, save land use and avoid low-level low-efficient development. More than 600 acres of low efficient industrial land is accumulatively replaced, more than 40 enterprises with pollution are rejected to be approved and closed; Jinpan Network Science Park and other headquarter economic development platforms are established, 225 enterprises are introduced, tax of reaches 0.15 billion RMB in 2017.

4) Practice the political service mode of "Three Service" of "concentrated agency, door-to-door reservation and leader execution" in advance.

Jinpan Development Zone takes the "no need to go to the site" as the target for the handling of the enterprise and mass since the establishment, depending on only more than 20 staff assigned by the county government to collect all of the relevant governmental functions, promote the "Three Service" mode of "concentrated agency service, door-to-door reservation and leader execution", ensuring to realize one window accepting, one window tracking and one window feedback and provide the most heartfelt service for enterprises. Until now, more than 230 concentrated door-to-door service items have been handled, more than 800 times of reservation service have been provided for more than 500 enterprises (self-employed), and more than 180 items have been handled by the "Top Leader" for more than 70 enterprises.

B. Existing Problems

1) The policy continuation hasn't been rationalized.

According to the agreement signed by Management Committee of the Jinhua Economic Technology Development Zone and Pan'an People's Government in 2002, the developed land of 1378 acres in the new zone of Jinpan Development Zone belonged to the "entrusted development construction". The tax/ expense and benefits produced in the area would be owned by Pan'an County from May, 2002 to May, 2008. After June 2008, the tax/ expense and benefits in the area belonged to the Pan'an County should be equally shared with the Jinhua

Economic Technology Development Zone. The time limit of the entrusted construction was 15 years, and the deadline was December 31, 2017. The development, construction, management and term authority under the agreement shall be freely owned by Jinhua Economic and Technology Development Zone after the entrusted development is expired. At present, the agreement has been expired. Because the municipal economic development zone holds different opinions, the management mechanism is not rationalized, and the follow-up policy is not clear, the further development is constrained.

2) *Less policy support and insufficient practical basis.*

The high-quality and high-efficiency development of Jinpan Development Zone can't be realized without the provincial, municipal and prefectural support at the tax management, land acquisition and so on. "Mountain/sea collaboration" project doesn't have any mature practice experience within the whole province for reference, and there are no clear laws or regulations to support the construction of the development zone. For example, the education related policies for the employees' children in Jinpan Development Zone shall be consistent with the municipally managed enterprises; the construction enterprises in the zone shall enjoy the same treatment during the bidding process in Jinhua city.

3) *Less development space and the bottleneck contradiction for land is prominent.*

The previous planning area of Jinpan Development Zone is 3.8 km²; until now, the total of the new and old zone is less than 2km²; especially since 2009, there's no newly increased land. Lots of key enterprises with good development momentum can't be satisfied, so some enterprises have already purchased the land outside. Besides, many investment projects with large scale and good foreground can't settle down due to the insufficient land. Therefore, land resource is still the maximum bottleneck that constrains the development. Meanwhile, Jinpan Development Zone doesn't have administrative affiliated relationship with the local village due to the insufficiency in administrative jurisdiction, land requisition, demolition and compensation shall be completely implemented as per the standard, the work is very passive and it's hard to accelerate the progress.

IV. COUNTERMEASURES

Zhejiang's enclave economic model has begun to take shape after more than 20 years of practice, various system and mechanism, management mode and other factors are gradually rationalized. It needs to be more perfect under the new era so as to solve the existing problems and dilemmas, forge the upgrade version of mountain/sea collaboration and promote the enclave economic model to the whole country.

A. *Ensure the Policy Continuation*

The economic model in Jinpan Development Zone is successful after many years of exploration experience, which not only obtains the governmental support, but also gets the compliance and understanding of the local people. What's more, sustainable development is the follow-up development direction for Jinpan Development Zone. The communication and coordination must be continuously strengthened so as to

ensure the policy continuation, obtain development space and further promote the sustainable development of Jinpan Development Zone.

B. *Supports Shall be Obtained for the Tax, Mechanism and Policy*

The enterprises introduced into the zone are with different characteristics, so "one policy for one enterprise" shall be adopted for the enterprises with good development foreground and benefits, awards and support shall be given to the enterprises based on the principles of "who gets the benefits and who should take on risks" according to the ratio of financial division. The more flexible financial awards mechanism, which shall be comprehensively connected to the city, should be innovatively implemented to ensure the policy consistence. The policy shall refer to the city if it has, or refer to the county if the city doesn't have it. It can be launched on the development once the continuity, consistence and connectivity are ensured.

C. *Sufficiently Authorization on the Handling Function*

Lots of work needs the support of the local people during the "demonstration area" construction in the remote area. Especially the work of demolition and acquisition is one of the current difficulties. It's very hard for the execution personnel from the fly-out area to implement demolition and acquisition in the fly-in area. The success of Pan'an Development Zone can't get rid of the local people's understanding and compliance in the fly-in village, and the Jinpan Development Zone can't be successful if there's no broad mind of local people and the high morality to sacrifice self-interest for the poverty alleviation. It's hard to implement the work only depending on the emotion without the sufficient authorization. The relevant departments in the county must strengthen the support on the development of Jinpan Development Zone, positively correspond to the reformation of "run to the government for one time", and sufficiently decentralize administrative approval authority so that it's convenient for the enterprises in Jinpan Development Zone to handle the affairs.

D. *Support Expansion and Improvement*

Different from the broad land resources in other inland areas, it must be very prudent for us to use the land in the enclave zones of coastal cities. The expansion of Jinpan Development Zone is related to the follow-up upgrade of the zone. The expansion of Jinpan Development Zone shall be listed into the general planning when Jinyi urban area planning and the municipal development zone is expanded, and great supports shall be given to the supporting construction to the infrastructure and land acquisition policies.

V. CONCLUSIONS AND EXPECTATIONS

As the new model for regional development, the enclave economic model breaks through the limitation among areas, perform combination and upgrade on the advantage industries of both parties, sufficiently forge the upgrade version of industry transfer; as the developed coastal areas, Zhejiang has started the continuous exploration and practice since 20 years

ago. As the enclave economic zone with good development in Zhejiang, Jinpan Development Zone plays an important role in the economic development of Pan'an County, because of its great contribution to the formulation of growth pole and surrounding development. The operation mode, existing problems and solutions in Jinpan Development Zone are analyzed in the paper so as to provide directions for the follow-up development of Jinpan Development Zone and meanwhile offer reference for the development of minority areas and western backward regions in order to realize the resource optimization, sustainable and green development, forge the economic brand with national feature. It's a new model that can be duplicated and promoted for the minority regions, border areas and old liberated area.

Jinpan Development Zone obtains achievements after 20 years of development progress; meanwhile, it is facing challenges and opportunities at different eras at any time. Jinpan Development Zone shall solidly grasp the self-advantages under the new era, then sufficiently and flexibly utilize the advantages of good policies to create better upgrade version of mountain/sea collaboration mode in the new round of economic development transfer stage.

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