

Developing “Enclave Agriculture”: A New Path of Agricultural Intensive Production Mode in Ethnic Areas

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Abstract—“Enclave Economy” is a new model for the coordinated development of regional economy in China, which was introduced into coastal cities in the late 20th century. Through more than 20 years of research and practice, it has solved the problem of industrial upgrading and transfer in the east and changed the backward situation of industrial development in the west. Applying the “enclave economy” model to agricultural development can boost the industrialization and intensive development of agriculture in China, especially in ethnic areas, poverty-stricken areas and areas lacking land resources, which further highlights the adaptability of “enclave economy”. This paper generalizes the successful experience and inspiration to ethnic areas by introducing the “enclave economy” model of agriculture in Shibadong Village, Xiangxi Autonomous Prefecture, Hunan Province. It can resolve the existing problems and contradictions and promote the sustainable economic development of ethnic areas by taking “enclave economy” as a new form that can be copied and popularized.

Keywords—enclave economy, ethnic areas, agricultural development, problems and suggestions

I. PROBLEM INTRODUCTION

The term “enclave” in the “enclave economy” was not an economic term in the early days, but inherited and evolved from the concept of politics and geography. The concept of “enclave” was gradually brought in the economic filed with the rapid progress of global economic integration. The widely accepted explanation of “enclave economy” is put forward by Zhou Min, an American urban economist, who insisted that in the process of economic development, two independent economies have broken the restrictions of administrative divisions and carried out economic development and management through bilateral consultation, construction and other cooperation mechanisms thereby realizing the economic development model of complementary advantages and mutual benefit [1].

Foreign research and exploration on the enclave economy can be traced back to the end of the last century. “*The Enclave Economy*” written by Gallagher and Zarsky was the first book named after the “enclave economy”. In this book, they

comprehensively and systematically discussed the issues of FDI and sustainable development by taking Mexican IT industry as an example [2]. Craig studied mining projects in Papua New Guinea and found that they played a weak role in promoting local economic development [3]; Kevin P. Gallagher reviewed Mexico's “enclave economy” practice and pointed out that “enclave economy” such as Mexico's FDI can promote the development of the “enclave economy” in developing countries only with the support of effective policies and strategies [4]. From the perspective of model analysis, Kaulik and Manash built a new theoretical analysis framework on the relationship between foreign enclaves and economic development based on the Harris-Todaro model and systematically discussed the economic growth dynamics in underdeveloped countries or regions with large number of foreign enclaves. Their research shows that although the reduction of foreign tax rate will lead to a decline in national income in the short term, in some cases, it will improve the long-term equilibrium level of national income. From the standpoint of developed countries, they believe that enclaves can contribute to sustained economic growth in less developed countries with appropriate fiscal and tax policy adjustments [5].

Domestic scholars began their research on enclave economy in the 1990s. Zhou Ke and Guzhuo Yang put forward the background of international regression and believed that the anti-globalization policy will affect economic development [6]; Shen Changgeng, Cao Daming and He Weijun introduced the development of ethnic areas into the “enclave economy” model, holding that it is necessary to establish an innovation from the perspective of organization and system and a transformation from blood-transfusion help to hematopoietic assistance, and the “enclave economy” mode can exactly solve these problems [7]; Yang Chunping, Chen Shibo and Xie Haiyan proposed the study of ecological compensation. Taking the “enclave economy” as the development model to solve the ecologically fragile area, and using Sichuan-Aba Industrial Park as the research site, they pointed out and explained the problems existed in the current ecological compensation such as the scope is very narrow, the standards are different and the capital sources are restricted, which resulted in various restrictions on the development of ethnic areas. The past way can neither satisfy the economic development nor protect the ecology more

Project funding: innovative research projects for postgraduates: Post-transcendence--Exploring the Development Model of “Enclave Economy” in Ethnic Areas (CX2019BS04), the project is funded by innovative research projects for postgraduates of Southwest Minzu University

effectively. Therefore, in this context, making good use of “enclave economy” is an important means of the development of minority areas [8].

II. PROBLEM AGGREGATION

A. “Enclave economy” is of Great Significance to the Development of the Economy

1) Conducive to the realization of industrialization in ethnic areas.

The earliest practice of the “enclave economy” was the industrial transfer of industrial development. The cooperative mechanism between Suzhou and Singapore was to transfer overseas industrial industries to Suzhou Industrial Park, and to strengthen their industries by absorbing foreign advanced management concepts, cutting-edge science and technology, and talent cultivation. Industrial development in ethnic areas can also develop its own economy by building remote industrial parks, and create enclave industries belonging to ethnic areas, which is one of the important measures to alleviate poverty.

2) Conducive to environmental protection and economic development.

Most of the minority nationality settlements in China are located in ecologically fragile areas, ecologically protected areas and ecologically prohibited development zones. How to deal with ecological protection and economic development is a long-term problem. The introduction of the development mode of “enclave economy” has solved this contradiction. Through the construction of industrial parks in different places, the economic development of ethnic areas can be transferred to non-ecological protection areas and the development of industrial parks can make ethnic areas increase investment in other fields.

3) Conducive to the promotion of agricultural intensification.

Apart from the shortage of industry, agriculture has not formed industrialized and intensive development in China. The idea of small-scale peasant economy has always plagued the broad masses of the people. The “enclave economy” model can be effective in agriculture as well as in industry. The land circulation in other places can put the policies, funds and poverty alleviation projects of ethnic areas into the “region where the industry transfer”, which not only solves the non-intensive production brought by land fragmentation, but also alleviates the problems of disordered and inefficient use of poverty alleviation funds.

B. Shibadong Village in Xiangxi Autonomous Prefecture—A New Path for Agricultural Development of “Enclave Economy”

1) Development Background of Shibadong Village

Shibadong village is located in Huayuan county, Xiangxi autonomous prefecture, Hunan province. The total area of the village is 14,152 mu (1acre=6.07mu), the cultivated land area is 8,17 mu, the forest land area is 11,093 mu, the forest coverage rate is 78%, with more mountains and less lands, which decides that it belongs to the deep poverty-stricken area.

The per capita arable land is 0.83 mu. All farmers in the village are poor households. They have no talents with backward ideas, and they have no good natural resources. They live mainly by growing corn. Before 2013, the state distributed poverty relief funds to individuals at the rate of 1,600 per capita every year.

2) Jumping out of agriculture to promote agriculture, the “enclave economy” model helps to eliminate poverty and get rich.

In order to develop industrial economy, facing the dilemma of 0.83 mu of damaged land per capita, the plight of no talent and no technical guidance, and without decent industrial base, all these factors stimulate the village to take a new path of agricultural development. The local villagers changed their minds, jumped out of agricultural production to promote agriculture and copied the enclave economic model that used in industrial parks to agricultural development. They implemented the joint-stock cooperative interest connection mode and adopted the targeted poverty alleviation model of “leading enterprises + poverty targets + industrial projects”. In the Huayuan core area of Xiangxi National Agricultural Science and Technology Park, 1,200 mu of land was centralized and transferred to Zixia, Liaodong, Daoer and other villages in Huayuan town, which was used for high-quality cultivation of high-quality kiwifruit.

Under joint efforts, the development of agricultural industrialization in Shibadong Village has radiated Jinmei yellow kiwi industry in Longtan Town, Huayuan Town, Shuanglong Town and surrounding town and villages; In the past three years, more than 2,000 people were trained in techniques and skills for planting high-quality kiwifruit; More than 50,000 people have been employed by rural farmers to solve local rural farmers' surplus labor; At the beginning of 2017, the sales revenue reached 1.8 million Yuan. It really helped the peasants get rid of poverty, and realize the goal of getting rid of poverty and never returning to poverty.

III. PROBLEM ANALYSIS

With the increasing support of the state for poverty alleviation in the deep poverty-stricken areas, it is the common wish of the state and society to achieve effective poverty alleviation. After the successful experience in transplanting the economic field of enclaves, the success of the agricultural enclave economic model in Shibadong Village will gradually spread throughout the country. However, there are some problems and difficulties in the field research and promotion process, and there are certain universality in ethnic areas, mainly including:

(1) The assistance enterprises in the region where the industry transfer are faced with difficulties and lack of fiscal and tax support. The agricultural industry cycle is relatively long, and it is affected by market fluctuations and costs. The financial burden has become a major problem. At the same time, most of the poverty alleviation enterprises come from the agricultural sector, facing more market risks and industrial risks, and the industry's anti-risk capability is weak.

(2) The infrastructure is incomplete, which makes it difficult to guarantee the full coverage of the industrial chain.

Insufficient modernization level and low infrastructure level are the main reasons for the unsound development of industry. As a poverty alleviation enterprise, it involves farmers' land and other rights and is not convenient to carry out construction work. They can only rely on the government to balance the relations between the parties.

(3) The reserve of manpower is insufficient and professional and responsible talents are absent. The shortage of talents in ethnic areas has always been a problem and Shibadong Village is no exception. Without the introduction of external talents, the development of enterprises and villages can only depend on local villagers. The development of the enclave agricultural economy through land transfer can allow local farmers to work near their homes. It seems that the labor force can be solved and the cost can be reduced. However, the fact is that the local villagers do not work long in the enterprise and change the labor force frequently. The idea of local villagers remains that migrant workers in cities can earn higher incomes than in their hometowns.

(4) Lack of top-level design and enough follow-up of policy supporting measures. The enclave economy is the common development of the two places, which requires the superior institutions of both sides to plan the scientific policy design and coordinate the interests of all parties. Only in this way can we guide all parties to make joint efforts to develop from a macro perspective.

IV. COUNTERMEASURES AND SUGGESTIONS

A. Promote the Implementation of the "Enclave Economy" Policy

At a the national level, the *Implementation Opinions on Supporting for Poverty Alleviation in Areas of Extreme Poverty* jointly issued by the eight ministries and commissions has an important guiding role, but the documents are too macroscopic and do not involve matters such as real operation and implementation, management regulation, and cooperation projects. Consequently, it is necessary to enact unified implementation rules of preferential policies as soon as possible depending on the actual situation of local development, which can avoid repeated implementation and vicious competition, and provide good policy guarantees for the take-off of "enclave economy" to help the ethnic areas get rid of poverty as soon as possible.

B. Scientifically Formulate Preferential Tax Policies

Enterprises in ethnic areas bear the task of getting rid of poverty, and it is necessary to give preferential treatment to tax policies. They can directly benefit poor households and enterprises by reducing and exempting taxes and fees, which not only improves the quality of life of villagers and increases the profit of dividends, but also gives enterprises more vitality and more confidence in the guarantee of funds. Meanwhile, in respect of the individual income tax of farmers, the taxation of poor households and non-poor households should be treated differently.

Scientifically formulate preferential tax policies to achieve accurate quantification. Leading poverty alleviation enterprises

have played a leading role in the task of poverty alleviation, but get insufficient preferential policies, which mainly results from the unscientific and inaccurate positioning of preferential compensation. It should use quantitative mechanisms such as how many people are lifted out of poverty and how much profit is achieved to determine who will receive further help from the government, rather than the close relationship between enterprises and the government.

C. "Enclave Economy" needs Talents to Promote

Human resource is an important guarantee for economic development. Without the participation of self-motivated talents, no development can be achieved. The development of "hematopoietic" relies on the cultivation and support of talents. To build "enclave economy", it requires the introduction of high-level talents and efforts to create management and technical talents in ethnic areas. Colleges and universities and scientific researchers are encouraged to innovate and start businesses in minority areas, and the shortage of high-end talents is solved by "borrowing brains"; The shortage of skilled talents is solved by training as well.

V. CONCLUSION

Enclave economy, as an important means of regional coordinated development, has been practiced in coastal areas of China for many years, but it is less used in the central and western regions and ethnic areas. The application of the enclave economy in the agricultural field in Shibadong Village, Xiangxi Autonomous Prefecture, Hunan Province is an important breakthrough form to break the traditional enclave industry, which provides a reference for the application and practice of enclave economy in China. Nevertheless, there are inherent problems and defects in this model. Through straightening out mechanism, interests distribution, talent motivation and other measures, it can effectively reduce the occurrence of problems and make important guarantees for the development of China's enclave economy.

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