

Study on the Countermeasures for Liaoning Economic Revitalization Led by Innovative Development Concept

Taking Kunshan's Experience as an Example

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Abstract—As the old industrial base in northeastern region, Liaoning once enjoyed the glory in terms of economy. However, it is lagged behind in the aspects such as GDP growth speed and business environment. The problem that Liaoning needs to solve urgently is how to walk out of the dilemma of economic continuous depression and break the curse of “no investment flows beyond Shanhai Pass”. The author once got an opportunity to investigate economic development in Kunshan and learned a lot from it, thinking that there are many experience of success for Liaoning Province to learn from. As a result, this paper is written to introduce the development experience of “Kunshan Road” and to conduct research from the perspective of “innovative development”, to provide reference for Liaoning economic revitalization.

Keywords—*innovative development; Liaoning revitalization; Kunshan experience*

I. INTRODUCTION

Kunshan is located in the core economic cycle of Yangtze River Delta, neighboring Shanghai to the east and Suzhou to the west, with an area of 931km², a population of 2.57 million, being the pioneer of scientific development in Jiangsu Province and one of the 18 typical regions of reform and opening up; it ranks first in Top 100 Small and Medium-sized Cities in China with Comprehensive Strength and first in Top 100 Counties with the Most Investment Potential; it is awarded “Seven Consecutive Champion” in Forbes Best County-Level City in China Mainland; it ranks the 11th among the cities nationwide in terms of innovative capacity. In 2015, the total regional production value reached 308 billion yuan, total industrial production value 900.03 billion yuan, and the residents' disposable income per capita 42755 yuan. As a county-level city, Kunshan can obtain such remarkable achievement, so the development process of “Kunshan Road” is worthy of learning and thinking.

II. DEVELOPMENT PROCESS OF “KUNSHAN ROAD”

Since the reform and opening up, Kunshan has accelerated transformation & upgrading and innovative development taking the Party's theory as guidance, and has opened up a steady, healthy and sustainable development path with quality

and benefit as the orientation, independent innovation as power, green development as the path, and people's happiness as the pursuit. Five phases are summarized as below:

A. Phase I: “Agriculture to Industry”

“Kunshan Road” started the phase of laying foundation after the third plenary session, and realized the historical leap of transforming “agriculture to industry”.

Kunshan was a typical agricultural county in the late 1970s, and its economic gross ranked the last among various counties of Suzhou. Kunshan proposed the development idea of “relying Shanghai to the east, depending on the “three lines” to the west, linking villages and towns internally, facing the whole nation and moving towards the world” as appropriate taking the advantage of reform and opening up, to develop township industry vigorously through horizontal economic union, which had laid the industrial development foundation. In addition, it seized the opportunity of the state's implementation of coastal development and opening up strategy, opened up industrial small district on its own cost, introduced in the first joint venture managed by county and first wholly foreign-owned enterprise in this province, transferred the first industrial land with compensation, and took the first step of reform and opening up successively. The ratios of Kunshan's secondary industry and tertiary industry exceeded that of agriculture in 1983 and 1991 respectively.

B. Phase II: “Internal to External”

Kunshan stepped into the phase of creation after Deng Xiaoping's south talks in 1992, realizing the pattern transformation of “internal to external”.

Kunshan seized the major opportunities of Pudong development and opening up and the approval of Kunshan Development Zone by the state tightly, to implement the strategy of driven by opening up vigorously, make time difference and space difference by way of Pudong effect, take large scale construction of infrastructure as the key point, to form the pattern of opening up with the development zone as pioneer to drive the township industrial small district quickly. The climax of a new round of investment attraction was

formed. In 1995, the proportion of industries invested by foreign countries and Hong Kong, Macao and Taiwan accounted for 41.6%, and foreign capital started to become the major power for the economic increase in Kunshan.

C. Phase III: "Scattering to Gathering"

"Kunshan Road" entered into expansion phase after the Asian financial crisis in 1997, realizing the periodic changes of transforming "scattering to gathering".

Facing the severe test of Asian financial crisis, Kunshan strengthened the concept of "Kunshan is the development zone and development zone is Kunshan" constantly, established the first export processing zone operated with Custom seals in China, created "Kunshan Service" brand for intimating, relieving and enriching the merchants, improved the investment environment comprehensively, introduced in Taiwan IT industry in large scale, with 6 out of 10 laptop manufacturers settled in Kunshan. Moreover, it conducted industrial layout adjustment timely, building only one industrial small district in each town to support the leading industry in development zone, promote the industry to gather together in various kinds of parks from the scattering situation, which had changed the original circumstance. Kunshan industrial economy started to enter into new development stage with electronic engineering and precise machine manufacturing as the leading industry.

D. Phase IV: "Low to High"

"Kunshan Road" entered the stage of enhancement after the sixteenth CPC national congress, presenting the new development trend of transforming from "low to high".

Entering into the new century, Kunshan took "deepening technology innovation and improving competitive capacity" as the foundation to strive to change the relative simple industrial structure with original equipment manufacturer as the principal, and introduced in the manufacturing industry cluster having certain market competitiveness, speeded up the two-stage climbing of "smiling curve", to enhance economic development level. Moreover, it implemented the innovative strategy with independent innovation, self-creation brand, and self-employment as the emphasis. It started to explore and develop innovative economy, established university science and technology educational park, introduced in Tsinghua Science Park and other innovative carriers, and developed higher vocational technology education, cultivated characteristic industrial base, to promote economic transformation development through technology innovation. Kunshan ranks the first of Top 100 Counties (Cites) in China since 2005, and has achieved the target of building a moderately prosperous society in all aspects in Jiangsu Province.

E. Phase V: "Large to Strong"

"Kunshan Road" entered to the enhancement stage since the seventeenth CPC national congress, presenting the new development trend of transforming from "large to strong".

Kunshan established higher standard based on building a moderately prosperous society in all aspects nationwide,

proposed the target of "learning from Singapore in terms of integral development, learning from Korea in terms of industry upgrading, and learning from Taiwan in terms of independent innovation", firmly established the concept of "reform, opening up, innovation, responsibility and undertaking", highlighted "efficiency, effect, benefit, result", carried forward transformation and upgrading, innovative development vigorously, cultivated and expanded emerging industry, so as to promote the transformation of growth momentum to innovation driving, enhance industrial structure to high-end level and create the upgrading version of Kunshan economic development. At present, Kunshan has entered into the new stage of transformational upgrading and innovative development comprehensively, and is pushing "Kunshan Road" to start from the beginning sparing no effort.

III. KUNSHAN ADHERES TO THE BASIC PRACTICE OF INNOVATIVE DEVELOPMENT

Kunshan studied and formulated 4 detailed supporting political documents of finance, planning, land and price of the Implementation Opinion of Six-year Action Plan for Kunshan Transformational Upgrading and Innovative Development. The government shall calculate "five accounts" earnestly, namely "land, population, ecology, public service and the gap with the advanced regions", make overall plan of the finance of city and town, to establish a special fund not less than 2 billion yuan each year. Gather strength, policy and resources to carry forward transformational upgrading and innovative development systematically, and solidly promote the development power to develop towards innovation and reform driving form from factors and investment driving form with systematic measures, the development mode to develop towards intensive pattern of quality and benefit from rough scale and speed, and the industrial structure to develop towards middle-high end from middle-low end.

As for the major tasks, the "213" project is implemented with emphasis, namely establish two platforms, draw a blueprint and conduct three actions.

A. Sparing no Effort to Build "Two Platforms"

Establish "Kunshan test area", push the management system reform in terms of investment, trade and finance with emphasis, and accelerate to set up the development and opening up strategic platform with convenient investment and trade, complete financial service, effective and convenient supervision and distinct characteristics of both sides; build "Sunan National Innovation Park", and integrate innovative resources. The high-tech district of Kunshan builds a Yangcheng Lake science park covering 150000 km² with emphasis, to create the brand effect of "learning, creating, winning and living in Yangcheng Lake", and to create the main engine of Kunshan innovative development. As for general planning, it shall be driven by promoting the construction of Kunshan test area, taking positive participation in the construction of Sunan National Innovation Park as an opportunity, speed up the functional breakthrough, resource integration and policy sharing of key parks, strengthen element support, R&D supporting and industrial chain improvement, to

realize the transformation of park economy to “big platform” economy.

B. Planing “A Blueprint” Scientifically

Take initiative to push “integrating multiple regulations as a whole”, so as to lead resource concentration, industrial gathering and land integration in the entire city. Deepen the concept of integrating city and town as an organic whole, developing various districts and integrating industry and city, thus to improve the four-grade five-layer municipal system of “central urban area (core area, functional area) --- characteristic town---new type of community---natural village”. Sort the whole city into 72 planning units, including town comprehensive unit, industry unit, renewal unit, suburb unit and ecological unit, make clear their respective functional positioning, construction emphasis and management mechanism, divide development border, formulate the development policy of classified control space, confirm the new orientation of functional control in the whole area, realize intensive land use through “five-volume” adjustment, so as to provide space guarantee for transformational upgrading and innovative development.

C. Implementing “Three Actions”

- Flourishing of new industry. Encourage and support mass entrepreneurship and innovation, accelerate to introduce in new technology, new product, new form of industry and new mode, promote the accumulation development of high-end talents, innovative team and high-tech enterprises, so as to obtain the effect of “flourishing”. As for talent introduction, Kunshan cultivated and introduced in a group of talents of innovation and entrepreneurship, supported a group of scientific and technological growth-type “little giant” enterprises, innovated the supporting mode of technological medium small and micro-sized enterprises, and promoted the application of science and technology innovation coupons.
- “Blooming” of existing enterprises. Support existing enterprises, including Taiwan funded enterprises, to accelerate technology reform, increase capital and expand shares, reorganize and transfer, revitalize the stock, transform in-situ, and the effect of “old tree blooming” has been reached. In 2015, Kunshan implemented a group of technology reform project with emphasis, established the special fund of no less than 500 million yuan for robot industry and intelligent manufacturing development, to support the tackling of key technology of intelligent manufacturing and robot industry, encourage enterprises to implement “replacing person with machine”, promote typical demonstration application engineering and support the listing of a group of enterprises. In recent years, with the vigorous support and guidance of governmental finance, enterprise listing has achieved remarkable effect, with demonstration effect increasingly strengthened. In 2016, 26 enterprises were listed, and the total listed enterprises reached 75.

- Eliminating backward production capacity. Eliminate the enterprises with high investment, high consumption, high pollution and low profit step by step according to the plan through comprehensive utilization of economy, administration, law and other means, to clear out development space and environment capacity, so as to achieve the target. In 2015, a total of 151 development space enterprises and 5198 mu of land were cleared out, and 6333 mu of stock land was vitalized. Therefore, this city was named the first batch of demonstration city saving and intensive using of national land resources of Jiangsu Province. Moreover, the development zone of Kunshan accelerated the promotion of “second entrepreneurship”, highlighted the advanced manufacturing function of leading industry with emphasis. Promote industry upgrading vigorously, create the R&D and manufacturing base of electronic information industry with global influence, and the national important manufacturing base of modern equipment.

IV. REFERENCE AND REFLECTION ON KUNSHAN ECONOMIC AND SOCIAL DEVELOPMENT

A. To Build a Strong Team of Cadres to Grasp the First Important Business of Development

Government cadres should always maintain the sense of crisis and keep forging ahead, and persist in carrying forward the spirit formed in the initial period of township industry creation, including “innumerable trials and hardships, numerous mountains and rivers, thousands of words, and various difficulties and risks”, and the spirit of entrepreneurship, innovation and excellence creation. Moreover, they should persist in taking “reform, opening up, innovation, responsibility and undertaking” as the concept of governmental affairs.

We should stick on our idea and do not toss about for the revitalization of Liaoning; keep continuous and consistent development strategy, do not change development idea arbitrarily. Insist in that development is the key to solve all problems. Only with healthy economic development, can the improvement of people’s lives be guaranteed, can the harmony and stability have foundation, can the social civilization have root. To revitalize Liaoning, we shall take economic construction as the center, to keep appropriate increase in economic gross, realize the accelerated enhancement of economic quality, and promote the more effective, fairer and more sustainable development with higher level of quality.

We must regard the construction of cadres as top priority, break the negative condition of “no action, slow action and lazy action” firmly, strengthen the spirit of active action and responsibility shouldering constantly, intensify the spirit of down-to-earth and seeking truth, to further inspire the cadres’ energy, gather and promote the powerful joint forces for the development of Liaoning. Carry out the special education of “Three Stricts and Three Honests, What can I do for ‘Liaoning Service’”, establish and improve the four mechanisms of

fulfillment protection, performance assessment, innovation stimulation and responsibility accountability.

B. To Form the Strong Consciousness of Opportunity to Grasp the Core Power of Innovation

We shall learn from people of Kunshan, relief our thought and grasp the opportunity rather than waiting for it. Kunshan has undergone five development phases of “agriculture to industry, internal to external, scattering to gathering, low to high, big to strong” since the 1980s, and each transformation is the result of seizing opportunity. Innovation is the sole of “Kunshan Road”. We can see from the development experience of Kunshan that we must take initiative to comply with the development trend, grasp the development opportunity, and promote the development idea, path, measures and system and mechanism innovation with more vigor. We must give play to the advantages of Liaoning, promote the realization of new breakthroughs in the reform of important field and key link relying on the strategic platform of free trade zone, and grant the bonus of reform and innovation fully, to guarantee the advancing of development with the leading of reform and innovation.

C. To Formulate a Set of Effective Government Service, and Grasp the Fundamental Purpose of People's Livelihood

We should initiate the service concept of “intimating, stabilizing and enriching the merchants”, and deal with the relationship between government and market correctly. Government should not just concern its own affairs, but shall also deal with the problems of enterprises. For the purpose of revitalizing Liaoning, we shall keep in mind the demand of enterprises’ boss, the words of ancestors and the life of ordinary people, and eliminate the bad habit of using connection, establish the management network and procedure that connects to international convention; we should pay attention to giving play to system with respect to service guarantee, implement the eliminating system, accountability system and responsibility accountability method, design a set of strict and standard cadres performance assessment system, to carry out strict cadres assessment; as for the service measures, we should stress active, intimate and elaborate, pay attention to the production and operation of enterprises, solve the problems of electricity, labors, transportation and children’s entrance to school. Improvement of people’s livelihood should be the starting point and foundation of all works of the government. We should face the contradictions and problems directly, place the matters with the most and strongest masses’ reflection to the front to solve as soon as possible, enabling the people of whole city to increase the sense of acquisition and happiness in co-construction and sharing.

D. To Provide Favorable Municipal Environment to Grasp and Stabilize the Primary Premise

Our province enjoys profound historical and cultural accumulation, and we should carry forward historical tradition to form the tolerant and opening culture characteristics, pursue the municipal spirit of “open, integration, innovation and outstanding”, pay attention to enhance the city’s functions and

quality, lay emphasis on environmental construction and ecological protection, stress public service and social management, attach importance to the construction of modern investment and operation environment as well as living and resident environment.

Stability is the foundation of prosperous. We can do nothing without overall social stability. We must always take precaution measures, deal with the outstanding problems of enterprises in the aspects of safe production and environmental protection, solve the masses’ reasonable demand in the aspects of public service and resettlement and placement, coordinate the benefit relationship among different groups, pay more attention to solve the contradictions from the source and to construct long-term working mechanism, so as to maintain long-term stability of the city and guarantee the contentment of masses.

V. CONCLUSION

As the old industrial base, Liaoning Province enjoys its past glorious achievement and its own advancement, but it also faces difficult problems and challenges. The author believes that opportunity is always coexisting with challenge. The largest problem faced by Liaoning Province can be simplified as the problem of “people” and “money”. On the one hand, no excellent talents are willing to come, and on the other hand, the entrepreneurs have no high enthusiasm in investment. The development prospect of Liaoning is inevitably to be worried about from the long run. As a county-level city of Jiangsu Province, Kunshan’s achievement and experience obtained from the reform and opening up in the past 30 years are worthy of thinking and reference by our province. We can “view big things through small ones”, and absorb beneficial similarity from the development of “Kunshan Road”, to try to generalize it within our province.

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