

# Research on the Interactive Development of Industrial Clusters and Small (Cities) Towns with Characteristics in Western Regions

Taking the Development of Traditional Chinese Medicine Industrial Clusters in Xianyang City of Shaanxi Province as an Example\*

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**Abstract**—Through the analysis of the related notions of industrial clusters and the upgrading stage and process of industrial clusters, this paper analyses the interactive development mechanism and influencing factors between industrial clusters and small (cities) towns with characteristics. On the basis of the above, through the study of the basic profile, obtained achievements and existing problems of the development of traditional Chinese medicine industrial clusters in Xianyang City of Shaanxi Province, this paper puts forward the developmental path of traditional Chinese medicine industrial cluster in Xianyang City. Through the study of interactive development between small (cities) towns with Chinese medicine characteristics and industrial clusters in Taicun Town, Xunyi County, Xianyang City, and this paper puts forward developmental countermeasures and suggestions. **Conclusion:** western region learns from the experience of developed regions and chooses a reasonable developmental path of industrial clusters by relying on the advantages of local characteristics, which acts as a very important role in boosting the development of cities and towns; Industrial clusters and small (cities) towns with characteristics interact to develop and promote together; the development of small (cities) towns with characteristics is the bond between urban and rural areas, and can improve the structure of regional cities and towns.

**Keywords**—western region; industrial clusters; small (cities) towns with characteristics; interactive development

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## I. INTRODUCTION

Small (cities) towns with characteristics are important linking points that link cities and townships, and are also the most dynamic "social cells" to promote urban and rural development [1]. In 2014, the proposal of characteristic small towns in Zhejiang Province gives an important inspiration to urban and rural development, that is, "the construction and landing of characteristic towns should be relied on the effective investment of industry to promote the economic transformation of industry". On October 8, 2016, the National Development and Reform Commission issued the Guiding Opinions on Accelerating the Construction of Beautiful and Characteristic Small (Cities) Towns, in which put forward the philosophy of building beautiful and new-style small (cities) towns with characteristics, organically docking the construction of beautiful countryside and promoting the integration of urban and rural development. [2] The development of small towns with characteristics in Zhejiang Province provides a good model for economic development at county level and plays an active role in promoting new-style urbanization. However, in the development of small (cities) towns with characteristics in the western region, many of them have not yet drawn profound experience because of the limitation of their own special circumstances (poor basic conditions of industrial clusters), and the urgent need for development and the phenomenon of learning the superficial model are more common, thus resulting in the failure to build industrial innovation platforms, deepen the composition of industrial clusters, march from the systematic formation, and complete the rational allocation of resources. As a result, many

of them are in the period of cultivation of industrial clusters and improvement of urbanization level. [3]

## II. ANALYSIS OF RELATED CONCEPTS OF INDUSTRIAL CLUSTERS

### A. Conceptual Analysis

Industrial clusters are a phenomenon of industrial growth which stem from the formation of external economy in the same location and can promote the formation of regional agglomeration. [4]Industrial clusters exert a great impact on the development of this region. The formation of industrial clusters can promote the formation of network systems such as in economic, social and other aspects, and then has an impact on the development of cities and towns.

### B. Regional Massive Economy and Industrial Clusters

Regional massive economy stems from the closer regional connection and scale in the process of industrial development in Zhejiang Province, which effectively promotes the industrial development and upgrading in Zhejiang Province, and forms the regional effective scale effect and the resulting agglomeration effect. The direction of industrial development should be chose according to the integration of regional characteristics, some of which are combined with the traditional professional markets, some of which want to form the representative direction of regional professional industrial development, and some of which are from the traditional family units to the formation of specialized production organizations. [5]The experience of urban development in Zhejiang province is the benefit brought by the economic and social development promoted by industrial clusters.

According to the understanding of the development of regional massive economy in Zhejiang Province, the massive economy is mainly the formation of the proximity of location and the scale of quantity in the early stage of development, and especially the evaluation and research on the upgrading stage of industrial clusters. From the perspective of developmental stage of industrial clusters, the regional economy in Zhejiang Province is in the basic developmental stage of industrial clusters, which needs further transformation and upgrading according to its own characteristics. After that, the developing regional massive economy is gradually formed, and the regional industrial clusters play a positive role. At the same time, it provides experience for the mode selection and developmental evolution of industrial clusters, which can be drew.

### C. The Analysis of the Upgrading Stage and Process of Industrial Clusters

Drawing the understanding and characteristics of regional massive economy in Zhejiang province, this paper has the following understandings about the formation of industrial clusters: the development of massive economy has experienced the rapid development of small and medium-sized

enterprises — matching with specialized markets — the linkage development of industrial clusters with industrialization and urbanization, which is manifested in the construction activities with industrial parks as the core. [6]The development of industrial clusters starts from the stage of basic development of massive economy, realizes continuous upgrading and transformation, and ultimately contributes to the formation of real massive economy. Among them, the formation of industrial clusters gradually requires the following conditions: location agglomeration — independent and complete main industrial chain — the industrial network formed by widening the vertical and horizontal production chain. After the formation of the above primary industrial clusters, upgrading can be achieved through three directions: increasing specialized supporting enterprises or institutions (such as specialized manufacturers and infrastructure providers), extending the industrial chain, horizontally expanding the network effect (such as looking for manufacturers of complementary products, upgrading professional skills, common raw material companies) and ultimately realizing the intermediate industrial clusters. After that, along with specialized service organizations, modern industrial clusters are gradually formed. [7] [8]

This paper lists the forming process of industrial clusters through the summary of the above researched contents (see “Fig. 1”). Firstly, we have a better understanding of the regional characteristics, including the historical environment, natural resources, entrepreneurship initiative (social network, lifestyle, habits, entrepreneurship, etc.), and traffic conditions and so on. Secondly, making the use of regional conditions to promote the agglomeration and development of small and medium-sized enterprises, forming interrelationship in a certain geographical space and promoting enterprise agglomeration; thirdly, forming specialized production enterprise organizations to achieve industrial agglomeration; and then, docking with specialized markets and adjusting their own composition in order to further adapt to market changes and upgrades, at the same time, the market scale will be improved; Finally, industrial clusters should develop in link with rural industrialization and urbanization, and industrial parks with core productivity should be established to cut down resource redistribution and promote urbanization.

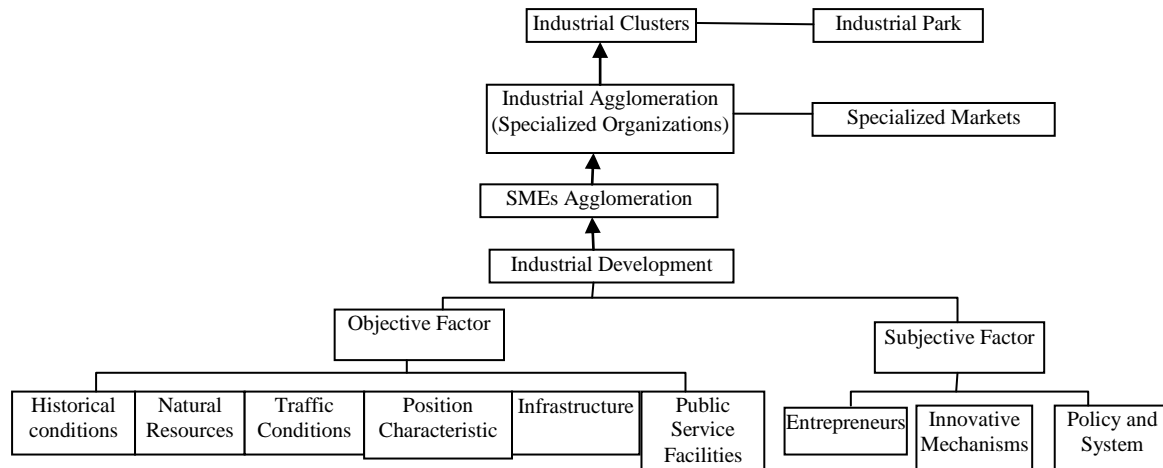


Fig. 1. Sketch map of forming process of industrial cluster.

### III. ANALYSIS OF INTERACTIVE DEVELOPMENT BETWEEN INDUSTRIAL CLUSTERS AND SMALL (CITIES) TOWNS WITH CHARACTERISTICS

#### A. The Development of Industrial Clusters Continuously Creates Conditions for the Development of Urban Industries

Firstly, it has played a good role in promoting the development of urban industry itself at the beginning of the basic stage of industrial cluster formation, such as industrial clusters promote the improvement of enterprise innovative ability, and then improve regional innovative ability; secondly, the interaction between enterprises promotes technological development and further improves the competitiveness of urban industries; and then, industrial agglomeration promotes productivity and professional market formation. At the same time, it also promotes the higher professional information timeliness and service industry construction matures. Finally, industrial clusters are conducive to the rationalization of urban industrial organization and they can be expanded to the region, which is conducive to rationalizing the division of regional production. [9]

#### B. The Development of Industrial Clusters Promotes Urbanization

The formation and development of industrial clusters contributes to the development of cities and towns. At the primary stage of industrial clusters, industrial clusters need more small and medium-sized enterprises as the basis of development to help realize the transformation of production mode, and then help gradually complete the transformation of lifestyle, and ultimately effectively realize the urbanization of population. Urban infrastructure and public service supporting facilities have been improved with each passing day; enterprise aggregation benefits promote economic level and economic income; providing impetus for a certain town to form pillar industries and developmental advantages; increasing the size of the town; increasing the number of towns after a certain stage of development; increasing the urbanization rate; enriching and improving the construction of town system at

county level, and completing spatial structure, which is suitable for the overall development of regional urban system. [10]

#### C. Promoting the Upgrading of Industrial Clusters by Developing Small Towns with Characteristics

Under the guidance of the development of industrial clusters, small (cities) towns with characteristics have formed the carrier of upgrading industrial clusters after reaching a certain stage of development itself at the same time. Cities and towns with the same industrial links form urban belts and circles through industrial links, which further help industrial development, even weaken the weak of spatial links, and constantly improve the industrial structure. While the above industrial clusters have given rise to the changes to the development of cities and towns, cities and towns in turn provide various kinds of support for the upgrading of industrial clusters. The aggregated population is achieved through the development of small (cities) towns with characteristics to provide cheap and large amount of labor force for the continuous growth of industry; the better matching of various kinds of living facilities and perfect living conditions in cities and towns attract professionals for industrial innovation; the scale of cities and towns is becoming larger and the number of towns is increasing, at the same time, effective combination of urban land and industrial layout and effective use of urban land provide production space for industrial clusters; The development of cities and towns provides the factors of production and all sources of production for industrial clusters, and provides all possible conditions for the specialized development of product markets, including the urban infrastructure provides the basis for industrial development, and the development of urban comprehensive transportation planning supports the transport of industrial diffusion products. [5] [11]

#### D. Analysis on the Influencing Factors of Interactive Development Between Industrial Clusters and Small (Cities) Towns with Characteristic

Drawing the developmental experience of developed regions such as Zhejiang province, the interaction between

industrial clusters and small (cities) towns with characteristics is well developed, which will become an important driving force for the development of economy at county level. The interaction between both sides is influenced by multiple factors:

One is external factors. The first is the macro level, their interactive development will be affected because of the adjustment of the spatial pattern of administrative power, the integration of regional markets, the identification and integration of regional cultures, the allocation of regional shared resources, and the change of national systems (fiscal, taxation, population and land systems); the second is the medium level, the industrial agglomeration effect of small (cities) towns with different characteristics in the same regional urban system has an impact on their interactive development; the third is the micro level: the interaction effect between the two will be affected due to the change of resources and environment, ecological factors, external environmental impact, the sudden change of innovative ideological environment, the change of communication links with outsiders, and the study of advanced production technology.

Another is internal factors. The first is the degree of enterprise communication within industrial clusters: learning, communication, imitation, cooperation among enterprises, even game and conflict, and the establishment of enterprise network system; [12] [13] [14] the second is the effect difference of resource allocation, system support, financing and funds introduction in small (cities) towns with characteristics.

To sum up, it is difficult for the western region to replicate the interactive model between industrial clusters in developed areas and small (cities) towns with characteristics. This paper should analyze the deep resource environment and basic industrial conditions to promote the development of other towns on the premise of the development of core towns. More attention should be paid to working out the problems concerning agriculture, countryside and farmers. The spatial and social development of small towns on which industrial clusters depend will not independently develop to an ideal state. Only through effective public intervention, including perfect spatial planning mechanism, can the healthy interaction between township industrial clusters and small towns be realized. [15]

#### IV. ANALYSIS OF BASIC CONDITIONS FOR THE DEVELOPMENT OF TRADITIONAL CHINESE MEDICINE INDUSTRIAL CLUSTER IN XIANYANG CITY OF SHAANXI PROVINCE

##### A. *General Situation of the Development of Traditional Chinese Medicine Industry in Xianyang City*

This paper chooses Xianyang city of Shaanxi province as the main research area because Xianyang city of Shaanxi province is located in the Western first-mover area, with good foundation for development and strong policy support. It is in the forefront of the western region in terms of economic aggregate, industrialization degree, financial revenue level and innovative ability. [16] It boasts the basic conditions for realizing the research of small (cities) towns with characteristics under the guidance of industrial clusters.

In addition, as one of the major industries, the development of Xianyang traditional Chinese medicine industry shows that it has the basic rudiment of cluster industry development. Xianyang City has basically formed a relatively complete cluster of traditional Chinese medicine enterprises, including Chinese medicine planting, research and development, production, sales and logistics. There are 626 kinds of wild Chinese herbal medicines in the whole city, among which the quality of genuine Chinese herbal medicines such as *Radix Scutellariae*, *Radix Astragali*, *Radix Salviae Miltiorrhizae*, *Radix Isatidis* and *Hippophae Rhamnoides* is superior. In 2016, the cultivated area of Chinese herbal medicines in the whole city was nearly 30,000 mu, of which 67.8% were planted in Yongshou, Bin and Xunyi counties. Six varieties of Chinese herbal medicines were certified by GAP. Now 37 pharmaceutical enterprises have passed GMP certification for drug production, and the number of enterprises ranks second in the province (see "Fig. 2"). The main products are Chinese herbal pieces and Chinese patent medicines (see "Fig. 3"). There are 28 medical device manufacturers, more than 50 pharmaceutical logistics and wholesale enterprises in the whole city. At the same time, the large-scale pharmaceutical logistics and chain enterprises have taken shape. In addition, Xianyang also boasts the largest national medical culture exposition park and its diagnosis and treatment of traditional Chinese medicine is famous for the whole country, only "foot therapy" has emerged to more than 400 enterprises, which has boosted the employment of more than 6,000 people. Meanwhile, the development of health service industry of traditional Chinese medicine enjoys a good foundation.

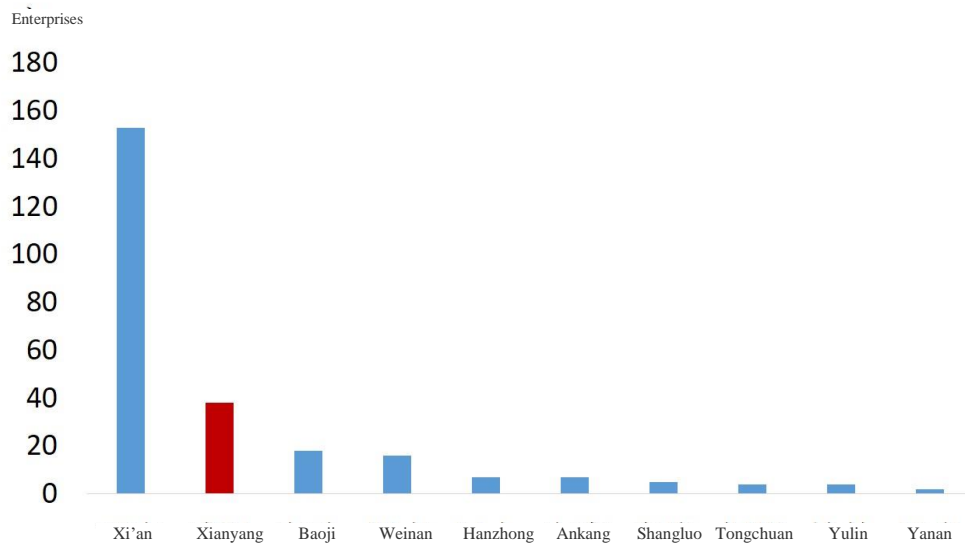


Fig. 2. Number of pharmaceutical companies in various cities in Shaanxi Province.

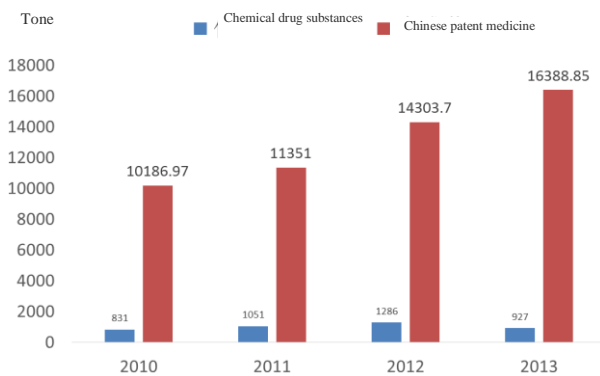


Fig. 3. Comparison of the output of chemical raw drugs and Chinese patent medicines in Xianyang City from 2010 to 2013.

**B. The Development of Traditional Chinese Medicine Industrial Cluster in Xianyang City Has Scored Good Results**

The developmental momentum of Chinese medicine industrial agglomeration has initially emerged. The pharmaceutical industrial park located in the high-tech zone has gathered 16 pharmaceutical enterprises with GMP certification, and the pharmaceutical industry has become one of the three leading industries in the high-tech zone; the first phase construction of the pharmaceutical logistics center of the drug distribution business park in Qindu District has been put into operation, with an annual distribution capacity being 660,000 pieces and storage and distribution capacity being 5.5 billion yuan; and the traditional Chinese medicine health industry park in Taicun Town of Xunyi County has now entered a batch of pharmaceutical enterprises;

In addition, Xianyang City also has four provincial-recognized demonstration bases of medicinal plant science and technology, namely, Shaanxi Yongshou Science and Technology Demonstration Base of Traditional Chinese

Medicine, Shaanxi Xunyi Forsythia Science and Technology Demonstration Base, Shaanxi Chunhua Sichuan Phellodendron Science and Technology Demonstration Base and Shaanxi Chunhua Science and Technology Demonstration Base of Traditional Chinese Medicine.

**C. The Existing Problems in the Development of Traditional Chinese Medicine Industrial Cluster in Xianyang City**

First of all, the overall scale is smaller. The whole industrial chain of traditional Chinese medicine has not yet formed. One: the overall scale of the Chinese medicine industry is smaller. Compared with the "four major Chinese pharmaceutical capitals" in the whole country, there are obvious differences in cultivated area, output and output value (see "Fig. 4"). Most varieties of traditional Chinese medicines go with the stream, thus lacking specialized and genuine production organization guidance, and have not yet formed scale and brand advantages. The scale of traditional Chinese medicines industrial enterprises is small as a whole, compared with the "four major Chinese pharmaceutical capitals" in China and other strong cities of traditional Chinese medicine, there are also obvious gaps in the number of top 100 pharmaceutical enterprises in the city and the output value of traditional Chinese medicines industry (see "Fig. 5" and "Fig. 6").

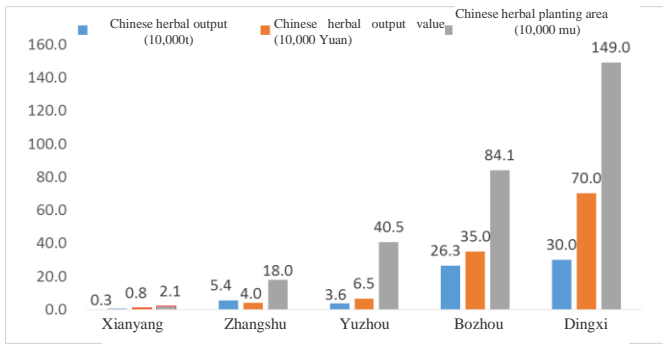


Fig. 4. Production, output value and cultivated area of Chinese herbals in Xianyang City and other regions in 2015.

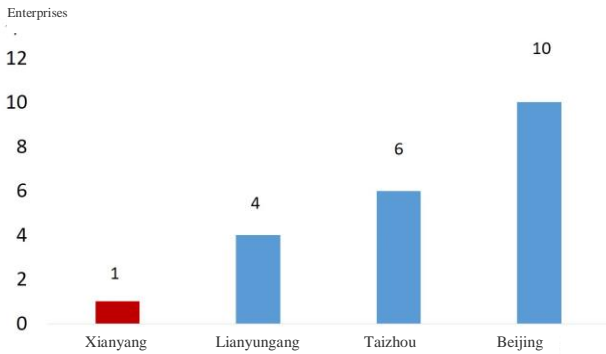


Fig. 5. Comparison of the number of Chinese inclusion drug companies between Xianyang City and Lianyungang, Taizhou and Beijing in 2015.

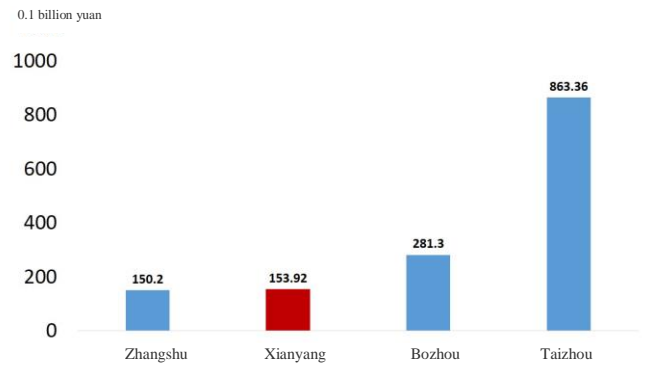


Fig. 6. Comparison of output value of pharmaceutical industry between Xianyang City, and Zhangshu, Bozhou and Taizhou in 2016.

Second, the regional division of labor and cooperation and the links between production, marketing, and production, education and research are not yet close. At present, although the traditional Chinese medicine industry has formed a relatively complete industrial system including planting, R&D, processing, marketing and logistics, there is a lack of links and organizational coordination among enterprises, industries, universities and research institutes, there is also a lack of division of labor and overall coordination in industrial development and spatial layout, and convergence of developmental orientation and homogeneous competition among industrial parks or industrial clusters is also salient. However, the situation of innovative development of TCM industry chain cluster and coordinated development of division of labor among industrial clusters has not yet been formed (see “Table I”). The role of traditional Chinese medicine industry in promoting urban and rural employment, increasing farmers' income and promoting regional economic development is far from being played.

TABLE I. ANALYSIS OF THE DIFFERENCE IN THE DEVELOPMENTAL ORIENTATION OF EXISTING CHINESE MEDICINE INDUSTRIAL PARKS IN XIANYANG CITY

	Xunyi Traditional Chinese Medicine Health Industrial Park	Pharmaceutical Manufacturing Industrial Park in High-tech Zone	Fengxi New Town Biomedical Industrial Park
<b>Industry Development Direction</b>	Traditional Chinese Medicine Manufacturing Industry	Traditional Chinese Medicine Manufacturing Industry	Modern Chinese Medicine
	Biopharmaceutical Manufacturing	Biopharmaceutical Manufacturing	Biopharmaceutical
	High-end Health Food Manufacturing	Health Food	Health Care
	R&D of Science and Technology	R&D of Traditional Chinese Medicine	R&D of New Drugs
	Business incubation	Business incubation	—
	—	Chemical Raw Medicine	Chemicals
		High-end Medical Devices	Medical Devices

Third, the ability of independent innovation is not strong, the products are low-end and lack of competitiveness. There are obvious advantages in R&D institutions, R&D personnel and R&D resources related to the development of the whole city's traditional Chinese medicine industry, at the same time, it has the shortcomings such as insufficient integration, scattered resources, not close integration of medicine and industry. The organizational system and institutional mechanism of medicine, pharmacy, science and research have not yet been formed, such as University and research, platform co-construction, equipment sharing, joint tackling key problems and collaborative innovation among enterprises, schools, research institutions and hospitals. As a result, the

advantages of science and education resources cannot be transformed into the advantages of industrial development. The majority of Chinese patent medicine products are generic drugs, accounting for 95% of the city's Chinese patent medicine products. The product update is slow, and the number of new drugs and high-end drugs is small and low.

Finally, the construction of public service platform lags behind, and the management system needs to be improved. One, from the perspective of the characteristics of the development of traditional Chinese medicine industry in Xianyang, there now is a lack of public service platforms, including from analysis and testing, research and development of new drugs to results incubation and transformation (clinical

trials), industrial information services, investment and financing services, and comprehensive government and business services. In 2012, Shaanxi University of Traditional Chinese Medicine (the earliest university of Chinese Medicine in China, with a large number key disciplines and provincial and ministerial key laboratories being the core technical support for the development of traditional Chinese medicine industry in Xianyang) led the establishment of collaborative innovation center of traditional Chinese medicine resources industrialization, with fewer participating institutions (only 6 units) and a small scope of cooperation. It is only limited to the exchange between pharmaceutical enterprises, universities and disciplines, with research field and service function being small, so they cannot take on the platform service function of the whole industry chain of traditional Chinese medicine in the whole city. Another, there are many problems in the development of traditional Chinese medicine industry, such as multiple management, weak protection of intellectual property rights and so on. Because traditional Chinese medicine industry has a long chain and strong industrial relevance, there are inevitably some problems such as stick partition, decentralization of management and disjointed work. In addition, the protection of intellectual rights and interests of Chinese medicinal materials, Chinese patent medicines, and health care products, methods of diagnosis and treatment of Chinese medicines is insufficient.

V. RESEARCH ON INTERACTIVE DEVELOPMENT OF TRADITIONAL CHINESE MEDICINE INDUSTRIAL CLUSTERS AND SMALL (CITIES) TOWNS WITH CHARACTERISTIC IN XIANYANG CITY, SHAANXI PROVINCE

A. Developmental Path of Traditional Chinese Medicine Industrial Clusters in Xianyang

Drawing the successful experience of Chinese medicine industrial cluster in China and taking Chinese medicine processing and Chinese medicine products as the core, we should promote the development of Chinese medicine planting industry upwards, the development of related industries such as Chinese medicine derivatives manufacturing and Chinese medicine health service industry downwards, expand and extend the whole industrial chain of Chinese medicine, and expand the developmental scale of Chinese medicine industry. It should focus on the development of traditional Chinese medicine planting, the processing of Chinese medicine decoction pieces, Chinese patent medicine and Chinese medicine health products, medical equipment manufacturing, Chinese medicine health services and medical logistics industries, thus gradually forming traditional Chinese medicine industrial clusters.

First, we should build key developmental blocks and accelerate the cultivation of industrial clusters. Taking industrial parks, characteristic towns and planting bases of Chinese medicinal materials as carriers, the overall industrial pattern of "two districts, three gardens and five bases" is created (see "Fig. 7") to promote the centralized development of Chinese medicinal industrial clusters; second, it is to cultivate and introduce the leading enterprises and expand the scale of cluster development. According to the idea of

"extending chain, adding chain and expanding the scale", leading enterprises should be taken as the guide to improve the supporting construction of traditional Chinese medicine industry and promote the development of the whole industry chain; third, the ability of scientific and technological innovation should be strengthened to enhance the competitiveness of clusters. Focusing on the construction of traditional Chinese medicine talents and research platforms, we should give full play to the principal role of enterprises, innovate the cooperation mechanism between industry, university and research, build a technological innovation system centered on enterprises, and promote the innovation and development of traditional Chinese medicine industry; fourth, we should build a public service platform and strengthen the support of cluster services. Around the development needs of traditional Chinese medicine industrial cluster, we should strengthen the support of various service platforms, such as detection, marketing, financing, logistics, incubation, information consultation, education and training, and at the same time standardize and improve the developmental environment of traditional Chinese medicine industry.

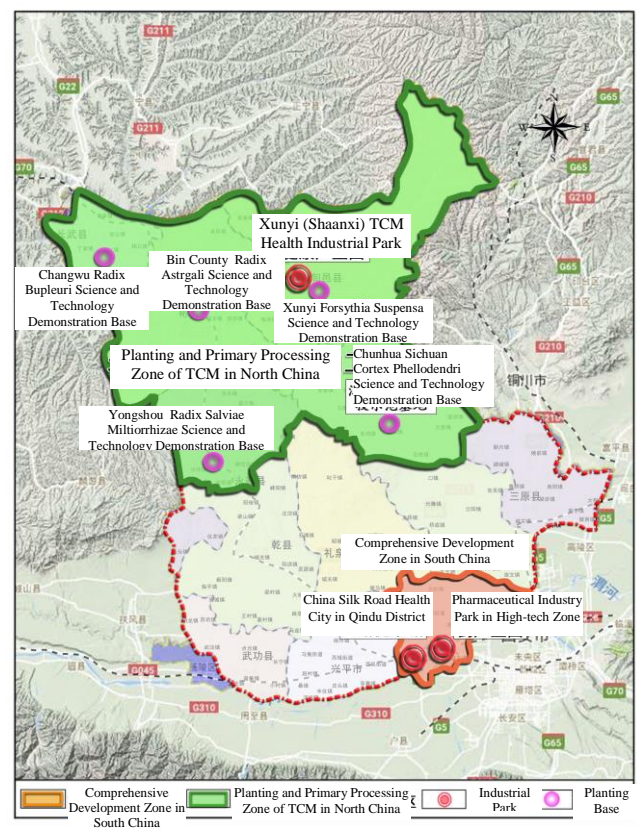


Fig. 7. The spatial layout map of traditional Chinese medicine industrial block in Xianyang City.

B. Research on the Interactive Development of Traditional Chinese Medicine Industrial Cluster and Small (Cities) Towns with Characteristics in Xianyang City

1) Developmental path of traditional Chinese medicine characteristics towns in Xunyi County, Xianyang City: As the key block of development, the main developmental path of

Xunyang County, Xianyang City can start from the following aspects: first, Malan Town medical and health care area: medical and health care as the main direction of development; second, Mayigou Chinese medicine planting economy: relying on the characteristics of gully terrain, good ecological environment, it can develop block economy with supporting the development of traditional Chinese medicine planting industry, however it mainly develops Chinese medicine planting industry, travel. Tourism, vacation and leisure industries; third, Taicun Town's traditional Chinese medicine block economy: taking the processing of Chinese medicine decoction and derivatives of traditional Chinese medicine as the main industry developmental direction, taking into account logistics services, quality testing, living conditions, technical services and other supporting services.

Taicun Town in Xunyi County has been cultivated as a small town with the characteristics of traditional Chinese medicine culture and Guanzhong regional culture characteristics, which is dominated by the traditional Chinese medicine industry, and at the same time focus on the cultivation, processing, cultural experience and entertainment of traditional Chinese medicine.

The traditional Chinese medicine characteristic towns in Taicun Town, Xunyi County, are mainly divided into three functional areas, including comprehensive service area, demonstration area of traditional Chinese medicine planting and processing area of traditional Chinese medicine. Comprehensive service area: The planned area is about 1.04 km<sup>2</sup>, relying on the good facilities of Taicun Town to construct. Chinese herbal medicine planting demonstration area: the planned area is about 0.12km<sup>2</sup>. Yinbai Expressway passes through this area. The Chinese herbal medicine demonstration area can not only protect and isolate the green belt, but also provide a leisure and entertainment place for residents. Traditional Chinese medicine processing zone: The planned area is about 1.0km<sup>2</sup>. There are several large enterprises such as Haitian Pharmaceutical and Taiqi Food, with certain industrial and facility foundation, so the traditional Chinese medicine processing zone is chosen here.

*2) Interactive development of traditional Chinese medicine industrial cluster and characteristic town in Taicun Town, Xunyi County, Xianyang City:*

*a) The determination of the distribution and developmental direction of traditional Chinese medicine industry in Taicun Town of Xunyi County, Xianyang City provides conditions for the development of industrial clusters in Taicun Town:* Based on the analysis of the developing situation of the overall small scale of cultivation of Chinese medicinal materials, the low level of organization of cultivation of Chinese medicinal materials, and the lack of prominent advantages of medicinal materials varieties, the Chinese medicinal plants planting industry with developmental advantages has been formed on the basis of a certain high-benefit planting industry of Chinese medicinal materials by using superior geographical conditions and abundant resources of medicinal materials.

Based on the analysis of the developing status of traditional Chinese medicine decoction industry, such as small scale of development, single product structure and so on, the scientific and technological support conditions of standardized cultivated foundation of raw materials and technology development in the vicinity of Xixian area are favorable. At the same time, considering the large environmental capacity of northern Xianyang [17], the entry threshold is low, near the planting area of traditional Chinese medicine, the advantages of producing area processing are obvious, and winter is not restricted by urban environmental governance [18]. It has prominent advantages of environmental operating costs and lays a good foundation for the development of Chinese herbal medicine pharmaceutical enterprises.

Based on the analysis of the developing situation of the development of Chinese patent medicine, such as inadequate processing and innovative ability, obvious industrial advantages and prominent industry status, we should utilize the preferential policies of financing in the pharmaceutical industrial park of the high-tech zone to boost the inclination of all resources towards Chinese patent medicine and extraction projects, and support the transformation and upgrading of enterprises. Meanwhile, we should develop the series of Chinese patent medicine products with characteristics such as chronic diseases, and promote the secondary development and technological upgrading of characteristic superior products, which has become an important part of the upgrading of Chinese patent medicine processing industry.

*b) Development of traditional Chinese medicine industry to promote the development of Taicun Town in Xunyi County, Xianyang City:* Under the guidance of the formation and development of Taicun TCM industrial cluster, the urban spatial layout is composed of residential group, comprehensive service group and industrial group. In the planning, industrial development positioning is the core, thus forming a favorable living environment and ecological space, and optimizing infrastructure and public service facilities. The scale of cities and towns has increased. The production mode of residents has changed. In combination with the traditional Chinese medicine industry, the main production mode is to plant traditional Chinese medicine and participate in the processing of traditional Chinese medicine in enterprises nearby. The development of traditional Chinese medicine industry in Taicun Town is an important component of economic development at county level in Xunyi County, Xianyang City, and plays a positive role in promoting urbanization.

Based on the analysis of the profound source and important influence of traditional Chinese medicine culture, a display system of traditional Chinese medicine culture combining point with line is established: point-museum and landscape nodes display traditional Chinese medicine culture in an all-round way, which respectively display famous medicine culture, famous medicine culture, famous technology culture and health preservation culture; line-main axis and street space of traditional Chinese medicine culture, traditional Chinese medicine health preservation culture axis and traditional



Chinese medicine culture axis, residential and industrial park streets.

*c) The Development of Taicun Town, Xunyi County, Xianyang City promotes the upgrading of traditional Chinese medicine industrial clusters:* Taicun Town, Xunyi County, Xianyang City, through its own resource environment and original production foundation, provides various factors of production and sources of production for the traditional Chinese medicine industry, which forms the basic conditions for the development of industrial cluster. Under the guidance of industrial development, the possibility of the original residents returning to town gradually increases, and at the same time, it will absorb professionals who are interested in the research of traditional Chinese medicine industry to develop the industry to provide labor force and researchers for industrial development; Taicun Town spatial layout forms an independent urban form with production, life, culture and entertainment as a whole, providing production space and industrial enterprise survival carrier for the industrial cluster dominated by traditional Chinese medicine industry; urban infrastructure and road traffic facilities provide guarantee for the export sales of traditional Chinese medicine products; Chinese medicine cultural image shaping and cultural communication let Taicun Town and Chinese medicine enterprises that is the main industry brand gradually established, which establish public influence for industrial development.

### *C. Countermeasures and Suggestions*

#### *1) Innovation of developmental mechanism of traditional Chinese medicine industrial clusters:*

- Promoting the development of industrial clusters through the integration mechanism of industry, education, research and administration. Building a mechanism of industry-university-research integration characterized by "enterprises are subject, markets are orientation". We should conform to the characteristics of market economy, give full play to the role of market orientation, and strengthen the dominant position of enterprises in technological innovation. It mainly depends on industry-university-research cooperation between pharmaceutical enterprises, representative universities and scientific research institutes.
- To create regional cultural brand effect by the mechanism of "combining culture with tourism". Explore the cultural advantages of health preservation culture, historical culture, red culture and intangible culture of Xianyang traditional Chinese medicine, and form representative tourism culture of traditional Chinese medicine, which has realized characteristics and representative cases for rural tourism.

#### *2) Innovation of management and operation mode of characteristic towns:*

- Administrative management system. Establish a three-side interactive management model of "government, enterprise and people". That is, the government is responsible for the positioning, planning, infrastructure

and approval services of small towns, and jointly leads enterprises to complete the investment, construction and operation. Social celebrities are widely involved in order to better supervision.

- Advertise the marketing system. Make full use of B2C2C platform that is "business-channel-customer" network trading mode. Make best use of the most influential B2C2C platform in China to carry out network sales channels of characteristic traditional Chinese medicine products and agricultural products.
- Invest the operation mechanism. In the form of market-oriented operation, private capital dominance and government participation, the enterprises and major projects of traditional Chinese medicine should be supported as a whole.
- Dynamic performance evaluation mechanism. Establish a small town evaluation and management committee characterized by government departments, experts and scholars, enterprise executives and other multi-subjects to formulate a higher accuracy evaluation index system in line with local characteristics.
- Strengthen enterprise technology innovative platform. On the one hand, we should make best use of the talent resources of local colleges and universities; on the other hand, we should increase the training and introduction of external talents.
- Enlarge the professional market platform. Based on the interaction mechanism between industry and professional market, a professional market based on good allocation of resources and fair competition is established. Market pulse is well diagnosed in accordance with the market-oriented method, and regional massive economy is continuously developed according to the feedback of market activities.

## VI. CONCLUSION

The case studied in this paper is situated in Xianyang City, Shaanxi Province, which belongs to the western first-mover region, but it lags behind the eastern region in the developmental stage and endowment. Small (cities) towns with characteristics need to depend on county territory economy to develop, and should fully rely on local characteristics to choose a reasonable development path. [19]

The industrial cluster promotes the rapid development of urban industry and the process of urbanization. In turn, urbanization provides the basis for the upgrading of industrial clusters. They interact to develop and promote together.

Through relying on natural resources and industrial basic conditions, the traditional Chinese medicine industry in Xianyang has completed the construction of small (cities) towns with industrial characteristics in the western first-mover areas through industrial layout and industrial cluster development, thus realizing the example of interactive development of park construction and industrial clusters at the micro level, and also providing a link between urban and rural

areas with developmental characteristics for the improvement of regional urban structure.

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