

Analysis of the Development and Influencing Factors of the County Economy in Liaoning Province

Jiahui Zhao*

Liaoning University of International Business and Economics, Dalian 116000, China

*Corresponding author: Jiahui Zhao, 15526831788@163.com

Copyright: © 2024 Author(s). This is an open-access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0), permitting distribution and reproduction in any medium, provided the original work is cited.

Abstract: County economy is an important component of China's national economy, and its development helps promote new urbanization and narrow the urban-rural economic gap. Liaoning Province relies on developing its county-level economy to promote industrial upgrading, poverty alleviation, rural revitalization and social development. In recent years, the development level of the county economy in Liaoning Province has significantly improved, but there are still problems, such as uneven economic development. Studying the development path of the county-level economy in Liaoning Province has practical significance. Based on the background of the new normal of China's economy, this article analyzes the current development status, influencing factors and problems and challenges faced by the county-level economy in Liaoning Province and proposes countermeasures and suggestions for further promoting the development of the county-level economy.

Keywords: County economy; Spatial distribution; Per capita income; GDP fiscal policy

Online publication: August 27, 2024

1. The significance of county-level economic development

From the perspective of county-level economy, it integrates information elements, financial elements, intellectual elements and population elements in the process of rural and urban economic development, gradually becoming the main growth point of national economic development. Against the backdrop of the new normal of China's economy, the speed of economic development has slowed down and it is necessary to coordinate the imbalance between regional economic development and build an integrated urban-rural development model to achieve the goal of steady growth of the national economy. Based on this, the development of county-level economy will help activate the market vitality of rural areas in China, coordinate rural and urban areas and become a new growth point for national economic development, further promoting the stability and sustainable development of China's socialist market economy^[1].

In the context of the new economic normal, both the driving factors of economic development and the connotation requirements of economic and social development have undergone significant changes. Due to

the decreasing demographic dividend effect, the scale of the surplus labor force transforming from rural to urban and rural to industrial cities has significantly decreased. At the same time, the traditional industries in China have excess production capacity and the investment growth rate in various provinces, cities and regions has significantly decreased. Faced with these situations, innovation driven by human resource investment and technological innovation has formed a new driving force for the development of the national economy under the current economic new normal ^[2].

2. Overview of county-level economic development in Liaoning Province

2.1. Current situation of county-level economic development in Liaoning Province

There are currently 41 counties, districts and prefecture-level cities in Liaoning Province, accounting for 1.5% of the total area of the country. In addition, there are 742 towns with a permanent population of 29.45 million. The total county GDP of Liaoning Province in 2023 is approximately 652.059 billion, accounting for 29.31% of the province. However, the above statistical data also points out that in terms of land area and population size, county-level economy has become a “weakness” in Liaoning’s economic development. The financial entity is responsible for the allocation of local resources, income and the regulation of regional economic operations. In the process of county-level economic development, reasonable fiscal policies can promote the comprehensive construction of the county, cultivate new economic growth points and improve the economic strength and competitiveness of the county.

2.2. Challenges in the development of county economy in Liaoning Province

2.2.1. Imbalance between regional economic development in counties

Due to differences in the total amount and types of resources between counties, the economic development speed of coastal urban areas in Liaoning Province is relatively fast, while the eastern and northwestern regions of Liaoning Province are relatively slow. According to data, in 2023, the land area of 41 counties and districts accounted for about 83% of the province, the per capita population accounted for about 50% of the province and the GDP only accounted for 28% of the province. The total cost of implementing the basic public budget accounts for 17.24% of the province’s total. The total payment of basic public budget execution expenses accounts for 25.73% of the province’s total. The fixed assets investment growth rate fell 0.2 % behind the provincial average, and 17 counties and cities experienced negative growth. By comparison, the economic and social development speed of cities and counties in the coastal areas of Liaoning Province is relatively fast. In contrast, the development in the eastern mountainous areas and the northwest of Liaoning Province is slow. This fully reflects the imbalance of regional economic development in Liaoning Province, for example, the total GDP of counties in the coastal areas of Wafangdian and Zhuanghe is basically equal to the total regional GDP of 19 counties and cities in the mountainous areas of Liaodong and north of Liaoxi.

2.2.2. The modern industrial system in relatively weak areas has not yet formed

Liaoning Province is a major energy province in China, but the foundation of county-level development is relatively fragile, limited by capital, technology, human resources, infrastructure and other fields and unable to efficiently utilize resource advantages. Compared with other provinces and counties, it is obvious that success cannot be achieved solely through scale expansion and price wars in production and operation ^[3]. At present, the resource advantages of county-level areas in Liaoning Province cannot be fully utilized and utilized, and the adjustment of county-level economic structure is relatively slow, leaving great room for adjustment.

2.2.3. The agglomeration effect of regional industries has not been fully utilized

On average, there are 1.75 industrial parks in each county of Liaoning Province. The government and financial departments have invested a large amount of funds and manpower to develop infrastructure construction. However, overall, most industrial parks have not fully utilized the support and funding provided by the government. The level of industrial production in the parks is still low and the driving force for technological innovation is insufficient, thus unable to play the role of pillar industries in the county economy. Taking the county area of Chaoyang in western Liaoning as an example, most industrial parks do not have a complete industrial chain, which leads to poor efficiency in the utilization of mineral resources in the western Liaoning region. For example, some enterprises do not fully consider the coordinated development of industry when absorbing small and medium-sized enterprises and the proportion of enterprises that form economies of scale is relatively small. Most enterprises are independent, with low product technology costs and weak market competitiveness. Even in some counties and districts where industrial enterprises gather significantly, the expansion of their industrial chain mainly revolves around individual leading enterprises, resulting in low final product quality, imperfect professional division of labor and cooperation systems among enterprises and incomplete overall industrial chain.

3. Factors affecting the spatial characteristics of the county-level economy in Liaoning Province

3.1. Natural environment

The natural environment is the foundation for the economic development of a region. In regional economic development, the natural environment can affect the formation and development of industries, the accessibility of transportation and the effective development and utilization efficiency of natural resources, thereby comprehensively affecting the economic development status of the region ^[4]. From the analysis of the situation in Liaoning Province, at the level of horizontal division, the mountainous and hilly areas are divided into two sides: east and west, with a sloping flat land in the middle and the terrain is divided into three major regions: east, middle and west. The terrain in the central plain area is gentle, with convenient transportation and a high concentration of national economy. The urban population is relatively dense, such as Shenyang, Angang, Liaoyang, etc.

From the perspective of the north-south division, the coastal areas of southern Liaoning have more obvious regional characteristics, such as Dalian City, Dandong City, Yingkou City, etc. These coastal areas have great development potential and can better utilize the advantages of shallow sea resources. On the one hand, the temperature and precipitation conditions in these areas are conducive to the growth of economic crops such as grain and oil, so the development level of agriculture (including aquaculture) in the region is relatively high. On the other hand, the coastline in this area is long and winding, making it suitable for the construction and development of good ports, such as Dalian Port and Yingkou Port. Therefore, the special and good location conditions in this area ^[5].

The topography of the southwestern region of Liaoning Province is mainly mountainous and hilly, with most areas in cities such as Chaoyang, Fuxin, Huludao and Jinzhou located in hilly areas. The land area that needs to be developed and difficult to utilize is relatively large and the conditions for resource development are also poor. The accessibility of transportation is low and the construction of communication and other infrastructure is relatively backward, resulting in slow economic growth and relatively backward economic development levels in the western counties and cities. From the distribution of mineral resources, the southwestern region is the most abundant in mineral resources. If transportation conditions can be developed

and combined with resource advantages, it will further promote the development of industry in the southwestern counties and improve their economic level.

3.2. Geographical location

“Location” refers to the location, layout, distribution, etc. of a region. The location factor can reflect the spatial connections between counties and also affect the level of economic development between counties, leading to regional development disharmony ^[6]. The order and degree of openness of counties can also be achieved through their location advantages and disadvantages. It may further widen the gap between counties ^[7]. For example, Shenyang is located in the center of the Northeast region and its good location advantage will undoubtedly play a driving and radiating role in the development of surrounding counties. Therefore, the economic development trend of counties adjacent to Shenyang, such as Sujiatun District, Shenbei New District, Fushun City, Xinmin City, etc., is relatively clear. For example, Dalian City in southern Liaoning Province, located in an important area of the Bohai Rim and Northeast Asia Economic Circle, has become the most important gateway to the sea and opened up to the outside world in Northeast China. Its location advantage makes it another high-level economic development city in Liaoning Province after Shenyang. The surrounding areas, such as Jinzhou, Ganjingzi District, Lushunkou District and Pulandian District are all affected by the radiation of Dalian City, which in turn promotes the level of economic development. Most of these areas belong to the more developed and developed county types. For example, Anshan, Liaoyang and Yingkou are located in the connecting zone between Shenyang and Dalian and the accelerated development of Shenyang and Dalian has also had a significant impact on them.

3.3. Government decision-making

The formulation of government fiscal policies is aimed at regulating the economy and promoting balanced development from a macro perspective but often brings different development opportunities and economic benefits to each county during the implementation process ^[8]. Since 1949, industry in Liaoning Province has first emerged in the central region, mainly concentrated in Shenyang City. Since the reform and opening up, the government has invested in the construction of multiple railways, such as Shenda, Shendan, Shenshan and Shenji, as well as multiple highways such as Shenhuan, Shenda, Shendan and Shensi, making Shenyang a transportation hub in the Liaoning region. In the past decade or so, the Liaoning Provincial Government has actively implemented the “regional unbalanced development strategy,” making Shenyang and Dalian the “leading” and “tail” of the Liaonan urban agglomeration, becoming a priority and key target for promoting development. Major projects invested by the central government have also been significantly tilted towards the Liaoning region, but the quantity and speed of investment still mainly rely on a few large and medium-sized cities, such as Shenyang and Dalian, and the investment scale in the northwest of Liaoning is relatively small.

4. Suggestions for promoting county level economic development in Liaoning Province

4.1. Adhere to scientific and rational planning as the first priority

Based on the development strategy of “domestic circulation as the main body and smooth international and domestic dual circulation,” Liaoning Province has replanned and positioned itself, scientifically and reasonably formulated the strategic connotation, and determined the focus and time of the plan to form complementary advantages. At the same time, it is necessary to ensure a reasonable connection between county plans and various construction project plans at the prefecture and city levels ^[9]. It is especially important to grasp the

current focus of the 14th Five Year Plan formulation, deeply analyze the advantages of local natural resources, industry characteristics and current status of factors so that the plan has evidence and rules to follow and strictly implement according to plan, achieving a complete drawing to the end.

4.2. Cultivate characteristic industries and strengthen industrial transformation

On the one hand, it will continue to develop agricultural characteristic industries. The province should continuously promote the selection of “one county, one industry” and strengthen policy support for the vigorous development of advantageous products. Each county, city and district should actively promote the rational development and utilization of advantageous specialty resources based on their resource conditions, industry characteristics and market size and focus on cultivating local vegetables, specialty fruits, traditional Chinese medicine, drinking bacteria and other main products ^[10]. Vigorously develop standardized, economically standardized, environmentally friendly and safe animal husbandry, limit the breeding volume of pigs and chickens and accelerate the development of advantageous products such as beef cattle, sheep and donkeys. Vigorously develop the internal and external circular formats of the marine aquaculture industry. On the other hand, the policy guidance should be strengthened for new rural economic entities such as rural professional cooperatives, family farms and agricultural companies, actively develop various types of agricultural moderate-scale business entities and implement standardized management and full process supervision of agricultural products to comprehensively improve the yield and quality of agriculture ^[11].

4.3. Accelerate the upgrading and upgrading of industrial parks

- (1) Strengthen the functions of the park based on the resource location conditions of the county, gradually clarify the development position of core industries, accelerate the development of the “first manufacturing industry” and establish a sound mechanism for enterprise investment and exit;
- (2) Increase dedicated funding for the construction of county-level manufacturing characteristic parks, such as ensuring the construction of important infrastructure such as transportation and power supply in industrial parks;
- (3) Ensure the construction of facilities such as incubators for small and medium-sized technology enterprises;
- (4) Public service infrastructure engineering;
- (5) Build a comprehensive public service platform that provides consulting services for small and medium-sized enterprises and engineering project construction within the park, thereby further enhancing the industrial development carrying capacity of park construction ^[12];
- (6) Establish a modern and standardized factory system, improve the warehousing and distribution, financial and governance systems within the manufacturing characteristic park and enhance the guarantee of construction project completion conditions;
- (7) Deepen the improvement of the manufacturing industry pattern and actively introduce business cooperation between large international enterprises and provincial enterprises;
- (8) Each county government should support leading industries and key products, gradually establishing vertical chains, lateral clusters, regional circulation and industrial clusters with comprehensive competitive advantages by establishing pillar industry chains ^[13].

4.4. Highlighting brand advantages and enhancing corporate brand awareness

The government helps counties form their brand and culture through guidance. Liaoning Province has many high-quality enterprises rich in rice, fruits and vegetables, which can perform initial and deep processing of

products. At the same time, it also has industrial clusters such as aluminum ore, bearing industry, ceramics, as well as natural ecological resources and historical cultural resources rich in plant resources such as mountains, seas, forests, springs, etc. These are key conditions for establishing regional brands^[14]. Government departments at all levels can further emulate the experience of county-level enterprises such as “Panjin Rice,” “Faku Porcelain Capital,” and “Dandong Strawberry,” increase the dissemination and promotion of rural brands, actively cultivate local famous brands and enhance industry and regional economic capabilities^[15]. At the same time, counties and districts that have a significant impact on promoting famous local brands should be given certain bonuses and appropriate policy preferences should be given in local agricultural product-related project applications and local government investment and financing support to promote and form local agricultural product development capabilities.

Disclosure statement

The author declares no conflict of interest.

References

- [1] Lai X, Deng C, Wang J, et al., 2024, Suggestions for High-Quality Development of Agricultural Economy in Liaoning County under the Background of Rural Revitalization. *Horticulture and Seedlings*, 44(2): 100–101 + 110.
- [2] Huang A, 2024, Research on High Quality Development of E-commerce in Liaoning County. *Contemporary County Economy*, 2024(1): 56–59.
- [3] Zhang Z, 2023, Research on High Quality Development of County Economy in Liaoning Province under the Rural Revitalization Strategy. *Liaoning Economy*, 2023(4): 30–34.
- [4] Xing W, Hang D, 2022, Research on Strategies for Integrating County and Rural Public Services in Liaoning Province. *Agricultural Economy*, 2022(12): 95–97.
- [5] Lai X, 2022, The Development History, Realistic Challenges, and Suggestions of County Economy in Liaoning Province. *Agricultural Economy*, 2022(12): 33–34.
- [6] Li X, 2021, Analysis of the Development Status of County Economy in Liaoning Province. *Statistics and Management*, 36(8): 32–35.
- [7] Zhang H, Guan W, Xu S, 2014, Analysis of the Spatiotemporal Pattern Evolution of County-Level Economic Differences in Liaoning Province. *Productivity Research*, 2014(9): 68–72.
- [8] Bao E, 2014, Inspiration and Reflection on the Development of County Economy in Liaoning Province. *Inner Mongolia Statistics*, 2014(6): 35–37.
- [9] Zhou Y, Wang Z, 2013, Analysis of Factors Influencing the Development of County Economy in Liaoning Province. *Agricultural Economy*, 2013(6): 29–30.
- [10] Gao Y, Zhang J, 2012, Development Differences, Characteristics, and Causes of Inter County Economy in Liaoning Province. *Journal of Liaoning Normal University (Natural Science Edition)*, 35(4): 563–568.
- [11] Ma K, 2012, Path Analysis of County-Level Economic Development in Liaoning Province. *Foreign Trade and Economic Cooperation*, 2012(11): 94–96.
- [12] Pei T, 2018, Exploring the Significance, Challenges, and Paths of County-Level Economic Development in China. *Productivity Research*, 2018(10): 64–67.
- [13] Chen L, 2019, Current Situation and Improvement Suggestions of Financial Support for County-Level Economic Development in Liaoning Province. *Rural Economy and Technology*, 30(21): 198–201.
- [14] Li Y, 2017, Research on the Growth Dynamics of County Economy in Liaoning Province. *Modern Economic*

Information, 2017(14): 485–486.

- [15] Wang Z, 2017, Suggestions for Promoting the Upgrading of County-Level Industrial Structure and Economic Growth in Liaoning Province. *New Agriculture*, 2017(13): 60–63.

Publisher's note

Bio-Byword Scientific Publishing remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.