

The Influence of Political Factors on the Economic Development Strategy of Northeast China

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Abstract. Historically, Northeast China has been influenced by political factors for several times to determine its development and construction. "Northeast Revitalization" has given the Northeast region new opportunities for development, but "One Belt, One Road" initiative, which dominates the development of Western region, has made it seem to fade. If Northeast region attempt to reverse the disadvantages of its objective conditions, she must start political factors again and link the "One Belt, One Road" to a new opportunity for its economic development strategy.

1. Introduction

At first, "Reform and Opening up" policy of China, based on "First Rich theory", was initially implemented from the cities of Eastern China and Southern China, "from the Point to the Line" of the coastal area, and finally to the "Area" of the country. After the development of areas such as "Development of Western area", "Revitalization of Northeast area" and "Rise of the Central Region" has been launched, the country has developed in a balanced manner. Although under the influence of political factors, the Northeast region received the development and construction of the Soviet Union after the World War II and the Soviet Union after the World War II. It has become the focus of the economic development of the Communist China. However, in the Western region, which was relatively inferior, due to "One Belt, One Road" initiative, the importance of regional economic development surpassed the Northeast region in one fell swoop, which shows that political factors have a great influence on regional economic development. Therefore, how to reconnect with the policy on the existing basis will become a necessary condition for the Northeast region not only to "Revitalize" but also to surpass "Development" and "Rise".

2. Literature References

Xue, X.T.(2005) pointed out that the Soviet Union has already prepared for the full possession, key destruction, and monopoly cooperation of Japanese assets in the Northeast region. The comprehensive possession is to declare all the Japanese assets industry as the spoils of the Red Army, which is fully accepted by the Red Army. The key point is to dismantle the latest and most important machinery and equipment to the Soviet Union to meet its own needs. The remaining part is divided into two, and China and the Soviet Union each occupy one. The two sides will conduct exclusive economic cooperation to prevent the third country (United States) from entering the Northeast [1].

The Northeast region during the "Great Leap Forward" was an important function as the most important heavy chemical industry base in the country. Taking Liaoning Province as an example, the total investment of the "Great Leap Forward" for three years was RMB 7.134 billion , not only more than the total investment of 6.505 billion Yuan in the "1st Five-Year Plan" period, but also the total investment of RMB 3.405 billion in the period from 1961 to 1965. Compared with the total amount of RMB 3.729 billion, it also exceeded the total investment of RMB 3.354 billion during the "3rd Five-Year Plan" period, reaching RMB3.78 billion. The steel industry is the backbone of the "Great Leap Forward Movement" and the Northeast region is the protagonist. In 1958, the national steel production was decided to be 10.7 million tons, and the northeast region was allocated to almost 5.25

million tons in the whole country, of which Liaoning Province was 4.8 million tons. At that time, Liaoning Province's most important steel industry base in Liaoning Province produced more than 60% of the country's steel production in 1957, and pig iron accounted for more than 70%. In 1960, the steel production of Liaoning Province reached 7.48 million tons [2].

There are many heavy industries, which are state-owned enterprises in the Northeast region, and there is a serious unemployment problem due to the inability to cope with the development of market economy. In addition, there are many other issues such as the exhaustion of energy resources and the increase in social security fees. The stagnation in the Northeast will be the cause of the overall economic growth. In order to enhance the coordinated development of the national economy as a whole and the quality of China's industrial system, the 16th Communist Party of China National People's Congress in October 2002 was proposed to "Northeast Revitalization" strategy. In addition, in June 2003, when Premier Wen Jiabao inspected Liaoning Province, he specifically mentioned that "The revitalization of the Northeast region and the strategy for the development of the Western region are "the East and West", in order to show the necessity of revitalizing the industrial base in Northeast region". This means that the "Northeast Revitalization" policy and the "Western Development" strategy are positioned in parallel as an important policy of the Chinese central government. The purpose of the "Western Development", which focuses on the development of the entire Western region, is to narrow the gap between the East and the West. In contrast, "Northeast Revitalization" is considered to be a North-South gap that corrects the gap between the southern coastal areas of Guangdong Province and Shanghai and the Northeast region [3].

3. Research and Analysis

The regional development strategy after the "Reform and Opening up" of China can be said to be "The Coastal Development" after the 1980s, the "Western Development" that was made at the end of the 20th century, the "Northeast Revitalization" and the "Rise of the Central China" after the 21st century. This regional development strategy is geographically just in line with Mao Zedong's "Three-Lined Construction" [4]. Contrary to the "Three-Lined Construction", the priority of "Reform and Opening up", is started by the coastal areas with the first advantage of "First-Rich theory". Although the Central region is not close to the coast, the transportation is relatively convenient and the consumption population is large, there is still quite a lot of advantage. Meanwhile in Western area, in spite of its congenital inferiority, has been developed by the propose of "One Belt, One Road,".The relatively inferior Western region has become the mainstay of China's economic development due to the "One Belt, One Road" initiative, and has thus achieved a policy-led advantage. On the other hand, in the Northeast region, although it is close to the coast, the traffic within the region is convenient and the consumption population is quite large, but it does not have special advantages. In contrast, the Northeast region has become the least advantageous of the four parts of China. The development and construction of the Northeast region was greatly influenced by political factors before the World War II, namely Japan before the World War II and the Soviet Union after the World War II.

Northeast region development in modern times can be divided into three periods. The first time was during the Japanese occupation. The second time was the establishment of the communist regime and the acceptance of Soviet aid to the "Great Leap Forward" period. The third time is "Northeast Revitalization".

3.1. The First Time

For the first time, although Japan developed with the political and military forces to build a colonial economy, it also built the Northeast region in the occupation period and achieved certain results. However, Wang, Q.(1993) translated the study of Jin, S.X.&Xu, W.S. "In the early days of the victory of the Sino-Japanese War, after the Soviet army attacked the Three provinces in Northeast China, the plan was to withdraw the 1,500km railway connected to the Soviet Union and transport the orbit and machinery to the Soviet Union"[5]. According to the consolidation of T. Matsumoto (1995), regarding the degree of damage to the industrial facilities and facilities of the Soviet Union's evacuation of mines in the Northeastern China after World War II, from June to July 1946, according

to the investigation of the US Pauley investigation team of the old Japanese facilities in Northeast region, the report speculates that the amount is about \$8.95 billion (presumed by the Pauley investigation team) or \$12.33 billion (presumed by Japanese technicians) [6]. In this way, due to political factors and military purposes, the Soviet Union's first construction achievements in the Northeast region were captured by the Soviet Union.

3.2. The Second Time

The second time was also to build and develop for the purpose of political and military. The construction of the Cold War as the background, the Soviet Union is the main push. On January 20, 1950, Zhou Enlai led a Chinese government delegation to Moscow. In addition to signing the China-Sudan Friendship Alliance Mutual Assistance Treaty, the Soviet Union began to provide China the first lot of 50 large-scale engineering projects to help China carry out the national economy. Restoration and transformation of the department. These 50 projects are the first of 156 projects. These projects are mainly energy industries such as coal and electric power, and basic industries such as steel, nonferrous metals and chemicals, and the defense industry. On August 17, 1952, Zhou Enlai once again led the Chinese government delegation to Moscow to visit with a large amount of materials on the ideas and draft outlines of the 15th plan. On May 15, 1953, the two sides signed an agreement and protocol on the Soviet Union's assistance to China in developing the national economy. The Soviet Union pledged to assist China to build and rebuild a large number of large-scale projects, namely, aiding China's construction and construction in 1953-1959. Reconstructed 91 enterprises. In October 1954, Khrushchev led a delegation of the Soviet government to visit China. The two sides signed 10 documents. One of the 10 documents is the protocol of the Soviet Union and the Soviet Union on helping the government of the People's Republic of China to build 15 industrial enterprises and expand the scope of supply of 141 enterprise equipment under the original agreement. Through the signing of the above three agreements, the Soviet Union assisted China in industrial construction projects totaling 156 items [7]. Due to the rich natural mineral resources in the Northeast region, it has the advantages of innate development of heavy industry and large-scale equipment manufacturing. Therefore, among the 156 key projects in the country, the Northeast region accounted for 58 [8]. However, with the failure of the "Great Leap Forward Movement" and the deterioration of Sino-Soviet relations, the second construction and development in Northeast region came to an abrupt end.

3.3. The Third Time

The third time is based on the principle of "First Rich theory" and the stagnation of the Northeast region mentioned in the above-mentioned Yu W.H. (2011) will be the cause of the overall economic growth. "Northeast Revitalization" must be implemented, or still balance the economy of each region. The political considerations for development are dominant. In October 2003, "Several Opinions on Implementing the Revitalization Strategy of the Old Industrial Bases of the Northeastern Region of the CPC Central Committee" announced that the "Northeast Revitalization" strategy was introduced as a new regional development policy. The high economic growth of China, which lasted until 2004, was led by the export-led growth model of the eastern coastal region. However, in the period of 05 to 2007, which began to be converted into domestic demand, the investment in the inland areas increased as a background, and the contribution of the inland areas gradually increased. Then, under the influence of the world financial crisis in 2008, structural changes accelerated rapidly, and the Chinese economy was transformed into a domestic demand-led economic growth model in the form of inland-based areas [9]. In the third time, there was neither the military purpose of the first Japanese colonial economy nor the political consideration of the second Cold War background. It can be said that it was developed under the best economic conditions.

The political factor in the subject of this article means policy, which means that the Northeast region needs policies to promote economic development. It is also a policy that links to the international economy. In a speech by Mongolian National Hural, Xi Jinping said that China is willing to strengthen cooperation with the Mongolian side under the initiative of the "Silk Road Economic Belt" and hold a positive and open attitude towards the Prairie Road initiative proposed by

Mongolia. Since Russia's foreign policy began to turn eastward in 2012, especially the Western sanctions against Russia have forced Russia to strengthen its relations with Asian countries. In September 2014, the heads of state of China, Russia and Mongolia met for the first time in Dushanbe. Xi Jinping said that, the Chinese side proposed the initiative to build the Silk Road Economic Belt and received positive responses from the Russian side and Mongolia. The "Silk Road Economic Belt" can be linked to the Russian Trans-Eurasian Railway and the Mongolian Grassland Road initiative to create a "China-Mongolia-Russian economic corridor" [10].

As mentioned above, after China's "One Belt, One Road" initiative, in the political atmosphere of Mongolia seeking cooperation with foreign countries and the Russian policy to the east, the "China-Mongolia-Russian Economic Corridor" was naturally formed. Although Zhao H.S. (2016) questioned whether Russia will really turn to the East, can it turn to the East. and that Europe is Russia's most important economic and trade partner, Russia's political, economic and cultural focus is also in its European region, and this basic structure will not change in the foreseeable future. However, he also pointed out that Russia's turn to the East will create more opportunities for Sino-Russian cooperation, especially economic cooperation, which is conducive to the development of Sino-Russian relations, but it is based on the actual needs and fit of the interests of the two countries [11]. Liu, H. et al. (2015) also pointed out that the "China-Mongolia-Russian Economic Corridor" will link the Eurasian Economic Union advocated by Russia and the Prairie Silk Road initiated by Mongolia, and will build the foundation of the tripartite through the construction of the "China-Mongolia-Russian Economic Corridor". Facilitating the construction of facilities and promoting the development of border areas in Inner Mongolia is particularly important for the revitalization of the three northeastern provinces that are currently facing weak economic growth [12].

If the above content is integrated, the SWOT analysis of the Northeast region can be organized as follows. Strengths: Rich in natural resources and with many excellent harbors. Heavy industry production experience is familiar. The geographical location is conducive to attracting direct investment from Japan and Russia. Weaknesses: equipment is old and market competitiveness is weak. Opportunities: The Northeast region, where heavy industry production experience is familiar, can provide many foreign investment and technical guidance for developing countries on the "One Belt, One Road". Borrowing the land will attract direct investment from Japan and Russia. Threats: Competition in three other regions in China. Qiao, Z.(2016) point out the Southeast Coastal areas where market reforms are faster, the power to provide economic growth through resource reconfiguration is relatively insufficient [13]. Therefore, even if Yu, W. H.(2011) mentioned that in June 2003, when Premier Wen Jiabao inspected Liaoning Province, he specifically mentioned that "The revitalization of the Northeast region and the strategy for the development of the Western region are "East and west double wheel", in order to revitalize the industrial base in Northeast China". This means that the "Northeast Revitalization" policy and the "Western Development" strategy are positioned in parallel as an important policy of the Chinese central government. However, while the West region has become international with the "One Belt, One Road", the Northeast region has become the only border area in China's regional economic development. Therefore, at this moment when the "One Belt, One Road" has become China's economic development backbone strategy, linking or hooking or attaching to the "One Belt, One Road" is the top priority and the best mode in the Northeast region.

4. Conclusion

After China's "Reform and Opening up", though the economic gap between the coastal areas and the inland areas is still large, the gap between the East and the West has gradually narrowed. In the literature review, W. H. Yu (2011) proposed "Western Development" and "Northeast Revitalization" was only to correct the North-South gap between the Northeast region and the Southern Coastal areas such as Guangdong and Shanghai. Moreover, Northeast region, same with Western region which belongs to the Chinese border zone, is already affected by the political factors of the Japanese colonial economy and was developed earlier than the western region. Although the construction of

Japan before the WWII was destroyed by the Soviet Union after the war, in the early days of the establishment of the Communist China, got greatly assisted by Soviet Union one again and committed to industrial construction. In addition, there are also good ports such as Lushun and Huludao, which are easy to export and trade. They are even classified as "First Line" in the coastal areas during the "Three Lines" period. All kinds of objective conditions of Northeastern region are superior to the Western region. In terms of construction, on the other hand, it doesn't fall short of that of Western region. Originally, the two belong to the same level of domestic construction. Since the Western region is in line with China's strategy of circumventing the US from the east to the west, it has expanded to the "One Belt, One Road" and is in line with international standards. Since then, the Western region has become the starting point for China's development in Central Asia, Europe and Africa.

From the above SWOT analysis, the advantages of the Northeast region are not strong and powerful, but the disadvantages are relatively obvious, and external threats are also clearly existing and growing. Therefore, only by grasping the opportunity can reverse the disadvantages and overcome the threats. The most direct and effective way is to link the "One Belt, One Road" with the "China-Mongolia-Russia Economic Corridor" as a tactic, so that it will have an "Affect effect" on the Northeast region and achieve a strategic effect.

5. References

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