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# **Narrowing the Development Disparity Between the Western and Eastern Regions and the National Policy of the Sustainable Development of Economy in China**

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**Abstract:** The disparity between the western and eastern regions in China is the by-product of the agglomeration economy effect when the capital pursues the profit, which is driven by the market power in the socialist market economy. Then narrowing the disparity between the western and eastern regions is the national policy of the sustainable development of economy in China. In order to do so, the main platform of the government is the development programming and public goods supply.

**Key words:** regional disparity the target of regional policy the sustainable development of economy

Narrowing the gap between the western and eastern regions is a great concern to promote the sustainable development of economy in China. From the sustainable development of economy theory aspect retrieved from the Marxism plutonomy principle, this essay analyzes the lessening of the gap between the western and eastern regions and the national policy of the sustainable development of economy in China.

## **1. The plutonomy analysis on narrowing the disparity between the western and eastern regions.**

The appearance of disparity between the western and eastern regions in China has various reasons. Since the reform and opening, the disparity has been inevitable under socialism market economy phenomenon where economic elements are allocated according to the market.

(1) Since the reform and opening policy has been introduced, the economic disparity between the western and eastern regions is actually the gap of development. The disparity is also the by-product of the agglomeration economy effect where the capital goes after the profit and market power takes an essential role as well, both of which are the pull of gap widening. Besides, the main reason of this disparity is not the imbalance regional policy, but the discrepant agglomeration economy effect driven by the market power where the capital goes after the profit.

(2) The plutonomy analysis on narrowing the gap between the western and eastern

regions. First and foremost, the regional disparity means the physical and economic geographical difference, which exists objectively and could be eliminated under no circumstance. The regional economy disparity is induced by the rule of economic activity. Therefore, during the process of the lessening of the gap between the western and eastern regions, if the government can not behave as “to send charcoal in snowy weather” under the China's Planned Economy System, it should at least not “to go athwart the market modulation”.

## **2. Equal strengthening on equality and efficiency: the basic choice of national policy to lessen the gap between the western and eastern regions.**

For the enterprises including the State-owned Enterprises, profit maximization is the economic efficiency under Socialism Market Economy System. The enterprise is the social body that pursues the economic efficiency and the equality which means the equal development opportunities and policies, during which the government takes a vital role in enhancing the equality realization. From the essence of the economic activity, it is obvious that the economic efficiency is the eternal theme under the Socialism Market Economy System. From this aspect, the equality can advocate the development opportunity and the policy to upgrade the economic efficiency. The relation between equality and efficiency is not the dilemma that should be chosen. The extent of realization of the equality and efficiency at the same time is not same in many cases. There are some diversities in the different stages of development of the productive forces, especially within unbalance development among economic zones.

From the aspect of Chinese economic practice, the road for eastern region enhancing efficiency continuously and achieving economic modernization and internationalization is still very long, so the efficiency goal of eastern part of the central economic policy is of long-term and irrevocable, such as the necessary construction of Beijing-shanghai speed-railway; Developing the western regions also focuses on improving efficiency such as the necessary built-up of the Shanghai-Chengdu high-speed railway , hence the central western economic policy needs to choose efficiency as “a must” (As for the western region, if the goal should focus on the importance of the efficiency). By the way, at this stage of the western region, the improved conditions of the role of market have more protection meaning. Therefore, the efficiency and equality is the basic optimal choice for the central economic policy to lessen the gap between Eastern and Western region.

### **3. Regional economic integration development: the choice by the basic national policy to achieve sustainable development of Chinese economy**

From spatial economics sense, Chinese regional economic zone is polarization economic zone. Based on the inherent requirements of polarization economic zone that should have economic factors such as economic center, economic network and economic hinter and so on., the polarization economy characteristics of Chinese regional economic is very significant, that is, the three regional economy plates, Pan-Pearl River Delta, Pan-Yangtze River Delta and Pan-Bo-sea economic region, will to be form, with the economic centre to three megalopolis, the Pearl River Delta, Yangtze River Delta and the Bo-sea encirclement, formed by the broad economic hinterland regarding the regional economic networking with three major megalopolis. The three economic zones show the polarization characteristics of economic zones in both geographical division and close cooperation, such as leader-driven, industry coordination, benefits sharing, and complementary with each other.

Polarization economic zone hugs the inherent linkages and coordination mechanism to enhance regional competition capabilities. The comprehensive strength of regional economic mainly represents the advantages of the industrial agglomeration, enterprise cluster and product quality, which depend on the degree and scope of regional division and cooperation. The building of three Pan-economic zones, in essence, expands the space of inherent link of the landscape orientation economic cooperation, and creates the institutional arrangements and regional environment to the inherent link of labor flow, goods flow, and capital flow, both of which can contribute to the basis role of the market in resource allocation to improve the overall economic competitiveness of economic zones. In the three pan- economic zones, the eastern economic centre has vast economic hinterland, which not only the mainland can accept the radiation and leadership of the coastal areas, but more importantly, along with the regular flow of production elements, coastal cities will unprecedented access to the space and the conditions of development, so that the Yangtze River Delta, Pearl River Delta and Bo-sea Group and other coastal cities have greater development. Only through this way can Chinese economy obtain a sustainable development.

### **4、 Giving priority to National education: lessening the gap between the western and eastern region and achieving the basic national policy of sustainable development of Chinese economy.**

From the aspect of the provision of public goods, "Lessening the gap between the western and eastern region" Mainly manifests in the national education. In the socialist market economic system, as the public goods' characteristics of national education, the Government is the only major planners and providers from the entire community level. Therefore, planning and provision of public goods is of great significance for narrowing "the gap between East and West".

(1) The Government is the main planner and provider of public goods such as National Education (labor accepting National Education). Government posts are supplied through the development of state enterprises in the planned economic system. In the socialist market economic system, as the nature and characteristics of public goods of National Education, Government functions for national education such as providing nine years of compulsory education, higher education and vocational education. Recently "the gap between East and West" on public goods of national education is huge; therefore, Chinese economic policy of sustainable development should include downsizing the gap of national education between East and West.

(2) The implementation of national education in the west of public product development strategy provides labor "products" for market rather than for the region, which is of great significance for narrowing gap between East and West. Since the reform and opening policy has been introduced, the flow of labor from the western to the east is not only a reasonable movement under the system of market economy, but also a push to lessen the gap between the East and the West; The reasonable flow during the stage of rapid economic development will not stop (the eastern regions such as Pearl River Delta, Yangtze River Delta having tension situation of labor supply, even of shortage can serve as an excellent example). Providing public goods like national education is the responsibility of the government under the market economy system. If the west can enjoy the national treatment as the eastern region, the gap of the national education public goods between East and West will absolutely lessen.

## **5. Conclusion**

According to the current productivity level in the Chinese economy, in a fairly long period, the efficiency and equality is an inevitable choice to enhance the economic goals of sustainable development for both the vertical division of the East, Midland and West and the horizontal division of the Pan-Pearl River Delta, Pan-Yangtze River Delta and Pan-Bo-sea Rim economic zone. The nature and characteristics of public goods determine themselves without regional economic attributes and characteristics, such as the public goods of the western national education definitely flows the efficient market no matter the domestic or the overseas, and the western rapid transit beam being the cable and

extension cord to efficient eastern rapid transit beam. Enhancing the construction of three Pan-economic zones as well as the sustainable development is the basic choice of national policy for sustainable development of the whole Chinese economy through which the gap between the East and West becomes interior by economic zones.