Research on Fiscal Policy to Promote the Coordinated Development of Regional Economy

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Abstract. The development of regional economy in our country is larger, and the use of international experience is of great significance to promote the coordinated development of regional economy in China. Through the analysis of the coordinated development of regional economy in the United States, Germany, France and other countries experience with fiscal policy, of fiscal policy to promote the coordinated development of regional economy empirical analysis, draw the area of fiscal policy more, its level of economic development, the higher the conclusion, combined with the reality of our country, put forward the implementation of the "positive" on the east coast of fiscal policy, fiscal policy in the central and western regions such as the implementation of the "incentive" option.

Introduction

In China since the reform and opening up, with the rapid development of the socialist market economy, the gap of regional economic development is more and more big, main performance: the rapid rise of the eastern coastal areas, the slow development of the central area of the internal, remote western region development has lagged behind, the Northeast old industrial base on the decline. Under the new economic norm, how to develop and utilize the macro control policies and promote the coordinated development of regional economy has become an important issue for the government and the experts and scholars in our country. Fiscal policy as one of the national macroeconomic regulation and control important tool, in promoting the coordinated development of regional economy has played an important role in promoting or support, therefore, this article from the perspective of the financial policy inquiry typical Western countries in promoting the successful experience of the coordinated development of regional economy, to promote the whole country region economy coordinated development has important theoretical value and practical significance.

International Experience of Fiscal Policy to Promote the Coordinated Development of Regional Economy

The Fiscal Policy Experience of the United States to Promote the Coordinated Development of Regional Economy

Increase Financial Investment. The United States from the economic developed regions at the North call for higher taxes for the economic development of backward areas, such as in
1975 with 1.0639 million in revenue from the north into western, 1984 in 6995.28 billion dollars in fiscal expenditure for development in the South accounted for 34.5%; federal government formulated to underdeveloped regions assistance program, to the state government allocated a certain proportion of the financial fund, and regularly audit the financial funds use, state governments to develop the use of aid funds accounting system and the corresponding laws and regulations for supervision and guidance of the aid plan for the implementation of such.

**To Implement the Transfer Payment System.** Federal government by means of fiscal financing, to invest in economically backward areas of private enterprises provide long-term low interest or interest free loans, to the economic backward areas to provide loans of financial enterprises to provide credit insurance. Increase of southwest of less developed areas of agricultural development of financial investment, to accelerate the region's agricultural mechanization and modernization. Implementation of the progressive income tax in developed areas, and the financial transfer payment to less developed regions. The United States from the 30s of the 20th century has different tax rate applied to different regions.

**The Implementation of Preferential Tax Policies.** The federal government to implement certain tax policy is to give state and local government tax exemption and tax authority, of all in poor areas funded enterprises shall be exempted from five years income tax preferential, the exemption of income tax revenue in the local area and investment may continue to enjoy preferential tax; 1993 Clinton government promulgated the federal recipient region and recipient Communities Act,[1] which the bill requires the government grants $25 million unpaid for southern and western regions of preferential tax; state government of the United States to poor areas, industrial areas of investment enterprises give tax relief, electricity price, etc.

**The Fiscal Policy Experience of Germany to Promote the Coordinated Development of Regional Economy**

**Increase Financial Investment.** Germany for a long period has been the Ruhr district, the old industrial base, coal, iron and steel, shipbuilding and other of high input, high finance subsidy funds, aimed at improving the competitiveness of traditional industries. Since 1995, the German government provides special investment funds to the eastern states, to enhance its economic strength, annual $60 billion mark for 10 years.

**To Implement the Transfer Payment System.** Germany, the implementation of lateral balance and longitudinal balance of financial transfer payment, the former is refers to the financial transfer payment transfer among the States, namely economically developed states took part of fiscal funds transferred to the backward economy weak state; the latter refers to the financial transfer payment transfer between the higher and lower governments, including the federal to state and local levels. If after the balance between the two interstate, in the eastern part of New Jersey's financial capacity increased to 95% of the average value of all of the states of the union, by a federal grant to 99.5%.[2]
The Implementation of Preferential Tax Policies. Germany, the implementation of tax concessions and special depreciation. The former includes of the enterprises in the former East Germany to be tax and local tax concessions; the latter is on 5 of the Eastern States new enterprises to give preferential depreciation, mainly is the large depreciation rate to reduce corporate tax amount.

The Experience of the French Fiscal Policy to Promote the Coordinated Development of Regional Economy

Increase Financial Investment. France in the government fiscal expenditure document clear industrial structure reform and modernization, employment and training, research and development as a support point and in the government budget expenditure give priority to ensuring coal, metallurgy and other important industry support the development of backward areas needs.

The Establishment of a Financial Fund System. France to promote the transformation of old industrial bases, support enterprise transformation and modernization process, the establishment of the fund for the modernization of industry, bank investment funds and government funding is the main source of the funds, specifically for enterprises preferential loans granted. Meanwhile, in order to promote scientific research and contribute to the development of new technologies, the government also encouraged the establishment of risk investment, such as mutual funds.

The Implementation of Preferential Tax Policies. France to promote the coordinated development of the regional implementation of the preferential tax policies, mainly including: to encourage enterprise investment and reducing the tax burden of enterprises and industrial enterprises to give 10% of the industry's tax relief; enterprises in northeast old industrial zone to invest and build factories, and give tax, 3 years of tax incentives for corporate tax and local tax exemption, after the expiration of to enjoy by levying tax incentives;[3] to establish "free tax zone, shall be exempted from tax on labor and various other social miscellaneous taxes and other.

Fiscal Policy on the Coordinated Development of Regional Economy Empirical Analysis

The Selection of Indicators and Data
Public expenditure is the government use of fiscal policy interventions macroeconomic operation of the most direct and most effective way, while promoting local public finance expenditure is the country one of the important means of the coordinated development of regional economy. Therefore, this paper selects the public finance expenditure is quantified to fiscal policy, selects GDP to quantify the degree of regional economic development. [4] Considering to the population quantity factors and public fiscal expenditure on regional economic effects may be delayed, the 2013 financial expenditure per capital area as input indicators, 2013-2014 per capital GDP as output indicators, the specific number of selected by the China Statistical Yearbook (2015), and calculated.
Cluster Analysis of Per Capita Fiscal Expenditure

In this paper, the use of SPSS software for 2013 per capita expenditure for each system cluster analysis to determine high, medium and low grades of different levels of cluster analysis results, the results of the analysis are shown in Table 1 below.

<table>
<thead>
<tr>
<th>Per capita fiscal expenditure</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>High (greater than 15000 yuan)</td>
<td>Beijing, Shanghai, Tianjin, Tibet, Qinghai</td>
</tr>
<tr>
<td>In the (10000-15000 yuan)</td>
<td>Chongqing, Liaoning, Hainan, Inner Mongolia, Ningxia, Xinjiang</td>
</tr>
<tr>
<td>Middle and lower (8000-10000)</td>
<td>Jiangsu, Zhejiang, Fujian, Shanxi, Yunnan, Jilin, Heilongjiang, Guizhou, Shaanxi</td>
</tr>
<tr>
<td>Low (7000-8000 yuan)</td>
<td>Gansu, Guangdong, Hubei, Hunan, Hebei, Sichuan, Jiangxi, Anhui</td>
</tr>
<tr>
<td>Low (less than 7000 yuan)</td>
<td>Shandong, Henan, Guangxi</td>
</tr>
</tbody>
</table>

Data source: according to the SPSS software system cluster analysis.

Single Factor Randomized Block Design

This article will be divided into regions of eastern, central, western and northeastern four regions, each comprising of provinces as shown in Table 2. Depending on the level of the regional market, policies and systems, historical conditions, very coordinated regional economic development, in order to avoid systematic errors, this article will block area as a single factor experimental design. [5]

<table>
<thead>
<tr>
<th>Areas</th>
<th>Including provinces and cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern</td>
<td>Beijing, Tianjin, Hebei, Shandong, Jiangsu, Zhejiang, Fujian, Guangdong, Hainan</td>
</tr>
<tr>
<td>Central</td>
<td>Shanxi, Henan, Hubei, Hunan, Jiangxi, Anhui</td>
</tr>
<tr>
<td>Western</td>
<td>Chongqing, Yunnan, Sichuan, Guizhou, Guangxi, Shaanxi, Gansu, Tibet, Ningxia, Qinghai, Xinjiang</td>
</tr>
<tr>
<td>Northeast</td>
<td>Liaoning, Jilin, Heilongjiang</td>
</tr>
</tbody>
</table>

The high, middle and low level of the cluster of the financial expenditure system of the per capita area were randomly selected from three provinces and cities in each region, as shown in Table 3. For the selected 12 provinces 2013-2014 gross regional product per capita were single factor randomized block variance test. The results show that the 2013 and 2014 Fiscal Expenditure on F values per capita were 15.5587 and 13.4669, 2014 F value is less than in 2013, suggesting that the delayed impact of fiscal expenditure per capital on the regional economy is not significant in the short term, therefore, it can no longer be considered 2014 data. In the next significant level, between 2013 per capita expenditure differences and regional differences F values were 15.5587 and 5.5543, F values were 0.00938 and 0.05556, indicating that the impact of fiscal expenditure per capita on the regional economy is significant.
Table 3. Randomly selected 3 provinces and cities in each region.

<table>
<thead>
<tr>
<th>Areas</th>
<th>Eastern</th>
<th>Central</th>
<th>Western</th>
<th>Northeast</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Beijing</td>
<td>Shanxi</td>
<td>Tibet</td>
<td>Liaoning</td>
</tr>
<tr>
<td>Middle</td>
<td>Hainan</td>
<td>Hubei</td>
<td>Guizhou</td>
<td>Jilin</td>
</tr>
<tr>
<td>Low</td>
<td>Guangdong</td>
<td>Henan</td>
<td>Guangxi</td>
<td>Heilongjiang</td>
</tr>
</tbody>
</table>

The three levels below the gross regional product per capita in 2013 the per capita expenditure by hierarchical clustering analysis. As can be seen, the greater the expenditure per capita gross regional product per capita corresponding mean higher, its role in promoting economic development in the region faster, whereas the slower.

**Empirical Conclusions**

Promoting coordinated regional economic development needs to rely on fiscal policy support, the intensity of the difference in public expenditure per capita is an important cause of regional economic development uncoordinated. Fiscal Expenditure large area, its high level of economic development, such as Beijing, Shanghai, Tianjin and other eastern provinces, and small areas of expenditure intensity, its low level of economic development, such as Guangxi, Jiangxi, Heilongjiang and Western and northeastern provinces. Thus, fiscal policy efforts should be biased in favor of the west and north-east and other backward regions, thereby promoting coordinated regional economic development.

**Promote the Coordinated Development of Regional Economy Fiscal Policy Choices**

**Implementation of the "Enthusiasm" Fiscal Policy on the East Coast**

"Enthusiasm" fiscal policy in eastern coastal area of the basic idea is to implement active fiscal policy in current China. As the eastern coastal areas due to higher wages, higher household disposable income and quality of life, it may be appropriate to reduce the fiscal transfer payment; Faced with a higher degree of industrialization of the eastern coastal areas, the industrial structure is more reasonable and good infrastructure of reality, it can be given its interest payments on loans to the Midwest and Northeast regions and other aspects of capital and technology investment, tax incentives support; Tax increases and reduction of financial investment, etc., may be transferring part of the money given to economic development has lagged behind, especially in underdeveloped and impoverished western region to increase their potential for economic development and self-development. [6]

The content of the implementation of positive fiscal policy mainly includes: first, adjust and optimize economic structure, such as the input of agriculture, rural areas and farmers in the eastern coastal areas, vigorously support scientific and technological innovation, promote energy conservation and emissions reduction, encourage energy conservation and environmental protection, independent innovation to implement import tax preferential policies. Second, support regional economic cooperation, further implement the support the rise of central China, the development of the western region, the northeast old industrial base in northeast of supporting policies, and establish a lateral transfer payment system, etc. Third, vigorously ensure and improve people's livelihood, such as security priority to the development of science and education, increase investment in health care, perfect social security system, etc.
Fourth, increase earnings and practicing economy and finance in accordance with the law, such as strengthening tax collection and administration work in accordance with the law, standardize non-tax revenue management, strictly control the duty exemption or reduction, improve the efficiency in using fiscal fund.

The Midwest and Northeast China Implement the "Incentive" Fiscal Policy

The Midwest and the Northeast region due to lower wage rates, high unemployment, income and standard of living of the poor and other practical, should be intensified financial transfer payments to narrow the gap with the eastern region; for comparing the degree of industrialization low, irrational industrial structure, weak infrastructure and other issues, government finances should be strongly supported, and the eastern coastal developed areas should be given support, capital and technology; through regional tax breaks and other incentives to reduce taxes, increase government spending investment to accelerate the speed of regional development; increasing public investment, transport and communications infrastructure in the region, as well as science, education spending.

The content of the implementation of incentive fiscal policy mainly includes: First, fiscal incentive mechanisms, including the adjustment of financial distribution pattern, increase the focus of financial input, and optimize the structure of fiscal expenditure, implementation of transfer payments tilt and sound social security system; second is the implementation structural tax cuts, reduce the corporate tax burden; third is to improve value-added tax, resources tax and property tax, tax, and develop new sources of revenue, the introduction of environmental taxes; fourth is to strengthen the scientific and financial management, including financial strengthening law consciousness, non-tax revenue management, improve tax collection efficiency and the old state-owned enterprises and other exempt taxes.

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References


