

# **Study on the path of Wenzhou's deep integration into the Yangtze River Delta**

## **--Based on the perspective of industry-city-people integration**

Xiuxiu Chen

School of Digital Economy & Trade, Wenzhou Polytechnic, Wenzhou, Zhejiang, 325035, China

### **Abstract**

**As one of the 27 central cities in the Yangtze River Delta and the five central cities in Haixi District, Wenzhou is a bridgehead radiating outward from the Yangtze River Delta, so it is of far-reaching significance to deeply integrate into the integrated development of the Yangtze River Delta. Currently, with its developed private economy, Wenzhounese network and perfect industrial structure and other advantages, Wenzhou actively integrates into the Yangtze River Delta in industry, transportation, economy and trade, but also has obvious disadvantages in location, factors of production and competition. Therefore, from the perspective of the integration of industry-city-people, this paper puts forward the integration path of adhering to industrial cooperation, gathering people to revitalize the city, and establishing people-oriented orientation to promote production by retaining people in the city.**

### **Keywords**

**Wenzhou; Yangtze River Delta; industry-city-people integration.**

## **1. Introduction**

The development of regional integration in the Yangtze River Delta has risen to a national strategy, which brings new opportunities for resource sharing and coordinated development in the region, and also provides new ideas for the development of enterprises in the region. Wenzhou, as one of the central cities in the Yangtze River Delta, also takes the integration of high-quality integrated development in the Yangtze River Delta as the important strategy. In addition, while implementing structural adjustment and accelerating the transformation of new and old kinetic energy, Wenzhou is promoting urban construction, building a beautiful city, and striving to improve people's well-being. This is a new urban development model for the integration of industry, city and people, and it is also one of the ways for Wenzhou to become a modern demonstration city of social governance in the national urban area. Therefore, it is of great practical significance to explore how Wenzhou can deeply integrate into the high-quality integrated development path of the Yangtze River Delta from the perspective of industry-city-people integration.

## **2. Advantages of Wenzhou's integration into the Yangtze River Delta**

### **2.1. Advantages of private economy**

Wenzhou has been a window to observe the development of China's private economy, while the private economy is the biggest feature and advantage of Wenzhou. The number of private enterprises in Wenzhou accounted for 99.5 % of Wenzhou enterprises, the contribution of private economy to GDP is more than 90 %, industrial added value accounted for 91.5 %, employees accounted for 92.9 %, tax revenue accounted for 90 %. In 2018, Wenzhou was

approved to create the country 's first new era ' two health ' ( healthy development of non-public economy and healthy growth of non-public economy ) pilot area, and took the lead in creating a comprehensive evaluation system for the healthy development of private economy and the healthy growth of private entrepreneurs. In 2019, the healthy development index of Wenzhou private economy was 90.3, which was 5.8 points higher than that in 2017. The average added value of Wenzhou private industrial enterprises per mu increased from 1.207 million yuan to 1.724 million yuan, and the proportion of added value of private high-tech industries increased from 56.4 % to 61.2 %. In order to better promote the development of private enterprises, Wenzhou improves the policy services for the whole life cycle of private enterprises, solves the financing problems of private enterprises, optimizes the legal environment for equal protection of the legitimate rights and interests of private enterprises and private entrepreneurs, encourages and guides the reform and innovation of private enterprises, and builds a cordial and clean relationship between government and business. In 2022, Wenzhou 's GDP exceeded 800 billion yuan, and its industrial added value reached 334.2 billion yuan. It can be said that the achievements of Wenzhou 's economic development are the achievements of private economic development.

## **2.2. Advantages of Wenzhounese network**

First of all, Wenzhou is located in the mountainous area of southern Zhejiang, traffic obstructed, less land and more people, so the formation of Wenzhou business all over the world pattern. There are nearly 700 thousand Wenzhounese distributed all over the world, more than 1.75 million are in the domestic entrepreneurship. The flow of population has brought the internal power, and the Wenzhou businessmen all over the world have formed a huge resource network, which has brought abundant capital, technology, information and talent sources to the development of Wenzhou. In the development of Wenzhou private economy, it has given full play to the demonstration, market expansion, wealth accumulation, resource allocation, internal and external interaction and other effects. More and more Wenzhou businessmen will set their eyes on Wenzhou, take the initiative to make a matchmaking for the development of their hometown, attract investment and wisdom, promote project investment, capital return, talent return, trade return, and promote the integration of Wenzhounese economy and Wenzhou economy. In 2022, a total of 218 projects were signed with a total planned investment of 411.9 billion yuan. Secondly, the spirit of Wenzhou people is the precious wealth accumulated in the long-term struggle and development. The spirit of Wenzhou people, "daring to be the first, especially capable of entrepreneurship and innovation", leads the reform and development of Wenzhou. Finally, Wenzhou have lots of private chamber of commerce and industry associations developed unique resources. They get complete organizational structure and sound operation mechanism, which help actively regulate the behavior of market players, prevent disorderly competition and maintain market order. They also become the communication channel between various market entities, enterprises and the government, which promote the development of Wenzhou efficiently.

## **2.3. Advantage of industrial structure**

Traditional manufacturing industry in Wenzhou has complete categories and solid foundation. At present, traditional industries account for about 3/4 of the output value of Wenzhou manufacturing industry. There are 16 characteristic industries and more than 40 national production bases. Industrial cluster is one of the biggest advantages of Wenzhou regional economic development. Since the 1980s, starting from the household industry of "one village, one product, one township, one industry", Wenzhou has gradually formed a batch of regional block economy with competitive advantages, such as shoe leather, clothing, industrial electrical, auto and motorcycle parts, pump valve, printing, and has the characteristics of industrial concentration, fine division of specialization, large-scale production, etc. In the 14th Five-Year

Plan period, Wenzhou began to accelerate the transformation of characteristic and advantageous manufacturing industry from regional block economy to modern industrial cluster, and accelerate the construction of a complete, competitive and iconic modern industrial chain. It includes reconstructing the cluster development advantage dominated by the five characteristic advantages of manufacturing industries including electrical industry, footwear industry, clothing industry, auto parts and pump valve industry. At the same time, leading enterprises and champion enterprises are encouraged to introduce strong chain reinforcing enterprises through industrial chain integration, key technology control, equity merger and acquisition, and build an industrial alliance system. In addition, the local supporting degree of Wenzhou enterprises has been greatly improved, and the manufacturing "champion players" in subdivided fields have emerged continuously. Wenzhou has a total of 107 state-level "little giant" enterprises, 313 provincial-level "small and medium-sized enterprises", and 43 provincial-level "hidden champion" enterprises. In addition, according to the requirements of the 2.0 version of the intelligent transformation project of thousands of enterprises, Wenzhou will build a new model of intelligent manufacturing and digital management of the whole industrial chain, and carry out pilot projects in five industries: electrical, footwear, automobile and auto parts, pump valve and intelligent equipment. Intelligent transformation is not only an effective way for enterprises to become "specialized, refined and innovative", but also a key support for Wenzhou to promote industrial upgrading.

### **3. Disadvantages in Wenzhou 's integration into the Yangtze River Delta**

#### **3.1. location disadvantage**

Location disadvantage of Wenzhou is prominent, deep cooperation is blocked. Located in the southeastern part of Zhejiang Province, Wenzhou is far away from Shanghai, Hangzhou and other central cities, and its geographical space and distance pose natural limitations to deepening regional cooperation. The spatial logic of the Yangtze River Delta is: Among these five levels, the metropolitan area is the core, which is the source of scientific and innovation policies, industrial agglomeration, policy coordination and the basic carrier of social coordination. The "one-hour commuting circle" is one of the important bases for the spatial scope of the metropolitan area planning. However, it is difficult for Wenzhou to integrate into the above metropolitan area according to this standard. In addition, to implement the integrated development of the Yangtze River Delta as a national strategy, focus on the implementation of the Shanghai metropolitan area, Jiangsu, Zhejiang and Shanghai focus on the construction of Shanghai metropolitan area, and its planning scope is determined as the "1+8" city administrative scope of Shanghai and surrounding Suzhou, Wuxi, Changzhou, Nantong, Jiaxing, Huzhou, Ningbo, Zhoushan City, Wenzhou is not included in the list. The reason is that Wenzhou is on the edge of the Yangtze River Delta. The location of the city is far away from the central city, which leads to the increase of transaction costs, the weakening of the radiation effect of the core city, and the risk of being marginalized.

#### **3.2. The siphon effect disadvantage**

The "siphon effect" within the integration of the Yangtze River Delta is significant, and the factors are transferred in one direction. Core cities in urban agglomerations and metropolitan areas will have a huge "siphon effect" on other cities inside and outside the region, and production factors such as capital and talents will flow from other cities to core cities. Wenzhou used to be the most populous city in Zhejiang Province. At present, the population of Wenzhou has been surpassed by Hangzhou and closely pressed by Ningbo. The change of population reflects the economic competition and the grab for major resources of various cities. In the sixth national census, the number of resident population in Wenzhou ranked first in the province, and now ranked second in the province after Hangzhou. In the past ten years, the growth of

population flowing into Wenzhou from outside the province has slowed down. In 2020, the city absorbed 2.294 million people from outside the province, accounting for the proportion of the province decreased from 23.1% in 2010 to 14.2%, and the proportion of permanent resident population and registered population decreased from 1.145 in 2011 to 1.117. Based on industrial upgrading and reducing resource constraints, Wenzhou enterprises have moved to core cities such as Shanghai and Hangzhou, or other surrounding or other cities outside the province, resulting in the transfer of capital and labor force. In addition, major cities in China continue to introduce new policies for talents. Although Wenzhou has also introduced relatively complete policies to attract talents, the outflow of talents is obviously excessive due to the lack of urban level, and the outflow of qualified talents with household registration in Wenzhou is serious. A city in sharp contrast to Wenzhou is Jiaxing. Thanks to the spillover effect of Shanghai, Jiaxing constantly promotes cooperation with Shanghai in comprehensive transportation system, public service integration, as well as industry, innovation, talent cooperation platform and other aspects, challenging Wenzhou as the "third pole of Zhejiang".

### **3.3. Factors of production disadvantage**

The factors of production are obviously limited and the competitive advantage is weakened. "Seven hills, two rivers and one field", various production factors are relatively scarce in Wenzhou, especially those represented by land, with insufficient stock and limited increment, and the comprehensive production cost keeps rising. In addition, as the world enters a new round of scientific and technological revolution and industrial transformation, emerging industries represented by digital economy will lead the direction of future economic development. The development problems of enterprises in Wenzhou are more prominent, such as the backward development of industrial organization form, shortage of senior technical and management talents, and insufficient innovation ability. Compared with Hangzhou and other advanced cities, there is still a large gap in the development scale, quality and efficiency of Wenzhou's digital economy. Moreover, due to the strong export-oriented economy, high dependence on foreign trade, easy to be affected by the international market, the development of instability and uncertainty is strong. Moreover, the state's long-held institutional arrangements for unbalanced growth have left Wenzhou with too few policy dividends. With the intensification of urban and regional competition, Wenzhou has formed a pacesetter in the first place and a pursuer in the second. In Zhejiang Province, Hangzhou and Ningbo are in the absolute lead, while Shaoxing, Jiaxing and Taizhou are strong pursuers of Wenzhou. Wenzhou's relative advantages, including private economy and market-oriented reform, are weakened.

## **4. Paths**

### **4.1. Path 1: Industrial cooperation**

It is very important to promote the industrial cooperation between Wenzhou and the cities in the Yangtze River Delta to realize the integration of Wenzhou into the Yangtze River Delta. The orderly transfer and undertaking of inter-regional industrial cooperation can promote the construction of regional economic system and mechanism and stimulate the internal driving force of economic development. Only industrial development can become an inexhaustible driving force to stimulate human capital flow and urban vitality.

#### **4.1.1. Industrial chain cooperation**

Industrial chain cooperation can promote the construction of industrial clusters. First, it applies digital technology to carry out intelligent transformation for traditional advantageous industries, accelerates the integration and innovation of digital technology and manufacturing technology, grabs the commanding heights of the digital transformation and development of traditional industries, connects with Hangzhou and Shanghai, learns the latest achievements of

the innovation and development of digital economy, and builds the digital construction of industrial clusters. Second, for strategic emerging industries, we should undertake and make good use of the radiation effect of scientific and innovation resources in Shanghai, Hangzhou and other places, and take platform co-construction as an important form of inter-regional cooperation. Third, around the important industrial clusters in the Yangtze River Delta, such as biomedicine and new energy, the cluster public information platform will be built to promote the exchange and learning of cluster enterprises in technology, production, market and other aspects.

#### **4.1.2. Collaborative innovation**

We will jointly build a number of national R&D centers and key laboratories through collaborative innovation. First, the establishment of the "industry-university-research" innovation alliance in the Yangtze River Delta, encouraging well-known universities and institutes in the Yangtze River Delta to jointly build new research and development institutions, expanding the coverage of the "industry-university-research" linkage, and providing stronger support for industrial collaborative innovation. The second is to strengthen cross-regional collaborative innovation, seize the development opportunity of Wenzhou Science and Technology Innovation Corridor, carry out in-depth cooperation with the other three corridors, docking G60 Science and Technology Innovation Corridor, and obtain more technical elements.

#### **4.1.3. Enclave economy**

Park construction, bigger and stronger two-way "enclave economy", to create the best example of integration of industry, city and people. First, adhere to the establishment of enclave parks in reverse in Shanghai and Hangzhou in the Yangtze River Delta to attract innovative talents and enterprises, realize cross-regional linkage between R&D and production, and promote industrial upgrading and coordinated regional development. Second, we will sort out the common technical difficulties in the transformation and upgrading of local industries, and realize accurate docking according to the distribution of innovation resources. Third, while making full use of talent, technology and land resources, it is necessary to deal with the policies of tax sharing, talent and technology awards and subsidies to break the restriction of administrative divisions.

### **4.2. Path 2: People-oriented**

#### **4.2.1. Talent sharing**

Promote the cross-regional integration of "industry, university and research institute" to form talent sharing. First, establish a coordinated mechanism for attracting and employing talents. China has established talent cooperation mechanisms with Shanghai, Hangzhou and other cities, and explored mechanisms for mutual recognition and exchange of talents. Open channels for overseas talent recruitment with various regions in the Yangtze River Delta, build a globalized and normalized talent recruitment network, and cooperate to establish a unified standard big data cloud platform for talent in the Yangtze River Delta, so as to realize in-depth sharing and effective use of high-end talent information. Second, promote the integration of production and talent. Relying on key industries, strategic emerging industries and leading enterprises, the "double recruitment and double introduction" model of "leading enterprises + major projects + talents" is implemented to promote the complementarity and coordination between the tangible and intangible markets for talent allocation, and form a virtuous cycle of "attracting talents with production, promoting production with talent, and integrating production with talent". Third, deepen cross-regional cooperation between industries, universities and research institutes, and promote the integrated development of industrial and talent chains.



#### 4.2.2. Urban function level upgrading

Improve Wenzhou urban function level, to achieve the absorption of talent and wisdom. First, focus on urban hardware facilities, through "large construction, large beauty" and "fine construction," to improve the livable environment of the city. The second is to focus on education supply, introduce "double first-class" universities to Wenzhou to open branch schools, promote the rapid development of a number of high-quality education resources in Shanghai in Wenzhou, and improve the supply capacity of high-quality education resources. Third, focus on medical services, take the initiative to integrate into the construction of well-known medical consortiums in the Yangtze River Delta, explore the trial settlement of cross-regional pension service subsidies, and combine local medical characteristics to build a medical care center city. Fourth, focus on cultural construction, "build the city with culture", organically combine the millennium commercial Port and Ouyue culture with modern culture, "benefit the people with culture", and make every effort to improve the level of public cultural services.

#### 4.2.3. "Demographic dividend" & "talent dividend" pursuing

Adhere to the "demographic dividend" and "talent dividend" simultaneously, match the demographic dividend to achieve industrial upgrading. First, relax the threshold of residence registration to attract migrant workers. Second, attention should be paid to the speed of small and micro enterprises' relocation and the cultivation of leading enterprises, the transformation of labor-intensive industries and the agglomeration efficiency of advanced manufacturing industries, which should "match" each other.

### 5. Conclusion

Starting from the current situation, this paper analyzes the advantages and disadvantages of Wenzhou's integration into the Yangtze River Delta, and puts forward two main approaches in combination with the perspective of city-industry people. The purpose of city-industry-people integration is to build a sustainable ecosystem within a certain spatial range, which is an important content of regional high-quality integration. Therefore, from the perspective of the integration of industry-city-people, it can provide a clearer path for Wenzhou to deeply integrate into the integration of the Yangtze River Delta. The integration of industry, city and people shows the synergism and circularity among the transformation and upgrading of "industry", the improvement of "city" function and the improvement of "people" effect. Wenzhou can organically combine the agglomeration of people and the promotion of production with the retention of people and the promotion of production, providing a clear direction for deep integration into the integrated development of the Yangtze River Delta.

### Acknowledgements

This work was supported by the Philosophy and Social Science Planning Project of Wenzhou (21wsk039).

### References

- [1] F.X. Wu, W. Zhang: Study on development path of integration of industry- city-people in Yangtze River Delta Region, *Journal of Suzhou University*, vol.2(2021), 113-123.
- [2] T.W.Teng, X.Ouyang: Research on High — quality Integrated Development Path of the Yangtze River Delta —From the Perspective of Urban Economic Efficiency, *Journal of Industrial Technological Economics*, vol.7(2019), 152-160.
- [3] J.J.Chen: Development mode and path of Yangtze River Delta integration development demonstration zone, *Scientific Development*, vol.5(2020), 71-79.
- [4] Y.M.Li: A Study on the Path of Jiangsu Manufacturing Industry's Integration into

the Integrated Development of Yangtze River Delta, Modern Management Science; vol.6(2021), 28-37.

- [5] LUX G: Minor cities in a metropolitan world: Challenges for development and governance in three Hungarian urban agglomerations, International Planning Studies, vol.20 (2014), 1-18.
- [6] A.J.Wang, Y.zhang: Integration degree, participation mode and economic growth of urban agglomeration, East China Economic Management, vol.33(2019), 12-21.
- [7] J.Han, X.Xiong: Research on New Mechanisms and Paths for High-quality Development in the Yangtze River Delta Region under the New Development Pattern, Journal of Suzhou University, vol.2(2021), 103-112.
- [8] X.F.Fan: Strategic Significance, Realistic Dilemma and Path Choice of the Integration Development of Yangtze River Delta, Journal of Changchun College, vol.1(2020), 74-81.