

**Political Economics Analysis of Inclusive Growth**  
--Interpretation Based on Unbalanced Regional Development

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**Abstract:** Inclusive growth is an important choice for solving associated imbalance problems in economic development and realizing sustainable economic and social development. The study on inclusive growth based on unbalanced regional development is of great theoretical and practical significance for the solution to unbalanced regional development-related problems. Based on unbalanced regional development, this paper involves the study on inclusive growth and comparative analysis of the manifestations and change process of unbalanced regional development in the eastern, central, northeastern and western parts of China, based on which the connotation and political meaning of inclusive growth are analyzed, with a view to providing useful ideas for solving unbalanced regional development in China.

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**Key words:** unbalanced regional development; inclusive growth; political economics

## 1 Introduction

Adam Smith made excellent arguments in his Theory of Moral Sentiments<sup>[1]</sup>. He said that if the fruits of a society's economic development cannot be shared by all, it is morally unsound and risky, as it is bound to jeopardize social stability. Kuznets<sup>[2][3]</sup> found the inverted U-shaped relations between economic growth and income distribution gap from the economic growth process of some developed countries, but it neither means all countries can become developed countries nor means that enlarged income gap is inevitable in economic growth. The binary economic model of Lewis<sup>[4]</sup> theoretically explains enlarged income gap in the industrialization process, but this is not the whole story.

Many Asian countries have maintained a high growth rate in the last 20-30 years and witnessed considerable reduction in the population in poverty and significant fall in the poverty rate. However, a dual situation has occurred where only a fraction of people have benefited from economic growth while a significant number of vulnerable groups (especially the urban population in poverty, people in remote rural areas and women) have been increasingly marginalized. The further enlargement of these gaps has become a major restricting factor for sustainable economic development and also a significant hidden danger involved in social harmonious development and political issues.

In view of the issues concerning the sustainability of economic growth, the economists from ADB presented the concept of inclusive growth in 2007: "advocating opportunity equality-based economic growth, i.e. all people (including vulnerable groups) sharing the opportunities created by economic

growth"<sup>[5]</sup>.

China has made remarkable achievements through reforms, involving considerable increase in the social material wealth and noticeable improvement of people's overall living standards in China on the one hand and increasingly prominent unbalanced development problems, "still prominent imbalance, disharmony and unsustainability in China's development, mainly due to strengthened resources environment constraints, unbalanced relationship between investment and consumption, enlarged income distribution gap, weak technology innovation capacity, irrational industrial structure, weak agricultural base, disharmony of urban-rural development, coexistence of gross employment pressure and structural contradictions, noticeably increasing social conflicts and a large number of institutional obstacles restricting scientific development"<sup>[6]</sup>. In view of the imbalance problems involved in China's economic growth, Hu Jintao pointed out in September 2010 that China was more an active practitioner of inclusive growth than an active advocator of inclusive growth.

Since inclusive growth was proposed, scholars have conducted in-depth studies on it in terms of the theoretical basis<sup>[7]</sup>, background statement<sup>[8] [9]</sup>, connotative definition<sup>[10]</sup>, functional analysis<sup>[11]</sup> and measure<sup>[12][13]</sup>, etc. of inclusive growth, providing rich theoretical basis for further research on inclusive growth. However, there is little research on inclusive growth-related theories and policies targeted at regional development imbalance problems. Therefore, based on unbalanced regional development problems in China, the paper gives political economics-based interpretation of inclusive growth, with the aim to

clearly state the theoretical and political essence of inclusive growth based on unbalanced economic development and provide useful ideas for solving the unbalanced economic development in China.

## 2. Comparative Analysis of Unbalanced Regional Development

### 2.1 Connotation of unbalanced regional development

Currently, there is no uniform consensual definition of unbalanced regional development, but the essential connotation of unbalanced regional development has been gradually revealed through the discrimination of such relevant concepts as regional economic difference, regional development gap, regional development inequality and regional development imbalance. Regional economic difference is a state characterization concept of regional economic contrast, including the gap between regional economic aggregate growths<sup>[14]</sup>, the gap between growth rates<sup>[15]</sup> and the gap between regional per capita economic levels<sup>[16]</sup>. Regional development gap is an effect characterization concept of regional economic contrast, involving the tendency of “Effect” in a causal relationship, stressing the inevitable results under the action of dynamic vectors, which contains all factors causing or resulting in this gap. Regional development imbalance means uncoordinated regional economic development, stressing the differences in the development level in a region or between regions. In the opinions of Hu An’gang, Wang Shaoguang and Kang Xiaoguang, regional development imbalance means the differences in the economic development level and development speed between various regions of a country<sup>[17]</sup>, and in Qin Chenglin’s opinion, regional development imbalance is caused by the components of a system which fail to reach a coordinated state<sup>[18]</sup>. Therefore, regional development imbalance places more emphasis on unbalanced overall economic operation from a system theory. Currently, scholars tend to think regional development inequality involves value judgments, with the implications of opportunity inequality and result inequality. In Hao Shouyi’s opinion, regional development imbalance falls into the category of dynamic perspectives, and regional difference and regional inequality fall into the category of static perspectives<sup>[19]</sup>. Shilin thinks that economic difference is the cause of unbalanced economic development and that economic gap is the result of unbalanced economic development<sup>[20]</sup>.

In this article, unbalanced regional development is defined as economic and social development level imbalance and economic and social disharmony in a region or between the regions, including the temporal dynamic change disharmony and spatial disparity of a

series of indicators such as economic aggregate & rate of change, per capita income rate & of change, social security level, income inequality degree, poverty occurrence rate and degree, education level and employment level.

### 2.2 Manifestations and change process of unbalanced regional development

Based on China’s regional division in the China Regional Statistical Yearbook, China is divided into four regions, i.e. the eastern region, the central region, the northeastern region and the western region, with the eastern region consisting of Beijing, Shanghai, Tianjin, Hebei, Jiangsu, Zhejiang, Fujian, Shandong, Guangdong and Hainan, a total of 10 provinces, the central region consisting of Shanxi, Anhui, Jiangxi, Hubei, Henan and Hunan, a total of 6 provinces, the northeastern region consisting of Heilongjiang, Jilin and Liaoning, a total of 3 provinces, the western region consisting of Inner Mongolia, Shaanxi, Chongqing, Sichuan, Guizhou, Guangxi, Yunnan, Tibet, Gansu, Ningxia, Qinghai and Xinjiang. With reference to the research achievements of Jiao Fangyi<sup>[21]</sup>, and Hou Yinxia, et al<sup>[22]</sup>, in this article, regional economic aggregate & rate of growth, per capita income & rate of growth, regional income inequality degree, education level and health level are regarded as key indicators for unbalanced regional economic development, with relevant indicator data from the China Statistical Yearbook 2001-2012 and local statistical yearbooks 2001-2012 used to conduct comparative analysis of regional economic development imbalance.

#### 2.2.1 In terms of economic aggregate and growth rate

GDP is the most basic indicator for measuring a country’s economic development level and strength, regional GDP can be taken as an indicator for measuring regional economic aggregate to reflect regional economic development level, and regional GDP growth rate can be used as an indicator for reflecting regional economic growth rate.

Through relevant statistical analysis of indicator data from the China Statistical Yearbook 2001-2012 and local statistical yearbooks 2001-2012, the table of regional economic aggregate and growth rate is obtained, as shown in Table 1, which shows that from 2001 to 2012, in terms of regional economic aggregate, the regional economic aggregates showed somewhat upward trends in the eastern, central, western and northeastern regions of China, but the regional economic aggregates in the eastern, central, western and northeastern regions decreased in sequence, with the eastern region exhibiting obvious advantages in terms of economic aggregate. With the year 2010 as

an example (subject to GDP), the economic aggregate in the eastern region was 23203.067 billion Yuan, 8610.938 billion Yuan in the central region, 8140.849 billion Yuan in the western region and 3749.345 Yuan in the northeast region. Among the four major economic regions, the economic aggregate in the eastern region is 1/2 of the national economic aggregate, while the aggregate aggregates in the other

three regions are relatively small, with the economic aggregate in the northeastern region being too small. In terms of economic aggregate growth rate, the annual growth rate in the western region is significant, reflecting the considerable effect of the strategic adjustment in the western region of China, conducive to narrowing the economic aggregate gap between the eastern regional and the western region.

Table 1 Regional Economic Aggregate and Growth Rate

Year	Regional GDP (100 Million Yuan)				Regional GDP Growth Rate			
	East	Central	Northeast	West	East	Central	Northeast	West
2001	56360.09	21531.17	10626.56	18248.44	0.067025	0.134067	0.087449	0.071171
2002	62830.84	23522.42	11586.50	20080.93	0.114811	0.092482	0.090334	0.100419
2003	73280.86	26348.46	12955.16	22954.66	0.16632	0.120142	0.118125	0.143107
2004	92817.90	31616.30	14544.60	28620.70	0.266605	0.19993	0.122688	0.246836
2005	109924.64	37230.30	17140.78	33493.31	0.184304	0.177567	0.178498	0.170248
2006	128593.05	43217.98	19715.17	39527.14	0.169829	0.160828	0.150191	0.18015
2007	152346.38	52040.92	23373.18	47864.14	0.184717	0.20415	0.185543	0.210918
2008	177579.56	63188.03	28195.63	58256.58	0.16563	0.214199	0.206324	0.217124
2009	196674.41	70577.56	31078.24	66973.48	0.107528	0.116945	0.102236	0.149629
2010	232030.67	86109.38	37493.45	81408.49	0.179771	0.220067	0.206421	0.215533
2011	271354.75	104473.87	45377.53	100234.96	0.169478	0.213269	0.210279	0.231259
2012	295892	116277.80	50477.25	113904.8	0.090425	0.112985	0.112384	0.136378

Source of Data: The calculation and sorting-out by the author are based on relevant data from the China Statistical Book (2001-2012)

## 2.2.2 In terms of per capita wealth and growth rate

Table 2 Regional Per Capita GDP and Its Growth Rate

Year	Regional Per Capita GDP (Yuan)				Regional Per Capita GDP Growth Rate			
	East	Central	Northeast	West	East	Central	Northeast	West
2001	16269	5948.83	9676.67	5273.17	0.123526	0.089807	0.080347	0.137636
2002	17979.40	6518.67	10501.33	5792.17	0.105132	0.09579	0.085221	0.098423
2003	20694.90	7450.50	11737	6656.42	0.151034	0.142948	0.117668	0.14921
2004	24181.70	8813.5	13273	8297	0.168486	0.182941	0.130868	0.246466
2005	27379.40	10635.50	15588.33	9827.50	0.132236	0.206728	0.174439	0.184464
2006	31322.60	12255.83	17901	11503.58	0.144021	0.152351	0.148359	0.17055
2007	36333	14722.17	21196.67	13826.92	0.159961	0.201238	0.184105	0.201967
2008	41467.10	17773	25500	16782.08	0.141307	0.207227	0.203019	0.213725
2009	45613.50	19827.83	28093.67	19288.50	0.099993	0.115615	0.101713	0.149351
2010	50792.80	24249.17	33676.67	23482.42	0.113548	0.222987	0.198728	0.217431
2011	57935.60	29317.33	40679.67	28783.25	0.140626	0.209003	0.207948	0.225736
2012	62532.90	32461.83	45258.33	38911.40	0.079352	0.107257	0.112554	0.351877

Source of Data: The calculation and sorting-out by the author are based on relevant data from the China Statistical Book (2001-2012) and the local statistical yearbooks (2001-2012)

Regional per capita wealth can reflect the social well-being level brought by regional economic development, the larger the per capita wealth, the better the regional economic development, as opposed to worse imbalance caused by worse development. Besides, per capital wealth growth rate can reflect regional economic development level and change trend and is the direct embodiment of policies for improving people's well-being. In this paper, regional per capita GDP is used as an indicator for regional per capita wealth and regional per capita GDP growth rate is used as an indicator for regional per capita wealth

growth rate. Through the processing of relevant data from statistical yearbooks, as shown in Table 2, the eastern region has a much higher per capita GDP level than the other regions, indicating the overall people's living standards in the eastern region is a lot higher than those in the other regions, which can also account for high medical, educational and cultural levels and living standards in the eastern regional. At the same time, there are also differences in the per capita GDP level between the central, western and northeastern regions. Seen from the actual situation, the living standards and habitat conditions in the western region

are worse than those in the central and northeastern regions. In terms of regional per capita GDP growth rate, it is significant in the central and western regions of China.

### 2.2.3 In terms of income gap

The Gini coefficient is used as a key indicator for measuring regional residents income gap and reflecting the degree of regional residents income inequality. The calculation of the Gini coefficient is realized with Sundrm (economist)'s regional Gini coefficient decomposition method, i.e.

$$g = r_1^2 \frac{v_1}{v} g_1 + r_2^2 \frac{v_2}{v} g_2 + r_1 r_2 \left| \frac{v_1 - v_2}{v} \right|$$

where  $g$  is the overall regional Gini coefficient,  $g_1$  and  $g_2$  represent regional the rural Gini coefficient and the regional urban Gini coefficient respectively,  $r_1$  and  $r_2$  represent the proportions of rural population and urban population in the total population respectively, and  $v_1$ ,  $v_2$  and  $v$  represent the total per capita rural income, the total urban per capita income and the total regional per capita income. During the calculation of the rural Gini coefficient, based on the current five-level rating

method for rural income in China, the following formula for the rural Gini coefficient is determined, i.e.

$$g_1 = 1 - \frac{1}{NM} \left[ \sum_1^5 (M_{i-1} + M_i) \cdot N_i \right]$$

where  $N$  represents the regional total population,  $M$  represents the regional GNI and  $M_i$  and  $N_i$  respectively represent the income and population after accumulation to the  $i^{\text{th}}$  group,  $i = 1, 2, \dots, 5$  in the rural population. During the calculation of the rural Gini coefficient, based on the current seven-level rating method for urban income in China, the following formula for the urban Gini coefficient is determined, i.e.

$$g_2 = 1 - \frac{1}{NM} \left[ \sum_1^7 (M_{i-1} + M_i) \cdot N_i \right]$$

where  $N$  represents the regional total population,  $M$  represents the regional GNI and  $M_i$  and  $N_i$  respectively represent the income and population after accumulation to the  $i^{\text{th}}$  group,  $i = 1, 2, \dots, 7$  in the urban population.

Table 3 Regional Poverty Comparison

Year	Gini Coefficient							
	East		Central		Northeast		West	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
2001	0.4821	0.5086	0.5012	0.5209	0.5201	0.5309	0.5301	0.5621
2002	0.4831	0.4927	0.4916	0.5198	0.5152	0.5298	0.5267	0.5578
2003	0.4782	0.4918	0.4901	0.5123	0.5098	0.5279	0.5187	0.5543
2004	0.4601	0.4901	0.4872	0.5099	0.5041	0.5201	0.5198	0.5509
2005	0.4689	0.4898	0.4756	0.5027	0.4987	0.5193	0.5097	0.5472
2006	0.4567	0.4826	0.4727	0.4976	0.4912	0.5097	0.4999	0.5425
2007	0.4421	0.4759	0.4701	0.4956	0.4857	0.5025	0.4927	0.5409
2008	0.4409	0.4729	0.4625	0.4915	0.4729	0.4978	0.4898	0.5396
2009	0.4401	0.4652	0.4527	0.4872	0.4701	0.4912	0.4862	0.5297
2010	0.4326	0.4525	0.4478	0.4761	0.4698	0.4875	0.4776	0.5268
2011	0.4217	0.4419	0.4328	0.4743	0.4628	0.4798	0.4699	0.5199
2012	0.3976	0.4251	0.4177	0.4612	0.4495	0.4687	0.4567	0.4925

Source of Data: The calculation and sorting-out by the author are based on relevant data from the China Statistical Book (2001-2012) and the local statistical yearbooks (2001-2012)

Through data analysis and processing, a regional poverty comparison table, Table 3, is obtained. As shown in Table 3, the Gini coefficient in each region declined year by year from 2001 to 2012, indicating the general improvement in people's living standard and considerable improve in people's living environment and living quality due to the economic development in China. However, there is a large difference in the Gini coefficient whether in a region or between the regions. Seen from the inside of a

region, the rural Gini coefficient is significantly higher than the urban Gini coefficient, reflecting that there still exists a huge urban-rural gap, even showing a tendency of further splitting up, which has become a major problem influencing China's sustainable development and social harmony. Seen from the comparison between the regions, the Gini coefficient in the eastern region is the smallest, indicating relatively high living standards of people in the eastern region, poor living conditions in the western

region, and the gap between the eastern and western regions will be further enlarged. The living standards of people in the central and northeastern regions have been significantly elevated and improved.

### 2.2.4 In terms of Health

Residents' educational level and health condition are important bases for judging regional development. They are not only outcome variables involved in regional economic development but also process variables for solving unbalanced regional development. In this article, regional educational and health levels are used as analysis indicators. As the two indicators are vague and abstract, it is hard to obtain actual data

from statistical yearbooks and relevant data. Therefore, a potential variable observation-based questionnaire survey method is adopted in the paper to score the educational level and health level indicators by means of expert interviews. Through standardized treatment, Table 4 is obtained. It can be seen in Table 4 that the education popularization level and residents' health condition have been improved to a certain degree in each region, but the educational level and health condition in the eastern region is significantly higher than those in the other regions, while the educational level is low and the overall health level of people is not optimistic in the western region.

Table 4 Regional Education and Health Condition Comparison

Year	Educational Level				Health Level			
	East	Central	Northeast	West	East	Central	Northeast	West
2001	0.4882	0.4193	0.4177	0.4011	0.6789	0.6001	0.5201	0.4367
2002	0.5008	0.4307	0.4297	0.4046	0.6891	0.5982	0.5276	0.4471
2003	0.5226	0.4576	0.4496	0.4127	0.6903	0.5897	0.5329	0.4562
2004	0.5491	0.4677	0.4599	0.4138	0.7145	0.5953	0.5368	0.4687
2005	0.5587	0.4798	0.4726	0.4256	0.7178	0.6016	0.5422	0.4698
2006	0.5727	0.4809	0.4798	0.4381	0.7219	0.6276	0.5487	0.4716
2007	0.5908	0.4973	0.4876	0.4441	0.7318	0.6298	0.5515	0.4785
2008	0.6120	0.5021	0.4921	0.4568	0.7342	0.6348	0.5598	0.4826
2009	0.6276	0.5120	0.5076	0.4602	0.7379	0.6472	0.5626	0.4876
2010	0.6465	0.5227	0.5137	0.4710	0.7465	0.6527	0.5689	0.5109
2011	0.6782	0.5336	0.5250	0.4871	0.7589	0.6671	0.5762	0.5277
2012	0.7124	0.5943	0.6108	0.5361	0.7769	0.6881	0.6017	0.5361

### 3. Theoretical Essence of Inclusive Growth from the Perspective of Unbalanced Regional Development

Inclusive growth is an important strategic direction for the solution to unbalanced economic development, of great theoretical value and practical significance for coordinating regional economic development, realizing regional and even national economic and social sustainable development and constructing harmonious socialism. Based on unbalanced regional development, coupled with inclusive growth to solve the "functional" features of regional economic development imbalance, inclusive growth is considered to contain the following contents in this paper.

#### 3.1 Growth being sufficient conditions for inclusive growth

First of all, inclusive growth emphasizes the necessity of growth, which implies the significance of "Efficiency". Only by realizing growth, can the problems with unbalanced regional economic development be solved and the material conditions for solving such imbalance problems be made available, making experience accumulation possible. If no economic growth is realized, the problems with

unbalanced regional economic development won't be solved. Worse still, new imbalance problems will occur, and even prominent problems that threaten the current good economic situation and political stability may arise.

#### 3.2 Inclusive growth stressing equal opportunity-based growth of regional economic development

Inclusive growth involves two equality levels, i.e. the regional opportunity equality in the economic development and the people's opportunity equality in the regional economic development. At the level of regional opportunity equality, inclusive growth emphasizes equal opportunities in the eastern, central, western and northeastern regions. Since the reform and opening up to the outside, under the guidance of the principles of "Giving Priority to Efficiency and Consideration to Fairness" and "Getting Rich First and then Helping the Poor", China has considered the development of the eastern region, especially the southeast coastal area, as the focus, given priority to the southeast coastal area and provided preferential conditions for the eastern region in terms of manpower, material, financial input and policies, which can't be obtained by the other regions,



contributing to the rapid development in the southeast coastal area of China and making it become an advanced representative of China's social and economic development. However, with the changes in the economic situation, a huge development gap has emerged between the eastern region and the central, western and northeastern regions in terms of economic aggregate and investment environment. Therefore, providing equal opportunities for economic development is an important guarantee for narrowing such regional gap. At the level of people's opportunity equality in the regional economic development, it is emphasized that people's careers and achievements are only related to their talents and qualities, but not related to the differences in the region, school, family background, region and race they are involved in and the country should attach great importance to the education, health, employment and social security in backward regions.

### **3.3 Growth being one to realize common prosperity**

The common prosperity-based growth involved two levels, i.e. the regional common prosperity and the people's common prosperity. In terms of regional common prosperity, inclusive growth emphasizes the common prosperity in the eastern, central, western and northeastern regions, i.e. all regions, but not prosperity in a certain region or certain regions. In terms of people's common prosperity, inclusive growth stresses all people's realization of prosperity in all regions, general increase in people's income and general improvement in people's living standards, with the aim to narrow people's income gap between the central, western and northeastern regions and the eastern region while maintaining the income level of residents in the eastern region.

### **3.4 Growth being sustainable economic growth**

Economic sustainability means neither sacrificing the survival and development rights of future generations nor affecting contemporary people's survival and development in the economic growth process. Seen from the unbalanced regional economic development, inclusive growth involves sustainability of national economic development and sustainability of regional internal development. Inclusive growth is the unity of national development sustainability and regional development sustainability. In order to realize the sustainability of national development, the sustainability of regional development must be premised. Only by realizing the sustainability of regional development, is it possible to realize the sustainability of national development.

## **4. Policy Essence of Regional Realization of Inclusive Growth**

### **4.1 Perfecting and Implementing Macro Regulation and Control Policies for Regional Economy**

In the process of achieving inclusive growth, starting from regional coordinated development strategies, currently, China has adopted the policy of "Sustaining the Momentum of Development in the Eastern Region, Accelerating the Realization of Revitalization in the Northeastern Region, Promoting the Rise in the Central Region and Continuing to Advance the Development of the Western Region"<sup>[21]</sup>. The Central Government should, based on the overall national productivity development layout, formulate and perfect regional economic development policies, strengthen and perfect the national productivity layout and optimize investment structure and resource allocation by giving consideration to regional coordinated development; local governments should formulate regional economic development plans and objectives and optimize regional internal investment structure and resource allocation by following the overall national productivity layout. At the same time, the state should accelerate the strategic adjustment of the economic structure, with scientific and technological innovation as an important guarantee for the shift of economic development mode, and with the realization of economic development sustainability and people's livelihood improvement as the starting point of macroeconomic policy regulation and control.

### **4.2 Inclusive growth realizing interregional and interpersonal income distribution**

In recent years, there has existed a huge interregional economic development gap and also a huge gap in regional interpersonal income level and living standards, causing very serious social stratification that has resulted in social issues involving extremely serious consequences. Inclusive growth requires equal attention to "Efficiency" and "Equity" in economic development, so the state should adopt scientific and rational income distribution policies. In terms of primary income distribution, the state should coordinate the interests of the state, enterprises and individuals and strive to increase the income of enterprises and individuals to realize the objectives of making people wealthy and the state powerful; in terms of secondary income allocation, the state should increase the income of farmers, enterprise retirees and low-income groups; narrow the income gap by means of fiscal and tax administration.

### 4.3 Inclusivity realizing regional economic development and social development

Due to over 30 years' rapid growth of China's economy and huge increase in social wealth, people's material living standards have improved generally. However, China's social development has obviously lagged behind China's economic development. Such severe imbalance between social and economic development has seriously restricted further all-round economic and social development of China. At the same time, the lagging social development will also affect the further development of economy. Therefore, it has been pointed out at the 17th CPC National Congress "Development should not only contribute to increasing social wealth, improving people's living standards, safeguarding social fairness and justice and constantly promoting social harmony." [9] Therefore, inclusive growth should help realize both regional economic development and social development, more specially, the harmonious unity of economic development and social development.

### 4.4 Exerting regional comparative advantages to promote the development of investment and consumption in different regions

Inclusive growth places emphasis more on regional coordinated growth than on regional economic growth, so the state should give overall consideration to the economic growth in the eastern, central, western and southeastern regions, which requires the exertion of regional comparative advantages to promote the investment and consumption development in different regions. Firstly, the Central Government should analyze the comparative advantages of the eastern, central, western and northeastern regions, and consider such advantages as the starting point of each region, based on which the talent and capital advantages should be exerted in the eastern region, the resource and geographical advantages should be exerted in the northeast region, and the late-mover advantage and resource advantage should be exerted in the central and western regions; then, efforts should be increased to implement construction of such infrastructures involving traffic and energy resources in the central, western and northeastern regions (especially the northeastern and central regions) and at the same time the foundation construction for education, medical care and culture, etc. should be enhanced; next, the market demand and consumption of products and services in backward regions should be expanded to reverse the situation of insufficient demand in such regions; finally, interregional technical exchanges and economic cooperation should be strengthened, the eastern region should be encouraged to increase efforts to support and invest in the other regional and

policy support should be offered.

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