

## Research on Building a Central City of the Yellow River Golden Triangle in Shanxi, Shanxi and Henan

## —— Take L City of Shanxi Province as An Example

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**Abstract.** Stick to Shanxi "a group of two area three circles" urban development strategy, this paper deeply analyzes the meaning of regional central city and its main characteristics, which illustrates the L city makes the regional central city connotation, points out the existing gap at this stage, put forward the future construction should implement policy.

**Keywords:** Regional central city of Shanxi, Shanxi, Henan, Yellow River Golden Triangle excess profits

#### 1 Introduction

The discussion on excess profit (excess surplus value) in Das Kapital tells us that the two abilities of regional central city come from the excess profit of regional central city. Marx said: "Surplus value, or that part of the total value of a commodity which represents the surplus labor or unpaid labor of the workers, I call profit." [1] Factors of production, such as labor, capital and technology, flow from one city to another, chasing excess profits. Profit maximization drives the flow of factors of production between different cities. [2] Of course, the aggregation of factors will inevitably promote the urban development, and the urban development will inevitably produce new market demand and new industrial division of labor, so as to radiate and drive the development of the surrounding areas.

According to regional economics, under the condition of modern market economy, there are four regional comparative advantages in central cities: regional cost comparative advantage, regional resource comparative advantage, regional environment comparative advantage and regional location comparative advantage. Regional cost comparative advantage means that in the supply of the same product in the market, the cost of the regional central city is lower than the social average cost at the same price or a lower price; the natural monopoly and market scarcity of the dominant resources in the regional central city determine the individual value of the products lower than the social

value; regional environmental comparative advantage means that the development environment of the regional central city can gather more scarce production factors than other cities. These factors can make the individual value of their products less than the social value; regional comparative advantage means that the geographical location of the regional central city is closer to the energy raw material origin or product sales market than other cities, enabling them to obtain energy raw materials or deliver products to the consumer market at a lower logistics cost than other cities. Lower logistics costs determine lower individual values, resulting generating excess profits.

Regional central cities do not have all of the above regional comparative advantages to become regional central cities. In real life, as long as having one city can make a city become a regional central city. Of course, the more regional comparative advantages it has, the higher the level of regional central city, the more elements it can absorb, and the larger the region it can radiate. At the same time, the regional comparative advantage is dynamic. With the economic and social development, especially with the progress of science and technology, the regional comparative advantages of different regions will disappear, thus leading to the historical changes of regional central cities.<sup>[3]</sup>

With different comparative advantages, the types of regional center cities are also different, such as transportation hub type regional center city, resource-based center city, tourism center city, etc. However, different regional central cities generally have four common characteristics. One is the transportation hub. The emergence and development of logistics economics have fully proved that: under the modern social conditions, logistics cost has become the main factor affecting the total cost of enterprises. When a city becomes a regional center city, it must have a developed logistics industry, otherwise its individual value is difficult to be lower than the social value. Transportation is the foundation of the logistics industry, and the convenience of transportation determines the logistics cost of a city. Second, the leading industry is obvious. The essence of the regional division of labor is the industrial division of labor. When a city becomes a regional central city, it must have a dominant industry with obvious market competitive advantage, otherwise it cannot exist. Third, good infrastructure. When a city becomes a regional central city, it must have good infrastructure, otherwise it is impossible to absorb the production factors of the surrounding areas, and thus it is impossible to radiate and drive the surrounding areas otherwise. Fourth, a sound business environment. With the development of the market economy, the business environment has become an important factor affecting the competitiveness of the regions. When a city becomes a regional central city, it must have a good business environment better than other cities.[4]

# 2 At the Present, the Gap Exists in Building a Regional Central City

(1) The status of transportation hubs needs to be further enhanced. It is mainly reflected in two aspects: first, the construction of transportation network needs to be further strengthened. Original railway need to upgrade, construction railway need to be put into operation as soon as possible, the airport need to further excavate potential to expand

business, speed up the city railway, highway trunk cable construction, such as connectivity as soon as possible, to speed up the provincial roads, city, rural highway planning and construction, within an hour economic circle as soon as possible. Second, the modern logistics industry needs to be further promoted. Compared with the other three cities, there is still a gap in the level of modern logistics industry in L city. It is necessary to integrate resources, accelerate development, and greatly reduce logistics costs, so that the logistics cost of L city can reach the lowest in the region.

- (2) Leading industries need to be further clarified. Mainly reflected in three aspects. First, coal, coke and iron and electricity is still the pillar industry of L city at this stage. Public information, at present L city coal, coking, steel, power and other industrial output accounted for the proportion of the city's industrial output about 60%, tax accounted for about 70%, most of the other industries or coal, coking, steel, electric power industry supporting industry, either for coal, coking, steel, electric power industry service industry. Second, the upgrading idea of traditional competitive industries such as coal, coke and iron and electricity is not clear enough. To promote coal, coking, steel, power and other industries must develop from low-end to high-end. At present, the city has formed a consensus, the development direction of new energy, new materials, new equipment is basically clear, but in the research and development of what new energy, new materials and new equipment ideas need to be further clear. Third, the development direction of emerging industries is not clear enough. Over the years, many emerging industries have been explored and developed, but the results are not satisfactory. What emerging industries need to be developed in the future.
- (3) Regional advantages need to be further improved. Mainly reflected in three aspects. First, the status of the regional transportation hub still needs to be further strengthened. At present, although the location advantage in the north of the Longhai Line, especially in the big triangle between Taiyuan, Xi'an and Zhengzhou, is basically established, the transportation facilities need to be further improved, especially the transportation facilities between Hebei, Shandong-Henan and Shanxi-Gansu-Ningxia. Through the construction of transportation facilities, we can greatly shorten the time for L city to reach the two major areas. Second, the logistics costs still need to be further reduced. Although L city has geographical advantage, the development level of modern logistics industry is relatively backward, which restricts the play of geographical advantage. Third, the economic exchanges with the surrounding areas need to be greatly strengthened. Up to now, L city has low economic complementarity with the Beijing-Tianjin-Hebei and Mongolia region in the north, the Qin-Shu region in the south, the Hebei-Shandong-Henan region in the east or the Shanxi-Gansu-Ningxia-Mongolia region in the west, and its geographical advantages have basically not given full play. [5]
- (4) The business environment needs to be further improved. In recent years, the business environment of L city has developed rapidly, especially in the process of enterprise registration and project approval, but there is still a big gap between it and the requirements of regional central cities. Mainly reflected in four aspects. First, the development thinking needs to be further clear. Conconnotation and extension of regional central city, L city construction regional center city positioning is not fully clear, the coal electric traditional advantage industries to the high-end development path also need to refine, for the development of what kind of emerging industry has not yet formed a consensus,

etc., directly lead to the long-term development planning often adjust. Second, the direct relationship between government and enterprises has not been fully established, and the phenomenon of eating and taking cards still exists in different regions and different fields. Third, the government absence, dislocation, offside and other institutional drawbacks have not been completely removed. Fourth, the whole society respects talent, knowledge, innovation and entrepreneurship.

## 3 Policy Analysis and Policy Suggestions for Building a Regional Central City

(1) Significantly reduce logistics costs. Cost is an important factor affecting the excess profit. The birth and development of logistics economics has fully proved that the social production development to the present stage, the logistics industry has become the main path to greatly reduce the cost of enterprises. To build a regional central city in the Yellow River Golden Triangle region of Shanxi, Shanxi and Henan, L city must vigorously develop the modern logistics industry, so that the logistics cost of L city is reduced to the lowest level in the region. Therefore, it is suggested that L city must do two tasks in the future.

First, strengthen the construction of transportation network, and further enhance the status of regional transportation hub. Transportation is the foundation of the development of logistics industry, and the level of transportation facilitation and network determine the development level of logistics industry. According to the principle of logistics economics and the reality of L, the transportation network construction should be placed in the primary position of the regional central city construction in the future. Seize the opportunity of building national and provincial modern networked transportation system, actively negotiate and cooperate with Beijing, Tianjin, Hebei, Shandong, Shanxi, Gansu, Ningxia and Mongolia, strengthen and speed up the construction of the east-west-north-south traffic trunk with L city as the hub, and integrate into the three transportation hub networks of Taiyuan, Xi'an and Zhengzhou. At the same time, we should increase investment, strengthen encryption to accelerate the transportation construction between counties and urban areas in the city, and integrate it with the national transportation network to the greatest extent, so as to realize smooth access within and outside the region.

Second, accelerate the development of the logistics industry, and build L City into an important land-port logistics hub city in North China. Based on the status of regional transportation hub city in L city, integrate resources, optimize the allocation, effectively solve the large number of logistics enterprises, small scale and serious homogeneous competition, and establish a collaborative, efficient and complete modern logistics industry system. Give full play to the advantages of Houma inland port, relying on The General Strategy Group, integrate the resources of the city, cooperate with the surrounding areas, and make use of the China-Europe freight train to build the largest international logistics center and international trade center in the Yellow River Golden Triangle region of Shanxi, Shanxi and Henan. We will give full play to the intensive advantages of coal mining, coking, casting and equipment manufacturing enterprises,

accelerate the construction of Longma Comprehensive Logistics Park, and build the largest bulk commodity logistics center in the Great Triangle areas of Taiyuan, Xi'an and Zhengzhou.

(2) Cultivating and developing competitive industries. The theory of regional division of labor tells us that the core of regional division of labor is the industrial division of labor. In the fierce market competition, the good and bad, fast and slow of a regional development depends on whether the region can scientifically discover its own advantages and cultivate and develop the advantageous industries in the industrial division system at home and abroad. <sup>[6]</sup>The analysis and research can find that compared with other regions, L city has two advantageous resources: coal and iron resources and the industrial base and cultural tourism resources accumulated in the process of development and utilization over the years. Therefore, it is suggested that L city should cultivate and develop two industrial systems based on the two advantageous resources.

First, based on coal and iron resources, coal and other traditional advantages, to support the development of new energy, new materials and new equipment. We will fully implement the spirit of the 12th Provincial Party Congress and the strategic deployment of the provincial government, apply advanced digital technology to transform coal, iron, coking, steel, coal and power industries and other industries, and realize green and intelligent development. Based on coal coke iron electricity industry foundation, research and development and application of advanced technology, promote the traditional industry to new energy, new materials, new equipment upgrade, build on the basis of coal resources, coal Angle iron electricity industry green intelligence, new energy, new materials new equipment high-end development of modern industrial system, make L city national important agricultural heavy chemical base.

Second, based on the advantages of cultural and tourism resources, we will focus on developing the cultural and creative industries, and promote the coordinated development of culture, tourism, sports, agriculture, traditional Chinese medicine and other industries. Re-examine the concept of whole-region tourism, and plan the development of cultural tourism industry from the perspective of whole factor, whole industry and whole system. Comprehensively and systematically organize and carry out L culture research, explore the scientific connotation of L culture, build the L characteristic culture system, promote cultural tourism product design, cultural tourism product production and cultural tourism market planning with basic research, so that cultural tourism products can truly reflect L culture, and make the elements that do not have cultural tourism function become cultural tourism products. At present, it focuses on promoting the deep integration of culture and tourism, cultural tourism and sports, cultural tourism and urban construction, cultural tourism and agriculture, cultural tourism and industry, and cultural tourism and health care industries, so as to build a cultural tourism industry system covering major industries and most regions of L City.

(3) Enhance the competitiveness of factors of production. To cultivate and develop competitive industries, we must invest enough talents, capital, technology and other production factors. At the present stage of market economy, the competition between regions has changed from product competition to factor competition. Whether we can obtain enough talents, capital, technology and other production factors has become a prerequisite for the current and future regional development. To build a regional central

city, L city must make every effort to optimize the development environment, so that the production factors needed for industrial development can be imported, retained and used well. Therefore, it is suggested that L city should do four tasks in the future.

First, we will strengthen ecological and environmental governance. To create a good living environment as the goal, the appropriate implementation of urban renewal projects. We will reasonably increase the green space area, scientifically plan the green ecology, and deeply integrate the ecological and green environment with people's needs for a better life. We will promote urban lighting and beautification in a coordinated way to form a cultural and ecological environment in which man and nature coexist in harmony. With the goal of creating a good working environment, we will make every effort to promote the green transformation and upgrading of industrial and industrial structure, greatly reduce waste discharge and ecological environment damage, apply new technologies to increase oxygen and green culture, and create a fresh, green, comfortable and beautiful working environment.

Second, we will improve infrastructure. According to the construction needs of regional central cities, the construction of water, electricity, heating network and other infrastructure is scientifically planned to reach the national advanced level. We will make every effort to promote the development of new infrastructure, focusing on 5G base stations, e-commerce platforms, industrial Internet, and intercity high-speed rail, to consolidate the material foundation of the digital revolution.

Third, to establish a close and clean relationship between government and business. To anchor card eating and inaction, continuously innovate learning and education methods, improve the understanding level, build a strong ideological defense line; strengthen the punishment, and greatly increase the cost of eating and taking cards. We will use the reform commission of delegating power, delegating power, and providing services to comprehensively advance the reform of systems and mechanisms, clarify the boundaries between market regulation and market regulation, refine work procedures, improve the quality and ability of officials, and effectively address the absence, dislocation, and offside behavior. We will apply the Internet and other advanced technologies, improve the online office system, explore online income and online payment mechanisms, and eliminate the social basis of all violations of laws and regulations.

Fourth, we will establish a complete and scientific policy system. Strengthen the study on the law of economic and social development of L city, and formulate scientific development ideas. Define the rights and responsibilities of all levels and departments according to the rules and regulations, take the goal as the starting point as the end point, and build a complete work closed loop. According to the logical relationship between the top and bottom of the closed loop, a strict policy system matching the top and bottom is formulated. Do the work is constantly in the file, the policy is not missing.

(4) To fully promote the coordinated development with the surrounding areas. The vitality of regional central cities, not only derived from their own competitiveness, but also derived from the mutual communication with the surrounding areas. To build a regional central city in Shanxi, Shanxi and Henan Triangle, L City must build its own competitive advantages, and scientifically carry out the division of labor and cooperation with the surrounding areas, complement the advantages and complement each other, and make coordinated development. Based on the actual situation of L city at the

present stage, it is suggested that L city should focus on promoting the coordinated development of the four directions in the future.

First, to promote the coordinated development with the three cities in the region. Actively implement the national "jin shan and the Yellow River golden triangle regional cooperation planning", in accordance with the "planning" strategy, scientific analysis and Yuncheng, Sanmenxia, Weinan city between regional comparative advantages, find their respective advantages, complementary advantages, promote mutual cooperation, realize the coordinated development of regional development, with coordinated development to drive their own development.

Second, to promote the coordinated development with the Guanzhong Plain urban agglomeration. Actively implement the National Guanzhong Plain Urban Agglomeration Development Plan, scientifically analyze and accurately grasp its own position and role in the Guanzhong Plain urban agglomeration, give full play to its own advantages according to the strategic deployment of the Plan, make use of the advantages of other cities, cooperate with each other and complement each other's strengths to realize its maximum development. Scientific planning and initiative will drive southwest Shanxi and even the whole province into the Guanzhong Plain city agglomeration with its own development, and integrate into the western development through the Guanzhong Plain city agglomeration and "Belt and Road", so as to deeply expand the western market space and Asia-Europe market space for the development of Shanxi.

Third, we will promote the coordinated development with the Central Plains city clusters. The Central Plains City agglomeration is its own regional development strategy formulated by Henan Province, aiming to integrate resources within the region, form a joint force, undertake the industrial transfer of developed countries and the eastern region to the east, and integrate into the development of the western region to the west, so as to realize faster regional development. <sup>[7]</sup>L city should make full use of the location advantages of the central city in the Yellow River Golden Triangle of Shanxi, Shanxi and Henan, actively integrate into the Central Plains urban agglomeration, take advantage of the situation to develop, and promote the cooperative development between the southwest Shanxi and even the central region of Shanxi and the Central Plains urban agglomeration.

Fourth, focus on integrating into the central Shanxi urban agglomeration. The central urban cluster of Shanxi is the regional development strategy of central Shanxi proposed by the 12th Party Congress of Shanxi. It aims to integrate the superior resources of central Shanxi, actively integrate into the Beijing-Tianjin-Hebei economic circle, strengthen mutual cooperation, and realize the high-quality development of central Shanxi. L city should make full use of the location advantages of the regional central city in Shanxi, Shanxi and Henan Golden Triangle, base on its own advantages, actively integrate and take advantage of the situation to develop, and at the same time become the link for the cooperation and development of the central Shanxi, Guanzhong Plain urban agglomeration and Central Plains urban agglomeration.

### 4 Conclusion

The research emphasizes the need for strategic enhancement of transportation, logistics, industry, and regional collaboration. By leveraging its existing advantages in transportation infrastructure and industrial bases, L City can lower logistics costs and establish itself as a critical land-port hub. This will require focused investment in modern logistics, the cultivation of competitive industries, and the development of a collaborative regional economy. Additionally, fostering an improved business environment and infrastructure is crucial to attract and retain production factors such as talent, capital, and technology. Coordinated efforts with surrounding cities and integration into broader urban agglomerations will further enhance L City's economic impact. To achieve sustainable development, the city must implement policy measures that align with regional and national development strategies, ensuring continuous growth and integration in the regional economy.

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