

Original Paper

Research on the “Phenomenon of Isolated Island” of Modern Society Development and the Governing Pathways of Enterprise Business Environment

Jingwu Yao¹ & Xiaohui Liu^{1*}

¹ Business School of Yulin Normal University, Yulin, Guangxi, China

* Xiaohui Liu, Business School of Yulin Normal University, Yulin Guangxi, China

Received: February 19, 2023

Accepted: March 1, 2023

Online Published: March 15, 2023

doi:10.22158/uspa.v6n1p101

URL: <http://dx.doi.org/10.22158/uspa.v6n1p101>

Abstract

With the development of society, various “phenomenon of isolated island” appear in social activities, such as “Scenic spot isolated island”, “cultural isolated island”, “economic isolated island”, “market isolated island”, “information isolated island” and so on. “Phenomenon of isolated island” causes a series of harm to the society, such as “system isolated island”, “business isolated island”, “data isolated island”, “management and control isolated island”, etc. Each department operates independently, resources and information cannot be shared, which increases the internal communication cost of enterprises and affects the work efficiency. It has a negative impact on both social and economic development. It is necessary to study the isolated phenomenon of isolated island in depth.

The main reason for the “phenomenon of isolated island” is that there is no mechanism of interest sharing and action coordination among the cooperative subjects. There are both internal and external reasons. From the formation process, the interaction of technology, policy, economy, culture and other factors is the main reason for the formation of “phenomenon of isolated island”.

In view of this situation, this paper explains the meaning of “phenomenon of isolated island”, analyzes the generation, existing problems and harm of “phenomenon of isolated island”, summarizes the research status of “phenomenon of isolated island”, and finally puts forward countermeasures and paths of “phenomenon of isolated island”, hoping to provide helpful help to social governance and economic development.

Keywords

phenomenon of isolated island, enterprise, business environment, governing pathway

1. Introduction

An isolated island is literally a geographical concept, referring to a piece of land that is isolated, but not completely cut off, from the mainland. Its subsequent implication is a special state of difference between the part and the whole, in addition to the original geographical concept. With the development of society, various “isolated phenomenon of isolated island” appeared in social activities, which brought serious obstacles to social and economic development. Therefore, we must promote a modern market system featuring fair competition among society and individuals, free choice and independent consumption, free flow and equal exchange of goods and factors of production, strive to remove market barriers, and improve the efficiency and fairness of resource allocation.

2. The Meaning, Causes and Existing Problems of Isolated Phenomenon of Isolated Island

2.1 The Meaning of “Phenomenon of Isolated Island”

“Phenomenon of isolated island” was originally a geographical concept, referring to an isolated island far from the mainland. Ecology first introduced the concept of “phenomenon of isolated island”, which refers to the lack of energy circulation and material exchange among subsystems in an ecosystem, resulting in the sealing phenomenon among subsystems.

With the development of interdisciplinary science, other disciplines have adopted the concept of “phenomenon of isolated island” to explain “a special state of difference between the part and the whole” in corresponding disciplines. Isolation effects an electronic circuit design in which, in principle, no current flows through an area of the circuit. The “phenomenon of isolated island” in economic development mainly from the perspective of phenomenon observation shows that a certain link, element or region in the economic development system is “isolated” from the outside world, and there is little or little exchange of resources, information and personnel with the outside world, resulting in a closed loop, low efficiency of technology transfer and economic development.

2.2 Main Causes of “Phenomenon of Isolated Island”

From the formation process, The interaction of history, geography, technology, culture, policy and economy is the cause of the “phenomenon of isolated island”.

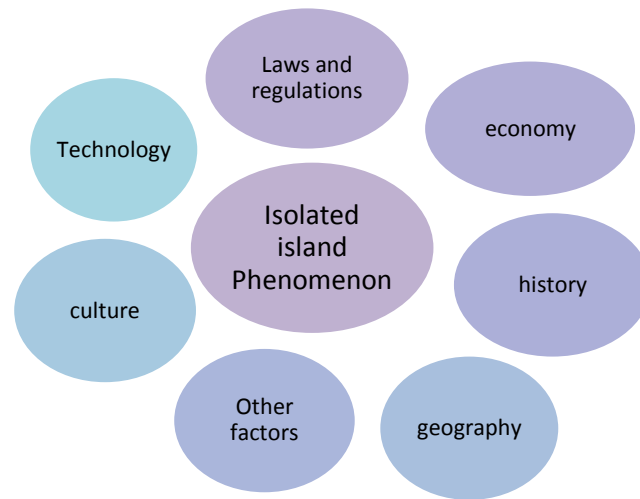


Figure 1. Several Factors Form the Phenomenon of Islands

The historical reason is the inherent reason for the formation of “phenomenon of isolated island”, hard to change.

Cultural factors are also the key factors in the formation of “phenomenon of isolated island”, which can be changed to a certain extent through cultural exchange.

In terms of technology, in the process of transformation and formulation of strategies, the protection boundary of historical space units is limited to the core protection range and construction control zone, and the continuation of spatial context is not fully recognized and scientifically grasped. Traditional experience and laws and technologies are used to formulate economic development plans. In the implementation process of these schemes, only the image coordination of ontology materials and styles is considered within the boundary range.

In terms of policies and regulations, economic development planning is too general, economic laws and regulations are not perfect, and the discretionary power in the implementation stage is too large, which leads to extensive economic development and backward economic development. At the same time, social governance is incompatible with modern society and seriously hinders social integration and civilization progress.

In terms of economy, due to the obstruction of departments and restrictions of policies and institutions, local economic development is difficult to do something and coordinate with the surrounding communities, unable to participate in the market-oriented operation mechanism; Again, due to administrative authority issues. The management power of the monopolistic government institutions seems to come from the dominant force of the system, but the essence is the territorial nature of the enterprise tendency of the government in the development of the local economy, with typical characteristics of the planning system. If the development mode of self-management and self-management has its time rationality to protect resources, then due to the advance of market economy, the

development and management mode of the past to adopt the incomplete, will be faced with the lack of economic vitality, low management level, thus exacerbating the formation of isolated island problem.

The “phenomenon of isolated island” is caused by institutional problems, mechanism problems, capacity problems, cultural problems and other factors, leading to the appearance of “environment isolated island”, “resource isolated island”, “information isolated island” and “management isolated island” in practice. Due to the control of foreign capital and the pursuit of economic interests, local governments pay too much attention to their own economic development and ignore the economic development demands of surrounding communities, leading to the explosion of various social contradictions.

Due to the lack of connection and function between economic development and the surrounding hinterland, the economic highland phenomenon of independent development is formed due to the large difference between inside and outside. Economic relation and relation is the most important relation between man and organization, man and man, organization and organization, and is the concentrated embodiment of various relations in production and life.

Therefore, it is necessary to adhere to the perspective of system integration, pay attention to the system, integrity and coordination of reform, start from the top level, remove the obstacles that restrict economic development, eliminate the “phenomenon of isolated island” in economic development.

2.3 Existing Problems

The biggest harm of “phenomenon of isolated island” in economic development is that it can only solve the partial problem of insufficient economic development ability, but can not solve the overall problem, thus reducing the overall efficiency of the economic development system.

The influencing factors of economic isolated island effect mainly include the degree of foreign capital control, the degree of facility concentration, economic leakage, residents’ participation in business opportunities, residents’ tourism employment, residents’ dependence degree and income, etc.

In addition, the departmental interest psychology also strengthens the solidification of the isolated island form. For economic management departments, the development of isolated island can make them obtain direct real economic benefits by means of resource monopoly, so they have a strong psychological dependence on the isolated island, and produce a great resistance to economic development.

3. Research Status of “Phenomenon of Isolated Island”

Foreign research on isolated island problem has gradually turned to specific problems at the micro level, and the research results mainly focus on three fields:

One is “ethnic (immigrant) isolated islands”. Kathleen (2001), Nabil (2002), Heike (2003), Chiu et al. (2005) analyzed the impact of values and ideologies of ethnic minorities and immigrants on their employment and socio-economic status. Peter (2004) and Jinny (1992) et al. explored the impact of immigrants on local people’s income, while Min et al. (1989) studied the impact of ethnic gender discrimination on employment.

The second is “resource-based isolated island”, that is, a special geographical area, which has some rich and special resources. The most common isolated islands in poor areas are “isolated islands of resort” and “isolated islands of mineral resources”. For example, Joseph (2005) found that most of the tourism income in Botswana’s Okavango flowed abroad, and the development of tourism failed to promote the development of local rural economy. Freitag et al. (1994) analyzed the background and causes of enclaves in resort areas. Shaw et al. (1992) and Mbaiwa (2003, 2005) focused on the characteristics and effects of flight arrivals in resort areas. Craig (1982) argued that large mining projects in Papua New Guinea were weakly related to the local economy.

Third, “isolated island of FDI”. Kevin et al. (2007) believe that FDI is mostly wholly owned, which will not consciously integrate into the economy of the importing country, but bring a series of risks to the environment, health and safety of developing countries. Technology spillovers from FDI projects are also limited (Ari, 1994).

In recent years, Chinese scholars have paid more and more attention to the isolated island in the form of market segmentation and its impact on the economy. Sun Dabin (2003) and Zhong Changbiao (2004) believe that there exists “vassal economy” caused by conflicts of interests in administrative divisions in China, whose local protectionist barriers seriously restrict the deepening of regional opening degree and to a large extent restrict the improvement of international competitiveness in the process of China’s opening to the outside world. Some scholars analyze that the growth of international trade is much higher than that of domestic trade (Zhu Xiwei et al., 2005; Shen Kunrong et al., 2003) found that while international trade (opening to the outside world) promoted the increase of per capita output, domestic trade (opening to the inside world) intensified the segmentation of domestic market, hindered the process of domestic market integration, and had a negative impact on economic growth. Lin Yi et al. (2004) believe that the internal reasons for domestic market segmentation can be said to some extent to be the extension of the central government’s protection of catch-up enterprises from international competition to the provinces’ protection of local enterprises from international and domestic competition, and the decentralized reform drives various new local protectionism and market segmentation under the new desire of local governments to catch up.

To sum up, there are few references to isolated islands in domestic and foreign economic fields, and few direct use of this concept for economic analysis. However, the theoretical development and practice of foreign countries in the field of regional integration and economic globalization all prove that the world economy is becoming more and more deeply integrated, and economic growth is increasingly dependent on each other’s openness rather than isolation, which provides theoretical support for this paper to analyze the relationship between the isolation effect of poor areas and economic growth. Domestic research on market segmentation provides strong evidence for the existence of market isolated island, and also provides beneficial inspiration for the construction of indicators in this paper.

4. Management Countermeasures of Isolated island Problem

4.1 Establish a Sound Policy System

Policy system is a powerful tool for local governments to rationally allocate resources within their jurisdiction. A sound policy system means that relevant policies are both strategic, systematic and practical. Therefore, local governments should not only constantly evaluate existing policies to see if they are still relevant and practical, but also implement new policies with The Times to adapt to the ever-evolving technological innovation. The improved policy system covers industries, finance, taxation, government procurement and intellectual property protection.

First, explore the establishment of incentive and restraint policies to guide industrial development. Local governments should provide assistance and support to those industries that contribute to economic and social development, save resources, protect the environment and optimize and upgrade the industrial structure in various aspects such as capital investment, taxation, land and loans. As for the industries whose processes are seriously lagging behind and cannot promote social progress, local governments should use laws and regulations to restrict them. Moreover, it emphasizes and encourages the synergy and complementary advantages among innovative industries to realize the development of innovative industry clusters.

Second, the establishment of industry-university-research cooperation encouraging policies. In accordance with the principle of “complementing each other’s advantages, sharing benefits and achieving win-win results”, China actively promotes communication and collaboration between universities, research institutes and enterprises in scientific and technological innovation and achievement transformation. We should change the old model of individual competition and encourage universities, research institutes and enterprises to establish bilateral and multilateral cooperation mechanisms. Colleges and universities should be supported to adjust discipline structure and set up majors in accordance with market demand and industrial development, so as to cultivate urgently needed scientific and technological innovative talents for society and enterprises. Enterprises can also sign school-enterprise strategic cooperation agreements with colleges and universities, and establish talent training bases, talent training bases or school-enterprise joint training bases.

4.2 Break Down Regional Barriers and Strengthen Resource Integration

Each place has its own characteristics of resources, integration has both potential and very necessary. However, based on the consideration of local interests, there is a fierce non-cooperative game between the municipal and county governments, which makes the horizontal cooperative relationship between regions severely hindered. To integrate the resources of cities and counties, we must give full play to macro-control, break the rigid regional barriers of cities and counties, truly break the regional barriers caused by interest game, make use of the differences and complementarities of different places, coordinate the positioning and division of labor of different places, promote the reasonable allocation of resources, infrastructure connection, information resources and other aspects of co-construction and

sharing, through regional coordination and interest balance mechanism, Realize the integration of local economic development and the synergy of interests.

Therefore, in the process of economic operation, “management isolated island” should be avoided, and the functions of governments at all levels should give full play to their guiding, regulating and compensating roles, so as to effectively avoid the appearance of “management isolated island” and promote the vitality of market innovation.

First, the government should play a “guiding role”. To break the phenomenon of “environmental isolated island”, “resource isolated island” and “information isolated island”, it is necessary to give full play to the power of the market, but the market allocation of resources has a certain degree of blindness and spontaneity, and sometimes can not solve the problem of rational layout of industrial structure and rational allocation of resources required by scientific and technological innovation. By playing a guiding role, the government can indirectly influence the allocation of resources, formulate advanced scientific and technological development plans, and give full play to its guiding role through a series of institutional innovation.

Second, the government should play a “compensating role”. Due to different interest mechanisms, asymmetric information, incomplete competition and other factors, the market cannot effectively solve the problem of resource sharing and collaborative cooperation, so the government needs to play a complementary role. Especially in the aspect of public services, the sharing of resources should be effectively promoted. The government is not only the main supplier but also the manager, so it should play an active role in building a public service-oriented government.

Third, the government should play a “regulatory role”. In social activities, how to correctly play its functions and eliminate the “phenomenon of isolated island” requires both “doing” and “not doing”. To a large extent, the emergence of “phenomenon of isolated island” is due to the existence of certain cooperation difficulties among various subjects, and the main reason for the emergence of difficulties is that there is no benefit sharing and action coordination mechanism between cooperative subjects, and due to the unreasonable institutional arrangement, the lack of efficient and reasonable path design and reasonable constraints. As a result, resources cannot flow smoothly between strips and blocks, and there is isolation phenomenon. The government plays a regulatory role in the allocation of resources, which means to manage and restrict the negative effects under the condition of market economy by formulating rules. Its content mainly includes protecting the property rights and legitimate interests of various subjects in social activities, and building a unified, open, competitive and orderly market system.

4.3 Continue to Promote Factor Market Allocation

At present, the existence of “phenomenon of isolated island” also exists in the capital transport and economic distortion, industrial structure imbalance, talent structural shortage, land supply system obstacles and other shortcomings. As the key elements of an enterprise, capital, talent and technology should play an irreplaceable role and become the competitive advantage of the enterprise’s subsequent development. Local governments should establish factor trading markets to meet the needs of different

enterprises, gradually reform and optimize the quality of supply factors, promote high-quality factors to enterprises, and eliminate inferior factors that are not conducive to market development.

4.4 Strengthen Labor Market Development

Under the condition of market economy, the free flow of labor force is the premise and foundation of economic development. This requires that the construction of labor market must be based on the principle of openness and fairness, and the openness must be based on the premise of fairness. The objective reality requires local governments to standardize the basic education, vocational training, employment assistance, self-employment and other aspects of workers and provide corresponding safeguard measures while opening up the labor market.

4.5 Promote Regional Economic Integration

To take the road of regional economic integration, we must follow the market-oriented, overall planning; Joint cooperation, complementary advantages; Bring in the outside, mutual benefit and mutual benefit; The guiding ideology of division, union and common development. There is a need for overall planning and reasonable division of labor to facilitate the upgrading of industrial structure and make full use of production capacity. Do the following work in policy, law and culture.

First, the policy environment. Improving the policy system involves many aspects such as industry, finance, finance, taxation and government procurement. To fully implement the policies of financial assistance and preferential taxation, local governments should increase their financial allocations directly or indirectly

Second, the legal environment. Through the establishment and improvement of relevant laws and regulations, to create a unified, fair, open, competitive and orderly legal environment. For example, local governments should introduce laws and regulations to protect the legitimate rights and interests of enterprises and severely punish illegal acts. The publicity of laws and regulations related to intellectual property rights should be intensified to raise the awareness of intellectual property protection in the whole society.

Third, social and cultural environment. Local governments should play the role of education and guidance, overcome the traditional ideology, prevent the phenomenon of utilitarianism, and strive to form a good atmosphere, so that the innovation desire of the innovation subject is respected, innovation activities are encouraged, innovation can be brought into play, and innovation results are affirmed.

4.6 Carry out Training and Education to Strengthen the Sense of Cooperation

The outbreak of confrontational conflicts essentially stems from the imbalance of the pattern of interest distribution, but the lack of cooperation consciousness and the unsound cooperation mechanism will further promote the escalation of conflicts between scenic spots and communities. Therefore, one of the effective ways to alleviate conflicts and avoid the outbreak of conflicts is to organize training and education activities among stakeholders, strengthen cooperation, communication and dialogue between different subjects, and build a smooth cooperation mechanism. On the one hand, the purpose of training and education is to enhance the awareness of residents in the surrounding communities to participate in

tourism development, and to transform the community residents from agricultural practitioners to service practitioners through skill training. On the other hand, training and education are also key channels to build cooperation platforms and mechanisms. Through the intervention of third parties, the operators of scenic spots can be guided to fulfill their social responsibilities, community residents can reasonably express their demands, and local governments can scientifically carry out their work, so as to achieve harmonious coexistence between scenic spots and surrounding communities.

4.7 Draw on Advanced Domestic and International Experience and Set Standards for a High-Standard International Business Environment

On the one hand, based on the international and domestic business environment evaluation systems, the establishment of a local business environment evaluation index system, as a reference and basis for optimizing the business environment and promoting the assessment of government departments; On the other hand, in areas such as free trade and investment facilitation and customs clearance facilitation, we will draw on advanced international experience, strengthen international exchanges in standards alignment, information sharing and law enforcement coordination, and formulate relevant regulations on trade and investment activities on the basis of careful assessment.

4.8 Effectively Raise the Real Benefits of Improving the Business Environment

Part of the nature of the business environment is natural, and the other part is social. In view of the social nature of the business environment, it is necessary to fully consider the cost, especially the cost to be borne by the public finance. On the one hand, a better business environment not only means free entry and exit of enterprises and fair treatment, with fewer barriers and administrative restrictions; On the other hand, in order to maximize the short-term gains brought by the system optimization, enterprises may make some short-term behaviors, which will cause the loss of the overall income, namely the rent consumption, and constitute the opportunity cost of improving the business environment. Therefore, the path selection of the improvement of the business environment needs to consider the cost-benefit comparison at the comprehensive level. The three aspects of giving market players more autonomy, improving enterprises' ability to absorb institutional variables, and regulating enterprises' irrational behaviors should be organically combined to form comprehensive and supporting reform measures to prevent the improvement of one aspect from causing the loss of overall benefits.

5. Conclusion

With the acceleration of urbanization, the problem of isolated islands will appear increasingly, which is not conducive to social and economic development. Therefore, eliminating the problem of isolated islands is an inevitable requirement of building a harmonious society. Due to the internal and external economic and institutional complexity of the causes of the isolated island problem, increasing the comparative analysis of cases of different cities and different spatial scales in the future is conducive to in-depth exploration of the causes of the isolated island problem and its treatment countermeasures, and further promote the integrated development of cities and scenic spots.

5.1 There Is a Strong Positive Correlation between Economic Growth and Market Openness

Therefore, it is very important to improve market openness and weaken regional isolated island effect. However, local protectionism is prevalent in poor areas. Market blockade and factor flow obstruction under trade protectionism will inevitably seriously hinder the formation of regional common market and become the main obstacle to economic growth. However, those places with scarce resources and unoutstanding uniqueness and more dependent on the market for economic growth are at a more disadvantageous position in the development of a segmented market environment. Under the condition of market economy, promoting the mutual opening of internal market and forming regional common market is the guarantee of enhancing regional economic competitiveness and realizing prosperity.

5.2 There Are Different Isolated Island Characteristics in Different Regions

In the process of regional opening, different districts and counties need to pay attention to different problems. As a regional growth pole, the region's own development must drive the overall development of regional economy. The focus of the policy should further think about how to open up and extend the industrial chain of one district and five counties, so as to realize the market connection between poor areas and developed areas. For those counties with low factor endowment, it is difficult to gain the favor of market capital under the market economy condition of capital seeking profits. In counties with prominent factor endowment, when policies focus on promoting the development of an industry, they should pay attention to the forward and backward linkage of industry to avoid the depletion of economic efficiency caused by "industrial enclaves". The "embedded" economic model should gradually turn to the integration of its own advantages and regional markets. Without integration, there is no guarantee of economic sustainability.

Acknowledgements

This paper is one of the phased results of the following three research projects.

- ① Research Project 1 Name: ***Research on the Cultivation Mode of "Production-education Integration" Innovative and entrepreneurial Talents in the new era.***

Project Number: Zkzxkt202344. Project Principal: Jingwu Yao

- ② Research Project 2 Name: ***Research on the Logic and Path of Digitally Empowered SME Financing Innovation.***

Project Number: 2022KY0566. Project Principal: Xiaohui Liu

- ③ Research Project 3 Name: ***Innovative Research on the Path of social governance in Southeast Guangxi under the background of modernization of national governance.***

Project Number: 2021YJJZD04 ; Project Principal: Jingwu Yao

References

- BI, J. (2012). Government Incentive Mechanism to Promote Enterprise Technological Innovation. *Open Policy Review*, 2012(1).
- Liu, A. L. et al. (2007). Research progress on isolated islanding effect of tourism resorts at home and abroad. *Progress in Geography*, 2007(6), 109-118.
- Long, H. B. (2015). *Leading the development of National High-tech Zones with Innovation Drive*. Economic Daily, 2015-06-25 (12).
- Liu, S. P. (2007). Spatial Optimization of Urban Tourist Attraction Space. *Urban Problems*, 2007(1), 41-45.
- Shen, H. T. (2008). From “Isolated island” to “New City”: The Development Transformation Trend of Domestic Development Zones. *Jiangsu Business Theory*, 2008(1), 138-139.
- Wang, X. K. (2007). Urban Landmarks and Urban tourism Development. *Urban Problems*, 2007(4), 7-10.
- WANG, Y. Y. (1995). The design of three-hole tour Route and the construction of environmental atmosphere. *Tourism Tribune*, 1995(4), 35-37.