Revitalization of Old Revolutionary Base Areas: Challenges, Opportunities and Pathways
— Based on a 5D analytical framework

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Abstract: *The revitalization and development of old revolutionary base areas (ORBAs) are of great significance to coordinated regional development and common prosperity. Referencing existing research, this paper puts forth a "5D" analytical framework of "density, distance, division, differentiation, and digitalization" for analyzing the Challenges, opportunities and pathways for ORBAs' revitalization and development. It points out the spatial diseconomies stemming from "long distance, high division, and low density" as the challenge facing ORBAs, as well as the opportunities from the digital economy, the inclusive nature of digitalization, the comparative and late-mover advantages such as revolutionary heritage, beautiful scenery, and distinctive folk culture, as well as a combination of policy preferences. Lastly, a roadmap is delineated for the ORBAs' revitalization and development through the five "Ds", i.e. increasing the density of population, industry and land; shortening the distance to facilitate the exchange and integration between various factors of production; removing division to increase the integration level of urban and rural regional markets; highlighting differentiation to enhance the irreplaceability of feature industries and products; accelerating digitalization and leveraging the role of digital technologies in reducing the adverse effects of "long distance, high division, and low density", magnifying the positive effects of "differentiation", and integrating virtual and real economies.*

Keywords: Old revolutionary base areas, revitalization and development, 5D analytical framework, spatial diseconomies

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1. Introduction

The term "old revolutionary base areas", or "ORBAs" for short, refers to revolutionary bases established by the Communist Party of China (CPC) during the Land Revolution War and the Resistance War Against Japanese Aggression. As historical strongholds for the CPC and the People's Liberation Army (PLA), these revolutionary bases played a crucial role in the Chinese revolution's victory. The

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majority of these revolutionary bases, however, are situated at remote intersections of provinces with complex topography, crisscrossing ridges, and undulating slopes. Because of their difficult locations and lack of transportation access, such ORBAs have fallen behind and been marginalized during China's reform, opening up, and socialist market economic development. Consequently, these regions emerged as critical challenges and focal points in solidifying accomplishments in poverty reduction and executing the rural revitalization strategy. For example, 69 of the 160 counties designated to receive assistance for rural revitalization in China are ORBAs. Since the 18th CPC National Congress, the Chinese government has intensified the national top-down design for the revival of historic revolutionary base areas as part of its efforts to accelerate rural revitalization and modernization on all fronts. It has developed systematic and targeted "1258" and "1+N+X" policy frameworks, which include policy documents such as *Guiding Opinions on Expediting Poverty Reduction and Supporting the Development of ORBAs*, *Opinions of the State Council on Supporting the Revitalization and Development of ORBAs*, and the *Plan for the Revitalization and Development of Special Regions in the 14th Five-Year Plan Period*. The number of major ORBAs included in the national top-down design has expanded from five to twelve, ushering in a new era of revival of ORBAs toward socialist modernization on all fronts.

Meanwhile, academics have turned their attention to the revival of ORBAs. Scholars have carried out extensive research on the practices to revitalize ORBAs and the weaknesses of basic public services (Shi et al., 2023), the resource context and action logic of rural industrial revitalization (Li et al., 2022), the endogenous development mode for the "Revolutionary Triangle Region" (Huang, 2023), the development of revolutionary heritage tourism and urban-rural income disparity in ORBAs (Zhang et al., 2023), the policy effect of revitalization and green development path (Gong et al., 2022; Yang et al., 2022), the promotion of agricultural growth and modernization through the implementation of the revitalization policy (Zhang et al., 2022), countywide rural revitalization in adjacent areas at provincial borders (Yao et al., 2023), the reduction of countywide urban-rural income gap (Liu and Zhang, 2023), and the promotion of economic growth and public welfare (Gong et al., 2022). Existing research has focused on the policy implications of revitalizing ORBAs, the development mode of revolutionary heritage tourism, and paths for rural revival through the lens of economics and management. However, the geographical characteristics of special regions such as ORBAs, as well as the problems, opportunities, and viable pathways for their revitalization, have received little attention. In fact, a region's geographical factors have shaped its economic characteristics and development paths (Wang et al., 2023). ORBAs have significantly different geographical conditions than other regions due to their remote locations at provincial intersections, ethnic minority groups, a less developed economy, and complex topography. As a result, it is appropriate to use economic geography principles to discuss the geographical conditions of ORBAs and their impact on revitalization and development. The conclusions would be critical for identifying the deep-seated problems for the revitalization of ORBAs, consolidating poverty reduction achievements in ORBAs, and advancing rural revitalization more broadly.

Unlike previous research, this paper proposes a novel analytical framework to explain the Challenges, opportunities, and pathways for the revitalization of ORBAs in light of their geographical conditions and the new characteristics of the digital economy era, thereby providing new references for the formulation and implementation of policies and plans for the revitalization of ORBAs. On the basis of the 3D (density, distance, division) framework developed by the World Bank in its *World Development Report 2009: Reshaping Economic Geography* and the 4D (density, distance, division, differentiation) framework put forth by Yang (2018), this paper develops a 5D (density, distance, division, differentiation, and digitalization) analytical framework to consider the impact of density,

distance, division, differentiation, and digitalization on the economics of geographical space. Using this 5D analytical framework, we explain the spatial diseconomy dilemma in light of the "long distance, high division, and low density" characteristics of ORBAs, as well as opportunities from digitalization's inclusiveness, differentiation potentials, and policy dividends. Finally, we propose a 5D approach for revitalizing ORBAs that involves "increasing density, shortening distance, bridging division, highlighting differentiation, and accelerating digitalization".

2. 5D: Driving Forces for Reshaping Economic Geography in the Digital Era

New economic geography was early to recognize the importance of geographical conditions to regional economic development and regional administration, identifying two geographical conditions that can influence regional evolution and development: natural endowment as the first-nature geography and agglomeration and location as the second-nature geography (Krugman, 1993). Academics subsequently portrayed ICT infrastructure conditions and human capital in the modern new economic environment as the third-nature geography, introducing the notion of the threefold nature of geography (Xia, 2012). Specifically, first-nature geography refers to the original environmental conditions endowed by Nature to mankind, also known as natural endowment, and includes the abundance of natural resources as well as natural environmental characteristics such as altitude, elevation, landforms, and ecological conditions as prerequisites and drivers of development. The term "second-nature geography" refers to geographical qualities, such as location and transportation, that have been used and built by humans throughout history and are intrinsic to human society. As human civilization progressed from the agrarian and industrial to the postindustrial age, the importance of second and third-nature geographies eclipsed that of first-nature geography.

Meanwhile, the World Bank has identified three driving forces changing global economic geography: density, distance, and division, which form a "3D" analytical framework to provide a robust explanation of global economic imbalances and the "center-periphery" spatial pattern. With this contribution, the World Bank's *Development Report 2009: Reshaping Economic Geography* has become a classic report with global implications. Drawing on the spirit of the "3D" analytical framework, Yang (2016, 2018) recognized another major driving force of "differentiation" in light of China's economic growth miracle and transformation of economic geography. Difference, he believes, plays an important role in changing economic geography and is a vital component of local competitiveness or regional attraction. He devised a "4D" analytical framework to explain China's economic growth miracle through the lens of economic geography. Although both the 3D and 4D analytical frameworks acknowledge the significance of geographical factors in regional economic growth, the 3D framework explains how centripetal and centrifugal forces have transformed economic geography. Specifically, the centripetal force refers to the local market effect and price index effect caused by density (economies of scale), distance (transportation cost), and division (monopolistic competition), whereas the centrifugal force refers to the market competition effect. In contrast, the 4D framework rejects the "homogeneous region" theory, believing in the existence of regional heterogeneity and the role of "local quality" in regional economic development and the formation of economic geography. Thus, the term "differentiation" is used to widen the 3D framework and bring it closer to economic reality.

With the dawn of the digital era and the rapid development of the digital economy, China is seeing an increase in digital industrialization and industrial digitalization, with the digital economy accounting for a growing share of the national economy. Digitalization has become a new driving force, reshaping economic geography in both direct and indirect ways.

2.1 Direct effect

Digital technologies, with their network-based distribution and decentralized characteristics, have revolutionized the spatial structure of production factors, increasing regional development fields through mobile space and jump dispersal and boosting regional economic integration. Transformative shifts in production, distribution, and consumption will reshape economic geography. The rise of digital platforms has opened up a broader consumer market, allowing people to look for items and services in international and even global markets that fit their unique and diverse preferences. By connecting to digital platforms, companies can use big data to match supply and demand, meet various customer needs, and integrate into national and global supply chain networks more easily and efficiently. As the digital economy and traditional industries become more integrated, new industries and business models emerge, such as smart tourism, online education, live streaming e-commerce, and digital inclusive finance, which open up new business opportunities for small and medium-sized enterprises (SMEs) as well as marginal regions and groups. These entrepreneurial opportunities have accelerated economic development in marginal communities.

2.2 Indirect effect

Digitalization has transformed economic geography by modifying the density, distance, and division of regional economic activity while amplifying the attractiveness of differentiation. First, the accessibility and inclusiveness of digital technologies have weakened the constraint of geographical distance, lowering transaction costs (including transportation cost) and information asymmetry, increasing economic interconnectedness across regions and indirectly influencing economic geography by shortening distances. Second, the dynamic network of relationships formed by digital factor flow spaces and jump dispersal nodes transcends various divisions caused by man-made and non-human factors such as natural geography and administrative jurisdictions, particularly institutional division, thereby contributing to regional integration and indirectly influencing economic geography. Third, the digital economy is defined by economies of scale and range, as well as the multiplier effect, low marginal cost, and infinite shareability. These characteristics allow the digital economy, unlike the real economy, to spread beyond the constraints of location and workspace, broadening the area of regional economic development and indirectly impacting economic geography through increased density. Fourth, we-media platforms have made it easier for everyone to create digital content that may be broadcast instantly to a large audience for free. In this way, local differentiation can be communicated to the public in order to capture their interest and fulfill their curiosity and need for diversity. Digitalization may have an indirect influence on economic geography by magnifying such differentiation.

As shown in the chart below, the development of a 5D analytical framework (Figure 1) aids in understanding the reconstructive dynamism and mechanism of economic geography in the digital economy era.

3. Spatial Diseconomies: Challenges Facing the Revival of ORBAs

In November 2021, the National Development and Reform Commission (NDRC) released the *Plan for the Revitalization and Development of Special Regions in the 14th Five-Year Plan Period* approved by the State Council. This document identified 12 ORBAs, including Jiangxi-Fujian-Guangdong, Shaanxi-Gansu-Ningxia, Dabie Mountain, Sichuan-Shaanxi, Zuoyoujiang, Hunan-Jiangxi Border, Hunan-Hubei-Chongqing-Guizhou, Hailufeng, Qiongya, Southwest Zhejiang, Yimeng and Taihang ORBAs. This clarifies the geographical scope of the ORBAs. It is not difficult to see that the above 12 ORBAs

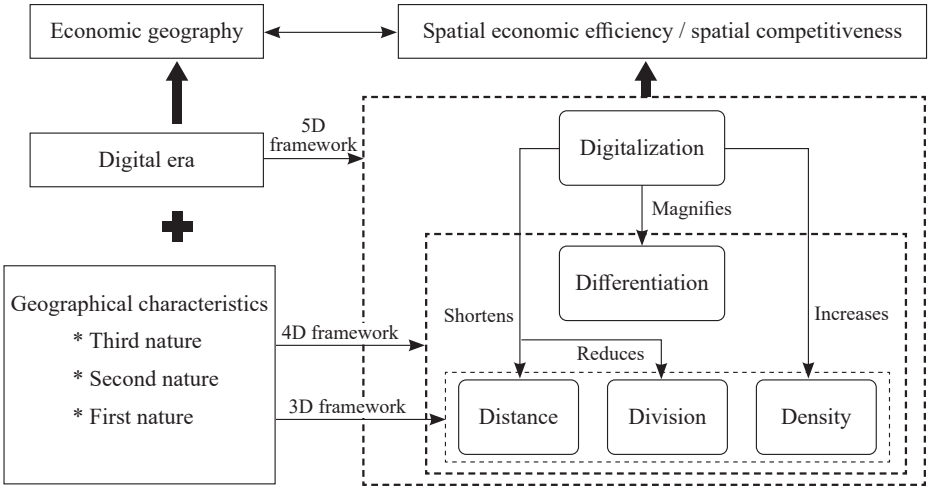

Figure 1: 5D Analytical Framework of Reshaping Economic Geography in the Digital Era

are primarily located along multi-provincial borders, and many of them are still underdeveloped. Due to unique natural geographical characteristics as well as social and historical factors, these localities were the "chosen places" for the survival and development of the Party and the people's army during the revolutionary period, and they contributed significantly to the revolution's victory. However, in the new chapter of China's industrialization and socialist market economy, the spatial diseconomies of "long distance, high division, and low density" attributable to these geographical characteristics became a barrier to economic development. Although appropriate policy support has resulted in significant improvements in infrastructure and transportation conditions over time, particularly during the poverty eradication campaign, spatial diseconomies remain a major challenge for the revitalization and development of ORBAs.

3.1 Spatial Diseconomies of "Long Distance"

The majority of ORBAs are isolated mountainous locations that are far distant from provincial capitals and regional centers in space and time, as well as peripheral and marginal areas in the "center-periphery" spatial model. Both the classical location theory and modern economic geography demonstrate that distance has a significant impact on the spatial distribution of economic activities. In general, distance involves both spatial and temporal distances. According to the first law of geography, the geographical connection of economic activity is subject to the law of distance attenuation, with the economic link less between regions that are further apart and greater between regions that are closer together. One example is the Hunan-Hubei-Chongqing-Guizhou revolutionary base area, which is located at the intersection of four provincial-level regions and a portion of the Wuling Mountains. Each county seat in this region is around 300 kilometers from the downtown provincial capitals of Changsha, Wuhan and Guiyang, and Chongqing Municipality. Even for those having high-speed railway stations, it takes over two hours to reach major cities. Although high-speed railways and expressways have significantly reduced travel time, the high cost of travel has weakened economic ties. The rugged geography of this area, with thousands of ravines, valleys, and rivers, separates communities and towns over great distances. In this mountainous area, it may take half a day to reach a location in plain sight, and dialects change every few miles. Communication costs are considerable even within the area. As can be observed, "long distance" remains one of the most prominent factors for spatial diseconomies in ORBAs.

3.2 Spatial Diseconomies of "High Division"

ORBAs, located along interprovincial borders, are divided by geographic boundaries and are subject to administrative, institutional, and market segmentations. As a country with a long history of administrative demarcation, China has traditionally used mountains and rivers to define the boundaries of local jurisdictions (Zhou, 2013). Geographic barriers present challenges to internal and external trade, which is unfavorable to economic development, particularly in the modern industrial and service sectors. At the same time, administrative fragmentation compounds the negative effects of geographical barriers. On the one hand, there is fierce competition among local administrative regions, fueled by the GDP championship system, in which local governments strive for economic growth (Zhou, 2007). Local governments have strong incentives to develop their own infrastructures and industries in order to rank higher in terms of economic growth among neighboring regions, but few incentives to benefit from and bring spillover effects to other regions outside of their own. There is a dearth of cooperation between provinces and cities on both sides of the border when it comes to the development of infrastructure, factors of production, and logistics system. Lack of investment has hindered economic development in border regions. This renders the border regions a "low land" for investment and economic activity (Tang, 2021). On the other hand, competition between administrative regions has resulted in serious local protectionist tendencies, forming an "invisible wall" at the borders, further triggering institutional and market segmentations, increasing the transaction costs of inter-regional trade, and generating significant border effects (Lu and Chen, 2009; Tang, 2021), making the originally limited market size even more fragmented and scattered. As a result, "high division" worsens spatial diseconomies in ORBAs.

3.3 Spatial Diseconomies of "Low Density"

Economic density is a source and effect of regional economic development, as well as a key metric of the spatial economy. Generally speaking, regions with higher economic density outperform in spatial economy. Whether it is the first geographic nature of the ORBAs, such as natural geographic conditions, or the second and third geographic nature of location, transportation, human capital, information technology, and so on, all of these aspects limit economic density growth, resulting in spatial diseconomies. To begin with, economic activity in mountainous regions cannot reach the critical mass for benign development due to dispersed dwellings, low population density, small market size, and a limited number of market entities, trapping mountainous regions in a "low level equilibrium". For example, Enshi Prefecture, a key region of the West Hunan-Hubei and Hunan-Hubei-Sichuan-Guizhou revolutionary bases, has been designated as one of the 20 key cities of ORBAs in 2022, with a resident population of 3.4 million, a population density of 142 people per square kilometer, and a GDP of 5.84 million yuan per square kilometer, or 41,248 yuan per person. Enshi is ranked in the intermediate to lower levels of economic development among the 20 key cities in the ORBAs.[1] The "low density" of people and economic activity significantly restricts the realization of economies of scale and the agglomeration effect, resulting in a regional economy that lacks competitiveness and endogenous development capacity. Second, the "low density" disadvantage is aggravated by the "long distance" and "high division" traits. For one reason, "long distance" has resulted in a net outflow of population, particularly skilled labor, from the region, resulting in a decrease in population density and labor force, leaving behind the elderly, sick, and incapacitated, who are even less productive. As a result of the

[1] Enshi Prefecture Bureau of Statistics. Comparative Analysis and Enlightenment of Economic Development between Enshi Prefecture and 20 Key Cities of Old Revolutionary Base Areas in the Nation. [O/L]. (2023-07-25)[2024-01-20]. http://www.xianfeng.gov.cn/xxgk/dfbmptlj/xiangz/qjz/fdzdgknr/tjxx/202310/t20231022_1491969.shtml.

labor shortage, farmland went idle, reducing economic density. For another, "high division" has resulted in market fragmentation. As a result, tiny and fragmented markets are unable to attract external factors and investment that would boost economic density. This has resulted in underdevelopment of tourism, particularly revolutionary, ecological, and cultural tourism that otherwise have great potentials. Finally, "low density" will trigger the Matthew effect, exposing ORBAs to the "low-density trap" and spatial diseconomies.

4. Technology, Location and Policy Support: Opportunities for Reviving ORBAs

Every person, and every place, has unique merits. Comparative advantage theory and the history of regional development indicate that geographically disadvantaged regions may also achieve success, and that the effects of first-nature, second-nature, and third-nature geography may evolve amid industrial, agricultural, and ecological progress. Indeed, second and third-nature geographies are becoming increasingly important. The digital economy, in particular, has significantly reduced the negative impact of first-nature geography. As China strives to achieve high-quality development and common prosperity, ORBAs are presented with opportunities as a result of national strategies to protect the environment, revitalize the countryside, including ORBAs, and advance digitalization.

4.1 Technology: Booming Digital Economy and Inclusiveness of Digitalization

Extensive digital technology applications and rapid advancements in artificial intelligence (AI) signal the beginning of the digital intelligence age. The digital economy has emerged as a crucial sector and new driving force for the national economy. Synergy between digital industrialization and industrial digitalization is rapidly changing established economic paradigms (Chen et al., 2022). The digital economy, with its natural strengths in data processing, information transmission, and resource allocation, exerts a profound influence on all aspects of social and economic development, including consumption (Yi and Zhou, 2018), innovation and entrepreneurship (Xie et al., 2018), productivity (Huang et al., 2019), inclusive growth (Zhang et al., 2019), and the reduction of the digital division. In addition to the aforementioned general benefits, the digital economy has disruptive effects in overcoming the "long distance, high division, and low density" challenges caused by geographical obstacles, administrative segmentation, and market dispersion for ORBAs in marginal regions. First, digital technologies have extremely strong geographical penetration to overcome the constraints of remote locations, mountainous areas, and other unfavorable geographical conditions while lowering trade costs, allowing enterprises in a central region to cover market areas that were previously geographically inaccessible or unattractive. Meanwhile, market entities in marginal areas, such as firms, households, and new rural business entities, can employ Internet technology to service markets and customers in central regions, hence increasing market potential. In this way, the digital economy offers ORBAs greater access to resources for development. Second, because of ubiquitous Internet access, the digital economy transcends jurisdictions, regions, and frontiers, opening up new prospects for ORBAs along interprovincial borders. With the spread of digital technology in numerous sectors, the radius for providing certain goods and services has widened beyond the restrictions of administrative jurisdictions and geographical boundaries, greatly countering local protectionism and administrative segmentation. The rise of cross-regional online shopping has opened up new avenues for regional trade. Furthermore, Internet advertisements and livestreaming e-commerce on popular platforms such as Douyin (the Chinese version of TikTok) and Kuaishou have offset the effect of local regulations on offline advertisements and reduced advertising costs, making it easier for people to learn about unique products and folk cultures that were previously

"hidden in the dark" and creating a large amount of new demand across regions. Furthermore, the digital economy has provided marginal regions and disadvantaged groups with jobs and business opportunities. Flexible non-farming economic activities with low thresholds, such as couriers, takeaway riders, influencers, livestreaming e-commerce, opening online stores, and running B&Bs, have created conditions for ordinary people in ORBAs to participate in the non-farming economy, tap and utilize local resources, achieve commercial development, and increase economic density.

4.2 Location: Comparative and Late-Mover Advantages and Potentials from Differentiation

During the revolutionary era, distinctive geographical characteristics in ORBAs provided the Red Army with a sanctuary to sustain and increase their strength, leading to the revolution's success. During China's industrialization process, this geographical advantage became a barrier to economic development. Given China's transition to ecological civilization and the post-industrial era, these geographical conditions have become a comparative and belated advantage in the revitalization of ORBAs. Tourists may be drawn to ORBAs because of their attractive environment, revolutionary tradition, and folk culture. From an environmental standpoint, ORBAs are situated in serene mountainous regions that are isolated from industrial development and devoid of any industrial pollution. Furthermore, the migration of local populations to coastal regions and provincial capital cities in search of employment has significantly reduced environmental pressure. Consequently, there has been a great deal of environmental restoration and conservation in ORBAs. The gorgeous "lucid water and lush mountains" that can be seen anywhere in ORBAs have become what urbanites view as a "poetic life on the distant land". Not only does the countryside provide a respite from the hustle and bustle of cities, but urbanites prefer and are prepared to pay a premium price for natural and green food cultivated in this beautiful environment, free of pesticides and hormones. ORBAs will attract individuals who are environmentally conscious and prefer green food. In terms of revolutionary heritage, ORBAs serve as natural museums for China's revolutionary history. With the rise of "red tourism", or tours of historical sites with revolutionary legacy, ORBAs have identified and retrofitted sites of importance to China's revolutionary history to attract visitors. In terms of folk culture, the majority of ORBAs are located in mountainous areas and along interprovincial boundaries, where ethnic minority or multiethnic mixed communities exist and traditional ethnic cultures are well preserved. Distinctive ethnic cultures and customs, as well as intangible cultural assets, provide a wealth of resources for ORBAs to promote eco-tourism, countryside tourism, and "red tourism". Last but not least, ORBAs have a late-mover edge in economic development. They have ready-to-implement experiences from economically vibrant regions in terms of industrial park development, growth drivers, and integrated urban-rural development. Furthermore, ORBAs can learn from and avoid repeating past mistakes such as "pollution before treatment" and the wasteful energy and resource-intensive development. Furthermore, technology spillovers from prosperous regions, together with institutional dividends, provide ORBAs with opportunities for green, sustainable, and high-quality developmentt.

4.3 Policy Support: Policy Preferences for ORBAs

Since the founding of the People's Republic of China in 1949, the Party and government have attached great importance to ORBAs due to their significant contributions to China's revolutionary struggle. Prior to the 18th CPC National Congress, the Chinese government issued special policy documents on strengthening work on ORBAs and exempting business income tax for commune and brigade enterprises in ORBAs, as well as generic policy documents on the management of development funds for underdeveloped regions. Overall, these policy preferences are fragmented, and no independent

policy system with top-down design and systematic policy support specifically for rebuilding ORBAs has emerged (Han and Liu, 2019). Since the 18th CPC National Congress, policy support for reviving ORBAs has steadily increased. In 2012, the State Council released the first systematic and specific policy paper on the revitalization of ORBAs, titled *Opinions on Supporting the Revitalization and Development of South Jiangxi and Other Former Central Soviet Areas*. During the period between 2012 and 2016, the "1258" policy framework was completed with the release of revitalization and development plans for the Shaanxi-Gansu-Ningxia, Jiangxi–Fujian–Guangdong, Dabie Mountain, Zuoyoujiang, and Sichuan–Shaanxi ORBAs. In early 2021, the State Council issued Opinions on Supporting the Revitalization and Development of ORBAs in the New Era. While making additional arrangements for the five important ORBAs in the previous stage, this policy document also made explicit policy arrangements for some other ORBAs, including Hailufeng, Hunan-Hubei-Chongqing-Guizhou, Taihang, Yimeng, Southwest Zhejiang, Qiongya, and the Hunan-Jiangxi border regions. As a result, the number of major ORBAs included in top-down design has risen from five to twelve, ushering in a new era of their complete socialist modernization. Meanwhile, the government has implemented a "1+N+X" policy system. "1" stands for the State Council's Opinions on Supporting the Revitalization and Development of ORBAs in the New Era. "N" refers to a series of implementation programs for revitalizing ORBAs through poverty reduction, infrastructure development, environmental protection, and "red tourism", including the *Revitalization and Development of Special Regions in the 14th Five-Year Plan Period* and the *Implementation Scheme for Supporting the Consolidation of Poverty Reduction Achievements in ORBAs through Rural Revitalization in the 14th Five Year Plan*. "X" represents a number of special policy preferences for ORBAs, such as the paired support program of central state authorities and institutions, ministerial-level policy support, development programs, and transfer payments. Furthermore, local governments have adopted policies, regional implementation opinions, and local plans for the development of ORBAs during the 14th Five-Year Plan period. These local policy preferences, combined with national strategies like rural revitalization, digital China, "red tourism" development, and ecological civilization, have provided ORBAs with a systematic set of policy dividends for revitalization and development.

5. 5D Pathway for Revitalizing ORBAs

In order to achieve revitalization and development, ORBAs must utilize their comparative and late-mover advantages, seize the window of regional opportunities, overcome spatial diseconomies, integrate into regional, national and global production networks, turn their comparative and late-mover advantages into competitive strengths, and seek continuous and dynamic upgrades. ORBAs should, therefore, focus on the five "Ds" and effectively improve local quality and spatial competitiveness for sustainable endogenous development.

5.1 Increasing Density and Promoting Agglomeration and Efficiency

As a salient feature in the socioeconomic development of ORBAs, "low-density" presents a barrier for ORBAs to unleash market potentials and increase economic concentration. In a vicious cycle, low density limits market potentials, which in turn discourages agglomeration and leads to a factor outflow that further reduces density. To revitalize ORBAs, therefore, a strategic option is to increase density by optimizing the spatial layout. Specifically:

First, encouraging population concentration. Where there are people, there is a market. A higher density of population means deeper social division of labor, greater market demand, more frequent

transactions, broader potentials for the secondary and tertiary industries, more jobs on offer, and greater attractiveness to residents from elsewhere. Therefore, we suggest that the government focus on the 20 cities in ORBAs across the country as growth drivers, expedite the integrated development of county seats, central towns and central villages through countywide urbanization, and encourage residents to migrate to the central hubs to increase population density.

Second, promoting industrial agglomeration. In ORBAs, the secondary and tertiary industries account for a modest share of the economy, and there exists such problems as unhealthy industrial structure, scattered distribution of enterprises, market misconduct, and obsolete technology. Current industrial development in ORBAs not only lacks competitiveness, but is inconsistent with the requirements of the "green mountains are gold mountains" theory for environmental protection. It is thus suggested that ORBAs develop industries through industrial parks, foster the industrial park economy and enclave economy, incubate specialized and sophisticated SMEs that produce new and unique products, encourage adjacent regions to participate in the joint development of industrial parks through institutional innovation, reduce the number and increase the level of industrial parks, and enhance the agglomeration of industrial parks and the density of industries and enterprises.

Third, encouraging intensive land use. Despite the poor population dispersion across a broad stretch of land, revolutionary base locations are typically located in hilly regions with few farmable land plots. Complex landforms and inefficient utilization of land resources have stifled economic development. As a result, ORBAs should expedite reforms such as the separation of land ownership, operation, and use rights, as well as the transfer of collectively owned land plots, improve the business climate, introduce and cultivate new agricultural business entities, and increase agricultural economies of scale. Meanwhile, ORBAs should attract tourists with natural landscapes, historical sites, and folk culture, as well as integrate tourism and agriculture to boost output density.

In a nutshell, ORBAs should take initiatives to raise population density, industrial agglomeration, output density, and market potential in order to improve agglomeration and realize endogenous sustainable development.

5.2 Shortening the Distance and Accelerating Communication, Exchanges and Interactions

Thanks to continuous policy support, particularly since the 18th CPC National Congress and the poverty reduction campaign, ORBAs have made remarkable development in infrastructure, particularly transportation infrastructure. Despite major reductions in geographical and temporal distances, ORBAs remain beyond the 2-to-3-hour circle of regional central cities and provincial capitals, resulting in a significant relative disadvantage. It is suggested that ol revolutionary base regions devise novel strategies to reduce the "distance" and accelerate communication and exchanges.

First, ORBAs should continue to shorten geographical distances by improving the network of transportation infrastructure, including airports, high-speed railways, expressways and high-grade roads. In the construction of external corridors, it is suggested to link ORBAs with the trunk lines of national high-speed railways and civil aviation hubs, so as to shorten the geographic distance with central cities and provincial capitals. As for the construction of internal corridors, it is suggested to maximize the interconnection of expressways and high-grade roads, so as to facilitate commuting between key cities, county towns, central towns and central villages within ORBAs, and to shorten the geographic distances between the central nodes and residential communities.

Second, ORBAs should further reduce temporal distance. Within the same geographical distance, commuting time may vary due to different combinations of transportation modes. As a result, commuting

time can be reduced by optimizing traffic coordination and improving transfer efficiency. For example, high-speed railway stations may provide intelligent transfer service, with rolling display of the best transfer options for shuttle bus routes, ride-hailing service, taxi, and so on. At the same time, ORBAs should also provide convenient car rental services for the tourism industry, such as "red tourism", ecological and cultural tourism, and self-driving tours. Tourists should be able to complete transfer formalities at their fingertips and take the ride seamlessly.

Third, enhancing the effectiveness in the reduction of temporal and spatial distances. Instead of an end in itself, shortening temporal and spatial distances is the means to increase exchanges and integration between various factors of production. In addition, the government should create conditions, incentives and support to facilitate the flow of factors. For instance, it may attract national leading logistics enterprises, improve auxiliary facilities for cold-chain logistics, and establish standardized and transparent rules for market operations. As such, ORBAs should embrace openness, enhance communication, optimize business environment, provide effective support to businesses, and promote the internal and external exchanges and integration between factors of production.

5.3 Bridging Division and Increasing Integration

Within ORBAs, there exist significant interprovincial and urban-rural divisions in terms of infrastructure and institutional systems (for both factor and commodity markets). What is more, market fragmentation is also inconsistent with the requirements of developing a unified national market and promoting domestic and international dual circulations. In revitalizing old revolutionary base areas, it is essential to bridge division and increase integration. In this respect, our policy suggestions include:

First, integrating urban and rural development, and bridging infrastructure and institutional divisions between urban and rural areas. Given their modest levels of urbanization and public services, ORBAs generate limited spillovers on the countryside. Complex landforms and scattered communities across a broad range of mountainous terrain have increased the difficulty and cost for the construction of basic rural public service facilities, which are in short supply and of inadequate quality. Rural residents, who live at scattered communities with certain distances from county seats and central towns, cannot benefit from urban infrastructure and public services, resulting in an infrastructure division. In addition, we cannot overlook the implicit division between China's urban and rural factor market and commodity market, which stems from the traditional urban-rural duality, institutional systems for household registration, land and employment, as well as the associated public services and social welfare. Through new urbanization, therefore, the government should encourage population concentration and promote equal access to infrastructure and public services, deepen reforms and institutional innovations, and remove urban-rural institutional segmentation through the convergence and integration of urban-rural systems.

Second, enhancing coordination between administrative jurisdictions and removing infrastructure and institutional segmentations between jurisdictions, especially between provinces. Such segmentations can be evidenced in the lack of proper coordination for infrastructure planning and construction, as well as differentiation in policymaking and implementation, at interprovincial borders where most ORBAs are situated. For instance, there are dead-end roads and inconsistent toll fees at interprovincial borders, which constitute tangible and intangible barriers. In order to bridge infrastructure and institutional divisions across administrative jurisdictions, it is essential to step up cooperation and synergy between administrative regions, establish joint meetings, and turn the barriers of administrative jurisdictions into life circles and unified markets to expand market scale and enhance local market effect. For instance,

Longshan and Laifeng counties in the Hunan-Hubei-Chongqing-Guizhou old revolutionary base area fall into the jurisdiction of Hunan and Hubei provinces. The two counties are adjacent, and there is a straight-line distance of around 6 km between the two county seats, which are known as the nearest county seats in China. Over the years, however, such problems as the lack of bus service between the two counties and the existence of local protectionism for trade in goods and services had stifled the development of the two counties, restricting their agglomeration and scale. Subsequently, the two counties implemented an integration program for the construction of an interprovincial bridge, the opening of cross-county bus service, and the unification trade policies. These initiatives have removed interprovincial infrastructure and institutional divisions, turbocharged countywide integration, expanded the market size and potential, and significantly increased economic agglomeration.

5.4 Highlighting Differentiation and Increasing Irreplaceability

As the adage goes, "Fragrant wine needs no advertising". That is, customers are willing to pay a premium for high-quality, distinctive, and irreplaceable products and services. Quality, distinctiveness, and brand premium have grown increasingly important as China enters a new era of high-quality development. In ORBAs, there are numerous sites of China's revolutionary history, ethnic culture, ecological resources, and natural landscapes. Such differentiated comparative advantages present ORBAs with opportunities for revitalization and development. It is recommended that ORBAs emphasize their uniqueness and build feature industries in order to strengthen their irreplaceability, benefit from differentiation, and support high-quality economic development.

First, promoting "red tourism". ORBAs are especially notable for their revolutionary history, and are the best places to teach patriotism and Party character, which is a key aspect of China's socialist modernization and Party development. It is suggested that ORBAs identify, restore, and present local stories and sites of revolutionary history, develop "red tourism" products and brands, and provide education, training, capacity development, teambuilding, and summer camp services as part of the "red tourism" industry. The goal is to establish "red tourism" as an important industry in ORBAs.

Second, emphasizing environmental benefits and strengthening the ecological industry. Green development and ecological civilization are two key concerns in high-quality development. The abundance of ecological resources and enticing environment in ORBAs create perfect conditions for organic and feature farming, as well as intensive processing. It is advised that ORBAs investigate ways to transform green mountains into gold mountains, and that each county market a unique product. For example, several ORBAs have turned out well-known products, such as Moutai liquor from Zunyi, Guizhou, Jiugui Liquor and Golden Tea from Western Hunan Province, selenium-rich kiwifruit from Enshi, Hubei Province, and navel orange from South Jiangxi. Certain agricultural products, such as lilies, herbal medicines, berry tea, cattle, iron bone pigs, and black goats, lack adequate intensive processing capabilities. This has reduced the manufacturing, branding, and value-added of such products, as well as increased price volatility, underscoring the urgency of increasing competitiveness and efficiencies.

Third, promoting folk culture and tourism. ORBAs are rich in multiethnic cultures and well-preserved ethnic customs, many of which are considered intangible cultural heritage. An essential alternative for ORBAs is to expand the culture and tourism business by incorporating distinct ethnic cultures, scenic landscapes, and local ways of life and work. One such example is Zhushan Village in Fenghuang County, in the Hunan-Hubei-Chongqing-Guizhou old revolutionary base area, which has become a popular national tourism destination, known as the Fenghuang (Phoenix) Ancient Town. The local government, through the Fenghuang Tourism Development Group, has created a tourism complex

in Zhushan Village that includes well-preserved Miao ethnic architecture and traditional culture. Tourism has helped to promote ethnic culture as well as local economic growth.

5.5 Expediting Digitalization for Integrated Development of Virtual and Real Economies

With its "zero world, zero distance, zero cost, and zero boundary" characteristics, digital space has the potential to free human activity from the constraints of physical geographical space, which is critical for overcoming spatial diseconomies and relative inefficiencies in ORBAs. As a result, ORBAs should expedite digitization, merge the real and virtual economies, and close the digital economic and technological gaps with other regions.

First, exploiting possibilities from the "digital China" and "Internet power" strategies to compensate for digital infrastructure deficiencies, raise people's digital awareness, and reduce, if not eradicate, the digital division. The "digital China", "Internet power", and "Digital countryside" programs have reduced the regional division in digital infrastructure, making it more inclusive and generating greater externalities. With the growing popularity of smartphones, mobile Internet has enabled all individuals to access the Internet at their fingertips. Thus, ORBAs should take advantage of this opportunity and work to support digital infrastructure construction efforts. For example, they could request the designation of e-commerce demonstration counties and Taobao villages. Meanwhile, they should teach locals how to utilize the Internet, embrace the digital economy, and improve digital literacy through "learning by doing".

Second, vigorously developing the influencer economy, and promoting real-economy development through livestreaming e-commerce and other forms of virtual-real economic integration. According to research findings, farmer-turned livestreaming e-commerce anchors from China's western region were more effective in selling products, implying that livestreaming e-commerce is an appropriate form of marketing in underdeveloped regions (Liu et al., 2023). In ORBAs, agriculture, processing, culture and tourism, and other resource-based businesses account for the lion's share of the economy, with the majority of products being organic specialty. However, information asymmetry, high transportation costs, and long distances made it difficult for ORBAs to market their products. One approach is to create an influencer economy to promote the important history, gorgeous scenery, and folk culture of ORBAs, as well as publicize local enterprises and specialties to external consumers, in order to lessen information asymmetry. Influencers may boost customer loyalty by obtaining followers. Photogenic locations should be constructed to attract visitors to take pictures and share them in social media to promote local businesses and economies. The government should provide support, supervision, and standards for the influencer economy in order to assure its healthy and long-term development and retain public interest. Guzhang County, located in the Hunan-Hubei-Chongqing-Guizhou old revolutionary base area, is Hunan Province's smallest county, with a population of only 140,000. However, in this unassuming county, four rural craftsmen have amassed over 10 million fans on their social media account, resulting in a "Guzhang phenomenon" of the influencer economy.

Third, leveraging the role of digitalization in minimizing the adverse effects of "long distance, high division, and low density" and amplifying the positive effects of differentiation to mitigate the negative impact of spatial diseconomies. Indeed, ORBAs' spatial diseconomies can be considerably mitigated by shortening the distance, removing segmentation, increasing density, and emphasizing differentiation. However, relative inefficiencies remain as compared to major metropolitan areas. As a result, ORBAs should capitalize on the indirect effects of digitalization to further mitigate the spatial diseconomies, as well as overcome the disadvantage and dilemma of spatial diseconomies by integrating real and virtual economies.

6. Concluding Remarks

The revitalization of ORBAs is a key component of China's efforts to balance regional development and promote high-quality development for common prosperity. Over the past seven decades since the founding of the People's Republic of China, the Chinese government has always attached great importance to the development of ORBAs and extended continuous policy support without eliminating their backwardness. Since the 18th CPC National Congress, a series of policy initiatives to support ORBAs have formed the "1258" and the "1+N+X" policy frameworks, unveiling a new development stage for ORBAs. The question, however, is: What are the challenges and opportunities for the revitalization of ORBAs, and how should ORBAs tackle the challenges and embrace the opportunities? On the basis of the existing research, this paper has developed a "5D" analytical framework, identifying the spatial diseconomies stemming from distance, division, and density as key challenges for the revitalization of ORBAs. Rapid development of the digital economy, comparative and late-mover advantages, and the superimposition of policy preferences present great opportunities for revitalizing ORBAs. In this fortuitous setting, ORBAs should focus on the five "Ds" to increase density, shorten distance, bridge division, highlight differentiation, and accelerate digitalization, with a view to increasing spatial economic efficiencies and mitigating relative spatial inefficiencies. Moreover, we have put forth some preliminary suggestions for ORBAs to achieve those goals. However, this paper is focused on the revitalization of ORBAs at the macro and conceptual levels. Absent from this paper is a systematic comparative and empirical update of the revitalization of the 12 ORBAs, despite the discussion of some case studies. Moreover, no specific policy suggestions have been put forth for each ORBA. Subsequent research is expected to make up for these gaps.

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