

# SWOT Analysis of Economic Development in Baisha County, Hainan Province under the Background of the Free Trade Port

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**Abstract:** Baisha County in Hainan is the ecological core of the province, possessing its own strengths and weaknesses in economic development. The implementation of various policies related to the Hainan Free Trade Port presents Baisha County with unprecedented opportunities, while also posing challenges such as limited digital technology promotion and a shortage of talent. This paper conducts a SWOT analysis of the current economic development situation in Baisha County, outlining its advantages and disadvantages, and examining the opportunities and challenges for economic development in the context of the Free Trade Port. This analysis aims to assist the Baisha County government in identifying a development path that aligns with its unique characteristics.

**Keywords:** Baisha County, characteristic agriculture, SWOT analysis

Baisha County in Hainan has made significant efforts to lift itself out of national poverty and help farmers achieve prosperity. However, challenges remain, including inadequate infrastructure, unclear local characteristics, a lack of high-level talent, the absence of well-known brands, insufficient professional operating teams, and insufficient organizational innovation at the grassroots management level. With the momentum provided by the Free Trade Port and the construction of the Maritime Silk Road, it is essential to promote the development of characteristic agriculture in Baisha County and facilitate its green and healthy economic growth. Conducting a SWOT analysis of the current economic development status in Baisha County is necessary to identify problems in a timely manner.

## 1. Analysis of Advantages of Baisha County, Hainan Province

### 1.1 Abundant Natural Resources

Baisha County is rich in natural resources. In 2020, the area of tropical rainforest in Baisha County was 2.6779 million acres, with a forest coverage rate of 83.47%, making it the county with the highest forest coverage in Hainan. Over 57.9% of the county's land is included in the Hainan Tropical Rainforest National Park. In addition to this park, Baisha County also hosts the Bawangling Forest Nature Reserve, Meteorite Crater Forest Park, Bangxi Sika Deer Nature Reserve, Hongkan Waterfall, and Yinggeling Nature Reserve.

As the ecological core of Hainan, Baisha County has 30 rivers, including the Nankai River, Shilu River, and Zhubi River. It is the source of the Nandu River, Hainan's largest river, as well as the sources of both the Zhubi River and Shilu River, making it truly the "Source of Three Rivers." Baisha County is a key watershed area for the lower Nandu River and Songtao Reservoir, accounting for 73% of the water collection area.

Additionally, the county is rich in plant and animal resources, as well as mineral resources, with various rare species found in its nature reserves.

### 1.2 Favorable Climate Environment

Baisha County has a tropical monsoon climate, characterized by features of tropical mountain climates. It enjoys an annual sunshine duration of 2,075 hours, ample sunlight and warmth, and a pleasant climate, with an average annual temperature of 22.7°C and an average annual rainfall of 1,940 mm. In 2021, the PM2.5 air quality index in Baisha County was 14, with 350 days achieving or

exceeding secondary air quality standards, accounting for 99.7% of the effective monitoring days in the year.

Baisha County is renowned as the "World of Mountains, Source of Water, Ocean of Forests, and Hometown of Clouds," earning various accolades such as "National Sanitary County," "Top 100 Cities for Deep Breathing in China," "China's Most Beautiful County," and "Top 100 Counties for Spring Leisure in China."

### ***1.3 Support from Ethnic Autonomy Policies***

The overarching requirement for implementing the rural revitalization strategy in Hainan's ethnic areas is to promote "prosperous industries" in rural areas, achieve "wealth for rural residents," foster "civilized rural customs," enhance "ecological livability," and ensure "effective governance" through rural construction practices. Rural areas serve as the foundation for social stability. Implementing rural revitalization in ethnic regions is crucial for the economic and social development and stability of Hainan's ethnic areas, contributing to the overall goal of building a moderately prosperous society and a better new Hainan. Building a moderately prosperous society is a solemn promise our Party has made to all ethnic groups in the country and is an inevitable choice for advancing the modernization of socialism with Chinese characteristics.

As a mountainous county inhabited by ethnic minorities and the revolutionary base of the "Baisha Uprising," Baisha County has received substantial support from both the national and provincial governments. In 2011, the Hainan provincial government introduced preferential policies for urban and rural planning in minority areas and an implementation plan for the National Ecological Civilization Pilot Zone (Hainan), which includes economic development plans for the central mountainous areas, including Baisha County. These initiatives aim to protect the unique characteristics and historical context of villages while developing rural cultural tourism and homestay industries, thus paving a path for compound development that achieves both ecological protection and improved livelihoods for villagers.

### ***1.4 Rich Cultural and Tourism Resources***

In 1939, the Kuomintang authorities adopted a passive strategy against Japan, retreating to Wuzhishan while brutally oppressing local ethnic minorities and committing bloody massacres, pushing the people of Baisha to the brink of death. Against this backdrop, the large-scale armed uprising known as the Baisha Uprising erupted, aimed at fighting oppression and exploitation for freedom and liberation. The uprising held its ground for half a month under difficult conditions and achieved a significant victory, shaking the entire South China region. In the years that followed, the insurgents found their way to the Red Army, which stood for the poor, and ultimately joined the Communist Party. As the birthplace of the Baisha Uprising, Baisha County boasts a wealth of red tourism resources, including the Baisha Uprising historical site, Baisha Uprising Memorial Museum, Qiongya Special Committee, the old site of the Qiongya Column, and the Fulong Revolutionary Memorial Hall.<sup>[1]</sup>

As a Li Autonomous County, Baisha is one of the birthplaces of Li culture in Hainan. It is home to eight items of national and provincial intangible cultural heritage, including Li double-sided embroidery and bone hairpins. The county offers diverse folk tourism resources such as Li brocade, Li bone implements, Li song and dance, Li long table banquets, Li mountain orchid wine, and bonfire parties. Additionally, Baisha County hosts Li ethnic festivals such as the Third Month Festival and Water-Splashing Festival, providing tourists with strong engagement and immersive experiences.

## **2. Disadvantages Analysis of Baisha County, Hainan Province**

### ***2.1 Underdeveloped Infrastructure and Inconvenient Public Transportation***

Baisha County is located in the central mountainous region of Hainan, leading to a single external transportation mode primarily based on road transport, which is less efficient and more expensive compared to rail and water transport. Baisha is situated inland, without a nearby civilian airport, and the county does not have railway access. As the saying goes, "To become prosperous, a county must build roads." Since 2016, Baisha County has been committed to improving external transportation by increasing investment in infrastructure. Significant progress has been made, including the completion

of six major transportation poverty alleviation projects and the construction of the Danzhi Expressway starting on December 15, 2017. The S310 provincial road is being upgraded to a national road, and tourism service stations have been established along S310 in locations like Dan'an and Yuanmen. Various tourism service points have also been set up in towns like Qingsong, Xishui, Nankai, Jinbo, and Fulong, ensuring that roads leading to core scenic areas meet the standards of grade three roads or higher. By the end of 2022, connections from Baisha to Wuzhishan and from Baisha to Danzhou have been integrated into the highway network, while efforts are being made to open additional highways linking Danzhou to Lingao County and Wuzhishan to Sanya.

## ***2.2 Mountainous Terrain Adversely Affects Agricultural Production, Weak Economic Foundation***

Baisha County boasts a high forest coverage rate of 83.47%, making it the county with the highest forest coverage in Hainan. The terrain is primarily characterized by mountains, basins, and hills. Dense forests fragment arable land into irregularly shaped small plots, with narrow paths connecting them. This scattered distribution of small plots presents inherent challenges for developing modern, large-scale, and mechanized agricultural production. The limited applicability of agricultural machinery and significant climate impact on production lead to considerable income volatility for farmers, making it difficult to achieve substantial income increases. As an agricultural county in the central mountainous region, Baisha's GDP consistently ranks low among Hainan's sixteen major counties, similar to economic development patterns in Qiongzong and Wuzhishan. The county lags behind urban areas like Haikou and Sanya in education, healthcare, and social services.<sup>[2]</sup>

## ***2.3 Lack of Talent Necessary for Rural Revitalization***

Since the launch of the "One Million Talents to Hainan Plan" in May 2018, over 201,000 talents have been attracted to work in Hainan by November 2020; however, most of these talents are concentrated in cities like Haikou, Sanya, and Qionghai. Compared to urban areas, rural Baisha faces challenges in attracting talent. For instance, when developing the rural ecological tourism industry, many villages struggle with a lack of agricultural science and management professionals, failing to meet the substantial talent demand for rural revitalization. The existing rural talent in Baisha primarily consists of local villagers who are familiar with local dialects and conditions and have strong grassroots support. However, due to relatively poor educational conditions, most villagers have low educational attainment and limited specialized knowledge and skills. Moreover, Hainan's rural talent cultivation mechanisms are inadequate, hindering villagers from acquiring necessary skills and knowledge, resulting in underutilization of local human resources.

## ***2.4 Lack of Recognizable Local Brands***

In recent years, Baisha County has seen positive momentum in developing its specialty agriculture, with substantial cultivation of products like rubber, green tea, coffee, red-fleshed oranges, cherry tomatoes, and mushrooms. However, there are still very few local agricultural brands that are widely recognized among consumers, affecting product sales. The lack of brand recognition is mainly due to two reasons: first, the dispersed nature of agricultural production, where many villages do not establish uniform quality standards for agricultural products. For example, red-fleshed oranges should be categorized based on sweetness, size, and skin color, but without a standard, consumers may struggle to identify product quality, leading to disputes after purchase. Second, Baisha County has yet to fully develop its regional competitive advantages in agricultural sales. Relying solely on small-scale agricultural production will not create competitive local brands; instead, Baisha must leverage e-commerce to drive structural reforms in agricultural supply.<sup>[3]</sup>

# **3. Opportunities for Development in Baisha County, Hainan Province**

## ***3.1 Hainan's Free Trade Port Policy***

On June 1, 2020, the Central Committee of the Communist Party of China and the State Council issued the "Overall Plan for the Construction of Hainan Free Trade Port." The central government designates Hainan as "three zones and one center," positioning it as a pilot area for comprehensive deepening of reform and opening up in the new era, a national ecological civilization pilot area, a major strategic support experimental area, and an international tourism consumption center. Establishing the

Hainan Free Trade Port is a significant strategic initiative of the Party and the state, serving as a window to showcase China's confidence and determination to expand opening up and promote economic globalization. This development presents a major opportunity not only for Hainan's growth but also for Baisha County to enhance its local economy and improve residents' living standards. Baisha County can leverage the construction of the free trade port to develop specialty agriculture, create rural tourism industries, and promote the intangible cultural heritage of the Li ethnic group.

### ***3.2 Establishment of Rural E-commerce Platforms***

With the continuous advancement of the digital economy, various sectors have been influenced and impacted by e-commerce. In an effort to help farmers achieve poverty alleviation and prosperity, Baisha County has been promoting e-commerce development since March 2016. By 2019, the county's e-commerce transaction volume reached 120 million yuan, with over 580,000 agricultural products sold online and around 150,000 consumers purchasing Baisha's agricultural products. The county has also established more than 50 e-commerce service stations, with each of the 11 towns and 2 farms having their own service points. Furthermore, Baisha County has set up the first e-commerce industrial park in Hainan Province, launching 573 online stores, of which 203 are operated by households in poverty. Over 2,000 farmers are selling their homegrown products to consumers nationwide through these online stores.<sup>[4]</sup>

The establishment and development of e-commerce platforms can help farmers solve the problem of selling agricultural products. This allows the wealth hidden in the mountains to ride the "e-commerce express" and reach consumers across the country and even globally. Additionally, the growth of e-commerce platforms provides more employment opportunities and job openings for residents in Baisha County, enabling many to find entrepreneurial or employment opportunities close to home and reducing various social issues caused by the absence of family care for left-behind elderly and children.

## **4. Challenges Faced by Baisha County, Hainan Province**

### ***4.1 Updating Farmers' Mindsets and Improving Their Skills***

As a nationally designated impoverished county, Baisha has long suffered from economic underdevelopment and inconvenient transportation, resulting in a generally low level of knowledge and learning ability among its farmers. When faced with activities such as establishing and promoting e-commerce platforms, learning new planting techniques, or developing distinctive rural tourism resources, many farmers find their knowledge and capabilities limiting. Additionally, the mountainous terrain of Baisha restricts the flow of information, leaving many farmers with minimal exposure to new ideas and developments. Consequently, they struggle to break free from traditional mindsets regarding production concepts and methods, leading to significant resistance to change.<sup>[5]</sup>

### ***4.2 Talent Recruitment and Training***

The construction of the Hainan Free Trade Port has only just begun, and the comprehensive promotion of rural revitalization is gradually being implemented. Attracting talent to rural areas is crucial for solving talent-related issues. The saying "it takes ten years to grow trees, a hundred years to cultivate people" underscores that talent strategies cannot yield immediate results. They must be tailored to local conditions, addressing deficiencies in healthcare, education, income, and living costs to enhance the appeal of rural areas for high-quality talent. Emphasizing the practicality and tiered nature of talent development, it is essential to formulate precise, locally relevant talent attraction strategies that encourage individuals committed to rural revitalization to engage actively.

### ***4.3 Widespread Application of Internet Technology***

In January 2021, the Hainan Provincial Government released guidelines to accelerate rural modernization and promote rural revitalization. One goal for 2021 was to enhance rural industries through infrastructure, park integration, green development, and digitization. The aim is to seize the opportunities presented by the Hainan Free Trade Port's construction by integrating planning for the internet, blockchain, and big data across urban and rural areas, thus improving the layout of digital rural initiatives to facilitate effective implementation of rural revitalization strategies. For example, the

Hainan Provincial Government has encouraged the establishment of blockchain-based property rights transactions and many villages have developed their tourism platforms. Furthermore, collaborations with online influencers to promote agricultural products through live streaming have gained traction; for instance, a deputy director of the Hainan Provincial Department of Commerce sold over 1.15 million yuan worth of products in just 45 minutes during a live stream on June 11, 2020.<sup>[6]</sup>

Despite significant achievements in digital rural construction, Baisha faces numerous challenges in top-level design for digital transformation, underlying concepts, talent reserves, digital infrastructure development, and improving grassroots digital governance capabilities. These issues can be summarized as follows:

Firstly, there is an imbalance in development across regions; eastern Hainan has seen rapid advancement in rural informatization, while areas like Baisha in the central and western regions lag behind. For instance, rural areas near Haikou and Sanya have successfully leveraged urban brand effects to attract visitors, developing local signature products and thriving rural eco-tourism and agricultural technology demonstration parks.

Secondly, there is a shortage of digital technology talent. The large-scale application of digital technologies in Hainan's rural areas is contingent on the availability of relevant skilled personnel. However, many young individuals have opted to work in urban areas, leaving behind predominantly older adults and children in the countryside. Among those remaining, the proportion proficient in using computers and accessing the internet is relatively low.

## Conclusion

The greatest potential for building a Free Trade Port in Hainan lies in the rural areas, where the most challenging and arduous tasks also reside. By studying the advantages and disadvantages of economic development in Baisha County, we can analyze how to accelerate its economic growth, consolidate and expand the achievements of poverty alleviation, and promote the results of Baisha's characteristic agriculture across the province and even nationwide, effectively improving the living standards of Hainan's farmers.

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