

Research on the Relationship between Internet and Regional Economy: Based on the Allocation of Regional Economic Resources

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Abstract

In this paper, based on sorting out and analyzing the results of previous studies, this paper analyzes the relationship between the Internet and the regional economy from the perspective of regional economic resources allocation. Analysis of temporal and spatial evolution through the development of the Internet, the allocation of resources of regional economy and regional economy, and the relevance theory of economics from the micro perspective and macro perspective analysis and Research on the Internet and regional economic resources allocation. Finally, Empirical Study on the regional economic impact of different regions in China and the impact of the development of the Internet on different regions.

Keywords

Internet, Regional Economy, Resources

1. Introduction

Since 1980s Chinese started the construction of Internet, popularization and development in Internet has made tremendous achievements, according to the report” development of China Internet network data” show that as of December 2015, China’s Internet penetration rate has reached 50.3%, more than half. Although China’s Internet overall development time is short, but in the background of government support and the innovation and development of the Internet business, China Internet has gradually become the world’s largest Internet users at the same time, the largest number of the most extensive cross regional network.

In the background of the new economic norm Chinese upgrade and industrial transformation, with the fusion of Chinese Internet business and the Internet

and traditional industries depth trend, the Internet has begun to penetrate into the China economic society. Chinese in economic development have played a crucial role. Through special study on Chinese Internet development and the combination of regional economic development situation, we can analyze the relationship between the Internet and the development of regional economic research, especially the influence of Internet development on regional economic resources allocation.

In the world of information technology development trend, for the new economic norm China for future economic development and industrial transformation and upgrading of the source of power demand and verifying the relationship between the development of the difference of economic development between different regions and the information technology, the information technology industry and government support based on the Internet industry, especially the development of the “Internet plus” and the Internet industry. The future will be more powerful and its importance in the economic development will gradually strengthen. Therefore, it is necessary to study the development of Internet and regional economy. However, due to the development of the Internet for a short time, especially in the rapid development in recent years, the “Internet plus” has gradually attracted the attention of people. So there is little literature on economic development and the development of the Internet to make detailed research on China. In this paper, we hope that through the theoretical and empirical research, we will systematically study the following three questions, and provide some suggestions for the future development of China’s Internet and regional economy: 1) How much contribution to the economic development of the Internet or the importance of the Internet in economic development? 2) The impact of the Internet on the development of different regions of the economy? 3) The impact of the Internet on the allocation of regional economic resources and the impact of the Internet on economic development from this point of view?

Through the research, this paper can provide a theoretical basis and guiding some proposals for the development of the Internet industry and government economic development area. And to provide reference for the formulation of government information technology industry support policy and different regional economic development and regional economic resources. And it can narrow the gap of economic development among the areas.

2. Theoretical Background

The appearance of the Internet is the most significant invention in the 20th century and the allocation of economic resources of the new mechanism. Therefore, the popularity of the Internet will have an important role for the allocation of regional economic resources. At present, scholars study the impact of the Internet on the regional economy in the literature mainly along the traditional concept of the Internet, from different regional information resources on the regional economic impact of the point of view to study. Lei Zhang (2001) argues

that the core strength of the network economy is to increase the speed of information flow and reduce the cost of information, thus changing the cost structure and other characteristics of production, exchange, distribution and consumption [1]. Jian Liang (2001) argues that the network education resources provide a new way of learning for the people. It has a unique role: make the sharing of educational resources a reality, provide learners with the conditions for personalized learning, promote the socialization of education and learning socialization [2]. Angang Hu and Shaojie Zhou (2002) argue that the serious inequality in the distribution of global information resources and knowledge resources constitutes a new global gap between rich and poor in the information age, the growing “digital divide” [3]. Qiang Li and Qiang Liu (2014) argues that the “digital divide” in China is also manifested in urban and rural areas and regional disparities. The Chinese Internet in the current and future popularity of the object should be mainly rural population and the development of relatively backward areas of the residents. With the popularization of the Internet and the narrowing of the “digital divide”, it has been found that when the Internet is no longer an exclusive product of the rich or highly educated people. The popularity and application of the network is conducive to raising the welfare level of the socially vulnerable groups, Reduce social inequality [4].

In addition, some scholars have directly studied the relationship between the development and popularization of the Internet and the regional economic development. Xuan Chen (2001) pointed out that there is a de facto imbalance between the development of the Internet between regions and countries. It would influence economic development and the overall operation of social development [5]. Mingshuai Hou and Junya Li (2007) through the China Internet Network Information Center (CNNIC) 2005 survey data on China’s Internet development on regional economic development empirical analysis. The results show that a country or region to improve the level of Internet applications will greatly promote the country Or regional economic growth [6]. Pinwei Lu and Shuhuan Zhang (2007) based on the Bass innovative diffusion model, the regional differences of Internet diffusion in different regions were studied [7]. Zhaoxia Meng (2011) argues that the Internet can open up the scope of regional economic development, enhance the regional industrial structure and economic structure and narrow regional differences in order to achieve regional economic integration [8]. Juan Lin (2016) through the use of the Taylor coefficient, this paper examines the Internet penetration rate of 31 provinces and cities in China from 2000 to 2013 and explores the regional differences of China’s Internet by the convergence analysis model (β -convergence model) [9].

In the empirical study on the impact of the Internet on the development of the regional economy, the most commonly used is the basic econometric methods. Yue Zhang and Qi Li (2008) to build a production function model, the results showed that the capital stock and labor is the most important factor influencing the development of the regional economy and the Internet’s contribution is not significant, the Internet is becoming a new driving force to promote economic

development, with the development of the Internet to raise the level of its effect on economic development will increase [10]. After this, Yue Zhang (2010) used the Shanxi provincial data to prove it [11]. Qinghua Wang (2006) through the empirical analysis and the Grainger test proved that with the development of information technology. The digital divide China and the average level of the world are gradually shrinking. Trends of digital divide and Chinese economic growth presents an inverted “U” and the gross domestic product GDP is caused by the change of Grainger cause of digital divide [12]. Yu Liu (2010) according to the resource supply situation of Internet to build the Internet resource index, the index and the production function model to estimate the Internet from 2002 to 2009, the contribution to GDP growth rate based on the calculation results show that the economic contribution of the Internet on the rate of 0.0452% [13].

In addition, some scholars use the relationship between the spatial econometric model to test the Internet and regional economy, such as Juan Lin (2014) using the spatial weight matrix that the Internet will contribute to the local economy, the Internet penetration rate increases 1%, can make the regional economic growth of 0.03% - 0.06% [14].

3. Time Sequence of Internet

From 2006 to 2015, the number of Chinese Internet users increased from 137 million to 688 million. An increase of more than doubled and the Internet penetration rate increased from 10.5% to 50.3%. Have increased by nearly 4 times. According to **Figure 1**, we can see that in the past ten years, China’s Internet users have been expanding, but from the beginning of 2007, Internet citizens’ growth rate showed a downward trend. This trend shows that China’s Internet development speed is gradually slowing down. The main reason is subject to the education and knowledge level. For example, the majority of non use methods users do not understand the Internet, according to the report “development of China Internet network data” show that as of December 2015, there are 60% of non users don’t use the internet because they do not understand the internet or

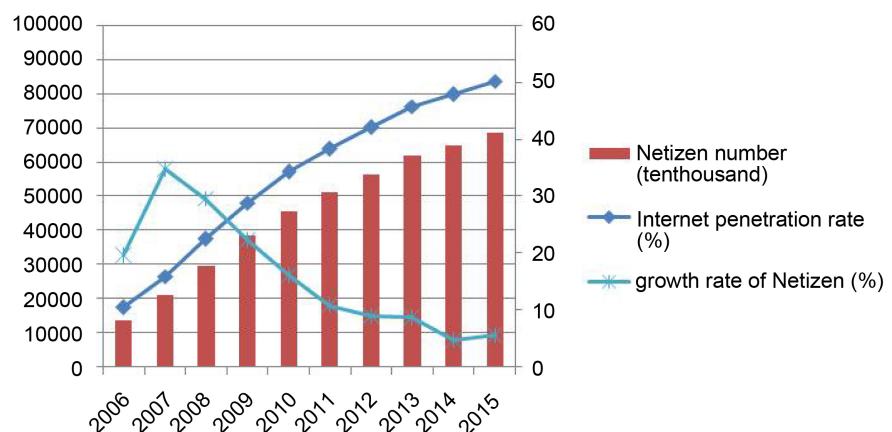


Figure 1. 2006-2015 Chinese Internet users, Internet penetration and Internet users’ growth rate. Data source: statistical report on the development of Internet in China.

do not understand the computer. And this part of the people in the future will not use the Internet. That is to say, the rapid development trended the Internet in the past ten years who are willing and have the ability to use the Internet have been wired. The widespread of the Internet in the future on the growth rate slow will become the norm.

Globally speaking, especially with the developed countries in the development of the Internet, China's Internet development level is still at a low level. According to data of the World Bank show that in 2015 the majority of Internet penetration in developed countries has more than 80%, while Canada, South Korea and other countries even more than the Internet penetration rate of 90%. Therefore, the last ten years, China's Internet has been rapid development, but there is still much room for development in the popularity and development of the internet. In the global information technology revolution driven the world in the future, whether it is economic development or social development will be inextricably linked with the Internet. So improving the penetration of the Internet will be an essential work. The key point to improve the Internet penetration rate is the education level. In the short term, the government needs to spread Internet knowledge, especially that originally does not have the ability of people using the Internet have the opportunity to learn and access to the Internet. In the long term, the knowledge of information technology into the education system, especially from the low education level to spread Internet knowledge, it can make a new generation of young people have a good foundation in the future, more adapt to the development of information technology.

4. Spatial Variations of Internet

Because of the differences between the different regional economic development level, the Internet infrastructure construction, educational level and regional Internet penetration rate, the digital divide is still obvious. From the view of website construction point, in 2015 China's eastern region construction sites accounted for 69.28%, while the website construction of the central region accounted for more than 18.01% and the western region accounted for only 12.71%. There are obvious differences between the construction of information technology in eastern and western regions. The digital divide phenomenon of the development of the Internet is still evident, but compared with the previous, the difference narrowing trend. As shown in **Figure 2**, the past ten years in the East and West, the penetration rate is showing a rising trend, indicating the development of the Internet industry has been rapid popularization and development among different regions in china. The development trend of the Internet in the East, middle and West also exist differences. From the perspective of the Internet penetration rate, between the East and the West in the spreading of the Internet although there is still a gap, but the gap is gradually narrowing. There are two aspects of gap narrowing. One is the East as the vanguard of China's reform and opening up, it's economic development is rapid and has relative advantage in the Internet infrastructure construction and cultural and educa-

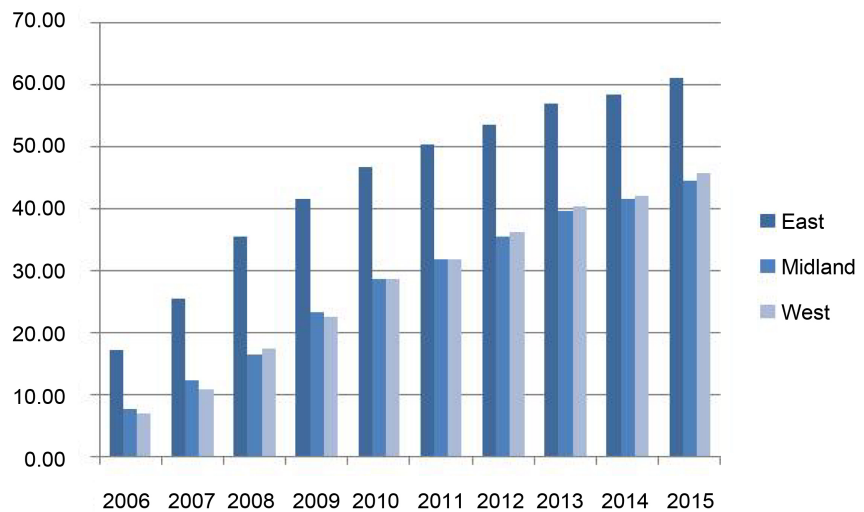


Figure 2. Internet penetration rate in East, central and Western China in recent ten years (%). Data source: statistical report on the development of Internet in China.

tional level, but after more than and 10 years of development. Gradually close to the bottleneck of the popularity of the Internet, while in the western region due to the development of a late start, there is still much room for development on the other hand. The eastern part of the Internet development from the development gradually to the “Internet plus” direction, from quantitative to qualitative change gradually the influence of innovation. Internet plus most of the region has a spillover effect, have the same effects on between the eastern and western regions, such as e-commerce, Alibaba in the eastern region to develop, but for the entire China has the same effect. Therefore, the Internet development gap between eastern and Western Chinese the area is gradually reduced.

5. Theoretical Analysis

In the era of information technology, the Internet plays the effect of improving and optimizing the social economic system of resource allocation structure. Then cause the change of traditional industry organization, information resource content between the internal and external various traditional industries are improved. In pursuit of the Internet brought about regional economic resource allocation changes in economic efficiency, economic resources allocation to the effect of cross regional flow through the internet. With the development of social progress and innovation of the traditional regional resource allocation will gradually unable to meet the current needs of the social economic system. Therefore, the basis for the allocation of resources between regions is bound to change, the Internet as a new way of economic resources, will play a crucial role in regional economic resource to configure. The market economy resource allocation mode and the traditional China through Internet and socialist market economy configuration are different. The main difference is reflected in the virtual market. The emergence of network virtual market to change the market structure of the market economy system of the original system, for trading in it

has the characteristics of cross regional integration, get rid of the constraints of time and information asymmetry. Such as the development of electronic commerce makes the domestic and international markets have been expanding. The set of regional economic resources together to form a unified market has become an important part of world economic globalization. In addition, in the era of information technology ,under the conditions of the industry between the economic structure of the traditional resource allocation are changed, the traditional industry structure of economic resources due to the limit of time and space, allocation of economic resources in the inter industry has its corresponding characteristics. And with the popularization and development of Internet, the information brought the revolution of science and technology of cross regional changes make the allocation of economic resources to expand the regional scope, economic resource allocation between industries with change. For example, in the era of information technology, due to the rapid development of e-commerce, logistics industry with rapid development, the traditional logistics industry because of the lack of economic resources of regional liquidity and higher prices caused by the lack of demand and other factors, are accounted for in the inter industry economic resource allocation proportion of small. But now the logistics industry by in the development of Internet and network virtual market, increase the flow of economic resources of the area between the logistics industry and the logistics industry needs to expand economic scale. The status of logistics industry in the inter industry economic resources occupied gradually worsened.

To sum up, the development of the information technology has caused profound changes in the allocation of resources. The traditional social block structure and hierarchical structure model will be gradually transformed into a multi network structure. And we gradually realize regional economic integration and the liquidity of economic resources in different areas are enhanced, thus forming a new pattern of economic resources. The interaction between the Internet and the development of regional economic development to a certain extent, the entity region and space plate formed on a substantial aspect, the economic resource allocation between region and region plays a change to a certain extent, due to the development and popularization of Internet Virtual Internet platform, not only in the internal region as a whole, but the connection between different regions as a whole. Therefore, in the area of economic resources allocation and configuration of the traditional way are different. On the other hand, the development of the Internet along with the economic globalization, the space pattern change behavior and make it become the economic network with liquidity and promote the formation of new flow space. This is the different network connection between the original region and regional block economic development model. The height of free and open Internet is gradually establishing a virtual network market and realistic material market combined with the market economy system, the market economic system will depend on the information network and the social reality, increase the economic resource distribution channel and expand the scope of economic resources allocation. The allocation of eco-

conomic resources has the diversity, forming a new equilibrium state of economic resources.

6. Empirical Analysis

This paper selects variables according to the past research on the regional economic development contribution factors. Focused on the choice of factors to promote economic development, capital and labor of the two traditional economic theories and considering the influence factors of technological innovation based on traditional theory. According to the research topic of this paper chose the Internet this explanation variable as a single factor. And consider the impact of regional industrial structure transformation and upgrading. Through the empirical analysis of the five factors which influence the regional economic development, the paper analyzes and studies the influence of the Internet on the regional economic development.

6.1. Data

This paper is mainly on the Internet impacts on the regional economy. So the amount of GDP from 2006 to 2013 China provinces of the indicators as explanatory variables, used to measure the regional economic development.

Capital (K): capital is an important factor affecting regional economic development of the traditional, whether in the industrial era or the information technology era, the capital is still an important part of production inputs. In this paper from 2006 to 2013 the provinces of the total social investment in fixed assets, with the perpetual inventory method to measure in the capital stock.

Labor force (L): the labor force is an important factor in capital of another traditional influence of regional economic development. The research chooses a number of employments from 2006 to 2013 provinces as a measure of the level of regional labor.

The innovation of science and Technology (A): technological innovation is an important driving force for economic development. In the past, technological innovation has been the subject of government and the attention of economists. In this paper selects internal R&D funds from 2006 to 2013 the provinces as a measure of the standard of science and technology innovation.

Internet development (I): the popularity of the Internet and the development of the impact of regional economic development is the theme of this study. With the development of information technology, the importance of the development of the Internet on the development of industry and economy gradually, in this paper from 2006 to 2013 the provinces of the Internet penetration rate as a measure of the development of the Internet standard.

The industrial structure (S): the industrial structure is the main control variables in this paper. The contribution of the primary industry and the secondary industry and the service industry to the economy is different. At the same time, China is in a critical period of industrial transformation and upgrading of the industrial structure changes will also be on the development of China's economy

have a greater impact. In this paper from 2006 to 2013 in the provinces of the third industry accounted for the proportion of GDP as a measure of the change of industrial structure standard (Table 1).

6.2. Panel Data Analysis

This paper mainly through the influence of multi factors on the regional economic development to measure and evaluate the impact of the Internet on the development of regional economy. Therefore, this paper is based on the new classical economic model are added on the innovation of science and technology, the development of the Internet, the industrial structure of the three elements as the empirical research model, model for concrete:

$$Y_{it} = F(K_{it}, L_{it}, A_{it}, I_{it}, S_{it})$$

where I is representative of time, t is representative of various provinces.

Based on above model, the deformation of the model using the Cobb Douglas function, has the following functions:

$$Y_{it} = K_{it}^{\alpha_1} L_{it}^{\alpha_2} A_{it}^{\alpha_3} I_{it}^{\alpha_4} S_{it}^{\alpha_5}$$

The natural logarithm of both sides of the function is obtained:

$$\ln Y_{it} = \alpha_1 \ln K_{it} + \alpha_2 \ln L_{it} + \alpha_3 \ln A_{it} + \alpha_4 \ln I_{it} + \alpha_5 \ln S_{it} + u_{it}$$

where u is the residual term.

In this paper, the panel data are used to test the regression model, which can effectively solve the problem of collinearity between variables. The use of Stata software combined with the model of panel data regression analysis. Considering the different regional economic development conditions and environment are possible there are different, in the empirical test, in addition to an empirical test for the country, for the China eastern region, middle region and western region of the empirical test results as shown in Table 2 show.

Table 1. Data source.

type	variable	unit	data source
Explained variable	GDP	0.1 Billion Yuan	China Statistical Yearbook
	the total social investment (K)	10 Thousand Yuan	China Statistical Yearbook
	number of employments (L)	10 Thousand Yuan	China Statistical Yearbook
Explanatory variables	internal R&D funds (A)	10 Thousand Yuan	Provincial statistical yearbook
	Internet penetration rate (I)	%	China Internet Development Statistics Report
	the third industry accounted for the proportion of GDP (S)	%	China Statistical Yearbook

According to the above empirical results, we can see the country, there are regional differences between influence factors of eastern region, middle region and western region economic development, while the contribution of the Internet on the regional economy is also gradually increasing.

6.2.1. The Development of Internet Has a Positive Effect on Regional Economic Development

In the country, eastern region, central region and the western region of the empirical test, the influence of Internet on economic development coefficient is positive coefficient. Indicating that the development and popularization of Internet has a positive role in promoting the development of regional economy, which is consistent with China's current situation of economic and social development in the in the study we have mentioned. Regardless of the Internet to solve information asymmetry, saving the cost of information from the micro perspective, from a macro point of view or to enhance the matching efficiency and scale effect of supply and demand, can effectively improve the efficiency of resource allocation of regional economy and the development of regional economy play a role. The empirical test the results are also consistent with the results of theoretical analysis, further proved that the Internet has a role in promoting the economic development in the region.

Although the Internet has a positive effect on regional economic development, but the factors affecting the development of economy is still not the most important factor in the verification of nationwide coefficient on the economic impact is 0.281, lower than the capital, labor and industrial structure influence on the economic transformation and upgrading. The reasons for the low impact of the Internet may have the following three reasons:

Table 2. Empirical results of China's national, Eastern, central and western regions.

	(1)	(2)	(3)	(4)
	Country	East	midland	west
lnK	0.558*** (12.36)	0.321*** (5.62)	0.503*** (7.34)	0.695*** (16.12)
lnL	0.522*** (12.15)	0.560*** (10.89)	0.301*** (5.81)	0.337*** (8.30)
lnA	-0.000873 (-0.10)	0.0951*** (3.89)	-0.00490 (-0.40)	-0.0143*** (-3.30)
lnI	0.281*** (5.73)	0.151** (2.03)	0.183** (2.63)	0.0590 (1.37)
lnS	0.692*** (6.65)	0.485*** (3.04)	-0.0559 (-0.27)	-0.576*** (-6.84)
cons	-8.203*** (-11.77)	-4.178*** (-3.82)	-2.440* (-1.88)	-3.913*** (-6.71)
N	248	96	72	80

t statistics in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

First of all, in the era of information technology, Chinese Internet industry has developed rapidly, but the original mode of economic development to the capital intensive and labor intensive still occupy the leading position, especially after twenty-first Century, Chinese has gradually become the world's second largest economy. With strong capital and economic base, is also the first in the world a country with a large population, therefore, capital and labor still occupies a very important position in China's economic development. The development will continue to maintain the status quo in the short term.

Secondly, the transformation and upgrading of enterprises is also an important factor in China's economic development. After the extensive mode of development, China is currently upgrading to intensive development mode of industrial transformation, this development model intensive can also greatly enhance the economic efficiency of resource allocation, therefore, the transformation and upgrading of enterprises in recent years, the development of regional economy in our country play a crucial effect.

Finally, after entering twenty-first Century, the development and popularization of the Internet in China has developed rapidly, has become the world's largest national Internet users, but on the whole, as of December 2015, China's Internet penetration rate is only 50.3%, which is only about half of the population using the Internet, compared with many developed countries, Internet the penetration rate is still low, which is caused by China's current Internet still is one of the most important factors of regional economic development, but also shows that China's Internet industry still has great development space.

6.2.2. There Are Differences between Different Regions in the Role of the Internet

Comparing the empirical results of different regions of our country, the influence coefficient of the national economy of the Internet is 0.281, the coefficients of the eastern region was 0.151, the influence coefficient of the central region is 0.183, while the western region coefficient is only 0.059. It shows that the Internet in the western region of Chinese economic development not to play the major role. The reasons are as follows:

First of all, compared to the eastern and central regions, geographical features of the Western China has the most area and at the same time with much land and few people, belonging to the mountains and highlands. The Internet infrastructure construction relative to the difficulty of the eastern and central regions is large. Therefore, in the aspect of the Internet and the Internet industry is relatively backward. The slow pace of development, therefore, compared with the eastern region and the central region. The western region have a greater impact on the development of the Internet is not the development of regional economy.

Secondly, western area educational level is generally lower than the eastern and central regions. People in the acceptance of the Internet than the eastern region and the central region is low, whether personal or business applications for the Internet rate is relatively low, which is one of the leading causes of Internet development in the western region not to the development of regional economy.

Finally, according to the empirical test results of the western region, the capital is the most influential in the economic development of the western region. In our country, the construction of a comprehensive well-off society goal, the eastern regional economy has gradually developed. The rapid increase of investment in the western region, the western region's economic development has played a key role, therefore, the western region depends more on investment and development, and the development and popularization of the internet.

6.2.3. Transformation and Upgrading of Industrial Structure and the Combination of the Internet Will Become the Future Trend of Economic Development

The transformation of industrial structure in the Chinese upgrade, the eastern region has gradually begun to transition to a high value of the service industry and in the current era of information technology, the development mode of Internet plus traditional industry is gradually changing the development trend of the industrial structure, according to the empirical results we can see that the transformation and upgrading of industrial structure has great role for the development of Chinese economy. At the same time, the Internet also gradually became the main driving force of economic development, from a long-term perspective. The upgrade in the future development of the Internet and the combination of "2 innovative industrial development model Internet plus traditional industry" will become the main force of future economic growth in the transformation of industrial structure China.

7. Conclusions

Since twenty-first Century, the development of the Internet has made great achievements in China. From 2006 to 2015 in the past ten years, Chinese Internet penetration rate rose from 10.5% to 50.3%, becoming the world's largest national Internet users. But in the developed countries there is still not a small gap, popularization and development of information technology in terms of the internet. China still has a long way to go.

The rapid development of the Internet has brought new impetus to regional economic development in China. From the micro perspective, the Internet mainly by reducing the information asymmetry between regions and different regions will be connected as a whole. Enhancing the efficiency of scale economy of enterprises in the region should be so as to enhance the efficiency of resource allocation and promote the regional economy. From a macro point of view, the Internet is mainly by reducing information cost, transportation cost and logistics cost. Also it can enhance the role of regional factor endowment theory and the economic efficiency of resource allocation between regions, promoting economic development. Secondly, the popularization and development of Internet improve demand and supply, and balance regional economic fluctuation effect.

Although Chinese Internet industry has developed rapidly, but there are obvious imbalance in regional development, between the eastern central and western regions in the geographical environment and the level of education there ex-

ist regional differences, so the regional characteristics of Internet development is rapid development of the eastern region, has obvious gap with the central and western regions, the difference between the central region and the western region is relatively not so obvious, in addition, with the development of the Internet from the east to the west, the East and the west gradually narrowing the gap.

In this paper empirical test, through regression analysis on panel data from 2006 to 2013 China provinces, verified in the country, eastern region, central region and western region between four different regions, differences in the impact of the Internet on the development of regional economy and regional. Through the empirical test results show that in four different regions the Internet has a positive role in promoting regional economic development, in accordance with the reality of social and economic activities, also accord with the results of theoretical analysis. At the same time, the capital from different regions of labor, science and technology innovation, the Internet and the transformation and upgrading of industrial structure five the main effects on regional economic development factors comparison, draw the following conclusions: in the national scope, capital and labor is still the main driving force of economic development, accompanied by the adjustment of industrial structure in China. And gradually to the high value of the third industry, the transformation and upgrading of industrial structure has become the main factors influencing the regional economic development. In the information technology revolution, the impact of the Internet on the development of regional economy is gradually expanding, but still not the main factors of the development of the eastern region. The situation is similar with the country. The main difference lies in the influence of eastern capital on regional economy is relatively small, this is because in the eastern region has gradually realize the transformation and upgrading of industrial structure, gradually change the original capital accumulation to promote economic development in the central region compared with the national model. The main difference is industrial transformation and upgrading of the central region did not bring impetus to regional economic development. The main reason is the transformation in Chinese industrial upgrading in the central region. The absorption is mainly composed of the relocation of the eastern coastal areas and the second industry is not the local third industry that has increased significantly, therefore, industry upgrade did not cause much impact on the central regional economic development. Compared with the western region, due to policy factors, other regions mainly in the capital oriented economy. Secondly, due to the geographical location for the western region, the construction of the Internet infrastructure is relatively backward. Therefore, the impact of the Internet on the economic development of the western region is relatively small.

As the domestic Internet-related data statistics started late and the data available for the study may be shorter, resulting in research results prone to errors in the future. As the data continues to increase, the results will be more reliable. In addition, because the Internet plus is only in recent years began to develop, the Internet and the traditional industrial structure of the combination of data is

currently missing. Therefore, for the future of the Internet on the impact of regional economic development conclusions may change.

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