

The Path of Industrial Transformation and Upgrading under the Background of Deglobalization

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Abstract: At present, the economic growth and employment situation in various countries are severe, and the international security situation and global governance are not optimistic. All countries have adopted corresponding industrial and trade policies to adjust. This directly reflects the understanding and policy choices of countries on economic globalization, whether they should continue to promote globalization or turn to "deglobalization." The topic of globalization has become the focus of world public opinion. In the context of the trend of "reverse globalization" and the continuous rise of trade protectionism, how to achieve industrial transformation and upgrading in various countries is an important issue worth considering. This article starts from the background of inverse globalization, through combing the process of globalization and analyzing the causes of inverse globalization, the four paths of industrial transformation and upgrading in the new era of globalization are obtained, that is, to develop industries with national or local roots The governance system of the market economy, improve the property rights system and create a community of industrial interest development.

1. Introduction

The development of globalization has always been accompanied by counter-globalization. As the opposite of economic globalization, "deglobalization" refers specifically to the phenomenon of market subdivision at different levels and in different forms that occur after economic globalization has progressed to a certain stage. In the new era of globalization, it seems that developed countries choose to "close doors and avoid risks" to avoid the risks brought about by globalization and develop the domestic real economy, which is not the case. The reason for such a choice is actually due to the great changes in the international competition landscape[1]. Under the new situation, developed countries are thinking about how to make their industries still occupy a favorable position, and how to carry out effective national economic and economic development in the new era of globalization, social governance, and even global governance[2]. In addition, for developing countries such as China, the rapid expansion of the industry in the trend of economic globalization and the use of low-cost resources to vigorously develop labor-intensive and resource-intensive industries have led to market saturation of some products. The problem of overcapacity restricts economic growth.

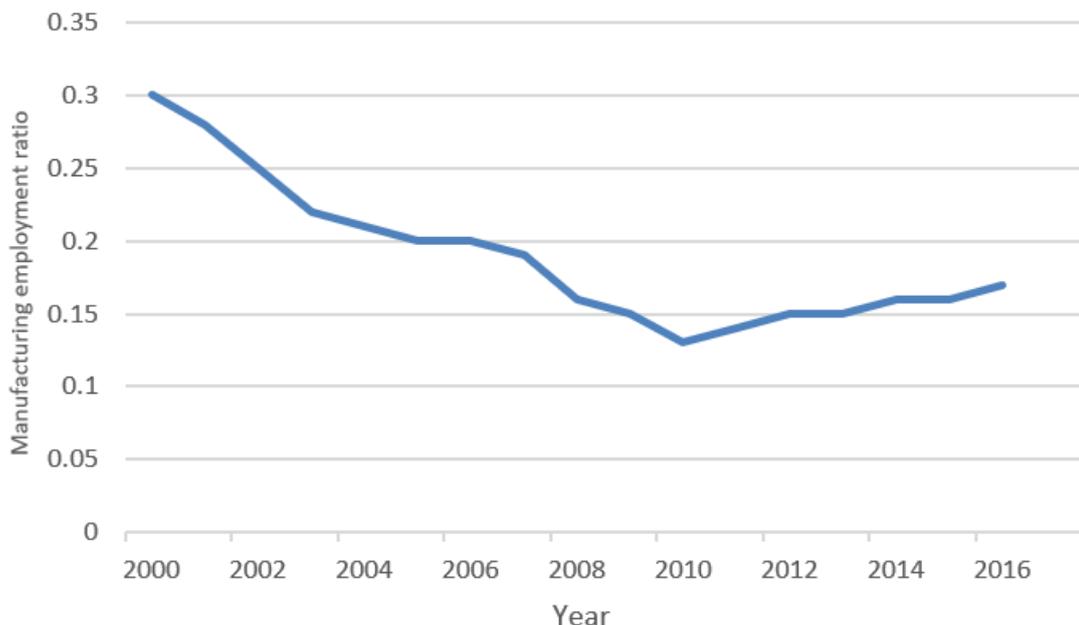
In the context of rising "deglobalization" doctrines, both developed and developing countries are faced with the important issue of industrial transformation and upgrading. Developed countries hope to revitalize manufacturing and implement re-industrialization. China focuses on supply-side structural reforms to enhance the level of innovation and development vitality of the real economy; more developing countries hope to participate more in the international division of labor, speed up the development of the country's industrialization and realize economic modernization[3]. Therefore, in the new era of globalization, how to promote industrial transformation and upgrading is a common global issue.

2. Reasons for Deglobalization

The current overall stage of human development is still in the period of industrialization, and economic globalization is an inevitable trend of industrialization. Economic globalization advocates free trade, promotes the full flow of production factors internationally, and promotes the rapid development of the world's industrial structure [4]. However, globalization is not perfect. In the early days of industrialization, hegemonic countries promoted globalization by plundering the resources of backward countries, which had a huge negative effect on the national industries of backward countries. Therefore, backward countries usually take protective measures to resist globalization in order to defend national sovereignty and interests.

With the continuous advancement of industrialization and globalization, the world's industrial structure and international competitiveness have undergone great changes. On the one hand, developed countries continue to build high-end professional industrial ecology with the help of international industrial transfer advantages, but ignore the phenomenon of "hollowing out" of industrial bodies and seriously weaken their leading position in industrial technological innovation[5]. On the other hand, developing countries such as China are actively integrating into the trend of economic globalization, the economy is growing rapidly, the international status is constantly improving, the comprehensive strength has been greatly improved, and the industrial system shows strong support and integrity, and can fully play the role of international The comparative advantage in the competition even makes the industrialized countries daunted[6]. As a result, some developed countries began to question globalization, put forward a "reverse globalization" claim, and even adopted anti-globalization policies in certain areas. Under the banner of maintaining free trade, they often use anti-dumping and anti-subsidy clauses to continuously impose trade barriers on the import industries of countries such as China[7]. The reason is only to protect their own interests. This kind of anti-globalization claim, after some beautification, can often get the support of the domestic people and be translated into practical policies, such as Brexit and the US "trade war". The specific development stages of globalization are shown in Table 1.

Figure 1. U.S. manufacturing employment continued to decline from 2000 to 2016



Source: U.S Bureau of Labor Statistics

Table 1 Globalization hierarchy and characteristics

Globalization stage	Start of phase
The 19th century to the middle of the 20th century	First Industrial Revolution
The middle of the 20th century to the beginning of the 21st century	Second industrial revolution
Early 21st century to present	China joined the World Trade Organization

3. The Path to Promote Industrial Transformation and Upgrading

In a sense, "deglobalization" is an inclusive confrontation against the process of globalization. As the phenomenon of abstraction in the process of globalization impairs its tolerance, it will lead to the phenomenon of "anti-globalization" and even social movements.

3.1 Development of Industries with National or Local Roots

In the new era of economic globalization, the mobility of factors has greatly improved between countries and between regions and regions. Both countries, regions and enterprises must take corresponding measures to deal with the high mobility of factors. A country and region also need to think about its position in the division of labor in the global value chain, and think about the external allocation and local retention of industries and industrial links[8]. In simple terms, the key point of industrial transformation and upgrading lies in the development of industries with national or local roots. In the current development process of China's industry, the problem of low industrial rooting is becoming more and more prominent[9]. In order to solve this problem, we can proceed from two angles of technological innovation and labor adaptation.

First, technological innovation can promote industrial transformation and upgrading and expand the industrialization space. The direction of technological innovation is not to replace traditional industries with new industries, but only to develop high-tech industries, but to use high-tech to transform and upgrade traditional industries while promoting the development of new-technology industries. In other words, industrial transformation and upgrading is not simply "abandoning the old and welcoming the new", but to make the industrial ecology healthier without giving up.

Secondly, in addition to relying on technical support, the transformation and upgrading of the industry is also inseparable from labor adaptation, that is, to achieve more effective employment structure reform and international allocation of human resources. With the continuous deepening of economic globalization, the flow rate and efficiency of labor resources are increasing. Workers, especially high-quality workers, have more abundant choices in enterprises and positions. Talent management puts forward higher requirements. In the new era of economic globalization, the speed of industrial upgrading is significantly faster than the speed of labor's skill upgrading, which leads to the "career stickiness" of some laborers, that is, when the original professional skills are converted into new professional skills. The low degree of matching and adaptability of workers' occupational skills to industrial development also explains why some developed countries are experiencing "reverse globalization". Therefore, in the context of the rise of anti-globalism, how to bring into play the effectiveness of various human resources is of great strategic importance.

3.2 Optimize the Governance System of Market Economy

In the new era of globalization, industrial transformation and upgrading should be carried out in a more inclusive direction. This inclusiveness is reflected in the consideration of the interests of all parties and minimizes the loss of interests of related parties. The most important way to achieve inclusiveness is to optimize the governance system of the market economy[10]. For example, the expansion and contraction of industries are not smooth and reversible in real-life scenarios. For example, the construction of rural areas is transformed into cities and cities are transformed into rural areas. The land is changed from agricultural to industrial and industrial land to agricultural land. These are not completely reversible as assumed by the market economy theory. The market is

an "invisible hand" and plays a decisive role in the allocation of resources, but it is also inseparable from the "tangible hand", that is, government supervision and appropriate policy guidance are required, otherwise the interests of related parties will be damaged. In the process of globalization, industrial development involves different countries and different interest groups. The correlation between them is high and the interest relationship is complex, but the reversibility is low. This requires an effective governance structure.

3.3 Improve Property Rights System

Improving the property rights system is one of the most important ways to promote market transformation and an important condition for achieving Pareto improvement of the overall economy. In the process of future development, the following methods can be followed to optimize the structure of the market body.

First, it is necessary to dig deep into the subject of property rights, clarify power under the existing economic framework through level analysis, and discuss the actual nature of property rights development based on the disposal and use of benefits at various levels, and concentrate on capital transformation, upgrade property rights with knowledge and services as the center, discuss the stimulation of marginal value to the enthusiasm of the production subject, and stabilize the property rights of the agricultural industry, and increase the property rights of the tertiary industry to stimulate the creative subject.

Secondly, in the process of clear property rights, we must continue to cultivate the property rights market, that is to say, to build a multi-level and fully covered property market through the flexible mobilization of the capital market. This management method can plan for extensive management in the past. Through elaborate transactions, elaborate construction, and clear market circulation methods, the development of the market can move towards standardized and standardized channels, and in a more stable manner to promote the reduction of agricultural management rights, transform differences, and promote long-term investment in agriculture.

Thirdly, during the development process, it is also necessary to reduce the operating costs of the enterprise, and to promote the transformation of the enterprise development model through further tax reduction and fee reduction. The government must provide a good external environment for the development of the enterprise[11]. Through its own macro-control policies, it can reduce various development costs of enterprises, optimize business environment indicators, and improve the competitiveness of enterprises in the domestic market and the international market. Further simplify government and decentralization, and promote the upgrade of indirect tax to direct tax through the transformation of various systems.

3.4 Building a Community of Industrial Development Interests

Under the situation that the idea of "reverse globalization" keeps rising and trade protectionism keeps rising, the transformation and upgrading of industries requires new thinking of global governance. The international industrial competition strategy should be based on building a community of interests and forming a supply and demand coordination mechanism for industrial development. Taking China as an example, China has made great achievements in industrial development, and proposed the "Belt and Road" initiative in response to the international situation. This initiative is not only for self-interest considerations, but also an international plan to promote the transformation and upgrading of industries in various countries. China aims to carry out supply-side reforms, develop the real economy, and solve zombie enterprises, and countries and regions along the "Belt and Road" are also facing their own industrial transformation and upgrading tasks. Therefore, based on the "Belt and Road" framework, how to promote the inclusive industrial development of various countries, create a community of industrial development interests, and achieve mutual benefit and interconnection are important measures for industrial development in response to "reverse globalization". This initiative embodies the essential characteristics of a market economy and industrialization: only benefiting others and other countries can expand its own development space and profit opportunities, because without the expansion of demand, there is no

increase in supply. Under such a globalized background, sustainable industrial development is the only way to realize the community of human interests and the community of destiny.

Conclusion

In general, we should objectively understand the phenomenon of "reverse globalization" in the new era of economic globalization. Globalization is an irresistible megatrend in the world. Despite difficulties, twists, and resistance, major countries in the world will not form a serious confrontation between globalization and "reverse globalization." The industrial transformation and upgrading of various countries determined by the world industrial competition pattern can only be promoted in the general trend of globalization. "Inverse globalization" is not a feasible way out. All countries in the world will eventually recognize this inevitable choice of industrialization. Of course, as the industrial development of various countries is affected by various domestic complex factors, not only can all problems be solved as long as it is integrated into globalization, and industrial transformation and upgrading can be smooth. From this perspective, the policies of various countries to deal with globalization are not mainly international policies, but domestic policies; they are not mainly international market rules, but firstly domestic market rules. Only when products, elements, funds, information, etc. can flow freely and compete fairly at home, can it be imagined that they can flow freely and fully compete internationally and globally, and industrial development can truly achieve continuous optimization and innovation in the globalization landscape and maintain its continuous competitive advantage.

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