# Research on the Interactive Relationship between Regional Economy and Industrial Upgrading

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Abstract: The relationship between industrial upgrading and regional economic development has always been a hot topic in regional economics research. However, the current research focuses on the mechanism of industrial upgrading to regional economic development. The mechanism of regional economic development on industrial upgrading has not been thoroughly explored. The paper uses existing research literature to construct an interactive framework for industrial upgrading and regional economic development, and then analyzes various mechanisms of industrial upgrading and regional economic development. The analysis results show that there are two interaction mechanisms between industrial upgrading and regional economic development: First, industrial upgrading promotes regional economic development through structural optimization, quality improvement and value conversion; second, regional economic development will be from economic growth, economic structure and the economic quality level promotes regional industrial upgrading. Since these two interaction mechanisms coexist, in the process of developing regional economy, it is required to consider the interaction mechanism between industrial upgrading and regional economic development to simultaneously promote the transformation and upgrading of industry and regional economy.

### 1. Introduction

In recent years, as a new growth point of the national economy, the creative industry has been widely valued by local governments, and actively promotes the development of creative industries through creative industry development planning and development of strategic policies, and promotes the local economy. However, the creative industry still faces many practical problems and inherent contradictions in the development process has not been alleviated. Most of China's regions are still in the initial stage of the development of creative industries. The related effects and ripple effects of creative ideas, creative design and other factors on other industries have not yet emerged. In the face of the imbalance between economic achievements and cultural development, the imbalance between economic development speed and industrial structure, the mismatch between economic growth and regional economic development, and the regional differences in the development of creative industries, this paper will break through the economic phenomenon itself. Look for the limitations of economic growth, explore the regional environmental factors behind economic development, explain the dynamics and sources of regional economic development and transformation from the perspective of creative industry development, explain the interaction mechanism between creative industries and regional economic development, and promote Coordinated symbiosis between creative industries and regional economic development.

## 2. The promotion of industrial upgrading to regional economic development

Industrial upgrading will change the direction of production factors. One is that under the guidance of excess profits, production factors are transferred from low-profit industries to high-profit industries, and the other is that, driven by market competition, production factors move from inefficient enterprises to high-efficiency enterprises. Under the guidance of these two elements, the industrial upgrading is reflected in three forms. (1) Adjustment of industrial structure. According to the industrial sector, structural adjustment is the transformation process of industrial structure

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from "one, two, three" to "two, three, one" to "three, two, one"; from the perspective of product use, structural adjustment is the industry from light industry. The process of transforming heavy industry into technology and knowledge-intensive industries. (2) Improvement of industrial quality. The industrial sector transforms the combination of factors in the industrial sector through the method of intensive production factors, seeks efficient allocation of production factors, and produces products that meet market needs. (3) Industrial value conversion. The industrial sector takes advantage of the comparative advantages of production factor endowments, and uses high-precision technologies and processes to manufacture products with high technical content and added value, and enhance the position of the industry in the industrial value chain and industrial division system. These three industrial upgrading patterns all affect the development of regional economy with different economic transmission mechanisms.

The rationalization of industrial structure reflects the degree of coordination between industries, and also reveals the effective use of production factors, and measures the coupling degree of input structure and output structure of production factors. The rationalization of industrial structure includes not only the scale coordination of industries, the coordination of association degree and the coordination of development speed, but also the coordination of output value structure coordination, technical structure coordination and coordination of intermediate element structure. In terms of promoting regional economic development, from the perspective of the status and role of industry in the regional economy, the regional economy must continue to develop. It is necessary to adjust the structure of leading industries, auxiliary industries and basic industries, and rationalize between leading industries, auxiliary industries and basic industries. Relationships, cultivating leading industries, developing auxiliary industries, consolidating basic industries, and forming leading, auxiliary and basic industries into closely-coordinated division of labor organisms, thereby combining the synergies of leading industries, auxiliary industries and basic industries to promote the steady development of regional economies. The most important thing is that compared with auxiliary industries and basic industries, the growth rate and growth flexibility of leading industries are very large, which contributes the most to regional economic development. Therefore, in the process of developing regional economy, it is necessary to develop new or high-level leadership. Industry, innovation, leading the industry's technology, production, organization and management methods, improve the total factor productivity of regional leading industries, and enhance the vitality of regional economic development. From the perspective of the industrial sector, increasing the share of the primary industry in the regional economy will increase the size of the regional economy, but it is impossible to increase the income level of labor and capital, and expand the proportion of the secondary industry in the regional economy, which will not only increase capital. The production efficiency, improve the marginal income of capital owners, can also reduce the productivity of labor, reduce the marginal benefits of laborers, and finally open the income gap between capital owners and workers, affecting the coordination of regional economic development. degree. However, increasing the proportion of the tertiary industry in the regional economy may reduce the scale of the regional economy, but it can improve the productivity of the labor force and increase the marginal benefits of the workers. Therefore, compared with the first and second industries, the tertiary industry can restrain the income gap between capital owners and workers, but narrows the growth scale of the national economy. Therefore, to maintain steady growth of the regional economy, it is necessary to change the production structure and production mode of the primary industry, transform the production structure and organizational form of the secondary industry, optimize the production layout and development scale of the tertiary industry, and coordinate three times in the economic operation process. The proportion, speed and scale of the industry, enhance the coordination and coupling of the development of the three industries.

## 3. The promotion of regional economic development to industrial upgrading

Regional economic growth is the primary condition for industrial transformation and the fundamental driving force for industrial upgrading. Investigating the role of regional economic growth in promoting industrial upgrading is to analyze the mechanism of regional economic growth

affecting industrial restructuring, industrial quality upgrading and industrial value conversion. Although industrial upgrading is related to factors such as technological advancement, improvement of labor quality and accumulation of physical capital, regional economic growth determines the path and mode of industrial upgrading. Regional economic growth has prompted the transfer of human, capital, technology and other factors from the primary industry to the second or tertiary industry. This is the transformational feature of industrial upgrading itself. Moreover, regional economic growth will also lead to the accumulation of population, capital and technology, thus creating the conditions for industrial upgrading. In addition, with the regional economic growth, the transformation of the social and economic structure has also affected the industrial upgrading. (1) Regional economic growth has increased the level of industrialization, thereby enhancing the development momentum of the primary industry and improving the development level of the tertiary industry. (2) Regional economic growth has improved the level of urbanization, attracted the surplus labor of agriculture, and provided labor resources for industrial upgrading.

Changes in market demand, technological progress, changes in income, and changes in fiscal revenues and expenditures caused by regional economic growth will reduce the proportion of the primary industry and increase the proportion of the secondary and tertiary industries. When the proportion of the second and third industries is gradually increasing, the rationalization and high level of the industrial structure will also increase, thus promoting the transformation and upgrading of the industry. (1) Regional economic growth has expanded the market demand scale and transformed the market demand structure, which has stimulated the output of the industry, optimized the output structure of the industry, and promoted the rationalization of the industrial structure. (2) Regional economic growth provides capital and other support for technology research and development and innovation, which further improves the technical level of the industry and enhances the technical content and added value of industrial products. (3) Regional economic growth has increased the disposable income of residents, and increased the proportion of residents' development and consumption in total consumption, which in turn promoted the development of the tertiary industry and improved the level of industrial structure. (4) Regional economic growth has also expanded the level of government fiscal expenditure, thereby reducing the rate of decline in the marginal revenue of capital, guiding social capital to participate in industrial transformation and upgrading to optimize the capital structure of the industry. (5) The industrialization and urbanization driven by regional economic growth have caused the development and aggregation of the second or tertiary industry, thereby improving the coordination and coupling degree of industrial clusters, giving play to the sharing, matching and learning effects of industrial clusters. The organizational capabilities of the industry.

The supply structure is the ratio of the effective productivity of the market to the products and services that can be consumed in the market. Since the supply structure is closely related to market demand, its role in industrial upgrading is through market mechanisms. (1) According to the principle of adaptability, the industrial sector should produce or provide basic consumer goods suitable for market demand, and optimize the product variety structure and increase the added value of products according to the diversity of consumers and high-quality consumer demand to enhance the industry. Quality. In addition, the industrial sector should also play its own independent innovation advantages based on strategic principles, continuously research and develop new products, design new appearances, lead the market demand trend, seize the high-end position of the industrial value chain, and enhance the industry's leadership. (2) According to the overall demand of the market and the development trend of the industry, the industrial sector will eliminate surplus and backward industries and enterprises, and guide the production factors to high-tech industries and enterprises with high market potential, high technical level and good product quality to optimize The allocation of industrial production factors, to supply new products and services in line with market demand. (3) Regional economic development will inevitably increase the consumption level and quality of consumers. This requires the industrial sector to introduce new technologies, optimize new processes, build new formats, and continuously produce new products with high levels, good quality, good brands and low prices. In order to increase the effective supply of the market, to meet the consumer demand for high value-added products, and ultimately enhance the value of the industry.

### 4. Conclusion

Since the 1980s, the major industrial countries in the world have set off a wave of industrial transformation and upgrading for the third time. They are trying to enhance the core competitiveness of the industry by promoting high-end industrialization, industrial chain integration and industrial sector agglomeration. Sustainable development of the regional economy. For this process, economists pay more attention to the mechanism of industrial upgrading to regional economic development, and have not fully analyzed the impact mechanism of regional economic development on industrial upgrading. Therefore, in order to present the interactive relationship between industrial upgrading and regional economic development, this paper first constructs the interactive framework of industrial upgrading and regional economic development, secondly analyzes the promotion mechanism of industrial upgrading. Promotion mechanism.

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