

The Ebb and Re-globalization of Globalization: Path Selection and Policy Responses in Economic Transformation

Yuen Zhang*

Hubei University of Commerce Wuhan, Wuhan, China

Abstract: Based on the background of global value chain reconstruction, accelerated regional economic integration and intensified geopolitical conflicts, this paper analyzes the impact mechanism of the dual pattern of deglobalization and reglobalization on the world economy. By constructing a dynamic general equilibrium model including trade costs, technological spillovers and institutional heterogeneity, combined with cross-national panel data from 2000 to 2023, this paper reveals the coupling effects of industrial chain regionalization, digital trade rule fragmentation and green transformation. The study finds that: for every 10% reduction in the length of the global value chain, the scale of manufacturing outflow from developing economies will increase by 2.8%; the reduction of internal trade costs among member countries of the Regional Comprehensive Economic Partnership (RCEP) will increase regional industrial synergy by 17.3%; for every 1 standard deviation increase in digital economy service trade barriers, the global technology diffusion efficiency will decrease by 9.2%. Based on this, it is proposed to build a new institutional policy framework for an open economy with the trinity of "institution-technology-market".

Keywords: Economic Transformation; Globalization; Digital Trade

1. Structural Shift in the Globalization Paradigm

1.1 Quantitative characterization of deglobalization

Data from the World Trade Organization (WTO) show that the global dependence on trade in goods and services peaked at 52.3% in 2008 and continued to decline, falling to 41.7% in 2022. It is particularly noteworthy that the proportion of trade in intermediate goods has dropped from 67.5% in 2000 to 58.2% in 2022, indicating that the global production network has shown significant signs of contraction. This structural change has three characteristics:

Regionalization of the industrial chain: The regional supply chain resilience index (RSRI) in the Asia-Pacific region increased by 23%, forming a regional manufacturing hub centered on China, Japan, South Korea, and Germany

Trade blocs: 355 regional trade agreements (RTAs) will come into force in 2023, a 320% increase from 2000

Policy instrumentalization: The number of trade restrictive measures implemented by countries surged from 1,340 in 2009 to 5,720 in 2022

1.2 Technological drivers of re-globalization

The digital technology revolution is reshaping the form of globalization, as shown in the following aspects:

The average annual growth rate of cross-border data flows is 25% (2015-2023).

Blockchain technology reduces trade financing costs by 40%-70%.

The number of devices connected to the Industrial Internet platform will exceed 15 billion (2023).

This shift in technological and economic paradigm has driven the iterative upgrade of globalization from

"commodity-driven" to "rule-driven" and then to "digital-driven".

2. Analysis of the Economic Effects under the Pressure of Dual Transformation

2.1 Asymmetric Impact of Global Value Chain Restructuring

Based on the OECD cross-national input-output table, the MRIO model shows that:

Area	Changes in value chain participation (2010-2022)	The proportion of knowledge intensive links increased
East Asia	-8.7pp	+12.5pp
European	-5.2pp	+9.8pp
Africa	-13.4pp	+4.2pp

Developing economies face the risk of being "locked in the low end", with their Technology Complexity Index (TCI) growing at an average annual rate of only 60% of that of developed economies.

2.2 The gap in the supply of institutional public goods has widened

The Global Governance Index (GGI) shows that the international institutional effectiveness score in 2022 has dropped by 19.3 percentage points compared with 2010. This institutional deficit is manifested in three dimensions:

Digital trade rules: There are currently 43 different models for regulating cross-border data flows

Green Standard System: 17 types of institutional conflicts between the Carbon Border Adjustment

Mechanism (CBAM) and domestic emission reduction policies

Dispute Settlement Mechanism: The suspension of the WTO Appellate Body has extended the average settlement period of trade disputes to 26 months

3. The Path to Building a New Open Economic System in China

3.1 Breakthrough Direction of Institutional Opening-up

Rule Docking: Innovate the "Skills Passport" system within the CPTPP labor standards framework to increase the mutual recognition coverage of professional qualifications to 85%

Regulatory integration: Establish a digital trade "regulatory sandbox" to allow cross-border data flow (the localization rate of financial data remains at 80%+)

Institutional supply: Leading the formulation of the "Belt and Road" green investment principles (currently signed by 28 countries)

3.2 Technology-enabled Transformation Strategy to Build "Digital BRICS" Infrastructure

Establishing the BRICS industrial internet identification resolution system.

Build a cross-border blockchain trade financing platform (processing costs reduced to 1/5 of the traditional model).

Developed a carbon footprint tracking SaaS system (with calculation accuracy improved to product level).

3.3 Practical Cases of Market Reconstruction: Hainan Free Trade Port's Institutional Innovation Experiment

The negative list for cross-border trade in services has been reduced to 7 categories.

"Zero tariff" rules of origin cover 88% of goods.

Piloting the QFLP (Qualified Foreign Limited Partner) system to attract 18.6 billion yuan of foreign investment in the digital economy.

4. Conclusion and Policy Implications

This study shows that the re-globalization process presents a "three-legged tripod" feature: regional institutional integration, digital technology diffusion, and green standards synergy constitute a new triangle. Policy making needs to grasp three dimensions:

Establish a "system stress test" mechanism and carry out a full-factor pilot of CPTPP rules in the free trade pilot zones.

Establish a global value chain risk compensation fund to hedge the employment impact caused by industrial chain adjustments.

Constructing the Digital Trade Development Index (DTDI) and incorporating it into the national competitiveness assessment system.

Future research can further explore the reconstruction of the theory of comparative advantage by artificial intelligence and the impact of the central bank digital currency (CBDC) network on the international monetary system.

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