Research on Industrial Transfer Pathways in Southwest China from the Perspective of National Strategic Hinterland

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Abstract: This study examines pathways and strategies for industrial transfer in Southwest China from the perspective of its role as a strategic hinterland. Leveraging its geographical location, resource endowment, and policy advantages, the Southwest region holds significant strategic importance within the national strategic frameworks. Industrial relocation should be promoted in a phased, orderly manner: in the short term, the focus should be on improving infrastructure and undertaking labor-intensive industries; in the medium term, efforts should be directed toward upgrading traditional industries and fostering emerging industrial clusters; and the long-term goal is to build a green and low-carbon industrial system. Additionally, it is essential to strengthen regional coordinated development, deepen cooperation with eastern coastal areas as well as Southeast Asian and South Asian countries, and jointly establish cross-regional industrial chains. The implementation process should emphasize innovation-driven development and green growth, increase investment in research and development, and construct eco-industrial parks. Furthermore, attention must be paid to impacts from internal regional disparities and changes in the external environmental, while actively integrating trends in global value chain restructuring and digital economic development to explore innovative models and pathways for industrial transfer.

***Keywords*:** national strategic hinterland; industrial transfer pathways; southwest China

1. Introduction

Against the backdrop of profound adjustments in the global economic landscape and domestic economic transformation and upgrading, the development of national strategic hinterlands has emerged as a crucial strategy for underpinning economic security and optimising regional layout. As a vital strategic hinterland for China, the Southwest region possesses distinct locational advantages, serving as a pivotal node connecting Southeast and South Asia along the New Land-Sea Trade Corridor. Its abundant resources and policy support lay the foundation for undertaking industrial transfer. Nevertheless, the region continues to face challenges including uneven development, a monolithic industrial structure, and insufficient innovation.

With rising labour costs and intensifying resource constraints along the eastern coast, industrial relocation towards central and western regions has become an established trend [1]. By receiving industrial transfers, the Southwest can attract capital, technology, and talent, thereby promoting industrial upgrading, fostering emerging clusters, and enhancing regional competitiveness. Effectively receiving and planning for industrial relocation has thus become a crucial pathway for driving high-quality regional development and achieving coordinated growth.

This study, grounded in the perspective of national strategic hinterland development, analyses the scale, structure, source regions, and reception models of industrial transfer in Southwest China. It examines constraints in industrial complementarity, talent availability, and business environment, while exploring mechanism through which industrial transfer drives regional industrial upgrading and economic restructuring. Particular attention is given to pathway involving innovation capacity, industrial chain extension, and cluster development. Aligned with strategic hinterland development requirements, the study proposes optimisation strategies for industrial selection, spatial layout, and policy support. It aims to provide theoretical reference and practical basis for formulating industrial policies in Southwest China, while also offering insights for other regions undertaking industrial transfer and advancing coordinated development.

2. Theoretical Foundations

2.1 Industrial Transfer Theory

Industrial transfer denotes the spatial reallocation of industries, typically manifesting as migration from high-cost to low-cost region [2]. Its theoretical framework encompasses transfer patterns, motivating mechanisms, and influencing factors. Transfer patterns include horizontal and vertical shifts, as well as gradient and leapfrog transitions. The primary

driving mechanisms are cost-driven, market-driven, and policy-driven factors, which have enabled China's central and western regions to successfully receive industrial transfers from the east. Influencing factors include regional economic levels, resource endowments, infrastructure, business environments, and policy support. Global value chain division of labour, technological progress, and stricter environmental policies also drive the redistribution of industries according to comparative advantage, facilitating the relocation of energy-intensive industries to regions with greater environmental carrying capacity.

Industrial transfer theory has evolved from traditional location theory to global value chain theory. Weber's early industrial location theory emphasised minimising transport, labour, and agglomeration costs; while Vernon's product life cycle theory proposed that industries shift from developed to developing countries as products progress through their lifecycle. With deepening globalisation, the global value chain theory has become dominant, emphasising that enterprises globally allocate different production segments based on comparative advantage to maximise efficiency and minimise costs, offering a new perspective for understanding contemporary industrial relocation.

2.2 National Strategic Hinterland Theory

A national strategic hinterland denotes regions possessing significant strategic value in terms of location, resources, and industrial foundations. These areas undertake critical functions in safeguarding national economic security, optimising economic layout, and promoting coordinated regional development [3]. Their core characteristics include pronounced locational advantages, superior resource endowments, and prominent strategic functions. By receiving industrial transfers and optimising resource allocation, national strategic hinterlands foster coordinated regional development and narrow regional disparities. Central and western regions have accelerated industrialisation through absorbing eastern industrial relocations. Amid heightened external uncertainties, these hinterlands help disperse economic risk, enhance resilience, and bolster self-sufficiency. Furthermore, they drive technological innovation and industrial upgrading, thereby promoting regional industrial restructuring and high-quality development.

3. Analysis of Industrial Transfer in Southwest China

The Southwest region possesses abundant hydropower, mineral, and biological resources, ranking among the nation's foremost, thereby establishing a robust foundation for industrial development. While experiencing relatively rapid economic growth in recent years, it still lags behind the eastern coastal regions. Its industrial structure remains predominantly resource-based and traditional manufacturing, with emerging sectors such as electronics and information technology, and equipment manufacturing gradually developing. Overall structural optimisation and upgrading remain essential to achieve high-quality development.

The industrial transfer trajectory in the Southwest can be divided into three phases. The initial phase (pre-2000) primarily involved receiving resource-based and labour-intensive low-end manufacturing from the east. The rapid development phase (2000–2010), benefiting from the Western Development Strategy and improved infrastructure, saw significant increases in both the scale and quality of transfers. The transformation and upgrading phase (2010–present), driven by the Belt and Road Initiative and the Yangtze River Economic Belt, has seen the region commence the reception of high-end manufacturing and modern service industries, advancing towards high-quality development. Currently, the scale of transfer continues to expand, quality improves, and layout optimises, extending into sectors such as electronics and information technology, equipment manufacturing, and new materials. This has fostered distinctive industrial parks and clusters, effectively promoting economic growth, employment creation, and industrial upgrading.

National strategies and the Western Development Policy have delivered substantial dividends to Southwest China, with its geographical advantages aiding enterprises in accessing international markets. However, inadequate transport infrastructure in some remote areas continue to inflate operational costs. Overall R&D investment remains insufficient, while shortages of high-end talent constrain industrial upgrading, and the business environment requires further optimisation. Concurrently, resource-based and energy-intensive industries, while driving economic growth, exert pressure on the ecological environment, necessitating a balanced approach to development and conservation.

4. Exploring Industrial Relocation Pathways from the Perspective of National Strategic Hinterlands

4.1 Strategic Positioning and Objectives

Aligned with national strategic hinterland development requirements, the strategic positioning of industrial relocation in Southwest China centre on establishing a national economic security support zone, a pivotal node for regional coordinated

development, and a demonstration area for green and low-carbon development. The long-term objectives are to optimise economic layout, enhance economic resilience, and drive industrial upgrading and high-quality development. In terms of phased tasks: in the short term, infrastructure improvements will facilitate the reception of labour- and resource-intensive industries; in the medium term, traditional industries will be upgraded while emerging clusters are cultivated; and in the long term, a green and low-carbon industrial system will be established to achieve high-quality development, thereby providing robust support for the construction of the national strategic hinterland.

4.2 Pathway Design

Southwest China should drive the transformation of traditional industries towards high-end, intelligent, and green development, leveraging its energy advantages to develop clean energy and high-value-added manufacturing. Concurrently, it should prioritise nurturing emerging industries such as electronic information, equipment manufacturing, biomedicine, and new materials, establishing an electronic information industry base and intelligent manufacturing demonstration zone anchored in the Chengdu-Chongqing region. Regarding regional coordination, internal provincial-level collaboration should be strengthened to avoid homogenised competition, encouraging Sichuan to focus on electronic information industries while Yunnan and Guizhou develop green energy and ecological industries. Cooperation with eastern coastal regions, Southeast Asia, and South Asia should be deepened to jointly establish cross-regional industrial chains and enclave economic zones. Regarding innovation and green development, increased R&D investment is required to build the Chengdu-Chongqing National Science and Innovation Centre, attract high-end talent, and promote industry-academia-research integration. Resource-based industries should undergo green transformation through developing circular economies and establishing green industrial parks, thereby achieving the organic integration of industrial upgrading, regional coordination, and innovation-driven development to support high-quality growth.

5. Implementation Strategies and Safeguard Mechanisms

5.1 Implementation Strategy

To ensure orderly industrial relocation in Southwest China, a phased, differentiated strategy should be implemented. In the short term (2023–2025), focus on improving infrastructure and the business environment to accommodate labour-intensive and resource-based industries. In the medium term (2025–2030), drive the transformation and upgrading of traditional industries, cultivate emerging industrial clusters, and enhance regional innovation capacity. In the long term (2030–2035), establish a green, low-carbon industrial system to achieve high-quality development.

5.2 Support Mechanisms

To ensure the smooth implementation of industrial relocation, the Southwest region must establish a multi-dimensional safeguarding mechanism. In terms of policy safeguards, specialised support policies should be formulated, providing tax, fiscal, and financial support, alongside establishing an ecological compensation mechanism to guide enterprises in fulfilling environmental responsibilities, thereby comprehensively supporting industrial relocation and high-quality development in the Southwest. Organisationally, a dedicated working leadership group should be established to coordinate resources and promote cross-regional collaborative efforts. Financially, increase fiscal investment, establish dedicated funds, and guide social capital and financial institutions to provide diversified financing support. Talent safeguards require strengthening higher education and vocational training to cultivate suitable personnel, while actively attracting high-end technical and managerial talent. Concurrently, establish a dynamic monitoring and evaluation mechanism to periodically assess policy effectiveness, introducing third-party evaluations to ensure transparency and fairness, thereby providing a basis for continuous optimisation.

5.3 Risk Prevention and Control

Southwest China must systematically address multiple risks — market, environmental, social, and technological — during industrial relocation. Efforts should focus on strengthening market research and diversifying development to reduce reliance on single markets; enforcing stringent environmental policies to prioritise green industries while promoting clean production and circular economies; enhancing vocational training and social security to mitigate employment structure shocks; increasing R&D investment to build innovation platforms, fostering industry-academia-research integration and independent innovation; and maintaining policy continuity and stability through improved interpretation and evaluation. These measures will effectively manage risks, ensure smooth industrial relocation, and support high-quality regional development.

6. Conclusions and Outlook

This study examines pathways and strategies for industrial relocation in Southwest China from the perspective of national strategic hinterland development. Leveraging its locational, resource, and policy advantages, the region holds significant importance in strategic hinterland construction. Phased industrial relocation, enhanced regional coordination, and a focus on innovation alongside green and low-carbon development will facilitate effective industrial reception and drive high-quality economic growth. The uniqueness of this approach lies in its integration of national economic security, regional coordination, and sustainable development objectives.

Based on this analysis of industrial relocation in Southwest China, government should formulate clear industrial plan, optimise infrastructure and the business environment, refine fiscal and ecological compensation policies, and advance green transformation. Enterprises must actively leverage resource policies, accelerate technological innovation and green upgrading, and deepen industry-academia-research collaboration. The academic community should strengthen theoretical and empirical research, foster interdisciplinary approaches, and provide decision-making support. Through multi-stakeholder coordination, collective efforts can promote industrial relocation and high-quality development in Southwest China.

This study is subject to limitation including restricted data availability, pronounced regional disparities, and insufficient consideration of dynamic factors. Future research should deepen analyses of internal regional variations within Southwest China, examine the impacts of international environment and technological transformation, and explore novel industrial transfer model by integrating global value chain dynamic and digital economy trend.

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