

# Research on the Interactive Mechanism between Economic Law and the Transformation of Economic Development Mode under the Background of Economic Globalization

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**Abstract:** *Against the backdrop of the continuous advancement of economic globalization, countries are facing unprecedented pressure to adjust their economic structure, and are striving to gain an advantage in the increasingly fierce international competition by focusing on technological innovation and industrial upgrading as the core driving force. The traditional extensive economic development model that relies on natural resources is no longer suitable for the development requirements of the new era due to its high resource consumption, environmental pollution, and low production efficiency. It urgently needs to shift towards an innovation driven and green development model. Especially in the global market, the economic model that relies solely on resources has exposed its shortcomings in competitiveness, and technological innovation and institutional reform have become key factors in enhancing national competitiveness. This article explores the important role of economic law in guiding and regulating the transformation of economic development mode from the perspective of economic law, emphasizing that economic law is not only a system guarantee for regulating market behavior and maintaining market order, but also plays a key leading role in promoting economic structure optimization and sustainable development. Economic law provides a legal framework for innovation driven economic models, promoting the transformation of enterprises towards green and intelligent directions, and providing solid legal support for high-quality economic development while maintaining fair competition and promoting technological innovation. By systematically analyzing the interactive mechanism between economic law and the transformation of economic development mode, this article aims to provide theoretical basis and practical guidance for building a more efficient and sustainable economic system, and reveal how economic law can help economic transformation and upgrading in the context of globalization, achieving coordinated development between economy and environment.*

**Keywords:** *Economic development mode; Economic law; Natural resources; Innovation driven; sustainable development*

## 1. Introduction

With the deepening of China's economic system reform, the mode of economic development is gradually transitioning from resource consuming to innovation driven. The extensive growth model supported by natural resources can no longer meet the needs of global competition and sustainable development, and is gradually being replaced by new models that focus on technological innovation, green development, and domestic demand. This transformation is in line with the requirements of national strategic transformation and the trend of global economic change. Economic law has played a key role in this process, providing legal protection for economic transformation through institutional guidance, ensuring that the new development model achieves orderly and stable progress while complying with the overall national strategic goals.

Economic law provides fundamental guarantees for economic development by regulating resource management, promoting environmental protection, and maintaining market order. It guides market entities towards efficient, environmentally friendly, and sustainable development through incentive mechanisms and legal norms. The transformation of economic development mode has also promoted the continuous improvement of economic law, enabling it to adapt to the needs of innovation driven, green economy, and high-tech industry development, reflecting the deep interaction between economic

law and economic development mode. This bidirectional feedback mechanism means that economic law not only provides regulation for traditional resource utilization, but also actively promotes the prosperous development of modern economic models centered on innovation, helping the country's economy achieve long-term high-quality growth.

Through this virtuous cycle, economic law, as a core system for regulating and promoting economic transformation, ensures the smooth transition of economic models and promotes the evolution and optimization of the legal system itself. Economic law provides a solid legal foundation for the transformation of China's economy from extensive growth to a sustainable, innovation driven model, and promotes the sustained enhancement of the country's competitiveness in the global economic system.

## 2. Related Research

The key to promoting long-term stable economic growth lies in innovating and optimizing the mode of economic development, covering deep adjustments to the economic structure, upgrading the growth model, improving the quality of development, and perfecting the income distribution system. These transformation paths are reflected through various economic indicators, reflecting the improvement of resource allocation efficiency within the economy and the maximization of overall economic benefits. As the core mechanism for regulating economic activities, economic law has a high degree of interaction and mutual promotion with the mode of economic development. The changes in the proportion of capital flow and the shift in investment direction often prompt adaptive adjustments to existing laws and policies. Economic law provides a legal framework and institutional guarantee for the upgrading of the economic development mode through the rational planning of the mechanism of interest distribution and economic structure, ensuring its close alignment with national strategic goals and promoting steady economic growth. The core transformation of the economic development mode lies in the update of the driving mode, gradually transitioning from the previous model of solely relying on investment to a dual engine model that emphasizes both investment and consumption. Through the adjustment of industrial structure and the coordinated optimization of development in various fields, the economy is evolving towards diversified and stable development. Technological progress, especially the widespread application of technologies such as big data and artificial intelligence, has become a key driving force for this transformation. The traditional economic model that relies on the secondary industry has gradually given way to a new model that emphasizes the coordinated development of the primary, secondary, and tertiary industries. This model has promoted the improvement of economic benefits and accelerated the optimization of the overall economic structure.

The new economic development model focuses more on the two-way improvement of quality and quantity, emphasizing the balance and symbiosis between economic growth and ecological environment. As an important participant in the global economy, if China wants to maintain its core competitiveness in the international market, it must rely on technological innovation as an engine and provide new momentum for economic development through technological progress. The application of science and technology not only promotes the upgrading of economic structure, but also provides a solid foundation for green and sustainable economic models. This innovation driven economic development model will help China achieve a leap from quantity growth to quality leap, laying a solid foundation for moving towards an economic powerhouse and ensuring a leading position in the competition of globalization. T Arbutova explored the content and components of public management organizations and economic mechanisms for post-war and post disaster national economic recovery<sup>[1]</sup>. S Ma, Y Gao, and H Li explored Chinese A-share listed companies and found that the digital economy and governance can promote low-carbon transformation<sup>[2]</sup>. WANG Yu found that technological innovation is the foundation and important endogenous driving force in regional economic development, which has an immeasurable and significant impact on regional economic development<sup>[3]</sup>. The Y Xiang team investigated the green development efficiency and influencing factors of the paper industry in the Yangtze River Economic Belt from 2001 to 2016<sup>[4]</sup>.

## 3. The Intrinsic Significance and Legal Framework of the Transformation of Economic Development Mode

### 3.1 Sustainable Development Strategy for Driving Economic Construction

The wealth gap and uneven regional economic development have become important factors

restricting China's economic growth. This situation is reflected in the significant differences in urban and rural economic development, as well as the uneven economic development between coastal and inland areas, which leads to mutual exclusion of development models and structures in some regions, seriously affecting the sustainable and healthy development of the overall national economy. Economic law, as a macroeconomic regulation tool, aims to guide and resolve contradictions and problems in regional economic development, in order to promote coordinated development among different regions.

The government should use economic law to systematically regulate various economic activities in order to address challenges and difficulties that arise at different stages of development. Our country's reform policy has clearly stated that only through the transformation of economic development mode can we gain an advantage in global competition. The future economic development strategy should focus on promoting this transformation, encouraging economic entities to fully utilize intelligent and digital technologies to improve production efficiency and product quality, create a favorable economic development environment, and enable economic entities to create greater economic value in today's rapidly changing environment.

The government also needs to effectively play the role of macro coordination and planning, identify key areas and challenges in economic development, and formulate practical and feasible strategic frameworks. This helps promote the diversification and balance of economic development, providing institutional guarantees for achieving long-term sustainable growth. Our country maintains competitiveness in the international market, which can promote overall social progress and welfare improvement.

### ***3.2 A win-win Model for Balancing Economic and Social Benefits***

In the context of building a harmonious society, there is a mutually dependent and supportive relationship between economic value and social value. In order to achieve sustainable and healthy development, it is necessary to seek an effective balance between economic and social benefits, minimize damage to the ecological environment, and fully consider the impact of multiple factors such as ecology, culture, and society on development. It is worth noting that China's traditional economic development model faces many challenges, such as a single system and insufficient innovation capabilities. This model mainly relies on excessive exploitation of natural resources and low-cost labor, resulting in insufficient sustainability of economic growth and relatively weak effectiveness of the strategy.

This development model based on resource consumption has caused serious ecological problems, such as intensified desertification, water scarcity, and air pollution. These environmental issues not only constrain further socio-economic development, but also highlight the necessity and urgency of transforming the mode of economic development. The role of the government in this regard is indispensable, and it is necessary to strengthen macroeconomic regulation of the economic structure, clarify long-term development strategic goals, and implement effective improvement measures against the negative impacts brought by traditional development models.

Comprehensively enhance the sustainability and coordination of economic development, and guide social and economic entities to develop towards low-carbon, environmental protection, and energy conservation. This will help achieve higher levels of economic benefits, promote significant improvement in social benefits, and achieve harmonious coexistence between the economy and the environment. This transformation requires us to view economic development with a more open and innovative mindset, driven by technological progress and management innovation, providing a solid foundation for achieving comprehensive, coordinated, and sustainable economic development.

### ***3.3 Promote the Optimization and Deepening of the Economic Legal System***

As a reflection of the level and mode of national economic development, economic law actually reflects the core state of the economic foundation, and its close relationship with economic development cannot be ignored. In the process of economic development, the emergence of various problems is not only a manifestation of development bottlenecks, but also indirectly reveals the limitations of current economic laws, which provides new ideas for their improvement. The scope of economic law involves multiple fields such as industrial law, financial law, and enterprise law. In response to complex economic environments, these laws and regulations undergo a series of adjustments and improvements to better serve the long-term development of the economy.

Against the backdrop of the 2008 global financial crisis, the Chinese government formulated ten major industrial revitalization plans. Although these policies face certain challenges in the implementation process, in order to ensure their effectiveness, the government has strengthened the legal protection of policies by introducing corresponding industry laws, providing support for the development of related industries. This process not only demonstrates the complementary relationship between policies and laws, but also reflects the important role of law in regulating and guiding economic development.

It is worth noting that the transformation of the economic development mode not only reflects the shortcomings of the existing legal system, but also provides impetus for its optimization. In this context, the government needs to pay more attention to promoting the rational adjustment of economic structure through legal means, ensuring the mutual adaptation between law and economic development, and promoting healthy and sustainable economic growth in the new stage of development. The continuous improvement and innovation of economic law will be an important guarantee for enhancing national competitiveness and achieving economic transformation.

#### **4. Research on the Guiding Role of Economic Law in the Transformation of Economic Development Models**

The close interaction between economic law and the mode of economic development determines that the improvement of economic law must rely on the timely identification and resolution of problems and contradictions in actual economic construction. From a macro perspective, it is particularly important to systematically plan and adjust economic law to ensure that it can better adapt to and guide the development dynamics of the economy and society.

In order to smoothly transition the economic development mode from extensive to intensive, sound economic laws are not only the basic guarantee but also the guiding direction. This requires strengthening macroeconomic regulation of the market economy, implementing stricter market behavior norms, and creating a favorable legal environment for economic transformation. The optimization of economic law should also focus on the combination of technological progress and innovative development, ensuring the stimulation of market entities' innovation vitality and competitiveness in promoting economic transformation. To achieve high-quality economic development and enhance the overall economic strength and international competitiveness of the country.

##### ***4.1 The Guiding and Layout Function of Effective Economic Law in Promoting the Transformation of Economic Development Models***

A sound economic legal system is not only an important driving force for promoting consumption growth, but also a key factor in optimizing China's economic model. Consumption plays an indispensable role in economic development, and its role in driving economic growth has been widely recognized. By incentivizing consumption, not only can it promote the flow of funds and improve people's quality of life, but it can also inject new vitality into economic development. To ensure the healthy operation of the consumer market, relevant laws and regulations such as the Product Quality Law, Food Safety Law, and Finance and Taxation Law are constantly being strengthened and improved. These legal measures are guided by consumer needs, providing comprehensive legal protection and creating a safer and more stable consumption environment. These laws also effectively regulate the behavior of producers and marketers, providing strong support for the protection of consumer rights.

The continuous improvement of economic law also plays an important role in promoting the transformation of economic development models. China is currently at a critical stage of transitioning from an extensive to an intensive economy, and relying solely on technological progress is far from enough. It also requires active guidance and support from policies and regulations. A sound economic legal system can provide constraints on the transformation of the economic development mode at the legal level, ensuring that it matches the overall progress of the social economy. By strengthening the legal environment, not only has it laid a solid foundation for optimizing the economic structure, but it has also provided a more stable legal framework for sustainable development. A sound economic law not only provides guarantees for economic transformation, but also promotes the coordination and unity of economic growth and social development.

#### ***4.2 Improved Economic Laws Promote the Transformation of Consumption Driven Economic Models***

Consumption is the most direct way to drive economic growth, and the investment based economic model and the consumption based model have shown significantly different development trajectories in practice. The consumption driven economic model is more in line with the needs of the times and the laws of economic development, and plays a more significant role in optimizing industrial structure and improving economic efficiency. The continuous advancement of technology is also changing the way of economic development. The rapid development of network technology has stimulated people's enthusiasm for consumption, making convenient online shopping the norm. New forms of consumption have reshaped consumer habits and raised expectations for service quality. This transformation has brought severe challenges to physical storefronts and created huge market opportunities for the supply side, prompting companies to introduce technology to meet the growing consumer demand and improve social production efficiency and diversity.

The survival of the fittest mechanism in the market is becoming increasingly perfect, and adaptable enterprises will have more room for survival. In order to promote consumption growth, the Chinese government has successively introduced a series of laws and regulations, such as the Consumer Rights Protection Law, the Product Quality Law, and the Finance and Taxation Law. These measures aim to provide comprehensive legal protection for consumers, eliminate consumption concerns, stimulate consumption willingness, and promote the economic development model to shift from relying on investment to relying on consumption.

#### ***4.3 Improved Economic Regulations Promote the Development of the Economy Towards Intensification***

In the past stage of extensive economic development, the focus was mainly on improving speed and quantity, with relatively insufficient emphasis on quality. Although production enterprises continue to increase investment and consume a large amount of energy and resources, this investment has not brought about an ideal output ratio, and the stagnation of production efficiency is clearly a problem that cannot be ignored. Socioeconomic entities usually choose to expand their production scale in order to achieve higher economic value. This type of economic growth model based on outward expansion clearly belongs to a lower level of development. Although the total economic output of our country has rapidly increased in the short term, the negative impact that comes with it is becoming increasingly evident, which has issued a warning to all sectors of society. China's per capita resource ownership level ranks relatively low internationally, and the scarcity and scarcity of resources have become a reality. In the context of increasingly depleted resources, socio-economic entities must shift their focus to how to achieve low input and high output, truly achieving the reproduction of connotation expansion. The reproduction of connotation expansion represents a more advanced economic development model that can create greater economic value without increasing input costs. The choice of economic development mode is closely related to the national conditions and policies of the country. In the early days of the founding of the People's Republic of China, due to the urgent needs of the national situation, prioritizing the development of heavy industry became a direct and effective means to enhance national strength. China's economy has achieved rapid growth and remarkable achievements. The traditional extensive development model is no longer suitable for the increasingly fierce competition in the context of global economic integration. The intensive development model, with its higher resource utilization and production efficiency, is more in line with the economic development needs of the new era.

### **5. Conclusion**

There is an unbreakable and close connection between economic law and the transformation of economic development mode. A sound economic law provides necessary guidance and framework for the transformation of economic development models, and this process of change also provides an opportunity for empirical testing of the theory of economic law. By discovering and solving practical problems, it continuously improves. In order to fully leverage the role of economic law in promoting the transformation of economic development models, government departments should start from a macro perspective, effectively regulate the market economy, and gradually guide the economy towards intensive development. A consumption driven economic development model should be established to ensure that economic growth improves both in quality and speed. This interactive mechanism not only helps to create a more harmonious economic environment, but also promotes the sustainable

development of the overall economy.

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