

Suggestions for Transforming and Enhancing Anshan's Traditional Industries with Innovation Driven Approach

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Abstract: This paper analyzes the current situation and difficulties faced by the clustering development of advantageous leading industries in Anshan City under the background of the new economy through theoretical analysis and research. It reveals the deep-seated factors that exist in the difficulties, and combines international and domestic development trends with the actual development situation of Anshan City. It conducts research and innovative exploration on the improvement and transformation mechanism of traditional leading industries represented by the steel industry and equipment manufacturing industry, Finally, summarize the development mechanism and feasible strategies for the clustering of advantageous leading industries in Anshan City.

Keywords: Anshan City; Traditional Industries; Industrial Clusters; Innovation Driven Mechanism.

1. Introduction

At present, the development of traditional leading industries in Anshan is facing certain bottlenecks. While developing new industries, we also need to focus on innovation driven transformation and upgrading of traditional leading industries. Traditional industries such as steel and equipment manufacturing, magnesite mining and deep processing, and clothing processing and sales play a crucial role in the economic development of Anshan.

Firstly, traditional industries can provide many employment opportunities for the citizens of Anshan. Anshan has a large population base, but the proportion of high-quality and skilled talents is not high. It is difficult to achieve full employment. However, the historical existence of traditional industries has greatly alleviated the pressure of employment. On the other hand, in the market consumption chain of our city, families of leading industry practitioners have always occupied an important component. The consumption of clothing, food, housing, and transportation among

citizens in Anshan can only be achieved through the upgrading and transformation of traditional industries, with a qualitative and quantitative leap. For the current market situation in Anshan, the economic benefits generated by traditional industries have been crucial in the past and will continue to be at the core of the industrial chain for a period of time to come. Moreover, if we want to develop new industries, we must also consolidate the existing foundation of traditional industries in order to have the possibility of upgrading and upgrading. Only by revitalizing traditional industries to drive the development of new industries, and the rise of new industries to further promote the upgrading of traditional industries, can we shorten the distance with developed cities and contribute to and set an example for the revitalization of the old industrial base in Northeast China.

In the process of urban development in the future, traditional leading industries will still be the foundation for the development of emerging strategic industries in Anshan, and the transformation and upgrading of traditional industries are the only way for urban prosperity and development.

Starting from the current macroeconomic background and practical impact, the author analyzes and diagnoses the current development status of traditional industries in Anshan City, and is committed to using innovation as a breakthrough to identify ideas and strategies for the transformation and upgrading of traditional industries in Anshan City.

2. Development status of representative traditional industries in Anshan

Since entering the 21st century, economic globalization has deepened and developed vertically, changing the traditional pattern of international trade and international division of labor. Based on its comparative advantage in factor endowment, the Northeast region of China has participated in the labor-intensive low-end value chain and established its position as a "resource product processing workshop factory" in the Northeast region, including Anshan. However, the long-term extensive and dependent economic growth model has caused enormous pressure on resources and environment, superimposed with the negative effects of three years of epidemic prevention and control, and with the gradual disappearance of the demographic dividend, the profit growth space has been further compressed. This also forces the old industrial bases in Northeast China, including Anshan, to shift from traditional factor driven and investment driven economic growth models to innovation driven and connotation driven growth models.

In 2021, Anshan City achieved a regional GDP of 188.81 billion yuan, an increase of 4.5% compared to the previous year at comparable prices. Among them, the added value of the primary industry was 12.03 billion yuan, an increase of 4.7% compared to the previous year; The added value of the secondary industry was 78.94 billion yuan, an increase of 2.1% compared to the previous year; The added value of the tertiary industry is 97.84 billion yuan, an increase of 6.2% compared to the previous year. The ratio of the three industrial structures is 6.4:41.8:51.8. Due to the dual impact of the decline in international steel prices and the lockdown of the epidemic, it is expected that the economic data for 2022 will slightly deteriorate.

Through the analysis of the above economic data, we found that although the contribution rate of the tertiary industry represented by the consumer goods industry has significantly increased, the contribution rate of the steel industry and equipment manufacturing industry still accounts for 2/3 to 3/4, which is still the leading industry in Anshan's economic development. This industrial led development approach has gradually exposed a series of problems. The industrialization and urbanization process still mainly relies on input from resources, capital and other factors, and is accompanied by a series of problems such as a single industrial structure, extensive and unsustainable growth methods, significant impact from external economic conditions, and serious environmental pollution. These problems not only have an impact on the lives of local people, but also seriously affect the future economic development of Anshan. Therefore, Anshan urgently needs to transform its economic development mode and find new economic development models. The economic development driven by innovation is a structural growth model that can eliminate the constraints such as diminishing factor returns, scarce resources and negative externality that commonly exist in economic development.

Therefore, it is necessary to use innovation driven strategies to transform and upgrade traditional industries and promote their transformation and upgrading; Exploring innovative paths for upgrading and restructuring regional leading industries, led by leading industries; Fully leverage the radiation effect and industrial correlation effect of leading industries. Seizing the driving force of innovation is an inevitable choice to achieve the transformation of old and new driving forces, and to promote the optimization of regional industrial structure and enhance the level of competitiveness.

The author believes that transformation is the transformation of industrial development mode, accelerating the transformation towards intelligent manufacturing, innovation driven transformation, service-oriented transformation, green and low-carbon transformation, domestic demand driven and consumption driven transformation; Upgrading is the comprehensive optimization of product structure, organizational structure, layout structure, technological structure, and promotion of the overall upgrading of industrial structure, shifting the traditional industrialization path towards the new industrialization path. This is a strategic, global, and systematic process of change, which must seek transformation in development and promote development through transformation.

3. Problems in the Innovation Driving Mechanism of Traditional Industries in Anshan

3.1. Poor technological innovation ability, and the phenomenon of one company dominating still prominent

Through investigation, the author found that there are still many shortcomings in the R&D investment model in Anshan City. Firstly, there is a significant shortage of funding. Although some progress has been made in talent introduction and cultivation in recent years, there are still some problems, especially the serious loss of innovative talents. The author surveyed more than 10 high-tech enterprises located in high-tech industrial development zones, and the turnover rate of

high-level technical talents in these enterprises over the past three years has reached 35.7%. Enterprises generally report that it is difficult to recruit people, and it is even more difficult to recruit innovative talents; It is difficult to retain talents, but even more difficult to retain innovative talents. The existence of this phenomenon inevitably restricts the improvement of the innovation capacity of the entire city.

Secondly, technological factors and unique industrial traditions form industrial monopolies. Although this monopoly once created the glory of Anshan and nurtured its economic and social development, in the context of the new economy, the monopoly and singularity of industries are not conducive to the healthy development of Anshan's economy. Therefore, it is very necessary to form a new industrial pattern centered around a single core and multiple industrial forms developing in parallel.

3.2. Industrial innovation system and policy system still need to be improved urgently

From a micro perspective, many large and medium-sized enterprises in Anshan face various challenges, such as inadequate company management, inadequate allocation of property rights structure, and incomplete implementation of management responsibilities. In this institutional environment, many enterprises are unable to achieve innovation as the main body and also lack the ability to become innovation subjects. From the macro level, the industry situation clearly shows the status of departmental or regional segmentation, and the most reasonable innovation management mechanism has not been formulated, which makes it difficult for enterprises to achieve innovative development.

3.3. Traditional industries in Anshan are being marginalized by the market, and traditional advantages are being eroded by developed regions in China

Since the beginning of the new century, relatively developed regions represented by the eastern and southern coastal areas and the Yangtze River Economic Belt have gradually emerged. The reason for this is because the above-mentioned regions have three major advantages: firstly, a high concentration of labor force, secondly, a comprehensive cost advantage, and thirdly, the innovation driven mechanism has entered a mature and harvest stage. With the joint assistance of these three advantages, it has been able to quickly enter the national and even global markets. For Anshan, an old industrial city located in the northeast, the cost of entering a wider market is much higher than that of these coastal or riverside cities and other innovative cities. For example, the communication between South China and East China is very close, and the two market networks are becoming increasingly developed. The Yangtze River Delta region in East China itself constitutes a huge market. However, if the old industrial city in Northeast China want to enter a large market from a marginal or small market, the cost is obviously much higher. What we want to do is that others have already taken the lead in innovation and made efforts to do it. Later comers who want to squeeze into their market can only imitate and catch up, and the cost is of course higher. In this way, the competitive advantage of traditional industries in the old industrial base of Northeast China will gradually be lost.

Compared with the old industrial city like Anshan, the

developed cities can obtain such conditions thanks to their geographical location. Because they have always had a location facing the global market, they can quickly squeeze into the global market by virtue of the advantages of labor-intensive and low-cost expansion, and quickly move from imitation to innovation, especially innovation mechanism innovation. On the other hand, the traditional industries in Anshan have gone from being fixed and self-reliant to gradually stagnant, from being imitated to being gradually surpassed, and even being left further and further away. Moreover, the more traditional advantages a company has, the more so it is because the competition in its industry is unprecedentedly fierce, and its innovation awareness is also becoming more conservative.

Like other old industrial city in the northeast, Anshan's traditional industrial advantages are slowly being eroded by other regions, even by central cities in Liaoning Province such as Shen Da. Our city leaders have always believed that Anshan has been creating new advantages, but often overlook the innovation driven latecomer advantages of other advanced cities, which are stronger and better utilized than our old advantages.

3.4. The professional market has gone through a mature period, entered a dormant period of development and revitalized deep-water areas

Haicheng is a traditional economic hub in Anshan, where one-third of the city's GDP and fiscal revenue come from. The production and sales of consumer goods such as clothing and luggage are another important traditional industry in addition to the magnesite industry. It is no exaggeration to say that the professional market is a "city card" for the economic development of Haicheng County. As the most outstanding representative of Xiliu Market Cluster, after more than 30 years of development, it has formed a professional market cluster led by professional markets, supported by market supporting processing, and supported by market supporting services. However, it is undeniable that with the vigorous development of domestic e-commerce platforms, the fate of the real economy has been overturned, and the Xiliu clothing market, which is connected to the fate of physical stores nationwide, is also facing industry reshuffle and integration. And the three-year epidemic has caught merchants in the Xiliu market a bit off guard and left them vulnerable. Although in recent years, Haicheng has adhered to the principle of "interaction between market and processing, linkage between online and offline, and equal emphasis on domestic and foreign trade", striving to strengthen the four major sectors of the market, parks, e-commerce, and logistics, and actively building an industry cluster with a market value of hundreds of billions. However, for managers and merchants in major professional markets who have a lack of understanding and response strategies for e-commerce, challenges always outweigh opportunities.

4. Countermeasures and suggestions

Based on the above issues, Anshan urgently needs to undergo economic transformation and achieve a transformation from factor driven to innovation driven. The specific measures are as follows:

4.1. Make up for the lost, Anshan must immediately start the construction of innovative driving mechanisms

In response to the problems encountered in the development of traditional industries in Anshan and the characteristics of innovation driven old industrial bases, Anshan should pay attention to solving several problems in achieving innovation driven development:

Firstly, we should assist in the development of education and scientific research, and cultivate innovative talents. Emphasize the accumulation of human capital, optimize the structure of resource utilization, and shift investment direction from material to human cultivation and technological innovation. At the same time, encourage the participation of technological elements in distribution, and encourage innovative talents to create more technological achievements.

Secondly, optimize the industrial structure. Adjust investment structure, reduce investment in traditional heavy chemical industries, pay more attention to high-tech industries and consumer sectors, and gradually achieve optimization and upgrading of industrial structure.

Once again, focus on institutional reform. Economic transformation is related to the entire society and requires overall government regulation. Build an institutional environment conducive to the transformation towards innovation driven, in order to form the correct social value orientation and guide social forces to participate in the transformation towards innovation driven.

Finally, utilize the technological advantages of traditional industries. Driving innovation is not completely abandoning the old industrial situation. After decades of development, traditional industries in Anshan have strong technological accumulation. It is necessary to fully utilize these technological resources and combine them with new creativity in the context of modern industries and technology.

4.2. Play a leading role in innovation driven transformation and upgrading of traditional industries in Anshan

Affected by objective environmental changes, the golden period of factor driven economic development in Anshan has passed, and the problems caused by the old economic model have become the shackles of Anshan's economic development in the new era. It is imperative to achieve the transformation from factor driven to innovation driven.

Firstly, we need to upgrade and optimize labor factors. Cultivating a large number of innovative technical personnel is a solid talent foundation for achieving industrial transformation and upgrading. Governments at all levels in Anshan City should strengthen innovation and entrepreneurship education, deepen vocational skills education, cultivate a group of high-level technical personnel with innovative abilities, and lay a human resource foundation for achieving industrial upgrading, taking into account the needs of the development of advantageous industries in the region.

Secondly, we need to upgrade capital elements. When implementing the transformation and upgrading of traditional industries, government investment cannot replace social investment, and financial development cannot affect the development of the real economy. Reform the technology investment and evaluation system, leverage the financial

guidance role of local governments, and enhance the efficiency of R&D (research and development) fund utilization throughout society by strengthening the dominant position of enterprises. Utilize capital elements to promote innovation and entrepreneurship, and achieve the transformation, upgrading, and development of traditional industries.

Once again, market-oriented allocation of public resources. Break down various monopolistic patterns such as administrative monopoly, industry monopoly, and local monopoly on public resources, and allocate various scarce public resources through fair, fair, and open market competition, making them the assistance and leverage for the transformation and upgrading of local traditional industries, and driving the stable and positive development of local economy.

4.3. Actively strive to enter the list of "National Undertaking Industry Demonstration Zones"

Because the coastal areas are relatively developed, but their labor and land costs are rising, and the demographic dividend advantage is weakening, local industries have put forward new requirements for optimizing the industrial structure. The specific measure is to transfer to the central and western regions with more advantages in land, human resources and policies. Against the backdrop of actively adjusting economic structure in coastal provinces, enterprises transferring to the central and western regions definitely hope for policy support. The Outline of the 14th Five Year Plan of the country proposes to "optimize the layout of regional industrial chains, guide key links of the industrial chain to stay in China, and strengthen the construction of industrial transfer capacity in the central, western, and northeastern regions." In order to implement the relevant decisions and deployments of the Party Central Committee and the State Council, in recent years, the National Development and Reform Commission has approved the establishment of a number of demonstration zones for undertaking industrial transfer in the central, western, and northeastern regions. Each demonstration zone focuses on innovating institutional mechanisms, improving supporting services, and improving policy measures, effectively promoting the central, western, and northeastern regions to undertake domestic and foreign industrial transfers. It has played an important role in improving the stability of the industrial chain supply chain, optimizing the layout of industrial division of labor, and promoting regional coordinated development. The support of tax and land policies in the demonstration zone for undertaking industrial transfer is not available in other places. It undoubtedly has great attraction for leading enterprises that introduce cash production capacity and have sound innovation driving mechanisms, and also brings great benefits to the economy and employment of the area where the demonstration zone is located.

The Anshan Municipal Government should actively seek the support and assistance of the Provincial Party Committee and the Provincial Government, and submit a request to the National Development and Reform Commission for entry into the "National Undertaking Industry Demonstration Zone" directory. In order to improve the possibility of being selected, we can also work together with several non-coastal brother cities in the province to show our determination and jointly overcome the grand goal of "National level

Undertaking Industrial Demonstration Zone of Old industrial city in Liaoning". If successful, the old industrial base in Liaoning is equivalent to gaining new life in adversity - the inflow of funds, projects, talents, and technology, which will inject continuous and inexhaustible fresh blood into the development of traditional industries in Anshan.

4.4. Inspiration for the Development of Professional Markets from "Wine Fragrance Does Not Fear Deep Alleys"

As the saying goes, the aroma of wine is not afraid of deep alleys. In the era of unprecedented development of the internet, fine wine does not need to worry about how deep the alley is, because the internet has infinitely pulled in the distance between merchants and customers. The convenient internet financial platform and developed logistics distribution network have built a bridge between supply and consumption. For the major professional markets in Anshan, this round of impact has far outweighed opportunities.

Our managers and operators should be aware that the development of the professional market is inevitably impacted by e-commerce, as the latter has superior conditions in many aspects. Therefore, in order to achieve transformation and upgrading in the new social environment, the professional market cannot be limited to the original model, and should strive to integrate with other advanced business models, which is the inevitable path for the professional markets to seek development and upgrading.

Below, I will take the Xiliu Clothing Market, as an example, starting from the topic of "the aroma of wine is not afraid of deep alleys", because this proverb can completely become the "golden rule" for the rebirth and glory of major professional markets in Anshan!

Let's take a look at 'Wine Fragrance' first. To make good wine, it is necessary to have good raw materials, skilled winemakers, and sweet living water. What are good raw materials for the Xiliu Clothing Market? That is a variety of clothing and footwear products that are genuine, affordable, and exquisite in style. Where do these "hot sellers" come from? The most effective way is to create a high-quality and full process service Xiliu E-commerce Industrial Park, develop cloud computing and big data centers for clothing products, and ultimately establish the "Xiliu All Category Supply Chain Selection Center", connecting all merchants in the market to this selection center, so that every merchant can quickly select the next generation of products to sell, and through fast logistics services, Deliver exquisite products to customers' eyes and hands as soon as possible. To make wine more fragrant and sweeter, one cannot do without the exquisite skills of a winemaker. To enable customers to enjoy comfortable shopping in the market, it is necessary to have a group of marketing teams with excellent service levels, strong service awareness, and first-class marketing methods. The establishment and growth of the team requires the supervision and guidance of the government, as well as the sincere support and professional training of industry associations. The excellent service quality and efficient management ability of the management department in the market location are the source of maintaining market vitality and enduring prosperity for customers from all directions. Of course, if you want the aroma of wine to last for a long time, it is not enough to only do good product marketing. Xiliu Market needs to have its own clothing brand and raw material production and processing base. Therefore, high-quality raw materials, high-

end style design, and low costs will make customers enjoy and yearn for the products in Xiliu Market, and be intoxicated with the "wine hometown" and unable to extricate themselves.

Let's take a look at 'not afraid' again. What Xiliu people are most praised by industry insiders is their entrepreneurial spirit of daring to venture and fight, and daring to be trendy in the market trend has become a prominent label of the old Xiliu people. But the first wave of entrepreneurship has faded. To stand at the forefront of the new market situation, courage and boldness alone are not enough. New Xiliu people need to have a larger pattern and vision, as well as a precise grasp of the future competitive situation. In this regard, it is necessary to play the guiding role of governments at all levels and the assistance role of various industry associations and organizations, but the most important thing is that merchants themselves have the pressure to be vigilant in times of peace, the perseverance to learn humbly, and the courage to be brave and brave. The inheritance of the family industry is more about inheriting the business philosophy of honesty, practicality, and daring to be the first. At the same time, it is necessary to be brave and stand firm, and break away from the belief that only family interests are paramount. Only by not fearing the diversification of capital and talent, introducing fresh water and injecting fresh air into family businesses, can we bring refinement of technology and scientific management, and the family industry can be passed down for a long time.

Finally, let's take a look at 'Deep Alley'. Due to the fact that B2B and B2C have become the mainstream ways of professional market management, businesses and customers seem to have come face to face with each other infinitely. In fact, this may not necessarily be reality. Due to the increasingly fierce competition in similar professional markets on e-commerce platforms, the 'alleys' have narrowed, meaning that the customer base has been diluted. So, how to attract customers' attention and make them gather at the "alley entrance" of their own home has become very important, even an art. The following three modes can be referenced and used: one is the physical "store+online" store release mode; The second is the physical "store+live" streaming mode, and the third is the physical "store+auction" mode. In addition, innovative and diverse cultural marketing activities such as the "China Xiliu Clothing Industry Expo" and the "China Internet Celebrity Xiliu Summit" will be held under the leadership of the government, hosted by the market, co-hosted by various e-commerce platforms and well-known apps, and participated by merchants, to enhance the popularity of the Xiliu clothing market, sing praises, and anchor the ambition of building Xiliu into a "leading big brother" in northern China's online sales.

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