Financial Economics Research; Vol.2, No.3; 2025
E-ISSN: 3006-3663 P-ISSN: 3006-3655
DOI: https://doi.org/10.70267/fer.250203.110118
Published by: Zeus Press

Structural Embeddedness of China's Fiscal Policy and the Global Labor Movement in the Era of Globalization: A Retrospective Historical Analysis Based on the Extended Framework of the World-Systems Theory

Boyuan Min*

School of Humanities and Social Sciences, Xi'an Jiaotong-Liverpool University (China), Suzhou 215028, China

**Corresponding author: Boyuan Min, E-mail: minboyuanom@gmail.com.*

Abstract

This paper examines the structural embeddedness of China's fiscal policy and the international labor movement within the capitalist world system, emphasizing their dynamic interplay and mutual influence. By utilizing the extended framework of world-systems theory, this study explores how global labor movements have historically driven capitalist world-systems transformations and how China's fiscal adjustments have facilitated their integration into the capitalist system. The analysis highlights the structural contradictions between capitalism and democratization, illustrating how these tensions manifest through fiscal policy, labor movements, and global value chain dynamics. The paper argues that China's fiscal strategies, particularly during its reform and opening-up period, not only deepened its integration into the global system but also shaped labor–capital relations worldwide. This research contributes to understanding how fiscal policy serves as a critical tool for navigating structural challenges in a globalized economy.

Keywords

world systems, labor movement, fiscal policy, reform and opening-up, labor–capital conflict

1. Introduction

Since the late 20th century, neoliberal globalization has profoundly reshaped global economic and social relations. Against this backdrop, academia has focused on two key issues: (1) the rapid rise of China's economy and its significant influence on globalization and (2) the decline of traditional labor movements in the West, accompanied by a rightward shift in political tendencies. These issues, while distinct, are intricately linked within the structural contradictions of the capitalist world system. This paper posits that China's fiscal policy, as a core tool of national governance, is deeply embedded in structural interactions with global labor movements. Together, they are enmeshed in the systemic contradictions of the capitalist world system, jointly shaping its evolution.

Given that monetary policy has evolved from being subordinate to fiscal policy into a relatively independent governance tool, this paper defines "fiscal policy" broadly as encompassing macroeconomic regulatory mechanisms, including both fiscal and monetary policies, but with an emphasis on the state's behavior as the central economic actor rather than the technical operations of finance ministries or central banks. Using retrospective analysis, this study addresses the following research questions:

1) How have global labor movements driven transformations in the capitalist world system?
2) How has China's fiscal reform facilitated its integration into this system?
3) How do China's fiscal policies and global labor movements interact within the new world system?

These questions form the study's analytical framework.

2. Literature Review

Classical world-systems theory posits that capitalism has led to an international division of labor, forming a core-periphery structured world system (Wallerstein, 2020). While foundational, this theory often adopts a static view, overlooking structural changes within the system itself. Wen's (2013) research emphasized the critical role of fiscal policy in China's Reform and Opening-Up, particularly its impact on rural development and agricultural production. His work inspires this study's focus on the centrality of fiscal policy but falls short in addressing labor capital contradictions and their connection to the broader capitalist world system. Moreover, other scholars have argued that China's integration into the global economy has triggered a "race to the bottom," driven by competitive labor cost reductions (Chan & Ross, 2003; Mehmet & Tavakoli, 2003). While this perspective is supported by empirical evidence, it lacks an analysis of the political–economic linkages between fiscal policy, labor movements, and the evolution of the world system. Other studies emphasize the proactive role of institutional reforms in China's globalization process (Tubilewicz, 2008; Xu, 2011). These studies highlight the strategic agency of the Chinese government in navigating global economic pressures. However, they often overstate the government's autonomy, neglecting how this process was shaped by the spillover effects of adjustments within the capitalist world system.

In summary, while existing research provides valuable insights into the role of fiscal policy and institutional reforms in China's development, it tends to overlook the dynamic interaction between China's fiscal strategies, labor–capital relations, and the structural contradictions of the world system. This study seeks to fill this gap by examining the structural embeddedness of China's fiscal policy and the global labor movement, using an expanded world-systems framework to capture these dynamic interconnections.

3. Theory Framework

Structures in dynamic evolution form the essence of all entities (Rantala, 1980), with internal contradictions driving their transformation (Seo & Creed, 2002). In capitalist economies, this manifests as the continual reproduction of inequality and hierarchical orders, rooted in what Marx (2010) termed the intrinsic contradiction of capitalism—relative overproduction. Globally, this inherent contradiction unfolds along two dimensions: vertical structures, i.e., class inequality, and horizontal structures, i.e., inequality among nations. These dimensions can either reinforce each other or exhibit antagonism.

World-systems theory focuses on inequalities among nations or regions, emphasizing the interplay of economic, political, and cultural structures. It argues that the global hierarchy of core, periphery, and semiperipheral regions, which is based on economic standing, sustains global capitalism through exploitative economic, political, and cultural relations (Wallerstein, 2020). In understanding these global dynamics, Min (2024) further identifies two interrelated forces within the world system: capitalism and democratization. These forces interact, often in tension, as they both shape and are shaped by labor movements. The rise of urban proxies driven by capitalist development sparked labor movements that became key drivers of democratization between the 19th and 20th centuries (Geary, 1972). However, capitalism and democratization are fundamentally at odds. Democracy tends to advance political collectivism, whereas capitalism thrives on economic privatization (Streeck, 2012). This fundamental contradiction, spilling into the political domain, manifests in the disparity between the concentrated ownership of capital and the labor power of the majority. These dynamics are crucial for understanding how core nations in the world system manage political legitimacy by externalizing contradictions, whereas peripheral nations face both domestic and externally transferred contradictions (Wallerstein, 2020). The contradiction between class inequality and interstate inequality ultimately gives rise to the world system, shaping global economic and political structures.

The global expansion of capitalist production relations, which is based on the international division of labor, is the driving force behind globalization. This expansion involves not only the flow of economic factors but also a process of transferring and reproducing contradictions. To maintain political legitimacy in the face of capitalist production and its inherent contradictions, nations have adopted various strategies: resisting globalization, establishing new public ownership-based economic systems, or seeking more central positions within the world system (Min, 2024). These internal and external contradictions and movements collectively shape the world system. In the anarchic international environment, the success of such strategies depends largely on a country’s agency, which is reflected in its ability to formulate effective fiscal policies.

Fiscal policy, as the intersection of a nation's political, economic, and social realms, reflects changes in governance models and the transformation of the state itself (Campbell, 1993). Modern states have emerged under fiscal pressures driven by warfare, and sound fiscal policy ensures the distribution of societal wealth and the monopolization of violence—key elements of the modern state’s existence (Neep, 2013). In interconnected globalization, fiscal policies are indispensable for transferring or mitigating contradictions, resulting in significant externalities. The fiscal policies of influential nations profoundly shape the structure of the world system. Some papers have focused on how fiscal policies impact the globe (Frenkel, 1988).

Both fiscal policy and labor movements (including related labor–capital conflicts and democratization movements) are components of the inherent structural contradictions within the capitalist world system. These elements influence one another within the framework of these contradictions and their ongoing evolution, which constitutes the concept of “structural embeddedness”, as articulated in this paper. Retrospective analysis, in this context, is a method that builds on this understanding, reexamining the relationships and interactions among historical events to provide theoretical explanations of past occurrences grounded in this framework.

4. Analysis

4.1 The Crisis and Evolution of the World System

From the perspective of the world system, China’s Reform and Opening-Up represents its transition from a challenger to an integral participant in the world system, initiated by the system’s internal crises. Since the late 1960s, capitalist industrial nations have faced severe relative overproduction, the failure of Keynesian fiscal measures, and deep stagflation (Shaikh, 2005). Events such as the oil crisis, the Vietnam War, and the independence of colonies symbolized resistance from peripheral nations, undermining the core nations' strategies to reconcile capitalism and democratization through high welfare and employment policies (Scharpf, 2000). Amid these challenges, large-scale labor movements have reemerged, targeting the preservation of welfare systems but influenced by ideologies such as communism and anarchism, thereby challenging political legitimacy (Brenner et al., 2010). Governments and businesses were forced to respond by adopting welfare policies and increasing wages, further reducing profit margins and worsening the stagflation crisis.

Under mounting labor movement pressure, the world system implemented internal adjustments to alleviate and transfer labor capital contradictions. These adjustments involve three interrelated aspects: changes in production processes, spatial reorganization, and the resurgence of financial capitalism. The shift from Fordist mass production to post-Fordist methods epitomized changes in the production process. Fordism emphasized standardized production and economies of scale, creating cohesive worker groups capable of disruptive strikes (Blackburn et al., 1985). Post-Fordist methods, influenced by Toyota's lean and dual system, emphasized just-in-time production, flexible customization, and workforce segmentation into core and peripheral labor. Core workers, who are entrust with key roles, receive stable contracts and benefits, fostering loyalty, whereas peripheral workers, who are often temporary or outsourced, handle low-skill tasks and face unstable conditions (Helper, 1996). These adjustments diluted worker solidarity, reducing the labor movement's power.

Adjustments in production processes laid the foundation for spatial reorganization. According to the smile curve theory, among the stages of research and development, manufacturing, and marketing, patent-protected technologies and brand marketing generate the highest added value due to technical barriers and market dominance (Meng et al., 2020). In contrast, labor-intensive manufacturing, often undertaken by peripheral labor, yields low added value and faces escalating labor-capital tensions due to cost pressures. Consequently, outsourcing labor-intensive production became a strategic choice for capital. During profit crises in core nations, capital sought relocation to avoid domestic labor disputes and conflicts. Politically, this shift coincided with the rise of neoliberal economic policies championed by leaders such as Thatcher and Reagan, steering core countries toward neoliberalism. Academia and political practice closely aligned during this period, advancing neoliberal theories that framed financial deregulation as a solution to economic stagnation (Best, 2020). Within this framework, industrial relocation accelerated, reshaping core economies toward service and high-tech industries, whereas peripheral nations absorbed labor-intensive production, forming the global value chain.

The establishment of the global value chain further spurred the resurgence of financial capitalism. This was not a novel phenomenon, as early capitalist systems before the industrial revolution also relied on cross-border trade and financial mechanisms to exploit peripheral resources and labor (Beckert, 2015). These systems concentrate wealth in core regions through intricate trade networks and financial tools. The global value chain maximized the utilization of labor cost differentials while enhancing capital mobility and accumulation efficiency via the control of production processes and global markets by multinational corporations. Simultaneously, financial capital became deeply embedded in production through direct investment, supply chain financing, and foreign exchange operations (Niggle, 1986). This evolution increased industrial capital's reliance on financial capital, driving the resurgence of financial capitalism. Consequently, capital's focus shifted from traditional industrial production to value appreciation via financial instruments.

4.2 China's Fiscal Policy Adjustment and Economic Dependence

Amid efforts by core nations to address relative overproduction and transfer contradictions (via industrial relocation), the prolonged crisis and internal adjustments of the world system provided a developmental window for developing countries. Against the backdrop of the full-scale initiation of Japan's flying geese model of economic diffusion, the exemplary role of Southeast Asia's economic miracle, and its ability to normalize relations with China, China began implementing strategies in the 1970s to resolve its structurally flawed economy from its "catch-up" strategy (Li & Vinten, 1997). These included import-substitution industrialization (ISI) measures, such as the "Four-Three Plan" during the Cultural Revolution and the more aggressive "Eight-Two Plan" in the post-Mao era. These policies utilized state fiscal spending to purchase advanced equipment and technology from core nations while restricting foreign direct investment to maintain independence. However, these adjustments marked the beginning of China's dependency on the world system, initiating its integration.

On the fiscal front, the large-scale import of technology and equipment has led to growing external debt and fiscal deficits. Under the planned economy, significant deficits forced contractionary policies, causing enterprises to rely on state investment to reduce production and lay off workers (Wen, 2013). Along with returning educated youth from the countryside, this created massive unemployment and social unrest (McLaren, 1979). When efforts to mobilize unemployed youth for rural resettlement failed, Chinese leaders opted for expansive fiscal policies (post-1981), funded by monetary expansion and national debt, alongside reductions in nonpriority expenditures. Policies prioritized employment, allowing small-scale private enterprises and individual businesses. Specifically, the state withdrew fiscal investments in unprofitable agricultural collectivization, introduced a contracting system, and dissolved production teams, replacing them with township and village administrative units (Wen, 2013). State-owned enterprises were instructed to expand employment, often replacing skilled workers with younger technical staff. However, the disbanding of rural collectives has caused a steep decline in demand for machinery, further exacerbating inefficiencies in state-owned enterprises (Huang & Meng, 1997).

Land reforms and employment liberalization released significant amounts of rural labor and resources. Leveraging the residual assets of former collective economies, township and village enterprises rapidly filled the urban market demand for cheap consumer goods. This spurred rural domestic demand, curbed inflation from fiscal deficits, and boosted private enterprise and national economic growth (Shen & Ma, 2005). Moreover, several special economic zones (SEZs) have been established in coastal regions to attract foreign investment, create export-driven economies, and alleviate fiscal deficit pressure through trade (Wen, 2013). These measures, aimed at addressing fiscal crises, laid the groundwork for China's later reform and opening-up policies. Closely tied to the self-adjustment of the world system, these reforms deeply integrated China into the capitalist world system.

4.3 Interaction of China's Fiscal Policy and the International Labor Movement

China's fiscal policy adjustments are deeply embedded in the structural constraints of the financial capitalist world system, a result of internal contradictions transferred within capitalism. To align with the division of labor in the global value chain, China used fiscal spending to attract foreign investment, leading to significant external debt and reliance on foreign capital. When fluctuations occurred in the capitalist world system, this dependence triggered domestic crises. From market-oriented reforms in the 1980s to asset-based reforms in the 1990s and the comprehensive reforms of 1994, China's fiscal policies often opted to exit unprofitable sectors, abandoning rural public services and downsizing state-owned enterprises (SOEs) (Chen, 2008). This approach contracted domestic demand but created a large pool of low-cost labor, furthering China's dependence on export-oriented economic development and enforcing strict export discipline to integrate into the international economic cycle.

Export-oriented economies carry the contradictions transferred from core countries in the world system. While many authoritarian states that absorb industrial transfers eventually democratized due to labor movements (Buchanan & Nicholls, 2003; Neureiter, 2013; Seidman, 1994), China's efficient authoritarian government navigated the political turbulence of the 1980s and suppressed labor–capital conflicts. Following the Southeast Asian financial crisis, the Chinese government sustained its export-oriented economy through neostatist policies, particularly infrastructure investments (Garnaut, 2013). China's series of policies effectively halted the spread of labor struggles typically observed in the product cycles of capitalist economies. In the product cycle of the capitalist economy, labor resistance often appears and develops in places where capital is transferred (Silver, 2012a). As a result, China became the "world's factory" but also halted the internationalization of labor movements.

China's thriving export-oriented economy has become a crucial driver of globalization under the capitalist financial world system. By exporting vast quantities of low-cost industrial goods, China alleviates labor capital contradictions in core countries, significantly reducing their production costs and consumer prices and thus stabilizing their economies and social orders. Moreover, by occupying low-value-added segments in the global value chain, China enables core countries to dominate high-value-added sectors such as R&D and branding, enhancing their profit-making capacities. More critically, China's accumulated foreign exchange reserves from export trade are reinvested in core country assets such as government bonds, providing abundant financial capital to sustain these economies (Zheng & Yi, 2007). This capital feedback mechanism has fuelled the rapid expansion of financial capital in core countries, further consolidating the global dominance of the financial capitalist world system.

When the cross-sectoral mobility of production factors is high, societal structures tend to form class alliances, as labor and capital can flexibly shift across industries, redistributing interest. Conversely, low mobility confines production factors to specific sectors, fostering industry-based alliances (Hiscox, 2001). Under financial capitalism, capital mobility has significantly increased, particularly in core nations, where high factor mobility has elevated the interests of the financial elite to a dominant position (Carroll & Alexander, 1999). This shift has profoundly altered the political landscape, with policies in core nations increasingly catering to the demands of financial capital at the expense of the real economy and labor.

As a result, the "capital-state-labor" pact established under pressure from labor movements has gradually disintegrated (Silver, 2012b). The profit-driven logic of financial capital has diminished labor bargaining power within political and economic systems, weakened the state's role in protecting labor, and stalled democratization. This is exemplified by the "depoliticization of the state," where policymaking has become more technically and market-oriented, marginalizing labor interests and exacerbating social inequality and political polarization (Preite, 2017).

Although financialization has driven economic growth, financial profits have outpaced national wealth growth, intensifying disparities. The growth model of financial capital relies not on expanded reproduction within the real economy but on value appreciation through financial instruments. This highly mobile form of capital, termed "rootless capital," rarely flows into productive investments but instead gravitates toward financial asset trading and speculative value creation, inflating asset bubbles (Ahmed et al., 2017). When these bubbles burst, economic volatility severely impacts ordinary citizens, further widening the wealth gap (Gai & Haworth, 2024).

Under financial capitalism's dominance, industrial capital has grown discontented, citing insufficient support for the real economy and resulting in long-term structural imbalances (Storm, 2018). Meanwhile, new labor movements have sought to align with industrial capital, advocating for low taxes and even fewer welfare policies to promote manufacturing repatriation and real economy revitalization. This shift has increasingly transferred the leadership of labor movements to right-wing political forces (Kurer, 2020; Oesch, 2008). However, this phenomenon, widely described as “right-wing populism” or the “rise of the right,” often has negative connotations.

5. Conclusion

This study demonstrates the structural embeddedness of China’s fiscal policy and the international labor movement within the capitalist world system, driven by the continuous transformation of capitalism’s core contradictions. The tensions introduced by global labor movements served as catalysts for China’s export-oriented fiscal policies. In turn, China’s fiscal reforms reinforced export dependency, significantly suppressing the development of global labor movements. This reciprocal dynamic highlights how fiscal policy operates as a national tool, both reflecting and shaping the systemic contradictions of the capitalist world system.

In general, however, fiscal policy can only be successful if it responds to and reinforces the tendency of the capitalist world system to evolve under the drive of labor–management conflicts. This explains why export discipline has been more successful than ISI has been because export discipline is consistent with the need to shift the contradictions of the capitalist world system. This can further indicate that, within the capitalist world system, the direction of fiscal policy reforms determining a nation's destiny needs to align with changes in the world system, which requires close attention to the trends of the global labor movement. This creates a soft constraint and a competitive mechanism. For a country to succeed, its fiscal policies must align with these changes. The extent and appropriateness of adopting corresponding fiscal policies reflect a nation's agency, driving competition among countries in this dimension.

Across Europe, the United States, and other regions, right-wing movements that gain labor support are reshaping political trends. This article argues that the capitalist world system is shifting toward a new, domestically driven industrial capitalism model. Like the chaos of the 1980s, this transition brought confusion and contradictions. In China, export-driven policies have reached their limit, while labor–capital tensions are becoming increasingly dangerous. In core countries such as the U.S., right-wing movements aligned with labor are driving changes amidst controversy. Nations that adapt their fiscal policies to this cyclical shift will succeed and move closer to the world-system's core.

This study is limited by its reliance on indirect evidence. The direct causal relationship between China’s fiscal policies and the international labor movement remains underexplored and requires further empirical investigation. Future research should focus on integrating primary data and deeper case studies to better understand these dynamics while expanding the analysis to include other evolving fiscal strategies.

References

Ahmed, E., Rosser, J. J. B., & Uppal, J. Y. (2017). *Financialization and speculative bubbles - international evidence* (CAMA Working Paper 6/2017). (SSRN Electronic Journal). T. A. N. University. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2899960

Beckert, S. (2015). The wages of war capitalism. In S. Beckert (Ed.), *Empire of cotton: A global history* (pp. 56-82). Vintage Books.

Best, J. (2020). The quiet failures of early neoliberalism: From rational expectations to Keynesianism in reverse. *Review of International Studies, 46*(5), 594-612. https://doi.org/10.1017/S0260210520000169

Blackburn, P., Coombs, R., & Green, K. (1985). New technology and Neo-Fordism. In P. Blackburn, R. Coombs, & K. Green (Eds.), *Technology, economic growth and the labour process* (pp. 88-107). Palgrave Macmillan. https://doi.org/10.1007/978-1-349-07517-1_5

Brenner, A., Brenner, R., & Winslow, C. (2010). *Rebel rank and file: Labor militancy and the revolt from below during the long seventies*. Verso.

Buchanan, P. G., & Nicholls, K. (2003). Labour politics and democratic transition in South Korea and Taiwan. *Government and Opposition, 38*(2), 203-237. https://doi.org/10.1111/1477-7053.T01-1-00012

Campbell, J. L. (1993). The state and fiscal sociology. *Annual Review of Sociology, 19*(1), 163-185. https://doi.org/10.1146/ANNUREV.SO.19.080193.001115

Carroll, W. K., & Alexander, M. (1999). Finance capital and capitalist class integration in the 1990s: Networks of interlocking directorships in Canada and Australia. *Canadian Review of Sociology and Anthropology, 36*(3), 331-354. https://doi.org/10.1111/J.1755-618X.1999.TB00578.X

Chan, A., & Ross, R. J. S. (2003). Racing to the bottom: International trade without a social clause. *Third World Quarterly, 24*(6), 1011-1028. https://doi.org/10.1080/01436590310001630044

Chen, A. (2008). The 1994 tax reform and its impact on China's rural fiscal structure. *Modern China, 34*(3), 303-343. https://doi.org/10.1177/0097700408315987

Frenkel, J. A. (1988). *International aspects of fiscal policies*. University of Chicago Press.

Gai, P., & Haworth, C. (2024). Asset bubbles and wealth inequality. *Scandinavian Journal of Economics, 126*(4), 773-809. https://doi.org/10.1111/SJOE.12560

Garnaut, R. (2013). A Chinese perspective on economic development: The views of Justin Yifu Lin. *Australian Economic Review, 46*(3), 387-394. https://doi.org/10.1111/J.1467-8462.2013.12029.X

Geary, D. (1972). Socialism, revolution and the european labour movement, 1848–1918. *The Historical Journal, 15*(4), 794-803. https://doi.org/10.1017/S0018246X00003563

Helper, S. (1996). Book review: Hybrid factory: Japanese production systems in the United States. *Business History Review, 70*(3), 420-421. https://doi.org/10.2307/3117252

Hiscox, M. J. (2001). Class versus industry cleavages: Inter-industry factor mobility and the politics of trade. *International Organization, 55*(1), 1-46. https://doi.org/10.1162/002081801551405

Huang, Y., & Meng, X. (1997). China's industrial growth and efficiency: A comparison between the state and the TVE sectors. *Journal of the Asia Pacific Economy, 2*(1), 101-121. https://doi.org/10.1080/13547869708724608

Kurer, T. (2020). The declining middle: Occupational change, social status, and the populist right. *Comparative Political Studies, 53*(10-11), 1798-1835. https://doi.org/10.1177/0010414020912283

Li, L., & Vinten, G. (1997). An overview of the experiences of Chinese industrialization strategies and development. *Managerial Auditing Journal, 12*(4-5), 183-191. https://doi.org/10.1108/02686909710173858

Marx, K. (2010). The concept of relative surplus-value. In K. Marx (Ed.), *Capital: A critique of political economy, volume 1* (pp. 156-168). Pacific Publishing Studio.

McLaren, A. (1979). The educated youth return: The poster campaign in Shanghai from November 1978 to March 1979. *The Australian Journal of Chinese Affairs, 2*, 1-20. https://doi.org/10.2307/2158728

Mehmet, O., & Tavakoli, A. (2003). Does foreign direct investment cause a race to the bottom? Evidence from four Asian countries. *Journal of the Asia Pacific Economy, 8*(2), 133-156. https://doi.org/10.1080/1354786032000074712

Meng, B., Ye, M., & Wei, S. J. (2020). Measuring smile curves in global value chains. *Oxford Bulletin of Economics and Statistics, 82*(5), 988-1016. https://doi.org/10.1111/OBES.12364

Min, B. (2024). An analysis of the relationship between democracy and capitalism based on the global capitalist system: A rebuttal to almond's thesis. *Journal of Humanities and Social Sciences Studies, 6*(10), 28-30. https://doi.org/10.32996/JHSSS.2024.6.10.3

Neep, D. (2013). War, state formation, and culture. *International Journal of Middle East Studies, 45*(4), 795-797. https://doi.org/10.1017/S0020743813000925

Neureiter, M. (2013). Organized labor and democratization in Southeast Asia. *Asian Survey, 53*(6), 1063-1086. https://doi.org/10.1525/AS.2013.53.6.1063

Niggle, C. J. (1986). Financial innovation and the distinction between financial and industrial capital. *Journal of Economic Issues, 20*(2), 375-382. https://doi.org/10.1080/00213624.1986.11504508

Oesch, D. (2008). Explaining workers' support for right-wing populist parties in Western Europe: Evidence from Austria, Belgium, France, Norway, and Switzerland. *International Political Science Review, 29*(3), 349–373. https://doi.org/10.1177/0192512107088390

Preite, G. (2017). Paradoxes of democracy and depoliticisation in the social peripheries of modernity. *Partecipazione e Conflitto, 10*(3), 874-895. https://doi.org/10.1285/I20356609V10I3P874

Rantala, V. (1980). On the logical basis of the structuralist philosophy of science. *Erkenntnis, 15*(3), 269-286. https://doi.org/10.1007/BF02070839

Scharpf, F. W. (2000). The viability of advanced welfare states in the international economy: Vulnerabilities and options. *Journal of European Public Policy, 7*(2), 190-228. https://doi.org/10.1080/135017600343160

Seidman, G. (1994). *Manufacturing militance: Workers' movements in Brazil and South Africa, 1970-1985*. University of California Press. https://doi.org/10.5860/CHOICE.32-2203

Seo, M. G., & Creed, W. E. D. (2002). Institutional contradictions, praxis, and institutional change: A dialectical perspective. *Academy of Management Review, 27*(2), 222-247. https://doi.org/10.5465/AMR.2002.6588004

Shaikh, A. (2005). Explaining the global economic crisis. *Historical Materialism, 5*(1), 103-144. https://doi.org/10.1163/156920699100414481

Shen, X., & Ma, L. J. C. (2005). Privatization of rural industry and de facto urbanization from below in southern Jiangsu, China. *Geoforum, 36*(6), 761-777. https://doi.org/10.1016/J.GEOFORUM.2005.01.005

Silver, B. J. (2012a). Labour movements and product cycles. In B. J. Silver (Ed.), *Forces of labor: Workers' movements and globalization since 1870* (pp. 94-152). Social Sciences Academic Press.

Silver, B. J. (2012b). Labour movements and world politics. In B. J. Silver (Ed.), *Forces of labor: Workers' movements and globalization since 1870* (pp. 155-203). Social Sciences Academic Press.

Storm, S. (2018). Financialization and economic development: A debate on the social efficiency of modern finance. *Development and Change, 49*(2), 302-329. https://doi.org/10.1111/DECH.12385

Streeck, W. (2012). *The crisis in context: Democratic capitalism and its contradictions* (MPIfG Discussion Paper, No. 11/15). Econstor. https://doi.org/10.2139/SSRN.1950558

Tubilewicz, C. (2008). China and globalization: The social, economic and political transformation of Chinese society. *The China Journal, 59*, 208-210. https://doi.org/10.1086/TCJ.59.20066419

Wallerstein, I. (2020). *The modern world-system I: Capitalist agriculture and the origins of the European world-economy in the sixteenth century*. University of California Press. https://doi.org/10.1525/9780520948570

Wen, T. (2013). *Eight crises: China's real experiences 1949–2009*. Oriental Press.

Xu, C. (2011). The fundamental institutions of China's reforms and development. *Journal of Economic Literature, 49*(4), 1076-1151. https://doi.org/10.1257/JEL.49.4.1076

Zheng, Y., & Yi, J. (2007). China's rapid accumulation of foreign exchange reserves and its policy implications. *China and World Economy, 15*(1), 14-25. https://doi.org/10.1111/J.1749-124X.2007.00011.X

Funding

This research received no external funding.

Conflicts of Interest

The authors declare no conflict of interest.

Acknowledgment

This paper is an output of the science project.