

The Characteristics of China's Macroeconomic Operation and New Ideas of Macro-Control since the 18th National Congress

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Abstract: Since the 18th National Congress of the Communist Party of China, China's economic development has entered the new normal of the growth rate shift period, withstanding the double pressure at home and abroad, facing the problems of economic downturn, serious shortage of domestic demand, blocked development power and so on. In order to better cope with the doubling of uncertainty and uncontrollability, China's macroeconomic regulation and control firmly the correct leadership of the Party Central Committee, to high-quality development as the goal of guidance, comprehensively implement the new development concept, build a new development pattern, in the steady thinking of progress, a deep grasp of the new development stage, We have always made important efforts to promote social equity and justice, achieve common prosperity, and build a modern socialist country in an all-round way. This paper first analyzes the characteristics of China's macroeconomic operation since the 18th National Congress. Secondly, analyze the new ideas of macroeconomic regulation since the 18th National Congress of China. Finally, the analysis of China's macro policy orientation under the new situation.

Keywords: Macro-control; New Development Stage; High-quality Development; Social Equity and Justice.

1. Introduction

Since the 18th National Congress of the Communist Party of China, China's macroeconomic development has faced double pressure from domestic and foreign situations. In terms of the external environment, for some time after the outbreak of the financial crisis, the international financial and trade system is still in the recovery stage, the anti-globalization thinking in the external economic environment is prevailing, and the tail risks of emerging markets are increasing. In recent years, international frictions and the ongoing dispute between Russia and Ukraine have made it difficult for the global economy to recover in large areas. From the perspective of the internal environment, since China entered a new stage of development in 2012, it has gradually opened a new period of economic growth downward, and economic development quality and quantity go hand in hand. The overlapping impact of the three phases is spreading, and the problems caused by them need to be solved urgently. Both internally and externally, China is in the midst of major changes unseen in a century and two centenary confluence periods. The global landscape is in flux, and the prolonged impact of the COVID-19 epidemic is still spreading. For some time to come, the impact of the European recession on the global trade market will continue to be significant, the growth of the global economy will slow down again, the situation of debt growth will not disappear, and the overall situation is moving into an unpredictable and unknown region. In the period of transition, China's economic development needs to deal with increased uncertainty and uncontrollability, and macroeconomic operation and regulation are entering a difficult stage. China's macroeconomic regulation should more thoroughly implement the new development concept, take high-quality development as the goal, and deeply grasp the characteristics of the Party's macroeconomic operation and new ideas of macroeconomic regulation since the 18th

National Congress. At the same time, it is helpful to understand the meaning behind various policies and opinions, and focus on improving the intensity and efficiency of policy implementation.

2. Characteristics of China's Macroeconomic Operation Since the 18th National Congress

At the Central Economic Work Conference in 2014, he once again stressed that understanding, adapting to and leading the new normal is the main logic of China's economic development at present and in the future. At present, the main characteristics of China's macro-economic operation can be summarized from the overall trend of the economy, the source of economic growth and the driving force of economic development.

2.1. The Downward Pressure on the Economy has Increased Sharply

Since the 18th CPC National Congress, China's economic aggregate has continued to rise, but the economic growth rate has been lowered from the previous annual double-digit growth to below double digits and gradually stabilized below 8%.

In 2020, the global economic growth rate will be -3.1%, while China's economic growth rate will drop to about 2% but still maintain positive growth. The decline in economic growth rate will pick up slightly in 2017 and significantly in 2021, but the overall growth situation will still show a downward trend compared with before. In December 2018, China's manufacturing PMI index officially fell below 50%. In addition to the significant recovery of PMI caused by the Spring Festival factor in the past year, most of the month's indicators are obviously not optimistic, especially in April and May of 2023, although it remains above the line reflecting the

economic boom and decline, but the continuous downward trend faces the risk of economic depression.

After the end of the high-speed growth period, the economy often slips to a lower position in the growth rate, and some countries have fallen by more than 50%. China's economic growth rate has declined to a lower level after a high growth period in line with international experience. This means that under the pincer attack of both sides at home and abroad, China cannot escape the increasing downward pressure on the economy. Resisting the downward pressure on the economy in the growth shift stage has become the top priority of macroeconomic control at this stage.

2.2. The Total Domestic Demand is Seriously Insufficient

In 1998, China's macro economy experienced a shortage of domestic demand. In the past, it mainly relied on increasing investment and then pulling the economy back to the balance between supply and demand. But this short-lived balance did not last long. Since the 18th National Congress of the CPC, the phenomenon of insufficient demand has reappeared and become increasingly serious. The demand side cannot be pulled, and the solutions limited to the traditional western theoretical framework of demand can no longer deal with the substantive problems that cause the insufficient total domestic demand in China.

After the economic crisis, combined with the actual domestic situation, the core cause of the lack of domestic demand in China is the interleaving of structural contradictions and institutional problems in the economic system. In addition, the increasing income gap, the weak market, the industrial malaise and the gradual formation of the abnormal export-dependent economy are all sluggish consumption, and the insufficient domestic demand phenomenon is worse. Especially in 2020, China's final consumption has shown a negative effect on GDP growth.

The domestic people's willingness to consume is still conservative, the structure of supply and demand has undergone great changes, and domestic investment is not strong enough to drive economic growth. This also shows that we must resolutely implement supply-side structural reform, enhance supply-side quality, and constantly stimulate the vitality of market players. At the same time, we will carry out demand-side reform in a coordinated manner to raise people's consumption level to a higher level.

2.3. Impeding the Driving Force of Economic Development

China's rapid economic growth in the past few decades has created a miracle phenomenon in the history of world economic development. However, in recent years, as the real estate industry is suffering, the Internet is outdated, the novel coronavirus pneumonia epidemic has caused an irreversible impact on the real economy, and the US technology blockade and technological oppression, the old driving forces of China's economic development can no longer effectively meet the current development requirements. Cultivating and developing new driving forces is a necessary measure after the Chinese economy has entered the new normal. Due to China's lack of innovation for a long time, the core technology of many industries is still subject to others, and it is impossible to divert high returns to the country. In 2022, China's innovation index will rank 11th in the world, which is still far behind that of advanced countries such as the United

Kingdom and the United States. Innovation and reform are urgent. In terms of development drivers, the lack of innovation capacity and weak research and development efforts are one of the important reasons for the current limited potential growth of the economy. Therefore, it is urgent for China to build new drivers of economic growth, enhance innovation capacity, broaden the space for economic growth, and realize industrial upgrading and economic structure optimization.

3. New ideas for Macroeconomic Regulation since the 18th CPC National Congress

China has withstood the downward pressure on the economy by actively addressing the difficulties faced by market entities, optimizing the economic system, and strengthening the belief in common prosperity.

3.1. Taking High-Quality Development as Our Goal, We Seek Progress While Maintaining Stability

In the new era, China's development environment is also more complex and volatile. Macroeconomic regulation should not only focus on problems to be solved, but also integrate economic development goals. To build a modern socialist country in an all-round way, China's macroeconomic control should be oriented toward high-quality economic development, identify weaknesses through problems, and make up for them while solving them. In order to further realize the goal of high-quality economic development in the new era, China's macro-control needs to take more comprehensive consideration of economic aggregate and structural factors, coordinate the contradictions between the two, and seek common development.

On the one hand, China's shift to a higher level of economic development does not mean abandoning the speed of growth, but striving for steady economic growth on the basis of ensuring quality. To achieve incremental growth requires a solid foundation. Keeping economic growth within a reasonable and stable range is the basis for other macro-control measures. On the other hand, in the long run, economic development also needs to achieve better breakthroughs on the basis of a certain quantity and growth rate, ease the downward pressure and impact of the economy, and realize the linkage effect with other macro-control targets, so as to better cope with short-term economic fluctuations and long-term economic structure problems. Take the new development concept as the basic principle, taking high-quality development as the goal, and adhering to the idea of seeking progress while maintaining stability are also important methodologies for the Party to govern the country. Properly handling the mutually reinforcing relationship between stability and progress will help determine the right timing and intensity of regulation, accurately grasp the coverage of policies, and maximize efficiency. At the same time, factors such as people's well-being, social welfare and market expectations need to be taken into account to forestall the threat of systemic risks.

3.2. Foster a New Development Pattern and Build a Resilient Economic System

Nowadays, the world economy is gradually evolving in the direction of anti-globalization, the development of global

trade is drifting and entering a downturn, and China is also at the threshold of an epoch-making turning point in the world situation. The Fifth Plenary Session of the 19th CPC Central Committee called for accelerating the establishment of a new development pattern with domestic cycles as the mainstay and both domestic and international cycles reinforcing each other. The construction of the new development pattern is in accordance with the general law of the economic rise of great powers. China's macro-control needs to fully understand the essence and significance of the new development pattern, reverse the wind of dependence on domestic and foreign demand, and reshape the economic structure.

On the one hand, China should speed up the circulation of factors, smooth the domestic circulation, adhere to the strategic basis of expanding domestic demand, appropriately expand total demand, and cultivate and recover the domestic market. We will advance supply-side structural reform, stimulate the internal driving force for high-quality economic development, promote high-quality economic development, implement the new development model, continue to unleash the potential of domestic demand, and make China's internal economic environment more resilient to risks. On the other hand, we should further expand reform and opening up, open up to the outside world at a higher level and with higher quality, expand domestic demand while facilitating production factors and links, improve the adaptability of the supply-side system, build a resilient economic system, and enhance the capacity of China's economic system to repair and adjust itself. At the same time, we should unswervingly support globalization and promote the pace of global economic recovery, fully demonstrate China's responsibility and mission as a major country, contribute China's strength to global economic recovery, and work together to properly cope with various fluctuations and challenges in the world.

3.3. Seize the New Stage of Development and Promote Social Equity and Justice

The new stage of development is a stage in which the Chinese people, under the leadership of the Party, brave the torrent and dare to climb, and realize the historical process of the great rejuvenation of the Chinese nation. After the completion of the accumulation of quantity, the principal contradiction in Chinese society has changed, and the quality of development cannot match people's yearning for and needs for a better life. This is the root problem that needs to be solved urgently in China at a new historical starting point. In the new stage of development, China should move further toward the center of the world stage. Taking into account efficiency and equity, and maximizing social utility are the distinct main lines of promoting high-quality development and making further efforts for the great rejuvenation dream. To avoid falling into the middle-income trap, promoting high-quality development and promoting social equity and justice is the only way and an inevitable requirement for China to build a modern socialist country in an all-round way. Macro-control in the new stage should be guided by the idea of striking a balance between efficiency and fairness and promoting common prosperity for all people, and adopt a highly precise macro-control rhythm to support high-quality development, and then promote common prosperity through high-quality development.

On the one hand, China's macro-control should make overall plans for both the supply side and the demand side, improve the efficiency of the utilization of various resources,

strengthen the multiplier effect, and dynamically link the total supply and demand with the structure, so as to form a high-level dynamic balance in which demand pulls supply and supply creates demand. We should tackle the problem of diminishing marginal utility, break through the downward trend of the economy, continue to improve economic performance and make the pie bigger, so as to lay a solid and profound material foundation for improving people's well-being. On the other hand, in macro-control, we should make more flexible use of monetary and fiscal policies, appropriately improve the income distribution mechanism to adjust income distribution, establish a system of coordination between primary distribution, redistribution and secondary distribution, continue to expand social benefits, mitigate inequities and injustices, solve the problem of wealth distribution, and increase people's happiness in life. It should embody the essence of socialism -- common prosperity.

3.4. Strengthen the Driving Force of Economic Development and Seize the Initiative in Development

Since the 18th CPC National Congress, China's macro-control has been guided by the important idea of cultivating and strengthening new drivers of economic development to ease downward pressure on the economy, strengthen growth drivers and avoid falling into the middle-income trap. Innovation is the inexhaustible driving force for economic growth, and core technologies are also the core driving force. China's innovation and development are facing huge challenges, with insufficient innovation and development momentum. Taking innovation as the core factor to drive the progress of China's scientific and technological strength, achieve scientific and technological self-reliance, and fully activate economic development is the entry point for innovation-driven development. In addition to trade, some countries led by the United States are gradually carrying out unprecedented blockade on China's science and technology and its products, causing some industries represented by chip manufacturing in China to fall into difficulties or even temporary stagnation overnight, bringing heavy losses to industrial and economic development. In addition, with the continuous rise of China's science and technology and breakthroughs in many aspects, the technology for our country to learn from is decreasing both in depth and design. China urgently needs to expand its own level of innovation, independent exploration, independent innovation can lead our country's advanced technology to embark on a new journey.

At present and in the future, improving innovation capacity and enhancing the momentum of economic development will be the key to macro-control. First of all, we should increase support for innovation research and development within a controllable range, improve innovation-driven environmental policies, strive to allocate relevant policy resources to the cutting edge, organize the construction of core technology breakthrough projects, strive to break down technical barriers at an early date, and show a new look of China's technological progress. Secondly, it is necessary to establish and improve the long-term mechanism of independent research and development of science and technology, strengthen the main position of enterprises in scientific and technological innovation and progress, take innovation as the hub, promote the deep exchange and integration of innovation elements from all walks of life, strengthen the effective transformation of scientific and technological research and development

results, stimulate the deep linkage between production, university and research, and promote industrial upgrading with technological innovation to form a circular effect. Finally, we should not only promote the spirit of innovation at the organizational and enterprise levels, but also actively encourage the spirit of innovation at the individual level, mobilize all the forces that can be mobilized, and make up for the shortcomings that restrict the growth of labor productivity of all employees.

4. Epilogue

China has carried out the "five-in-one" overall plan and the "four-pronged comprehensive" strategy in a coordinated way. In terms of macro-economic adjustment, we have unswervingly taken high-quality development as our task, maintained the tone of seeking progress while maintaining stability, adhered to the implementation of the five concepts for development, and actively carried out policy and system innovation on promoting social equity and justice and enhancing the sources of economic development. At present, although China is in the rapid evolution of the world's greatest changes in a century, it is still able to grasp the steering wheel of high-quality economic development and stable operation. Through accumulating and enriching macro-control experience, we adjusted, innovated and enriched the macro-control system, laying the foundation for the successful completion of the first centenary goal, and at the same time riveting sufficient impetus for the realization of the second centenary goal. Under the new situation, China will continue to adhere to the Party Central Committee's control and leadership of macro-control, the political economy, ecological environmental protection, social development and other factors into the comprehensive consideration, give full play to the decisive role of the market in the allocation of resources, better play the role of the government, can do, should do as much as possible to do, do as much as possible, accumulate small wins into big wins. We will give full play to the Party's core role in taking a holistic view and coordinating all parties,

respond to various challenges and impacts, continue to improve the macro-control system, meet the people's aspirations for a better life, and embark on a new journey to fully build a modern socialist country.

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