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Liu Fengyi: On the relationship between the government and the market in the socialist market economy

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[Summary] The relationship between the government and the market is an important relationship in the market economic system. Understanding the relationship between the government and the market cannot stop at the superficial phenomenon of "big government and small market" or "small government and big market", but must go deep into the government and market. To understand the deep relationship behind the market relationship. According to the basic principles and methods of Marxist political economy, the essence of the relationship between the government and the market is the relationship between the state and the market, and the nature of the state and the nature of ownership determine the essential characteristics of the relationship between the government and the market. my country's socialist market economy is under the leadership of the Communist Party of China and adheres to the people-centered development philosophy. Through continuous development and expansion of the public economy, state-owned enterprises and state-owned capital are strengthened and optimized, and economic plans, medium and long-term plans, and major issues are formulated. Development strategies, etc., explore the organic combination of the advantages of the socialist system and the market economy, and constitute a significant feature of the relationship between the government and the market in the socialist market economy.

[Keywords] socialist market economy government and market relations plan and market relations

The relationship between the government and the market is an important relationship in the market economic system, whether it is in the capitalist market economy or in the socialist market economy. Xi Jinping calls it a "global problem in economics". How to deal with it in our country The relationship between the two has always been the core issue of our economic system reform. Some Western scholars usually divide the developed capitalist countries into a laissez-faire market economy model and a government-regulated market economy model based on the relationship between the two. This division roughly reflects the differences in the market economy models of developed capitalist countries, but there are two obvious shortcomings in the understanding of the relationship between the government and the market by Western economists: First, it is a metaphysical "dichotomy" in methodology. In their view, the relationship between the government and the market is either one or the other or one ebb and flow. Therefore, they usually describe the relationship between the government and the market as "big market and small government" or "small market and big government". This kind of understanding essentially regards the government as "exogenous", and it seems that the market

announcement

- [06-25] "Marxist Economic Theory..." (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-5dcef759e9c94b038a144b7afadbf1a4f.html>)
- [09-02] The 2019 School of Economics "Non-general..."
- [09-02] Economic Boling Class (Class 2019)... (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-5dcef759e9c94b038a144b7afadbf1a4f.html>)
- [09-02] School of Economics, Economics and Managen...
- [09-02] The second selection item list of the School of E...

Scholastic focus

- Part of the renovation project of the round building and square building of the School of Economics was successfully completed (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-5dcef759e9c94b038a144b7afadbf1a4f.html>)
- The summer social practice team of the School of Economics went to Xiong'an New District, Hebei to carry out social practice (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-8bc981e14f144503957268d38754a8e7.html>)
- Professor Li Junqing and Dr. Jin Wei from our school were invited to attend the Singapore Economic Review in 2019... (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-c2ff38fc9e584577ab09e2e94b46a840.html>)
- The School of Economics held a military training mobilization meeting for undergraduate freshmen (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-fa03fb4a108745ff9cfbdc965efb6901.html>)
- School of Economics welcomes 2019 undergraduate freshmen (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-5fb2b049e34f4c75b19d5cde07977d3e.html>)
- A thin strip of water and long lovesickness, the school students are right at the time (<http://economics.nankai.edu.cn/f/view-004da2c2468445e7a62041f4360b0a34-5fb2b049e34f4c75b19d5cde07977d3e.html>)

economy can really exist independently of the government. In fact, the practice of the development of capitalist market economy shows that the government and the market are always coexistent, but in different historical periods and different economic situations, the specific manifestations of the relationship between the government and the market are different. The second is to stay only on the surface of economic operation at the cognitive level. Western economists usually regard the government as a representative of public interest, so the government's economic behavior is to provide public products and make up for market failures. This understanding has caused differences in the understanding of the role of the government among Western economists: Scholars who do not trust the government believe that the government will never understand the market, so any government intervention in the market is a "predatory hand." A (neo)liberal school has emerged that firmly defends the spontaneous power of the market and denies government intervention; scholars who trust the government emphasize that the market will often fail. Therefore, when necessary, the government needs to extend a "helping hand". This is Keynesianism. The views advocated by the school. In the process of establishing a socialist market economic system in my country, there were scholars who advocated (neo)liberal economics, and some scholars who advocated Keynesian economics, but in fact, these two views are not in line with China's national conditions. In the process of comprehensively deepening reforms in the new era, how to understand the relationship between the government and the market academically is not only related to the direction of reform, but also to the issue of confidence in the significant advantages of my country's basic socialist economic system. In the past two years, the United States has continuously provoked trade disputes around the world, so we have to think further about how to understand the relationship between the government and the market in a modern market economy? U.S. hegemonism, unilateralism, trade protection Is it just a matter of the relationship between the government and the market? Based on this, this article will be guided by the basic principles and methods of Marxist political economics, combined with the actual development of socialist economy with Chinese characteristics, to analyze the essence of the relationship between the government and the market, and how to give full play to the system in the construction of a socialist market economy in my country Advantages to form a new type of government and market relationship with Chinese characteristics.

1. Understanding the relationship between the government and the market from the perspective of the nature of the country and the nature of ownership

We usually think that the relationship between the government and the market is an issue at the level of the economic system, but practice has proved that if we only stay at the level of the economic system, we cannot understand the essence of the relationship between the two. An obvious fact is that the trade war that the United States has provoked against China is nothing more than government intervention in the market if viewed from the economic system level, but we know that such an understanding is obviously superficial. The real reason why the United States provoked a trade war is not a problem in the trade field, but a dispute over social systems and national interests. How can we understand this problem academically? We must go deep behind the relationship between the government and the market, and understand the nature of the country and the nature of ownership.

1. The nature of the country determines the nature of the relationship between the government and the market

Marxist historical materialism believes that the state is the product of the development of human society to a certain stage. It is produced due to the existence of irreconcilable class contradictions. Therefore, the state is a tool of class rule; at the same time, the state is also an institution for maintaining social public order. A force that ostensibly overrides society. "This force should ease conflicts and keep them within the scope of order'." Therefore, the state has dual attributes: one is a

violent tool of class rule, and the other is an organ that safeguards public interests. But in essence, the state's attribute of safeguarding public interests must be subordinated to its class attribute. Because the state protects the public interest, it is only the ruling class that has to use the state machinery to regulate different stakeholders within the scope of society in order to protect its own interests, and fundamentally speaking, it must obey the ruling class's interests.

The nature of the government as the country's governing and social management agency is clearly determined by the nature of the country. The government undertakes the country's economic, political, and social management functions. The nature of these functions is fundamentally a reflection of the nature of the country. Therefore, the dual attributes of the state determine that the government also has dual attributes. On the one hand, it has a class nature, and on the other hand, it has the attribute of safeguarding public interests, and the attribute of safeguarding public interests must be subordinate to its class attribute. When people understand the relationship between the government and the market, if the class nature of the government is abstracted, it is obviously one-sided to treat the government as only the representative and defender of the public interest. At this point, Western economists have made the mistake of thinking that the government is the representative of public interest. Correspondingly, the function of the government is to provide public products, protect private property rights, and make up for market failures. This understanding completely conceals the nature of the bourgeois government as a "general capitalist" and safeguarding the interests of the bourgeoisie. As Marx and Engels pointed out when analyzing the bourgeois state in the "Communist Manifesto": "The modern state power is nothing but a committee that manages the common affairs of the entire bourgeoisie." On the one hand, the bourgeois state does its best to safeguard the free development of capital from an institutional perspective. On the other hand, it must play a role in participating in social and economic activities as the subject of economic activities, creating conditions for private (monopoly) capital to obtain high (monopoly) profits. When the government as an economic subject participates in the process of social production and reproduction, once it conflicts with the interests of private capital, private capital owners will use the parliament and other bourgeois endorsement agencies to put pressure on the government, issue warnings, and ask the government to withdraw from the market. This fully reflects that capitalist countries participate in economic activities as economic entities, and its fundamental purpose is to create economic conditions for private (monopoly) capital to maximize profits.

my country implements the socialist system, and the country also has dual attributes, but it is fundamentally different from the nature of a capitalist country. The Chinese government has not only become the manager and participant of social public affairs and social economic activities, but also the representative of the fundamental interests of the broad masses of people and the defender of the socialist system. my country's Constitution clearly stipulates: "The People's Republic of China is a socialist country under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. The socialist system is the fundamental system of the People's Republic of my country." The People's Congress is the fundamental political system of our country. It not only reflects the class nature of my country's socialist country, but also represents the fundamental interests of the broad masses of the people, and achieves the unity of the socialist country's class nature and public interest attributes to the greatest extent.

my country's constitution also stipulates: "The state, in the primary stage of socialism, adheres to a basic economic system in which public ownership is the mainstay and multiple ownership economies develop together." "The state-owned economy, that is, the socialist economy of ownership by the whole people, is the dominant force in the national economy. The state. Guarantee the consolidation and

development of the state-owned economy." At the same time, the Constitution also stipulates that "the country implements a socialist market economy." In this way, the Chinese government must not only carry out macro-control and management of the economy, but also directly participate in the production and reproduction activities of the national economy as the owner of the ownership by the whole people. The understanding of the relationship between the Chinese government and the market must not only stop at the level of "big government and small market" or "small government and big market", but must also go deep into the essential level of the relationship between the country and the market. Only in this way can it be helpful to understand our country. The necessity for the government to play a leading role in the market economy.

2. The nature of ownership determines the substantive content of the plan and market in the allocation of resources

The relationship between the plan and the market is an important aspect of the relationship between the government and the market. In the early days of my country's reform and opening up, discussions on the relationship between the government and the market were conducted under the discourse system of the relationship between planning and the market. To understand the relationship between the government and the market at a deeper level, one cannot avoid the relationship between the plan and the market. In actual economic activities, neither planning nor market can exist abstractly, but embedded in certain production relations. Therefore, the government's use of planning or market means to regulate the economy implies that people under a certain socio-economic system. Adjustment of the relationship between interests.

The capitalist market economy is established on the basis of capitalist private ownership. Capital dominates the relations of production, distribution, exchange, and consumption. The market mechanism and the law of value (to be precise, the law of production prices or the law of monopoly prices) have become the regulators of the material interests of various classes. Individual capitals within micro-enterprises try their best to use careful planning and follow the law of proportional labor distribution to optimize resource allocation; while in the social context, capitals use market mechanisms and value laws to achieve the survival of the fittest through competition. The planned production of individual capitalist enterprises has continuously increased productivity; at the same time, the anarchy of the entire society has continuously formed periodic economic crises, resulting in a huge waste of social resources. As Marx pointed out: "The capitalist mode of production forces every enterprise to practice economy, but its anarchic competition system has caused the greatest waste of social production materials and labor, and it has also produced countless indispensable, But it is a superfluous function in itself." Under the relationship of capitalist private ownership, social planning adjustments are not accepted by capitalists. Therefore, "the crux of bourgeois society is precisely that there is no need for production from the beginning. Conscious social adjustment. What is reasonable and what is naturally necessary are realized only as averages that act blindly."

Some people would say, don't modern capitalist countries also have macro-control? Don't they also have industrial policies and development plans? This is indeed true. However, it should be pointed out that the macro-control of capitalist countries is basically an afterthought. The government acts as a "firefighter" to "extinguish" the economic cycle or crisis created by private capital; capitalist countries will also control infrastructure, High-tech industries carry out planning and investment, but the nature of capitalist countries determines that the government must put the protection of the interests of private capital first. Take the United States as an example. Many infrastructures in the United States, such as railroads and subways, are already outdated, but the government has been unable to build them, because most of these infrastructures are used by civilians, not capitalists. The

Democratic Party has gone from the Clinton administration to the Obama administration. It took all twists and turns to pass the universal health insurance bill, but Trump overturned the bill as soon as he took office because it was not good for big capitalists. It can be seen from such incidents that capitalist private ownership determines that the bourgeoisie is essentially opposed to the state planning adjustment centered on the interests of the people. Sometimes the "open-mindedness" they show to national plans or plans is just passive concessions that they have to make temporarily in the face of the effects of objective economic laws and social pressure.

The socialist system is based on the public ownership of the means of production, and the fundamental purpose of production is to meet the needs of the people. Socialism with Chinese characteristics has entered a new era, and the purpose of production has been transformed into meeting the people's ever-increasing needs for a better life. This determines that plans or plans and major development strategies will inevitably play a leading role in the development of the national economy. There is a fundamental difference between bourgeois political economy and Marxist political economy, and this difference has also generated unavoidable disputes. The essence of the dispute, as Marx pointed out, is "the blind rule and the rule of supply and demand that constitute the essence of bourgeois political economy." The controversy between social production guided by social foresight, which constitutes the essence of the political economy of the working class. Of course, this is from the nature of the socialist plan. my country's national conditions determine that we implement a socialist market economy, and the market plays a decisive role in the allocation of resources. However, the characteristics of my country's socialist market economy are obviously not "special" in terms of "market economy", because market economy is almost the economic system generally practiced in the world today, but the vast Latin American and African regions are still poor, and there is no such thing as a market economy. The economic miracle. Our characteristic is reflected in the organic combination of the basic socialist system and the market economy. As Xi Jinping pointed out: "Developing a market economy under socialist conditions is a great pioneering work of our party. A key factor in the great success of our country's economic development. This means that we have not only brought into play the strengths of the market economy, but also the advantages of the socialist system." This is also an important reason why the Fourth Plenary Session of the 19th Central Committee of the Party incorporated the socialist market economic system into the basic economic system. The organic combination of the socialist system and the market economy is also a combination of planning and the market in a certain sense. Compared with the capitalist market economy, the socialist market economy has obvious institutional advantages in the use of plans. This is due to the following two points.

First, public ownership provides an institutional basis for planning adjustment. my country adheres to a market economy system with public ownership as the mainstay and state-owned economy as the leading factor. The state-owned economy is essentially a process in which the state participates in the production and reproduction of the national economy as a market subject. Although in the form of realization, state-owned enterprises appear as independent market entities, and the separation between government and enterprises is achieved through the reform of the state-owned asset management system. It does not deny that state-owned enterprises and state-owned economy belong to the nature of production relations under the ownership of the whole people. The country can use the power of the state-owned economy to consciously plan the development direction of the national economy, establish a reasonable economic structure, limit or even eliminate economic fluctuations caused by the spontaneity and blindness of the market, so that the government can play a guiding role in the allocation of resources.

Second, the nature of a socialist country determines that planning adjustment is the fundamental goal of meeting the needs of the people. Capitalist countries also have plans or plans, but because capitalist countries represent the interests of the bourgeoisie, the fundamental purpose of capitalist production is to maximize profits. Therefore, only those plans or plans that conform to the interests of capitalists can be implemented, and they are important to the people's livelihood. Plans or plans that are good but are not good for capitalists often become gimmicks for political parties to get votes during elections. After a party that has received popular support comes to power, it will be greatly reduced when it is actually implemented. The fundamental purpose of socialist production is to meet the needs of the people and promote the all-round development of people. National plans and plans are based on the people-centered approach, safeguarding social fairness and justice, ensuring the people's right to equal participation and equal development, and achieving development results. More and fairer benefits all people. The "Five Development Concepts", the "Five in One" overall layout, the "Four Comprehensive" strategic layouts, the "13th Five-Year Plan", and the "Two Centenary" goals put forward by the Communist Party of China fully reflect the country Top-level design and macro planning play a leading role in realizing the fundamental interests of the broad masses of people.

2. The preliminary exploration of the relationship between the government and the market in the socialist market economy

The process of my country's reform and opening up is the process of transformation of the economic system. The core issue is the relationship between the government and the market. This process of exploration can be roughly divided into two stages.

1. From the perspective of planning and market relations

This stage was from the Third Plenary Session of the Eleventh Central Committee of the Party in 1978 to the convening of the 14th National Congress of the Party in 1992. After the reform and opening up, the primary issue facing our country is the question of what path to take. In this regard, Deng Xiaoping clearly stated for the first time in the opening speech of the 12th National Congress of the Party in 1982 that we must "combine the universal truth of Marxism with the specific reality of our country." Combine it, follow its own path, and build socialism with Chinese characteristics." With this as the starting point, our party has continuously made new breakthroughs in its understanding of the relationship between the planned economy, the commodity economy, and the market economy on the basis of adhering to the socialist public ownership system. As early as 1979, Deng Xiaoping pointed out: "It is definitely incorrect to say that the market economy only exists in a capitalist society, and that there is only a capitalist market economy. Why can't socialism develop a market economy? This cannot be said to be capitalism. We It is based on planned economy and combined with market economy, but this is a socialist market economy... This is how socialism uses this method to develop social productive forces. Taking this as a method will not affect the entire socialism, nor will it be renewed. Back to capitalism." Deng Xiaoping's thought opened a door for exploring the integration of plans and markets. In 1982, the report of the Twelfth National Congress of the Communist Party of China clearly stated that my country's economic system reform adheres to the principle of planned economy as the mainstay and market regulation as the supplement, and emphasizes that the correct implementation of this principle is a fundamental issue in economic system reform. Although this period still adhered to the characteristics of the planned economy-based system, the introduction of market regulation was undoubtedly at the level of the basic economic system, creating conditions for the reform of state-owned enterprises, the development of the foreign-funded economy, the private economy, and the individual economy. In 1984, the "Decision of the Central Committee of the Communist Party of China on Economic System Reform"

adopted by the Third Plenary Session of the 12th Central Committee of the Communist Party of China pointed out that one of the shortcomings of the traditional economic system is that it ignores the role of commodity production, the law of value, and the market. This decision breaks through. The traditional concept that the planned economy is opposed to the commodity economy unifies the planned economy and the commodity economy, with particular emphasis on the importance of the commodity economy, which has made a major theoretical breakthrough. In this regard, Deng Xiaoping once spoke highly of this decision: "I wrote a first draft of political economy, which is a political economy that combines the basic principles of Marxism with the practice of Chinese socialism." From today's perspective, the original decision was actually written. A first draft of the "Political Economics of Socialism with Chinese Characteristics." As the report of the 14th National Congress of the Communist Party of China pointed out when evaluating the decision of the Third Plenary Session of the Twelfth Central Committee: "Proposed that my country's socialist economy is a planned commodity economy based on public ownership, breaking through the traditional concept of antagonizing planned economy and commodity economy. It is a new development of Marxist political economy and a comprehensive reform of the economic system. Leather provides new theoretical guidance."

In 1987, the report of the 13th National Congress of the Communist Party of China clearly stated that the socialist planned commodity economy system should be an internally unified system of planning and the market. It is no longer emphasized that the planned economy is the main focus, but the plan and the market are juxtaposed, and it is proposed that the scope of the plan and the market covers the whole society. Generally speaking, the new economic operation mechanism should be "the state regulates the market, the market The mechanism to guide the enterprise. The report also pointed out that the essential difference between the socialist commodity economy and the capitalist commodity economy lies in the different basis of ownership. The socialist commodity economy established on the basis of public ownership provides the possibility for the whole society to consciously maintain the coordinated development of the national economy. Our task is to be good at using the two forms and means of planned adjustment and market adjustment to turn this possibility into reality. The development of the socialist commodity economy is inseparable from the development and improvement of the market, and the use of market regulation is by no means equivalent to engaging in capitalism. This shows that ownership is the fundamental difference between capitalist commodity economy and socialist commodity economy. Public ownership provides an institutional basis for the proportional development of the national economy. With the dominant status of public ownership, my country will not move towards capitalism due to the introduction of market regulation.

In this period, in the theoretical discourse system, "commodity economy" was still used instead of "market economy" to explain the understanding of the relationship between planning and market. In 1992, Deng Xiaoping addressed people's concerns that the market economy would lead to capitalism in 1992, and pointed out: "A little more planning or a little more market are not the essential difference between socialism and capitalism. Planned economy is not equal to socialism. Capitalism also has plans; market economy does not mean capitalism, socialism also has markets. Plans and markets are both economic means." The plan and market mentioned by Deng Xiaoping here are obviously in the sense of the means and methods of resource allocation. The purpose is to eliminate the perception that using the market as a basic means of resource allocation will lead to capitalism. So, since both capitalism and socialism can engage in market economy, what is the fundamental difference between the two? Deng Xiaoping gave the answer in the next paragraph about the essence of socialism: "The essence of socialism is to liberate the productive forces, develop the productive forces, eliminate exploitation, eliminate

polarization, and ultimately achieve common prosperity." It is worth pointing out that Deng Xiaoping is about the thought that planning and the market are "means" and his thoughts on the essence of socialism are linked together in the text. Therefore, it must be fully understood in the context. The theory of the essence of socialism he put forward cannot be discarded and only mentioned. The "means theory" of planning and market. "Theory of means" and "theory of essence" are dialectical and unified. If the relationship between the two is separated, it is easy to return to the old road of traditional planned economy, or to the evil road of privatization.

2. Exploring the relationship between the government and the market

In June 1992, Jiang Zemin pointed out in a speech at the Party School of the Central Committee: There are basically several formulations of my country's new economic system: one is to establish a socialist commodity economic system that integrates planning and the market, and the other is to establish a socialist system. The planned market economic system, the third is to establish a socialist market economic system. He personally tends to use the term "socialist market economic system". He believes: "A planned commodity economy is also a planned market economy. The socialist economy has been planned from the beginning. This has always been clear in people's minds and understanding. When the words'planned' appear, there is a question of whether planning has been cancelled." This shows that our party puts forward the proposition of socialist market economy, which implies the foundation of "system" behind it. In 1992, the report of the 14th National Congress of the Communist Party of China stated that the goal of my country's economic system reform was to establish a socialist market economic system. Regarding the socialist market economic system, the report gives a comprehensive explanation from the three levels of system, system, and mechanism: (1) At the system level, the socialist market economic system we want to establish is to make the market under the macro-control of socialist countries. Play a fundamental role in resource allocation. (2) At the institutional level, the socialist market economy system is integrated with the basic socialist system. In terms of the ownership structure, public ownership, including ownership by the whole people and collective ownership, as the main body, supplemented by individual economy, private economy, and foreign-funded economy, is the long-term common development of multiple economic components; in the distribution system, distribution according to work is the main body, and other distributions The method is supplementary, taking into account efficiency and fairness. (3) In terms of economic operation mechanism, better use the strengths of the two methods of planning and market. This emphasizes the role of the plan in reasonably determining the strategic goals of national economic and social development, doing a good job in economic development forecasting, total volume control, major structure and productivity layout planning, and concentrating the necessary financial and material resources for key construction. Its essence is to emphasize the state Leading position in economic construction.

The organic combination of socialism and market economy is an unprecedented great practice, and it is also a major development of Marxist political economy based on our party's summary of the practical experience of reform and opening up. In the discourse system, we replaced the "commodity economy" with the "market economy". It is worth noting that in the theoretical paradigm, Western economics has been introduced into the country in large quantities, and some people have begun to promote the use of Western economics to guide China's market economy. Voices of copying Western economic theories and Western models, completely denying state plans, and denying state-owned enterprises began to appear. In this regard, Jiang Zemin clearly pointed out: "China's socialist market economic system must be integrated with our national conditions. It cannot be exactly the same as that of Western countries and cannot be copied. The socialist market economic system has

the common characteristics of the general market economy. There are also distinctive features of our country. "We must properly handle the relationship between the role of the market and the strengthening of macro-control. National planning is one of the important means of macro-control.

In 1997, Jiang Zemin clearly stated in the report to the 15th CPC National Congress that building a socialist economy with Chinese characteristics means developing a market economy under socialist conditions and continuously liberating and developing productive forces. This requires upholding and improving the basic economic system with the socialist public ownership as the mainstay and the common development of multiple ownership economies; upholding and improving the socialist market economic system so that the market can play a fundamental role in resource allocation under national macro-control; upholding and improving The multiple distribution methods with distribution according to work as the main body allow some people in some areas to get rich first, drive and help get rich later, and gradually move toward common prosperity. In 2002, Jiang Zemin emphasized in the report to the 16th National Congress of the Communist Party of China that, in accordance with the requirements of emancipating and developing productive forces, uphold and improve the basic economic system with public ownership as the mainstay and the common development of multiple ownership economies, and clearly put forward the "two unshakable "Proposed to improve the government's functions of economic regulation, market supervision, social management, and public services, perfect the macro-control system that cooperates with national planning, fiscal policy, and monetary policy, and give play to the regulatory role of economic levers. In 2007, Hu Jintao emphasized in the report of the 17th National Congress of the Communist Party of China that the state planning system should be improved on the basis of unshakable basic economic system. Give full play to the guiding role of national development plans, plans, and industrial policies in macro-control, comprehensively use fiscal and monetary policies to improve the level of macro-control.

The above shows that our party's understanding of the relationship between the government and the market has always been carried out under the premise of adhering to the socialist public ownership. Practice has proved that if we deviate from this premise, our market economy will be unable to protect the fundamental interests of the broadest masses of the people.

3. Further enrichment and development of the understanding of the relationship between the government and the market in the new era

Since the 18th National Congress of the Communist Party of China, the Party Central Committee with Comrade Xi Jinping at its core has put forward a series of new concepts, new ideas and strategies for governing the country, forming Xi Jinping's new era of socialism with Chinese characteristics, and further enriching and developing socialist politics with Chinese characteristics. The understanding of the relationship between government and market in economics.

1. Understand the dialectical relationship between the government and the market from the perspective of the socialist system with Chinese characteristics

Over the 70 years since the founding of New China, especially over the past 40 years of reform and opening up, my country's economy and society have undergone earth-shaking changes, but the relationship between the government and the market is still the core issue of our economic system reform. This problem is complicated because the relationship between the government and the market itself is dynamic and historical, with different combinations at different stages of social development. my country's socialist market economy is an unprecedented great initiative. There are no existing experiences and models available in the world to learn from, which makes it more difficult to solve this problem. The world today is facing major changes unseen in a century. The world economic crisis has caused a global economic downturn. my country's economic system reform has entered a deep water

zone and is facing many deep-seated contradictions. The United States pursues unilateralism and launched a trade war against China and other countries. Dealing with the relationship between the government and the market has increased the difficulty. Therefore, different voices have appeared in the academic circles: some people insist that the comprehensive deepening of reforms is to allow the government and state-owned enterprises to withdraw from the market and implement a completely free market economy; others argue that comprehensively deepening reforms is to adopt neoclassical economics and Keynesianism. The comprehensive road of economics; some people also advocated exploring the road of socialism with Chinese characteristics under the guidance of adherence to Marxist economics. In response to this, the Third Plenary Session of the Eighteenth Central Committee of the Party put forward the major theoretical proposition of "making the market play a decisive role in the allocation of resources and give better play to the role of the government." The report of the 19th National Congress of the Communist Party of China further clarified this idea. Regarding this proposition, neoliberals interpret it as a "market omnipotence" theory. In this regard, Xi Jinping pointed out that the market plays a decisive role in the allocation of resources from the perspective of the general law of resource allocation in a market economy. "The market determines the allocation of resources is a general law of the market economy. The market economy is essentially the market that determines the allocation of resources. economic". The reason why we emphasize the decisive role of the market is not an abstract term, but is closely related to the process of my country's economic system reform. Under the conditions that our party and government have continuously improved their understanding and ability to control the laws of the market economy and the macro-control system has been continuously improved, there are still problems with imperfect market systems, excessive government intervention, and inadequate supervision. In order to better transform government functions under the new historical conditions, promote reforms in breadth and depth, reduce direct government intervention in microeconomic activities, accelerate the establishment of a unified, open, competitive and orderly market system, and establish a fair, open and transparent market Rules, make full use of the advantages of market allocation resources.

In response to some people's unilateralization of the "decisive role of the market," Xi Jinping pointed out: "The market plays a decisive role in general. We cannot blindly say that the market plays a decisive role, but we must make the market play a decisive role in the allocation of resources. In other words, in understanding the role of the market and the role of the government, "we must talk about dialectics and two points of view. Both the invisible hand and the visible hand must be used. Good, work hard to form a structure in which the role of the market and the role of the government are organically unified, complementary, coordinated, and mutually promoted, so as to promote the sustained and healthy development of the economy and society." Xi Jinping's "organic unity dialectics" of government and market transcends the long-standing "dichotomy" of the relationship between government and market in Western economics and the metaphysical thinking of the state (government) as an "exogenous relationship" in a market economy.

Western economics believes that the relationship between the state (government) and the market is an "exogenous relationship", so even those schools that advocate government intervention insist that private ownership is the most efficient, and government intervention (including capitalist state-owned enterprises) is nothing more than an act It's just a means to make up for market failures. Some domestic scholars do not recognize the limitations of the theory of government intervention in Western economics, and always try to use Keynesianism as the theoretical basis for our macro-control. This understanding can easily fall into the "Keynesian trap" of the relationship between the government and the market, because Keynesian The theoretical premise of socialist economics is capitalist private ownership, and both

public ownership and state-owned enterprises are considered to violate market logic. If we use such a theory as a guide, it will surely lead our reform to the evil path of privatization. So, can the macro-control of capitalist countries really overcome the shortcomings of market allocation of resources? If so, why did the developed capitalist countries continue to break out economic crises after World War II? Especially the global crisis like 2008. In this regard, the answer of Marxist political economy is that, even with macro-control, the market economy based on capitalist private ownership still cannot avoid cyclical economic crises, because the macro-control of capitalist countries is post-control, and under the conditions of capitalist private ownership Therefore, it is difficult for the government to directly participate in the production and reproduction of the national economy, and the country lacks the economic foundation to dominate and control the macro economy.

my country's socialist market economy is a market economy that adheres to the establishment and development of public ownership. The country (government) represents the fundamental interests of the broad masses of people. Under the leadership of the Communist Party of China, it adheres to the people-centered development philosophy and grows through continuous development. Public ownership of the economy, strengthening and improving state-owned enterprises and state-owned capital, formulating economic plans, medium and long-term plans, economic development strategies, etc., and exploring the organic combination of the advantages of the socialist system and the market economy, which constitutes my country's socialist market economy An important feature of the relationship between government and market in China. This feature is fundamentally different from the views of any school of Western economics. As Xi Jinping pointed out: "Developing a market economy under socialist conditions is a great pioneering work of our party. A key factor in the great success of our country's economic development is that we have not only brought into play the strengths of the market economy, but also the socialist system. We are developing a market economy under the major premise of the leadership of the Communist Party of China and the socialist system. We must never forget the attribution of "socialism". The reason we say that it is a socialist market economy is to uphold our system. Superiority and effective prevention of the disadvantages of the capitalist market economy. We must adhere to the dialectics and the two-point theory, and continue to work hard on the combination of the basic socialist system and the market economy. "This passage points to the further development and improvement of the socialist market economy system. direction.

2. The party's leadership in economic work is a powerful guarantee for better giving play to the government's role

Some people don't know why the party's leadership over economic work has become an inherent requirement of my country's socialist market economy. As long as we understand the relationship between the government and the market from the relationship between the state and the market, we can understand that the party's leadership over economic work is inevitable. Because we are a socialist country, our national nature is reflected in the lines, principles and policies of the Communist Party of China. The reason why China's reform and opening up has achieved great achievements that have attracted worldwide attention can greatly improve the people's living standards, can form the path, theory, system and culture of socialism with Chinese characteristics, can put forward new development concepts, build a modern economic system, and achieve high quality The road to development and the ability to make progress while resisting the international economic crisis stems from our unswerving adherence to the leadership of the party and the socialist system. As Xi Jinping pointed out: "Adhering to the leadership of the party, giving play to the party's overall leadership and coordinating the core role of all parties, is an important feature of China's socialist market economic system... In China, the party's strong leadership is the role played by the government. Fundamental guarantee. In the process of comprehensively deepening reforms, we must uphold

and develop our political advantages, use our political advantages to lead and promote reforms, mobilize the polarities of all parties, and promote the continuous improvement of the socialist market economic system and the improvement of the socialist market economy. Good development." He repeatedly emphasized: Whether the world's second-largest economy can be managed well and whether it can maintain sustained and healthy economic and social development depends fundamentally on whether the party's leadership role in economic and social development is well performed. The party's leadership in economic work is to take the overall and strategic perspectives, focus on the fundamental interests of the overwhelming majority of the people, firmly grasp the direction of development, plan the overall situation, formulate policies, promote reforms, and set the direction and steer for the development of the ship. The essence is We must adhere to the socialist market economy development model.

In terms of understanding and using economic laws, what kind of theory should we use as a guide? Xi Jinping gave a clear answer to this. He repeatedly emphasized that leading cadres at all levels should learn and make good use of political economy. He pointed out: "Faced with extremely complex domestic and international economic situations, faced with various economic phenomena, learning the basic principles and methodology of Marxist political economics, It is helpful for us to master scientific economic analysis methods, understand the process of economic movement, grasp the laws of social and economic development, improve the ability to control the socialist market economy, and better answer the theoretical and practical questions of China's economic development. "The "control theory" shows that in practice , Socialist countries should "control" the market and let the market serve the fundamental purpose of socialist production under the leadership of the party and the government; the "control theory" also shows that "socialism" is the essence of the socialist market economy, and the market economy is means. To control the market, it is necessary to understand the laws of the market economy. Therefore, he emphasized: "We must base our country's national conditions and our development practices, thoroughly study the world economy and the new situations and problems facing our country's economy, reveal new characteristics, new laws, and refine And sum up the regular results of my country's economic development practice, elevate practical experience to a systematic economic theory, constantly open up a new realm of contemporary Chinese Marxist political economy, and contribute Chinese wisdom to the innovation and development of Marxist political economy."

Adhering to the party's leadership over economic work is consistent with the essential requirements of the socialist system with Chinese characteristics, and consistent with the nature of our country. Xi Jinping has repeatedly emphasized the need to adhere to the dominant status of public ownership, to be stronger, better and larger state-owned enterprises and state-owned capital, to establish a modern state-owned enterprise system with Chinese characteristics, and to embed party leadership in the governance structure of modern state-owned enterprises. These thoughts fully reflect the Marxist standpoints and methods. If we only understand the relationship between the government and the market from Western economics, we will inevitably draw completely opposite conclusions.

3. Establish a new type of socialist government and market relationship with Chinese characteristics

The Third Plenary Session of the Eighteenth Central Committee of the Communist Party of China clearly put forward the important proposition of perfecting and developing the socialist system with Chinese characteristics and promoting the modernization of the national governance system and governance capabilities. This is a further deepening of the understanding of the relationship between the government and the market. The report of the 19th National Congress of the Communist Party of China further clearly stated that by 2035, the modernization

of the national governance system and governance capacity will be basically achieved; by the middle of the 21st century, the modernization of the national governance system and governance capacity will be achieved. The Fourth Plenary Session of the 19th Central Committee of the Communist Party of China adopted the "Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning Upholding and Improving the Socialist System with Chinese Characteristics and Promoting the Modernization of the National Governance System and Governance" "What to uphold and consolidate, what to improve and develop" is a major political issue. This decision summarized the significant advantages of the socialist system with Chinese characteristics and the country's governance system, profoundly expounded the fundamental systems, basic systems, and important systems that underpin the socialist system with Chinese characteristics, and clarified the adherence and improvement of the socialist system with Chinese characteristics and the promotion of the country. The overall requirements, overall goals, and key tasks of the modernization of the governance system and governance capabilities include both theoretical new generalizations and practical new requirements. They are to uphold and improve the socialist system with Chinese characteristics, and promote the modernization of the national governance system and governance capabilities. Political declaration and program of action. Realizing the modernization of the national economic governance system and governance capabilities is an important guarantee for the establishment of a new type of socialist government and market relationship with Chinese characteristics. It is also an important way to transform my country's significant institutional advantages into governance efficiency. Due to space limitations, only two aspects closely related to the subject of this article are emphasized here.

The first is to uphold and improve characteristic macro-control, which is an important aspect that reflects my country's national economic governance capabilities. The scope, content, methods, policies, and measures of macro-control have different models in different countries. The macro-control theory of Western economics is mainly based on the basic ideas of Keynesian economics. It is believed that the crisis of the capitalist market economy is due to insufficient effective demand, and the insufficient effective demand is rooted in psychological factors such as diminishing marginal propensity to consume; Marxist political economy believes that the cyclical crisis of capitalism is caused by the relative excess of production. Some people would say that relative overproduction and insufficient effective demand are not two aspects of the same problem? It looks like this on the surface, but the theoretical foundations of the two are different. Marx's theory of relative overproduction shows that the root of the capitalist economic crisis is caused by the basic contradiction of capitalism, and the main aspect of this contradiction is the bourgeoisie, not the working class. In other words, it is the relative surplus of production caused by capital's pursuit of profit maximization. The fundamental method is to change the ownership system, restrain the impulse of private capital to pursue profit maximization, and allow a virtuous circle of production, distribution, exchange and consumption to form. Therefore, the socialist market economy with public ownership as the mainstay has become the logical necessity of Marxist political economy. However, Keynes's theory of insufficient effective demand evaded the fundamental contradiction of capitalism, which is the root cause of the system, and attributed the problem to market exchange only, and avoided the fundamental limitations of capitalist private ownership. Therefore, the prescription of Keynesian economics is to let the government come forward to increase effective demand. Fiscal policy and monetary policy are exactly the products of this logic.

Macro-control in the socialist market economy emphasizes the dominant role of public ownership and the leading role of the state-owned economy. It is not only necessary to maintain the total balance of total supply and total demand in the field

of exchange, but also to promote the coordination of major economic structures and the optimization of the distribution of productivity in the national economy as a whole, and to maintain the balanced development of regional economies, and so on. The basis of my country's macro-control is not simply to solve the problem of market failure, but includes national economic development strategic goals and medium- and long-term development plans, including short-term and medium- and long-term economic development, domestic and international coordination, reform and development coordination, etc. Regarding the goal of regulation, it is not simply to stimulate demand, but to organically combine supply and demand, quality and efficiency, fairness and efficiency. In terms of control thinking, based on the basic control methods of Western countries, my country has also put forward control ideas such as interval control, camera control, and precise control according to my country's specific national conditions. In addition to fiscal policy and monetary policy, China also uses industrial control policies. A policy system that coordinates and cooperates with policies, regional policies, investment policies, consumption policies, and price policies. These innovative macro-control ideas and policies have avoided the economic ups and downs of our country under the background of the world economic crisis, promoted sustained and healthy economic development, and enriched and developed the policies and methods of macro-control in the socialist market economy.

The second is to uphold and improve people's livelihood-oriented social governance. my country's national economic governance follows the people's livelihood orientation and embodies the people-centered development thinking. Xi Jinping pointed out: "The fundamental purpose of our party leading the people to build a well-off society in an all-round way, reform and opening up, and socialist modernization is to continuously improve the people's material and cultural life through the development of social productive forces, and promote the all-round development of people. Test all our work. In the end, it depends on whether the people really get benefits and whether people's lives are really improved." Some people may ask, shouldn't the developed western capitalist countries also consider people's livelihood issues? This is true, but as mentioned earlier, any country has dual attributes, namely, class attributes and public attributes. Western developed capitalist countries consider people's livelihood and are compelled to make concessions in the conflict between labor and capital. No bourgeois political party in a developed capitalist country can clearly write in its program: Adhere to the people-centered development philosophy, and gradually achieve common prosperity through shared development. On the contrary, it is the fundamental function of the bourgeois state to maintain capitalist private ownership, maintain class rule, and maintain the "reservoir" of labor.

The socialist system with Chinese characteristics is different. From Deng Xiaoping's clearly put forward the idea of "common prosperity" to the idea of "shared development" put forward by Xi Jinping, they fully reflect the fundamental position of Marxism that our party's development is for the people. Development for the people must be manifested through shared development. "Insisting on shared development means insisting on developing for the people, relying on the people for development, and sharing the fruits of development by the people, so that all people have a greater sense of gain in co-construction and shared development, and move towards Steady progress in the direction of common prosperity". People-centered development thinking and capital-centered development thinking are two completely opposite development concepts. The corresponding shared development and polarized development are also two completely different development paths. These are the socialist system and The fundamental difference of the capitalist system on the issue of development.

Since the 18th National Congress of the Communist Party of China, my country has put forward a series of new ideas on education, medical care, social security, employment, poverty alleviation and other livelihood issues, and put forward a series of new measures in economic governance, and achieved many results. For example, it is proposed that the house is for living, not for speculation; for example, it is proposed to resolutely win the fight against poverty and implement targeted poverty alleviation; for example, to promote social equity and justice with education fairness, and to develop fair education to block the intergenerational transmission of poverty, and so on. In order to promote the people's livelihood-oriented development model, my country's economic governance system is carrying out corresponding reforms and innovations in the fiscal and taxation system, investment and financing system, financial system, scientific and technological system, and state-owned asset management system. These reforms are not only a manifestation of advancing the modernization of the country's governance system and governance capabilities, but also an important part of improving my country's socialist market economic system.

In short, my country's socialist market economy is under the leadership of the Communist Party of China, on the basis of adhering to the socialist system, using the market economy to continuously develop productivity, meet the people's growing needs for a better life, promote the overall development of people, and gradually achieve through shared development Common prosperity goal. As a "conscious market economy", the socialist market economy has developed a socialism with Chinese characteristics that is different from the American and British models, the European model, and the Latin American model and the African model in terms of economic governance system and governance capabilities. the way. The theoretical system adapted to this path not only constitutes an important content of socialist political economy with Chinese characteristics, but also contributes Chinese wisdom to the development of Marxist political economy in the 21st century. This is an inevitable conclusion that we have drawn from the thinking paradigm of "government and market relations" in the discourse system of Western economics and understanding the socialist market economy from the level of the relationship between the state and the market.

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