

Towards a New Era, Creating New Glories: Post-print

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Abstract

Researching new situations focuses on leveraging opportunities while mitigating risks, requiring profound understanding and strategic harnessing of China's Belt and Road Initiative and opportunities arising from the global new technological revolution and industrial transformation; researching new economies focuses on transformation and upgrading, resolutely addressing prominent contradictions such as low industrial hierarchy, weak technological innovation, unbalanced development, significant employment pressures, and rigid constraints from resources and the environment; researching new drivers focuses on innovation-driven development, establishing benchmarking against and surpassing world-class enterprises and research institutions as the goals and directions for future R&D investment, scientific research, international cooperation, technology introduction, and restructuring and mergers; researching new systems focuses on deepening reforms, as it is imperative for China to take a leading position in the global new technological revolution and industrial transformation by deepening reforms of the education, science and technology, and talent management systems; researching new policies focuses on safeguarding people's livelihood, with particular emphasis on ensuring the full implementation of policies concerning people's well-being and stability.

Full Text

Entering a New Era and Establishing New Prosperity

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Abstract

Studying the new situation focuses on maximizing benefits while minimizing harms, requiring deep understanding and effective grasp of China's "Belt and Road" Initiative and the opportunities presented by the global scientific and technological revolution and industrial transformation. Studying the new economy emphasizes transformation and upgrading, striving to resolve prominent contradictions such as low industrial hierarchy, weak technological innovation, unbalanced development, employment pressure, and rigid constraints of resources and environment. Research on new drivers centers on innovation-driven development, establishing the benchmarking and surpassing of world-class enterprises and research institutions as the goals and direction for future R&D investment, scientific research, international cooperation, technology introduction, and mergers and acquisitions. Studying new mechanisms prioritizes deepening reform; as China aims to lead the global scientific and technological revolution and industrial transformation, deepening reforms in education, science and technology, and talent management systems is imperative. Studying new policies focuses on safeguarding people's livelihood, with particular emphasis on implementing policies related to people's welfare and social stability.

Keywords: new situation, "Belt and Road" initiative, new economy, innovation driven, new mechanism, new policy

Since the 18th National Congress of the Communist Party of China, the Party Central Committee with Comrade Xi Jinping at its core has accomplished a series of major, important, and beneficial undertakings that align with global trends, national conditions, and the aspirations of the Party, military, and people. China's economic and social development has achieved remarkable accomplishments, playing an increasingly significant role in the international political and economic system. Today, China's reform, opening-up, and modernization efforts stand at a new historical starting point, with the entire nation striving to realize the Chinese Dream of the great rejuvenation of the Chinese nation and to deliver a satisfactory report card in anticipation of the 19th Party Congress, confidently marching toward a new era and creating new brilliance. Against this backdrop, studying the new situation, new economy, new drivers, new mechanisms, and new policies holds great significance. The author offers some preliminary observations from certain perspectives.

1. Studying the New Situation Focuses on Maximizing Benefits and Minimizing Harms

China's modernization process, conducted within the context of opening-up and globalization, has created miracles in the history of human social development. Today's global political and economic situation is complex and volatile, with Brexit, the U.S. presidential election, Italy's referendum, Middle East turmoil, and other events creating intertwined contradictions, risks, hidden dangers, and challenges. External instability and uncertainties are increasing, particularly as

a new round of China-U.S. competition has begun. Nevertheless, we must recognize that the era's theme of peace and development will not change, the shift of the world economic center toward the Asia-Pacific will not change, the historical trend of economic globalization will not change, and the overall momentum of China's reform, opening-up, and peaceful rise will not change. We are filled with strategic confidence in our national comprehensive strength, international influence, and superb political wisdom.

We must deeply understand and effectively grasp two major development opportunities that influence and change the world. First, China's "Belt and Road" Initiative represents a major decision made by the central government to coordinate both domestic and international situations, which has received enthusiastic responses from participating countries and high recognition from the international community. The concepts of strategic mutual trust, openness and inclusiveness, equality and mutual benefit, and common development have taken root in people's hearts. Practical cooperation across all fields, dimensions, and depths is steadily advancing, with infrastructure connectivity, international production capacity cooperation, and RMB internationalization unfolding in an orderly manner. A new comprehensive opening pattern featuring land-sea coordination and two-way opening between east and west is taking shape. This major strategic decision will fundamentally improve China's strategic needs, economic layout, industrial structure, development scale, and construction sequence, and will play a crucial role in building the global governance system and a new international economic order.

Second, the global scientific and technological revolution and industrial transformation are underway. In May 2009, the Chinese Academy of Sciences published *Innovation 2050: Science, Technology and China's Future*, which accurately predicted that the world stands on the eve of breakthroughs in scientific and technological innovation and a new technological revolution, and that relying on technological innovation to create new economic growth points and development models is the fundamental way out of crises. Since then, revolutionary breakthroughs have emerged in important scientific questions and key core technologies, integrating scientific discovery, technological invention, and industrial development into a new stage, with a new round of technological revolution and industrial transformation flourishing. The central government has made a series of important arrangements, repeatedly emphasizing that relying on the new technological revolution to realize the Chinese Dream of national rejuvenation must not repeat the historical mistakes of missing technological revolution opportunities. China already possesses all the necessary conditions to build an innovative country and will forge a new path of catching up, overtaking on bends, and leapfrog development.

2. Studying the New Economy Focuses on Transformation and Upgrading

Although China is the world's second-largest economy, largest manufacturer, largest goods exporter, and largest holder of foreign exchange reserves, it still has a long way to go to become an economic, technological, trade, and financial powerhouse. Changes in growth speed, structural optimization, and power conversion are the basic characteristics of China's economy as it enters a new normal. We must vigorously address prominent contradictions including low industrial hierarchy, weak technological innovation, unbalanced development, employment pressure, and rigid constraints of resources and environment.

Implementing the national 13th Five-Year Plan requires coordinating development across primary, secondary, and tertiary industries; promoting coordinated growth through consumer demand, investment demand, and export demand; comprehensively improving technological progress, labor skills, and management quality; systematically advancing institutional, structural, and technological innovation; and deeply implementing functional transformation, market regulation, and property rights protection to successfully cross the "middle-income trap" and build a moderately prosperous society in all respects.

Special attention must be paid to preventing financial risks by effectively establishing security early warning and emergency response systems for banking crises, stock market crises, currency crises, and debt crises. Currently, resolving the massive bad debt risks in bank loans, corporate bonds, and local government debts should be a top priority, gradually defusing this "time bomb" that could trigger financial and fiscal crises, while also guarding against risks in overseas investment, exchange rate fluctuations, and international settlement.

We must attach great importance to the economic transformation of Northeast China. From the perspective of China's overall economic development, the Yangtze River Delta, Pearl River Delta, and Beijing-Tianjin-Hebei economic circles have become growth poles driving the Chinese economy, with greater development momentum and prospects than America's "dual coast" economic belt and Japan's Pacific coast economic belt. Central and western regions, by advancing the "Belt and Road" construction, have significantly shortened their space-time distance to the world, releasing long-accumulated growth vitality and potential from the forefront of opening-up. In the coming period, the focus and difficulty of China's economic transformation will be in Northeast China, where the central government has adopted a series of policy measures aimed at revitalizing the region. Northeast China is China's most concentrated old industrial base of mining cities, where deep-seated contradictions and institutional problems accumulated over many years have not been well resolved. Economic transformation of mining cities is a worldwide challenge that essentially addresses three questions: "What direction to transform, where does the money come from, and where do the people go?" Liaoning is key to the economic transformation and revitalization of Northeast China. We should study

and learn from the successful experience of Germany' s Ruhr region in light of national conditions to create a development model with Chinese characteristics for revitalizing old industrial bases.

3. Studying New Drivers Focuses on Innovation-Driven Development

Research on new drivers emphasizes innovation-driven development, establishing the benchmarking and surpassing of world-class enterprises and research institutions as the goals and direction for future R&D investment, scientific research, international cooperation, technology introduction, and mergers and acquisitions. In the global market and international division of labor, China needs more Huawei-like enterprises and "Harmony" products, and more Chinese creation, Chinese brands, Chinese standards, and Chinese rules.

The industry believes that sensors have changed the world. In 2015, the global market for various sensitive components and sensors (excluding systems) reached \$177 billion, while China' s sensor sales were 130 billion RMB, with over 95% formed through imported components. China' s backbone enterprises and research institutions should benchmark and surpass world-class enterprises and research institutions, setting this as the goal and direction for future R&D investment, scientific research, international cooperation, technology introduction, and mergers and acquisitions.

It is noteworthy that in implementing Made in China 2025, researching disruptive technologies, and advancing new driver construction, we must simultaneously apply high and new technologies as well as advanced and applicable technologies to transform and upgrade traditional industries. Employment potential, growth momentum, driving coefficient, and economic benefits should serve as important measurement standards. China has the most complete industrial categories in the world. Compared with developed countries such as the United States, Europe, and Japan at different development stages, China possesses formidable material foundations, abundant human capital, vast market space, and tremendous growth potential in developing the real economy, whether promoting high-tech industries, developing emerging industries, or upgrading traditional industries. This represents an unparalleled late-mover advantage.

4. Studying New Mechanisms Focuses on Deepening Reform

Modern world history demonstrates that the global economic and manufacturing centers have shifted several times among Britain, Germany, and the United States, accompanied by the flow of education, science and technology, and talent centers. The level of educational development, scientific and technological innovation, and the number of high-end talents are important indicators of world powers.

To lead the global new technological revolution and industrial transformation, China must deepen reforms in education, science and technology, and talent management systems. China should develop world-class higher education and vocational education that adapts to new orientations for supporting innovation-driven development and serving economic society, adapts to new changes in industrial and employment structure adjustments, and meets new demands for building a technologically and economically strong nation. We should systematically design and improve educational structure, majors, teaching content, and training models to continuously cultivate research-oriented, innovative, applied, composite, and skilled talents, making China's higher education a destination for outstanding global students and placing China's vocational education at the forefront of global skilled talent cultivation. Greater emphasis should be placed on the tripartite combination of school, family, and social education, and all industries should strengthen the cultivation of civic awareness, national quality, and professional ethics.

Science and technology system reform should aim to seize the commanding heights of the global new technological revolution and industrial transformation, focus on the main battlefield of China's economic construction and social development, and target the frontline of promoting modern manufacturing and service industry transformation and upgrading. We must thoroughly research international comparative gaps, sources of high and new technologies, experiences of leading enterprises, and development technology routes across various industrial fields. We should vigorously develop a batch of world-class regional science and technology innovation centers, industrial technology innovation alliances, technology transfer service institutions, research-oriented enterprises, and innovative cities, effectively improving the integration degree of industry-university-research-application, the success rate of international cooperation, the transformation rate of scientific research achievements, and the output rate of research investment, and accelerating the formation of an ecosystem integrating blockchain, innovation chains, industrial chains, and value chains.

The world is currently engaged in an unprecedented talent competition. Whoever possesses a sufficient number of high-end talents will own the future. Many countries have adopted measures such as connecting global talent pools, building international academic networks, and attracting outstanding talents from around the world to immigrate, while developed economies are instilling more "global knowledge and skills" in their domestic talents. We should implement immigration and visa policies with Chinese characteristics, vigorously attract overseas high-tech talents to return for innovation and entrepreneurship, vigorously introduce high-tech talents from various countries to innovate and start businesses in China, establish talent highlands to welcome the new technological revolution and industrial transformation, and build an intellectual circulation system within the global knowledge network. Simultaneously, we must implement national talent system reform policies, improve the market environment that respects talents, knowledge, and creation, establish a compensation system featuring merit-based competition, performance priority, and fairness and

justice, and create a circulation mechanism for orderly mobility, international exchange, and integrated innovation.

5. Studying New Policies Focuses on Safeguarding People's Livelihood

Since the 18th Party Congress, the Party Central Committee and the State Council have formulated and implemented a series of major policies and measures to enrich the country, strengthen the military, and benefit the people, continuing to concentrate efforts on managing our own affairs well and firmly following the path of civilized development featuring production growth, affluent living, and healthy ecology. Good policies hinge on implementation. Currently, some departments and localities have not implemented policies effectively, mainly due to insufficient in-depth research, departmental fragmentation, traditional path dependence, and failure to break inherent thinking patterns and vested interest structures.

(1) Employment is the foundation of people's livelihood. During the 13th Five-Year Plan period, China faces considerable pressure from new urban labor force employment, reemployment of laid-off workers, rural migrant workers settling in cities, and resettlement of demobilized military personnel. All industries must adhere to an employment-first strategy, implementing more proactive employment policies in fiscal, tax, and financial areas, financing guarantees, and training subsidies. We should improve policies encouraging and supporting rural migrant workers to return to their hometowns for entrepreneurship and laid-off workers to start businesses in rural areas, building a new socialist countryside and developing modern, intensive agricultural operations.

(2) Daily necessities pricing is the top priority for social harmony and stability. Compared with relative price indices and industrial product出厂 prices, ordinary people care more about basic necessities such as food, clothing, housing, transportation, daily necessities, food and drug safety, and prices. Controlling daily necessities prices stabilizes public sentiment, provides basic guarantees for people to live and work in peace and contentment, and fully embodies the Party and government's people-friendly policies.

(3) Social security serves as a safety net and pressure reducer. The central government has made institutional arrangements to establish a comprehensive, basic, multi-level, and sustainable social security system, taking crucial and practical measures to solve pension funding gaps. Special attention must be paid to addressing population aging and developing the senior care industry. China has prematurely entered an aging society, and this rapidly arriving "silver wave" has also brought a huge elderly consumer market. We should implement supporting policies to promote the development of the senior care industry, continuously meeting the basic living, health care, nursing, leisure, and lifelong learning needs of the elderly.

(4) Healthcare must solve the problem of difficulty and high cost in

accessing medical services for ordinary people. This is a long-standing problem that must be resolved. We need to study the central government' s policies on deepening medical and health system reform and understand why they have not been fully implemented in some localities. Solving the difficulty and high cost of medical treatment requires comprehensively and fully leveraging the power of government, society, and the market. Developing healthcare, precision medicine, and telemedicine should target grassroots communities, and we must formulate policies to optimize and balance the allocation of medical and health resources.

Song Dawei is former Director-General of the Comprehensive Research Department of the Research Office of the State Council, holds a master' s degree in economics, and is a senior economist. He is a distinguished researcher at the Institutes of Science and Development, Chinese Academy of Sciences. He previously served as Deputy Director of Fuxin Mining Machinery Plant in Liaoning Province; Deputy Secretary of Fuxin Municipal Youth League and Vice Chairman of Fuxin Municipal Youth Federation; Deputy Director of Fuxin Second Light Industry Bureau; Deputy Director of Fuxin Municipal Planning and Economic Commission and Director of Production Dispatching Bureau; Director of Fuxin Industrial Production Commission; Deputy Secretary-General and Director of Enterprise Division of Liaoning Provincial Economic and Trade Commission; Deputy Director of Liaoning Provincial Industrial Structure Adjustment Office; Deputy Director of Liaoning Provincial Economic and Trade Commission; Deputy Director of Liaoning Provincial Government Office; Deputy Secretary-General and Director of Research Division (System Reform Office) of Liaoning Provincial Government; Director of Social Development Research Department and Director of Comprehensive Research Department of the Research Office of the State Council; Director and Party Group Member of China Ocean Shipping (Group) Company (COSCO), and Chairman of the Supervisory Board of China COSCO Holdings Company Limited. He has long been engaged in policy research and decision-making consultation. During his ten years at the Research Office of the State Council, he participated many times in drafting the Government Work Report and documents for the Central Economic Work Conference, as well as drafting speeches for State Council leaders on economic and social issues, domestic inspections, and foreign visits. He participated in numerous major research projects, including studies on Chinese migrant workers, Northeast China revitalization, western development, central China rise, and Guangdong-Hong Kong-Macao cooperation, as well as regional development investigations and document formulation for Xinjiang, Guangxi, Chongqing, Guizhou, and other regions. He led the research and drafting of *Survey of Chinese Peasant Workers*, which won the Sun Yefang Economic Science Award in 2006.

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Note: Figure translations are in progress. See original paper for figures.

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