

EMBRACE COOPERATION MAKE PROGRESS TOGETHER

Keynote speech at the ukrainian academic conference

Dear experts and guests:

In this colorful late autumn season, I am very happy to be with you in Ukraine.

Nowadays, with global value chains and supply chains developing deeply, international economic integration is the general trend. At present, a new round of scientific and technological revolution and industrial transformation are at the historical threshold for achieving major breakthroughs. Several days ago, the Communist Party of China held the Fourth Plenary Session of the 19th CPC Central Committee and formulated decisions on the major issues of adhering to and improving the socialist system with Chinese characteristics and advancing the modernization of the national governance system and governance capacity, including many important initiatives on deepening reforms and expanding openness. China will, as always, insist on the basic national policy of opening to the outside world, insist on opening to promote reform, development and innovation, and continue to promote a higher level of opening up.

Let's come back to the theme of this conference: the challenges and strategies in public economic management. In the following, I will talk about my suggestions from three aspects.

I. Organic Integration of Public and Private Economy is the Road to Successful Development of China's Modernization:

This year marks the 70th anniversary of the founding of the People's Republic of China. Let's start with a set of numbers: when New China was founded in 1949, China has the largest number of impoverished people, the per capita disposable income of urban residents was less than 100 yuan, and the per capita net income of rural residents was only 44 yuan. In 2018, the per capita disposable income of urban and rural residents was 39,251 yuan and 14,617 yuan respectively, 393 times and 332 times as much as the number in 1949.

It can be concluded that China's modernization is prominently reflected in that China developed from the world's largest traditional agricultural society to the world's largest modern urban society. The

* **Zhang Zhongmin** — Shanghai University of Finance and Economics School of Marxism.

core of this process is to effectively integrate the public and private economy, which is the only way for the successful development of China's modernization.

First, consolidate and develop the public economy, stimulate the creation of vitality in the private economy. With the development of China's reform and opening up over the past 40 years, the proportion of the public economy has gradually declined but still occupies the dominant position. After the reform of the public economy, the economic benefits continued to rise, the overall strength, competitiveness and overall quality were significantly improved, and the influence and driving force for the entire social economy continued to increase. The private economy is an integral part of the basic economic system of socialism with Chinese characteristics. From the end of 2018 to the present, with the implementation of the policies, such as large-scale tax cuts for private companies, which will further enhance the role of the market in resource allocation. With the development of China's modernization, the public economy has gradually realized organic integration with the private economy, and China's economy has prospered.

Second, strengthen integration development of the public and private economy, and lay a solid foundation for innovation and entrepreneurship. The private economy has played an important role in stabilizing growth, promoting innovation, increasing employment, and improving people's livelihood. In China, the private economy contributes more than 50 % of the total tax revenue, more than 60 % of GDP, more than 70 % of technological innovations, more than 80 % of urban labor employment and more than 90 % of the number of companies. From the data showed above, we could conclude that the private economy has played an important role in the sustained and healthy development of the economy in China. In the process of modernization, we must focus on strengthening the overall development of the public and private economy and promoting the mutual complementation of them.

I believe that as long as we firmly follow the path of organic integration and development of the public and private economy, the social and economic development of China and Uganda will surely achieve great success.

2. The unity of opposites between the visible hand and the invisible hand and their trend

Adam Smith told us, "our dinner is not from the grace of butchers, winemakers and bakers, but from their concern for their own interests." If the "visible hand" of the government is opposed to the

"invisible hand" of the market, social and economic order will be out of order and the distribution will be out of fairness, which reduce the efficiency of resource allocation. The major proposition of understanding and correctly handling the relationship between the government and the market has been running through China's modernization process. The enlightenment from the achievements of China's development, China's modernization development and the sound operation of society and economy require the organic integration, mutual complementation, mutual coordination and mutual promotion of the government and the market.

First, the government's "visible hand" and the market "invisible hand" coordinate, cooperate and develop effectively. The essence of coordination is the coordination of interests, the rational sharing of development results, and the realization of the "invisible hand" of the government and the "invisible hand" of the market on the basis of the unity of efficiency and fairness. Only by achieving truly coordinated development, can social and economic development release the greatest development vitality, stimulate innovation and achieve high-quality economic development.

Second, to maximize the government's "visible hand" and the market "invisible hand" to form a joint force. Both theory and practice have proven that market is the most efficient form of allocating resources. Under the laws of market economy such as value lever, the power of commodity producers can be stimulated to the maximum extent, and economic vitality can be greatly released. The practice of China's reform and opening up has repeatedly proved that market economy and fair market competition are the most efficient institutional arrangements. The future direction of China's economic development is to further enable the market to play a decisive role in resource allocation. Among them, the most important thing is not to artificially narrow the gap in economic aggregates, but to adopt market-oriented reforms and rational allocation of resources. Only through the adjustment of industrial structure and the free flow of production factors can we achieve the balance of marginal output and achieve the continuous improvement of resource allocation efficiency, thus maximizing China's overall economic growth.

3. Reflections on the theory and strategy of modernization

There is an old saying in China: "When the world is not prosperous, it will decline. If the rule of the world does not advance, then it will retreat." The world today is experiencing a major change in the past century, and more needs the power of theory to lead the change of the times. In the process of modernization and

development, China has also exposed many problems under the appearance of economic prosperity. For example, in recent years, China has excessively pursued the growth of economic figures and blindly increased investment, resulting in repeated construction of machinery, metallurgy, electronics industry, textile and other industries. As the development of these industries maintains rapid economic growth, and ignores the cost of achieving digital growth, this is something that we are very worthy of reflection and summary as a theoretical researcher.

First, further promote theoretical innovation and practical innovation. Theory explains practice and practice produces theory. Advancing China's modernization requires correct theoretical guidance and practical exploration. This requires adhering to and improving the socialist system with Chinese characteristics, enhancing the organic integration of the public and private economies, and maximizing the "visible hand" of the government and the "invisible hand of the market." "The formation of synergy is an inevitable choice for maintaining the vitality of the socialist system with Chinese characteristics. In the process of practical exploration, it is necessary to further emancipate and develop social productive forces, which is an inevitable choice for liberating and enhancing the vitality of the social economy.

Second, build an open, innovative, and shared economic development mechanism. Innovation and development are the inevitable choices to lead the sustainable development of the world economy. At present, a new round of scientific and technological revolution and industrial transformation are at the historical threshold for achieving major breakthroughs. It is necessary to strengthen innovation cooperation between enterprises, between government and enterprises, promote deep integration of science and technology with the economy, strengthen the sharing of innovation results, and strive to break the barriers restricting the flow of innovative elements such as knowledge, technology and talents, and enhance the independent development of technical exchanges and cooperation. Facing the future, China will adhere to the new development concept, continue to implement the innovation-driven development strategy, focus on cultivating and expanding new kinetic energy, continuously promote the transfer mode, adjust the structure, increase the momentum, promote the high-quality development of the economy, and bring new and new growth to the world economy. More opportunities.

Standing at the new historical starting point, China's open door will only grow bigger and bigger. In the future, China and Uzbekistan

should further strengthen innovation and cooperation, promote deep integration of science and technology with the economy, strengthen the sharing of innovation results, and promote technical exchanges and cooperation between the two countries so that the source of innovation will flow in full swing between China and Uganda.

Finally, I wish the conference a complete success.

Liu Xiaoyin *

CHINA'S FOREIGN ECONOMIC DEVELOPMENT TRENDS AND STRATEGIES IN THE CONTEXT OF CHINA-US TRADE FRICTION

On October 4, 2018, US Vice President Mike Pence delivered a speech on US-China relations at the Hudson Institute of conservative, accusing China of influencing U.S. public opinion and attempting to interfere with U.S. midterm elections, and he claimed to restart economic and strategic relationship with China, on the basis of "USA first" principle, directing at China's trade and investment policies, intellectual property theft, industrial development plans, debt diplomacy, cyber attacks, and national security. This shows that the U.S. government no longer regards China as a strategic partner, but rather China as a strategic competitor. The core of its diplomacy is to comprehensively curb China's rise. The confrontation against China is not just a trade friction, it also encompasses in all aspects of politics, economy, science, technology, military, and culture, these actions have risen to the level of national strategy.

1. Trade friction between China and the United States

When Trump took office, he listed China-US relations as an important issue. In the "National Security Strategy" report released by the Trump administration, China was identified as a strategic competitor, and ZTE was sanctioned by an excuse that it violated US sanction restricting the sale of US technology to Iran. In March 2018, Trump approved the imposition of additional tariffs on imported steel and aluminum products. China immediately formulated countermeasures, which has kicked off the China-US trade friction overture.

For a long time, in the global division of labor system, the United States is the largest consumer economy and the demand side. China is the largest production economy and the contractor side. China mainly

* **Liu Xiaoyin** — Shanghai University of Finance and Economics, School of Marxism.