

Chen Yun's Contribution to the Theory of Socialist Market Economy and Its Practical Significance

Yi Ren*

School of Physics and Astronomy, Shanghai Jiao Tong University, Dongchuan Road, Minhang District, Shanghai, China
*corresponding author

Keywords: Chen Yun, Theory of Socialist Market Economy, Contribution, Realistic Meaning

Abstract: Since the reform and opening up, China's economic development has made miraculous and remarkable achievements. At present, compared with the initial stage of reform and opening up, China's economic strength has made a qualitative leap, and its economic aggregate has ranked the second in the world since 2010. An important reason why China's economic development has made such great achievements since the reform and opening up is that China has implemented the socialist market economic system. The socialist market economic system wasn't formed out of thin air, and its theoretical basis lay in the socialist market economic theory. The theory of socialist market economy was the crystallization of the collective wisdom of the core administrative department of China in the process of leading the people of the whole country to carry out socialist construction. As an important member of first generation of collective leadership and the second generation of collective leadership in the core administrative department of China, Chen Yun has made outstanding contributions to the formation and development of the theory of socialist market economy. This paper mainly discussed his contribution to the theory of socialist market economy, and analyzed its practical significance combined with the reality of the development of China's socialist market economy.

1. Introduction

Since the reform and opening up, China's economic strength has been greatly improved, and its economic aggregate has ranked the second in the world since 2010. An important reason why China's economic development can achieve such great achievements is that China has implemented the socialist market economic system. The theoretical basis of the socialist market economic system lay in the socialist market economic theory. The theory of socialist market economy was the crystallization of collective wisdom of the core administrative department of China. As an important member of the collective leadership in the core administrative department of China, Chen Yun has made outstanding contributions to the formation and development of the socialist market economy theory. This paper mainly discussed his contribution to the theory of socialist market

economy, and analyzed its practical significance combined with the reality of the development of China's socialist market economy.

2. Chen Yun's Contribution to the Theory of Socialist Market Economy

Chen Yun's contribution to the theory of socialist market economy mainly lay in putting forward some ideas that can inspire and reference the formation and development of this theory. The specific contents included the following aspects.

2.1. The Thought of Giving Consideration to Different Ownership Economies

This thought was put forward by Chen Yun during the transition period from a new populist society to a socialist society, which reflected his understanding of the new democratic economy. Specifically, the main contents of this thought included the following points. First, when compiling the national economic development plan, it was necessary to take into account the economies of different ownership. Regarding this, Chen Yun pointed out that "we needed to carry out economic planning. If we only planned the public sector and didn't include many private production plans, the national economic planning couldn't be carried out"^[1]. In other words, when compiling the national economic development plan, it was necessary to include the economies of different ownership, so as to ensure the comprehensiveness of the national economic development plan, so as to better strengthen the planning guidance and macro-control of the economic development of different ownership, and give consideration to the economic development of different ownership. Second, the premise of giving consideration to different ownership economies was the leadership of public ownership economy. Regarding this, Chen Yun pointed out that "the status of the five economic components was different, which was an overall consideration under the leadership of the state-owned economy"^[2]. The five economic components here referred to the socialist state-owned economy, the private capitalist economy, the individual economy of farmers and handicrafts men, the semi socialist cooperative economy, and the state capitalist economy with the cooperation of state capital and private capital. The state-owned economy belonged to a typical public ownership economy. Therefore, "the status of the five economic components was an overall consideration under the leadership of the state-owned economy", which meant that the premise of taking into account different ownership economies was the leadership of the public-owned economy. Third, it was necessary to strengthen planning guidance and macro-control of economies under different ownership. Chen Yun pointed out that "the production and operation of public and private enterprises should reduce blindness and gradually increase planning"^[3]. As a private capitalist economy, private enterprises often had blind and unplanned defects in their production and operation, which couldn't be overcome by their own strength. Due to the limitations of their own departments as well as industries and fields, the production and operation of public enterprises sometimes appeared blind and unplanned. Therefore, to overcome the blindness and unplanned production and operation of public and private enterprises, it was necessary to rely on the national planning guidance and macro-control. In other words, the state should strengthen the planning guidance and macro-control of different ownership economies. Fourth, it was necessary to encourage and support the development of the private economy conducive to the national economy and the people's livelihood. When talking about doing a good job in the work of the Federation of industry and commerce, Chen Yun pointed out that "what we welcome was the development of private industry and commerce conducive to the national economy and the people's livelihood"^[4]. In other words, it was necessary to encourage and support the development of the private economy conducive to the national economy and the people's livelihood, so as to promote the development of the new democratic economy. Although the thought of giving consideration to different ownership

economies was put forward by Chen Yun in the transition period from new populist society to socialist society, it also had certain enlightenment and reference significance for the formation and development of socialist market economy theory.

2.2. The Thought of “Three Subjects and Three Supplements”

This thought was put forward by Chen Yun after the completion of socialist transformation, which reflected his deep understanding of the overall situation of socialist economy. Specifically, the main contents of this thought included the following points. Specifically, they were “In terms of industrial and commercial management, state management and collective management were the main body, and individual management was the supplement. In terms of industrial and agricultural production, planned production was the main body, free production within the scope permitted by the national plan according to market changes was the supplement. In the domestic market, the national market was the main body and the free market led by the state was the supplement”^[5]. It could be seen that the core of the thought of “three subjects and three supplements” was still to take national planning guidance and macro-control as the main body and market regulation as the supplement. This thought still has inspiration and reference significance for the formation and development of socialist market economy theory, because it emphasized the combination of national planning guidance, macro-control and market regulation. The core of market economy theory is the combination of national macro-control and market regulation. In addition, it also had something in common with current China’s basic economic system, because current China’s basic economic system is based on public ownership and the common development of various ownership economies. The meaning of the thought of “three subjects and three supplements” also included taking the public economy as the main body and the non-public economy as the supplement, so as to make the public economy and the non-public economy develop together. Therefore, this thought had something in common with China’s basic economic system.

2.3. The Idea That Planned Economy and Market Regulation Complement Each Other

This idea was put forward by Chen Yun during the period of reform and opening up, which reflected his deep understanding of the relationship between planned economy and market regulation. Specifically, the main contents of this thought included the following points. First, the planned economy came from Marx’s political economy. In his work “Capital”, Marx analyzed the blindness and unplanned of capitalist production, which led to the inherent contradiction between capitalist social productivity and production relations. The sharpening of this contradiction would eventually lead to the demise of capitalism. Therefore, Marx put forward an assumption: the socialist economy would overcome the disadvantages of the capitalist economy and develop in a planned way^[6]. Therefore, it also became the theoretical basis of socialist planned economy. Second, in the socialist period, only planned economy would lead to serious disadvantages. These disadvantages were mainly manifested in the following points. First, the plan was too strict and too wide, resulting in the lack of market regulation in the socialist economy. Second, the plan was often divorced, and the planning organization was busy with daily scheduling, resulting in low efficiency of the plan. Third, the limitations of the plan on the variety and quantity of products led to the lack of richness and variety of social production, which then led to the monotony of people’s daily necessities. Third, in the socialist period, there must be two kinds of economy: the planned economy and the market regulation. The planned economy was the basic and primary part, and the market regulation part was subordinate and secondary, which was necessary for the socialist economy. The market regulation part was a beneficial supplement to the planned economy part, and its existence wouldn’t affect the socialist nature of our country^[7]. It could be seen that the thought

of complementarity between planned economy and market regulation also had certain enlightenment and reference significance for the formation and development of socialist market economy theory. Because one of the connotations of market economy theory was to combine government macro-control with market regulation, in other words, planned economy and market regulation complement each other. In addition, Chen Yun's definition of the status of planned economy and market regulation also had something in common with China's basic economic system. Because current China's economic system is dominated by public ownership and the economy of various forms of ownership develops together. Taking public ownership as the main body is the premise and foundation of this economic system, and the common development of various ownership economies is an important connotation of this economic system. In the process of the common development of various ownership systems, the non-public economy is an important part of the socialist economy, but it is not the main part. In Chen Yun's opinion, "the planned economy was the basic and primary part, and the market regulation part was subordinate and secondary, but also necessary for the socialist economy"^[8], which had something in common with the basic economic system in China, which took public ownership as the main body and the common development of various ownership economies.

2.4. The Idea of Combining Self-Reliance with the Utilization of Foreign Capital

This thought was also put forward by Chen Yun during the period of reform and opening up, which reflected his deep understanding of the relationship between self-reliance and opening to the outside world. Chen Yun pointed out that "it was necessary to not oppose the policy of self-reliance with the use of capitalist credit. it was necessary to be organized and not conflict with China"^[9]. In other words, in his view, in the process of China's socialist economic construction, it was necessary to not only adhere to the policy of self-reliance, but also actively open to the outside world to make rational and orderly use of foreign capital. The two can be organically combined rather than antagonistic. This thought also has reference significance for the formation and development of socialist market economy theory. The reasons of this above were as follows. For the socialist market economy, opening to the outside world and utilizing foreign capital were important external conditions for the development of the socialist market economy. The theory of socialist market economy must also pay attention to opening to the outside world and the utilization of foreign capital, and combine the policy of independence and self-reliance in socialist economic construction with opening to the outside world and the utilization of foreign capital.

3. The Practical Significance of Chen Yun's Contribution to the Theory of Socialist Market Economy

Chen Yun has made outstanding contributions to the formation and development of the theory of socialist market economy. These contributions still have important practical significance for the development of current socialist market economy. Specifically, its practical significance is mainly reflected in the following aspects.

3.1. It was Necessary to Uphold and Improve China's Socialist Basic Economic System and Basic Distribution System

Chen Yun's thought of giving consideration to different ownership economies, "three subjects and three supplements" and the complementarity of planned economy and market regulation has very important practical significance for the development of China's socialist market economy. One of the main contents of the thought of giving consideration to the economic development of different ownership is to insist on taking the public economy as the main body and giving consideration to

the development of public and non-public economy, which is very close to the content of China's basic economic system. The meaning of the thought of "three subjects and three supplements" is to take the public economy as the main body and the non-public economy as the supplement, so as to make the public economy and the non-public economy develop together. An important connotation of the idea that planned economy and market regulation complement each other is to adhere to the coexistence and development of planned economy and market regulation. In other words, adhere to the coexistence and development of public economy and non-public economy. It can be seen that the above three ideas have something in common with China's basic economic system. The basic distribution system is matched with China's basic economic system. Nowadays, China's basic distribution system is mainly based on distribution according to work, and a variety of distribution methods coexist. The above ideas put forward by Chen Yun have something in common with China's basic economic system, and then with China's basic distribution system. Therefore, an important practical significance of Chen Yun's above thought for the development of China's socialist market economy is to adhere to and improve China's socialist basic economic system and basic distribution system.

3.2. It was Necessary to Uphold and Improve the Socialist Market Economic System

Another practical significance of Chen Yun's thought of "three subjects and three supplements" and the mutual supplement between planned economy and market regulation for the development of China's socialist market economy is to adhere to and improve the socialist market economic system. The common meaning of "three subjects and three supplements" and the thought that planned economy and market regulation complement each other has the following two points. First, in terms of economic system, take public economy as the main body and non-public economy as the supplement, so as to make public economy and non-public economy develop together. Second, in terms of economic operation, combine national macro-control with market regulation. The meaning of the socialist market economic system also includes the above content. Therefore, another practical significance of the thought of "three subjects and three supplements" and the mutual supplement between planned economy and market regulation for the development of China's socialist market economy is to adhere to and improve the socialist market economic system. To adhere to and improve the socialist market economic system, it is necessary to make the market play a decisive role in resource allocation and give better play to the role of the government, so that the "visible hand" of government regulation and the "invisible hand" of market regulation can complement each other and interact positively. Specifically, a series of measures will be implemented or just be being implemented in current China, such as "improve the management system of various state-owned assets, reforming the authorized management system of state-owned capital, and promoting the strength, excellence and expansion of state-owned capital. In addition, deepening the reform of state-owned enterprises and develop a mixed ownership economy. Meanwhile, fully implementing the negative list system for market access, cleaning up and abolishing various regulations and practices that hindered unified market and fair competition, supporting the development of private enterprises and stimulate the vitality of various market players. Besides, deepening the reform of the commercial system, breaking the administrative monopoly, preventing market monopoly, accelerating the market-oriented reform of factor prices, relaxing the access restrictions of the service industry, and improving the market supervision system. Furthermore, innovating and improving macro-control, giving play to the strategic guiding role of national development planning, and improving the coordination mechanism of fiscal, monetary, industrial, regional and other economic policies^[10].

3.3. It was Necessary to Comprehensively Deepen Opening to the Outside World

Opening to the outside world is an important condition for the development of socialist market economy. The main content of Chen Yun's idea of combining self-reliance with the use of foreign capital was that in the process of China's socialist economic construction, it was necessary to not only adhere to the policy of self-reliance, but also actively open to the outside world to make rational and orderly use of foreign capital. The two could be organically combined rather than opposed. Therefore, this thought also had very important practical significance for the development of market economy. Specifically, the practical significance of the combination of self-reliance and the use of foreign capital for the construction of China's socialist market economy is to comprehensively deepen the opening to the outside world. Specifically, a series of measures will be implemented or just be being implemented in current China, such as "Focusing on the 'one belt and one way' construction, adhering to the principle of "bringing in and going out", and following the principle of 'discussing, building and sharing together', and strengthening the opening up and cooperation of innovative capabilities, and forming an open pattern of linkage between land, sea and abroad, and the mutual benefit between east and west of China. Meanwhile, expanding foreign trade and cultivating new forms and models of trade. In addition, giving the pilot free trade zone greater reform autonomy and exploring the construction of a free trade port. Besides, implementing a high-level liberalization and facilitation policy of trade and investment, and fully implementing the management system of the national treatment plus negative list before admission. Furthermore, Innovating the mode of foreign investment, promoting international production capacity cooperation, and forming a global trade, investment and financing, production and service network. Moreover, expanding the opening up of the service industry to the outside world and intensifying the opening up of the western region of China^[11].

4. Conclusion

Since the reform and opening up, China's economic development has made miraculous and remarkable achievements. At present, China's total economy ranks the second in the world and its economic strength is strong. An important reason why China's economic development can achieve such remarkable achievements is the implementation of the socialist market economic system, so as to realize the complementary advantages and benign interaction between government regulation and market regulation. The theoretical basis of the socialist market economic system lies in the socialist market economic theory. As an important member of first generation of collective leadership and the second generation of collective leadership in the core administrative department of China, Chen Yun put forward some ideas that can inspire and draw lessons from the formation and development of the socialist market economy theory, thus making outstanding contributions to the formation and development of this theory. In the process of promoting socialist economic construction with Chinese characteristics in the new era, it is necessary to carefully summarize his contributions to the theory of socialist market economy, and explore the practical significance of these theoretical contributions to China's economic development in combination with the current reality of China's socialist market economy, so as to better promote the sustainable and healthy development of China's economy, So as to promote the building of a well-off society in an all-round way and gradually realize the great rejuvenation of the Chinese nation.

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