

Research on the Construction of a “Dual Circulation” Development Pattern

Xuguang Liu

School of Information, Xi'an University of Finance and Economics, Xi'an, 710100, China

Keywords: New development pattern, New development concept, Dual circulation, Construction

Abstract: In order to resist the global economic recession caused by COVID-19, our Party Central Committee and the State Council put forward the new concept of “dual circulation”. The main content of the idea is to perfect the domestic circulation, and promote the development of the international circulation with the domestic big cycle, and finally form a new pattern of mutual promotion and common development between the domestic big circulation and the international great circulation. The realization of the new development pattern of “dual circulation” can promote the better and faster development of China's market economy and accelerate the realization of the strategic goal of building China into a powerful socialist country. Starting from the connotation and significance of the new development pattern of “dual circulation”, this paper discusses the scientificity and foresight of the new development concept of “dual circulation”, and gives some reasonable suggestions on the construction of the new development pattern of “dual circulation” in China.

1. Introduction

China has ushered in a new era of reform and opening up. In response to the new development tasks and complex international environment, general secretary proposed the idea of building a new development pattern of mutual promotion and mutual development between the international and domestic macro cycles. The new development pattern of “dual circulation” is an important strategic deployment made by China to promote the high-quality development of social economy and the construction and improvement of the new open economic system. The new development pattern of “dual circulation” firstly, on the basis of accelerating the development of scientific and technological innovation, it is necessary to improve China's independent innovation ability, and rely on each other to accelerate the realization of the goal of building a mature industrial supply chain system, so as to further stimulate the demand potential of the domestic big market and realize the healthy and stable operation of the domestic big cycle; secondly, it is necessary to make full use of the United States. In the new international situation, we should deal with the relationship between economic development and foreign trade, strengthen our advantages and capabilities in international competition, so as to ensure the vigorous development of the socialist market economy.

2. The Connotation of the New Development Pattern of “Dual Circulation”

The new development pattern of “dual circulation” is an important strategic guideline put forward during the 14th Five Year Plan period, which has important guiding significance and theoretical value for building a strong socialist country. Theoretically speaking, the new development pattern of “dual circulation” is a new theoretical product of the combination of Marx's political economics and China's reality. It is a significant progress in the development of China's economy and a new content of country's new socialist theoretical system with Chinese characteristics. It is also an innovation and development of our party's governing policies. In practice, the Party Central Committee and the State Council put forward the new development concept of “dual circulation” after a dialectical and comprehensive analysis of the current and long-term national economic development pattern, which is a forward-looking strategic deployment of the country for the development of the socialist market economy. [1] The new development pattern of “dual circulation” points out the way and direction for the high-quality development of China's economy.

The “dual circulation” development pattern indicates that China's opening up has entered a new period. In this new mode, we should fully expand the domestic market to ensure the smooth operation and development of the market economy, so as to better participate in international competition. Based on the continuous improvement of the level of science and technology and production efficiency, the domestic big cycle continuously improves the salary level, so as to expand the total market demand, expand the industrial production capacity, improve the division of labor system of various industries, and realize a more efficient market economy cycle. [2] The corresponding international circulation is that each country uses its own advantages to participate in international competition to find its corresponding position in the global industrial chain, so as to realize the circular development of economy. A stable and complete domestic cycle requires a smooth connection between the demand cycle and the supply cycle. Relying on the stable domestic cycle, we can ensure the strength of China's economic development and promote China to occupy a leading position in the international cycle.

The organic integration and connection of numerous stable economic links can form a benign economic cycle system, and the fracture of any link will cause the whole system to be unable to run smoothly. Therefore, in the process of building a new development pattern of “dual circulation”, we can not ignore the coordinated development of any economic link. At present, the medium and low-end value chain manufacturing system is far from being able to adapt to the development of China's economy and society, so it is necessary to accelerate the cultivation and support of a perfect high-end value chain manufacturing system. The formation of high-end value chain manufacturing system can effectively promote the development of China's domestic supply cycle. Domestic circulation and international circulation are the two important footholds of the “dual circulation” development strategy. These two great circulations are the main force to promote economic development and the powerful guarantee to promote the healthy development of international circulation. [3]

3. The Significance of the New Development Pattern of “Dual Circulation”

In 2020, after novel coronavirus pneumonia impact, the world economy development declined obviously. In order to overcome the adverse effects of the epidemic on the national economy and improve the supply side reform, the CPC Central Committee put forward the new concept of “dual circulation”.

In 2020, the world economy, the supply chain and industrial chain cycle around the world will be severely damaged, the international financial market will be turbulent, and the trade and investment volume will shrink significantly. Economic globalization is facing unprecedented twists and turns.

In such a complex and difficult international economic environment, China firmly stands, continues to carry out supply side reform, and speeds up the construction of a new development pattern of “dual circulation”, so as to adapt to the instability of the international environment. Under the impact of novel coronavirus pneumonia, we saw the vigorous development of the market economy, and saw the strong and prosperous motherland. But we also saw that the industrial structure of our country was irrational, and the reform still needs to be intensified. To build a set of completely independent and reliable supply chain industry chain system, it is necessary to speed up the connection with all aspects of the supply chain industry chain system, promote the rapid and stable development of the economy, and continue to improve the internal driving force of China's market economy development and the ability to resist international financial risks, so as to ensure the healthy development of the socialist market economy. [4] In general, in order to fully and flexibly cope with the current complex domestic and international situation, our own development is the most critical. On the basis of better development of China's market economy, we should increase international economic exchanges and cooperation, so as to gain a firm foothold in international competition. The implementation of the new concept of mutual promotion and development of domestic and international “dual circulation” is conducive to resource sharing and complementary advantages, and to strengthening the ability to prevent and resolve trade risks, so as to escort the healthy and stable development of domestic and international economy. [5]

4. Exploration on the Path of Building a New Development Pattern of “Dual Circulation”

4.1 To Expand Domestic Consumption Demand and Promote Domestic Economic Cycle

The consumption demand is directly restricted by the income level. To expand the domestic consumption demand, we should continue to improve the people's income level and increase the people's disposable income; we should further improve the task of poverty alleviation and increase the financial subsidies and support for the poverty alleviation objects; in addition, the social security system should also be strengthened and improved to give people more life security and effectively improve the people's quality of life and living standards. [6] In order to stimulate residents' consumption, the government can directly issue consumption vouchers, which can quickly stimulate consumption potential in the short term and provide new vitality and power for the rapid economic cycle. In the era of rapid development of information technology, the use of the Internet is more and more frequent; the Internet is also deeply affecting people's lives; online shopping has become a necessary way of shopping for many families. Based on this, the government can promote the combination of online consumption and offline consumption, promote the development of digital economy, and expand the new functions of market economy development. The new consumption mode of “Online and offline” can promote the digital transformation of traditional business model, expand domestic demand, stimulate consumption, and promote the efficient development of the whole domestic economic cycle.

4.2 To Attach Importance to the Research and Development of Core Technology and Improve the Supporting System of Industrial Clusters

To resist the novel coronavirus pneumonia epidemic, we must accelerate the construction of a self controlled, safe and efficient whole industry chain system, and achieve rapid upgrading of China's industrial transformation. The increasingly fierce international competition is actually the competition of comprehensive national strength and the level of science and technology. Modern scientific and technological innovation often involves different fields or disciplines, and it is difficult to achieve smoothly only by a certain industry or department, especially to complete the

research and development and innovation of core technology. It needs the guidance and support of the government to promote the collection of various high-quality resources, so as to improve the work efficiency of scientific and technological innovation. Strengthening the research and development of core technology can fundamentally improve the level of science and technology in China, so that China has independent and controllable core technology, which plays an important role in promoting China's economic development.

5. Conclusion

In addition, improving the supporting service system of industrial cluster is also one of the important measures to improve the industrial chain. To improve the supporting system of industrial clusters, we should provide convenient water and land transportation conditions, improve the infrastructure construction of scientific research institutions, and support relevant supporting service production enterprises and implement unique policies for the introduction of scientific and technological talents. [7] Perfect and mature industrial cluster supporting service system can promote the development of domestic economic cycle, promote the formation of the whole industrial chain, and provide a solid foundation for the healthy development of China's economy and society.

References

- [1] Dong Zhiyong, Li Chengming. *The new development pattern of domestic and international dual circulation: historical origin, logical interpretation and policy guidance [J]. Journal of the Party School of the CPC Central Committee (National Academy of administration), 2020,24 (05): 47-55*
- [2] Wu Shanlin. *The strategic meaning of “dual circulation” new development pattern [J]. Seeker, 2020 (06): 90-99*
- [3] Guo Qing. *Realistic logic and realization path of “double cycle” new development pattern [J]. Seeker, 2020 (06): 100-107*
- [4] Li Jinchang, Yu Wei. *Double cycle new development pattern: historical evolution, motivation analysis and countermeasures [J]. Statistical Theory and Practice, 2020 (04): 3-12*
- [5] Zhang Renyuan. *Thinking and path of building a new development pattern of double cycle [J]. Regional Economic Review, 2020 (06): 56-62*
- [6] Zhang Yansheng. *Thoughts on building a new development pattern of domestic and international double circulation [J]. Journal of Hebei University of Economics and Trade, 2021,42 (01): 10-15*
- [7] Liu Yong, Li Lizhen. *The mechanism, path and policy suggestions of enterprise transformation and development under the new “dual circulation” development pattern [J]. Journal of Hebei University of Economics and Trade, 2021,42 (01): 41-50*