

Evolution and Enlightenment of Economic Circulation Model

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Abstract: China's economic circulation model has undergone a tortuous adjustment process since the founding of new China. In recent years, China's economic development level has been constantly improving. Since the outbreak of COVID-19, the economy of every country has been greatly impacted, and international trade has also been greatly affected. The world economy is in a downward trend, the overall economic situation is not optimistic, and the major social contradictions in China have also undergone great changes. At this juncture, China has put forward a new development pattern. In order to help us more accurately grasp the era significance of building a new development pattern and scientifically understand the strategic significance of building a new development pattern, this paper mainly analyzes the evolution of China's economic circulation pattern and draws inspiration.

Since the outbreak of the novel coronavirus pneumonia, the economy of each country has been hit quite a lot, and international trade has also been greatly affected. Given the unprecedented changes in the world over the past century, based on profound changes in the external environment and China's vast market space, in the last year of the Thirteenth Five-Year Plan, China proposed to accelerate the formation of a new pattern of development, based on mutual promotion of domestic cycles and domestic and foreign cycles[1]. In order to better understand the new pattern of development, it is necessary to clarify the historical context of the transformation of China's economic mode of circulation and to summarize the experiences and lessons of the past economic development of circulation.

1. The Evolution Stage of the Economic Cycle Model

1.1 The stage of Economic Development Dominated by Domestic Circulation

In 1949, China's economic level was at a very low level. Relevant studies showed that China's total economic output accounted for less than 5% of the world's total, and its gross national income was equivalent to US\$23.9 billion at the exchange rate of that year. By 1950, China's per capita national income was 20% lower than the long-term colonial India[2]. Against such a realistic background, our party leads the people on the road of industrialization and independence. When the

Korean War broke out in 1950, our country was in a tense situation. How to consolidate the new regime through rapid economic development was the most concerned issue of our party. On June 15, 1953, Mao Zedong comprehensively expounded the general line of the transition period for the first time. In July 1955, the first five-year plan proposed that industrialization should be the main task of economic construction, laying a solid material foundation for the industrial development of new China[3]. By the end of 1957, most of the “First Five-Year Plan” had been overfulfilled. During this period, my country’s industry had achieved great development.

During this period, China had little contact with the outside world as it faced political and economic blockades from Western countries led by the United States. However, through domestic circulation, China has initially formed a relatively complete industrial system, realized the transformation from a backward agricultural country to an industrial country, and laid the foundation for the development of China’s socialist industrialization[4].

1.2 The stage of Economic Development that Gradually Integrates into the International Cycle

In 1978, China began to implement the policy of domestic reform and opening to the outside world. Domestic reform began in the countryside and then expanded to the cities. Faced with the transformation of the main contradiction in our society, we must start with backward social production and repair and adjust the previously formed economic development model dominated by domestic circulation.

After China joined the WTO in 2001, the foreign economic and trade environment has been greatly improved, which also marks that China's opening up has entered a new stage. China's accession to the WTO means that China not only has the right to share the fruits of economic globalization, but also can participate in the formulation of relevant rules and take the initiative to establish a new international economic order. On the whole, China's accession to the WTO has promoted the development of China's processing trade and the upgrading of China's economic structure[5]. The financial crisis caused by the subprime mortgage crisis in the United States in 2008 swept the world. Because of the wide scope of the economic crisis, all countries have been affected to varying degrees, and China's economy has also been affected. In 2010, the 12th Five Year Plan proposed that "we should further emphasize the establishment of a long-term mechanism for expanding domestic demand". After several years of steady implementation, it has promoted the transformation and upgrading of a large number of traditional industries and promoted the strategic adjustment and optimization of China's economic structure.

Through the international circulation as the main mode of China's economic circulation, foreign trade, foreign investment and foreign capital absorption have become the most dynamic fields of China's economy, driving the rapid development of China's economy and the progress of science and technology. This period also laid a solid foundation for proposing to build a new development pattern of double circulation.

1.3 The Proposal and Construction Stage of a New Development Pattern with the Domestic Cycle as the Main Body and The Domestic and International Dual Cycles Promoting Each Other

2020 is the last year of the “3th Five-Year Plan”, and it is also a crucial year for the decisive victory in building a moderately prosperous society in an all-round way and starting a new journey of building a modern socialist country in an all-round way. On May 14, 2020, the meeting of the Standing Committee of the Political Bureau of the Central Committee proposed for the first time that “my country should deepen the supply-side structural reform, give full play to my country’s

super-large market advantages and domestic demand potential, and build a new development pattern in which domestic and international dual cycles promote each other. [6]” The new development pattern requires the double cycle interaction of domestic and international. Under the current international development background, we should actively open up to the outside world, resolve international crises, and establish new advantages in international cooperation and competition. We should constantly improve the modernization of China's industrial chain and give full play to the resource advantages of the two domestic markets. The emphasis on the domestic circulation is not to simply shrink the international market and adopt an internal development mode, nor is it to engage in a closed economic cycle. It is to make use of the domestic circulation, absorb the world's innovative resources and advanced production elements, seek development opportunities in the international circulation in the way of "introducing" and "going out", and establish a high standard A sustainable global market system and a win-win global economic management system[7].

Through continuous and unremitting efforts, China has gradually realized the magnificent transformation from the early "domestic circulation dominated" to the "international circulation dominated" in the 1980s and 1990s, and then to the current new development pattern.

2. Enlightenment Brought by the Evolution of the Economic Cycle Model

2.1 Always Adhere to the Party's Leadership over China's Economic Work

At the beginning, the people were led by the party to carry out the socialist revolution and construction independently under the condition of extreme poverty, thus enabling the national economy to recover rapidly. Subsequently, a socialist economic system was established and a relatively complete national industrial economic system was established. The party leads the people to emancipate their minds, seek truth from facts, and promote reform, opening up, and socialist modernization. Over the past 70 years, the adjustment and transformation of the economic circulation mode have benefited from the party's grasp of the domestic and international environment.

Now we are in the new development stage of the primary stage of socialism, and economic development is facing greater challenges. Therefore, it is all the more necessary to adhere to the leadership of the party and build a new development pattern, and let the domestic and international cycles interact to drive the better development of China's economy.

2.2 Always Adhere to the People-Centered Approach

Popular support is the biggest politics. No matter what circumstances, the Communist Party of China always puts the interests of the people first. Although various obstacles have appeared in the process of economic development, affecting the fundamental interests of the people, the party has timely changed the economic circulation mode and overcome many difficulties. It is precisely because it has unswervingly safeguarded the interests of the people that it can stabilize the people's livelihood, win the support of the people, and enable the national economy to recover in a short period of time. At present, the people's demand for the means of production has changed from whether it exists or not to whether it is good or not, and the leap from quantity to quality has been completely realized. All this is attributed to the party's wholeheartedly serving the people and taking it as the fundamental purpose of our party.

In the new era, China will certainly face various difficulties in the process of economic development. During the period of economic recovery and construction, there is no historical path to follow and no successful experience to learn from. Our party has always insisted on taking the

people as the center, In order to protect the people's rights and interests, we have explored an economic circulation model suitable for China from various difficulties and constantly improved it.

2.3 Always Adhere to the Independent Mobilization of China's Economic Circular Development

In the early 1950s, the reason why China was able to win on the two fronts of restoring the national economy and resisting the great pressure of the US Soviet blockade at the same time was precisely because it adhered to the principle of independence and self-determination, explored revolutionary ways to cut off the obstacles of imperialism to China's development in the face of difficulties, realized the independent development of the country, and realized economic independence through domestic economic rectification, So that China's economic development has taken an important step.

As the new crown pneumonia epidemic continues to spread abroad, it has a certain impact on the global economy. Therefore, developed countries have stepped up protectionism and unilateralism. At this node, building a new development pattern is the first move to grasp the initiative, so as to strengthen core competitiveness, improve resource allocation capacity, and resolve the huge risks caused by external shocks and declining external demand in the fierce international competition. Under extreme conditions, Maintain the basic stability of the national economy and the stability of the overall social situation. Compared with more than 70 years ago, China today has a higher international status and stronger strength. It can adhere to the principle of independent development based on domestic conditions, and the internal factors will lead the external factors to serve the circular development of China's economy.

3. Conclusions

Over the past 70 years, the Communist Party of China has re recognized, re adjusted and re constructed China's economic cycle model. Through continuous exploration and repeated practice of China's economic development strategy theory, and then timely dynamic adjustment, this process fully reflects the internal requirements of our party to actively adapt to the development trend of the times and firmly grasp the laws of economic development. "The history of the party is the most vivid and convincing textbook. [8]" In the context of this unprecedented change in a century, it is even more necessary to fully learn from historical experience and follow the strategic path of the new development pattern.

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