

New Kinetic Energy Development and the New Round of Northeast Revitalization Reconstruction

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The term “dynamics” originates from physics and is now applied to economics to reflect the vitality of economic growth. The slowing of the economy indicates a loss of “kinetic energy” and one crucial answer to this problem is to find or generate new dynamics. The slowing of the economy in China’s Northeast is due to a decline in the traditional dynamics, and the key to revitalization is to find new ones.

Since 2013, the “New Northeast Phenomenon” has been characterized by weak and sluggish growth. The root cause of this can be blamed on external causes, namely the international and domestic macroeconomic environment. Needless to say, the external causes have an effect through internal causes. The internal causes for slowing economic growth in China’s Northeast can be summarized as “Two Concentrations, Three Recessions”.

With the slowing of the economy, the current economic situation should be treated in a dialectical manner. Despite all the problems and difficulties, there is also potential and hope. One must not demonize the Northeast’s economy, one cannot belittle, deflate, vilify, or demonize the Northeast’s economy, and one must not blindly malign Northeast China.

There are ten points worth emphasizing regarding forming dynamics for economic growth:

1. Clarify the objectives and the orientation of revitalization in China’s Northeast;
2. Recognize that the essence of generating new economic dynamics is technological innovation;
3. Adopt a method for generating new dynamics through the market;
4. Divert more focus to compensating for the weak points of industry;
5. Allow the private sector to play a major role in revitalization;
6. Position the core of state-owned enterprise reform in China’s Northeast on the reform of central government-led enterprises;
7. Recognize that manufacturing industry is the main battleground for the transformation from traditional to new economic dynamics;
8. Avoid the “prisoner’s dilemma” when tackling industrial overcapacity;
9. Recognize that the key to reducing the amount of unsold housing is providing more indemnified housing;
10. Create a friendly business environment so as to form new dynamics.

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