

Overview of the Ninth Round of National Institutional Reform and the Internal Logic of Promoting High-Quality Economic Development

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Abstract: In the new era, the basic characteristics of China's economic development have shifted from high-speed growth to high-quality development. This puts forward new and higher requirements for transforming the functions of national institutions and optimizing the responsibility system and organizational structure of national institutions. The ninth round of national institutional reform focuses on the field of science and technology to solve the driving problem of high-quality economic development through scientific and technological innovation, and focuses on the field of financial supervision to prevent and resolve financial risks and escort the high-quality economic development, provide a benign, stable, and long-term economic development environment.

1. Research Background

At present, the world's profound changes unseen in a century are accelerating, and a new round of scientific and technological revolution and industrial transformation are developing deeply. China's development faces new strategic opportunities, new strategic tasks, new strategic stages, new strategic requirements and new strategic environment. As the principal contradiction in society turns into the contradiction between the people's ever-growing needs for a better life and unbalanced and inadequate development, the basic features of China's economic development have shifted from a stage of rapid growth to a stage of high-quality development^[1]. However, in a country with a huge economy and population, it is not easy to shift from a stage of rapid growth to a stage of high-quality development. On the one hand, we must cross the unique threshold of China's economic development at the present stage. In particular, we must fight the core technological problems, prevent and defuse major risks, pollution prevention and control, and the security of the digital economy. On the other hand, we must cross the conventional and long-term threshold, vigorously transform the economic development model, optimize the economic structure, and transform the drivers of growth. In particular, we must purify the market environment and improve the country's governance capacity.

The new tasks and requirements of the new era and the new journey all set new and higher requirements for transforming the functions of state institutions and optimizing the responsibility system and organizational structure of state institutions. It is need to continue to deepen reform on the basis of consolidating the original achievements of the reform of state institutions, and adjust and improve the responsibilities of institutions and mechanisms. On this background, the ninth round of national institutional reform came into being. Based on the summary of the content of the ninth round of national institutional reform, combined with the requirements of high-quality economic development in the new era, this study tries to understand the internal logic of the reform of national institutions to promote high-quality economic development.

2. Summary of the Ninth Round of Party and State Institutions Reform Content

On March 16, 2023, The State Council issued the Reform Plan for State Institutions, and issued a notice, requiring all regions and departments to earnestly implement it in light of the actual conditions. This marks the official launch of the ninth round of national institutional reform. The goal of deepening the reform of state institutions is to build a well-developed, scientific, standardized and efficient functional system of state institutions, adapt to building a new pattern of development and

promote high-quality development^[2]. The reform focuses on financial regulation and science and technology, and is an important measure to meet the needs of China's high-quality economic development in the new era.

2.1. Reform of the financial regulatory body

The reform of financial regulatory institutions mainly involves the central leading institutions and the State Council, and is based on the central and local dimensions.

In terms of central institutions, first, the Central Financial Commission was established as the central decision-making, deliberation and coordination body. The office of the Central Financial Commission shall be established as the office of the Central Financial Commission. The Financial Stability and Development Commission of the State Council and its administrative offices will no longer be retained. At the same time, the responsibilities of the Office of the Financial Stability and Development Commission of the State Council were transferred to the Office of the Central Financial Commission. Second, the Financial Affairs Commission of the CPC Central Committee was established to lead the work of the financial system and work with the Office of the Central Financial Commission.

Under the institutions of the State Council, the SFC is established on the basis of the People's Bank of China and the China Securities Regulatory Commission to be responsible for the supervision of the financial industry except the securities industry. Second, the China Securities Regulatory Commission has adjusted itself as an institution directly under the State Council to strengthen the supervision of the capital market and assign the audit responsibilities of corporate bond issuance formerly belonging to the National Development and Reform Commission.

In addition, the reform also deepens the reform of the local financial supervision system. We will establish a local financial supervision system with the local offices of the central financial administrative departments as the mainstay, and coordinate and optimize the establishment and allocation of the local offices of the central financial administrative departments. Financial regulatory agencies set up by local governments have their supervisory duties, and no longer have the brands of financial work bureaus and financial offices.

2.2. Reform in science and technology and in other fields

In terms of central institutions, the Science and Technology Commission of the CPC Central Committee was established to strengthen the centralized and unified leadership of the central committee over science and technology work, and to coordinate major science and technology-related issues such as the construction of the national innovation system and the reform of the science and technology system. The responsibilities of its administrative agency are assumed by the reorganized Science and Technology Department as a whole. The second is to establish the Central Department of Social Work as a functional department of the Party Central Committee. One important function is to unify the leadership of the party work of national industry associations and chambers of commerce, coordinate and promote the deepening reform and transformation development of industry associations and chambers of commerce.

In terms of the leadership of The State Council, the Ministry of Science and Technology is responsible for promoting and improving the new national system, optimizing the management of the whole chain of scientific and technological innovation, promoting the transformation of scientific and technological achievements, and promoting the combination of science and technology with economic and social development. Second, the State Data Bureau was established, which is responsible for coordinating and promoting the construction of data basic system, coordinating the integration, sharing, development and utilization of data resources, and comprehensively promoting the planning and construction of digital China, digital economy and digital society.

3. The internal logic of the reform of Party and state institutions to promote high-quality economic development

In the new era, with the change of the main contradiction in China's society, new requirements

have been put forward for economic development, and high-quality economic development is imminent. The new round of reform of state institutions is an important means to adapt to the ever-changing principal social contradiction in China and promote high-quality economic development in China. Finance ensures stability, technology is about winning, and the underlying logic is as follows.

3.1. The reform of institutions in science and technology provides a solid foundation for high-quality economic development

Science and technology are the primary productive force, and innovation is the primary driving force. At present, global scientific and technological innovation has entered an unprecedented period of intensive and active activity, and a new round of scientific and technological revolution is reshaping the international competition pattern and the global industrial structure. On the occasion of the profound changes unseen in a century, scientific and technological innovation as the core is the due meaning and the only way to build a new development pattern. Science and technology is related to success. In the new era, the traditional mode of market for technology has been unsustainable as China gradually catches up with the frontier of science and technology. The trade friction between China and the United States, the technology embargo in western developed countries, and the technology blockade imposed by China and the West to Russia in the conflict between Russia and Ukraine have further highlighted the importance of independent innovation ability. Whoever has mastered the leading science and technology will have the economic victory of the new era. Only by firmly mastering the autonomy of innovation can we fundamentally guarantee the national economic and industrial security and truly realize the high-quality development of China's economy^[3].

Looking at the experience of developed countries in promoting the integration of science and technology and economy, all of them promote the integrated development of science and technology and economy through the "golden triangle" combination of "government, market and enterprise". In the new period, in view of the driving force of high-quality economic development in China, China has carried out "subl" on the basis of the original national system, and creatively put forward a new national system, that is, the government as the leading, enterprises as the main body to implement scientific and technological innovation, to solve the driving force of high-quality economic development.

In order to adapt to the new situation, it is bound to carry out the reform of state institutions. First, the Science and Technology Commission of the CPC Central Committee will be established to lay a political guarantee for the driving force of high-quality economic development through the centralized and unified leadership of the central government over science and technology work. In terms of the institutions led by The State Council, first, the Ministry of Science and Technology will be reorganized to ensure that scientific and technological innovation is placed at the core of the country's overall development. The second is to establish the National Data Bureau, which can promote the open sharing of data by strengthening the management of data resources and promote the development of digital economy. This will not only help unleash the potential of scientific and technological innovation, but also is an inevitable need to provide new economic growth points and promote high-quality economic development in the digital era. At the same time, the reorganization of the Ministry of Science and Technology and the establishment of the National Data Bureau have strong relevance and linkage: the Ministry of Science and Technology also needs to rely on data resources and intellectual property protection to promote the transformation and application of scientific and technological achievements, and the rational allocation and utilization of data resources will also provide great support for the development of science and technology; the progress of science and technology will also provide effective technical support for the development, utilization and protection of data resources. All these will help to promote high-quality economic development in China.

The national institutional reform, the key reform of the field of science and technology is to solve the problem of the current high quality economic development power. It will focus on the new national system and technology innovation top design, optimize the chain innovation management, promote the transformation of scientific and technological achievements, promote scientific and

technological development and economic and social development to provide a solid system and institutional guarantee. It gives full play to the government role in the "golden triangle" of economic development, dominated by the government, enterprise as the main body to implement the path of scientific and technological innovation logic, to ensure that maximum concentration in the field of science and technology to overcome difficult. It is helpful, under the strict technical blockade of the current western developed countries, to break the key technical problems in the process of high-quality economic development, and to provide a solid driving force for the high-quality economic development of China.

3.2. The reform of the financial regulatory system aims to ensure high-quality economic development

Modern financial industry is a complex system, financial regulation includes risk prevention, stabilizing the market, protection of the rights and interests of consumers and other goals. Institutional reform in the financial sector, especially in the field of financial regulation, is related to the stability of high-quality economic development.

The institutional reform in the field of financial supervision is mainly focused on "comprehensively strengthening financial supervision and effectively preventing and defusing financial risks". More than 40 years of reform and opening up, China's financial system construction has made great achievements, but also accumulated a lot of risk, such as local financing platform, the real estate industry and other areas of the accumulation of risk, financial chaos and corruption, financial regulation and management ability is weak, these need to spend great effort to resolve. At the same time, China's economic growth model from the past factors driven to accelerate to innovation, some characteristics of the original financial system is no longer adapt to the new economic growth model, which needs to reconstruct the financial system, to provide more rich diversified high quality financial services, build real service in innovation, entrepreneurial financial ecology. All these questions show that the reform of the financial sector of national institutions is imperative. Because the "invisible hand" of the market itself has inherent drawbacks—"spontaneity", "blindness" and "lag", these drawbacks are the root cause of financial risks. Only by giving full play to the scientific macro-control of the government, the "visible hand" of the government, can we do a good job in the comprehensive supervision in the financial field, effectively prevent and defuse financial risks, and provide a healthy financial and market environment for high-quality economic development. On the other hand, this round of reform for financial regulators focuses on establishing a long-term mechanism for financial risk mitigation to avoid the accumulation of future risks. Establishing a sound long-term mechanism is not only to defuse existing risks, but more importantly to fundamentally solve the source of risks and accumulated risks with the efficient operation of the financial system. This is a transformation process of adapting to future development through reconstituting the financial system.

In addition, through this round of financial regulatory agency reform, the effectiveness of the government's financial regulation has been greatly improved. In fact, this round of reform separates macro-prudential supervision from micro-behavior supervision, forming a behavior regulatory body with unified functions. This can not only avoid the problems of multiple supervision, regulatory gaps and regulatory arbitrage in the past, but also continuously meet the needs of financial innovation such as mixed operation and digital financial technology, adapt to the innovation-led economic growth model, and is conducive to the high-quality development of the economy. For example, financial regulatory reform has established local regulatory departments led by central regulatory agencies, and this institutional design effectively separates the functions of development and regulation. On the one hand, local financial regulatory authorities will pay more attention to risks, which will help improve the professionalism of financial regulation and enhance its effectiveness; On the other hand, local governments can allocate more energy to local development.

Through this round of reform in the field of financial supervision. We can comprehensively strengthen financial supervision, effectively prevent and defuse financial risks, and continuously promote high-quality financial development. Continuously improve the quality and efficiency of

supervision and governance capacity, so as to escort the steady and healthy development of the economy.

4. Summary

Economy determines politics, and politics has a counter effect on the economy. Economic development is a long-term dynamic process, and politics must adapt to the economy and constantly reform. Only in this way can we achieve benign, stable, and sustainable development. This round of national institutional reform is a reflection of the above views. The government provides fundamental impetus for high-quality economic development through technological reforms to safeguard high-quality economic development through financial regulatory reforms. On the specific implementation path, comprehensive coordination and coordination will be carried out through the leadership of the central government, and the efficiency and long-term effectiveness of reform will be promoted through the establishment of specialized departments by the central and local governments at all levels. This will form a positive interaction and combination between the government, society, and science in macroeconomic regulation and effective market resource allocation. Furthermore, in the complex and ever-changing new situation, we will effectively promote the high-quality development of China's economy, laying a solid foundation for achieving common prosperity and great rejuvenation.

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