Dynamic Adjustment Strategy of China's Industrial Structure and Social Investment under the New Normal

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Abstract: In recent years, China's economic development has entered a new normal featured by industrial structure adjustment. The proportion of the primary and secondary industries in the national economy is gradually declining, and the place of the tertiary industry is rising. With the change of social investment, social investment and industrial structure influence each other, promote each other, and develop together. In the economic development, the dynamic adjustment strategy of industrial structure and social investment should be constructed. According to the change of market, the structure and direction of the two are adjusted in time, so as to promote the economic construction of China better.

1. INTRODUCTION

In China's economic construction, industrial structure and social investment are of vital importance. Investment is the driving force of economic growth, while industrial structure is related to economic aggregate and economic development level. Social investment determines the direction of industrial structure adjustment. Industrial structure affects the focus of social investment. The two factors restrict each other and promote each other, and jointly promote the economic development of our country.

2. CHANGES OF CHINA'S INDUSTRIAL STRUCTURE UNDER THE NEW NORMAL ECONOMY

China's economic growth rate has ended 10% per years of rapid growth in, and has entered a new period of economic growth since 2012. In 2012, China's economic growth rate was 7.8%; in 2013, China's economic growth rate was 7.7%. On this basis, the state puts forward that China's economy has entered a “new normal”. The economic growth rate dropped slightly, the downward pressure was great, and the contribution of the three major industries to economic growth also changed, and began to enter the critical period of structural adjustment.

The industrial structure of China refers to the first industry, the second industry and the third industry. The first industry is agriculture, including farming, forestry, animal husbandry and fishery industry; The second industry is the industrial and construction industries, including mining, manufacturing; The third industry is circulation industry and the service industry, including transportation, wholesale and retail trade, catering, tourism, education, medical insurance, etc.: With the development of economy, the industrial structure of our country has experienced great changes. From the long-term trend of change, the proportion between the three industries has been significantly improved, the industrial structure tends to rationalize the direction of change. As shown in table 1.

<table>
<thead>
<tr>
<th>Year</th>
<th>gross domestic product (billion yuan)</th>
<th>growth rate(%)</th>
<th>Proportion of added value of primary industry (%)</th>
<th>Proportion of added value of second industry (%)</th>
<th>Proportion of added value of third industry (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>540367</td>
<td>7.9</td>
<td>9.4</td>
<td>45.3</td>
<td>45.3</td>
</tr>
<tr>
<td>2013</td>
<td>595244</td>
<td>7.8</td>
<td>9.3</td>
<td>44.0</td>
<td>46.7</td>
</tr>
<tr>
<td>2014</td>
<td>643974</td>
<td>7.3</td>
<td>9.1</td>
<td>43.1</td>
<td>47.8</td>
</tr>
<tr>
<td>2015</td>
<td>689052</td>
<td>6.9</td>
<td>8.8</td>
<td>40.9</td>
<td>50.2</td>
</tr>
<tr>
<td>2016</td>
<td>744127</td>
<td>6.7</td>
<td>8.6</td>
<td>39.8</td>
<td>51.6</td>
</tr>
</tbody>
</table>

As shown in Table 1, China's GDP has increased year by year. In 2012 -2016, respectively, 540367 billion yuan, 595244 billion yuan, 643974 billion yuan, 689052 billion yuan, 744127 billion yuan, growth rates are below 8%. In 2012, the growth rate of -2014 remained around 7%; In 2015, the growth rate slowed down to 6.9%; In 2016, it continued to shrink to 6.7%. This shows that China's economy has entered a new normal. Under the new normal state of economy, the three industrial structure has been constantly adjusted, the state began to implement supply side structural reforms and "Belt and Road Initiative" policy, in order to further adjust the industrial structure and stimulate economic growth (Dan Shi, Zhongbin Wu,2017).

For the first industry, the proportion of GDP shows a downward trend. By 2012, the share had dropped to 7.9%,
a significant decline. In 2013 - 2016, the proportion continued to decline, an average decline of 0.2 percentage points per year. By 2016, the proportion of the first industry agriculture in the national economy dropped to 8.6%. At the same time, the internal structure of the first industry is also constantly adjusted, the growth rate of value-added growth in various fields such as planting, forestry, animal husbandry, fisheries and other areas is further down, and some negative growth occurs.

In the development of China's industrial structure, it has always been the second industry, especially the industry, which plays a dominant role in the national economy. The proportion of the first and third industries is relatively low, and its proportion in GDP is also constantly adjusted, but the long-term stability is maintained between 40%-50%, in 2012, accounting for 45.3 of the national GDP (Hui Jiang, 2013). Then until 2016, this proportion began to decline, accounting for 44% of GDP in 2013, and by 2016, the proportion dropped to below 40%, to 39.8%. The internal structure of the second industry has gradually been upgraded, and the added value of manufacturing industry has been an important part of the industry, and its share of the total output value of the national economy has been more than 40%, to achieve a steady growth. However, the technology and knowledge intensive manufacturing industry began to develop, and the manufacturing level continued to rise. And the construction industry has been in the development trend of growth, from 36896 billion yuan in 2012 to 49522 billion yuan in 2016(Jun You, 2016).

The proportion of the third industry in the national economy is in the process of constant fluctuation, by 2012, the proportion of GDP increased to 45.3%, and the proportion of the second industry was flat. Then until 2014, this proportion is rising, and more than the growth rate of second industries. By 2015, this proportion had finally broken through 50%. Continued to grow in 2016, reaching 51.6%, achieving a substantial growth in the field of third industry.

3. THE CHANGE OF SOCIAL INVESTMENT IN CHINA

The social investment in this paper mainly refers to the investment in fixed assets of the whole society in broad sense, including private investment, foreign investment and government investment.

Investors measure the expected social and financial returns generated by investment, and invest in different industries, industries, and fields on the market in different ways. Investment, consumption and export are the three driving forces for economic growth. Among them, investment is the most suitable to continue to promote economic growth engine conditions, according to the relevant estimates, in recent years, China's investment growth rate and the correlation between the growth rate of GDP is about 2.6: 1. This means that economic growth to reach about 7%, the investment growth rate should be maintained at around 18.5%.

Under China's new normal economy, investment is an important means of steady growth. China's social investment has gradually increased, and the investment structure for the first, second and third industries has also been constantly adjusted, and some of them are down. Such as the first industry and the second industry, some of the proportion increased year by year. the most obvious is the third industry which promotes the adjustment of the industrial structure of our country. As shown in table 2(Xuhong Guo, Xuanyu Li,2016).

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment in fixed assets(Billion yuan)</th>
<th>Growth rate (%)</th>
<th>Investment in primary industry(Billion yuan)</th>
<th>The proportion (%)</th>
<th>Investment in second industry(Billion yuan)</th>
<th>The proportion (%)</th>
<th>Investment in third industry(Billion yuan)</th>
<th>The proportion (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>364835</td>
<td>20.6</td>
<td>9004</td>
<td>2.47</td>
<td>158672</td>
<td>43.49</td>
<td>197159</td>
<td>54.04</td>
</tr>
<tr>
<td>2013</td>
<td>436528</td>
<td>19.6</td>
<td>9241</td>
<td>2.12</td>
<td>184804</td>
<td>42.33</td>
<td>242482</td>
<td>55.55</td>
</tr>
<tr>
<td>2014</td>
<td>502005</td>
<td>15.3</td>
<td>11983</td>
<td>2.38</td>
<td>208107</td>
<td>41.46</td>
<td>281915</td>
<td>56.16</td>
</tr>
<tr>
<td>2015</td>
<td>551590</td>
<td>10.0</td>
<td>15561</td>
<td>2.82</td>
<td>224090</td>
<td>40.63</td>
<td>311939</td>
<td>56.55</td>
</tr>
<tr>
<td>2016</td>
<td>596501</td>
<td>8.1</td>
<td>18838</td>
<td>3.16</td>
<td>231826</td>
<td>38.86</td>
<td>345837</td>
<td>57.98</td>
</tr>
</tbody>
</table>

(Note: the fixed assets investment of the three industries does not include the farmers)

As shown in Table 2, the investment in fixed assets of China's three industries has been increasing. Although economic development has entered a new normal, but social investment is still stable growth, from 364835 billion yuan in 2012 to 596501 billion yuan in 2016. The growth rate from 2012 to 2016 were 20.6%, 19.6%, 15.3%, 10% and 8.1%. Fixed asset investment growth slowed down, with an average annual growth rate of 14.72%. The investment structure is adjusted with the change of industrial structure. The investment of social fixed assets is mainly distributed in the second industry and the third industry, and the proportion of the
investment in the primary industry is small.

The proportion of fixed assets investment in the primary industry is only between 2%-3%. In 2012 and 2013, the investment in the first industry was around 900 billion yuan, with an increase rate of 32.2% and 32.5% respectively. The proportion of total investment in fixed assets decreased by 0.35 percentage points in 2013 compared with 2012; In 2014 -2016, the total investment in the first industry increased significantly, the growth rate narrowed year by year, and the proportion of the total investment in fixed assets increased year by year. In 2014, the investment was 11983 billion yuan, an increase of 33.9% over the previous year, accounting for 2.38% of the total investment in fixed assets; In 2015, the investment was 15561 billion yuan, an increase of 31.8% over the previous year, accounting for 2.82% of the total investment in fixed assets; In 2016, the investment was 18838 billion yuan, an increase of 21.1% over the previous year, accounting for 3.16% of the total investment in fixed assets, and the rapid growth of investment in short board areas, such as agriculture, forestry, animal husbandry, fishery, water conservancy and environmental protection.

Investment in fixed assets investment in the second industry has been accounted for a large proportion, an average of about 40%. In 2012 -2016, asset investment continued to expand, but with the adjustment of industrial structure, social investment in the second industry investment expectations change, the second industry investment growth rate fell year by year, the proportion of total investment in fixed assets gradually declined, 2012-2016 years of investment were 158672 billion yuan, 184804 billion yuan, 208107 billion yuan, 224090 billion yuan, 231826 billion yuan, the growth rate was 20.2%, 17.4%, 13.2%, 8%, 3.5%, the growth rate decreased year by year. Until 2016, the growth rate was only 3.5%, compared with 20.2% in 2012, a difference of 5.77 times, the proportion of total investment in fixed assets decreased from 43.49% in 2012 to 40.63% in 2015. In 2016, the proportion of investment in the second industry was the least, breaking through the proportion of 40%, down to 38.86%( Xizhang Liu, Fuyou Li, Zhibin Xing,2017).

Investment in fixed assets investment in the third industry has increased year by year, and the growth rate is faster. In 2012 -2016, the proportion of total investment in fixed assets has been maintained between 50%-60%, and has increased year by year. In 2012, the third industry invested 197159 billion yuan, an increase of 20.6% over the same period in 2011, accounting for 54.04% of the total investment in fixed assets, exceeding the sum of investment in the first and second industries; In 2013, the third industry investment continued to expand on the basis of 2012, the investment increased by 84756 billion yuan, the growth rate was 21%, the proportion of investment in fixed assets continued to expand, to 55.55%; In 2014, the scale of investment in the third industry rose steadily, reaching 281915 billion yuan, an increase rate of 4.2 percentage points lower than the same period in 2013, accounting for 0.61 percentage points in fixed assets investment in 2013; In 2015, the investment in the third industry exceeded about 300000 billion yuan, an increase of 10.6% over the same period in 2014, accounting for 56.55% of the total investment in fixed assets; In 2016, the scale of investment in the third industry continued to increase, reaching 345837 billion yuan, an increase of 114011 yuan over the same period of the second industry investment, 18.36 times the amount of the first industry investment in the same period, the proportion of fixed assets investment is the highest in the calendar year, to achieve the proportion of 57.98%. It shows that the third industry develops rapidly, and the proportion of social investment in the third industry also adjusts dynamically with the adjustment of the economic structure (Lifeng Liu,2017).

4. Dynamic Adjustment Strategy of Industrial Structure and Social Investment in China

From the perspective of development, in practice, the effect of social investment and industrial structure adjustment is sometimes not ideal, there will be contradictions in the direction of action, resulting in the goal of industrial structure adjustment is difficult to achieve.

Therefore, it is necessary to construct the dynamic adjustment mechanism of industrial structure and social investment, effectively play the leading role of government investment in social investment, and adjust the social investment structure,

4.1 Constructing the dynamic adjustment mechanism of industrial structure and social investment

The relationship between industrial structure and social investment is mutual influence and mutual promotion. Industrial structure affects the direction and focus of the society; social investment directly affects the actual situation of each region and suit measures to local conditions. According to the change of the economic market, the industrial structure and investment structure can be adjusted timely and effectively according to the specific actual development situation at any time, in order to better promote each others development, promote economic development.

On the basis of constructing the dynamic adjustment mechanism of industrial structure and social investment, we should fully understand the market expectations, and focus on the analysis of industrial structure, industrial advantages, the development of leading industries and so on. According to the investment demand in the market, adjust the investment direction, total investment, investment projects, and through the adjustment mechanism, the correct use of investment, in order to promote the optimization and upgrading of industrial institutions. Under the background of the new normal economy, China's investment should focus on high-tech, finance, science and technology, service industry, tourism and other industries, with a view to reversing the long dominated industry structure dominated by labor-intensive industries in the past for second years.
4.2 Effective play on the leading role of government investment in social investment

Under the new normal economy, the government plays a key role in realizing the dynamic adjustment of industrial structure and social investment. The choice of the direction and mode of government investment plays a leading role in social investment. In order to maintain economic stability and promote the optimization and adjustment of industrial structure, the government's investment policy and investment focus are crucial. Government investment should coordinate the relationship between short-term and long-term, total amount and structure, demand and supply, domestic and foreign relations, so it is necessary to manage and optimize the structure of government investment. At the same time, we should promote investment in the whole society, innovate the way of government investment, attract private capital to participate in key construction through investment subsidies and capital injection.

Government investment generally focus on the construction of public facilities, such as transportation infrastructure construction, city infrastructure, industrial transformation and upgrading, new urbanization and integration of urban and rural construction, the development of rural infrastructure construction, environmental protection, water conservancy and water resources protection, a force to promote China's economic quality and efficiency. At the same time, the government should adjust the total amount and structure of the investment from the angle of macro control, so that the social investment operation can develop towards the expected direction of macro-control, so as to achieve the expected goal of industrial structure adjustment and economic development.

4.3 Adjusting the structure of social investment and promoting the adjustment of industrial structure

Investment plays a vital role in economic development and structural adjustment. To promote the coordinated development of the three industries, to achieve orderly and coordinated adjustment, optimization and upgrading of industrial structure, stable and healthy economic development, we should make full use of the important lever of investment, take the supply side structural reform as the main line, strengthen the expected guidance, appropriately expand social investment, and promote the further optimization of industrial structure and economic development.

To fundamentally strengthen the dynamic adjustment of social investment, we should not simply rely on the extensive development mode, strong investment stimulation, so as to speed up the economic growth rate or simply carry out the distribution of investment among the three industries. The most effective way is to expand the scale of investment, adjust the investment structure, investment through the birth of new industries and production capacity, the tertiary industry focus on technology and knowledge intensive, increase of new capital, new technologies and new industries and modern services, modern logistics project investment scale, using reasonable adjustment project and improve the industrial structure, and further optimize the economic structure.

4.4 Broaden the field of private investment and expand effective investment

In the development of social investment, it is divided into government investment, private investment and foreign investment. In the process of industrial structure adjustment, we can not rely solely on the direct investment of public financial funds. It is necessary to give full play to the decisive role of the market in the allocation of resources, promote the diversification of investors, stimulate and activate private investment, promote the cooperation mode of government and social capital, and promote the integration of various types of capital and complementary advantages. The key is to broaden the scope of private investment, encourage private capital to participate in transportation, education, tourism, energy, water conservancy, information, culture, medical care, pension and other fields, expand its development space, and promote the quality and efficiency of investment supply system.

The current new normal economy has increased investment pressure and intensified investment competition. Therefore, in the application of investment, it is necessary to optimize the investment, the way of support, and expand effective investment. Increase investment in various regions, project promotion, strengthen policy, financial, environmental support, the implementation of "inventory" and "cited incremental", continue to develop the advantages of industries in various regions, so that the advantages are more competitive. At the same time, the investment will lead to the emerging industries, the construction of major emerging industrial bases, emerging industrial projects, emerging industries, and so on, to achieve the optimal adjustment of investment.

REFERENCES