### **Research on the Transformation and Innovation of Government Economic** Management Functions

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Abstract: In view of the fact that the current scope of the government's economic management functions is still too wide, the arbitrariness of the governments at all levels to perform economic management functions is large, and the motives for profiting are severely motivated, etc., it is imperative to break the institutional barriers that hinder the transformation of the government's economic management functions, and accelerate the process of reforms such as the price mechanism for production factors, the fiscal tax system, the investment system mechanism, and the financial system. The key to further transforming the government's economic management functions, continuously improving the government's macroeconomic management functions, and accelerating the government's macroeconomic management functions, and accelerating the government's microeconomic supervision and service functions.

### **1. Introduction**

On the issue of government economic functions. Various schools of Western economics have always revolved around the debate between liberalism and state interventionism, and formed different policy proposals in different periods. In the late 18th century, Adam Smith's "The Wealth of Nations" destroyed the mercantile government's direct intervention in theories and policies, advocated laissez-faire and the government did not interfere in economic affairs, and in the discussion of the market's auto-regulatory role in the defense of the government. The functions of the judicial and public utilities were limited. Of course, free laissez-faire represented by Adam Smith does not completely negate the role of the government in the economy, but rather opposes the government's direct intervention within the deeper economic life. The great crisis of the 1930s caused the theoretical system of the classical school to face a crisis of reconstruction. Retaining Liberalism is Cairns. In his "General Theory of Employment, Interest, and Money," he denies that the general demand is always equal to the total supply of traditional dogma, and puts forward the principle of effective demand deficiency, and concludes that "in addition to propensity to consume, there must be no reason to make economic life more social than before." (Keynes, 1936) Keynes' government interventionism adapted to the monopoly of state capitalism. Needs, in the great crisis of the 1930s, played a role in "resurrection" of the capitalist system. After World War II, government interventionism has always been the theoretical basis for Western governments to implement and expand economic functions. In the 1960s and 1970s, the economic "stagflation" crisis in capitalist society made the government's propositions and policies of intervening in economic life seem insignificant. In this context, the neoliberal economic theory that emerged from the 1930s regained its vitality. Neoliberalism has its broad sense. Narrow-right neoliberalism includes neo-liberalism and neo-liberalism in Germany. From the perspective of theory, analysis methods and policy proposals, the similarities of the three are as follows: All three think that the capitalist market economy is perfect, and the private enterprise management system has great advantages. The government's economic intervention policy is not beneficial. The difference lies in: Monetarism is based on the theory of the quantity of money and advocates a policy of stable growth in the supply of money; Germany's neo-liberalism is promoted; social market economic theory" is proposed to be dominated by a free market economy, supplemented by national adjustment measures. Policy; Hayek's neo-liberalism is the most radical objection to all forms of government intervention, advocating the implementation of a free market economy under a competitive private currency system.

# **2.** Main Problems in the Current Transformation of the Government's Economic Management Function in China

From the perspective of constantly improving and perfecting the internal requirements of the socialist market economy with Chinese characteristics and the urgent need for sustainable economic and social development in our country, there are still many problems in the current transformation of the government's economic management functions. In the process of implementing economic management functions, government departments at all levels still have relatively serious phenomena of "offside", "dislocation" and "absence". Specifically, the main problems in the current transformation of the Chinese government's economic management functions include the following three aspects: First, the scope of our government's economic management functions is still too wide and too large. Although the determination of the functions and responsibilities of our government has basically been achieved by the rule of law, the source of the government's authority has not yet completely closed the door of the expansion of powers. Government departments at all levels often implement "self-authorization" by means of documents, etc., thereby avoiding the restrictions and restrictions of relevant laws and regulations, thereby realizing the expansion of their own authorities. This has caused the current situation of the economic management function of our government to be too wide and too large. In some places, the "offside" and "misalignment" of government departments are very serious. Their powers and functions almost cover all aspects of the economic and social fields. This shows that the concept of "all-round government" and "infinite government" in the era of planned economy has not been completely eliminated. Some government departments are still accustomed to the "government-controlled" "big government" governance model, and are still accustomed to unlimited intervention and intervention in the market. activity. This obviously runs counter to the inherent requirements for establishing and improving a socialist market economy with Chinese characteristics, and it is also not conducive to the sustainable development of China's economy and society. Second, the arbitrariness of all levels of government in achieving economic management functions is greater. The Chinese government's fundamental aim is to serve the people wholeheartedly. The principle of taking responsibility for the people is the basic principle. However, the long-standing misconception that the "official-based" ideology has formed in the "rule of the people" still has a profound influence on some government departments in China. Although under the guidance of the basic strategy of governing the country according to the law, our country's laws and regulations have become increasingly perfect, and government departments at all levels have entered a virtuous track of legal administration. However, there is still much room for improvement in the legalization of public power operations in China. The phenomenon of civil rights and private use and the operation of public power obeying certain government officials still exist. Third, there is a motive for profit-sharing in the economic management functions of government departments. For a long time, the legitimate interest appeals of government departments at all levels have often been overlooked. People often regard government departments as moral subjects without selfish pursuit. This makes the existing system design and institutional arrangements in our country always lack practical considerations for the checks and balances and constraints of the government's profit-seeking behavior. [3] However, since government departments at all levels and civil servants at all levels have an instinct to pursue the interest of the department and private interests, ignoring the necessary institutional restrictions on the above-mentioned interests will not only aggravate the behavior of the economic management function of government departments. Inducing public power and various types of interests to combine indefinitely and constantly deviate from the right track of public interest, and it will breed a series of corruption phenomena such as power trading, power trading, and power trading.

## **3.** Institutional Causes of the Delayed Transition of Economic Management Functions in Our Government

At present, the transition of the government's economic management functions is a little sluggish, which is inconsistent with the inherent requirements of perfecting the socialist market economy system with Chinese characteristics and the urgent needs of China's economic and social sustainable development. The institutional causes must arouse the attention of relevant departments. First, the reform of the price mechanism of production factors lags behind. For a long time, the prices of various resources and production factors in our country have been strictly controlled by government departments at all levels, which has caused the prices of various resources and production factors not only to keep up with international market prices, but also to experience frequent price fluctuations from time to time. It is difficult to achieve seamless connection with China's market economy. Due to the intervention and intervention of government departments at all levels, the market mechanism in China is far from satisfactory in terms of the allocation of resources and production elements. [4] Second, there is an urgent need to accelerate the reform of the fiscal tax system. The development experience of various countries in the world shows that the fiscal and taxation policy has a huge guiding effect on the effectiveness and quality of economic and social development. However, due to the imperfect and non-standard fiscal and taxation systems in our country, the "liquidity funds" that have been detached from our country's budget management system at all levels for many years have reached a trillion yuan. This not only greatly weakens the government's macro-control ability, but also seriously impacts the country's normal taxation system. It also easily triggers and intensifies a series of social problems brought about by unequal distribution and other factors, encourages various unhealthy practices and breeds corruption. Third, the reform of the investment system and mechanism has been slow. Although China has initially established a socialist market economic system, it has been difficult for China's investment system and mechanism reform to overcome its difficulties, and government departments at all levels still control investment areas. In other words, at present, China's investment sector has not yet achieved real marketization, which has created an embarrassing situation in which planned investments and unlimited free markets are misplaced from time to time. Due to the wide range of investment in China's government departments, excessively large investment scope and too wide investment, combined with the strong driving force of government departments, the investment orientation of government departments at all levels has been deeply immersed in the whirlpool of various economic indicators. Sex indicators are often overlooked.

## 4. The Concrete Construction of the Transformation of the Economic Management Function of Our Government

The first is to establish a sound "service-oriented" government economic management model. At this stage, the task of sustainable economic and social development in our country is very heavy. This means that the responsibility for the economic management of government departments at all levels is significant and arduous. Practical experience shows that only by truly satisfying the actual needs of the market and the public interest, can we continue to provide a variety of services with sufficient quality and excellent quality, and we can truly realize the fundamental goal of building a service-oriented government. This requires that all levels of government departments must truly establish a modern awareness of public services and administrative services, and implement the goal of building a service-oriented government, and truly form a new type of government management model that combines service as the center and control and service. To this end, we must further accelerate the pace of the reform of the administrative examination and approval system, continue to cut a large number of various types of administrative examination and approval projects, completely eliminate the unfavorable factors of administrative power intervention and intervention in market activities, truly revert to the market, and then achieve a steady increase in government administrative efficiency. The goal of continuous economic benefit with the company. The second is to continuously accelerate the construction of the "vertical system" of government

economic management. Realizing the scientific and rational decentralization of the central government and local government not only guarantees the highest authority of the central government, but also gives full play to the subjective initiative of the local government. This is a major bottleneck problem that has plagued China's administrative management system reform for a long time. It is imperative to establish and improve the "longitudinal system" of our government management. In the field of government economic management, the division of powers and human rights between the central government and local governments is scientifically and reasonably implemented in accordance with the basic laws of the market economy, thereby clearly defining the economic management authority and responsibilities of the central government and local governments. boundary. For our country, the central government has the basic power to regulate the national economy, mainly involving the effective regulation and control of inflation by means of fiscal and monetary policies, and the realization of the total supply and total of society by relevant mechanisms such as tax rates and interest rates. The dynamic balance of demand fully safeguards the sustained, healthy and stable development of China's economy and society. The economic management authority of local governments is mainly reflected in two aspects, namely, the local public infrastructure construction and public service. In reality, on the basis of obeying the policy guidelines of the central government, local governments can proceed from the objective and practical needs of local economic and social development to better exert their management and service functions in the areas of local public infrastructure construction and public utilities.

### **5.** Conclusion

The transformation of the economic functions of our government is actually the choice between the market and the government to divide the scope of functions. The choice between the field and the government is complex, and it is usually not just these two aspects. Because this is not purely a choice between the market and the government, it is usually the choice between these two different combinations. "The more you choose to go with the market, the more the system will face the danger of causing market defects. The more you choose the non-market, the more the system will face the danger of causing non-market defects."

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