

International Perspective of Understanding the New Quality Productive Forces

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Abstract: Developing the new quality productive forces is an inherent requirement and an important focus for promoting high-quality development. However, it is not enough to understand the whole picture merely from a domestic perspective. The concept of new quality productive forces was put forward due to the changes in the international environment, including the emergence of anti-globalization trends and the economic policies of some major economies that are less open than before. With the changes in the global economic concept, China's economic development needs its innovative theory. As the world's second-largest economy, China is committed to the development of new quality productive forces and will make significant contributions to global development. In theory, it shows direction for the development of new quality productive forces on a global scale. In practice, it provides experiences for other economies to develop new quality productive forces. It also helps address the common challenges facing global development. The competition between major countries in traditional fields will continue, but in the case of the development of new quality productive forces, it will show some new characteristics. It will be more reflected in the field of strategic emerging industries, the confrontation risk in major country rivalry will be reduced, and strategic planning and design will become more important.

Keywords: a community with a shared future for mankind, emerging sectors of strategic importance, new quality productive forces, Xi Jinping's economic thought

In September 2023, Xi Jinping, General Secretary of the Communist Party of China (CPC) Central Committee, Chinese President, and Chairman

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of the Central Military Commission, first proposed the concept of the new quality productive forces when he presided over a meeting on promoting the full revitalization of Northeast China in the new era in Harbin, Heilongjiang province. The central economic work conference on December 11–12, 2023, and the 11th group study session of the Political Bureau of the CPC Central Committee on January 31, 2024, both emphasized the central role of the new quality productive forces. During the Two Sessions in March 2024, “accelerating the development of new quality productive forces” was written into the Government Work Report and listed as one of the top ten tasks for 2024. The new quality productive forces have received extensive attention from the public. The definition and development path of the new quality productive forces are topics that scholars should study and research. The new quality productive forces are mainly analyzed and discussed as a topic of domestic economic issue because it is an inherent requirement and important focus for promoting high-quality development. However, discussing it merely from a domestic perspective is not sufficient to understand its whole picture because the context in which the concept was developed cannot be separated from the complex and profoundly changing international environment. China is committed to developing new quality productive forces, which will have a significant impact both domestically and internationally. It is necessary for China to take international environments into account when it tries to develop new quality productive forces. This paper understands the new quality productive forces from an international perspective and analyzes it from the international background of China’s development of the new quality productive forces, its contribution to the world, and its implications for major country relations. It also explores how scholars and experts engaged in international issues can contribute to China’s development of the new quality productive forces.

Changes in the International Environment and the Development of the New Quality Productive Forces

It is necessary to start with the basic concepts when analyzing the new quality productive forces. The Political Bureau of the CPC Central Committee held its 11th group study session on making solid progress in promoting

high-quality development in January 2024. Xi Jinping emphasized that new quality productive forces are primarily driven by innovation and break free from traditional economic growth modes and productivity development paths; they feature high technology, high efficiency, and high quality and are advanced productivity required by the new development philosophy.¹ This indicates that the key to the new quality productive forces is innovation. From the perspective of Marxist theory, finding the internal reasons is the priority.

Innovation is essential for China to achieve high-quality development in the new era. The Report to the 20th National Congress of the CPC pointed out that, with full confidence, the Communist Party of China and the Chinese people are driving the great transformation of the Chinese nation from standing up and growing prosperous to becoming strong. As a country with a large population, although there is a certain gap in per capita GDP compared with some developed countries, some relatively rapidly developing regions in eastern China are not lagging behind developed countries in terms of economic development level and degree of modernization. To continue to achieve high-quality development in the future, China should rely on independent innovation. At the same time, as the world's second-largest economy, China has placed more emphasis on energy, resources, and environmental issues. The concept of "green mountains and clear water are equal to mountains of gold and silver" has been deeply rooted in the hearts of the Chinese people. Combined with factors such as population structure and climate change, the development of new productivity with high technology, high efficiency, and high quality is determined by China's development stage. This is an analysis from the perspective of domestic development.

However, from the perspective of external factors, the current proposal to develop new quality productive forces is also closely related to changes in the international landscape. Some scholars pointed out that to understand new quality productive forces, it was first necessary to understand the environment of China's economy and the trends in the development of global competition. Otherwise, it is difficult to understand the necessity and urgency of accelerating the development of the new quality productive forces.

¹ "Xi Stresses Development of New Productive Forces, High-quality Development," February 2, 2024, accessed July 30, 2024, <https://english.news.cn/20240202/db7f1bd3714a4b7c8bc0835abe4c35f7/c.html>.

Globalization has encountered obstacles, and the openness of some major economies is not as good as before. There are different opinions in the academic community about the starting point of economic globalization. Some argue that after the 1990s, the process of globalization fully unfolded with the end of the Cold War and the rise of neoliberalism. Others believe that the process of globalization can be traced back to the Age of Discovery. China's reform and opening up and rapid economic development are consistent with the historical process of accelerated globalization in modern times. The great achievements made by China in economic construction in recent decades are the result of the intelligence and diligence of the Chinese people under the leadership of the CPC. From the perspective of the external environment, it is also the result of China seizing the historical opportunity of global development. In this process, the major economies have maintained open economic policies. However, under the new historical conditions, some major economies, especially developed economies, have changed their attitudes towards globalization. They no longer see globalization as an opportunity as in the past, but concern themselves with the challenges brought by globalization, such as industrial relocation and the polarization of the rich and the poor. Developed economies have faced difficulties, but it is obviously biased to blame these problems on globalization. Some countries are able to achieve rapid development in the process of globalization, while others cannot. The approach to analyze problems with Marxist theory is to look for internal causes.

Globalization means openness and competition, which results in more goods and services at lower prices. The world will achieve greater welfare in this process. However, there are winners and losers in open competition, which is the basic logic of the market economy. Otherwise, it will not be possible to improve efficiency and promote innovation. There is also a famous saying among capitalist countries that complain about being hurt by global competition: "Capitalism without bankruptcy is like Christianity without hell."¹ Whether an economy benefits or suffers from globalization depends on whether it is well prepared and has the courage and wisdom to face the competition of globalization. Under the electoral system, some capitalist countries

¹ "The Benefits of Failure," April 12, 2010, accessed July 31, 2024, <https://www.barrons.com/articles/SB127085455207474857>.

blame their domestic economic and social problems on globalization. The protectionist measures they have taken have brought resistance to the process of globalization. This is the international environment that China has to face in the new era.

In the process of globalization, one of the major concerns of Western developed capitalist countries about China is the relocation of their industries, which is why the United States advocates the return of manufacturing and re-industrialization. Statistics show that the proportion of manufacturing value added in the US GDP has decreased from 18.1% in 1987 to 10.9% in 2023.¹ China develops new quality productive forces by focusing on strategic emerging industries and future industries rather than continuing to receive the so-called industrial relocation of developed countries. To a certain extent, this could reduce the connection between the hollowing out of industries in developed countries and the good development of China's manufacturing industry, reduce the possibility of Western countries shifting the blame for their poor governance to China, and abate economic and political friction between China and them.

The environment in which China introduces technology from the Western countries is also different from before. From the perspective of economic theory and international experience, if developing countries can take advantage of the technological gap between them and developed countries and digest, absorb, and re-innovate advanced technologies from developed countries while introducing them, the cost and risk of this approach will be relatively low, and the economic development speed will be faster. This is also the reason why China has maintained an average annual economic growth rate of more than 9% for 42 consecutive years since the 1978 reform and opening up. As China has become the world's second-largest economy, it is difficult to continue to promote rapid economic growth using the previous approach. On the one hand, Western countries are more cautious about technology transfer. On the other hand, China has already reached global leadership in many technological fields and should stimulate economic growth in an innovative manner. Some scholars believe that the world is in the window period of the fourth industrial

¹ "GDP by Industry," BEA Data, March 28, 2024, <https://www.bea.gov/data/gdp/gdp-industry>.

revolution. If China loses this opportunity, it may not be able to catch up with other countries as it was able to do in the first three industrial revolutions. The power of artificial intelligence may far exceed that of steam engines, electricity, and the Internet. This is also the strategic significance of China's intensified efforts and accelerated development of new quality productive forces.

As global economic concepts change, a Chinese theory is essential to guide its development. The basic principles of Marxism believe that theory comes from practice and reacts to practice. This is a truth both in the West and in China. Faced with the new economic and globalization situation, Western countries have changed their economic concepts, and the once-popular neoliberalism and Washington Consensus have declined.

Since taking office in 2021, US President Joe Biden has introduced economic policies that may have far-reaching impacts, which the media calls Bidenomics. It is more than a slogan, and it is a summary of the Biden administration's economic policies. It represents the latest consensus of the two US parties on the governance of the US economy. It sets clear national goals for the development of the US economy, strengthens government intervention in economic operations, and strengthens the integration of domestic and international economic policies. Bidenomics explicitly opposes the neoliberal economic paradigm that has prevailed in the United States for the past four decades and is a complete and coherent new economic paradigm.

The popularity of Bidenomics is not accidental. As early as 2004, American economist Paul Samuelson introduced technological progress and national relative welfare into an economic model in his article. He presented a new model, concluding that the opening of the United States to China will cause permanent damage to the United States. During Trump's presidency, the United States made major adjustments to its economic policy, and protectionism prevailed. During Biden's tenure, the mainstream economic ideas in the United States have made new developments. Some scholars call the economic policies adopted by Biden after taking office the New Washington Consensus. The United States vigorously uses the tools of state power to revive the United States' industrial ecosystem and technological innovation capabilities to serve the strategic purpose of major country competition. Its meaning is basically the same as Bidenomics, both of which mean a major transformation of the US

economic strategic thinking. This is a shift from advocating market supremacy and promoting a free economy to strengthening government intervention and safeguarding national security. Whether the new economic concept of the United States is called Bidenomics or the New Washington Consensus, it is impossible to return to the previous neoliberal paradigm.

The EU's economic philosophy has also changed in recent years. The EU is not a sovereign state and is composed of more than 20 member states. Although they employ different economic concepts, but generally support a single large market to reduce government intervention promote free trade externally, and benefit from it. However, in recent years, the EU's economic philosophy has changed after the debt crisis and geopolitical crisis. They are not as dissatisfied with government intervention in the economy as they were in the past, and economic policies are more flexible.

In terms of fiscal policy, after the debt crisis of 2011–2012, the EU has greatly strengthened fiscal discipline. According to the Stability and Growth Pact, which is an agreement among the EU member countries, the countries will be punished if they fail to meet fiscal standards. The EU countries have to adopt severe austerity policies and significantly reduce fiscal deficits. However, when the COVID-19 pandemic and the subsequent energy crisis caused by geopolitical conflicts occurred, the EU suspended the implementation of the Stability and Growth Pact, giving countries greater flexibility in fiscal policy to deal with the crisis. In terms of monetary policy, the European Central Bank no longer sticks to the single monetary policy goal of curbing inflation. It revised its monetary policy principles in 2021, and its goal was adjusted to keep inflation at 2% in the medium term rather than raising interest rates as long as inflation exceeded 2% as in the past.¹ This is also the reason why the European Central Bank has been slow to raise interest rates, even though inflation has far exceeded the target since 2021. In terms of foreign economic and trade policies, the EU has tied economic issues more closely to geopolitical factors. After taking office in 2019, Ursula von der Leyen, President of the European

¹ “The New Monetary Policy Strategy: Implications for Rate Forward Guidance,” August 19, 2021, accessed August 1, 2024, European Central Bank, https://www.ecb.europa.eu/home/search/review/html/ecb.strategyreview_monpol_strategy_overview.en.html.

Commission, said she wanted to lead a new geopolitical committee.¹ After the outbreak of the Ukraine crisis, the EU used the economy as a geopolitical tool and imposed multiple rounds of sanctions on Russia in the fields of trade, energy, and finance. In terms of industrial policy, the EU considers implementing active industrial policies under the stimulus of the US Inflation Reduction Act. The EU official statement said that the purpose of its Green Deal Industrial Plan was to enhance the competitiveness of the EU's net-zero industry and balance the negative impact of the US Inflation Reduction Act.²

The EU countries, whose transition has been relatively slow, search for a new economic model. The traditional economic concepts of the past are less relevant today. After the beginning of the 21st century, the economy continued to lack vitality, and the EU has been engaged in reforms, taking the neoliberalism advocated by the United States as the general direction. However, given the United States has abandoned neoliberalism, the EU will increase its intervention in the economy at the decision-making level. In June 2023, the EU issued the Economic Security Strategy, which emphasized the assessment and prevention of risks and called on EU institutions and member states to unite and take joint and coordinated actions.³ This is the first time that the EU has issued an economic security strategy, indicating that it is no longer confident in the free operation of the market economy.

The concepts of major economies are changing. It is necessary for China to evaluate the environment in which it is located and adjust its theories. As a new concept proposed by Chinese leaders, the essence of new quality productive forces is advanced productivity. As the world faces a major change that has not been seen in a century, how to develop China's advanced productivity is a topic facing China in the new era. Xi Jinping pointed out that high-quality development requires new productivity theories to guide it, and new quality

¹ "Speech by President-elect von der Leyen in the European Parliament Plenary on the Occasion of the Presentation of Her College of Commissioners and Their Programme," European Commission, November 27, 2019, https://ec.europa.eu/commission/presscorner/detail/es/speech_19_6408.

² "Inflation Reduction Act Opens Pandora's Box," *China Daily*, February 2, 2023, <https://www.chinadaily.com.cn/a/202302/02/WS63dba947a31057c47ebac9cf.html>.

³ "Joint Communication to the European Parliament, the European Council and the Council on European Economic Security Strategy," European Commission, June 20, 2023, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52023JC0020&qid=1687525961309>.

productive forces are formed in practice and demonstrate strong driving force and support for high-quality development. China needs the theories to guide new development practices.

China's development of new quality productive forces is primarily determined by domestic factors, and it is also inseparable from the changes in the international environment. Without changes in the international environment, China's urgency to develop new quality productive forces may not be so strong, which is one of the reasons why it is necessary to analyze them from an international perspective.

China's Contribution to the World in Terms of New Quality Productive Forces

As the world's second-largest economy, China is committed to developing new quality productive forces and will also make significant contributions to global development.

First, theoretical innovation provides the direction and guidance for the development of new quality productive forces on a global scale. Xi Jinping's important exposition on the new quality productive forces is an innovation and development of productivity in Marxist theory, which further enriches and develops the connotation of Xi Jinping's economic thought. The profound strategic thinking reflected behind the new quality productive forces shows its unique ideological charm in the great practice of socialist economic construction with Chinese characteristics, and provides necessary theoretical guidance for the development of a high-quality economy in the new era. New quality productive forces advocate innovative development, which is consistent with high-quality development, new development concepts, and leading the modern industrial system with innovation.

China's practice has bred innovative theories. The success of China's practice has also made its theories persuasive and influential at home and abroad. China has contributed concepts such as the community with a shared future for mankind and the three major global initiatives. China has proposed new quality productive forces recently. Although this concept has just been proposed and related theories are in the process of development, it

is a great exploration of mankind to develop productivity under the current historical conditions. For some long-standing controversial or difficult problems, there will definitely be new solutions in the process of promoting new productivity.

For example, the development of new quality productive forces involves the relations between government and market. The key to developing new quality productive forces is innovation. There have always been two kinds of innovation-driven development paths: market-oriented innovation and government-led innovation. In traditional economics textbooks, it is usually said that market innovation is the main concern and government intervention is needed when the market fails. China should not only consider the failure of the domestic market but also the failure of the international market caused by geopolitical conflicts or trade disputes. Take chips as an example. China does not need to rely on the government to promote innovation. It could depend on the market to exchange technology, introduce, absorb, digest, and innovate the technology. However, under the pressure of the United States, the Chinese government has to take measures to deal with the problem.

There is also a heated discussion in the domestic academic community about how to innovate. New structural economics believes that it is not good for the government to do nothing, nor is it good for it to do anything randomly. The ideal state is that the government is active and the market is effective, so that the economy can develop well. The economic success of the developing countries needs to be determined by referring to their resources, capabilities, and comparative advantages. Some scholars believe that the innovation required by new quality productive forces is like a bicycle. The rear wheel is the power wheel, which should be handed over to the invisible hand of the market to deal with uncertainty and unknown problems. The front wheel is the balance wheel, and the visible hand of the government should be responsible to deal with market failure, development imbalance, and direction issues. The innovation of new quality productive forces must be a two-wheeled approach. Overly liberalized and highly centralized countries have been stagnant for many years because it is very difficult to keep a unicycle balanced. Whether the traditional approach to the role of government and market is feasible for developing new quality productivity

is an important issue that deserves discussion.

Western countries generally attach great importance to the market, but problems and drawbacks are accumulated in the process of innovation. An important factor for the development of science and technology and the economy in the United States is the support of developed financial markets, especially capital markets. Venture capital has played a driving role in the development of new technologies and new industries. However, an overly liberal financial market also has its limitations. Periodic financial crises have made the economy miserable. The impact of the 2008 financial crisis on the global economy still exists. The degree of financial liberalization in Europe is lower than that in the United States, and the relevant supervision is more cautious and strict. The frequency and negative impact of financial crises are also lower than that in the United States. However, Europe is not innovating as fast as the United States. Since the beginning of the 21st century, the gap between the EU's competitiveness and that of the United States has continued to widen.

Under such circumstances, China takes advantage of its institutional mechanisms, gives play to the advantages of the government and the market, and addresses market failures so that China could realize the development of strategic emerging industries and future industries. This is a theoretical contribution. China is exploring the development of new quality productive forces. In the future, it needs to continue to summarize the Chinese experience and transform it into theory.

Second, China should enrich its practical experience and exchange and learn from other economies on the development of new quality productive forces. The concept of new quality productive forces is not only an inevitable requirement for shaping new momentum and new advantages for development, but also the key of Chinese modernization. The Report to the 20th National Congress of the CPC pointed out that, "From this day forward, the central task of the Communist Party of China will be to lead the Chinese people of all ethnic groups in a concerted effort to realize the Second Centenary Goal of building China into a great modern socialist country in all respects and to advance the rejuvenation of the Chinese

nation on all fronts through a Chinese path to modernization.”¹ A profound understanding of the characteristics, connotations, and requirements of China’s modernization will help us better recognize the strategic value and basic logic of new quality productive forces.

Chinese modernization is socialist modernization led by the Communist Party of China. To achieve Chinese-style modernization, China should achieve common prosperity for all people, coordinate material and cultural civilization, and take the path of peaceful development under the condition of China’s huge population. Different countries face various difficulties. Some developing countries have large populations and low levels of per capita income. There is a lack of modernization in them. Some developed countries are generally wealthy and have high per capita income, but there is a wealth gap, social instability, and constant party struggles in these countries. Some countries have destroyed natural resources for development, which lacks sustainability. The new quality productive forces proposed by China are characterized by high technology, high efficiency, and high quality. Its achievements will be inspiring and instructive for addressing problems such as underdevelopment, pollution, and the gap between the rich and the poor around the world, especially for other countries at the same stage of development.

Although the concept of new quality productive forces was proposed not long ago, it can be seen that it has been prepared and the thinking system is relatively detailed and thoughtful. Industries that can be regarded as new quality productive forces are strategic emerging industries and future industries. In China’s Outline of the 14th Five-Year Plan (2021–2025) for National Economic and Social Development and Long-range Objectives Through the Year 2035, which was passed by the National People’s Congress in March 2021, the importance of developing and expanding strategic emerging industries and the plan for future industries are discussed. Strategic emerging industries include new generation information technology, biotechnology, new energy, new materials, high-end equipment, new energy vehicles, green environmental protection, aerospace, and marine equipment. Future industries

¹ “Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects—Report to the 20th National Congress of the Communist Party of China,” October 26, 2022, <https://epaper.chinadaily.com.cn/a/202210/27/WS6359bcffa3109375516f02f9.html>.

include brainlike intelligence, quantum information, genetic technology, future networks, deep-sea space development, hydrogen energy, and energy storage. China has already created a blueprint for the content and route of strategic emerging industries and future industries with new quality productive forces. It has strict connotations and realistic paths, and is highly concise and rigorous.

The relations between the new and old quality productive forces are also important. The concept of new quality productive forces has been proposed recently, and there are almost no statistics to illustrate its scale or proportion. Data shows that new energy vehicles, lithium batteries, and photovoltaic products are accelerating their development, and have a certain leading advantage in emerging fields such as the digital economy. The added value of strategic emerging industries accounted for more than 13% of GDP in 2022. Some studies have shown that it is difficult for the output value of strategic emerging industries to account for more than 20% of GDP. Therefore, old quality productive forces remain the foundation of China's economy. Xi Jinping pointed out that, developing new quality productive forces does not mean ignoring or abandoning traditional industries, and we should not stick to one development model. While new quality productive forces are an important growth point and direction to achieve high-quality development, old productivity is the mainstay of the economy. Both are not in opposition to each other, and are equally important, at least at the current stage of development.

Although China's new quality productive forces are in the process of development. In the future, it will further develop and mature in practice. Other countries and regions in the world can communicate with China to explore and discuss how to develop better. China advocates that all countries and peoples should share the fruits of development. While pursuing its development, each country should promote the common development of other countries. The long-term development of the world cannot be built on the basis of a group of countries becoming increasingly wealthy while another group of countries remain poor and backward for a long time. Looking to the future, China's practices and contributions in developing new quality productive forces will become a manifestation of promoting the building of a community with a shared future for mankind.

Third, improvements in global governance help to address common challenges to global development. From the perspective of global environmental governance, the development of new quality productive forces is a reflection of the concept of green development. The intelligence and networking advocated by the new quality productive forces could improve the efficiency of resource use, adjust and optimize the industrial structure, eliminate industries with more pollution and emissions, develop low-carbon and environmentally friendly industries, and upgrade the industrial structure. This transformation means that China's path to modernization will be more solid and stable. As the world's second-largest economy, China is committed to green development, which is a major contribution to global environmental and climate governance. In terms of energy conservation, emission reduction, and the development of green energy, some developed countries have gained experience. However, the development stage of developed countries is different from that of developing countries. The practices of developed countries may not be feasible in developing countries, and the economic affordability of developing countries is limited. As a developing country, China is committed to green development. Its contribution and demonstration effect are both important contributions to the global environment and climate governance.

In terms of global economic governance, the proposal of new quality productive forces is based on China's blueprint of embracing the world, participating in international competition, and international cooperation. Some countries have adopted anti-globalization policies and shifted their economic troubles to their neighboring countries, but China is different. China has always been a supporter of globalization, committed to safeguarding the common interests of the international community, and followed the mutually beneficial economic development path. No matter how the external environment changes, China's door to opening up will not close, it will only open wider and wider. China's role in global economic governance is becoming increasingly important. How to shape new industries, models, and formats with international competitiveness has become an urgent mission. Developing new quality productive forces enables China to participate more actively in international economic governance. As globalization deepens, the international economic

order calls for more diverse and balanced voices. As the world's second-largest economy, China's development of new quality productive forces could help the technological innovation and industrial upgrading in the world.

Development of New Quality Productive Forces and Future Relations between Major Countries

Since old-quality productivity will be the fundamental basis of the economy in the short term, the main tone of relations between major countries will remain. However, with the accelerated development of new quality productivity, some new characteristics may emerge in the future.

First, the competition among major countries will be more reflected in the field of strategic emerging industries in the future. At the central economic work conference held in Beijing from December 11 to 12, 2023, Xi Jinping emphasized that it is necessary to promote industrial innovation with scientific and technological innovation, develop new industries, models, and momentum with disruptive and cutting-edge technologies, and develop new quality productive forces. China's economic development achievements in recent years are remarkable. The development of new quality productive forces in the future is expected to attract the attention of the international community. In the future, there may be more countries in the world pursuing the development of new quality productive forces. Even without China's influence, some countries, including major economies in the world, have attached importance to the development of strategic emerging industries and future industries. Some Chinese scholars pointed out that the world is facing a major change that has not been seen in a century. Scientific and technological innovation, especially breakthroughs in transformative high-precision and cutting-edge technologies, has become the crucial part of strategic competition among countries around the world. The essence of the current competition among major countries is high-tech competition.

As the world's largest economy, the United States has advantages in the development of emerging industries. In October 2020, the White House issued the National Strategy for Critical and Emerging Technology Development, which clarified a list of 20 key technologies, including advanced computing,

artificial intelligence, autonomous systems, and quantum information science. The United States is a leader in artificial intelligence research, development, and active learning technology. It plays a leading role in photovoltaic technology, wind turbine technology, advanced batteries, and other energy storage technologies. Silicon Valley remains the global center of information technology and software development. Some scholars pointed out that the US military and financial hegemony are the foundation of its dominant status, but both rely on the US scientific and technological innovation capabilities, otherwise, both hegemonies will be unsustainable.

As a traditional industrial power, Germany has successively issued strategic plans such as the High-Tech Strategy, Germany 2020 High-Tech Strategy, and High-Tech Strategy 2025 since 2006. Taking Industry 4.0 as a starting point, Germany has focused on using the Internet of Things, artificial intelligence, and advanced robotics to improve industrial productivity and became the world's third-largest economy in 2023. The UK has also formulated plans for strategic emerging industries, including the UK Life Sciences Strategy and the Advanced Manufacturing Plan for 2023. The UK has a high level of research, development, and manufacturing in the aerospace industry, and its semiconductor industry has developed rapidly.

Compared with developed countries such as the United States, China's products and services are not technologically advanced and lack unique advantages in international competition. After decades of reform and opening up, China's factor costs have become high, and it no longer has this advantage compared with latecomers such as Vietnam and Thailand. Therefore, the Chinese economy should seek a breakthrough. Because it is no longer possible for China to continue to lower the cost of production factors such as labor and land, nor is it possible to sacrifice the environment and China needs to address its aging problems.

In the future competition among major countries, the competition in strategic emerging industries is important. Another important issue in how major countries will compete in the future is how to view industrial policy. China's industrial policy has received attention from the international community. The United States and Europe have their industrial policies. However, the implementation methods and strength of industrial policies in

different countries are different. From the perspective of structural economics, the key is to grasp the five principles of industrial policy. First, tax exemption or tax reduction is better than direct subsidies; second, if subsidies must be provided, the quality of subsidies should be improved, and subsidies should be given to new quality productivity technologies and end users as much as possible, rather than subsidizing enterprises blindly and directly; third, industrial policies must keep pace with the times; fourth, industrial policies should not be changed overnight; fifth, industrial policies should also be communicated internationally. In the future, in the process of developing new quality productive forces, discussions will continue on issues such as the differences between China's industrial policies and those of other countries and whether China's industrial policies will spill over to other countries.

Second, large countries attach more importance to domestic reforms, and the rise and fall of their international status depends more on domestic development. The essence of new quality productive forces is advanced productivity. Marxist theory on productivity tells us that developing productivity requires changing production relations. For China, developing new quality productive forces requires optimizing the existing market economic system through reform and removing the institutional and mechanism barriers that undermine the healthy development of the economy, to achieve the optimal allocation of resources and improve the efficiency of resource use. Developing new quality productive forces is a strategic choice for all the countries to compete for future development opportunities.

Countries have different ideas and models for promoting innovation and developing the economy through innovation. The challenges faced by countries are also different. Reform is inevitable to develop new quality productivity, maintain the status of a great country, and consolidate advantages. For example, the problem for the United States is how to reduce risks while maintaining the efficiency of financial markets. The difficulty Europe faces is how to stimulate the innovative vitality of the economy and society. No matter what kind of reform, it is not an easy mission and requires the efforts of decision-makers. To gain economic development mainly depends on the strength of the country. Suppressing a competitor will not allow one to gain advantages in developing

new quality productive forces. The suppression of a competitor could lead to the loss of both countries, and the countries will lose their leading status to a third party. The original international status will also be lost, as happened in Europe after the two world wars.

China's development of new quality productive forces shows that it is committed to seeking development rather than external expansion. China promotes development through high technology, high efficiency, and high quality, which is different from the rising countries that engaged in colonialism and resource plunder in history and also different from the superpowers that are committed to hegemony and cliques today. In the future, if major countries focus on developing their own high-quality productivity, it may help ease the suspicion and fear between emerging major countries and established major countries and reduce the risk of conflicts. Developing high-quality productivity requires a lot of time, energy, and reform measures, which may allow the government to focus more on domestic affairs rather than international struggles for power.

The strength and status of countries will be largely determined by their development models in the future. The world is facing a major change that has not been seen in a century. Major countries should adapt to the new situation to gain an advantage in the global competition. The development model is not static. The background of China's development of new productivity mentioned above is closely related to changes in the international situation. There is great resistance to reform in Western countries, especially in Europe, and decision-makers need to have political courage and wisdom to face it.

Third, strategic planning and design are increasingly important for maintaining the status of a major country. The strategic path is clear judging from the background and logic of China's proposal of new quality productive forces. The Report to the 20th National Congress of the CPC stated that, "We have fully and faithfully applied the new development philosophy on all fronts, focused on promoting high-quality development, and worked to create a new pattern of development." Concerning how to promote high-quality development, the report further elaborated that, "Pursuing high-quality development as our overarching task, we will make sure that our implementation of the strategy to

expand domestic demand is integrated with our efforts to deepen supply-side structural reform; we will boost the dynamism and reliability of the domestic economy while engaging at a higher level in the global economy; and we will move faster to build a modernized economy. We will raise total factor productivity, make China's industrial and supply chains more resilient and secure, and promote integrated urban–rural development and coordinated regional development, so as to effectively upgrade and appropriately expand China's economic output.”¹ The development of new quality productive forces requires domestic reforms and the establishment of a modern economic system, which is consistent with the requirements of high-quality development. The concept of new quality productive forces has aroused a lot of attention and discussion. Relevant theories and practices will continue to be enriched and developed, which will undoubtedly further contribute to high-quality development and national strategic goals.

Analysis from both domestic and international perspectives reveals a richer connotation of new quality productive forces. The concept of new quality productive forces is based on China's rich and successful experience, which gives us a new theoretical framework to look at the practical problems faced in development. The world is diverse, and the development models of various countries and regions are different. The concept of new quality productive forces is China's contribution to global development in theory and practice. At the same time, in the process of developing new quality productive forces, China could also use and learn from some models of other countries. For example, China could learn from the specific practices of the United States in promoting scientific and technological progress, and the practical experience of Europe in creating a single large market. Developing new quality productive forces also requires good strategic planning, which are areas where experts and scholars engaged in international research can make contributions.

(edited by Zhang Yimeng)

¹ “Hold High the Great Banner of Socialism with Chinese Characteristics and Strive in Unity to Build a Modern Socialist Country in All Respects—Report to the 20th National Congress of the Communist Party of China.”