



### **A Brief Account of the Author**

Mr. Wei Shuangfeng, a professor in College of Economics and Trade, South China Agricultural University (former College of Agriculture, Zhongshan University), was born in Wuhua county, Guangdong province in September, 1916, and graduated

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from the Department of Agricultural Economics, Zhongshan University (National Sun Yat-sen University) in 1941.

Prof. Wei Shuangfeng was one of the members of the Rural Commission of the 6th and the 7th People's Congress of Guangdong province, the Economic Committee of China Democratic League, a senior research scientist of Guangdong Socioeconomic Development Research Center and the secretary general of National Research Association of Agricultural Product Cost and Price. Now he holds several leading posts in academic associations in Guangdong province, including International Magni-economics Research Association, Guangdong Agricultural Forecast Research Institute, Chinese Academic Research Association, South-China Regional Economic Research Association and the Commission of the Special Economic Zone & Coastal Regions of China Agricultural Economics Association, and he is also a consultant of Guangdong Economics Association.

In his 54 years' teaching and research careers, Prof. Wei has achieved numerous academic successes. In 1940's, he published "A Report from Investigations on Agriculture in Eastern Guangdong", which stressed that high attention must be paid to the economic development of mountainous areas; in 50's, he gave publicity to the practice of the joint-holding production responsibility system in Xinhui county of Guangdong; and in 60's, he advocated the importance of research on economic effects, these

ideas were criticized as capitalist thoughts by the Leftists during that time, but have been widely accepted since the economic reform was launched; in 70's, he presented a viewpoint that the labor cost of the agricultural product must depend upon the farmer's living expenses, which was approved by the Ministry of Agriculture of the Central Government; in 80's, he created a new economic subject, "Magni-Economics", and in 1990's, he conducted researches on rural three level share-holding cooperative system in Henggang town of Shenzhen.

By now, he has published totally 11 academic works and more than 100 research papers, which have drawn tremendous interests and attentions in academic society throughout the world. The works, "Magni-Economics", was awarded Guangdong Great Research Prize of Science and Technology by the provincial government in 1990, the First Research Works Prize by Chinese Rural Economic Association in 1992, and "The 20th Century Award for Achievement" by the International Biographical Center of Cambridge, England in October, 1994. Due to his significant contribution to agricultural economics, and especially, the establishment of Magni-Economics, Professor Wei Shuangfeng, at the age of 79, now enjoys worldwide reputation and respect in economic sciences. He was invited by China Development Foundation and Chinese Agricultural Development Foundation to give circulating lectures in Taiwan where he received a warm response in June and July, 1995.

## Preface

Economy is a foundation and a process, in which human beings' activities of producing, exchanging, distributing, and consuming physical goods and services take place. The aim of economic activities is to obtain maximum economic beneficial results at minimum costs. Economics studies the production relations and productive forces as well as their inter-relationship to reveal the inner, inexorable, and essential truths and laws from a vast number of socioeconomic phenomena. The leading tasks of economics are: to find the proper and real laws of socioeconomic development, to promote social productivity so as to make more and better goods and services to satisfy people's physical and cultural needs, and finally to achieve the progress and development of mankind society.

Economics is originally synthetic and comprehensive in nature. However, due to the difference in study objects, the economists in the West have divided it into two branches: iemacroeconomics and microeconomics. Macroeconomics focuses on the aggregation of national economy as a whole, and microeconomics, on the other hand, emphasizes the economic behavior of individuals or groups of individuals. The macroeconomic study can be traced back to the scholars in mid-seventeenth century, such as William Petty (1623-1687), the pioneer of British Classical Political Eco-

nomics, Francois Quesnay (1694-1774), the founder of French Physiocrats, and Adam Smith (1723-1790), a great figure of the British Classical Political Economics, who are all regarded as the explorers of macroeconomic researches, although they touched microeconomic aspect as well. John Keynes (1883-1946), a famous British economist, laid the foundation of macroeconomics by publishing a series of works, such as "Tract on Monetary Reform" in 1923, "Treatise on Money" in 1930, and "The General Theory of Employment, Interest, and Money" in 1936. Microeconomics studies individuals' actions, and deals with market and price, that is somehow called "price theory". The work of Alfred Marshal (1842-1924), the founder of Cambridge School, belonged to this research area of microeconomics. Western economists, after Marshal, supplemented and improved the theory further.

In view of that economics is originally synthetic and comprehensive in nature, economic issues are inter-connected, and closely related, sometimes it is difficult to separate them clearly into macro and micro because both of them are relative. When dealing with economic problems, it is true that emphasis can not be put on macro only, nor micro either. Since economic problems encompass the factors of both macro- and micro- economy, we should integrate them into a study. By doing so, Magni-Economics is produced (The Latin word "Magni" here means big, comprehensive and overall).

In 1982, I first proposed the idea of magni-economics in an essay named "An Introduction to Magni-Economics" (Technological Economics and Management Modernization, 1982 ② ), which was presented at a symposium held by Guangdong Federation of Social Sciences. After that, I kept on working on the subject, and published the works of "Magni-Economics" in 1988, "Collected Papers on Magni-Economics" in 1989. All these have drawn great attentions from academic circles of both China and the world. Many scientists and economists have made their positive comments on the subject with great interest and concern, including Professor Qian Xuesen, honored chairman of Chinese Science Association; Professor Ma Hong, honored director of Development Research Center of the State Council, former chairman of Chinese Academy of Social Science; D. R. Colman, a professor of Manchester University in Britain; Jing Nenwang, an agricultural statistician of the U. S. (Appendix 3). "Magni-Economics" was awarded by the provincial government in 1990 as Guangdong Great Scientific and Technological Achievement", which states: "The founding of Magni-Economics fills the blank of economic theories at home and abroad" (Appendix 1). In 1992, it won the First Prize of Chinese Rural Economic Research. Furthermore, I was chosen as a global celebrity of 1993-1994 by the International Biographical Center of Cambridge, England, and entered the Roll of Charter Recipients of "The 20th Century Award for Achievement" (Appendix 2). As to the

prizes and honors. I would like to take this opportunity to express my sincere and hearty appreciations.

For the purpose of academic exchanges, and benefiting the world economic development, especially for developing countries and regions, I decide to publish a new condensed edition of "Magni-Economics" which is based on original 800,000 words of "Magni-Economics" , " Collected Papers on Magni-Economics" and "Magni-Economy and Market Economy" (Appendix 5). Some revisions with the contemporary situations in domestic and international economies are made. There are totally 12 Chapters and about 60,000 words published in both Chinese and English. Like any newly established theory, Magni-Economics is not perfect, any suggestions, comments and views which are helpful to the consummation of the subject will be specially and gratefully acknowledged.

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# **Chapter 1 The Establishment and Theoretical Bases of Magni-Economics**

## **1.1 The Establishment of Magni-Economics**

Magni-economics is a new branch of economics. In 1980, the former State Agricultural Commission of China sponsored a rural investigation in 11 counties of several provinces. Boluo, a county in Guangdong, was one of the spots, where 37 academics from different universities and institutions of Guangdong, Fujian, and Guangxi provinces worked together, and I was in charge of the group. We took half a year to complete the project, and the investigation report was published. During the period of investigation, two problems had been lingering in my mind: (1) Why did Chinese economy always fall in a vicious cycle of "centralization--stagnation--relaxation--vitality--chaos--centralization"?! We often stressed macroeconomy while overlooking microeconomy, or stressed microeconomy but forgetting macroeconomy, what were the reasons? (2) From the view of world economic development, there was a tendency of integration of macroeconomics with microeconomics. Could this lead to a new subject? These two problems made me think about the creation of a new economics, but I was still uncertain. Under the inspirations of some colleagues, I

began to recall my academic career. In 1940's, I took that developing mountainous areas was a key point for Guangdong's economy, up to now, this view is still of practical significance; in 50's, I summarized Xinhui's team-household joint responsibility system" which promoted the agricultural production; in 60's, I stood for the importance of "economic effects", which let me be accused as "a trumpeter of capitalist restoration and profit dominance", but the ideas are now applied widely in the whole nation; in 70's, I put forward that the labor cost of agricultural products should depend on farmer's living expenses, which has also been accepted and applied nationally. All these facts seem to suggest that any new idea is hard to be accepted until it is testified to be a truth afterward in practice.

It is universally correct that development of science and technology relies on the guidance of theories. If a theory has nothing new but repeats what the predecessors have said, there would be no progress for truth and human society. In 1982, at a memorial symposium of the centenary of Karl Marx's death, I presented my paper "An Introduction to Magni-Economics", and announced the concept of magni-economics. After another eight years' hard work, the monograph works of "Magni-Economics" was finally published.

## 1.2 The Theoretical Bases of Magni-Economics

Magni-economics is a kind of fringe or cross-subject that organically combines macroeconomics with microeconomics. Its theoretical bases are:

(1) The form of social economy is the product of various relationships, including productive forces and productive relations, the two constitute the mode of physical production and condition the development of whole social economy. Economic issues are comprehensive in nature, covering the entire process of production, exchange, distribution and consumption. They are closely related and conditioned with each other. So both macro and micro aspects should be paid enough attention, that is to say, a comprehensive viewpoint is essential.

(2) The union and synthesis of various relationships can enhance the social productive forces and create more material wealth. Only when productive forces are promoted, can a vital and dynamic economic system then be built. So the promotion of social productive forces is the key not only to the economic reform but also to the progress and prosperity of the society. It is practically true that the horizontal integration of economy is able to improve social productive forces greatly. For instance, the successes of many big research projects such as the Apollo's moon landing, were resulted from ideas and functions of unity and synthesis of

multi-disciplines.

(3) The integration of macro and micro depends upon their inner and instinctive relationships. Generally speaking, macro is both the beginning and the result of micro, and micro is the base of macro. They are intimately related and relied on each other. Although they are different in forms, the laws governing them are the same. In agriculture, for example, in order to achieve the best economic effects, people must keep coordination and balance between macro and micro. In developed countries, a landmark of their modernized agriculture is the integration of science--technology--popularization--production. It is also seen that in the developed countries, not only the combination of science, technology and production, but of theoretical and applied researches, as well as of natural and social sciences, in particular, of macro and micro, are promoting the progress of science and technology and improving these countries' economies.

(4) In terms of system science, everything in the universe has its own system with functions of synthesis and development. Magni-economics is a comprehensive subject that takes all systems as its studying objects. It uses the intrinsic laws of the objects themselves and modern cybernetic theories as its bases, applies modern mathematics, especially the operation research as analyzing tools, and computers as estimating method. The purpose is to realize optimum control of the system. System science means

the entirety, synthesis and coordination, so it is one of the theoretical bases of magni-economics.

(5) On the methodology, we need dealing with problems properly, and cultivating the concepts of entirety and synthesis. These are important in economic practices. Alvin Toffler, the American writer of "The Third Wave", wrote in his book that: "We believe that we are today on the verge of a new synthetic age. In all fields of knowledge, from natural sciences to social sciences, psychology, economics, and especially in the latter, we can find a trend of turning back to thinking on a large scale, to general theories and to piecing together every fragments". His views make considerable sense. We emphasize analyzing problems into individual elements, but we need more the synthetic ability of "piecing up fragments", because we are living in a comprehensive age.

There are two tendencies in the development of contemporary sciences and technologies. One is that the divisions of sciences and technologies are getting more and more specialized, and a series of new disciplines are constantly emerging; on the other hand, more and more synthesis and coordination are taking place in practices. This is what we say about the specialization and synthesis of modern sciences. It is impossible for a single discipline to complete the modernization. Similarly, every economic issue, such as capital construction, overall planning, rural-urban

integration, are comprehensive in nature. More examples can be listed such as the integration of agriculture with science, industry and trade, inorganic agriculture with organic one, agro-mechanics with agro-techniques, land utilization with land conservation. In all the cases, comprehensive views and methods should be employed, otherwise, the best economic result would not be realized.

## **Chapter 2 The Study Object, Characteristics and Significance of Magni-Economics**

### **2.1 The Study Object of Magni-Economics**

Magni-economics studies economic issues in entirety. It approaches the objective economic phenomena not only vertically on the aspects of inter-relations and interactions between macroeconomy and microeconomy, but also horizontally on the combination of natural, technological, social and economic factors. It uses a comprehensive analysis to carry on integrative, coordinative and systematic study, by which the laws and essences of things are drawn, so as to increase the benefits of magni-economy. That is the object of magni-economic study. In short, magni-economics is a subject which studies the organic combination of vertical and horizontal economics as well as its principle.

### **2.2 The Characteristics of Magni-Economics**

**Integrity** Economic process is an organic entity, a dynamic system composed of multi-factors, multi-variables, multi-facets, multi-objectives and multi indexes. Magni-economics approaches

economic problems from the whole, the entirety, not from partial or individual elements; from strategy of economic development, not from tactics. It overcomes the defects of treating problems only with one objective, one section, one factor in view, and correctly deals with the complicated time and space dimensions of economic system in the light of development and stereoscopic performance.

**Coordination** In accordance with the interaction and inter-dependance of different parts within a system, magni-economics stresses the synthesis and cooperation of multi-academic and cross-disciplinary researches. In analyzing and expounding economic problems, high attention is paid to the co-relations and co-ordination of the parts.

**Systematicness** As any other things, economic problems have their own processes of emerging, growing and dying out. While studying the present, due attention should be paid to the past and the future. The trend of synthesis is a developmental characteristics of modern sciences and technologies. The contemporary economic issues consist of not only social, technical, and material factors, but also psychological factors. In studying them, it is necessary to take notice of their coherence, consistency and systematicness. While taking care of the whole, some focal points must be picked out, as well as things related. That is the fundamental principle of magni-economics.