

Discussion on Consumption and Investment in Macroeconomics

Xinyue Li Jiajia Lu

(Shanghai Lida University, Shanghai, 201900, China)

Abstract: Consumption and investment together constitute the core elements in the field of macroeconomic economics. The two key factors of consumption and investment have intrinsic correlation, and present mutual conditions and deep connection between each other. If the macroeconomic system is to maintain stable and healthy development, it is indispensable to support the interaction of investment and consumption factors. Therefore, this paper focuses on the characteristics of the consumption factors and the investment factors in the macroeconomic system and combines the current economic operation conditions to reasonably balance the consumption investment factors.

Keywords: Macroeconomics; Consumption; Investment

DOI: 10.12346/ems.v2i3.3369

Author Introduction: Xinyue Li, February 15, 1989, Female, Chinese, Heilongjiang Province, Master, Instructor, Research Direction: Economics

1. Introduction

The important discipline field of macroeconomics itself has distinct practical characteristics, and the combination of factors at all levels in the macroeconomic system architecture has formed a complete economic system. In the current market-oriented environment and background, macroeconomics is an important support to promote the guarantee of the smooth operation and development of the market economy. Therefore, the scientific research ideas and methods of macroeconomics must be paid attention to. Both investment and consumption belong to the basic guarantee factors to support the healthy operation of the macroeconomic system. The above two factors should be included in the scope of macroeconomic research, aiming to accurately judge the correlation of the investment consumption factors, and improve the operation and guarantee mechanism of the macroeconomic system by relying on scientific principles and means.

2. Basic Features of Consumption and Investment in Macroeconomics

(1) Consumption in Macroeconomics

As the core element in social reproduction, the basic meaning of consumption link is that individuals or organizations exchange the material materials or production materials necessary to maintain daily life under the consumption of specific monetary cost resources. The key

premise for the establishment of consumption behavior should be the sufficient possession of monetary resources and material product materials in specific areas of social practice. The purpose of market consumption behavior is reflected in meeting the needs of human consumption and the use of various material materials. It is due to the purchase of various material resources and products that the labor conditions necessary for reproduction will be met^[1].

From the perspective of macroeconomics, market entities on the basis of spending monetary funds, the purchase of consumer goods should be able to be fully realized. Consumer goods have various kinds of varieties, and consumption purchase behavior occupies the terminal position in the whole chain of market economy operation^[2]. Both individual and productive consumption behaviors should be incorporated into the scope of consumption, including the consumption and use of the social means of production to meet the basic human survival and the production needs of the industry.

(2) Investment in Macroeconomics

The essence of investment behavior is to invest funds in accordance with the contract agreement to increase the appreciation of material wealth. The rational investment subjects in the market transfer funds on the premise of mutual benefit, in exchange for the expected more capital returns. Therefore, fundamentally speaking, the market investment behavior itself has the obvious characteristics of term, goal, and profit-making, and

should be included in the category of economic behavior. The rational investment actor can obtain a larger proportion of the return of the physical resources or a cost of funds according to the contract standard. Generally, the rational investment behavior in the market should generally include capital, physical nature, and several typical common investment models of securities. As an important subject of the market of the production enterprises, the investment entities of enterprises can use a large proportion of capital resources to support social production and operation, or attract other market entities for investment with the help of corporate bonds, the issuance of stocks and other forms.

In the scope of macroeconomics, the connotation of investment is to accumulate asset delivery to ensure the expected future asset returns. Investment behavior will drive the smooth flow of cash flow in the market system, while helping to accumulate revenue from material resources for a certain time period in the future. Rational investment behavior is not equal to speculative behavior, because rational investment behavior must conform to the current regulations, and should be manifested as the stable investment of capital flow and the characteristics of continuous investment^[3].

3. Consumption and Investment Association in Macroeconomics

Consumption and investment have closely related deep links. The internal correlation of the two constitutes the supporting factors to guarantee and maintain market development, etc. This internal connection itself has the characteristics of objective existence. Market consumption factors and the investment factors of rational subjects have a mutual-supporting relationship, but they also have the characteristics of restricting each other. If the above two factors are lacking, then the good trend of healthy economic development cannot be maintained.^[4] It shows that the balanced market consumption and market investment ratio are beneficial to the steady operation of the whole macroeconomic system, thus meeting the internal economic operation law.

Normally, the total amount of capital resources within a specific regional market scope is constant. If rational market entities consume more funds in the investment field, then the corresponding product consumption field will show a state of reducing the proportion of capital investment. On the contrary, if the product consumption field occupies a high proportion of capital, then the rational market entities, through objective judgment

and measurement, will reduce the total share of resources in the investment field. From the above point of view, the associated nature of market entities investment and consumption behavior will lead to market operating corresponding fluctuations, government regulators personnel for deep investment consumption correlation should give the correct understanding, comprehensive focus on actively promote investment consumption occupy the proportion of balance.

4. Coordinating Development Route of Consumption and Investment in Macroeconomics

(1) Establishing a Collaborative Development Guarantee System for Market investment and Market consumption

Market investment and the consumption behavior of market entities should not be separated but should achieve the good practical effect of coordinated development. In order to guarantee and support the coordinated development of the above two economic operation factors, the relevant government departments must give a better scientific legal guarantee mechanism, and rely on legal guarantee and regulations to build a coordinated development mode and policy support means^[5].

Participants in macroeconomic operation should also take comprehensive consideration and choices for a variety of consumption modes and investment modes, rely on their own strength to boost the operation of the macro social and economic system, and provide necessary resources and financial support for the steady development of macroeconomic development. At present, the coordinated development model should be reflected as promoting rational investment and consumption behavior and balancing the proportion of investment and consumption resources in the economic system. The government regulatory departments should accurately judge and identify the development tendency of investment and consumption with unbalanced risks, aiming to rely on more scientific ideas to support rational market entities and balance the material resources in various practical fields of society.

(2) Rational guidance of market consumption and the behavior of investment entities

Market investment behavior and market consumption behavior are not completely opposite but have the potential possibility of mutual transformation. On the basis of the capital flow of market investment entities, if the original consumer demand of market entities continues to appear as a growth trend, then rational actors will put more material capital resources in the consumption

field. On the contrary, if rational market entities currently have sufficient and rich material data resources, then it means that market entities will have more capital costs to implement investment behavior. Therefore, it can be seen that the two decision-making behaviors of investment and consumption are manifested as mutual transformation. Only on the premise of rational thinking and judgment can market subjects make investment decisions and consumption decisions under the premise of rational thinking and judgment.

For example, in view of the important market investment behavior of stock purchase, it is necessary for the securities regulatory authorities to guide the investors to use a more rational scientific attitude to look at the fluctuating state of the stock market and guide the stock investment buyers to reasonably control the stock investment limit. Under the traditional model, all types of participants in the securities investment market will rely on the regulatory authorities to learn the data and information of securities issuance, which will objectively cause the rational and objective judgment ability of the market investment subjects to be weakened. Therefore, in order to realize reasonable improvement and transformation, the important practice path at this stage should be reflected in improving the rational judgment ability of stock investment subjects, urge the rational investors in the stock market to break through the narrow thinking perspective of securities regulators, and use the rational thinking way of independent judgment to measure the risk of stock investment.

Therefore, it can be seen that only when the rational identification and judgment ability of investment decision-makers is fundamentally optimized and improved, can it be conducive to the overall and stable operation order of the stock market for a long time. In recent years, institutional investment and individual investment models self-responsible for profits and losses have gradually integrated into the stock market investment field. This measure is beneficial to investors in the stock market to view the stock market investment process, taking into account the influencing factors of stock price fluctuations at different levels. The development and operation goal of the efficient and healthy market economy system must rely on the network information resources, and the government departments with macro-control functions must also lack the guarantee and support of the network resources. In order to support the stock market economic system to achieve a stable and healthy and efficient operation and development, then the most key ways and measures

should be reflected in the market-oriented means led. Whether the stock market resources can be optimized and allocated to the maximum extent is directly related to the stable and safe operation of the stock market, and can also determine the comprehensive efficiency improvement range in the operation of the stock market. Therefore, under the current situation, the key practical measures to optimize the allocation of stock market resources should be reflected in shortening the time of listing approval and moderately simplifying the preliminary operation process of listing approval. The key to optimizing the allocation of stock market resources under the current environment is to rely on the operation and regulatory means of securities regulatory institutions.

(3) Reasonably balance the internal laws of the market and the macro-control role of the government

If the government regulation is too much integrated into the field of macroeconomic development, then the intrinsic and fundamental market operation laws will be a breakthrough, which is not conducive to the long-term maintenance of the good balance state of the macroeconomic system. It can be seen that the government regulatory authorities must now use the ways and means of appropriately intervening in the macroeconomic system, aiming to balance the government regulation behavior and the internal operation law of the market and make necessary maintenance and respect for the market operation rules^[6].

Macro-control means should be fully and fully reflected in the two key areas of market investment and consumption, and the personnel of government supervision institutions and departments should accurately grasp the intensity of macroeconomic operation and control means, so as to prevent the tendency of excessive interference in market consumption and market investment behavior. Government regulatory departments should flexibly adjust the prices of various commodities, aiming at guiding the correct development direction of consumption behavior. At the same time, the government departments should timely correct the blind investment tendency of the overheating phenomenon, and effectively safeguard the legitimate economic interests of market entities.

5. Conclusions

After analysis, the system framework of macroeconomics must include investment and consumption. At the present stage, the market economy system is gradually reaching a degree of reasonable optimization. Government departments and institutions can intervene in regu-

lation through appropriate market operation, then achieve the goal of maintaining and ensuring stable economic development, and effectively prevent and control the potential risk of market adjustment failure. Therefore, in practice, the consumption factors and investment factors in the framework of the macroeconomic system should achieve a balanced development state. It is necessary for government departments to rely on scientific and appropriate macro-control path means to coordinate the above key factors and fully ensure the steady development of the macro-market economy.

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