Analysis of Political Economy of People’s Livelihood Improvement

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[Abstract] The issue of improvement of people’s livelihood has always been the focus of the party’s work. It is the starting point and the foothold of a well-off society and would decide whether it is possible to truly build a comprehensive well-off society. The improvement of the level of productivity has led to the emergence of surplus products in the society and the material basis for the improvement of people’s livelihood, which is explained from the perspective of production. How to distribute the surplus products produced, whether it can benefit all the people, or concentrate only in the hands of a few capitalists, this involves the social nature of the production relationship. This paper analyzes the improvement of people’s livelihood by the principle of political economy, and proposes corresponding suggestions for improvement of people’s livelihood from the perspective of Marxist people’s livelihood.

[Keywords] Comprehensive well-off society; Improvement of people’s livelihood; Political economy; Marxist view of people’s livelihood

1. Introduction

With the rapid development of the economy, our national health improvement has made outstanding achievements in employment, income, housing, and education. People are the creators of history; we must promote the harmonious development of society and realize the fundamental interests of the overwhelming majority of the people. The issue of people's livelihood must be the focus of work, and the issue of people's livelihood must be constantly concerned and improved. To understand the issue of people's livelihood in a profound and accurate way, we must adhere to materialism and insist on using Marxist political economic principles and methods to analyze, understand and explain the nature of people's livelihood issues through the perspective of productivity and production relations and investigate the laws of people's livelihood from the categories of production, distribution, exchange and consumption.

2. Political Economic Analysis of People’s Livelihood Issue

2.1 Level of Productivity Development
The level of productivity development is the material basis for the improvement of people's livelihood. In a general sense, the level of productivity development can be measured by the amount of commodity value created per unit of time. The greater the value of the goods created in a unit of time, the higher the level of productivity, and vice versa. Therefore, the level of productivity determines the effectiveness of people's livelihood improvement.

Only when the level of productivity develops to a certain stage, the labor ability of laborers is getting stronger and stronger, the labor tools are more and more advanced, and the value of the produced goods is not only able to satisfy the laborers themselves and the necessary life of the family, but there is still a surplus. For surplus labor, the products produced during the remaining labor hours are the surplus products. Therefore, to be more precise, the material basis for solving the people's livelihood problem is the surplus product that emerges when the level of productivity develops to a certain extent. The more developed the productivity, the higher the labor productivity, the more value of the goods created per unit time, the more surplus products, and the stronger the material basis for solving the people's livelihood problems.

2.2 Nature of Production Relations

The nature of the production relationship is the decisive factor in the improvement of people's livelihood. The production relationship is the social relationship formed by people in the production process of material data. It includes the form of ownership of production materials, the status and relationship of people in production, and the form of product distribution. The development of productivity has not substantially improved the living standards of workers. Instead, it has caused workers to lose their jobs in the slowdown of production development, especially in the economic crisis, and their living conditions have deteriorated, while workers in the industry suffer from low wages and high labor intensity. The root cause of these phenomena is capitalist private ownership. Even if the bourgeoisie is forced by the pressure of the workers' movement to introduce policies to protect the rights and interests of workers in a certain period of time, their fundamental purpose, in essence, is to maintain the private ownership of capitalism and to ensure the sustainability of the bourgeoisie's exploitation of the surplus value of workers, therefore, cannot solve the people's livelihood problem.

3. Perspective from Production Material Ownership

Public ownership itself has a natural meaning of people's livelihood. It reflects the common interests of the overwhelming majority of the people, which makes it the best ownership structure to solve people's livelihood problems, safeguard and improve people's livelihood. Its attribution not only determines the relationship between people in the production process, but also determines the distribution
relationship, exchange relationship and consumption relationship. The problem of improvement of people’s livelihood runs through the four stages of production, distribution, exchange, and consumption. Therefore, the ownership of production materials that determine these relationships not only directly affects the solution of people’s livelihood problems, but also the level of people’s livelihood. Moreover, it has a decisive and fundamental position, role and function in safeguarding and improving people’s livelihood and improving people’s well-being.

It is undeniable that capitalist private ownership has brought tremendous changes to human society in a certain period of time, but the surplus products produced by the development of social productive forces are not fairly distributed to every worker. What they get is only the transformation of labor value or price-wages, and the surplus value they produce is held by the capitalists without compensation. It is undeniable that capitalist private ownership has brought tremendous changes to human society in a certain period of time, but the surplus products produced by the development of social productive forces are not fairly distributed to every worker. What they get is only the transformation of labor value or price-wages, and the surplus value they produce is held by the capitalists without compensation.

4. Perspective from Income Distribution System

Political economics studies people’s production relations and studies the economic interests between people. The income distribution system shows how to coordinate the distribution of interests between people in the production relationship, which is an important link in the production relationship. For the improvement of people’s livelihood, after solving the problem of ownership of production materials, it is necessary to deal with the distribution of social products, that is, national income among people.

The development of productivity has made the “cake” of national income bigger, the ownership of production materials determines the attribution of this “cake”, and the income distribution system stipulates the basic principle of how to cut “cake” and how to divide it. Therefore, the income distribution system is more practical in the production relationship. The improvement of people’s livelihood depends on the continuous improvement of the people’s income level, and the income is mainly obtained through distribution.

From this perspective, the study of the improvement of people’s livelihood can be concentrated in the study of the income distribution system. Under the capitalist system, the production materials are owned by the capitalists. The capitalist logically enjoys the distribution right of surplus value, that is, capital will enjoy the surplus value alone, and the same amount of capital will produce the same amount of profit. Workers are assigned wages equivalent to the value of the labor force itself. The surplus value they create is stolen by the capitalists without charge and mercilessly. It
is distributed within the capitalist group and among the capital owners and landowners. This method of capital allocation is extremely unequal. It is directly based on the exploitation of laborers. The actual income earned by workers is very small, or they are not paid at all to the labor they pay. The value is completely extracted by the capitalist. The improvement of people’s livelihood at this time is the improvement of people’s livelihood within the high-income bourgeoisie with capital, rather than the improvement of people’s livelihood of the majority of the workers in the society.

5. Exploring Ways to Improve People’s Livelihood

5.1 Transform the Mode of Economic Development

The level of productivity development is the material basis for the improvement of people’s livelihood. At present, China’s economy has shifted from high-speed development to medium-to-high-speed growth. It is in a critical period. The downward pressure on the economy is relatively high, and the marginal effect of investment, consumption and exports of the “troika” that drives economic growth is facing a downward trend.

Vigorously developing productivity is mainly achieved through technological innovation and manufacturing innovation. However, most of China’s industries are at the bottom of the “smile curve”. The low added value of products and low profits have severely restricted the development of China’s economy. To reverse this situation, we must change the “manufacturing” into “intelligence creation” through technological innovation, cooperate with supply-side reforms, promote the optimization and upgrading of industrial structure, inject new impetus into China’s economic development, and continuously consolidate the material basis for the improvement of people’s livelihood.

5.2 Adhere to Public Ownership

Public ownership is the guarantee of ownership in improving people’s livelihood in China. It is necessary to find a balance between public ownership and non-public ownership, reform mixed ownership, and let non-public ownership in mixed ownership benefit the development of productive forces and provide material information for the improvement of people’s livelihood.

5.3 Adhere to the Basic Distribution System of Distribution According to Work

Today, China’s economy has jumped to the second largest economy in the world, the material base is stronger than before, and the quality of the workforce is constantly
improving. This requires efforts to achieve the synchronization of household income growth and economic development, increase the proportion of household income in national income distribution, and increase the proportion of labor compensation in the initial distribution. At the same time, improve the redistribution adjustment mechanism with taxation, social security and transfer payment as the main means, increase the regulation of income distribution of residents, narrow the income gap, promote the fairness and justice of residents’ income distribution, and effectively achieve the goal of improving people’s livelihood.

6. Conclusion
The current situation of the gap between the rich and the poor in the United States and the demonstrations from time to time strongly illustrate the income inequality caused by the capital distribution system under capitalist private ownership, and the lack of improvement in people’s livelihood will not be fundamentally changed due to the development of productivity. Distribution according to work breaks the inequality of national income distribution, increases the income of workers, and encourages laborers to actively participate in social production, thereby promoting the development of the national economy and increasing social wealth and further increase the income of workers in the new round of economic growth, which will build a benign economic cycle and create a good economic and social condition for effectively improving people’s livelihood.

References