A New Vision To View Contemporary China: The Wealth Gap And Digital Capital Under The Materialism And Surplus Value Of Marxism

Zongye Jiao[1,a,*], Min Qi[2,b]，Yuntao Jin[3,c]

[1]Department of History, Chinese University of Hong Kong, Hong Kong, China

[2]MA, department of Composition, Xi'an Conservatory of Music, Xi'an, China

[3]Library, Xi'an Conservatory of Music, Xi'an, China

[a]jzy286@outlook.com, [b]qimin199293@163.com, [c]jinyuntao1221@163.com

*corresponding author

Keywords: Transport Process; Traditional Economy; Employment; Consumer; Political Economy

Abstract: Marxism provides an excellent perspective on studying the digital economy and the gap between rich and poor in China. Its Surplus Value and Materialism provide the methods that can be employed to reveal the nature of the digital economy. In a word, conventional wisdom holds that a digital economy dependent on advanced technology generally leads to massive unemployment and serious income inequality among people. However, employing surplus value and materialism can detect the nature of the digital economy, exploring that the transport process under the online trading goods is accompanied by a large number of traditional industry's participation. This means that the digital economy boom also leads to the prosperity of various other industry，mainly labour-intensive, so the unemployment rate is still controlled, and the gap between rich and poor is also controlled. However, in the era of digital economy, those industries that have no connection with the digital economy or do not rely on the existence of the digital economy will face great survival pressure, and the digital economy will lead to serious geographical gap, which are the two major side-effects of the digital economy. This fact also provides a perspective on viewing contemporary China and helps answer a number of questions from China, as a typical example of the digital economy over the world.

1. Introduction

With the rapid development of science and technology, the digital economy develops rapidly. As the product of advanced science and technology, the prosperity of digital economy itself has what kind of impact on the society, which is an urgent topic needing to pay attention to. Relying on traditional theories, the digital economy itself means the extensive application of advanced science and technology, which means those workers acquired lots of skills and knowledge can perform; therefore, only a few people can be engaged in research area related to the digital economy. This model leads to a rapid concentration of wealth in the hands of a very small number of people, leading to a serious gap between rich and poor. However, there is a question: that is the truth?

As the representative of the digital economy prosperity, contemporary China provides a good sample to study a series of topics related to the digital economy, such as the relationship between the wealth gap and digital capital that this paper focuses on. It is more reasonable to use some theories of Marxism to understand this problem. The core concern of Marxism is the rights and interests of workers or proletarians, and Marxism has also created a series of theories on this issue, such as materialism, surplus value, and so on.

Moreover, the application of these two theories can lead to a relatively new way of looking at contemporary China. Today, academic circles pay much attention to contemporary China and the relationship between China and Marxism, but few scholars combine China's new economic model -- digital economy and Marxist theory to study. In fact, this combination can not only answer the

relationship between the digital economy and the gap between the rich and the poor, but also explain the relationship between the digital economy and innovation, as well as the relationship between innovation and the wealth gap. This paper will use the Marxism's materialism theory and surplus value theory to analyse a series of characteristics and influence of China's digital economy, and try to answer these three questions. Furthermore, because the socialist market economy with Chinese characteristics is an economy running model under the guidance of Marxism, using related Marxist theory to study China's digital economy may be better to understand some specific features of the market economy with Chinese characteristics, which can also solve a series of problems about digital economic prosperity in China. Moreover, such research can also provide a new way of understanding contemporary China.

2. Literature Review

In recent years, there have been numerous international research achievements on this topic and many representative arguments. Specifically speaking, they can be divided into three categories:

1. About studying on digital Economy, some pieces of paper focus on the Tao Bao Village, Tao Bao Cun, to study. For example, Haiqing Yu and Lili Cui employ the theory of female political economy to study the relationship between women's rights and the development of e-economy in rural area of China, and the they support that although digital economy brings many interests to local people, hardly have the rights of local women been enhanced[1].The scholar, BOY LÜTHJE, also bases on Tao Bao Cun to study "Made In China" . His paper divides China's manufacturing into production-driven 'and distribution-driven' pathways, and believes that the two have exerted a great influence on industrial production and employment, which is the characteristic Chinese strategy. This influence can lead to unstable employment situation; therefore, the article suggests that the local government should take a series of measures to stabilize supply chain and stabilize employment [2]. However, Julie Yujie Chen's article holds that there is a gap in academic knowledge on the operation of China's digital platforms, so the article mainly explores the specific operation of such a platform by studying ride-hailing and food-delivery services –two of the fastest-growing sectors in China's platform economy. The article argues that although workers participate in the operation of this platform and get income, this mechanism is unstable and unfair for ordinary participants. They do not get their due income in this platform [3].And，there are two authors study the relationship between the industrial revolution and the e-economy in China, such as Sei Ito and Li Ling. Sei Ito regards China's digital economy as the leader and driving force of the current world's fourth industrial revolution, and takes this as the research point to pay attention [4], and Li Ling compares "Made-in-China 2025" and "Industry 4.0"[5].

2. About the Marxism in China, the focus are always in the field of politics, such as Alessia AMIGHIN and JIA Peitao who focus on China's social political power operation and national prosperity[6],Sebastian Veg who explore the origin and characteristics of the value orientation of Chinese left intellectuals under the influence of Marx[7].

Actually, few scholars study the influence of digital economy on wealth gap under the Marxism in China, which is really related to this research.

3. Methodology

Marxist Materialism and Surplus Value provide a good methodological guidance for the analysis of the relationship between the digital economy and the gap between the rich and the poor.

Marxism materialism emphasizes the decisive significance of matter and regards all inventions and creations as part of abstract "matter". This theory makes science and technology become part of matter. Because of this, materialism can effectively dissect and analyse the essential characteristics of the digital economy. As an emerging product based on cutting-edge science and technology, the birth of digital economy itself is the result of the role of science and technology, so the application of materialism can understand and profoundly reveal the essence of digital economy and its roots.

Marx's other theory, the theory of surplus value, says that the biggest purpose of capitalist is to

get more surplus value. Specifically, Marx divided the whole process of a commodity into "purchase", "production" and "sale", and the surplus value is hidden in the production process. Moreover, as a capitalist, only the production process can produce more surplus value, so the exploitation of workers is also in the production process. By using this theory to analyse the commodity trade under the digital economy, we can understand the causes, specific characteristics and influences of the gap between the rich and the poor under the digital capital.

To better understand the role of the digital economy in the gap between rich and poor, the publication of music will serve as a case in point. In particular, the publication and distribution of musical works, including non-digital and digital types, will be compared to understand the specific performance of the digital economy in specific industries.

In a word, Marx's two theories contribute to a profound understanding of the specific characteristics of the digital economy, and thus the specific manifestations of the gap between the rich and the poor in contemporary China where the digital economy is extremely prosperous.
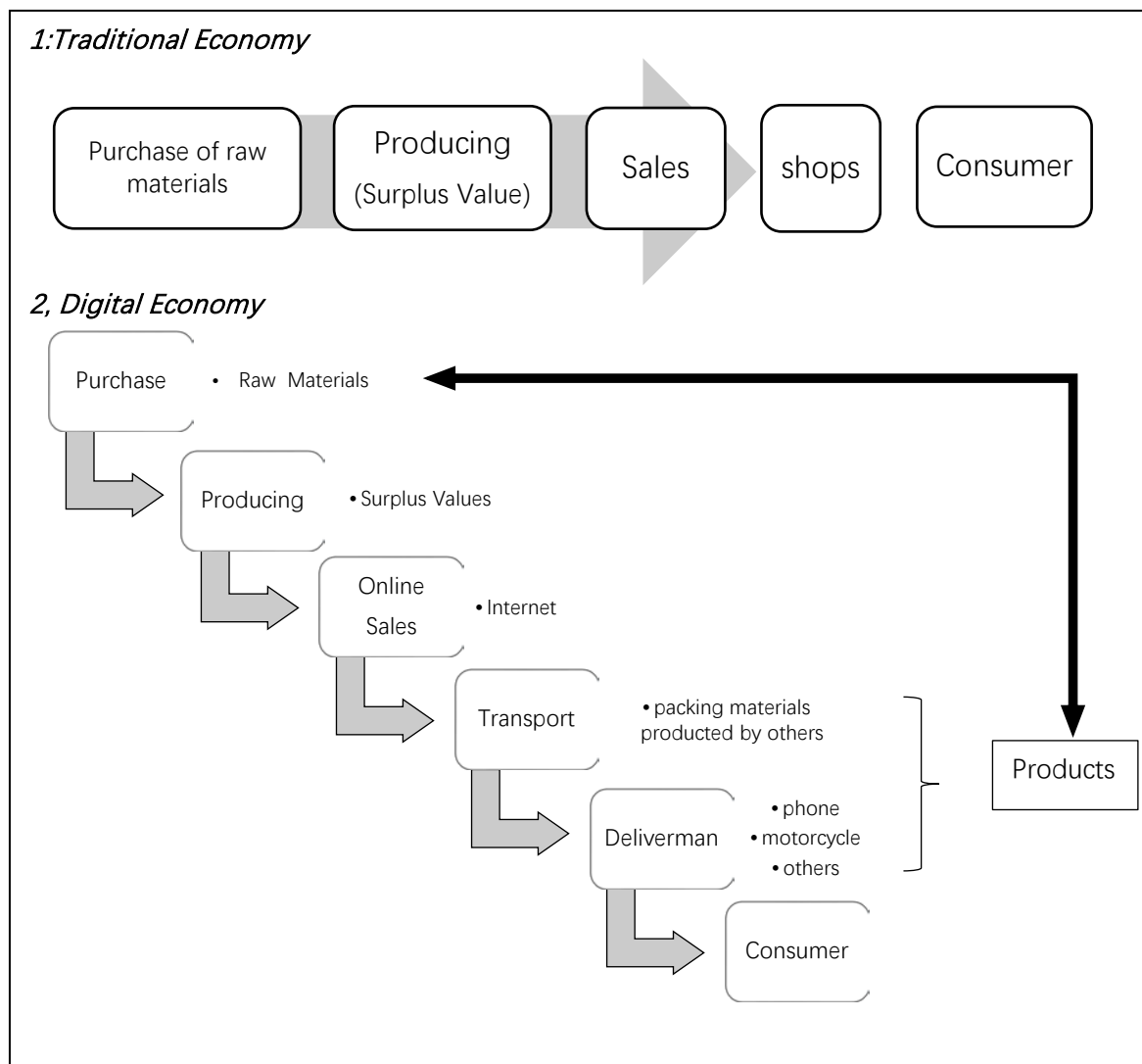
Figure 1. Two Models of Economy

3.1 Data Collection

The main body of the data comes from two parts, one is the relevant data of representative enterprises related to China's digital economy, table 1; the other is the sales data of CDS or digital music songs, table 2.

The data of enterprises, table 1, focuses on the number of employees, annual income and total assets of the enterprise. The public welfare data is only the fact that the corporate social

responsibility awareness is also growing in the real digital economy.

Professional data, Table2, focuses on the market sales of CD and digital songs in two years respectively. The data focuses on the top five sales per year in order to effectively compare and understand the impact of a specific professional development model or market sales model change in the digital economy.

3.2 Data Analysis

Using two methodologies, enterprise data can effectively analyse the relationship between the digital economy and the gap between the rich and the poor.

In the traditional economy, as shown in Figure 1, there is a single line from the production of the product to the consumer, and the sales path is through a variety of stores. In this path, the investor's profit comes from the production process of the product.

In the digital economy, industry profits are concentrated in sales. As shown in Figure 1, consumers purchase a product through the Internet, and a series of industries participate in the process of "Online Sales" before it is delivered to a consumer. The first is a variety of packaging, the seller should accord to the specific characteristics of the product to package or protect, so a series of accompanying products will be widely used in this field, such as foam plastic, paper boxes, etc. After that, all kinds of transportation mean, such as plane, car and train, will participate in the transportation of this product. After that, couriers use a variety of tools to transport and connect with customers, including motorcycles, phones, motorcycle helmets, etc. At the same time, the process consumes electricity, or gasoline. Finally, the goods reach the consumers. It can be clearly seen that under the digital economy, the production demand of physical products is expanding rapidly. Because it is much more convenient and faster for people to buy things on the Internet through mobile phone apps than to buy things in stores, the consumption of other products will also increase rapidly. Therefore, in the digital economy, all kinds of producers have to participate in this process. Moreover, the main task of the digital economy lies in the transportation process after the order is placed, that is, the sales process, in which a large number of industries and people participate.

Table 1. Information from Typical Companies of E-Economy					
Business Model	Name	Number of Staff	Public Donation （billion,2019）	Annual Income （2019,billion）	Total Assets （2020,billion）
Online Sales	Pin Duo Duo	3.683	0.67	30.1	499.4
	Alibaba	90,000	0.98	376.844	3669.9
	Jing Dong	220,000	No data	462.02	358.9
Note: Some figures are from the web: https://www.sohu.com/a/387232484_772337; the rest are from the official introduction of Baidu Encyclopaedia or Company Official Website and Forbes 2019 China Charity List, and Charity Blue Book: China Charity Development Report (2019)					

Clearly, the core of the digital economy lies in the buying process of buying, and all other processes are indistinguishable from traditional models of economic production.

Moreover, according to materialism, technology is an important productive force, and its prosperity determines that only a small number of people can engage in technology-related industries, so high-tech companies often need fewer people compared to those traditional industrial production. Only workers with advanced skills and knowledge can work in companies dominated by the digital economy. And, the high degree of prosperity in the digital economy will only lead to widespread unemployment. Because of the extensive use of artificial intelligence in the digital economy, the vast majority of works will be done by intelligent robots; hence, only a small number of highly educated people can get jobs. In this case, the massive boom in the digital economy will only lead to massive unemployment, so the gap between rich and poor will be rapidly widened, not narrowed.

In the process of digital economy, Figure 1, it is very clear that digital businesses lead to a large number of traditional industries which concentrate on the process of product sales, and the traditional industry also needs to experience three phases: purchase of raw material, production and sales, and their sales are largely dependent on the sales of products under the digital economy. Therefore, the sales volume of digital products also determines the sales volume of traditional products.

Table 2. Sales Statistics of CD and Digital Songs in China

Ranking	Singer	CD sales statistics（pieces）	Time	Ranking	Singer	Digital sales statistics（pieces）	Time
1	Jay Zhou	186 万	2006	1	Li Yuchun	1,241,471	2017
2	Li Yuchun	134 万		2	JJ Lin Jun Jie	103.1393 万	
3	Lin Junjie	112 万		3	Zhang Yixing	99.5103 万	
4	A Mei	95 万		4	Stefanie Sun	50.9154 万	
5	Jolin Tsai	80 万		5	Eason Chan	40.7855 万	
Note	http://bbs.tianya.cn/post-funinfo-217502-1.shtm			Note	http://y.saoju.net/szzj/sales/		
1	Li Yuchun	85 万	2007	1	Zhang Yixing	116.3996 万	2018
2	Zhao Wei	80 万		2	Eason Chan	62.6268 万	
3	Zhou BIchang	79 万		3	Wu Yifan	60.7050 万	
4	Zhang Liangyin	78.5 万		4	Jolin Tsai	56.5867 万	
5	Chen Chusheng	76 万		5	Mao Buyi	47.4720 万	
Note	https://www.douban.com/group/topic/177723350/			Note	http://y.saoju.net/szzj/sales/		

This is the survival model of traditional industries in the digital economy, which is obviously more complex than the traditional economic model.

Furthermore, taking the digitization of music products as a typical case analysis, it can be seen from Table 2 that the digital economy has no essential difference in the prosperity of specific industries under the traditional economy.

4. Research Results

The demand for various accompanying goods in the Transportation Process also determines that the manufacturers of these products can obtain large profits, and a large number of workers will also participate in this kind of production. The accompanying products, such as packaging boxes, are not high-tech products, which means that a large number of labour-intensive industries can still rely on the high-tech existence of the digital economy. For example, according to a survey, Jing Dong hires only 260,000 workers, but it indirectly helps over 15,000,000 people be employed [8].

Moreover, the digital economy has accelerated the speed of commodity trading, and the

producers of various products have also obtained a large amount of surplus value from it. Actually, under the digital economy, the sales of traditional industries are only dependent on the sales of digital economy products, and the sales of traditional industries are also basically determined by the sales of digital products. And the prosperity of digital economy also decides the prosperity of the product sale in traditional industry.

In other words, the digital economy industry has not eliminated the traditional industries, but let the traditional industries attach to the digital economy industry and exist. The production mode of the traditional industry is still hidden behind the digital industry. In this case, the profits of investors in traditional industries, the surplus value, have not disappeared, but live with the prosperity of the digital industry. And because traditional industries have expanded with the digital boom, workers displaced by the digital industry can still find jobs in traditional industries.

5. Conclusion and Implications

Facts have proved that the digital economy is not necessarily related to the increase of the gap between the rich and the poor. Under the digital economy, the production mode of a large number of traditional industries does not change, but it is hidden in the operation process of the digital economy. On the contrary, the high prosperity of the digital economy will only bring great opportunities to these relevant traditional industries which also depend on the digital economy for their existence. As a result, traditional industries that have nothing to do with the digital economy will face greater challenges.

In this case, the highly developed countries in the digital economy should pay more attention to those traditional industries unrelated to the development of the digital economy. These industries themselves not only are facing the pressure of using technology to upgrade, but also the pressure of survival brought by the industrial transfer with the vigorous development of the digital economy. In addition, people's consumption habits have also undergone a huge shift due to the prosperity of the digital economy, which has also led to the survival crisis of industries whose survivals do not depend on the digital economy.

And the prosperity of the digital economy must base on advanced infrastructure, such as Internet, wireless signals, advanced transportation, advanced educational institutions, and comfortable living environment; thus, the prosperity degree of the digital economy can also measure the prosperity degree of a country to some extent.

In addition, all of these explain why China's digital economic boom has not led to mass unemployment or the gap between the rich and the poor remains within a reasonable range, although in terms of specific economic consumption patterns, such as the effect brought by mobile phone payment [9], and of a huge gap between regions, such as the eastern and western regions of China[10].

References

[1] Haiqing Yu and Lili Cui, (2019) China's E-Commerce: Empowering Rural Women?, The China Quarterly, Get access Volume 238, 418-437

[2] BOY LÜTHJE,(2019)Platform Capitalism 'Made in China' Intelligent Manufacturing, Taobao Villages and the Restructuring of Work,Science, Technology & Society,24:2: 199–217.

[3] Julie Yujie Chen, (2020)The Mirage and Politics of Participation in China's Platform Economy , Journal of the European Institute for Communication and Culture, Pages 154-170, Published online: 16 Mar.

[4] Asei Ito, (2019) Digital China: A Fourth Industrial Revolution with Chinese Characteristics? Asia-Pacific Review, 26:2, 50-75, DOI: 10.1080/13439006.2019.1691836.

[5] Li Ling,(2019) China's manufacturing locus in 2025: With a comparison of "Made-in-China 2025" and "Industry 4.0",TECHNOLOGICAL FORECASTING AND SOCIAL CHANGE,

Volume 135, 66-74, DOI: 10.1016/j.techfore.2017.05.028: OCT.

[6] Equ(al)ity and Community in China after Forty Years of Economic Reform: Sinicised Marxism and "Socialism with Chinese Characteristics" in Crisis, DOI: 10.4312/as.2019.7.1.269-290.

[7] Sebastian Veg, (2019)The Rise of China's Statist Intellectuals: Law, Sovereignty, and "Repoliticization": The China Journal: Vol 82.

[8] Data from a report of one web: https://baijiahao.baidu.com/s? id=1667382475297553423& wfr= spider &for=pc.

[9] Zhichao Yin , Xue Gong , Peiyao Guo , Tao Wu，(2019)What Drives Entrepreneurship in Digital Economy? Evidence from China，Economic Modelling, Volume 82, November, 66-73.

[10] Jingyuan Zeng, Wenjie Wu, Ye Liu, Chenguang Huang, Xiufeng Zhao, Dehai Liu,(2019), The local variations in regional technological evolution: Evidence from the rise of transmission and digital information technology in China's technology space, 1992–2016,Applied Geography. Volume 112, November, 102080.