

# Examining the shared development of socialist political economics with Chinese characteristics

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## Abstract

**Purpose** – The shared development concept is crucial for the construction of a socialist political economy with Chinese characteristics. The paper aims to discuss this issue.

**Design/methodology/approach** – This is because shared development constitutes the logic thread of the socialist political economy with Chinese characteristics and the core for the formation and development of its whole system.

**Findings** – China's modernization is well underway and is following a unique path with its own characteristics, whereby shared development is undoubtedly one of its core values.

**Originality/value** – In the new era, the development path under the concept of shared development of socialism with Chinese characteristics must adhere to the all-round development of human beings, promote social equity and justice via development, and embrace inclusive growth, specifically, pro-poor growth.

**Keywords** Socialism with Chinese characteristics, Political economy, Shared development, Prosperity for all

**Paper type** Research paper

## 1. Ideological origin of shared development concepts

### 1.1 *Shared development, community of freeman and community of common destiny*

In the process of human history, culture and ideological development, we can find the ideological origin of shared development in relevant concepts such as “common prosperity, equity and justice, and community.” French thinker Jean Jacques Rousseau first proposed the concept of community. From the perspective of social contract theory, he believed that once a social contract is concluded, “it means that everyone transfers all their personal rights to the collective formed by the people. Individuals obey the collective ‘general will’, that is, obey themselves, since the people are the sovereigns of this political community” (Rousseau, 1982). Marx's theory of scientific socialism is based on the public ownership of production materials. Shared development, common prosperity and equity and justice are the characteristics of this ideal society. Marx and Engels (1972) expressed the concept of “real community (wirkliche Gemeinschaft)” and proposed that “under the conditions of a real community, each person is in his own ally, through which his own freedom derives [...]. There, the free development of each is the condition of the free development of all.” Marx and Engels believed that this society is in

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the advanced stage of human development. No class, nation state, private ownership and oppression exist in this society. The real community not only realized the true unity of individuals but established the free development of individuals on the common development, and the individual development is, in itself, comprehensive and free.

As an advanced concept of human economic and social activities, shared development embodies the common will and the subjectivity status of human beings regarding their all-round development in the ideal society. The shared development concept is incompatible with the capitalist production relationship. This is because capitalism cannot contain the value orientation and the characteristics of production relations required for shared development. In Marx's view, capitalist private ownership and the corresponding market system, commodity fetishism and currency fetishism have dominated the behavior of the so-called rational economic man (*homo economicus*). Furthermore, labor alienation and capital power constitute the subsistence characteristics for social and individual life in capitalist production relations. In the socialist society, fundamental changes have occurred in the basic economic system and ownership relations. The subsistence characteristics of the principal entities of production relations have changed to meet the needs of the broad masses of the people and the universalization of equity and justice. While enjoying their own personal interests, members of society have become principal entities for the realization of the common interests of the society. Thus, shared development has the conditions of highly developed productive forces and new production relations and has become the trait of this social production relationship. According to Marx's historical materialism, the transition from capitalism to future ideals (communist society) is a long-term historical process. This process must undergo the developing and primary stages of socialist development. In the *Critique of the Gotha Programme*, the new system for the future and its formation are described by Marx as follows: "In the advanced stage of the communist society, the situation of forcing individuals, like slaves to obey the division of labor, has disappeared, thus the opposition of mental labor to physical labor has disappeared. Labor is not only a means of making a living, but also becomes the first need of life. As the individual develops, their productivity also grows, and all the sources of collective wealth have been fully flown – only at that time can we completely exceed the narrow vision of bourgeois rights, and society can write on its own banner: from each according to his ability, to each according to his needs!" (Deng, 1995c).

### 1.2 Shared and sharing

Martin Weizman of the Massachusetts Institute of Technology proposed the famous theory of sharing wages. The sharing of wages refers to the profit sharing of the production unit (i.e. the enterprise) as well as the wage dividend. In this kind of labor remuneration system, workers' wages are linked to and vary with the fluctuations in certain economic efficiency indicators. The wage sharing system is an improvement of the traditional wages of capitalism. It does not, however, change the antagonism between labor and capital in capitalist enterprises. As the capitalist economy entered the twentieth century, economic stagnation, inflation and reduced corporate efficiency emerged. The sharing system is widely used in enterprises, and it considerably impacts the Western labor economics and wage theory in the twentieth century. The theory of sharing wages as well as the theories of marginal productive wages and labor-capital collective bargaining wages has become the mainstream wage theories. As with the corporate employee shareholdings that began to flourish in the twentieth century, sharing improves corporate governance structures and labor relations.

### 1.3 Sharing and equity and justice

The concepts of sharing and equity and justice are consistent in the pursuit of social values. From Kaklis, Plato and Aristotle in ancient Greece, to Western European thinkers in the Middle Ages, to Voltaire, Montesquieu, Rousseau and so on, have discussed equity, in addition

to the emergence of ideas of equity during the bourgeois revolution and by Marx and Engels. In the seventeenth and eighteenth centuries, the bourgeois thinkers Grotius, Hobbes, Voltaire, Rousseau and so on, were the proponents and developers of the theory of natural rights. Their thoughts on equity and justice represented the pursuit of the European bourgeois revolution. The so-called “social rationality” means defending civil liberties and opposing feudal autocracy. As Grotius believed, based on the rationality shared by human beings, the natural rights that people have in conformity with human nature are fair and square. In the nineteenth century, many bourgeois thinkers proposed equity ideas that differed from those of natural law. For example, Bentham believed that the requirement of equity lies in the welfare of society. Marx believed that although equity and justice represent a value judgment, the concept reflects the real economic relationship; in different historical periods, various representatives of social interests have conferred different connotations to the categories of equity and justice. Therefore, the scope of equity and justice is evolutionary in itself. Indeed, the equity and justice concept constitutes Marx’s value orientation and basic principles of social distribution, but Marx recognizes that the principles and methods of fair distribution are objective rather than subjective and abstract. The equity of distribution depends on its compatibility with the production mode and relations determined by the level of productivity in a certain historical stage. Marx indicated that the so-called distribution relationship is derived from and compatible with the special social forms (modality) prescribed by historical production process as well as the relationship between people in the process of reproduction for their livelihoods. However, it represents only one aspect of the production relationship.

## **2. Theoretical logic and practical exploration of shared development**

### *2.1 Profound connotation of shared development*

Shared development is, first and foremost, development. The concept of shared development, which can be divided into two aspects (i.e. quality and quantity), is multilayered. The quality aspect entails that multiple development entities have equal claims in the distribution of development outcomes; the quantity aspect entails that equality is not equal to equal quantity, and equal enjoyment of rights refers only to the equality of qualifications, not equal average claims. The definition of shared development should, therefore, be more precise in terms of quality and quantity and can be further divided into non-equivalent and equivalent shared development. The sharing under the conditions of socialism or communism is relative rather than absolute, given the differences in labor quality under the “distribution according to labor” and the differences in “distribution according to needs.” Therefore, sharing refers more to opportunities and qualifications. In terms of basic survival necessities, “sharing” can be equivalent. In terms of the products for development and enjoyment, they can only be shared relatively owing to differences in people’s needs, talents, personalities and preferences (Hongmei, 2017). Sharing is, in the economic sense, a sharing economy. The sharing economy expresses a state in which people have a consensus on the ideological cognition of economic activities, a principle of co-management in the process of economic activities and a shared disposal method in the possession of economic activities. Therefore, the sharing economy involves the characteristics of sharing the entities, organization, mechanism, process and results. The shared development concept proposed by the CPC includes the concepts of sharing for all and by all, co-construction and sharing, and progressive sharing, which constitute the scientific epitomization of the profound connotation of the main concept.

### *2.2 Shared development and prosperity for all*

Prosperity for all (common prosperity), as both an ideal pursued by the people and a state after realization, means that the fruits of development are shared by all. Therefore, its

connotation must include common enjoyment. There has been abundant discussion in the academic community about the relationship between sharing and common prosperity. For example, Deng (2016) indicated that common prosperity focuses on the aggrandizement of material wealth, whereas shared development emphasizes the comprehensive sharing of economic, political, cultural, social and ecological development achievements. He argued that common prosperity is the development goal of socialism, and shared development constitutes the staged basis in achieving common prosperity (Deng, 2016). Liu and Ai (2016) argued that sharing encompasses common prosperity and provides the impetus for its realization. As the major goal of sharing, common prosperity guides the former and directs its direction (Liu and Ai, 2016). Yu Yuanpei (2011) believed that sharing highlights the problem of distribution, which is embodied in the well handling of the relationship between “being rich first,” “being rich later” and “common rich.” The key lies in the impartiality of both primary distribution and redistribution to achieve equity and justice. Shared development reflects the essence of socialism and deepens the connotation of common prosperity to narrow the income gap and eliminate polarization (Yu, 2011). Hu Peizhao (2006) believed that China is in the primary stage of socialism. He mentioned that common prosperity implies that the people can share the fruits of economic development and that social welfare can be gradually expanded (Hu, 2006). According to the Marxist point of view, the distribution relationship is determined by ownership and property relations, and the root cause of unfair distribution of wealth and income lies in the fundamental change of ownership structure (Enfu and Jiangang, 2013). Wei Xinghua (2012) highlighted the importance of adhering to a basic economic system, with public ownership as the mainstay and co-development of various ownerships, to invigorate the state-owned economy, create more wealth and ensure the welfare of the people throughout the country (Wei, 2012). The socialist ideology with Chinese characteristics shall be implemented in the new era to adhere to people-centered development ideology and constantly promote the all-round development and common prosperity of all people. According to Marx, the all-round development of human beings contains the development of all individuals. The free development of human beings must be based on the all-round development of individuals’ abilities, and the ultimate goal of development is for the people themselves (Li and He, 2016). Thus, the “sharing for all and by all, coconstruction and sharing, and progressive sharing” constitute a new achievement of Marxism adapting to conditions both in the new era and in China. Fan and Xie, (2017) also believed that shared development is a new stage of common prosperity. He indicated that common prosperity at the current stage features the implementation of prosperity for all (Fan and Xie, 2017).

In the process of promoting socialist common prosperity, sharing provides the foundation and momentum for common prosperity, which is its main goal. In the development stage, prosperity for all contains the get-rich-first idea, and the “first rich” shall lead the “later rich” to achieve common prosperity. From the perspective of sharing, the entities of sharing are the entire people, rather than a part or a minority of people, be it individuals or groups, with equal qualifications and opportunities to participate in socioeconomic activities. Sharing is not tantamount to “joint ownership” or “equal ownership” as taking possession of the labor of others and the legitimate rights and interests of others free of charge is unlawful. Instead, shared development should be based on the sharing of social equity, justice and co-construction. That is, the more the construction and contribution, the greater the ability and opportunity to enjoy development outcomes. Sharing economic development outcomes is fundamental, but it is not the only content of sharing; practicing shared development aims not only to solve the people’s livelihood issues in primary socialism stage but also to meet the spiritual needs of the people, including clean air, adequate leisure and cultural life while ensuring the comprehensive sharing within the economic, political, social, cultural, ecological and other sectors. Under the conditions of insufficient and uneven

social production development in the primary stage of socialism, it is feasible only to achieve “gradual sharing” and “conditional sharing” rather than all-round and all-field sharing, and there must be laws and regulations to provide stable social expectations and long-term institutional guarantees for shared development. In the sense of these aspects, sharing has the same meaning as prosperity for all. Therefore, prosperity for all must include both sharing and common prosperity.

### *2.3 Practical exploration of pursuing sharing and common prosperity in China's socialist construction*

#### *2.3.1 From the establishment of New China to the reform and opening up (1949–1978).*

At the beginning of the founding of New China, China established the state system and government system of the people's democratic dictatorship and the people's congress system. After a comprehensive socialist transformation, the establishment of a socialist institutional system has laid the foundation for the concept of prosperity for all. CPC regards “realizing communism” as its maximum program and “serving the people wholeheartedly” as its fundamental purpose, which are in line with the pursuit of social values, such as co-construction, sharing and common prosperity. On December 16, 1953, the CPC Central Committee adopted the “Resolution on the Development of Agricultural Production Cooperatives,” stating its aim “to further improve agricultural productivity [...] and enable farmers to gradually get rid of poverty and achieve a common prosperity and a generally prosperous life.” Taking the socialist road and the basic socialist system of prosperity for all helped lay the fundamental premise for the realization of common prosperity, and the leadership of the Party Central Committee – with Mao Zedong as the core – has arduously explored socialist construction. In the distribution field, through the implementation of the socialist public ownership of production materials, equal “performance-based distribution” has been piloted for share economy and common prosperity.

*2.3.2 The age of Deng Xiaoping (1978–1992).* As the “master designer” of China's reform and opening up, Deng Xiaoping is also the principal founder and pathfinder of the common prosperity theory since the reform and opening up. Deng believed that common prosperity is “a thing that reflects the essence of socialism” and that “the essence of socialism is to liberate and develop productive forces, eliminate exploitation and polarization, and ultimately achieve prosperity for all.” Regarding the goal of common prosperity in the primary stage of socialism, Deng indicated that “the principle of socialism is, first, to develop productive forces, and secondly, prosperity for all.” The material basis for achieving common prosperity is to vigorously develop productive forces, that is, “the central task of the entire socialist historical stage is to develop productive forces” (Deng, 1993). Regarding the implementation path of prosperity for all, Deng repeatedly emphasized: “We allow some regions and some people to get rich first only with a view to finally achieving prosperity for all, so we must prevent polarization” (Deng, 1995b). Along this line of thinking, Deng's era has witnessed significant reforms of the economic system: implementing the household contract responsibility system in the rural areas, developing the commodity economy in the urban areas while opening up to the outside world, establishing special economic zones and encouraging areas in the eastern coastal areas to take the lead in modernization, and so on. In the field of distribution, while breaking the distribution pattern of egalitarianism, some people may get-rich-first to achieve equity on the basis of efficiency and promote common prosperity by the first rich leading the later rich to gradually achieve common prosperity.

*2.3.3 Building a socialist market economic system (1992 – 17th CPC National Congress).* After 1992, the CPC leadership group continued to inherit, enrich and develop the idea of

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prosperity for all. The report of the 14th CPC National Congress clearly stated that “the goal of China’s economic system reform is to establish a socialist market economic system,” “attach equal importance to efficiency and equity and use various regulating methods, including the market to encourage advanced productivity factors on the one hand to promote efficiency and rational income gaps and prevent polarization on the other to gradually achieve prosperity for all.” In the field of distribution, the combination of the principles of “distribution according to work” and “distribution according to the Contribution of Production Factors” as well as the principle of unity of efficiency and equity have been applied to pursue sharing in distribution; regional balanced development is promoted to pursue regional sharing. The 16th CPC National Congress formulated the goal of building a well-off society in an all-round way, emphasizing that the masses of the people must share the fruits of reform and development at every stage of socialist modernization. Attaching equal importance to efficiency and equity, the idea of prosperity for all constitutes one of the core elements of the important thinking of the “Three Represents.”

The 17th CPC National Congress emphasized “people-oriented, scientific development with more emphasis on equity” and proposed the strategic thinking of the scientific development concept, which is people oriented. The foundation and foothold of all the efforts of the CPC and the state shall be always set upon the realization, safeguarding and development of the fundamental interests of the overwhelming majority of the people to realize the development for the people, by the people and shared by the people. This people-oriented, multi-faceted and comprehensive development has greatly expanded the connotation of shared economy and common prosperity.

*2.3.4 Xi Jinping’s new era (2012–present).* The 18th CPC National Congress of the Communist Party of China proposed the requirements of the overall goal of “building a well-off society in an all-round way,” clarifying the adherence to the path of common prosperity: “We should adhere to the basic socialist economic system and income distribution system, adjust the pattern of national income distribution so that the fruits of development can be more abundant, equitable and accessible to all the people, advancing steadily toward common prosperity.” The CPC National Congress proposed that “promoting all-round development of people to gradually realize prosperity for all” is the goal of socialism with Chinese characteristics – one that profoundly reflects the “people-oriented” values in the scientific development concept. The CPC Central Committee, with Xi as the core, stands at the historical height of building a well-off society in an all-round way and realizes the great rejuvenation of the Chinese nation. It also firmly adheres to the shared development concept of “everyone participates, everyone contributes, and everyone enjoys.” The committee has continuously deepened the reform of the income distribution system and has focused on building a long-term mechanism for “development shared by all.” Based on the new historical orientation of socialism with Chinese characteristics in the new era, the 19th CPC National Congress proposed that “the principal contradiction in Chinese society has been transformed into the contradiction between unbalanced and inadequate development and the people’s ever-growing needs for a better life.” It clarified that given the richest connotation of socialist ideology with Chinese characteristics in the new era, the most fundamental requirement is a people-centered development ideology focusing on solving the problem of insufficient and imbalanced development, and constantly promoting the all-round development of people and prosperity for all. The Congress divided the goal of building a well-off society in an all-round way into two steps or two stages, thus highlighting the goals and tasks of raising people’s income and uplifting people’s living standards. Based on improving people’s livelihoods, more reform achievements can be made accessible to all.

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### 3. Theoretical value of shared development in the political economy of socialism with Chinese characteristics

#### 3.1 *Shared development reflects the essential requirements and fundamental goals of socialism*

Pursuant to the practice of socialism with Chinese characteristics, Deng Xiaoping introduced a scientific thesis on the nature of socialism: “The essence of socialism is to liberate and develop productive forces, eliminate exploitation and polarization, and ultimately achieve prosperity for all” (Deng, 1995a). Deng’s new generalization of the nature of socialism not only adheres to the scientific socialism of Marxism but also introduces new contents to socialism in the new era. Its basic connotation includes two aspects: to incorporate the liberation and development of productive forces into the essence of socialism; and to highlight the development goals of the socialist society, namely, to eliminate exploitation and polarization and ultimately achieve prosperity for all. In the concept of common prosperity, “prosperity” reflects the degree of abundance of social wealth to members of society, an epitome of the level of development of social productive forces. Meanwhile, sharing reflects the way in which members of society share wealth and embody the nature of social production relations. Therefore, shared development and common prosperity include the attributes of both productivity and production relations. From the qualitative prescriptive, shared development and common prosperity become the essential provisions and goals of socialism.

#### 3.2 *The socialist system provides the fundamental conditions for the realization of shared development*

In reality, there is no abstract distribution of wealth, which, in effect, is always bound with specific economic systems and social relations. The basic attributes of shared development and common prosperity stipulate that they are fully viable only when bound with socialist public ownership. Marx stated that only when a private society, in which the bourgeoisie and the proletariat are opposed, is replaced by a new “commonwealth,” a new social system be realized. This defines the institutional premise of shared development and common prosperity. The unfairness of means of production and the resulting inequality in distribution are the inherent ills of capitalist society. We can eliminate exploitation and inequality and achieve common prosperity only by eliminating the capitalist system with the private possession of means of production. It is impossible to eliminate the inequality and polarization endogenous to capitalist production modes under the premise of the capitalist economic system, regardless of the types of social wealth and income redistribution methods adopted. The socialist system of jointly possessing and managing social common property based on public ownership constitutes the foundation for establishing common prosperity and shared development goals; it also embodies the value pursuit of the socialist system and provides institutional conditions for achieving common prosperity. Contemporary capitalist countries have been using state intervention and social welfare policies to regulate the gap between the rich and the poor and to reduce social conflicts. However, the inherent polarization between the rich and the poor and the structural imbalance of social interests in the capitalist market economy are determined by the fundamental production relations, which restrict the intensity and scope of the adjustment of the property and income distribution structure. Contemporary capitalist countries have paid a huge price for economic growth (inequality and social disruption). In the process of developing a socialist market economy, China must avoid the most harmful and destructive features of the capitalist system.

#### 3.3 *Development of productive forces is necessary for realizing sharing economy and common prosperity*

Marx profoundly revealed and highlighted the importance of human material productivity and its development to human society and human development. Historical materialism

understands human production activities as the most fundamental practical activities of human beings. This school of thought also argues that the major content of human production activities is to continuously develop the material productivity of society. Furthermore, it indicates that the purposes and motivations of the general principal activity of human beings engaged in material production activities and all other social activities are to obtain relevant material benefits. Productivity development provides the most important foundation and conditions for progress of human society. Marx and Engels believed that the public ownership of production materials shall be established on the basis of the full development of social productive forces and the enormous enrichment of material wealth in the future. Individuals shall not passively and compulsively obey the old social division of labor, so the opposition between mental and physical labor can disappear. Thus, labor is not only the means of making a living, but also the first need of life for the realization of the comprehensive development of human beings. Through this, the individuals bound by the principle of market equivalence exchange and the power of bourgeoisie can be liberated; the individual characteristics of diversity, equality and freedom emerge; and the “free and comprehensive” development of the individual can be truly realized, thus realizing the shared development and common prosperity of the whole society.

### *3.4 Contemporary value of shared development concepts*

The concept of shared development is crucial for the innovation and development of Marxist political economy in contemporary China, which is the political economy of socialism with Chinese characteristics. First, shared development determines its basic position of people-centeredness as the value orientation of the political economy with Chinese characteristics. Second, the Marxist historical materialism method embodied in the concept of shared development is essential for the construction of political economy with Chinese characteristics. Third, the concept of shared development constitutes the logic thread of socialist political economy with Chinese characteristics and the core for the formation and development of the entire system. In summary, the socialist basic economic system and distribution system constitute the institutional guarantees of shared development; nature of the production relationship determines its level and scope; development of productive forces constitutes its material basis; resolution of major social contradictions constitutes its starting point; micro-agent status of individuals and firms, the decisive role of market factors and the leading role of government regulation are its basic conditions; and its fundamental purpose is to promote the all-round development of people and prosperity for all. Therefore, sharing is the essence of human development, and an important value goal for building a community of human destiny.

## **4. Development path guided by the concept of shared development of socialism with Chinese characteristics**

### *4.1 Development as an all-round development of people*

Starting from the liberation and all-round development of human beings, Marx and Engels revealed the developmental state of human beings in the three major social forms from the perspective of historical evolution. As mentioned, the course of human’s all-round development is a natural historical process as the historical development of human society. As per the degree of human individual development, Marx divided human society into three social forms that are progressively advanced. The initial social form refers to human dependence. “In this form, human productivity developed only in narrow ranges and isolated places” (Marx, 1979). This form includes the primitive society, slave society and feudal society, where the productivity is underdeveloped. Personal dependency marks the characteristic of inter-personal relationship in these societies, which has completely stifled



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individual initiative and production enthusiasm, seriously hampering the development of productivity. The independence of human beings based on the dependence on things marks the second form of society, which is equivalent to the capitalist society and the capitalist market economy as proposed by Marx. In this social form, the dependence on things is primarily manifested in the dependence on capital. The pursuit of surplus value by capital promoted the great development of social productive forces, whereby enormous productivity in the capitalist market economy has been fully affirmed by Marx and Engels in the Communist Manifesto. They wrote as follows: "The productivity created by the bourgeoisie in its less than one hundred years of class rule is greater than the total productivity created by all generations in the past" (Marx and Engels, 1972). The development of capitalist social productive forces creates material conditions for a higher-level production form, but capital productivity itself is manifested in the form of alienation. Its production relationship is characterized by the possession without paying others' fruits of labor based on the illusion of equal exchanges and the opposition between capital and labor (Marx, 1979). The third stage marks the "free personality based on the overall development of individuals and their common social productive capacity as their social wealth," which is equivalent to Marx's socialist and communist society. At this stage, human beings enter the "realm of freedom" from the "realm of necessity" and eliminate private ownership and exploitation based on the Community of Freeman. In this social form, on the basis of highly developed productivity, the sublation (develop what is useful or healthy and discard what is not) of alienated labor has been achieved and individuals have been liberated from the enslavement of power and capital to realize full and free development.

Marx stressed that "the second stage prepares conditions for the third stage." The conditions Marx mentioned here include both the material conditions provided by the development of productive forces and the conditions of social relations between people, such as social equity and justice, on-demand distribution, personal freedom of choice and full participation in social public affairs. Here shared development and common prosperity not only are social values and ideas but also realistic social practices. Judging from the relationship among the production of materials, ownership and human development, from the perspective of historical materialism, Marx believed that property rights and ownership are a production relationship related to the development of material productivity as well as contain the basic conditions for human development. Moreover, property rights and ownership break through the outdated social division of labor and the shackles of the machine industry, eliminate and deprive anyone of the power to use the possession of property to enslave the labor of others, rekindle the principle of "personal ownership of laborers" and the Community of Freeman, and finally realize everyone's freedom and all-round development. Thus, Marx pursued the all-round development of human beings, for which the production and development of material goods are merely the material basis.

What is the purpose of productivity development and economic growth? How can socioeconomic development be sustainable? Every country must answer these questions. Galbraith believed that economic development should focus on public goals and attach importance to human development. Amartya Sen also criticized the idea of equating development with GDP, the increase in personal income, industrialization and technology progress or social modernization. He considered these factors as narrow-minded development concepts and, at most, the instrumental category serving human development. Economic development is a social production activity taking people as both means and ends. The Marxist political economy is based on the production of material goods. Marx believed that the need for survival and development is the root cause of human social production activities, in which people are the entities of activities. Therefore, social production activities should be people oriented and geared toward protecting people's

survival and development. Since the mid-nineteenth century, industrial revolution and industrialization have brought about great productivity and abundant material goods. The materialized development concept has driven countries to take an approach, with over-reliance upon technology while ignoring the human factors and the relationship between man and nature. The long-term development of this mode has elicited widening social gaps, social disruption, overwhelmed ecological environment and tense relationship between man and nature. By the twenty-first century, countries have reflected on this traditional industrialization development mode and formed a new consensus on the development concept with a value goal of economic development for human development. The countries form a set of common value goals and action plans for freedom, equality, mutual aid, tolerance, respect for nature and shared responsibility (Li, 2016). Based on the economic growth and development practice after the reform and opening up, China has formed a people-centered development ideology based on practical experiences. As indicated by Xi (2015), “It is the fundamental position of Marxist political economy to adhere to the people-centered development ideology. Regarding economic development, we must persist in taking the promotion of the well-being and the development of the people and steady advancement toward common prosperity as the starting point and foothold, which must be firmly adhered to while deploying economic work, formulating economic policies, and promoting economic development.” The key to people-centered development is to achieve shared development and give expression to the claims for gradual realization of common prosperity.

#### *4.2 Promoting social equity and justice through shared development*

Both the theory of growth and the historical experience of the development of countries reveal that the key to long-term economic growth is to achieve economic transformation, the process of which will inevitably involve the distribution of economic outcomes. Different income distributions will inevitably lead to different distribution patterns, thus affecting the economic welfare of a country. As per the experience of various developing countries, economic transformation and long-term economic growth are not self-solvent with respect to income inequality. The social institutional structure impacts a country's economic growth. If the fruits of economic growth cannot be shared by all members of society but are monopolized by a few people or social interest groups, economic growth will be rid of its universal incentive value. Moreover, observing the ways to achieve economic modernization and successful transformation for developing countries, Western mainstream economics has developed numerous prescriptions based on the experience of Western countries, whereas China has adhered to the socialist road with Chinese characteristics based on its own national conditions. Thus far, China's development path and successful experience have drawn increasing attention. However, as is the case in developed countries, China is also afflicted by inequality, which will, in the next few decades, become increasingly prominent, given that China's economic growth will inevitably slow down Li Shi and Yue Ximing (2016).

At present, the contradictions in the field of income distribution, such as unfair distribution and excessive income gap, were prominent in China. The reasons are complex and diverse: this may be due to deepening reforms or the development process. We can restrain the trend of widening gap to a certain extent and maintain a relatively high-speed economic growth to achieve shared economic development by continuously improving the socialist market economic system and deepening reforms while efficiently handling the government-market relationship in the market economy. China's road choice should thus adhere to the concept of shared development, ensuring “development for the people, by the people, and shared by all” to ensure equity and justice in the field of income distribution and steadily gain common prosperity. Socialism with Chinese characteristics is a process of

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constantly pursuing equity and justice and achieving common prosperity. In practice, it requires an institutional mechanism that is compatible with it. According to Marx's historical materialism, there is no universal justice in human society as justice is the product of history. Generally, a fair and just system is designed to create an institutional environment to satisfy the majority of the members of society and motivate their creative work, ultimately promoting economic efficiency. The statutory performance of any system as a production relationship is determined by productivity. In terms of income distribution and property rights construction, we must choose a system with internal consistency to the current development of productivity and economic efficiency.

#### *4.3 Inclusive growth and pro-poor growth*

How can the fruits of economic growth be shared by the people, especially the poor? Since the twentieth century, development economics has summarized the models of "inclusive growth" and "pro-poor growth" based on the growth experiences of some developing countries. The concept of inclusive growth was first proposed by the Asian Development Bank in 2007. Its fundamental meaning is to share economic growth fairly and reasonably, wherein the most important performance is to narrow the income distribution gap, which involves equality and equity. The ultimate goal is to maximize the benefits of economic development for the general public. Related to this is the pro-poor growth advocacy, which focuses on the relationships among economic growth, inequality and poverty. The growth practice in developing countries shows that economic growth alone does not automatically benefit the poor, worse than that, the living standards of the poor may decline with economic growth without the advent of the "trickling-down effect." In this context, people re-examine the relationships among economic growth, poverty and inequality and reach a consensus: the integration of high-speed economic growth with income distribution that is favorable for the poor can lead to the maximized decline of absolute poverty and the so-called pro-poor growth (Zhang, 2013). The pro-poor growth model emphasizes equalizing opportunities for growth, focusing on the poor, achieving full employment and making the growth rate of labor income higher than that of capital returns. It also emphasizes that to achieve a higher and sustainable economic growth rate, a country must – instead of just relying on social security and relief to help the poor – raise the opportunities for poor people to participate in the economic growth process to empower them and enable them to become a driver of economic growth. As a country undergoing a socioeconomic transition period, China must develop labor-intensive industries that can create jobs as much as possible and reduce unemployment. Therefore, the implementation of a rural revitalization strategy to enrich the peasants constitutes a major approach for poverty reduction and the realization of pro-poor growth.

As a recapitulation and generalization of China's path-finding and practical experience, shared development embraces the connotations of inclusive growth and pro-poor growth while also highlighting the distinctive features of China's growth and development path. China's modernization is well underway, and the country is treading a unique path with its own characteristics, with shared development being one of its core values.

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