

The Impact of Digital Economy on Living Standards in the Context of Common Prosperity

Ziyu Liang, Xiaohui Wang, Cheng Chung Wu, LijiaHu, PeipeiLin

Jiaxing Nanhu University, Zhejiang, China

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ABSTRACT: The development of digital economy has narrowed the regional income gap, spawned new business forms and new models, and increased employment opportunities. It not only conforms to the current national strategic development plan and the socialist ideology with Chinese characteristics in the new era, but also helps to achieve the people's aspirations for a better life. However, there are inevitably imperfections in the new things themselves, and the development of the digital economy is the same: the infrastructure construction is not yet balanced, the policy environment needs to be further improved, the basic innovation capacity in key areas is weak, and the integration and development of the real economy is weak. This paper uses regression analysis to sort out and summarize the data. According to the results of questionnaire survey and interview survey, it is found that there are still some problems in Zhejiang Province, such as insufficient development norms of digital economy, insufficient level of digitalization of enterprises, and waiting for improvement of residents' living standards.

Key words: common prosperity, digital economy, living standard, regression analysis

I. INTRODUCTION TO THE CURRENT SITUATION

Common prosperity is the greatest advantage of socialism (Deng, 1993)^[1], the essential requirement of socialism is common prosperity, which is also an important feature of Chinese path to modernization (Xi, 2021)^[2], promoting economic and social development ultimately boils down to achieving common prosperity for all people (Xi, 2020)^[3]. In terms of time, China's efforts to enter the era of common prosperity coincide with the period of rapid development of the digital economy, and the promotion of common prosperity needs to be embedded in and supported by the development of the

digital economy. In terms of goals, the development of the digital economy is highly compatible with the goal of common prosperity. To achieve common prosperity, we need to solve the problem of general growth and unbalanced and inadequate development. The high-tech and sharing characteristics of the digital economy not only provide the driving force for economic growth, but also provide a sharing mechanism for balanced development, and promote common prosperity through high-quality development.

II. LITERATURE REVIEW

One of the important "eight clarifications" contained in the socialist ideology with Chinese characteristics in the new era focuses on human development, and common prosperity, as the core of the operation of the socialist economy with Chinese characteristics, reflects the main requirements of the basic economic laws of socialism with Chinese characteristics^[4]. The practical requirements of "putting the people at the center" and "common prosperity" contained in the economic ideology of socialism with Chinese characteristics in the new era are the new era economic rationality that sublates Western economic rationality (Du, 2020)^[5]. The "stronger" political economy should emphasize the common prosperity of all the people (Zhang, 2018)^[6]. The theoretical system formed by major theoretical innovations at the level of economic development in the new era will help developing countries achieve common prosperity under socialist conditions and form an important driving force for China's economic development in the new era.

Since the beginning of the 21st century, rapid advances in information technology represented by big data, cloud computing and the Internet have brought about subversive changes in the mode of social production. Under the background of common

prosperity, a new era of digital economy has arrived. Li and Zhang (2021)^[7] point out that the digital economy includes many fields such as digital technology services, Internet application services and digital equipment manufacturing, including high-tech manufacturing and high-tech service industries; Yang and Ren(2021)^[8] point out that the digital economy, based on information and communication technology, will play a positive role in driving the transformation and upgrading of traditional industrial structure, promoting high-quality economic development and promoting social innovation, but it will also have a certain negative role in the market, work and society. Wen et al. (2020)^[9] pointed out that digital economy,

as the logical starting point of a new round of global industrial revolution, is a breakthrough to promote high-quality development of China's economy.

III. RESULTS OF EMPIRICAL ANALYSIS

(1) The comprehensive scores of income gap, industrial gap, living gap and urban-rural gap were taken as independent variables $\beta_1, \beta_2, \beta_3$ and β_4 as dependent variables of common prosperity. The significance of the regression equation was tested and the influence of each factor on common prosperity was obtained. Establish a linear regression model $y=\alpha_0+\alpha_1\beta_1+\alpha_2\beta_2+\alpha_3\beta_3+\alpha_4\beta_4+\varepsilon$ to predict.

Table 1 Common affluence regression analysis table

Patterns	Unstandardized coefficient		t	Coefficient of standardization	significance
	An estimate of beta	Standard Error		Beta Assignment	
(Constant)	0.458	0.048	9.473	-	0.000
Income gap	0.111	0.039	2.846***	0.147	0.005
Industrial gap	0.047	0.044	1.057	0.062	0.291
Life gap	0.034	0.065	0.530	0.042	0.596
Rural-urban gap	0.513	0.066	7.711***	0.597	0.000
F value	209.841				
Adjusted R square	0.659				

As can be seen from Table 1, income gap and urban-rural gap have a positive impact on living

standards.

Table 1 The living gap between urban and rural residents is caused by the income gap, and the income level determines the consumption level. Since the reform and opening up, the income gap between urban and rural residents has been narrowing. The per capita disposable income of urban residents has increased and the average annual growth rate is higher than that of farmers. The lagging growth of farmers' income is the main reason for the widening gap between urban and rural residents. Relative to the widening of the income gap, the narrowing of the consumption level of urban and rural residents is due

to the increasing abundance of social products and the change of farmers' consumption concept.

(2) Taking the comprehensive scores of the four factors of policy system, talent training, industrial structure and urban-rural integration as independent variables $\beta_1, \beta_2, \beta_3$ and β_4 as dependent variables of the digital economy, multiple linear regression analysis was carried out to test the significance of the regression equation and obtain the impact of each factor on the digital economy. The linear regression model $y=\alpha_0+\alpha_1\beta_1+\alpha_2\beta_2+\alpha_3\beta_3+\alpha_4\beta_4+\varepsilon$ was established to predict.

Table 2 Regression analysis table of digital economy

Models	Unstandardized coefficient		t	Coefficient of standardization	Significance
	An estimate of beta	Standard Error		Beta allocation	
(Constant)	0.157	0.033	4.798	-	0.000
Policy system	0.074	0.038	1.943	0.082	0.053
Talent Development	0.049	0.047	1.040	0.051	0.299
Industrial structure	0.430	0.053	8.140***	0.442	0.000
Rural-urban integration	0.360	0.043	8.340***	0.385	0.000
F value	682.203				
Adjusted R square	0.863				

(3) As can be seen from Table 2, policy system, industrial structure and urban-rural integration have a positive impact on living standards. Taking the comprehensive scores of the four factors of policy system, talent training, industrial structure and urban-rural integration as independent variables β_1 , β_2 , β_3 and β_4 as dependent variables of the digital

economy, multiple linear regression analysis was carried out to test the significance of the regression equation and obtain the impact of each factor on the digital economy. The linear regression model $y = \alpha_0 + \alpha_1\beta_1 + \alpha_2\beta_2 + \alpha_3\beta_3 + \alpha_4\beta_4 + \varepsilon$ was established to predict.

accelerating the integration of digital technologies with various industries.

IV. CONCLUSION

According to the survey results, the current policies related to the digital economy are not yet perfect, and the development of the digital economy is uneven. The development of the digital economy is closely linked to common prosperity. Although the national level has issued a series of policies on the development of the digital economy, providing a basis for economic entities to carry out digital economic activities in accordance with the law. However, the establishment and improvement of relevant laws and regulations in the areas of information security, orderly competition between enterprises and industries, and the integrated development of the digital economy and the real economy are still relatively backward. According to the survey data analysis, the improvement of relevant laws and regulations is more conducive to the development of digital economy. In order to better implement the policy of common prosperity and improve people's living standards, it is necessary to regulate the development of the digital economy. There is a shortage of digital talents in enterprises, a serious shortage of digital economy talents, and a weak capacity for basic innovation in key areas. The

Table 2 Regression analysis table of digital economy

Under the influence of digital economy, the better the policy system, the better the industrial structure, and the more urban and rural integration, the higher the living standard will be.

During the 13th Five-Year Plan period, China has been deeply implementing the digital economy development strategy, constantly improving digital infrastructure, accelerating the cultivation of new business forms and models, and promoting digital industrialization. By 2020, the added value of core industries in the digital economy will account for 7.8 percent of GDP, and the digital economy has provided a strong driving force for sustained and healthy social development. The leadership in information infrastructure has enabled the country to have the largest optical fiber in the world. As industrial digital transformation and agricultural digitalization advance in an all-round way, new business forms and models are competing to develop,

majority of employees in Chinese enterprises generally lack high-tech digital thinking. Most enterprises do not invest enough in scientific research and development and technological innovation, and it is difficult to attract high-end digital talents. With the rapid development of China's digital economy, many technological enterprises and research institutions have insufficient talent reserves in areas such as core technology research and development and big data mining applications, and their independent innovation research and development capabilities are weak. Especially in the research and development of core technologies and key products in some key industries, the problem of talent shortage is more prominent, which restricts the better development and utilization of digital resources to a certain extent.

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