

Exploring the Path to Achieving Common Prosperity Enabled by the Digital Economy

Mengyang Kang*, Jinru Liu

School of Economics, Anhui University of Finance and Economics, Bengbu, China

*Corresponding Author: mykang2003@126.com

ABSTRACT

Common prosperity is the essential requirement of socialism and a characteristic of the Chinese path to modernization. As an important force driving high-quality economic growth, the digital economy is inevitably a crucial support for achieving common prosperity. This study employs bibliometric techniques to explore research hotspots in existing literature, followed by content analysis using structured review to identify research trends and propositions. The analysis reveals that most literature can be summarized as promoting macroeconomic development, enhancing productive capacity, and realizing the sharing of development outcomes. Based on these findings, this paper proposes a path for the digital economy to empower the transformation of the economic base and superstructure to achieve common prosperity. Finally, it combines the issues identified during the research to propose strategies for overcoming these challenges.

KEYWORDS

Digital economy; Common prosperity; Digital divide; Income gap

1. INTRODUCTION

With the advent of the digital era and the rapid development of the digital economy, it has become an important growth pole for China's economic growth [1] (Xu Xianchun, 2020). In recent years, there have been numerous studies on the role of the digital economy in promoting common prosperity, yet research on the implementation pathways remains scarce.

Firstly, the digital economy promotes general growth in the macro economy, and it can also facilitate the decentralization of regional industries and coordinated urban-rural development, narrowing the urban-rural gap and promoting balanced development [2] (Xia Jiechang, Liu Cheng, 2021). Characterized by innovation, collaboration, and inclusiveness, the digital economy promotes the sharing of digital economy dividends across society, driving common prosperity through mechanisms such as innovation-driven development, industrial structure upgrading, ecological collaboration, and value co-creation [3] (Ouyang Rihui, 2022). In the new era of rapid digitalization, achieving common prosperity requires leveraging the key role of the digital economy in promoting macroeconomic growth and realizing shared development [4] (Zhu Taihui et al., 2022). When the level of digital economy development is high, improving regional production efficiency, promoting industrial structure upgrading, and encouraging entrepreneurship are important transmission mechanisms through which the digital economy empowers common prosperity [5] (Xu Huilin et al., 2023). The digital economy, characterized by high innovation, strong penetration, and wide coverage, can effectively promote common prosperity by facilitating regional coordination, urban-rural integration, and sharing of achievements [6] (Zheng Yue, 2023).

So far, scholars have conducted numerous studies in this field, yet a comprehensive implementation path has not yet been found. This paper attempts to summarize existing experimental analyses into an implementation path where the digital economy promotes the transformation and empowerment of the economic base and superstructure to achieve common prosperity, providing a more comprehensive analysis of the ways in which the digital economy empowers common prosperity.

In addition, the digital economy's empowerment of common prosperity also faces some challenges. There is a U-shaped relationship between the development of the digital economy and the income gap between urban and rural residents. That is, in the early stages of digital economy development, it can reduce the urban-rural income gap. However, when the digital economy develops to a certain scale, further development will widen the urban-rural income gap, resulting in a digital divide [7] (Chen Wen, Wu Ying, 2021). While the digital economy empowers and enhances the achievement of common prosperity, it also faces practical challenges such as imbalances and inadequacies in digital economy development, class solidification and the trend of digital divide, and incomplete relevant safeguards in the digital economy field [8] (Xie Jiashu, Zhang Wenhua, 2022). The promotion of common prosperity by the digital economy faces issues such as weak transformation of production modes, structural unemployment, disorderly income distribution patterns, and data security issues that trigger social trust crises [9] (Zhang Xuanyu, Yang Liuxin, 2023). Under the dominance of expansionary market logic, the digital economy may widen the income distribution gap, posing a negative impact on common prosperity [10] (Zhang Yayan, 2023).

2. ANALYSIS OF THE PATH FOR ACHIEVING COMMON PROSPERITY THROUGH DIGITAL ECONOMY EMPOWERMENT

From a philosophical perspective, historical materialism posits that the level of productive forces determines the relations of production, and the economic base similarly determines the superstructure. The path to achieving common prosperity empowered by the digital economy can be simply understood as two aspects: making the pie bigger and dividing it well. Incorporating the viewpoint of historical materialism, it involves handling the relationship between the development of productive forces, the transformation of relations of production, and the superstructure.

Regarding how to make the cake bigger in terms of productivity level and production relations, firstly, we must promote high-quality economic development to provide impetus for common prosperity. In April 2020, the "Opinions of the CPC Central Committee and the State Council on Building a More Perfect System and Mechanism for Market-oriented Allocation of Factors" was released, which included data alongside labor, capital, land, and other factors of production. Data has become an important factor of production for improving production technology and processes, optimizing business models and workflows, and increasing the value of products and services. It is also an important way to drive economic growth. Digital industrialization and industrial digitization develop synergistically. Firstly, we must promote changes in production methods and improve total factor productivity. On the one hand, the digital economy combines modern digital technology with traditional factors of production, enabling traditional factors to be digitally shared, networked developed, and intensively integrated. On the other hand, data resources are non-rivalrous and non-excludable. Any enterprise can share the convenience brought by digital technology and digital platforms, thereby significantly improving total factor productivity. Secondly, we must enrich the industrial structure system and cultivate new economic growth points. In the era of the digital economy, the rapid development of the digital industry has also given rise to a large number of new business forms and models, further enriching China's industrial structure system and adding new engines to drive economic development.

We should promote balanced growth and provide a coordination mechanism for common prosperity. The digital economy has a beneficial effect, as it can break the previous spatial and temporal constraints of resources, promote the rational allocation of resources, and foster the development of

regional economies and rural revitalization. We should promote the decentralized layout of industries to facilitate balanced regional development. The digital economy makes the industrial layout more decentralized. Digital resources reduce the spatial and temporal constraints of traditional resources, diminish the role of distance in industrial division and trade, and increase the trend of industrial decentralization. With the continuous improvement of digital infrastructure, the coordination and stability of economic activities between regions have rapidly increased, leading to coordinated regional development.

In terms of economic foundation and superstructure, how to divide the cake well involves promoting equal access to public services and providing fundamental guarantees for common prosperity. Currently, the inclusive benefits of the digital economy are gradually extending to the superstructure. Firstly, it is necessary to enhance the efficiency of government public service provision. Digital governance has become an important tool for modernizing national governance and a crucial means of improving government service capabilities. As digital technology increasingly penetrates into the public service sector, real-time information sharing between the government and the public is achieved through digital platforms for public services, comprehensively enhancing the ability to provide public services. Taking "one-stop online services" and Zhejiang Province's "one-time processing" government services as examples, this platform organically integrates the service functions of government affairs handling, continuously simplifies and optimizes government procedures, and significantly reduces the labor, material, and time costs required for the public to handle government affairs.

Secondly, we should facilitate the balanced supply of public services. A sound digital infrastructure serves as a solid foundation for common prosperity. The information superhighway can promote information connectivity around the world, bridge the "digital divide" between urban and rural areas, and drive economic development in underdeveloped regions and rural areas. Based on digital platforms and government service platforms, the government can connect public services more quickly and accurately to the individual needs of the public, thereby rationally allocating public service resources.

3. REALISTIC CONSTRAINTS OF THE DIGITAL ECONOMY EMPOWERING COMMON PROSPERITY

The digital economy can theoretically empower common prosperity, but there are some constraints in reality that may limit its contribution to overall social prosperity.

3.1. Digital Divide

The development of the digital economy is uneven, and some regions, groups, or countries may not be able to fully enjoy the dividends brought by the digital economy due to reasons such as inadequate technological infrastructure and low digital literacy. This digital divide may lead to an expansion of the wealth gap, potentially inhibiting the achievement of common prosperity and affecting the overall development of society and economic fairness.

On the one hand, after entering the Internet era, the popularization of digital networks has greatly changed people's lives. However, due to geographical and age constraints, some remote areas and elderly groups may experience a slow acceptance of digital products due to a lack of appropriate digital education and training resources. This may result in them losing opportunities to participate in the digital economy, making it difficult for them to integrate into the digital society. Consequently, this affects their employment opportunities and income levels in the digital economy era, leading to a further widening of the income gap.

On the other hand, with the popularization and penetration of digitalization, more and more places require the use of the Internet to access key services. Some communities may face digital exclusion due to economic conditions, geographical location, or cultural reasons. The lack of infrastructure, insufficient network coverage, or inaccessibility to digital devices prevent them from enjoying the convenience brought by digital technology. Digital exclusion requires society to adopt a series of complex policy measures, which far exceeds the level of simply increasing hardware provision and support to assume that any "gap" can be "bridged".

In addition, the current new round of technological revolution and industrial transformation is developing in depth. Digital technology and the digital economy are profoundly changing the traditional economic development model and have become an important growth engine for global economic development. Among them, technological barriers are a major obstacle limiting the development of the digital economy. In the same region, there are fewer high-end digital talents, most of whom are single information acquirers with weak abilities in analyzing, processing, and refining data information, resulting in a significant gap in the use of digital technology [2]. Due to technological barriers in some digital economy fields, a few large technology companies or countries occupy a monopoly position in the market, limiting competition and hindering the development of other enterprises or countries, thus affecting the fairness and competitiveness of the overall economy.

3.2. Data Privacy and Security Risks

The digital economy relies on a vast amount of personal and institutional data. Inadequate data privacy protection and cybersecurity may lead to issues such as information leakage and identity theft, infringing on the rights of individuals and society, exacerbating information asymmetry, and affecting their trust and participation in the digital economy. Consequently, this could hinder the positive contribution of the digital economy to common prosperity.

First, personal information leakage. In the era of big data, the acquisition and use of personal data are rapidly changing the interaction patterns between internet users and enterprises. At the current stage, incidents such as privacy leakage, data abuse, and online fraud occur from time to time, accompanied by various social problems, leading to increased privacy concerns among users [12]. On the one hand, there is the security issue of excessive leakage of personal information. Currently, various commercial software forcibly extracts personal data, not only basic information but also accessing private information, exhibiting a phenomenon of excessive collection of personal information. On the other hand, there is the security issue of illegal use of personal information [13]. In recent years, the illegal use of personal information has become an industry. Driven by interests, illegal collection, theft, sale, and use of user information have become increasingly rampant. The total scale of the underground industry chain for reselling user information has exceeded hundreds of billions, posing a severe situation and also hindering the goal of common prosperity. Second, disorderly flow of data. Against the backdrop of accelerating digital industrialization, a series of risks associated with data flow pose serious threats to national security and economic stability. Due to regulatory loopholes, sensitive data transmission and processing can lead to data leakage and cyberattacks, causing social dissatisfaction and political instability, which in turn negatively affects the overall stability of society. This not only affects economic development but also threatens the realization of common prosperity. Third, loss of control over network information. In the cybersecurity space, various security risks have a wide impact and spread rapidly. Large-scale data leakage and cyberattacks can lead to economic losses, business closures, job losses, and ultimately affect the overall economic situation of society. This can have a negative impact on common prosperity, especially on industries and job opportunities that rely on the digital economy.

3.3. Employment Transformation

The development of the digital economy is often accompanied by automation and the introduction of new technologies, which may lead to a reduction in employment in certain traditional industries. More employment transformation and training are needed to adapt to the employment demands of the digital economy era. If society cannot effectively adapt to these changes, employment uncertainty may increase, affecting the realization of common prosperity. The constraints of employment transformation brought by the digital economy on common prosperity are mainly reflected in the following aspects:

The first is the risk of unemployment. Some traditional industries are facing the risk of unemployment due to the widespread adoption of automation and digitization, especially for repetitive and procedural tasks. For instance, automated production lines in the manufacturing industry have reduced the demand for labor. This has led to unemployment among some workers, especially those who lack digital skills.

Secondly, regarding employment relationships, the digital economy may have facilitated new types of employment relationships, such as remote work, freelancing, and the gig economy. This flexible work model provides more opportunities for some individuals, but it also exposes some workers to unstable income and social security issues. The uncertainty surrounding labor employment relationships leads to a lack of social recognition for those in new forms of employment, making it difficult for their social status and legal protection to be promptly established [14].

Thirdly, there is a skills gap. In the era of digital economy, the digital skills gap is continuously widening, and the supply of digital talents falls short of demand. Capital and talent are gravitating towards specific industries and enterprises, leading to a skills gap and uneven development among various sectors. At the same time, there are also issues where some individuals cannot acquire or adapt to these skills, potentially resulting in an internal skills gap within society. These individuals are marginalized and unable to benefit from the digital economy.

The practical constraints brought about by the digital economy require the joint efforts of the government, enterprises, and all sectors of society. Through policy measures, education, and technological innovation, we can address the challenges faced by the digital economy in empowering common prosperity.

4. STRATEGIES FOR BREAKING THROUGH THE LIMITATIONS OF COMMON PROSPERITY EMPOWERED BY THE DIGITAL ECONOMY

Given the current practical challenges we face in promoting common prosperity and the significant role played by the digital economy in advancing this process, we should adopt practical measures to address specific issues and explore the path of promoting common prosperity through the digital economy in the new era.

4.1. Bridge the Digital Divide and Help Everyone Share the Benefits of Development

Despite the significant role the digital economy has played in China's economic growth in recent years, it still faces a digital divide that cannot be ignored. There are situations where people in some regions are unable to access the digital economy or enjoy the benefits of digital development in an unbalanced and inadequate manner. Therefore, it is necessary to continuously expand the scope of the digital economy's benefits by improving digital infrastructure and enhancing digital skills for all, striving to bridge the digital divide and build a new landscape where everyone shares in the dividends of digital development. [15] Determine one's own position within the whole, and utilize the complementary and mutually reinforcing effects to promote regional development in a coordinated manner; guide "data-rich regions" to provide preferential funding to "data-poor regions" to better

balance the allocation of data elements and regional development. Coordinate the construction of smart cities and digital villages, facilitate the two-way flow of urban and rural technology, capital, and other factors, and promote the process of urban-rural integration. [16] For groups and enterprises with lower levels of digitalization, such as farmers, the elderly, and small and medium-sized enterprises, targeted financial support can be considered to expand the application scenarios of the digital economy and improve its inclusivity and sharing.

Increase investment and construction efforts in digital economy infrastructure. New infrastructure is an important way to promote socio-economic development and digital transformation. Multiple measures should be taken to actively expand effective investment in new infrastructure, allocate funds reasonably, and promote the rapid development of digital economy infrastructure.

Improving digital skills among the entire population, strengthening digital skills education and training for all, and enhancing citizens' digital literacy are in line with the requirements of the times. They are important measures to bridge the digital divide and achieve common prosperity. We should strengthen the cultivation of digital skills talents and encourage the public to learn digital skills by increasing digital skills competitions and other means.

Continue to promote the development of the digital economy, improve laws, regulations, and policy systems, strengthen key core technology research, break through various barriers and constraints, and promote the deep integration of the digital economy and the real economy. Promote the industrialization of digitalization and the digitalization of industries. Improve the governance system of the digital economy and promote the modernization of China's digital economy governance system and governance capacity.

4.2. Cultivate the Correct Value Recognition of Becoming Wealthy Through Diligence

Promote the value of labor as glorious and internalize the value recognition of becoming rich through diligence. Great achievements are directly proportional to labor. To establish a correct labor value, it is necessary not only to improve the social security system and income distribution system, but also to ensure the basic rights and interests of social members through sound systems. Furthermore, it is important to continuously cultivate the correct values of digital society members, establish a sense of subjectivity, participation, and responsibility, and enhance the spiritual influence of becoming rich through diligence.

4.3. Optimize the Industry Development Environment and Enhance the Industrial Ecological Capacity

The integration of the digital economy and common prosperity requires further efforts to create and optimize a development environment of fair competition, a sound market order, and a robust public service ecosystem. Relying on the Anti-Monopoly Law of the People's Republic of China, we should strengthen anti-monopoly law enforcement in the digital field and resolutely curb all malicious behaviors of platform enterprises that are detrimental to shared development, such as algorithmic discrimination, algorithmic manipulation, and privacy infringement. We should conduct more precise analysis of public service needs to achieve rationalized and high-quality sharing of supply and demand [17].

4.4. Protect Data Privacy

Laws and regulations: Establish and strengthen privacy regulations to standardize the collection, processing, and sharing of personal data, and clarify the responsibilities and obligations of enterprises. This includes protecting the rights of data subjects, enhancing data processing transparency, and improving users' right to know. Develop and enforce robust data security standards to ensure that

organizations and enterprises adopt best security practices to prevent data breaches, hacker attacks, and other potential risks.

Public Awareness: Implement extensive privacy protection education programs that cover various levels, including schools, businesses, and communities. Cultivate people's awareness of privacy risks in the digital environment, including understanding the value of personal data and potential abuses. Leverage social media platforms to conduct privacy protection education activities and disseminate information about privacy awareness. Social media is an important channel for information dissemination and can be used to promote privacy protection knowledge.

Technological innovation: Implement extensive privacy protection education programs that cover various levels, including schools, businesses, and communities. Cultivate people's awareness of privacy risks in the digital environment, including understanding the value of personal data and potential abuses. Leverage social media platforms to conduct privacy protection education activities and disseminate information about privacy awareness. Social media is an important channel for information dissemination and can be used to promote privacy protection knowledge.

5. CONCLUSION

Based on the analytical framework of historical materialism, this article systematically expounds the realization path of digital economy empowering common prosperity from two dimensions: "making the cake bigger" and "dividing the cake well". The research shows that the digital economy lays a solid economic foundation for common prosperity by promoting productivity improvement, industrial structure optimization, and coordinated regional development. At the same time, with the help of digital governance and equalization of public services, the digital economy also promotes social equity and shared development at the superstructural level.

However, practical constraints such as the digital divide, data security risks, and structural transformation of employment cannot be ignored. If not effectively addressed, the digital economy may not only fail to benefit everyone, but may also exacerbate social differentiation. Therefore, it is necessary to adhere to the dual-drive of "technology for the betterment" and "system empowerment", and systematically build an inclusive, secure, and sustainable digital economy development ecosystem through measures such as bridging the access and skill gaps, strengthening data privacy protection, and improving labor security and retraining mechanisms.

In the future, we should further promote the deep integration of the digital economy and the real economy, strengthen policy coordination and legal protection, and guide the reasonable flow of digital dividends to all sectors of society. Only by promoting sharing in high-quality development and emphasizing fairness in technological innovation can we solidly advance the realization of the goal of common prosperity in the digital era.

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