

Deepen the reform of the income distribution system to promote common prosperity

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Abstract: *The paper bases on the new stage of development, discussing the specific way of reforming the income distribution system to realize common prosperity. Income distribution is a core element for promoting common prosperity. Deepening the reformation of income distribution system is useful to promote common prosperity. From the respective of the value-system goal, the coordination and support of the three income distribution modes among the current income distribution system is still unable to solidify the foundation of people's shared interests, and the results of income distribution are not conducive to narrowing the gap between the rich and the poor. The current income distribution system could not serve the purpose of building the olive-formation of a middle-income group structure. By continuously taking the reformation of the income distribution system further, accelerating the improvement of the mechanism and system of mutual interaction and conformity among the primary distribution, redistribution and the third distribution, a complete income distribution system that reflects efficiency and fairness will be built, and the social benefits will be fairly shared by all society members.*

Keywords: *income distribution system, common prosperity, mechanism system*

1. Introduction

In recent years, income distribution system has been improved, the distortion of primary distribution has been adjusted and contained, the functional positioning of redistribution has gradually been clearly expressed in a reasonable and scientific way. The bottom line functions of taxation, transfer payment and social security system have been optimized and perfected, the income distribution system has been initially regulated and established, furthermore the supporting systems of income distribution have also taken shape. The wealth gaps in regions, urban and rural areas and different classes residents are continued to narrow, and the olive-shaped social structure with middle-income groups as the main part began to emerge. However, the problem of unbalanced and insufficient development is still prominent. In particular, the "narrowing point" of the gap between the rich and the poor has not yet been effectively closed, and the income disparity between the ownership of different industries is constantly increasing. The structure of the first allocation needs to be optimized, and the second and third allocations also need to be improved. Based on the new stage of development, to take common prosperity as the pursuit of goals, it should adhere to the people-centered development idea, promote common prosperity in high-quality development, properly balance the relationship between efficiency and fairness, and build a basic institutional arrangement to coordinate the package of primary distribution, redistribution, and charity distribution. Hence, when to be constructed the coordinated operation of the initial distribution, the second distribution and the third distribution, it is necessary to choice efficiency and fairness in different distribution modes. The three distributions have different focus points and directions. Specifically, the first distribution focuses on efficiency, the redistribution and the third distribution focus on equity. The three modes of income distribution system are all related to wealth, and they play the respective advantages and functions in the whole distribution system. So, in order to promote common prosperity, it is important to coordinate and interlock the three distribution modes during the reformation of ever-deepening income distribution system.

2. Establish a long-term adjustment mechanism for income distribution

"The choice of the system changes according to the time and place, and adjusting the distribution system in different situation should be an effective way to achieve common prosperity." [1] At different stages of economic development, excessive reliance on any distribution model will result in an

imbalance in the distribution of interests. The first distribution, the redistribution and the third distribution, the three distribution areas are both organically connected and closely related, and each of them follows different principle.

2.1 The primary allocation's role and its focus

The initial allocation is the foundation and the key. In the conditions of the socialist market economy, the initial distribution relies on the power of the market mechanism, emphasizing that the market focuses on "improving efficiency" and "effective incentives", aiming at optimal efficiency. On the premise of efficient, fair and sustainable operation, the market plays a decisive role in the allocation of resources. With the market regular, various production participants, stimulate laborers and other market subjects are inspired to pursue lucrative profits, and actively join in economic production and life. So strengthen the market-oriented reform of Traditional production resources and new industries productive resources, ensuring that all market participants have equal opportunities to enter the market, involve compete and fairly get remuneration. In other words, according to production contributions the labor and other owners of essential factors of production can be impartially rewarded. Obviously the market mechanism do not pay much attention to the results of income distribution. From a theoretical perspective, it should be noted that even if the rules of the primary distribution system are compatible and reasonable, perfect and mature, and it also can eliminate the unfair distribution caused by the imperfect mechanism to a large extent, However, under the influence of market survival of the fittest, the first distribution often brings tremendous equality to alarming degree, causing by certain individuals reasons, such as capital, knowledge, technology, wealth inheritance, ability, effort, and so on. Hence, the result of market benefit distribution may still be a widening gap. Evidently, if there is excessive reliance on primary distribution, the problem of excessive income disparity cannot be eliminated by itself through improving the market economic system. Only when the gap in the initial distribution is not too large and the interest structure is not solidified, the adjustment pressure of the second and third distribution will be less, and it is easier to achieve social equity.

2.2 The redistribution's function and its emphasis

Redistribution is based on the primary distribution, taking the government as the leading role. According to the principle of equality and fairness, it establishes the distribution adjustment mechanism which including taxation, basic social security and financial transfer payment. To carry out "per-adjustment" to the initial distribution and as a "post-adjustment" of the distribution, the redistribution pursuits the equality of distribution results, Its logic is that an unreasonable income distribution may affect the order and healthy operation of the economy and society. For further adjustment to get a more reasonable distribution results, the government should make use of function to regulate income distribution, on the one hand, for the primary distribution market competition causing largely disparity, redistribution tries to eliminated individuals in abject poverty through providing the most basic living security; On the other hand, property taxes are levied on those with high incomes or more wealth, while those with low incomes do not have to pay the corresponding taxes, and receive corresponding supports or subsidies to support their daily life. In terms of policies, the government will speed up the optimization of the tax structure, appropriately reduce the value-added tax and consumption tax rates, and actively and steadily implement the property tax and inheritance tax. [2] It is very important to adjust the income gap caused by the initial distribution. The redistribution revise the result of the first distribution and adjusts the gap to the acceptable range. However, when the initial distribution gap is large, there will be common poverty. if government only relies on redistribution.

2.3 The third distribution's contribution and its concerns

The third distribution is based on the voluntary principle of distribution, which is the foundation and an important component of charity. For achieving more equal public welfare distribution, the third distribution is an important supplement to the initial distribution and redistribution, through various ways of charity to integrate the social resources and wealth. The third distribution, as one of the forces influencing the income distribution, impacts the result of the first distribution and the second distribution by moral strength. It encourages high-income groups and enterprises to voluntarily return to the society. The third distribution through social welfare donations uses money and materials, which presented by enterprises, groups, individuals and other social members, to finance low-income poor families, help low-income families out of poverty, and so on. In addition, in order to cope with natural disasters caused by force majeure, such as earthquakes, floods, long-term drought and others, The

donors directly or indirectly contribute to the victims and other affected people. Which behaviors are all belong to the third distribution category. So the third distribution is beneficial to stimulate and guide the high income groups' sense of social responsibility. When there is still a large distribution gap within the second distribution adjustment, the third income distribution mode is to be introduced and emerged, it can be more reasonable and balanced, and could be conducive to narrowing the social distribution gap. Similarly, the third distribution also can not be overemphasized, otherwise it will lead to chaos distribution order. Therefore, in deepening the income distribution system to promote common prosperity, it needs to establish a long-term adjustment mechanism of income distribution. According to the actual economic and social development, the combined package of income distribution should be adjusted, optimized and reformed, so that they three modes can be linked fitly, closely and smoothly. Therefore, to open a new way to promote common prosperity, the reform of the income distribution system should be needed urgently.

3. Build an early warning mechanism for income distribution

Common prosperity does not mean wholly social members gets richer simultaneously without any distribution gap, but it emphasizes the income gap within a reasonable range. To avoid excessive disparities to influence the operation of the economy and social stability, it should deepen the income distribution system to promote common prosperity. Therefore, It is necessary to construct the early warning mechanism of income distribution in order to scientifically and reasonably monitor and control the disparity of the income distribution, and to make accurate judgment on the development trend of the distribution inequity. An early warning mechanism provide the basis for the government to take precautions for a rainy day and carry on the effective macro-control.

3.1 Primary Distribution Strengthens Market Supervision of Enterprises

In accordance with laws and legal authority, companies, such as investment insurance fund companies and Internet platforms, need to further strengthen their own qualification check, and enhance financial market risk management and control. Enterprises should also be further committed to control the financial department, and prevent accounting fraud and financial ledgerdemain, safeguard their own benefit and investors' interests. Empirical evidence shows that investment risk preferences have positive effects on individuals and families to varying degrees. At the same time, in view of enterprise violations leading to much loss, it is harmful to company itself and the society, and the internal risk and systematic social risk coefficient are increased. In this regard, based on the functions of preventing and controlling overall risks and protecting social and public interests, the government sets joint responsibilities and appropriately intervenes in the internal governance of enterprises. "When governance that relies on self-governance cannot reasonably allocate corporate power, and self-governance triggers intense conflicts of interest that impact fair competition and transaction order, the state must regulate corporate governance." [3] Therefore, to prevent systemic financial risks, the government in first distribution should effectively monitor the safety of investors' funds, supervise the risks of securities companies, and prevent the price fluctuations of financial products. Therefore, to satisfy the diverse demands of social residents, and ensure preservation and appreciation of social wealth, the first distribution should strengthen market supervision to protect the interests of individual investors, which plays an important role in stabilizing and narrowing the income distribution gap.

3.2 Redistribution breaks binary-division and promotes basic education

For the second distribution, its function is to promote the development of social welfare. break the status qua of the welfare system of binary separation, build a moderately inclusive social welfare system with basic needs, and gradually improve the social welfare between regions and groups in a balanced manner. The multilevel medical security system should be further improved, rural health education needs to be widely spread, and the construction of a multilevel endowment insurance system should be promoted. Within the redistribution, some problems such as poverty due to illness, disasters, and so on, it should take into account the multilevel medical needs of different income groups, especially rural poor residents, so the overall security capability and security level of endowment insurance should be improved. During improving redistribution, education is a long-term mechanism for preventing and returning to poverty. It should go deep into rural basic education, establish a long-term mechanism for compulsory education, and sets up special education funds to effectively meet the educational development needs of different regions and different types of population, promote

the education level of the population in poverty-stricken areas. For rural education, it needs to improve school conditions and the overall level of rural teachers, increase investment in compulsory education, create "Internet +" to better the level of educational formalization, protect vulnerable groups, stimulate their awareness and proficiency to get rid of poverty, and ensure that children from poor families can get useful skills and social education, have the corresponding entrepreneurial and innovative capabilities to block the inter-generational transmission of the gap between the rich and the poor, narrowing the rip between classes.

3.3 Third distribution prevents credit risk and holds moral bottom line

The third distribution is supported by morality needs to guard against the trust risks that appear in the distribution. Ensure that donors do not suffer any loss of funds, and further standardize the distribution. Therefore, it is necessary to speed up the formulation of relevant laws and regulations, improve the relevant information feedback mechanism, and improve the information disclosure mechanism for charitable funds. Strengthen the detailed disclosure of information on the usage of charitable funds, including the beneficiaries of donations, the amount of funds used, and the status of project construction, etc., to ensure the integrity of the information disclosure content such as the source and use of charitable donations, and so on. In accordance with relevant regulations, If permitted by charitable organizations, designate specialized personnel need to be responsible for the collection, recording, summary information disclosure, etc., ensuring that the source of charitable donation funds, disclose to the public the funds track in a timely and effective manner. At the same time, improve the value of information disclosure, heighten the usefulness of disclosed information while ensuring that core and sensitive information is not improperly exposed. Based on the charitable public welfare and other service responsibilities, charitable organization should strengthen financial information explosion to the society, including the charitable organization's annual work report and financial accounting statement. Expand the depth and breadth of the information disclosure, and avoid simply listing such information. In addition, enrich and expand information disclosure channels. Change the single channel of information disclosure by existing charitable organizations relying on their own websites, actively cooperating with various media such as Internet platforms, newspapers, and periodicals, so that more donors and the public can clear the trace of donated funds and strength the transparency of charitable organizations.

4. Establish and improve the income distribution supervision system

The traits of scarcity and the principle of exclusiveness of distribution interests are unavoidable to the possibility of "black-box operation" and "rent-seeking corruption" in the distribution process. Through the analysis of the relevant theories of income distribution, the influence of corruption on income distribution is not directly related, but the negative effects of corruption will directly affect the results of distribution, and lead to greater disparities. Therefore, in order to promote common prosperity in high-quality development, it should establish the supervision system of income distribution, pay attention to strengthen the perfection of the income distribution system from the original, prohibit the gray and black income, and reasonably regulate the excessive income, and promote the formation of a fair and reasonable income distribution pattern.

4.1 Enhance Government Supervision and Compliance Management

For the initial distribution, on the one hand, the enterprises should establish the anti-monopoly compliance system according to the corresponding factors (such as their own business status, size, industry characteristics, etc.) on the basis of completely and accurately identifying their own anti-monopoly targeted system, the enterprises need to purposely take their prevention measures and strengthen supervision. At the same time, the government should take precautions against market monopoly risk. and should be opposed to the alienation of "natural monopoly" into "administrative monopoly," regulate and correct the rules of market competition, control monopoly industries, in order to ensure the distribution of interests of various market players, especially small and medium-sized enterprises, narrowing the industry gap. At the same time, it is also necessary to further strengthen the regulation and enforcement of unfair competition in the platform economy. The government need to perfect the Data Security Law and revise the Anti-monopoly Law. To ensure qualification and compliant operations in accordance with the law, establish and improve the platform compliance management system, regulate the use of platform data, strictly regulate credit investigation business,

strictly review the qualifications of shareholders, strengthen risk management and affiliated transactions management, form effective external supervision of platform compliance. In addition, strengthen the coordination of various departments, intensify social supervision, invite third-party professional institutions, the public and other common participation to supervise operations of mechanism, and ensure that the information can be disclosed true and accurate, improve the financial consumer protection mechanism.

4.2 Tighten the Defense Line of Return to Poverty and Realize wealth-Sharing

In the post-poverty alleviation era, in order to prevent the return of poverty, consolidate the existing achievements in poverty alleviation, keep the bottom line of to forestall to return poverty in large-scale, solidify the effective connection between the results of poverty alleviation and rural revitalization, and be vigilant against possible large-scale return to poverty and prevent it as soon as possible. It is necessary to effectively and rapidly establish a dynamic monitoring mechanism for the prevention of returning to poverty, and to carry out the detection and investigation of the prevention of returning to poverty. Focus on strengthening the dynamic monitoring of the subsistence allowance social members. The marginal population of the subsistence allowances, who are easy to return to poverty and impoverished. The extremely poor, and the population who have difficulties in life due to etiologies, disasters, and accidents. Focus on strengthening the monitoring of income status of five categories of people. To achieve timely detection, precise intervention and precise assistance. In addition, the institutional defense line should be tightened in to guard against impoverished members from returning to poverty, and various assistance policies should be integrated and targeted to ensure that low-income people could share the fruits of social and economic development.

4.3 Enhance the Supervision of Charitable Funds to Ensure the Interests of Donors

Charities need to further improve the efficiency of the use of social resources, further cultivate professionals, improve the charity staff qualities in the management of funds and supervision of the application of money and other donated materials of the ability. The main responsibilities of the network platform should be clarified. Sponsors of public welfare projects are needed to reinforce authenticity and authenticity of their information, donations and funds-raised usage. Establish a four-directional comprehensive charitable donation funds regulatory system as the main body, which supplemented by government, society, donors and beneficiaries, to monitor the whole process of tracking the funds, and to protect donors or public participation in public welfare projects legitimate rights in accordance with the law. At the same time, employing social moral and normative mechanisms, the government needs to define its role and strengthen the transition from management to supervision. Strengthen the government's comprehensive, moderate and effective supervision of charitable organizations, forming various normalized charitable fund-raising activities of enterprises. Enrich and broaden the channels for information disclosure. Let more donors and the public know about the use of donated funds and improve the transparency of charitable organizations, and create a harmonious and orderly atmosphere of charity participation.

5. Conclusions

Thus It can be seen that to promote common prosperity in high-quality development, the reform of the income distribution system needs to be the path to achieve. In the entire income distribution system, the three distributions follow different principles and establish a long-term adjustment mechanism. In different stages of economic development, three distribution patterns need to be both organically and closely linked, and each following different principles with two others. At the same time, establish a sound early warning mechanism for income distribution, reasonably monitor the different distribution fields, and make timely and accurate judgments on the development trend of distribution, so as to provide an effective basis for the government to effectively carry out macro-control. In addition, it is necessary to establish and enhance the income distribution supervision system. Focus on strengthening the improvement of the income distribution system from the original, establish an olive-shaped income distribution pattern, and promote the formation of an efficient and reasonable income distribution system. The three distribution models are closely linked with each other, coordinated and interconnected, and effectively promote common prosperity.

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