

Retraction Notice

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Author(s): Jing He

* Corresponding author. Email: mlbsabc@sina.com

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Retraction initiative (multiple responses allowed; mark with X):

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- Some of the authors:
- Editor with hints from
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History

Expression of Concern:

- yes, date: yyyy-mm-dd
- no

Correction:

- yes, date: yyyy-mm-dd
- no

Comment:

This article has been retracted to straighten the academic record. In making this decision the Editorial Board follows [COPE's Retraction Guidelines](#). Aim is to promote the circulation of scientific research by offering an ideal research publication platform with due consideration of internationally accepted standards on publication ethics. The Editorial Board would like to extend its sincere apologies for any inconvenience this retraction may have caused.

Editor guiding this retraction: Prof. Aqueil Ahmad (EIC of JSS)

Analysis on Problems in China's Income Distribution System under Social Capital Theory

Jing He

Beijing Normal University, Beijing, China
Email: mlbsabc@sina.com

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Abstract

China's economy and society continue developing in more than 30 years of reform and opening up and obtain outstanding achievements in each aspect. Under this background, China's social income distribution system also changes. Hence, many problems of it are influencing and limiting further healthy development of China's society and economy. This paper carries out discussion on income distribution system under social capital theory and thinks that there are three problems in China's income distribution system: serious equalitarianism in a small range, large gap in income of different classes and limitation of social capital. Based on the above three problems, this paper puts forward pointed solution suggestions and aims at making useful theory contributions to promotion of China's current economic system reform and perfection of China's income distribution system through useful exploration and discussion.

Keywords

Social Capital Theory, Income Distribution System, Problem Analysis, Solutions

1. Anchoring of Relevant Concepts Concerning Social Capital Theory and Income Distribution System

1.1. Social Capital

Since 1970s, different disciplines have started to pay attention to and research the concept of social capital. Seeing from definition of social capital, it includes the two levels of individual and group. In terms of individual level, it refers to significance and value of a person in an organizational structure; seeing from the angle of group, social capital refers to the sum of behaviors and standards supported by members for each other. In gen-

eral, social capital is a collection of energy in society generated from social interaction.

With development of the times, scholars from different disciplines have deeper and more professional understanding of definition of social capital. They try to give detailed answers to social capital problem from different sides. After analysis on and summarization of author's interpretation of social capital's definition, there are mainly three aspects of the point of view as follows:

Firstly, they think that as a kind of social resource, social capital can bring added value to various resource elements in society, which is reflected through personal identification, social relations and social network; secondly, they think that social capital is a kind of social regulation based on rules, trust and system; thirdly, they think that social capital is the ability to obtain resources, but social people are not born with this kind of ability, and the ability is relative and reflected through relationship between people. In this paper, we just select the first point of view as theoretical basis of discussion. We regard social capital as a kind of social resource. Everyone in social life should have the right and opportunity to achieve their purpose and realize their life value through operation of social resource.

Senior scholars have two forms to obtain social resource: direct form and indirect form. Direct acquisition refers to access to social resource by the way of relation by marriage or blood lineage; indirect acquisition refers to access to social resource through personal creation with the help of system and rules.

1.2. Income Distribution under the Vision of Social Capital

Income level of a social person or a social organization operating in social environment depends on the amount of social capital they occupy. Based on survey, some scholars [1] think that social capital occupied by different neighborhoods generally determines income and employment chances owned by people in these neighborhoods. Therefore, we can think that occupancy volume of social capital determines distribution of social income. Occupancy of more social capital means having more initiative in distribution of social resource, which means that social capital itself represents a kind of social resource. To some degree, occupancy volume of resource can determine occupancy status in process of participating in social distribution.

At present, China adopts socialist market economy system, which emphasizes on taking distribution according to work as the main part and co-existence of various distribution modes. It demonstrates that, occupancy volume of social resource has direct influence on status in social distribution under China's current distribution system. Here, social resource includes both labor skills and other things, like money, goods and materials and education background.

2. Several Problems of Current Income Distribution System of China

2.1. Serious Equalitarianism inside Small Groups Inherited from the Early Stage of Reform and Opening up

It has been mentioned above that the history of China's reform is only less than 40 years. Before this, China has been adopting fully public ownership economy system. Between early days of new China and the end of Qing Dynasty, China sticks to distribution mode of absolute equalitarianism under public ownership economy system. The reasons why this kind of absolute equalitarianism distribution mode appears are low level of social production, life and goods and materials, and economic plan of emphasis on development of heavy industry. Thus, China's inland material level can only maintain food and clothing slightly above national average. Therefore, distributing social material according to this kind of absolute equalitarianism mode is helpful for ensuring basic living standard of each member in society. Under historical conditions of that time, this kind of distribution mode can ensure stable operation and normal development of society to the greatest degree.

Under influence of above motivations, average distribution still prevails in many small groups from the beginning of reform and opening up to now. Grounding of China's human society should take responsibilities for this. In an enclosed group, people usually violate distribution principles and make some distribution modes in inconformity with distribution pattern in order to achieve harmony in internal interpersonal relationship. They use average distribution mode to make up for contradictions between employees with different abilities and of different levels to achieve a kind of twisted interpersonal relationship balance. The above situation exists in China's various big state-owned enterprises, public institutions and even civil servant system. Continuous spreading of this situation will bring great pressure to reproduction of China's social fund, which is also a kind

of reduction to social fairness. In terms of this problem, Lin Nan, an American sociologist, points out that the bigger the heterogeneity of a person is in social network, the higher the person's social status is in the network. If relationship between individual members is weak, their social resource will be abundant. He points out negative influence of absolute average distribution on realization of social reproduction and social resource value under the influence of China's human society system from a theoretical angle. It is exactly the serious problem existing in current income distribution system of China.

2.2. Expanding Tendency of Income Gap

Upon reform and opening up, China's economic system changes. In addition to state-owned enterprises, other enterprise types with private enterprise, foreign funded enterprise and joint venture enterprise as their representative take part in competition of main battlefield of national economy, having extremely important and deep influence on China's social resource distribution mode. Consequently, relatively obvious boundary appears among different levels in society. Some scholars and organizations have conducted explicit survey and analysis on current social class of China. They [2] think that there are 10 classes in China at present as Table 1.

With analysis on the Table 1 and combination with current social situation of China, we can get the conclusion that China's social class distribution is very obvious at present. People of upper class occupy most of social resources in society while people of middle and lower class occupy little. According to basic social theory, occupancy of more social resource will win more chances for the holder. What's more, these social resources will create more value for them and help them realize self-value of a higher level. This kind of inverted pyramid social capital comrades structure will lead to gradual weakening of China's class liquidity, influence sustainable floating among social classes, result in class solidification finally and influence stable and harmonious progressing of society. Seeing from currently displayed data, it is extremely urgent to carry out the work.

2.3. Problems Existing in Social Capital

If we want to analyze on problems existing in China's income distribution system from the angle of social capital, we must consider the negative role social capital itself plays in China's income distribution system.

Firstly, there is limitation in social capital itself. Bylin, an American scholar, thinks that social capital itself has limitations. He is repellent to outsiders and has too many requirements for insiders. It will have negative influence on population freedom and eliminating induction of usage specification. This mutual repellency makes social resources shared by circle interior and members of the circle in a closed state for outsiders. Once outsiders want to enter into the circle of social capital, they need to pay some costs. These costs are usually potential. Continuous operation of potential rules has negative influence on social fairness and flow between social classes [3].

Take the popular salon culture in China's current business circle as an example. Salon culture in membership system prevails in business circles of various places of China. Enterprise owners in some places form spontaneous groups, regularly hold assemblies in fixed places, exchange owned social information and resources in hand,

Table 1. Distribution of China's ten classes in history.

China's ten classes		In 1952	In 1978	In 2001
Upper class	1) Administrator in national enterprise and public institution	0.5	0.98	2.6
	2) Professional executive (professional manager)	0.14	0.23	1.6
	3) Private business owner	0.18	0	1.0
Middle class	4) Professionals	0.86	3.4	4.6
	5) Employee	0.50	1.2	7.2
	6) Individual household	4.0	0.03	7.1
Lower class	7) Waitress	3.1	201	11.2
	8) Worker	6	19.8	17.5
	9) Farmer	84	67	42.9
	10) Unemployed and half-unemployed people	--	4.6	4.58

help and cooperate with each other, and help increase property of salon members. However, this kind of circle and business culture is usually closed for ordinary people. In other words, most businessmen of lower class are not entitled to entering into the circle to share this social information. It is a typical representative case of current closed grass-roots level of China.

Secondly, it is abuse of China's current social capital. Due to existence of privileged stratum, the holders belong to the class which occupies most of social power and property. Thus, they will have the mindset of money and power upstart and lack of basic respect for social resources held in their hands. Take the widely spread rich second generation burning luxury cars to flaunt wealth as an example. Through analyzing involved party's mindset in the case, we can find that these people lack basic awe for money, which is really caused by imperfection of China's social resource distribution system in the period of social transition [4].

3. Several Solutions from the Perspective of Social Capital

According to currently existed problems of inundated equalitarianism, serious stratification and social capital itself, the author thinks we should try to solve problems according to the following three aspects.

3.1. Strengthen System Construction and Top-Level Design and Wipe out Equalitarianism

Economics theory thinks that good systems can stimulate laborer's labor enthusiasm and creativity furthest and make contributions to increase of value of social capital to a greater degree. However, equalitarianism has contradictions with the most scientific distribution mode. In order to deal with current reality and break down mistake tendency of equalitarianism inside small teams, we should strengthen system construction and top-level design and put an end to breeding and spreading of equalitarianism in institutional aspect.

In order to achieve this goal, we should try really hard to strengthen establishment of relevant system normalizing, intensify construction of civil society, establish labor unions inside enterprises and various organizations and give labor unions power, using this method to provide guidance and help for ordinary employees in enterprise and public institution to cultivate sense and spirit of ownership. Besides, we need to provide guidance for relevant units to establish inside performance mechanism, avoiding making a profit in troubled situation. Encourage employees to work hard through making decisions on distribution volume according to the amount and labor and creation value. Try hard to avoid influence of humanity society on rules and regulations, and give full play to labor union and self-government by civilian. In terms of performing relevant legal regulations, we need to take government as the lead and employee autonomous association as hand grab and put forth effort in establishing a distribution system conforming to China's current economic system.

During this process, it is proper to conduct reform of state-owner system. Under the system of social market economy, state-owned enterprises take first chances in terms of resource and policy. Under the protection of our country's various policies, state-owned enterprises gradually come apart with development of market economy. Quite a part of state-owned enterprises rely on support of financial allocation and national policy excessively in development. Without the premise of making more contributions to national economy, they take part in our country's distribution and usually occupy more advantages. Seeing from development of macro society, this is unfair. Therefore, we need to put forth efforts in market-oriented reform of state-owned enterprises, reduce their policy bonus and encourage state-owned enterprises to create more wealth and value for society.

3.2. Government Strengthening Service Function Construction

As it has been mentioned above, as a kind of resource, social capital should be shared by the entire social members under government's main distribution in a socialist country with public ownership as the main form. Seeing from this perspective, nowadays, it can be regarded as a kind of public goods. But through analysis on social capital theory, we can know that generation, added value and alternation of social capital are generated in social interaction. However, due to class solidification and so on, China's middle and lower stratum has congenital disadvantages in contacting plenty of social resource. Here, it is necessary for government to use its "visible hand" and macro control means to participate in distribution of social resource and compulsorily break down the fence of class solidification. There can be positive and benign flow between social classes to realize more people's interest demand [5].

In China, problems in income distribution field are mainly reflected in resource distribution of education

medical and so on. China's advantaged medical resource and education resource mainly concentrate in the city. The higher the rank of a city is, the more concentrated excellent medical and education resource is. According to this situation, government should comprehensively use financial and administrative means to apply macro control and put forth efforts in construction of education and medical treatment and public health and other relevant infrastructures in remote area. At the same time, adequate allowance should be given to middle and lower stratum in society to help them share the achievements of reform and development.

Civilized degree of a society does not entirely depend on the amount of its income. China is No. 2 economic entity in the world right now. However, we still have a long way to go in realization of humanitarian care and interest demand of socially disadvantaged group. In this process, government should play the guiding role, comprehensively use various means, take count of equality simultaneously on the premise of ensuring efficiency and carry out effective reform in income distribution system.

3.3. Perfect Legal Construction in Capital Theoretical Vision

Through analysis, we can know reasons of various kinds of social problems generated in social transition period mentioned above are caused by power vacuum phenomenon generated from imperfect legal construction. In order to guide our country's current income distribution system in development of good direction, we should put forth efforts in perfection of legal construction in capital theoretical vision. Use legal means to restrict actions of market subject to promote effective implementation and enforcement of fair and reasonable social distribution system in a higher level significantly.

During the process of court construction and implementation, we should fully consider interest demand of various classes and each subject in society, stick to the overall principle of giving priority to efficiency and taking count of equality simultaneously, and fully consider and care for demand of disadvantaged groups under the premise of stimulating market vitality.

Formulation of law is a kind of deterrence in essence, whose fundamental objective is clarifying limit of acts of market subject to set up punishment mechanism to frighten misconducts of market subject. Those criminals who operate market and abuse capital must be strictly punished according to the law.

4. Conclusion

Seeing from the perspective of social capital theory, China is in a period of social transition with multi-interests and various kinds of demand. Various kinds of difficulties exist in construction and perfection of income distribution system. Facing up to and solving these problems will push forward China's current socialist market economy developing positively and continuously.

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