

Marx's Theory of Economic Growth

Cheng Jianhua, Zhou Guangling

School of Economics, Jiangxi University of Finance and Economics, Nanchang, Jiangxi 330013, China

Keywords: Marx; economic growth theory; market economy

Abstract: Marx's theory of economic growth explains the objective law of market economy operation under the background of socialized large-scale production. It not only applies to capitalist market economy, but also helps the socialist market economy. Based on this, this paper firstly analyzes the practical significance of Marx's economic growth theory, and then conducts an in-depth study on Marx's economic growth theory. Finally, it puts forward the part of Marx's economic growth theory that needs further improvement, hoping to be able to relevant personnel. Helpful.

1. Introduction

As far as modern economics is concerned, economic growth is one of the most important concepts. It mainly refers to the increase of labor and products in a country or region. Social construction, economic development, and the improvement of people's living standards are all based on economic growth. And Marx's view on economic growth theory runs through his entire book, explaining the driving factors and internal motivations of economic growth. Marx created a complete and rigorous theory of social capital reproduction, which profoundly reflected the general law and essence of economic growth in the context of market economy. Therefore, strengthening the study of Marx's economic growth theory has great practical significance and has a strong guiding role for China's economic construction.

2. Research Status of Marx's Growth Theory

2.1 The significance of Marx's growth theory

As far as Marx's economic growth model is concerned, in the context of surplus labor supply, the most important factor affecting economic growth is the speed of capital investment technology and growth rate. In a short period of time, the speed of technological progress is very limited, so economic growth basically depends on investment. From a long-term perspective, the existence of resource constraints severely limits the supply of capital, which in turn allows economic growth to be driven by technological advances [1]. In the context of this conclusion, China's economic development policies can be divided into short-term and long-term. Short-term policies focus on improving the investment environment, and their main purpose is to expand employment. The long-term policy is to focus on the improvement of scientific research and educational environment, increase the intensity of scientific development and research, and effectively enhance the ability of independent innovation. In addition, the transformation and absorption capacity of scientific research results should be improved as much as possible, making technological progress an important driving force for economic growth.

Marx's stable conditions for economic growth show that the necessary premise for the economy to achieve sustainable growth is to ensure a reasonable proportional relationship between the social and economic structure, and that consumption and production should also be balanced. China is currently in a critical period of transition from the traditional planned economic system to the market economic system. The proportion of various non-public ownership economies is rising rapidly, and the market is still the most important way of social product and resource allocation, but its adjustment defects are more and more obvious.

2.2 China's research on Marxist growth theory

For the future of growth theory, Chinese economists have proposed a call for business: to

gradually shift the focus of innovation from the “production function” to the “algorithm.” In the current information age, we should increase our efforts to develop ABM and ACE, and actively explore the various impacts of institutional and policy changes on economic growth. Of course, our call to develop “algorithms” is not only applicable to economic growth theory, but also has great practicality for other economic theories. As far as the microscopic field is concerned, ABM and ACE are relatively mature; from a macroscopic point of view, there is still much room for improvement in these two aspects of research.

One of the biggest advantages of the algorithm model is that it can make policy research more realistic, and also contribute to the better introduction of heterogeneity considerations [2]. With the continuous development of big data and computer technology, we believe that the advancement of science and technology led by artificial intelligence will definitely bring great impact to our theoretical development and world development, and we can understand and portray economic people more carefully. The behavior, such as the inclusion of various elements in behavioral economics, can help us more accurately judge the macro economy and make a more realistic model. All in all, we should seize the opportunity and face the new challenges calmly, standing on the shoulders of giants to promote further breakthroughs in growth theory. Although the innovation of the algorithm model is difficult, the results are very hopeful.

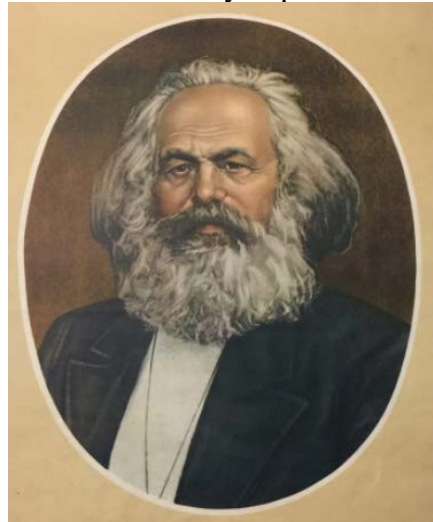


Figure 1 Marx

3. Marx's theory of economic growth

3.1 The source of economic growth

To put it simply, labor productivity is actually the ability to produce, and this ability is an important source of economic growth. For Marx, among the many factors that determine the future of the entire human race and the trend of social and economic development, the labor force can be said to be the most important one. Labor productivity is determined by many situations, such as the level of scientific development, worker proficiency, and natural conditions. It can be said that the stronger the labor productivity, the less time it takes to produce an item. Conversely, the weaker the labor productivity, the more time it will spend on the production of the goods. And it takes more time, and the value of the item is naturally greater. To better understand the relationship between labor and economic growth, see Figure 2 below.

From the perspective of labor tools, the mechanical manufacturing industry has developed very well, which can weaken the value of the machine and at the same time produce machines with better performance in all aspects. From the perspective of the object of labor, the application of science and technology can dig out more uses of labor objects and turn waste into materials that are useful to us. In this process, we must clearly understand the relationship between “labor-division-ownership”, as shown in Figure 3 below. It can be said that the human economy is increasing in the technical wave and declining under the technological wave. In the case of

Schumpeter's business cycle, low growth is only a temporary phenomenon. At the next technical wave, the marginal curve will shift to the right, prompting the human economy to embark on a higher level.

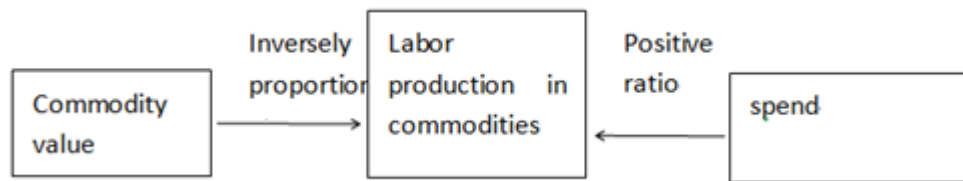


Figure 2 Relationship between commodity labor production and commodity value and cost

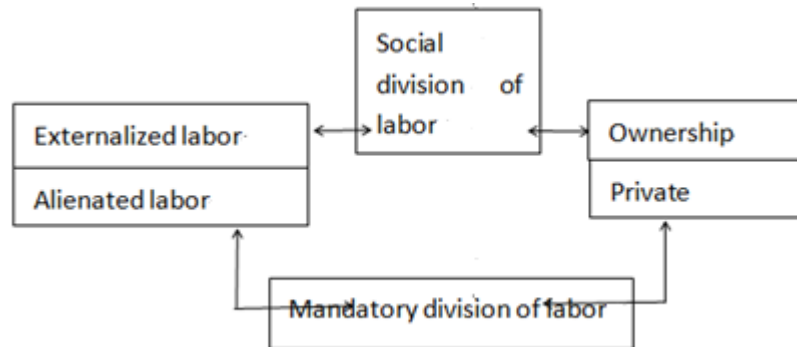


Figure 3: Dynamic and narrow-minded "labor-division-ownership" dynamic framework

3.2 Simple Reproduction Theory

According to the materialist point of view, a society must not stop production and consumption, and society is always carried out in constant renewal and repetition. The simple reproduction theory mainly means repeated reproduction on the original scale, which is an important basis for expanding reproduction [3]. Marx also put forward his own views on this theory: "Although simple reproduction is repeated on the original basis, this repetition can give the process some new features, or eliminate the previous ones. A kind of false feature." Only by deeply grasping this feature can we more clearly understand its more complex forms of motion.

For simple reproduction, Marx puts forward: "The problem before us is mainly the capital consumed in production. In terms of its value, how can we get compensation from the annual product? How does this compensation movement and the wages of workers and capitalists In the context of this, Marx creatively proposes a two-category idea, which is a scientific and rational Abstraction for social reality.

3.3 Expanding the theory of reproduction

From simple reproduction to expanded reproduction, it is actually a logical necessity from simple to complex narrative methods, and it is also a true portrayal of the economic development process. The material basis for expanding reproduction includes additional labour, production materials and consumption data. In terms of expanding reproduction, Marx puts forward: "The scale-up of reproduction has little to do with the absolute quantity of products. For a certain amount of goods, the necessary premise of scale-up and reproduction is that the various elements of the established products already have different functions. Regulation and combination, so from the point of view of value, this reproduction is relatively simple. It can change not only the quantity of the established elements of various productions, but also the quality. And this change is to reproduce in the future with or The important material premise [4]. It can be seen that expanding reproduction is not a simple increase in absolute quantity. The first is to properly combine the various elements of a given product, and then it should be developed to adapt to the accumulation of various types. A good ratio of products.

4. The place where Marx's economic growth theory needs to be improved

4.1 The scope of economic growth is narrow

Just as the agronomy school defines production labor, many economists in classical economics have not been able to get rid of the constraints of historical conditions, just to expand production labor from agriculture to industry. From this perspective, although Marx developed and deepened his understanding, he still could not completely shake off the influence of historical conditions. Marx defines production labor as the labor for producing material products, which can be appropriately extended to the transportation and management related to the production of physical products, but its scope still fails to break the production field of material products. From this definition, Marx's research on economic growth is still limited to the field of material products, which means that the growth of material products is regarded as economic growth. However, linking economic growth to simple and material products is clearly not suitable for the countries of the world, especially for developed countries. In addition, the core use of the product is actually the application value, which can well meet the various attributes that people need. However, many non-material products do not exist in material form, but they can still be in the process of product supply. Meet the needs of people in all aspects. From this point of view, the exclusion of non-material products from economic growth is also inconsistent with the definition of financial nature.

4.2 The division of the two categories is too rough

A big problem corresponding to the above-mentioned defects is that Marx is too rough in the division of the two classes. It should be said that the theory of the composition and division of the two categories of social production is a profound analysis of social production. However, because there is a rough division, it is not beneficial to reveal the economic life. And the upgrading of the industrial structure, the rise and fall of various industries, etc. are all covered by the Abstract consumer data department and the production data department. Therefore, how to reasonably subdivide the two categories so that they can better reveal the dynamic changes of the industry and the internal relations between the two classes, and thus become an important topic for the development of Marx's economic growth model. In fact, Marx's discussion of the subdivision of luxury goods and necessities in the production model is very useful for us.

4.3 The assumption of the economic growth model is too strict

In order to explore the essence of economic phenomena in more depth, the assumptions should be made appropriately in the actual construction of the model, and some non-essential factors should be discarded. In fact, Harold Doma assumes that the rigor is stronger and has been called "blade" type of balanced growth by Solow, but the assumption of too strict will affect the operability of the economic model to a large extent. The reality is explanatory, so it is necessary to make positive improvements. Marx's economic growth model assumes that it is too strict and specific in the following two aspects: on the one hand, the organic composition of capital and technology remain unchanged. Although Marx analyzed in detail the impact of the change of the base on capitalist production, and also the changes in the organic composition and technical level of the capital in the construction of the economic growth model [5]. However, from a general point of view, Marx's approach to the improvement of these two aspects is still relatively static; on the other hand, it excludes the influence of foreign trade. In the model of Marx's economic growth, it is assumed that it is not foreign trade. This assumption is quite practical for countries with a small proportion of economic trade before the 19th century, but it seems to be incapable at present.

5. Conclusion

In summary, although Marx's theory of economic growth is determined in the process of examining the operation of capitalist economy and revealing its development law, it can fully reflect the general law and nature of economic growth in the context of market economy. come out. So as

long as we rationally apply relevant methods to Abstract this unique social form, then the specific methods and principles can be more effective and applicable to us. Therefore, it is very necessary to strengthen the analysis of Marx's economic growth theory, and this paper also elaborates on the need for further improvement, hoping to help Marx's theoretical role of economic growth.

References

- [1] Zhou Shaodong. Research on Marx's Economic Development Theory with Labor and Division of Labor as Hard Core[J]. Socialist Research, 2013(1): 8-14.
- [2] Huo Wei. Research on Marx's Economic Growth Theory Based on Mathematical Analysis and Modern Connotation Perspective[J]. Journal of Shandong University of Finance and Economics, 2015, 27(4): 75-83.
- [3] Wu Yifeng. Economic Growth Theory: From Marx's Growth Model to the Growth Model of Modern Western Economists[J]. Journal of Contemporary Economic Research, 2000(8):1-4.
- [4] Wu Yifeng, Zhu Yong. Economic Growth Theory: A Comparison between Marx Economics and Western Economics [J]. Contemporary Economic Research, 2015(4): 32-40.
- [5] Chen Chang. Research on Marx's Economic Growth Theory Introduced into the Environment[J]. Economic Problems Exploration, 2010(10): 1-7.