

Analysis and Interpretation of Fair Competition in the Market

Zicheng Wang

Tianjin University of Business, Law School, Tianjin, 300134

Abstract: Marxism analyzes the disadvantages of market economy competition from the perspective of capital commodity circulation, and reveals the negative and unfair competition environment brought by market economy. To our present stage better development of socialist market economy brought a very good inspiration. Fair competition is an important requirement for the development of socialist market economy and the better establishment of modern market economy system. Then how to better maintain fair competition, this paper from the two aspects of the market and the government, actively play the dual regulatory role of the market and the government, to establish a good market fair competition environment.

Keywords: The relationship between market and government; The role of market; The role of government

1. Instruction

Marx put forward in *Das Kapital* that competition is the basic characteristic of commodity production. As long as there is commodity production and exchange, there must be competition. In the process of China's economic construction, competition is unavoidable, so we need to draw lessons from all reasonable thoughts of human beings on fair competition, and properly deal with the relations between enterprise competition and social cooperation, the interests of individuals and social collectives, the conflicts in competition and the interests of jointly building a new harmonious society. Firmly oppose unfair competition, as well as impeding the behavior of fair competition, build a good social competition environment.

Marx thought, on the basis of capitalist private ownership socialist commodity economy will inevitably lead to activation of the capitalist basic contradiction, cause capital deprivation of labor and the economic crisis, and that in the future ideal society the government will take the place of the market, then plan will take the place of the market mechanism, finally realizes the social justice and efficiency^[1]. Indeed, in the United States, the economic crisis of 1933 heralded the demise of "market regulation." Marx revealed the malpractice of market regulation from the Angle of commodity economy and analyzed the harm brought by free market competition. But Marx did not see the kind of government intervention that occurs in capitalist societies. After the collapse of Adam Smith's "liberal economics", the rise of "Keynesianism" highlighted the role of government regulation. In recent years, both capitalism and socialism, apart from other relevant systems and policies, have basically carried out the dual intervention of "market" and "government" in economic regulation. Does this mean that Marx's judgment on market competition has no relevance today? And it isn't. Marx's expose of the inadequacies of market competition is still instructive today, when no country uses a single "market" or "government" to regulate its economy. The consensus is that both markets and governments have flaws, but how to fix them. Knowing yourself and knowing your opponent will win every battle. As long as you clearly recognize these defects, you can better deal with the problems caused by these defects.

2. Influence of competition

Marx said, "Competition is nothing but the intrinsic nature of capital, the essential stipulation of capital which is shown and realized as the interaction between many capitals, and nothing but the tendency shown as the external necessity. So capital, in Marx's view, is closely related to competition. Only when we understand the inherent property of capital can we better understand competition. Competition is the manifestation of a lot of capital, the main purpose of capital is to pursue surplus value, the pursuit of high profits. The capitalist method of production dominates the wealth of the society in the form of a "huge accumulation of commodities", with individual commodities as elements. Therefore, Marx and Engels revealed the movement law of capitalist commodities from the perspective of commodities, and then reflected the competition law of commodity value. Capitalists constantly strive to increase capital profits, that is, they constantly seek to increase surplus value to improve workers' surplus labor time or constantly improve the production efficiency of necessary labor time. The constant change in the growth rate of capital is the constant pursuit of surplus value. In this process, productivity is improved, which shortens the necessary labor time of workers, thus prolonging the surplus labor time and increasing the process of surplus value. From Marx's point of view, we can know that there are two main ways to increase surplus value: (1) labor production of absolute surplus value, by constantly extending the necessary labor time of workers, so that workers can continuously create more surplus value; (2) Relative to the surplus value of labor production, on the condition that the total labor production days remain unchanged, improve labor produc-

tivity, shorten the necessary labor time (the part of the value given to workers wages) and then by extending the time of surplus labor, create more surplus value. Producer surplus value pursuit, competition for surplus value maximization, so that producers by increasing their competitiveness to seek more and more surplus value, to increase their capital, expand their production, and ignore the stable development of market economy, the market operation of the chaos, the endless competition at the same time also brought the potential social contradiction.

2.1 Competition intensifies the production process of relative surplus value

In the process of production, producers improve production efficiency, adopt advanced technology and use advanced technology, so that the production time of a single commodity in the same period of time is lower than the social necessary labor time, thus producing more commodities in the same period of time. Producers compete in the process of commodity sales. When capitalists obtain more surplus value by improving productivity, they produce a lot of products with the ultimate purpose of putting them into the market for consumption and exchange. At this point, competition between sales and exchange is inevitable. As Marx said in *Das Kapital*: "The transition from commodity to money is a thrilling leap. If you fall, you will not only break the goods, but also the owner of the goods. At this point, in the process of commodity and currency transformation, the market is used as a platform for competition, obtaining the final profit and increasing capital. In order to increase the sales of goods, product performance, quality, quantity and so on have become the key to competition. Because in the production process, the value of a single commodity is lower than that of similar products through high and new technology, which is used to increase sales and obtain excess profits. Over time, all have similar production house, come up to the pursuit of surplus value and profit, to the greatest extent under the impetus of the capitalist in the competition, the pursuit of high profits, constantly promote production revolution, increase productivity, make individual capitalists pursuit of surplus value in a servant, more from the side reflects the essential characteristics of capitalist chase profit, It also highlights the negative effects of market competition.

2.2 Competition leads to a reallocation of resources

Every capitalist maximizes the pursuit of high profits, so that social production will continue to move to the high-profit sector, constantly expand the scale of high-profit production, and constantly increase their own competitiveness. Competition again drives producers to occupy and use resources. As an unlimited desire to pursue wealth development, capital tries to improve labor productivity without limit and make it a reality^[2]. The great mission of capital is to create this surplus value, so that the continuous increase of capital, wealth accumulation. After commodity is converted into money, a new round of resource allocation and conversion starts again. To improve productivity, expand production, occupy market position, obtain high profits and improve original production technology become the goal of capitalists' endless pursuit. The capitalists once again demanded a reduction in necessary working hours and an increase in surplus working hours. With the continuous expansion of the production scale of capitalists, all kinds of social resources are also constantly reconfigured, which promotes the development of productive forces and the accumulation of capital. The price of a product comes from the level of productivity, which comes from the production technology and production level and the size of the model of the producing country, and the size of the production scale comes from the competitiveness of the producer. So competition and profit are constantly driving the trajectory of producers in the market.

2.3 Competition gives rise to monopoly

Competition caused the natural monopoly, monopoly usually refers to the ruled out restrict competition behavior and state, in turn increase competition and monopoly, makes the competition constantly increasing, lead to resources concentrated in the hands of a few people, the accumulation of capital, the concentration of production, the expansion of production scale, mergers between producers and expansion, caused the occurrence of monopoly, again This directly impairs competition, affects the efficiency of resource allocation and makes market regulation malfunction. This cycle, rising social contradictions, capitalism market regulating function have been weakened, market regulating the order of income distribution chaos, uneven distribution of resources, the capitalists profit-driven more unscrupulous exposed, capitalists expanded scale, further gather wealth in the hands of a few people, more obstacles to the healthy and orderly development of the economy, Eventually, it led to an economic crisis.

Marx analyzed the advantages and disadvantages of competition from the perspective of commodities. Competition resources configuration, can push the high speed development of economy, but the side highlights each capitalist nature, the pursuit of profits as the sole purpose of competition, this will lead to the role of the market from the economic running track, as the economic law basic theory never think government regulation is necessary, this is because the market itself inherent three defects, Namely market obstacle, market only benefit sex and market adjust blindness sex and lag sex

While seeing the negative effects of competition, we can not deny its positive effects. Competition is the basic characteristic of commodity production. As long as there is production and exchange of goods, there must be competition. At present, all kinds of competition intensifies, how to better maintain competition, prevent the emergence of unfair competition has become the key. Marx discovered very early that competition is the economic soul of the market. In his discussion on capital and competition in *Das Kapital*, he pointed out that the division of labor in society "makes the independent producers of commodities independent from each other, and they do not recognize any other authority but the authority of competition and the compulsion imposed on them by the pressure of their mutual interests". It is precisely because of competition that "mode of production and means of production are always changing and revolutionizing; Division of labor must lead to further division of labor; The adoption of

the machine must lead to the wider adoption of the machine; Mass production inevitably leads to mass production. Competition has also become the regulator of prosperity and development of commodity economy, only grasp this regulator can better stable economic development. To further understand the impact of competition on the current economy

3. The important discussion of fair competition

The third plenary session of the 19 review passed "the central committee of the communist party of China about the decision of the deepening the reform of the party and state institutions", in particular to against all the unfair monopoly behavior, including market monopoly and government monopoly, and break the monopoly situation of the improper, clean up and abolish the hinder fair competition in the market rules and practices. Showed the party and the state to monopoly and unfair competition firm resistance. And maintain the attitude and determination of fair competition, resolutely resist all bad market competition behavior.

In reality. General Secretary Xi Jinping stressed the need to create a level playing field at a symposium on private enterprises. He promised representative on behalf of the CPC Central Committee on the domestic private enterprises want to break all kinds of "shutter", "door" and "revolving door", in market access, licensing, business operation, tendering and bidding, civil-military integration, to create fair competition environment for the private enterprise, to the development of private enterprises to create sufficient market space^[2]. It shows that private enterprises want to better promote economic development, the premise must have a fair competition environment, just like fish to survive must have water. The Party and government will further safeguard the development of fair competition of enterprises of different ownership in practice, and will further continue to strengthen and maintain the legal concept of fair competition.

In his keynote speech at the APEC CEO Summit on November 18, 2015, General Secretary Xi Jinping pointed out that we will continue to promote the reform of foreign investment management system, significantly reduce restrictions on foreign investment access, and create an open, transparent, efficient and equal market environment in the second Belt and Road. At the opening ceremony of the BRF, General Secretary Xi Jinping further emphasized that fair competition can increase efficiency and bring prosperity, China will expand market access for foreign investment in more areas, promote domestic supply-side structural reform through fair competition, opening up and cooperation, effectively eliminate backward and excess capacity, and improve the quality and efficiency of the supply system. A sign of the party and the state's attitude, actively encourage guide foreign capital in international enterprises participate in domestic fair competition, and create a good environment for the fair competition, promote competition, the wheel in the direction of the market need, on November 5, 2019 by the central committee of the communist party of China about the fourth plenary session of the party's 19th to uphold and improve the system of socialism with Chinese characteristics. The decision on a number of major issues concerning the modernization of China's governance system and capacity for governance emphasizes the strategic importance of optimizing Governance in China. In the process of accelerating the improvement of the socialist market economy system, we will establish a high-standard market competition system, improve the fair competition system, strengthen the position of competition policy as the foundation, implement the fair competition review system, and strengthen and improve anti-monopoly and anti-unfair competition law enforcement. Highlights the great significance of fair competition for the future economic development, the expression of China's adherence to fair competition firm determination not to waver how to better maintain fair competition in the market, promote economic development, the market and the government the role of fair competition in the market can not be ignored.

4. The relationship between the government and the market in fair competition

So how to better maintain and maintain this good competitive environment? We know that the market is the necessary carrier of competition, competition must run in the market, only a fair competition environment and a stable and orderly market environment can promote economic development. Of course, we also know that a fair competition environment and a stable market order are not always in an ideal state expected by people. As professor wen-hua liu pointed out that the modern capitalist society and socialist society have different historical development process, if regardless of their social and political system, from the Angle of the philosophy of highly abstract analysis, it can be seen that their respective to the two extremes, but on its own to the contradictions in the process of historical development of a single tilt, the other side is crushed^[3]; it's suppression of market regulation and active intervention by the government, or is a common to both market and government regulation to maintain a fair market environment, through the domestic foreign practice has proved that effectively deal with the relationship between government and market, can not ignore the role of the government and pay attention to the market, also can't only pay attention to market rather than government. Only by combining the government and the market can the economic development be better promoted. There is no doubt that the government and the market are the basic relationship category in the field of social economy, and the construction of modern economic system is inseparable from the correct handling of the relationship between the government and the market.^[4]

The development of modern market economy must have the anti-monopoly law regulation, we can't avoid the market blindness, but control for its adverse effect, there are a lot of contradiction between things, have a mutual relationship between each pair of contradictions, independent of each other, we should not only see the fundamental antagonism between them, Nor can we ignore the mutual agreement between them to seek common ground while shelving differences, mutual benefit and win-win for coordinated development and sustainable development.

Both effective market and effective government are means and ways to regulate market economy, and proper government intervention should be carried out on the basis of respecting the spontaneous mediation of market. The strong position of the government cannot deny the mediation of the market itself. The mutual cooperation and mutual respect of the two can jointly promote economic development. The government cannot do without the market, and the market cannot do without the government. On the premise of not hurting the other party's self-development, to make up for and regulate its shortcomings, such a way can be called a good way.

To sum up, the market and the government must coordinate, cooperate and complement each other to serve the grand goal of socialist market economy. The government has adopted sound and perfect legal methods, combined with the decisive role of the market in the allocation of resources, resolutely cracked down on all unhealthy market competition environment and promoted fair competition in the market.

4.1 The market plays a decisive role in resource allocation

The report to the 18th CPC National Congress pointed out: "The core issue of economic restructuring is to properly handle the relationship between the government and the market, we must better respect the law of the market and better play the role of the government. The third plenary session of the 18 through the central committee of the communist party of China on comprehensively deepen reform certain major issue decision" clearly pointed out that for the first time: "the economic system reform is the key of the comprehensively deepen reform, the core problem is to correctly handle the relationship between government and market, the market plays a decisive role in the allocation of resources and better play to the role of the government." "From basic role" to "decisive role" indicates the importance of the role of the market, which is a process from quantitative change to qualitative change, a process of gradual development, and also a repositioning and judgment of the market. It has profound theoretical and practical significance.

On the one hand, the Decision of the third Plenary Session of the 18th CPC Central Committee pointed out that "the market determines the allocation of resources is the general law of the market economy, and the improvement of the socialist market economy system must follow this law." The development of China's market economy is different from that of other countries, and is determined by China's special national conditions. Since the reform and opening-up of our country's economy by leaps and bounds of big stride, although our country put forward in the party's 14th the goal of the economic system reform is to establish and perfect the socialist market economy", and clearly pointed out: "we want to establish the socialist market economic system, is to make markets in the socialist countries a fundamental role in the allocation of resources under the macroeconomic regulation and control.

On the other hand, the development of China's market economy is slow, from the competition put forward to the establishment of socialist market economy every step is very difficult. For example, in 1980, the Communiqué of The State Council of the People's Republic of China clearly stated that socialist competition is fundamentally different from capitalist competition. It is carried out on the basis of public ownership of the means of production and under the guidance of state planning to serve the socialist economy^[5]. It is clear that competition is only a means, and that socialism can also have competition. Where there is market, there is competition, and competition cannot be separated from the development of the market. The development of market economy promotes the development of competition. The socialist market economy was formally established in 1992. This process experienced from the ideological change, theoretical improvement, and practical considerations to make the socialist market economy step by step established.

The development of market economy not only has a good market competition environment, but also should have a good market cooperation environment. Liu Wenhua pointed out that cooperation is indispensable in the market economy and even reflects the law of the essential requirements of the market economy. The development of economy cannot be separated from the promotion of social productive forces, and the development of productive forces needs external competitive environment as well as internal cooperation. Therefore, competition and cooperation are opposite and unified, transforming and complementing each other. However, such competition and cooperation have two sides at the same time. Good competition promotes economic development and stimulates the innovation vitality of market subjects, while unfair competition will hinder economic development and lead to monopoly and unfair competition. In addition, a good cooperative environment can promote economic development by complementing each other's advantages and learning from each other's weaknesses, but the alliance for the purpose of monopoly will hinder economic development. Therefore, we should seek cooperation in competition, fair and healthy competition in cooperation.

Competition does not exist, in modern society, not only in the economy, in politics, culture, there is competition everywhere we do not want to eliminate competition, but through the use of legal means, will malicious mergers and monopolistic merger elimination, to prevent the development of the market to bring negative impact

4.2 Better play the role of the government

Although the market plays an important role, the regulatory role of the government can not be ignored. We should grasp the intervention of the government, but also to limit the intervention of the government. Compared with the liberalism of European and American society, in Chinese governance, government organizations are intertwined from two aspects: horizontal and vertical. Involvement in all aspects of social and economic life is far higher than that of European and American societies in terms of

breadth, depth and intensity^[6]. Therefore, China's concept of government is completely different from the concept of small government in European and American countries, where the government is just "night watchman". In terms of market economy, the formation and development of European and American countries has also gone through nearly hundreds of years, in this process, the role of the national government will inevitably play a role, but in general, the development of their market economy is basically a general route of self-development. Therefore, compared with China's market economy, it is not so much development as creation. According to the ancient "management thought", in order to better develop the market economy, it is necessary to reduce the government's intervention, and limit the government's rights, so as to "streamline administration and delegate power". As a matter of fact, the government has a very strong capacity of resource allocation. If it restricts the allocation of resources according to law, it may distort the allocation of market resources. Moreover, the scope of the allocation of resources by the government often depends on the function of the government. The answer is definitely no. So in terms of both the government and market in the allocation of resources, to transform government functions, the situation, the government should not tube, should forsake actively, the market can deal with solution to the market, and strive to realize brought to the limits of power to achieve the protection of private rights, realize and decentralization. To realize the role of market and government in good allocation.

The core of deepening economic restructuring is to properly handle the relationship between the government and the market so that the market plays a decisive role in resource allocation and the government better plays its role. We should make good use of both the invisible hand and the visible hand. China is implementing a socialist market economy. We must still give full play to the superiority of our socialist system and the positive role of the Party and the government. The market plays a decisive role in the allocation of resources, not the whole role, and the regulatory role of the government can not be ignored. Therefore, the role of the government is not only to build on the basis of market defects, to become the market failure of the fire brigade. The intervention theory of economic law based on the theory of market failure does not start from China's national conditions, but imitates western ideas, describes China's economic law as western economic law, and shapes China's economic law as western economic law. So we're going to talk about what is the boundary between government regulation and market regulation? How to strike this balance?, xi jinping, general secretary had explicitly mentioned "the market mechanism can effectively adjust to the market economic activities, the government shouldn't tube to the market, let market can play a role in all fields, give full play to the role, the deepening of economic system reform is the key to speed up the transformation government function, put to the market and the society must put the weight of the foot, put in place, The government must manage well and properly, and resolutely reverse the phenomenon of dislocation, offside and absence of government functions^[7].

The development of modern market economy has both spontaneity and consciousness. Spontaneity is both an objective basis and an objective law. On the basis of spontaneity, conscientiousness is mediated and controlled by external means to guide spontaneity. But it is ultimately impossible to replace the spontaneity of the market. The government's intervention in the market economy is a kind of conscious behavior, because the government's macro-control can solve the extreme and blind bad market economy caused by the spontaneity of the market to the maximum extent. However, when the government's conscious intervention eliminates the adverse effects, it should also be clear about the limits of regulation and control. It should intervene on the basis of respecting the reasonable interests of the counterpart and eliminate the one-size-fits-all management mode. Therefore, we should not only change the concept of management but also change the way of management, because under the basis of the spontaneous development of the market, the blindness of the market is inevitable. We should solve it on the basis of a clear understanding of this problem. The market should be properly managed, but it is not control or administrative management, but economic and legal management. Excessive regulation can damage the competitive environment and choke off economic development.

Analysis from the dual role of government and market. Market regulation and state intervention should play a role together. Just as the existence of market failure does not lead to the cancellation of market mechanism, similarly, acknowledging the existence of government failure does not mean that the government can play a role. Government intervention must be limited and reasonable, otherwise there will be abuse of power or infringement^[8]. Relatively speaking, the impact of government failure is far greater than that of market failure. Zhu Xi layer said, "There must be defects in legislation, there is no law without defects. In fact, market forces cannot automatically realize the optimal allocation of resources, and the government must play an active role in promoting development. All precursors stand, and unprecursors waste. We must be prepared to nip in the bud.

Nor is government intervention in economic activity based on market failure. The role of the government should always be to maintain the operation of a fair and competitive environment in the market. There is no origin restoration method in the world, that is, it cannot wait until problems arise before making up for them, just like an open egg cake cannot be restored into eggs. Grasp the limits of government intervention and regulation, so that the role of the government can be brought into play where the market really needs it. Put an end to the emergence of more government intervention, less intervention phenomenon.

Therefore, national government regulation can also be problematic and lead to "government failure". In economics, law and the corresponding theory development up to now, for the relationship between the government and the market as well as the discussion on the functions of the government, already is not fully applicable or while any kind of pattern, but by a way of compromise will be integrated use of two modes, the key is to find the "balance" between them, This balance point is the proper coordination between state regulation and market regulation on the premise of market regulation^[9].

References :

- [1] [Germany]Marx,Engels Collection Volume 4,[M]Beijing:People's Daily Publishing House,page 476.
- [2] Xiao Confused.Private enterprises are the cornerstone of China's economic development in the new Era.Zhongguancun,2022(06):122-124.
- [3] ZHANG Shiming,Wang Jidong.Beijing:China University of Political Science and Law Press,January 2020,1st edition,page 51.
- [4] quoted from The Interpretation of Economic Law by Xi,Sun,Jin and Jinping on the Important Discussion of Fair Competition in the Market[J]In Law Review,2020,no.1(Total 219).
- [5] Anonymous:The Interim Provisions of The State Council on developing and Protecting socialist Competition[J].State Council Bulletin of the People's Republic of China,1980(16).
- [6] Yang Chunxue:China's Perspective on the relationship between government and market[J].Economic Review,2018,1.
- [7] General Secretary Xi Jinping stressed:Correctly giving play to the role of market and government to promote the sustainable and healthy development of economic society[J].China Leadership Science,2014(05):4.
- [8] Zhang Shiming,Wang Jidong.Philosophy of Economic Law[M].Beijing:China University of Political Science and Law Press,January 2020,page 54 of the first edition.
- [9] See Qi DuoJun:Basic Theory of Economic Law(5th Edition),[M]Law Press,2017,page 30.

About the author:

Zicheng Wang (1996-), male, born in Jiuquan city, Gansu Province, nationality: Han, education background: postgraduate. Research interest: Economic Law. Call 15522735517. Setting: Economic Law School, Tianjin University of Commerce. 409 Guangrong Road, Beichen District, Tianjin 300134, China.