Research on Further Improving the Business Environment in FuJian

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Keywords: enterprises upgrading and transformation, regional economy, business environment

Abstract. This paper analyzes the main problems and difficulties faced by private enterprises in upgrading and upgrading in our province and explores the countermeasures for effectively accelerating the transformation and upgrading of private enterprises through several field investigations inside and outside the province. This paper focuses on the Government's Help to improving the business environment in FuJian Province. This paper focuses on the Government's Help to improve the business environment for Private Enterprises in FuJian Province. At present, the credit system construction in FuJian business environment lags behind. Small and medium-sized private enterprises are weak in resisting risks but lack substantial progress in group development. There are still some problems such as restricted access of private enterprises in some industries, which have affected the economic development of FuJian. After thorough investigation and analysis, the research group put forward several feasible schemes.

1. Introduction

Team for the analysis of the private enterprises in our province to upgrade transformation in main problems and difficulties, to explore the effective countermeasures to promote the transformation and upgrading of private enterprises in our province, the team organized many times of both the field research, visited a number of successful transformation of private enterprises, The first-hand information of the development of private economy was obtained in the field investigation. Private enterprise holds the balance in FuJian economy position. After years of development, private enterprises in FuJian have undergone great changes in their management system and operating mechanism, which have greatly improved their vitality and competitiveness. Under the new normal, there are still many institutional, institutional, structural and historical problems that private enterprises need to further solve and they are becoming increasingly difficult. In the macro environment where the new round of scientific and technological revolution and the transformation and upgrading of China's manufacturing industry form a historic intersection, FuJian, as one of the most active regions for private enterprises in China, must seize the historical opportunity, give full play to its advantages, transform and upgrade in an all-round way, and stride into the ranks of the strong manufacturing provinces in China.

Through several provincial surveys and cross-provincial studies, the research group visited several typical private economic regions and their successful enterprises, explored their successful development experience and regional policy advantages, and put forward some countermeasures to accelerate the transformation and upgrading of private enterprises. Through investigation, the research group found that private enterprises in our province are facing problems in the new normal of economic development on private enterprises many impact; Through in-depth analysis and research, the research group puts forward the corresponding countermeasures, that is, accelerate the supply-side structural reform, and strive to provide beneficial policy advice and Suggestions for accelerating the transformation and upgrading of private enterprises in our province.

In this paper, the authors research into the comprehensive curriculum reform of intelligent manufacturing in colleges and universities serving local areas. It is supported by the achievements of some projects, such as the “Introduction to E-Commerce’ Provincial Quality Open Online Course Project” (Project Number: QZTCJWC20180103) which is funded by the education department of Fujian province, the “Overseas Visiting Scholar Program of Fujian Province Academic Leaders Training Program” which is funded by the education department of Fujian
province, the “Intelligent Manufacturing Majors in Colleges and Universities Serve Local Education Reform” (Project Number: FBJG20170210) which is provincial educational reform program and funded by the education department of FuJian province, the “Joint Research on Agile Manufacturing Key Technologies” (Project Number: 201708) which is funded by QuanZhou science and technology association.

This paper, which lays emphasis upon the current situation of Economic development in FuJian, and the Research on further improving the business environment in FuJian. The overall organization of the paper is as follows. After the introduction, in Section II we present the current situation of Economic development in FuJian, and it lists a lot of data and charts. The team thinks FuJian private enterprises still have not much innovation, competitiveness is not strong is an urgent need to promote innovation, this part are clarified in section III, mainly reflected in the deficiency of manufacturing innovation and management innovation. In section IV, the research group suggested that the government should take measures to help enterprises improve the business environment. Measures recommended by the research group include: introducing policies to encourage government, bank and enterprise cooperation to solve the financing difficulties of private enterprises, Accelerate the construction of credit system, Strengthening intellectual property rights protection, Standardize the reputation evaluation system of professional managers and improve the quality of enterprise management talents, Encourage private enterprises to group development to enhance the ability to resist risks, Establish a good relationship between government and business, Help private enterprises "go global" to carry out economic and trade cooperation. Finally, Section V concludes the paper.

2. Current Situation of Economic Development in FuJian

In 2018, the GDP of FuJian reached 3,580.404 billion yuan, an increase of 8.3 percent or 0.2 percentage points over the previous year in comparable prices. By sector, the added value of the primary industry was 237.982 billion yuan, up 3.5%; The added value of the secondary industry was 1723.236 billion yuan, up 8.5%; The added value of the tertiary industry was 1619.186 billion yuan, up 8.8%. In 2018, the added value of industries above the designated size in the province increased by 9.1 percent or 1.1 percentage points over the previous year. The value added of light industry increased by 8.9 percent and heavy industry by 9.2 percent. By type of registration, the added value of state-owned enterprises increased by 7.8 percent, joint-stock enterprises by 10.3 percent, joint-stock cooperative enterprises by 14.4 percent, and enterprises with foreign investment and investment from Hong Kong, Macao and Taiwan by 6.9 percent. The value added of the mining sector grew by 7.8 percent, the manufacturing sector by 8.9 percent, and the power, heat, gas and water production and supply sectors by 11.9 percent. However, under the background of the us-china trade war, our province is faced with the new normal of intensified market competition, traditional overcapacity, strengthened resource and environmental constraints, and rising cost of factors, the development of our manufacturing industry is also faced with severe challenges, and the transformation and upgrading is urgent.

![Figure 1. Total GDP of FuJian province and its growth rate from 2013 to 2018](image1)

![Figure 2. The proportion of added value of the three industries in GDP of FuJian province from 2013 to 2018](image2)

(The data are from the China Business Industry Research Institute database).
The number of small and medium-sized enterprises in China accounts for more than 99% of the total number of enterprises in the country. They are the fresh force of China's economic development and play an important role in promoting economic growth, relieving employment pressure and maintaining social stability. FuJian province, especially FuJian minnan area, is one of the most active places for the development of private enterprises in China. In the past 40 years since the reform and opening up, the number and scale of private enterprises in FuJian have been growing rapidly year by year. Private enterprises have become one of the main driving forces for the economic development of FuJian, especially in southern FuJian.

In 2018, the ex-factory price of industrial producers in the province rose 2.8 percent, or 1.3 percentage points less than that of the previous year. December was up 2.4% from a year earlier and down 0.6% from a month earlier. In 2018, the purchase prices of industrial producers rose 2.8 percent year-on-year, or 2.5 percentage points less than the previous year. December was up 1.2% from a year earlier and down 1.0% from a month earlier.

However, due to many natural defects of private enterprises in capital strength, development strategy, management and technology upgrading, market expansion, etc., the abnormal death and shortened survival period of private enterprises has become a new normal in the development process of China's private economy. In recent years, China's economic development and growth mode will have a major change in the macro background, private enterprises in the low industrial quality is a private enterprise in the process of development is more prominent and urgent to solve the problem.

Our research group investigated a large number of private enterprises in FuJian, and found that currently private management methods are generally backward, there is a shortage of truly competent management talents, professional managers and enterprise owners have a low degree of mutual trust, and family management and paternalistic management methods are still common. Many small and medium-sized private enterprises complain that a small number of enterprises collude with officials and businessmen to use unfair means of competition to achieve abnormal development. In recent years, private enterprises in our province, especially small and medium-sized private enterprises, generally suffer from financing difficulties and lack of development momentum. Many small and medium-sized private enterprises are weak in resisting risks and look forward to group development.

3. The Business Environment Needs to Be Improved

First, the research team found that the current FuJian business integrity system construction lags behind. Since the 18th national congress of the CPC, the CPC Central Committee with comrade xi jinping as general secretary has launched a heavy campaign against corruption with an iron fist. Some cases of corruption have been uncovered. In these cases, a small number of enterprises collude with government officials and businessmen to get abnormal development, suppress the formal enterprises in the industry, and form the phenomenon of bad money driving out good money. In these cases, corrupt officials must be behind the illegal businessmen, illegal businessmen "above" must be corrupt officials. Such a case not only hurt officials themselves, but also disrupted the normal market order, formed unfair competition, the party and the government image damage is the most. In the collusion between the government and the business, the "business" is mainly private enterprises, and the private enterprises in FuJian are more important. Preventing the collusion between the government and the business should be one of the priorities of the government's work.

Secondly, the research group believes that currently the risk resistance of private smes in FuJian is weak, and they expect group development but lack substantial progress. According to the investigation, there are many labor-intensive industries in the small and medium-sized private enterprises in our province, which rely on the exploitation of labor to earn meager profits. Therefore, it is difficult for enterprises to carry out industrial transformation to develop, and some enterprises will go bankrupt if they can no longer recruit workers or get orders. Small and medium-sized private enterprises often turnover of capital is not flexible, capital is not large enough. Once a
private enterprise loses money, it is easy to go bankrupt, and it is difficult to rise again. Unlike state-owned enterprises, which have government support, private enterprises have weak capital. Group development of private enterprises can improve their ability to resist risks, and advanced technologies can be exchanged and strengthened to realize economic transformation together. Group development of private enterprises can support each other, capital turnover is also faster. Sometimes private enterprise information is not unobstructed. It's like there's an asymmetry in the job market between who's looking for a job and who's hiring. Private enterprises in the group have more access to information, more opportunities to obtain orders, and more development opportunities. However, it is difficult for private enterprises to hold a superficial industrial event on the basis of mutual benefit and under the thought of benefit distribution and respective technology and resource protection. Cluster development is actually the Chinese application of foreign industry alliance theory. Modern industry alliance needs to be based on highly intelligent and information-based software and hardware to ensure the reasonable distribution of interests of all parties. At present, there is still a lack of industrial alliance platform through reasonable resource distribution and industrial division of labor.

Thirdly, the research team found that private enterprises in some industries in FuJian were still severely restricted in access. Due to the difference of property right nature and the high risk of operation, private enterprises have to face more market barriers than state-owned enterprises, especially in the fields of infrastructure, state-owned monopoly, finance, education, medical care, culture and other modern service industries. This mainly includes licensing system, non-differentiated policy restrictions and local protectionism. The existence of market barriers leads to market segmentation and market access constraints. Data shows that China's registered capital requirements for private limited liability companies ranked first in the world. In addition, employment permits, environmental permits and factory building permits are essential. In direct exports, private enterprises also face access restrictions. The breaking of the nature of access depends on the construction of the legal framework, the establishment of the market mechanism and the legalization and standardization of the concept and behavior of the market subject. The restriction of market access of private enterprises is not only caused by the policy factors of ownership difference, but also by their own factors of limited technology level and investment ability. But research shows that, for a long period of time, the policy rules of market access "glass door", "revolving door", "clicks" the non-market factors of investment barriers, including infrastructure, state-owned monopolies, finance, education, health care, culture, and other areas of the modern service industry especially makes a lot of private enterprises in our province, especially the growth of small and medium-sized enterprises are suffering.

4. The Government Should Introduce Policies and Measures to Improve the Business Environment

Firstly, the government should introduce policies as soon as possible to encourage government-bank-enterprise cooperation and solve the financing difficulties of private enterprises. The research group believes that in order to comprehensively strengthen the cooperation between government, Banks and enterprises, it is necessary to fully mobilize the forces of government departments, enterprises and Banks and try to form a tripartite joint force. Government departments should focus on creating a favorable environment to lead the way. Relevant functional departments of the government are familiar with superior policies, master a lot of information, and shoulder the service mission. They should further strengthen their functional awareness, actively coordinate and organize, earnestly do a good job in service, and build a bridge between bank-enterprise cooperation. Carefully package large items. Project is the carrier for the support of financial, government should combine management function, according to the national industrial policy, investment guidance, surrounding the construction of infrastructure and the development of pillar industries, further strengthen the cohesion and the superior report, elaborately, comb, argument, screening, reserves and the packaging of a batch of influence, strong drive, Banks are the major projects of "interest", to create conditions for fact cooperation. Do a good job of guidance service.
The research group believes that government departments should guide the establishment of a tripartite cooperation mechanism among enterprises, Banks and the government, set up joint meetings, improve the regular cooperation and negotiation system, strengthen the relationship between government departments and financial institutions, adhere to the optimization of financial services, improve the financial environment, and help prevent and defuse financial risks.

The research group believes that government departments should guide the construction of a comprehensive platform for enterprises, Banks and private financial institutions, guide the investment of Banks and private financial institutions, actively promote major projects with mature packaging, timely convey favorable policies supporting finance, and further expand the results of bank-enterprise cooperation in the construction of communication platform. For some projects with mature technologies and national shortage, the government can conduct macro-control and promote and guarantee them to create a financial security environment, guide reasonable investment, prevent blind expansion of production capacity and make contributions to the macro-balance of supply side.

The team thinks, should continue to perfect personal credit reporting and the enterprise credit evaluation at the same time, such as regulatory inspection, the public vote, to bank branches, credit assessment, risk assessment, and evaluation of customer satisfaction, etc, to further improve the assessment mechanism of financial institutions to support the local economy, public financial institutions around the service of local economic appraisal results.

Secondly, the government should speed up the construction of commercial integrity system. When the research group held a discussion with entrepreneurs in wenzhou, zhejiang province, the entrepreneurs mentioned that China has many shortcomings in the construction of enterprise integrity mechanism, pointing out that due to the lack of supervision, many business owners "laolui" are indeed able to transfer assets and escape from the law, and creditors have no way. Creditor companies urgently hope that the government departments can strengthen supervision through nationwide linkage, "we must make 'laolai' can't get on the plane, train, high-speed, let him live without dignity". Therefore, the research group suggests that FuJian should continue to speed up the construction of the integrity system of enterprises and their operators, further strengthen cooperation with neighboring provinces and cities, and conduct joint supervision in multiple places. Through the supervision of assets in different places and the blacklist connected to the Internet, the "laolai" of enterprises should be prevented from malice defaulting on debts, transferring assets and operating in other places.

Thirdly, the government should further strengthen the protection of intellectual property rights. Group in the province and jiangsu and zhejiang survey found that at present our country government department of private enterprises are limited to the protection of intellectual property rights the basic protection of intellectual property rights, such as brand anti-counterfeiting and in appearance, style, circuit, program, service, innovation in aspects of protection is still weak, underpowered nature could lead to product innovation. It is suggested that relevant laws and regulations on intellectual property rights should be further modified and perfected to solve the problems of long period, high cost, low compensation, poor effect and difficult proof in the process of intellectual property rights protection from the institutional level. In addition, it is suggested that we should establish a mechanism for safeguarding rights quickly in order to provide more efficient, convenient and low-cost channels for rights holders.

Fourthly, we should standardize the professional manager credit rating system as soon as possible and improve the quality of enterprise management talents. The introduction of professional managers is not only an important means to break through the bottleneck of talents in family enterprises, but also an inevitable requirement to improve the corporate governance structure. But at present, China has not formed a mature professional manager market, manager team is not good, lack of a reliable credit system, it is difficult to effectively restrain managers. More than 60% of investors in Chinese family businesses attribute their direct involvement in management to a lack of credible managers, according to data. To change this situation, it is necessary to establish an open, transparent and sound manager market and credit evaluation system. Research team believes that the government should establish perfect manager market and credit evaluation system, can make the
managers in each phase behavior information comprehensive, transparent, managers of any behavior will affect their future market transaction, which greatly increase the cost of managers "behavior, make it from the perspective of protecting their own human capital effectively of self-discipline. At the same time, the existence of the perfect professional manager market and credit evaluation system will also reduce the search cost for entrepreneurs to sign contracts with professional managers and the cost for entrepreneurs to identify managers, thus greatly reducing the transaction cost of institutional change in family enterprises. The research group believes that the government should formulate rules to assess professional managers' reputation, FuJian's resume, benefit and responsibility, enhance the mutual trust between enterprise shareholders and professional managers, and further regulate the talent market.

Fifthly, private enterprises should be encouraged to group development and enhance the ability to resist risks. Globally, "made in China" has become a unified brand of Chinese products, especially from all countries to China many times "anti-dumping" case, anti-dumping target more is against China's one kind of product, rather than a single enterprise, the international trade barriers have become China's enterprises, especially private enterprises alliance with common external reason. Enterprise group development is widely recognized as the way out for private enterprises in China to become bigger and stronger. The advantages of group development are as follows: first, group development can increase the scale of resources and capital, and small and medium-sized private enterprises can carry out more projects and drive the growth of a large number of small enterprises. Second, the group development of private enterprises can improve the market competitiveness and jointly compete against the competition in the international economic market. Third, cluster development can enable enterprises to support each other, complement each other in terms of capital, technology and resources, and improve the risk-resistance ability of small and medium-sized private enterprises. It is still up to government departments to take the lead in formulating rules and giving more policy support to private enterprises to develop as a group and implement specific cooperation.

Now, under the background of comprehensive transformation of China's manufacturing industry and efforts to achieve the goal of becoming a manufacturing power, FuJian has intensified efforts to adjust its structure and accelerated its transformation and upgrading. Adhere to grasp the bibcock, cast chain, building cluster in our province, focusing on inventory optimization and create incremental, industrial output grew by 8.8%, 10.2% value added of the three leading industries, high-tech industrial added value increased by 12.2%, the added value of the financial sector rose 15.5%, software and information technology services business revenue grew 20%, the added value of the tertiary industry growth rate of 9.4%. The provincial investment in technological upgrading was 455bn yuan, up 18%. The innovative application demonstration project of "numerical control generation" was vigorously promoted. Quanzhou became the only local pilot of "made in China 2025". Focusing on the selection of leading projects, major industrial leading projects such as jingdong board, leadchip international integrated circuit and high-generation panel have been implemented, effectively driving industrial agglomeration. The transformation and upgrading of the manufacturing industry guided by intelligent manufacturing is a great opportunity for the development of small and medium-sized private enterprises.

The team’s Suggestion: according to the famous "Agile Manufacturing" theory put forward by the United States at the beginning of this century, intelligent Manufacturing means that enterprises carry out equipment upgrading and transformation based on information. The government can guide the intelligent manufacturing transformation of the industry enterprises in the region according to the current situation of the industry.

Research team believes that the government should be made "smart", "nc generation" as an opportunity to select more than one leading enterprises to develop new industry production standards, formulate the unified platform for the intelligent manufacturing operational standards, through the order and the interests of the drive, the intellectualization and informationization further promote to the whole industry, to help enterprises in the production, sales, decision-making, financial, personnel and storage aspects of standardization, efficiency, information management,
introduces the industry advanced management mode, provide cooperation, sales orders, raw material supply cooperation, after-sales service, warehousing transportation services such as cooperation, financial cooperation and market analysis and decision. So that industry member enterprises can focus more on what they are good at, and leave other work to more professional enterprises, so as to reduce the overall operating costs, improve the overall production efficiency, improve the quality of development, and form an agile supply chain with dynamic members on the industry agile manufacturing platform. Members participate in the platform of the enterprise according to certain rules for commercial activity, from the supply side, building dynamic agile supply chain, the members of the agile supply chain according to certain rules to carry on the negotiations, to production, the sale task, from the external market internal form a cooperative game, foreign joint fight against market risk.

Sixth, we need to build a better relationship between government and business. The team argues that the government should prevent collusion between officials and businessmen by regulating their property. We will monitor the source of assets to prevent collusion between government officials and businesses, continue to push forward legislation, and establish and improve the property declaration system for public officials. We expanded the powers of supervisory agencies to investigate assets owned by public officials and their relatives, as well as major consumer expenditures at home and abroad, and allowed them to monitor their daily income and expenditure. The team argues that the government should prevent collusion by regulating corporate reputation. In recent years, officials fall, the enterprise carefree examples are numerous. For alleged bribery of the enterprise, unless the parties need to meet with the law, dealing with the alleged bribery itself should be listed in the enterprise credit blacklist, the government departments to deal with such business with reputation stain from the policy tilt to strictly "special attention" to bank loans from the tax supervision to the quality supervision should be checked to the blacklist enterprise focus. Only in this way can all the shareholders, management personnel and even ordinary employees of the enterprise are unanimously alert to collusion between government and business, and consciously prevent the operation of violations. The research team believes that the government should prevent collusion between government and business through power and institutional supervision. The functions of some industries and sectors (such as land development, urban construction, material procurement, etc.) that are prone to collusion between government and business should be further transparent. In the division of government functions, the government should pay attention to reducing the freedom and flexibility of civil servants in dealing with human, financial and material rights, so as to prevent collusion between officials and businessmen. Only by standardizing the use of power by officials, preventing businessmen from buying power with money and establishing a healthy relationship between officials and businessmen, can the collusion between officials and businessmen be effectively restrained and corruption be prevented.

Seventh, the government should help private enterprises "go global" to carry out economic and trade cooperation. From January to November 2015, China's non-financial outward direct investment reached us $104.13 billion, up 16% year-on-year. Compared with the hundreds of years of operation experience of established enterprises in developed countries all over the world, Chinese private capital lacks the experience of "going global", and its international operation and risk prevention capabilities are relatively immature. The research group believes that the government should introduce policies to help private enterprises integrate into the "One Belt And One Road" construction. Fully mobilize the enthusiasm of private enterprises and social capital, organize private enterprises in our province to vigorously develop export-oriented economy, play their due role in the construction of "One Belt And One Road", and promote the transformation and upgrading of private economy in our province. Private enterprises with the conditions and intention of "going global" will be organized, with countries along the "One Belt And One Road" as the target, to promote the cooperation of investment projects among enterprises, complement each other's advantages, group development, and actively guide private enterprises to participate in the construction of "One Belt And One Road".
The research group believes that the government should introduce policies to help private enterprises expand international cooperation on production capacity. Have government departments to help enterprise capacity, the superiority of our province to surrounding countries take advantage of government resources, help enterprises to filter to find those who belong to our province capacity and the disadvantaged capacity in its neighboring countries, help enterprises to preempt the commanding heights, integration into the global value chain, from the official power, at the government level increased international cooperation capacity of private enterprises.

The research group believes that the government should introduce policies to help private enterprises improve the utilization of foreign capital and promote innovative development of foreign trade. Research group in taicang, jiangsu province and other places found that while Chinese enterprises have the trend of group development, foreign enterprises also have the trend of group development. The experience of jiangsu taicang german-funded enterprise cluster shows that it is easier to specify targeted policies to attract some countries and regions than to design investment policies for all countries in the world. Therefore, according to the actual situation of our province, it is suggested to form a targeted design and improve the investment environment in many places of our province, and formulate targeted investment policies in various places to attract foreign enterprises to group development in China, especially to attract high-tech enterprises from developed countries.

The research group believes that the government should introduce policies to encourage private enterprises to start businesses in free trade zones. The so-called "freedom" in the free trade area means more freedom of trade, logistics and customs within a specific region. The core is to speed up the flow of goods, personnel, capital and information through deregulation. It is suggested to follow the policy and tax innovation of Shanghai free trade zone, reduce and reduce tax burden for private enterprises in the free trade zone, and formulate corresponding preferential policies on finance, tax, finance, foreign exchange and trade for private enterprises. At the same time, it is suggested that the policy reform of the free trade zone not only lies in the exploration of new enterprise management rules, but also includes the transformation of official governance mechanism.

5. Conclusion

In this paper, a Research on further improving the business environment in FuJian was presented. Specifically, the current situation of Economic development in FuJian was introduced. In addition, the impact of the new normal of economic development on private enterprises. The research group believes that the credit system construction in the business environment in FuJian is lagging behind. Small and medium-sized private enterprises are weak in resisting risks but lack substantial progress in group development. There are still some industry private enterprises access restrictions and other issues. These problems are becoming an obstacle to the current economic development. After in-depth investigation and analysis, the research team proposed several measures, including: introducing policies to encourage government, bank and enterprise cooperation to solve the financing difficulties of private enterprises; Accelerate the construction of credit system; Strengthening intellectual property rights protection; Standardize the reputation evaluation system of professional managers and improve the quality of enterprise management talents; Encourage private enterprises to group development to enhance the ability to resist risks; Establish a good relationship between government and business; Help private enterprises "go out" to carry out economic and trade cooperation and other corresponding solutions.

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