

Research on the Relationship between China's Supply-side Structural Reform and Enterprise Innovation

-- From the Perspective of Financing Constraints

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Abstract

Based on the economic theory of supply school and the actual situation in China, this paper analyzes the relationship and countermeasures of supply-side structural reforms, easing corporate financing constraints, and improving corporate innovation capabilities. Firstly, the theory of supply school is used to analyze the boundary and focus of supply-side structural reform; secondly, it discusses the embeddedness and coupling between supply-side structural reform, financing constraints, and corporate innovation; Finally, from the three levels of government, enterprises and social institutions, strategies and suggestions for further advancing supply-side structural reforms, easing corporate financing constraints, and improving corporate innovation capabilities are proposed.

Keywords

Supply-side structural reform, financing constraints, corporate innovation.

1. INTRODUCTION

Structural reform on the supply side is based on structural reforms to improve the efficiency and quality of resource allocation by rectifying ineffective supply, expanding effective supply, and adjusting the structure of supply and demand. In the current process of China's economic transformation and industrial upgrading, the strengthening of supply-side structural reform is a strategic consideration based on the reality of economic development and a strategic measure to promote the comprehensive and deep development of society. Its fundamental goal is to improve the level of social productivity development. Build a well-off society in an all-round way and inject new momentum.

Enterprises are the main force of supply-side structural reforms. Therefore, based on the economic theory of supply school, this paper considers the impact of supply-side structural reforms on the level of corporate financing constraints at the enterprise level, and comprehensively studies and analyzes supply-side reforms. The deep relationship between financing constraints and corporate innovation.

Based on realistic and theoretical perspectives, this article first theoretically positions the boundaries and centers of gravity of structural reforms on the supply side, and then analyzes the embedding and coupling relationships between supply-side reforms, financing constraints, and corporate innovation, and proposes that the supply-side reform will continue to be promoted. Structural reforms, strategies and suggestions to improve the innovation capacity of enterprises.

2. ECONOMIC ANALYSIS OF THE BOUNDARY AND CENTER OF SUPPLY-SIDE STRUCTURAL REFORM

The two main applications of the supply school are Reaganism and Thatcherism. Reaganism advocated reforms by advocating tax cuts and reforming monetary policy. Thatcher advocates advancing the reform of state-owned enterprises to stimulate the behavior of individuals and business organizations and further improve the efficiency of the use of production factors. This paper argues that the supply-side structural reform should be defined from the following three levels.

First, the demand side has investment, consumption, and export troikas, and the supply side has four major factors: labor, land, capital, and innovation. The nature of supply-side structural reform is to improve the efficiency of resource allocation and achieve stable economic development. The supply school believes that stimulating and stimulating the behavior of individuals or organizations can better achieve resource allocation and improve the efficiency of resource allocation.

Second, the logic of supply-side structural reform is to resolve excess capacity, reduce corporate costs, digest real estate inventory, and prevent financial risks. By eliminating excess capacity, it can reduce the burden on enterprise development, optimize the product structure of the enterprise, and enhance the innovation momentum of the enterprise. Reducing the cost of the enterprise will help the company to upgrade lightly, increase the return on capital, and improve the quality of enterprise operations.

Third, the main path of supply-side structural reform. There are four main lines of reform: labor, capital, innovation, and government. Labor reform addresses the problem of population aging, and through further supplementing and releasing demographic dividends, it injects new vitality into economic development. Capital reform is to further optimize capital allocation, rely on the power of the market to allocate resources, and provide better services to solve the problem of corporate financing constraints, thereby reducing corporate costs and improving the quality of corporate profits.

3. EMBEDDING AND COUPLING OF SUPPLY-SIDE STRUCTURAL REFORMS, FINANCING CONSTRAINTS, AND CORPORATE INNOVATION CAPABILITIES

3.1. Embedding and Coupling of Supply-side Structural Reform and Financing Constraints

First, the supply-side structural reform will first affect the degree of competition in the product market. Low-end ineffective supply will decrease, but the increase in effective supply will undoubtedly increase the degree of competition in the product market, and the increase in the degree of competition in the product market will promote Companies are more cautious in disclosing "good news" and "bad news," thereby reducing their financing costs. At the same time, the increase in effective supply means that companies will reduce investment in some projects with low returns, reduce waste of corporate resources, and lay the foundation for investing in better projects in the future.

Second, supply-side structural reforms will increase the effective supply of the capital market, and effective capital market supply will enhance the source and flexibility of external funding for enterprises, while reducing financing costs. However, the current constraints are: China's capital market financing platform, financing methods and financing instrument innovation efforts are still insufficient; multi-level capital market construction is not yet mature; there are multiple problems in capital market risk control and supervision. Solving these problems has

become The key to increasing the effective supply of capital markets in supply-side structural reforms.

Third, supply-side structural reforms will optimize government behavior. Optimizing government behavior can reduce the institutional costs and hidden costs of enterprises, and build a favorable external environment to alleviate corporate financing constraints. However, the current constraints are: the current reform of China's administrative system is still facing multiple difficulties; the reform of the household registration system and the land system is facing deep-seated problems; the reform of state-owned enterprises has entered the deep-water zone. High multiple institutional costs and hidden costs.

3.2. Embedding and Coupling of Financing Constraints and Enterprise Innovation Ability

First, the level of corporate financing constraints is negatively related to corporate innovation capabilities. Various studies have shown that the higher the level of corporate financing constraints, the worse the corporate innovation capacity. This coupling is reflected in the fact that if the problem of financing constraints can be solved, the innovation ability of enterprises can be improved to a certain extent.

Second, the ability of enterprises to innovate helps alleviate the problem of financing constraints. On the one hand, a strong corporate innovation ability often means that the company is aggressive in operations, and if innovation ability makes progress in the transformation of innovation results, it can to a certain extent allow the company to obtain more excess profits and ease capital constraints Situation. On the other hand, companies with higher innovation capabilities are often external investment subjects, such as the object of angel investment, so innovation capabilities can be used as an important tool for companies to attract external investment.

Third, financing constraints and corporate innovation capabilities are fragmented. Divisibility indicates that there is a certain adjustment space between corporate financing constraints and innovation capabilities. That is, when the level of financing constraints is high, companies can increase the value creation ability of enterprises by digging the space for the growth of human capital value through innovation. Divisibility is a key issue to be addressed in the supply-side structural reforms, that is, to straighten out this relationship, while strengthening and reducing the level of financing constraints, further improving the innovation willingness and ability of enterprises.

3.3. Embedding and Coupling of Enterprise Innovation Capability and Supply-side Structural Reform

The formation of innovative capabilities is of great significance for companies to build a dynamic, flexible and inclusive development framework. Enterprise innovation capability and supply-side structure are embedded and coupled, but there are some constraints.

First, the innovation capability of enterprises is the main driving force for structural reforms on the supply side. Supply-side structural reform is to reallocate and adjust production factors such as capital and labor to optimize resource allocation and improve production efficiency. To some extent, the ability to innovate is a method of resource redistribution and utilization based on human subjective consciousness and advanced technology. Therefore innovation can enhance the efficiency of resource redistribution and adjustment, while accelerating the speed and quality of allocation and adjustment.

Second, supply-side structural reforms provide a platform for the formation and development of corporate innovation capabilities. Supply-side structural reform advocates innovation as the mainstay, and promotes the reform of some production factors such as capital and labor. This provides a platform for companies to improve products, update services, and develop new industries through innovation.

Third, the supply-side structural reform has a synergistic and developmental embedding and coupling relationship with the company's innovation capabilities. On the one hand, structural reform on the supply side takes innovation as the concept, and strengthens the methods of corporate innovation, individual innovation, and social innovation to optimize the supply side. On the other hand, supply-side structural reform and enterprise innovation have a developmental embedded and coupling relationship. Enterprises at lower stages of innovation can improve their own innovation level by participating in supply-side structural reforms and eliminating outdated production technologies and management models.

4. STRATEGIC ANALYSIS OF ENHANCING ENTERPRISE INNOVATION ABILITY UNDER THE BACKGROUND OF SUPPLY-SIDE STRUCTURAL REFORM

4.1. Government Level

The government is the guide and organizer of promoting supply-side structural reform. It should promote supply-side structural reform from the following three levels.

First, the government should speed up the reform of the administrative system and reduce the cost of the system. First of all, the reform of the administrative system must be transformed from a single government management to a service market. Through a series of reforms, an effective separation between the government and the market must be achieved. At present, the most important thing for economic development is not to solve the problem of what to produce, but to solve the problem of how to produce (such as agriculture). Therefore, we must actively promote China's administrative reform. Actively optimizing the reform of the administrative system can reduce the institutional costs (or hidden costs) of the enterprise and help to solve the financing constraints of the enterprise at a deep level.

Second, actively promote the reform of state-owned enterprises. State-owned enterprise reform is the top priority of supply-side structural reform. State-owned enterprises play an important role on both the demand and supply sides. Promoting reforms in the management systems, development models, operating mechanisms, and innovation strategies of state-owned enterprises will directly affect the success or failure of supply-side structural reforms.

Third, to promote continuous reform in other areas with innovative thinking. Supply-side structural reform involves many areas, and the government should use innovative thinking to promote continuous reform in other areas. Therefore, in the future, on the basis of actively promoting anti-corruption governance, the government's behavior should be optimized, and efforts should be made to promote reforms such as the household registration system, land system reform, financial system reform, fiscal and taxation system reform, and macro adjustment system reform. Reform of the household registration system can further release the potential dividends of the population, eliminate inventory, and inject vitality.

4.2. Enterprise Level

Enterprises are the main force of supply-side structural reforms. Enterprises should promote supply-side structural reforms and actively cultivate their own innovation capabilities.

First, promote enterprise development with innovation. Supply-side structural reform is both an opportunity and a challenge for enterprises. Therefore, in the context of supply-side structural reforms, companies need to update the products that do not meet market demand in a timely manner in accordance with the current situation and changes in requirements, actively optimize products and services, and make full use of internal talent and external new technologies. Innovate development models.

Second, actively grasp and discover changes in market demand and follow the pace of structural reform. Enterprises should fully increase their technological innovation and adjustment of industrial development direction, so as to significantly improve their innovation capabilities and market competitiveness. The government should also actively support enterprises to carry out innovation and entrepreneurship activities, effectively promote the docking of production and demand, and promote the development of new technologies and new formats in the integration of traditional and emerging industries.

Third, enterprises should improve their internal governance structure and build a sound innovation strategy. Enterprises should build a sound innovation strategy to "force" the solution of corporate financing constraints. To this end, enterprises should promote the construction of corporate R & D centers, improve their original innovation, integrated innovation, and ability to introduce, digest, assimilate, and innovate; practically promote management innovation, focus on innovation in management concepts, development strategies, organizations, human resources, and corporate culture, and strengthen enterprises Ability for sustainable development.

4.3. Social Dimension

First, create conditions for private capital to enter supply-side structural reforms. Private capital is an important force to ease corporate financing constraints. At the same time, the entry of private capital can also provide new energy for China's supply-side structural reform. One of the main contradictions of the current shortage of supply and demand is that private capital cannot participate in new industries and industries in a timely manner, and existing state-owned capital cannot benefit many areas, resulting in stagnation in reforms in related areas.

Second, promote the strategy of "mass entrepreneurship and innovation". From a certain perspective, "public entrepreneurship and innovation" is an important driving factor for reducing hidden costs and releasing corporate vitality. By implementing the strategy of "mass entrepreneurship and innovation by all people", we can better guide the effective allocation of corporate resources and social resources, and adjust the supply and demand structure of enterprises and markets.

Third, vigorously develop the service industry and environmental protection industry, and guide the transformation of enterprises. Service industry is the focus of structural reform on the supply side. When the steel, cement, and real estate industries are facing development difficulties, by immediately optimizing the industrial layout and vigorously developing the service industry, they will create good external conditions for the overall development of the enterprise. Encourage and support a number of professional environmental governance research institutions and environmental protection companies through the multiple investment and financing models of the government, enterprises and society.

5. CONCLUSION

Supply-side structural reform is an important strategic measure to promote China's economic development transformation and optimize development quality. The article takes financing constraints as the starting point, explores and studies the relationship between supply-side structural reforms, financing constraints, and the embedding and integration of corporate innovation capabilities, and provides a theoretical basis for supply-side structural reforms from strategic framework to practical operation. With the continuous advancement of China's supply-side structural reform practice, more new problems and challenges may emerge in the future. Therefore, this article considers that it is of great significance to develop theoretical research on supply-side structure.

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