

Research on the problems and path optimization of market environment construction in China

He JIANG^{1,a}, Yonghui CAO^{2,b*}

¹Department of Business Administration, Guangzhou College of Technology and Business, Guangzhou, China

²Department of Business Administration, Guangzhou College of Technology and Business, Guangzhou, China

Abstract—China is in the period of economic development and transformation. Optimizing the economic structure and changing the driving force of growth are the focuses of current economic work. In order to build a high-quality economic development from the extension to the connotation, so as to rely on the supply side reform driven by innovation and boost the confidence of enterprise growth, we need to create a good market environment, which is the guarantee to ensure the healthy development of market subjects. From the perspective of market environment construction in recent years, although positive results have been achieved, there are still some problems to be solved. Therefore, this paper will start from the reality of market environment construction in China, analyze the existing problems, and further clarify the idea of optimizing market environment construction, and create a good market environment to enhance the competitiveness of Chinese enterprises.

1 INTRODUCTION

At present, China is in the transition period of economic development. Optimizing the economic structure and transforming the growth power are the current economic priorities. In order to build a high-quality economic development from extension to connotation, we need to gradually abandon the previous economic development mode of high investment, high consumption, high pollution and low efficiency, so as to rely on the supply side reform driven by innovation and boost the growth confidence of enterprises. The creation of business environment is the guarantee for the healthy development of market subjects. Therefore, only by optimizing the construction of business environment, attracting the concentration and allocation of high-end resource elements, and realizing the transformation of economy from traditional old kinetic energy to new kinetic energy, can the competitiveness of regional economy be improved. Research shows that a good market environment can stimulate and protect entrepreneurship, and actively promote high-quality economic development.

According to the analysis of the market environment in the first three quarters of 2019, the market entities continued to grow rapidly. The main body of the market keeps a good momentum of development:

TABLE 1 DATA COMPARISON OF NEW MARKET ENTITIES FROM JANUARY TO SEPTEMBER 2019

	January to September 2019	Year-on-year growth
New enterprises	5422000	8.2%
New individual	12109000	16.2%

businesses		
New farmer cooperatives	133000	-27.7%
General statistics of newly established market entities	17664000	13.1%

From the perspective of industrial structure, the comparative data of newly established enterprises in the first, second and third industries are as follows:

TABLE 2 COMPARISON OF NEWLY ESTABLISHED ENTERPRISES IN THE FIRST, SECOND AND THIRD INDUSTRIES FROM JANUARY TO SEPTEMBER 2019

	January to September 2019	Year-on-year growth
New enterprises in primary industry	117000	-7.5%
New enterprises in the secondary industry	947000	9.6%
New enterprises in the tertiary industry	4358000	8.4%

However, from the perspective of market environment construction in recent years, there are still some problems to be solved. Therefore, this paper will start from the reality of market environment construction in China, analyze the existing problems, and further clarify the idea of optimizing market environment construction, and create a good market environment to enhance the competitiveness of Chinese enterprises.

^aGZhappy2020@126.com, ^{*}Corresponding author: Yonghui CAO: ^bXinrui20132015@126.com

2 THE LEGITIMATE RIGHTS AND INTERESTS OF MARKET SUBJECTS HAVE NOT BEEN EFFECTIVELY PROTECTED, AND THE TASK OF IMPROVING MARKET ENVIRONMENT IS ARDUOUS

2.1 Operation of market subjects is not treated fairly

For the policy making and relevant legislation in the construction of business environment, there are still obvious local protection colors in some areas. In the market competition, the enterprises are confronted with unfair treatment from the beginning. Although the local government's preferential support for local specific advantageous industries can promote economic development, too much protection will have adverse effects, which will damage the enthusiasm of enterprises in other fields and weaken the fairness and justice of laws and regulations. In addition, the relationship between the government and the market is blurred, and the improper intervention of the government is also the reason why the interests of the market subjects are not treated fairly.

2.2 Social Credit System is not Perfect and Needs to be Strengthened

The task of business environment construction is arduous. One of the most important reasons lies in the imperfection of social credit system. As a core content of social governance, social credit system has an important impact on the sustainable and healthy development of market economy. Whether the market economy can compete orderly, and whether the rights and interests of micro subjects can be effectively protected, the perfection of credit system is an important factor. In recent years, China has done a lot of work in the construction of social credit platform.

2.3 Problem of Tax and Fee Reduction Needs to be Solved

As the tax system that affects the operation of the main body of our market is still in the exploration period of reform. According to the business environment report of the world bank, we can see that China's tax evaluation indicators are in an inferior position compared with other economies. But the reality is, although the relatively high tax burden of enterprises in our country has become a recognized fact, there are still many local governments that can not correctly understand the importance of tax reform and think that tax reduction affects local fiscal revenue. In the reform of the tax reduction and fee reduction system, most of the measures taken have the characteristics of perfunctory short-term behavior, and do not form a relatively perfect tax reform system, nor stimulate the confidence of enterprises to actively engage in business because of tax reduction and fee reduction. It

can be said that there are still different opinions on the level of tax burden of enterprises in China, which makes local governments unable to make correct judgments and effective measures according to the actual tax standards in China.

In fact, in recent years, the central government has taken a number of "deregulation service" reform measures to improve the business environment of Taxation, such as replacing business tax with value-added tax, taking relevant measures in the proportion of enterprises paying "five insurances and one gold", aiming to reduce the tax burden of real enterprises. According to the research, although these measures have some positive effects on enterprises in reducing tax pressure, many enterprises say they can not feel the obvious effect brought by tax reform, and even some enterprises say the effect is not significant, which also shows that the effect of tax reduction has not been fully reflected.

2.4 Financing Channels of Enterprises are Relatively Single and Financial System is not Perfect

The market environment should be able to provide a relaxed business atmosphere for enterprises, and the improvement of the financial system can provide guarantee for the financing of enterprises. However, there are many contradictions in the actual situation, especially the imperfect financial system, which seriously restricts the transformation, upgrading and sustainable development of enterprises. The financing of enterprises is still based on the loan support of commercial banks, and the financing channels are relatively single. The current banking system directly limits the loan qualification of small and medium-sized micro enterprises such as private enterprises with high credit requirements. In addition, high financing cost, too strict credit mortgage and risk control hinder the transformation, upgrading and development opportunities of enterprise innovation investment and new field investment.

At present, as the market competition intensifies, enterprises need more capital. However, the real contradiction of financing difficulties limits the sustainable operation of enterprises. The reason is that China has not yet built a modern financial system that meets the needs of enterprise growth, and the business financial environment needs to be further reformed. Through interviews and practical research, there is a serious imbalance between the financial system and the capital demand of business operation. The main reasons are as follows:

First, as financial institutions such as banks, in order to protect their own interests, the loan interest rate of private enterprises is higher, the mortgage requirements are too strict, which erodes the ability of enterprises to create profits.

Second, because the financing path is relatively narrow, the loan of banking institutions is still the biggest dependence of business operation and development. Even if the loan interest rate is high, but because of the risk control of banks and the lifelong pursuit of loan

responsibility, it is not easy for private enterprises to obtain loans from financial institutions smoothly.

3 BASIC IDEAS FOR FURTHER OPTIMIZING THE MARKET ENVIRONMENT

The construction of market environment is the core content of the construction of business environment. To do well in the construction of market environment, we need to do well in the construction of business environment. To optimize business environment, we need to learn from the advanced international experience and combine with China's national conditions to build a suitable business environment evaluation index system. This is not only the basic work to optimize the business environment, but also an important way to strengthen the legal, international and market-oriented business environment. The establishment of a business environment evaluation index system suitable for China's national conditions can not only summarize and promote the good experience of business environment development and construction, but also effectively improve the reform measures.

3.1 Adhere to Goal Orientation and Problem Orientation

Comparative study can effectively compare the deficiencies of system and supervision in an economic system. In order to clarify the problems in the development of the state-owned business environment and point out the direction for the next development and optimization of the business environment, China should actively participate in the evaluation and investigation of the business environment project of the world bank. In terms of improving the international ranking of business convenience, Shanghai and Beijing should be clearly listed as the leading cities of business reform. They not only provide a "wind vane" for other cities, but also represent China as a "sample" of business environment construction. The change of business environment quality of the two regions can promote the economic and social development of the region, and then enhance China's global ranking, and provide successful and replicable experience for the development of business environment of other regions.

3.2 Actively Carry out Domestic Business Environment Evaluation

In order to promote the construction of business environment, each country has a rating index based on the comparison of business environment improvement results between its own region or major cities. For example, based on this index, the United States has evaluated the "best state" in the business environment. Some regions in China have also carried out the evaluation of business environment convenience, but the evaluation of major cities in China has not yet started. In 2008, the business environment project team of the world bank assessed the business environment among the provincial capitals of

China and published the ranking. The results showed that the scores of different regions were very different. Therefore, in the context of the development of the new era, we will continue to set up relevant evaluation departments to comprehensively and systematically evaluate and rank the state-owned business environment in accordance with China's national conditions and learn from relevant experience, so as to explore the best practice methods suitable for China. We should give full play to the leading role of "leader" and "weathervane", promote the impetus of local government to deepen reform, so as to provide theoretical and practical basis for business construction in various regions.

3.3 Establish the Index System in line with China's Reform Practice

We should not only set up the strategic goal of building an international leading business environment, learn from international advanced development experience and scientific business environment index assessment methods, but also be closely connected with China's national conditions at all times. Combined with the domestic economic and social reform, we should examine whether it meets the policy requirements and reform objectives put forward by the Party Central Committee and the State Council. In the report on the work of the government in 2018, China proposed to deepen the reform of "deregulation service", including promoting the policy of "separation of license and license" throughout the country, further reducing the time for starting enterprises, reducing the approval time of engineering construction projects by another half, and comprehensively implementing the target tasks of "double random and one open" supervision. Local governments should strengthen these specific measures to optimize the business environment and use them as an important indicator to evaluate the local improvement of business environment.

3.4 Take the Market main body and the Masses' Feeling as the Test Standard

The construction of business environment evaluation index system should make the market subjects fully participate, which to a certain extent is the active support for the government business reform, and also can improve the operation efficiency and service standards of relevant government departments. Market subjects have practical experience and grasp of the quality of business environment. They should encourage entrepreneurs to put forward reform opinions according to the actual situation of the market, and actively participate in the formulation and implementation of business laws and regulations. Government departments should understand the "difficulties" and "concerns" of enterprises through field investigation, feed back the needs of enterprises in time, and practically help enterprises to solve the difficulties encountered in their development on the basis of focusing on the effect of reform implementation and enterprise response.

4 BUILD A COMPETITIVE AND ORDERLY MARKET ENVIRONMENT TO PROTECT THE LEGITIMATE RIGHTS AND INTERESTS OF ALL KINDS OF MARKET SUBJECTS

4.1 Government should properly Handle the Relationship with the Market

The orderly market environment is conducive to the fair competition among enterprises, so as to promote the sustainable and healthy development of regional economy. In the construction of market environment, we should guarantee fair market competition, strengthen market supervision, maintain market order, make up for market failure, and focus on bidding and financing. In the system design of market environment, we should respect the market and its operation law, that is to say, the market realizes the effective allocation of resources through the law of value, the law of competition and the law of supply and demand. This requires that the government should always focus on the establishment of a perfect market system, the government's supervision in place, the government's appropriate intervention in economic development and other issues, and give full play to the basic role of the market in resource allocation. We should further optimize the market access mechanism, actively encourage all kinds of resources to participate in economic activities, pay attention to the supervision of the behaviors of market subjects, constantly regulate the behaviors of market subjects, and strive to create an open, fair and just market competition environment. We should lower the threshold of market entry, moderately relax the conditions for international capital to participate in China's market competition under certain conditions, and actively encourage and guide private capital to enter the market, so as to stimulate market vitality to the greatest extent.

4.2 It is suggested to amend and Improve the current "Bidding Law" as soon as possible

When dealing with the relationship between the government and the market, it is necessary to clarify the responsibilities and boundaries of the regulatory authorities in the bidding activities. Both government departments and market subjects should match their responsibilities and rights. Guided by the problems and objectives, we will comprehensively monitor and adjust the current regulations of "winning the bid at the lowest price" in the Chinese government procurement system. This study suggests that government agencies at all levels and relevant departments should thoroughly clarify the logic and potential rules behind "winning the bid at the lowest price" in their procurement process, and the formulation of procurement policies should be directly linked with such factors as innovation ability, management ability, production ability, corporate culture, reputation, etc. Based on the principles of systematization, standardization and standardization, we should actively build and improve the transparent and efficient "Bidding

Law" to improve the quality of manufacturing products, the ability of independent innovation and strengthen the protection of intellectual property system.

4.3 Consider the Issue of Structural Tax Reduction and Fee Reduction in a forward-looking Wway

In the face of the new situation, new problems and new challenges, active tax reduction and fee reduction policies cannot deviate from the general requirements of China's high-quality economic development. Tax reduction and fee reduction are structural rather than total, that is, there is a clear operational direction rather than indiscriminate reduction. The suggestion of this study: we should implement differentiated tax reduction and fee reduction policies according to the different stages of the enterprise life cycle and the different nature of the enterprise. The specific measures are as follows: for the traditional manufacturing industry with low added value guided by export, the current tax policy should be greatly reduced, that is to say, the tax burden of the traditional manufacturing industry should be minimized by increasing the deduction scope and intensity of "replacing business tax with value-added tax"; For high-end manufacturing and emerging industries oriented by high technology, we will significantly strengthen the implementation of the policy of R & D expenses plus deduction, increase the deduction of "business to value added" in terms of scientific and technological innovation of these enterprises, and encourage enterprises to enhance their innovation ability.

4.4 Build a new Financial Development Model Guided by the Integration of Financial and Technological Innovation

This study suggests that: first, we should vigorously promote the banking system's mixed operation reform, and provide customers with one-stop, comprehensive and high-quality financial services. The state should gradually open up the direct financing function of the commercial bank system, broaden the long-term and stable financing channels for technological change, management innovation and other aspects of enterprises, so as to meet the financing needs of high-quality development of enterprises; Second, to eliminate the interference of market stakeholders and vested interests to the greatest extent, and improve the control of the requirements for enterprises to enter the stock market. Only those enterprises with high-quality development level, high competitiveness and sustained and stable growth can enter the stock market, the existing financing problems will be improved; Third, we will deepen the role of science and technology finance in China's current financial system reform, focus on the integration of resources, strengthen the service function of science and technology finance, accelerate the pace of innovation in science and technology finance, and promote the rapid formation of a new integrated development model of market and science and technology finance.

5 CONCLUSION

In short, as the core content of business environment construction, market environment construction is related to the healthy and sustainable development of Chinese enterprises. Therefore, while making positive achievements in the construction of market environment in China, we need to see the problems existing in the market environment in the process of economic development in China, clarify our ideas, and build a competitive and orderly market environment to protect the legitimate rights and interests of all kinds of market subjects. This paper starts with several key issues in the market environment, and puts forward corresponding suggestions, in order to provide reference and reference for the sustainable and healthy development of Chinese enterprises. According to the local situation, the local government of our country can formulate the corresponding market construction plan, and actively promote the development of market environment construction of our country and local government.

ACKNOWLEDGMENT

This work is financially supported by Guangdong Education Science Planning Project, building an efficient and intelligent supply chain system to promote the high-quality economic development of Guangdong-Hong Kong-Macao Greater Bay Area, 2019GXJK072; outstanding scholars of philosophy and Social Sciences in Henan Province higher education in 2018, 2018-YXXXZ-06; Henan philosophy and Social Sciences Planning Project in 2019, 2019BJJ003; The social development project of Henan provincial key R & D and promotion project (Science and technology tackling key problems) in 2019, project number: 515; Henan philosophy and Social Sciences Planning Project in 2019, 2019BJJ032; General Topics of Henan Province Educational Science "13th Five-Year Plan" in 2020, 2020YB0146; the key scientific research project of colleges and universities in Henan Province in 2021, 21A620002; Foshan social science planning project in 2020, 2020-QN11; Intellectual property soft science research project of Henan Province in 2021, 20210106014. Thanks for the help.

REFERENCES

1. Cuervo-Cazurra A. Global strategy and global business environment: The direct and indirect influences of the home country on a firm's global strategy[J]. *Global Strategy Journal*, 2011, 1(3-4): 382-386.
2. Doing business group of the World Bank. Doing Business 2020. <https://chinese.doingbusiness.org/>
3. Dong Zhiqiang, Wei Xiaohai, Tang Canqing. System soft environment and economic development [J]. *Management World*, 2012, 4: 9-20
4. Li Zhijun, Zhang Shiguo, Li Yifei, et al. Evaluation of urban business environment in China and relevant suggestions [J]. *Jiangsu Social Sciences*, 2019 (2): 5
5. Peng diyun, Chen Bo, Liu Zhijia. Construction and application of regional business environment evaluation index system-Taking Yangtze River economic belt as an example [J]. *Finance and economy*, 2019, 1 (5): 49-55
6. Savrul M, Incekara A, Sener S. The potential of e-commerce for SMEs in a globalizing business environment[J]. *Procedia-Social and Behavioral Sciences*, 2014, 150: 35-45.