A brief analysis of Yulin Business Incubation Development and Post-Subsidy Support Mode

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Abstract. Under the background of Yulin city’s policy of "building business incubation platform" and related management measures, the municipal party committee municipal government further put forward "ten big strategic studies". How to improve the performance of fiscal and scientific investment funds, optimize the allocation of scientific and technological resources, improve the level of business incubation institutions, and effectively realize the employment driven by entrepreneurship has become a problem to be solved. The project is proposed by studying the current situation of the development of business incubators of Yulin city, combined with fiscal subsidy policy after science and technology has been introduced at home and abroad to carry out the situation, put forward science and technology business incubators in Yulin city, the government budget subsidies support after some problems need to be solved, including the policy orientation, scope, management system, allowances, negative list, audit assessments, exit mechanism, etc.

Introduction

Background. Under the background and opportunity of "mass entrepreneurship and innovation", Yulin has introduced a series of relevant policies and measures. The government work report of 2015 mentioned “We will promote mass entrepreneurship and innovation, make full use of the policies for the development of small, medium and micro businesses, support the construction of a number of crowd innovation Spaces and star innovation Spaces in counties and districts, and encourage researchers, university students and other groups to make innovations and start businesses.” In Aug. of 2015, “Yulin municipal people's government on further improving the employment and entrepreneurship work under the new situation” pointed out that "the government should take the guidance, market leadership and demand guidance as the principles to promote the construction of new mass innovation Spaces such as maker space, entrepreneurship coffee and innovation workshop at different levels. We will establish a market-oriented incubation model of "market subject construction + market operation + government support + entrepreneurs" as an important carrier of entrepreneurship to drive employment, and realize one-stop services such as entrepreneurship projects, training, financing, funds, loans, venture capital, expert guidance and technical consultation. We will give play to the exemplary and radioactive role of universities, research institutes and industrial parks in entrepreneurship and innovation, and provide experience that can be replicated and popularized for the establishment of the system of entrepreneurship and innovation.

Under the background and opportunity of "mass entrepreneurship and innovation", the government work report of 2015 mentioned “We will promote mass entrepreneurship and innovation, make full use of the policies for the development of small, medium and micro businesses, support the construction of a number of crowd innovation Spaces and star innovation Spaces in counties and districts, and encourage researchers, university students and other groups to make innovations and start businesses.” In Aug. of 2015, “Yulin municipal people's government on further improving the employment and entrepreneurship work under the new situation” pointed out that “the government should take the guidance, market leadership and demand guidance as the
principles to promote the construction of new mass entrepreneurship space, such as maker space, entrepreneurship coffee and innovation workshop at different levels”.

After that, the city people club bureau, bureau of finance jointly issued “Methods for identification and management of technology business incubator in Yulin city” and "Administrative measures for the identification and management of Yulin entrepreneurship incubator base (interim)". While Municipal science and technology bureau issued” Yulin city public innovation space management interim measures”. These three "methods" define the types, objects, standards, forms, conditions for identification, assessment, and policy support of "technology business incubator", "entrepreneurship incubator base" and "mass innovation space" in our city. This also marked the preliminary establishment of the management system of the city’s business incubation base.

Since May in 2017, The Shaanxi provincial government and the Shaanxi provincial department of science and technology have successively issued “the implementation opinions of the Shaanxi provincial people's government on improving and strengthening provincial fiscal science and technology plans and project fund management” and “the reform plan of Shaanxi provincial science and technology plan management”. The above policies are aimed at the reform and transformation of science and technology R&D subsidy policies of provincial and municipal governments.

**Market Demand and Necessity Analysis**

At present, the research and development subsidy policy of project subsidy is prevailing in local government of China. A large number of statistics show that the policy effect of science and technology projects undertaken by enterprises has not achieved the expected incentive effect. Under the model of project subsidy, the expected policy incentive effect of R&D subsidy policy fails to play well. The root of this model lies in the "information asymmetry" between the government department as the policy subject and the enterprise as the policy audience. As far as the government and enterprises are concerned, they are in a dominant position in project information acquisition, so they can take the "packaging project" or even "virtual compiling project" to collect government subsidy funds, resulting in "adverse selection".

Government-funded science and technology projects as public strategic investment have become an important means for governments to directly intervene in scientific and technological activities and achieve national goals, so as to make scientific and technological development one of the important means to support economic growth, create job opportunities, meet national needs and improve national competitiveness. There are different types of government funding for science and technology projects, such as free subsidy, post-subsidy and loan discount. Among them, support is generally provided by signing research contracts without compensation. The signing of scientific research contracts is based on competition, and relevant units apply for scientific research funds to the government, and then the government organizes a peer group of experts for the purpose of review to determine the amount of funding.

In order to further optimize the allocation of scientific and technological resources and improve the utilization efficiency of financial and scientific funds, relevant departments in China are carrying out relevant research on the post-subsidy mode of scientific and technological plan projects to simplify management procedures, improve management efficiency and promote the industrialization of scientific research achievements.

The practice of the pilot provinces after the fiscal science and technology expenditure

The situation of the science and technology plan funds post-subsidy practice of in Yunnan province.

In 2008, According to “the measures for the implementation of post-subsidy for the project of Yunnan provincial science and technology plan”, the amount of post-subsidy granted by the provincial science and technology department shall not exceed the amount of self-funded research and development funds that have been paid for the project after auditing, and 30% of the balance after deducting other financial research and development subsidies. The latter subsidy can be divided into two ways: the first one after filing and the second one after examination.
The transformation of scientific and technological achievements and the situation of subsidizing industrial project afterwards in Zhejiang province.

In 2007, the ex post facto subsidy standard of Zhejiang province is 15% ~ 30% of the project enterprise's technology development fee. Ex post facto subsidy projects can be divided into ex post facto subsidy and ex post facto subsidy. The latter subsidy is of two types, ex post facto subsidy is subject to contract system management, ex post facto subsidy is subject to ex post facto review and approval, and the method of directly verifying the budget and one-time subsidy is adopted instead of contract system management. After the realization of the project subsidies in Zhejiang province accounts for 15% ~ 20% of the total science and technology plan project funds, and about 30% ~ 40% of the major science and technology special project funds are used for the post-subsidy support. Some cities of Zhejiang province have also actively explored the post-subsidy for scientific and technological projects. For example, Ningbo has implemented the scientific and technological R&D investment subsidy plan, and the post-subsidy for qualified enterprises' R&D investment is conducted in a certain proportion, which accounts for 20% of the total project funds.

The Situation of Special Post-subsidy for Hubei Provincial Innovation Platform . Innovation platform dedicated to integrate science and technology resources, the construction of a combination of technical innovation system and provide service for the industrial development of public technology support system and set up a plan, including engineering technology research center, to build research and development institutions, public technology service platform and meet the conditions for related indexes, engineering technology research center, to build institutions to take after the subsidy way between colleges.

Technology Development Trend at Home and Abroad

Technology Development Trend Abroad. In major developed countries, in addition to direct financial allocation of technological innovation by the government, government incentives for technological innovation are mainly tax policies, government subsidies and government procurement, and measures such as financial subsidies and loan guarantees are adopted to promote technological innovation. For example, since the 1970s, UK has introduced a "funding scheme for innovative methods", which gives grants of between one half and one third to eligible small business projects of less than 25,000 pounds. By 1984, a total of 430 companies had invested 326 million pounds. The government of the United States, Germany and Canada provide loan guarantee for enterprise innovation, the proportion is from 50% to 90%, among which the United States is the highest and the Netherlands the lowest. This kind of credit guarantee mechanism, which drives a large amount of private and business capital to enterprise technological innovation with a small amount of capital, is called "the amplifier of innovation fund".

Technology Development Trend at Home. At the level of national science and technology plan, the general idea of post-implementation support is as follows: Firstly, it should highlight national orientation and conform to the strategy of scientific and technological development, which is the core key technology of strategic high technology, industrial optimization and upgrading and improvement of people's livelihood that is urgently needed and will be developed in the future. Secondly, enterprises should play a leading role. R&D projects are selected and led according to the national macro-orientation, domestic and foreign markets and their own development needs. Thirdly, we should demonstrate fairness and maintain the market environment of fair competition. Fourth, follow international rules. The main operating procedures of the post-subsidy support are as below:

Release key directions for scientific and technological innovation. Major technological innovation directions shall be determined according to the outline of the plan for the development of science and technology and the five-year plan for science and technology.

Assume the unit after submitting the subsidy application. At the same time, we can consider to give priority to the project of combining production, education and research.
Authorize professional institutions for demonstration and evaluation. According to the principle of "three public sectors", the professional institution is entrusted to evaluate the post-subsidy application and determine the subsidy object and amount.

Record the budget. The ministry of science and technology shall, on the basis of the results of the budget assessment, propose the budget proposal for post-subsidy projects, and submit it to the ministry of finance for filing after consultation with the undertaking unit.

Conduct research and development activities. The undertaking unit shall, in accordance with the provisions in the project assignment, organize, implement and manage on its own, raise funds on its own and conduct research and development on its own.

**Objectives and Main Research Contents of the Project**

**Main objectives.** To explore and discuss the problems pending to be solved in the mode of post-subsidy and support for financial and technological expenditure in Yulin city, including policy orientation, scope, management system, allowances, etc., and form the theoretical framework, and in practice to explore the feasibility of the path, is expected to achieve in order to improve the use of fiscal expenditure on science and technology fund performance, optimizes the allocation of resources of science and technology, enhance the level of business incubators and effective implementation of entrepreneurship to create more employment opportunities to provide theory support and intellectual support through studying and combing the development status of Yulin entrepreneurship incubator and the practice of domestic and foreign financial and technological expenditure post-subsidy policies.

The content of research and development

Practice status and analysis of the business incubation in Yulin city

Analysis on the practice of the policy of subsidy after fiscal science and technology expenditure at home and abroad

Exploration on the formation of subsidy mechanism after financial science and technology expenditure in Yulin city

**Technical, Economic and Market Risk Analysis**

Under the post-subsidy mechanism, the supporting method can better play the guiding role of financial and scientific funds in various links such as project formation, project organization, process management and acceptance, motivate enterprises to conduct independent investment, independent research and development, and accelerate the transformation of scientific and technological achievements. Compared with directly supporting scientific and technological projects, it has the following advantages:

In the formation stage of the project, the post-subsidy support mode is mainly for the enterprise to solicit projects. This can combine the needs of enterprises with national goals, give full play to the main role of enterprises in the decision-making of scientific and technological projects, and broaden the channels of demand solicitation for scientific and technological projects, which is conducive to establishing a scientific and reasonable project formation mechanism and reserve mechanism.

In the stage of project organization, the post-subsidy is mainly implemented by enterprises, and the scientific research team is organized by the enterprises themselves, which is oriented to the market and closely combined with production, education and research, giving full play to the main role of enterprises in R&D investment, scientific research organization and achievement transformation.
Risk Analysis of Project Implementation

The adoption of the post-subsidy support method does have some advantages and gradually becomes the trend of reform, but at the same time, we should pay attention to avoid its possible disadvantages.

For enterprises with weak financial strength, if they do not receive financial support in advance, which cannot alleviate the liquidity difficulties in their R&D activities, they may abandon their R&D activities. If some units do not have their own funds, it is difficult to invest in research and development in advance.

Some responsible units may fail to get support because their achievements are produced later than other units or research failures, thus affecting their enthusiasm to carry out continuous research and development.

Study the sharing of risks. It is not in line with the principle of sharing risks to transfer a large number of risks to the undertaking unit after the implementation of subsidy and support for scientific research projects.

Conclusions

In the policy of "build business incubation platform" of Yulin city and related measures for the administration of background, through the research and development of business incubators in Yulin city, the present situation and the practice of fiscal expenditure subsidy policy after science and technology at home and abroad, after the exploration of science and technology business incubators in Yulin city, the government budget using subsidies to support several problems need to solve, and form the theoretical framework, in order to improve the use of fiscal expenditure on science and technology fund performance, optimizes the allocation of resources of science and technology, enhance the level of business incubators and effective implementation provides the theoretical guarantee and intellectual support entrepreneurship to create more employment opportunities.

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