

# Research on the Influence of Macro-industrial Policy on Enterprise Innovation

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**Abstract:** Macro-industrial policy is an important background and foundation for micro-enterprise behavior and enterprise value creation. Industrial policies can change the decision-making environment and future expectations of enterprises through their own transmission mechanism, thus affecting corporate behavior. By referring to the research results of industrial policies, this paper analyzes the micro-transmission mechanism of industrial policies, and analyzes the impact of industrial policies on micro-enterprise behaviors and economic consequences from the perspective of investment and financing that enterprises supported by industrial policies will face more investment opportunities. There is a stronger incentive to expand the scale of investment of enterprises, and it is more likely to obtain investment from potential investors; companies with policy support have lower external financing costs and are more likely to obtain loans. However, because the enterprises supported by the policy face more investment opportunities, this will increase the demand for funds. However, it is difficult for bank credit to fully meet the capital needs of enterprises, which will intensify the financing constraints of enterprises.

## 1. Introduction

China is a country with strong industrial policies. Compared with other economic policies, industrial policies are more targeted and the impact is more prominent. Therefore, the effective implementation of industrial policies is particularly important in China today]. In response to the impact of the 2008 international financial crisis on the Chinese economy, the central government introduced industrial restructuring and revitalization plans for the top ten industries, as well as hundreds of policy implementation rules. However, these industrial policies have not yet reached a unified conclusion on the long-term effects of China's economic growth. Therefore, assessing the implementation effect of industrial policies has become an urgent problem in the current industrial restructuring of China. The economic growth of a country is actually the sum of the output of each enterprise, and the output of the enterprise is directly affected by the behavior of the enterprise. Therefore, to examine the implementation effect of industrial policies, corporate behavior is a good research perspective. However, due to issues such as the division of disciplines, economic research mainly analyzes the relationship between industrial policies and economic output, and ignores the influence mechanism of industrial policies on corporate behavior and corporate output as a "black box". The research focus of accounting is on the relationship between micro-enterprise behavior and enterprise output, ignoring the industrial policies that have a major impact on micro-enterprise behavior. The two studies are not well combined, which leads to industrial research and micro The splitting of corporate behavior research. In view of this, accounting research can open up this fragmentation situation in a pioneering way, draw on the research results of industrial policy, and analyze the microscopic transmission mechanism of industrial policy at the micro level, thus expanding a new field of accounting research.

## 2. The mechanism of macroeconomic policy on micro-business behavior

The process of formulating China's industrial policy is also the process of formulating the five-year plan. To explore the economic consequences of industrial policy, we should first have a general understanding of the process of formulating this policy. The first stage is the mid-term evaluation stage, which mainly reviews and evaluates the implementation of the previous five-year

plan. The second stage is the basic thinking research stage. The main activity of this stage is to conduct preliminary research and form basic ideas. The stage is the preparation stage of Recommendation 1. This stage mainly drafts and deliberates the "Proposal"; the fourth stage is the formal preparation stage of "Outline", which mainly includes drafting the "Outline", public suggestions, and connections. Five steps are required to verify, solicit opinions and approve. If the industrial policy formulation process is regarded as an important basis for researching industrial policies, then understanding the implementation methods of industrial policies is a prerequisite for studying industrial policies. The means by which the government implements industrial policies mainly include indirect inducement and direct intervention. The former refers to the government intervening in the market by initiating economic leverage, mainly including the use of fiscal and monetary policies. The latter is manifested in the use of administrative power, mainly including administrative coordination and administrative control.

### **3. The impact of industrial policies on corporate behavior**

Micro-corporate behavior includes but is not limited to financial management, corporate investment and financing, business models, corporate governance, accounting policies, etc. Among them, there are at least two aspects directly affected by industrial policies: First, industrial policies affect the corresponding behaviors of enterprises by changing the prospects of the industry, such as the investment behavior of enterprises; second, they affect the financing behavior of enterprises by changing the capital cost of enterprises. With the deepening of the research on the "herd effect" and "surge phenomenon" of China's investment, the influence of industrial policies on corporate investment behavior has received more and more attention. On the one hand, enterprises supported by industrial policies can enjoy a series of preferential policies such as project approval, land and taxation, managers will have confidence in the future earnings of the company, so it will be timely Adjust investment strategies and invest in companies that are supported by industrial policies to obtain investment income. On the other hand, in order to achieve the goal of industrial policy formulation, governments at all levels usually affect various financial institutions such as banks that provide industrial policy support in terms of interest rate levels, maturity structure and credit supply, and support credit resources. The development of the enterprise. Therefore, once supported by industrial policies, managers will be confident about the future business conditions of the company, and there will be a stronger incentive to expand the scale of investment. The scale of investment by enterprises supported by industrial policies is a rational investment decision made by enterprise managers based on the current economic situation and the development prospects of the industry, which lays a good foundation for the future development of the company.

Corporate financing activities are a dynamic process. From the perspective of credit rationing theory, industrial policies will have two-way effects on corporate finance. Enterprises supported by industrial policies are in a better development environment, have greater potential for profit growth, and have lower operating risks and default risk of bank credit, so the introduction of industrial policies will increase. The market expects credit guarantees from policy-backed companies, and financial institutions such as banks will increase their willingness to provide loans to companies that are under policy support, making it easier to obtain loans. In addition, in the case of asymmetric information in the credit market, banks looking for borrowers with better credit and less risk of operation need to spend higher information collection costs, while industrial policies can reveal the development expectations of different industries and reduce external investment such as banks. The information collection cost of the person improves the degree of information asymmetry between the investment and financing parties, thus affecting the financing cost of the enterprise. However, the implementation of industrial policies will make enterprises with policy support face more investment opportunities, which will cause the demand for funds to rise sharply, but it is difficult for bank credit to fully meet the capital needs of enterprises, which will intensify the financing constraints of enterprises.

Macro-industrial policy is an important background and foundation for micro-enterprise behavior and enterprise value creation. Industrial policy can change the future expectation of the

enterprise's decision-making environment through its own transmission mechanism, affecting the behavior of enterprises in the micro-economy, and corporate behavior and enterprise output. It will also affect the total output of the economy and society, thus affecting the changes and trends of industrial policies. Through the perspective of investment and financing of enterprises, the impact of industrial policies on micro-enterprise behavior is analyzed: enterprises supported by industrial policies are faced with more investment opportunities, have strong incentives to expand the scale of investment, and are more likely to obtain potential investors. Investment; companies that are policy-supported have lower external financing costs and are more likely to obtain loans. On the other hand, because the enterprises supported by the policy are faced with more investment opportunities, this will cause the demand for funds to rise sharply. However, it is difficult for bank credit to fully meet the capital needs of enterprises, which will aggravate the demands of enterprises. It is decided that the end of the agricultural product supply chain should promote joint distribution. Therefore, the members of the agricultural product alliance distribution cooperation should be examined from the perspective of common distribution. The weights of the indicators at all levels in the above table are determined by the logistics industry experts based on experience and field research. In the selection process, the current agricultural product joint distribution partners focus on equipment level and information technology application. First, cold chain vehicles and packaging are the basic equipment for agricultural product distribution. Therefore, the weight of cold chain vehicles and packaging elements in the secondary indicators is relatively Higher. Secondly, cold chain and commonization are the development trend of agricultural product distribution. Information technology and advanced information equipment application are important conditions for joint distribution. Therefore, information channel and sharing level are the key evaluation contents of cooperation members' informatization level. In addition, the service level is an evaluation of the management effect of the cooperative members, and the operational level is examined from the status quo of the internal management of the enterprise.

#### **4. Policy recommendations**

First, China's industrial policy spurs corporate innovation more than an innovative strategy rather than substantive innovation: Enterprises that are motivated by industrial policies have significantly increased their patent applications in the past, but only a significant increase in non-inventive patents, pursuing innovation "quantity" Ignore the "quality" of innovation. Secondly, from the perspective of fiscal and tax support, the guiding measures of selective industrial policy, the analysis of the effect of late subsidies of selective industrial policies, and the discovery that companies encouraged by industrial policies are expected to receive more government subsidies and tax incentives. Patent applications, especially non-invention patent applications, have increased significantly. There are selective support for fiscal and taxation support measures implemented by industrial policies. Some enterprises therefore use innovative strategies to "seek support" rather than carry out real substantive innovation. Third, further analysis of the grouping of enterprises found that compared with non-state-owned enterprises (enterprises in high-tech industries), when state-owned enterprises (non-high-tech industries) are encouraged by industrial policies, patent applications have increased significantly, and it is expected to gain more In the case of government subsidies and tax incentives, the number of patent applications has also increased significantly, especially in non-invention patents. Although the selective industrial policy guides enterprise innovation, the company's behavior of increasing "quantity" for "seeking support" is only one. Strategic innovation rather than substantive innovation. The increase in invention patent applications can enhance the market value of enterprises, and the "high quality" substantive innovation is the source of enterprise value.

The analysis results of this paper may have the following policy implications and micro-suggestions: First, when the government formulates industrial policies to stimulate enterprise innovation, it should be refined according to the difficulty, depth and potential value of innovative behaviors, and for high-tech R&D projects. Increase the support in the early stage and promote the substantial innovation of enterprises. Second, we will provide reasonable guidance and appropriate

support for innovative enterprises with low technological content, and identify the innovation results of enterprises in the later subsidies, raise the selection criteria and improve the overall innovation quality. Third, when the industrial policy is implemented, the government's judgment and choice cannot be used to replace the market choice. Instead, the market mechanism should be maintained, and the “survival of the fittest” of market competition should be used to screen out the enterprises with capabilities to provide innovation subsidies. For enterprises at a disadvantage, Inspire its innovative potential, improve its innovation ability, guide it to achieve technological progress through innovation in market competition pressure, improve production methods, and achieve industrial transformation and upgrading. Fourth, transform the incentives of industrial policies, eliminate barriers to entry, use marketization to stimulate the innovation power of state-owned enterprises, and improve the international competitiveness of enterprises; create a good market environment, reduce restrictions on private enterprises, and protect their innovation activities. Provide convenient conditions for R&D investment; Guide scientific innovation in enterprises in non-high-tech industries, improve the quality of innovation, promote technological progress, and achieve industrial transformation and upgrading.

## **5. Conclusion**

When the company expects to receive more government subsidies and tax incentives, its patent applications, especially non-inventive patent applications, have increased significantly. The fiscal and taxation methods of selective industrial policies have made enterprises innovate for “seeking support”. Further analysis of the grouping of enterprises found that the above phenomenon was only significant in the group of state-owned enterprises and non-high-tech industries. This shows that selective industrial policy only encourages strategic innovation of enterprises. Enterprises increase innovation “quantity” for “seeking support”, and innovation “quality” has not been significantly improved. The increase in invention patent applications can enhance the market value of enterprises, and promote substantive advancement in technological advancement and competitive advantage in order to promote enterprise development.

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