

Analysis of SME Development and Fiscal Policy Choice

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Abstract

With the continuous improvement of China's market economy, SMEs have made great contributions to the development of the national economy. However, in general, although the total number of SMEs in China is relatively large, the state has also given many policies to SMEs. Support, but in actual business development, it still faces various difficulties, which is very unfavorable for the long-term development of SMEs. To this end, this paper analyzes the dilemma faced by the current development of SMEs and the current fiscal policy, and on this basis, discusses the choice of fiscal policy to promote the development of SMEs.

Keywords

SMEs, Fiscal policy, Fiscal revenue, Supporting facilities.

1. Introduction

SMEs are of great significance to the development of the national economy. Many SMEs can not only create huge economic value, but also promote the adjustment of the country's industrial structure and economic system, and provide a large number of jobs. It can be said that promoting the development of small and medium-sized enterprises means that the national economy is also rapidly increasing, and the national fiscal policy is the key to promoting the development of small and medium-sized enterprises. Therefore, the research on the development of small and medium-sized enterprises and the choice of fiscal policy is Very realistic[1].

2. The Current Difficulties Facing the Development of China's SMEs

2.1. Serious Development Funds Are Insufficient

In the market economy environment, most SMEs are faced with extremely fierce market competition, and the serious shortage of development funds makes it difficult for SMEs to occupy an advantage in the competition. First of all, under the influence of many factors such as energy depletion, increasing urban population and implementation of the new labor contract law, the energy costs, labor costs and land rent (rental) of SMEs in China have all been greatly improved. The funds are also getting more and more, which is obviously unbearable for most SME operators. In addition, the minimum capital contribution of the establishment of a limited liability company in China is 500,000 yuan, which is quite different from the social per capita income level. This makes many people in a state of "can't afford" enterprises, which is also very unfavorable for the development of small and medium-sized enterprises. Of

2.2. Financing Difficulty Is Relatively Large

In the case of initial investment and insufficient development funds, SMEs usually meet the funding needs of enterprise development through financing. However, from the current point of view, SMEs in China are also more difficult to finance. First of all, most of the financing methods for SMEs are bank loans. However, because SMEs have large operational risks and small loans, most banks are reluctant to provide loan services. The amount of loans they can provide is also relatively low and cannot meet the funding needs of SMEs. Secondly, for small and medium-sized enterprises, bank loans are not only high in threshold, but also have relatively low approval efficiency. Enterprises often take a long time to obtain funds after handling loans, which also cannot meet the urgent capital needs of small and medium-sized enterprises. In addition, compared with banks, other financial institutions in the society have higher approval efficiency and less loan requirements, but their loan interest rates are unbearable for many SMEs.

2.3. Talent Demand Is Difficult to Meet

The essence of competition among enterprises in the 21st century is the competition of high-quality talents. Under the background that various advanced science and technology and management concepts are widely applied, enterprises must have sufficient high-quality management talents and professional and technical talents to be able to Better development, but in the current talent market environment in China, the talent demand of SMEs is obviously difficult to meet. On the one hand, although China's education industry has developed very well in recent years, there are still some misunderstandings in the talent cultivation strategies of higher education and vocational education. It is difficult for the cultivated talents to meet the requirements of enterprises, which makes the current talent market The application-oriented high-quality talents are relatively small, and there is a big gap compared with the talent demand of SMEs. On the other hand, SMEs have a large difference between the development space and the salary and welfare benefits of large enterprises. Most of the high-quality talents are not willing to work in small and medium-sized enterprises. The internal brain drain phenomenon is also serious. It has aggravated the shortage of talents in small and medium-sized enterprises[2].

2.4. Innovative Ability Is Relatively Low

In the face of fierce competition among enterprises, if SMEs want to occupy a place in the market, they must innovate from the aspects of technology, products, and management models, improve their core competitiveness, and make their products and services irreplaceable. In the current situation that China's SMEs' innovation ability is generally insufficient, it is inevitable that many SMEs will be eliminated by the market. First of all, due to the lack of funds for the development of SMEs, the investment in the field of innovation and research and development is relatively small, and the awareness of innovation among internal personnel is relatively weak, making it difficult to obtain valuable innovations. Secondly, it is difficult for SMEs to attract and retain skilled and innovative talents. Therefore, there is a big gap between their own innovation capabilities and large enterprises. Even with good ideas, it is difficult to turn them into technological achievements, even Applied to actual production operations. In addition, the level of informatization of SMEs is relatively low, the market development trend is not accurate enough, and the amount of innovation information is relatively small, which also brings greater restrictions on innovation R&D.

3. The Impact of Current Fiscal Policies on the Development of SMEs

3.1. Supporting Policies Are More Comprehensive

As mentioned in the previous article, China has given a lot of policy support to the development of small and medium-sized enterprises in recent years. On the whole, various support policies have involved financing, capital, taxation and other aspects, and they are more comprehensive in the direction of support. In terms of funds, local governments have provided direct subsidies to local enterprises to meet the funding needs of SMEs in the early stages of development. For example, Shandong Province launched the “two-in-one integration” assistance business in 2017, which is a small and medium-sized province. The company sent out free products and services worth 110 million yuan. In order to guide the innovation and development of small and medium-sized enterprises and improve their management level, Shanxi Province has provided a one-time fund reward of 300,000 yuan for the small and medium-sized enterprises that have completed the standardized shareholding system reform and registered as a joint stock company in strict accordance with the requirements of the “Company Law” in 2017. In addition, such as Yunnan Province to provide value-added tax incentives for small and medium-sized enterprises, Liuzhou City for small and micro enterprises to absorb college graduates to provide social security subsidies, multi-government government to provide financial institutions for financial institutions loans to provide risk gold and other aspects of support policies, are also It has brought great help to the development of SMEs.

3.2. Support Is Relatively Small

Although there are many fiscal policies to support the development of small and medium-sized enterprises at this stage, from the practical point of view, their support is relatively small. First of all, because there are more domestic SMEs, and local government departments have relatively limited funds and manpower, although various fiscal policies have promoted the development of some SMEs, they do not help most SMEs. Obviously, it is impossible to fundamentally help SMEs to break through the current development dilemma. Secondly, in support of the development of small and medium-sized enterprises, although various local governments have introduced different fiscal policies, they have put forward certain requirements for small and medium-sized enterprises. This has made many local governments more inclined to support larger enterprises, but for scale. For small businesses, they often suffer from unfair treatment, which is very unfavorable for the overall development of SMEs.

3.3. Policy Operability Is Poor

Although the fiscal policies proposed by the state and local governments are aimed at promoting the development of small and medium-sized enterprises, the current development of small and medium-sized enterprises is complicated, and the government departments lack relevant experience. Therefore, after the withdrawal of some policies, there is often a lack of operation. Sexual problems are difficult to achieve in the real work. For example, in terms of taxation policies, the Ministry of Finance, the State Administration of Taxation, and local governments have introduced many tax incentives for different industries or different regions, but they have not taken into account the characteristics of SMEs. They have only proposed certain scales on the scale of enterprises. The requirements, in the actual implementation of the policy, many of the principle problems can not be clarified, which has brought great difficulties to the specific implementation of the tax department, and many SMEs are therefore unable to enjoy the preferential policies[3].

3.4. Incomplete Measures

The implementation and implementation of fiscal policy must have a series of measures, such as systems and regulations. However, from the current point of view, while China is launching

fiscal policy with the aim of promoting the development of small and medium-sized enterprises, its related supporting measures are not Perfected. For example, in terms of financial expenditures, many local governments have not provided a sound financial fund use system and supervision mechanism while providing direct funding for local small and medium-sized enterprises. The application of funds is unreasonable, funds are not timely or not in place. Occurred, this made the local government not have the necessary corporate support effect while spending a lot of financial resources.

3.5. Insufficient Policy Propaganda

Due to the small scale of SMEs and the short life cycle, many enterprises have low management level and insufficient management experience. Management is not concerned with relevant national policies. Under such circumstances, national and local governments A fiscal policy conducive to the development of small and medium-sized enterprises has been promulgated, and certain propaganda will be carried out at the same time. However, a large number of SMEs still do not understand the relevant fiscal policies. Some enterprises do not even know that they can enjoy these preferential policies, and fiscal policies. Naturally, it will not be able to play its due role.

4. Effective Fiscal Policy to Promote the Development of SMEs

4.1. Establishing A Financial Expenditure Management Mechanism

In order to ensure the effective implementation of the fiscal expenditure policy, the central and local governments also need to establish a sound financial expenditure management mechanism, and start from various aspects to strictly and effectively manage the use of financial funds so that they can play a role in promoting the development of small and medium-sized enterprises. A bigger role. First of all, because the government's financial resources are relatively limited, local governments must sort out and classify the information of local SMEs, and list the pillar industries, high-tech industries or enterprises with great development potential as key support areas, and set up special projects. Supporting funds, so as to achieve greater economic and social benefits, and achieve the effect of "good steel used in the cutting edge." Secondly, in view of the difficulty in realizing the effectiveness of fiscal funds, the central and local governments need to apply more financial funds to direct subsidies in entrepreneurship, technology research and development, and product exports, so that they can reduce the financial subsidies for SMEs. At the same time, it can also ensure the efficiency of the use of funds. In addition, government departments in various regions should also strengthen the supervision of the use of financial funds, establish a transparent fund expenditure publicity system, and publicize the time, specific amount, use, and usage of funds, and the special supervision team. Verification of the use of funds to avoid the funds being squeezed or misappropriated.

4.2. Comprehensively Optimize Tax Incentives

Supporting the development of SMEs through taxation policies can not only reduce the fiscal expenditures of government departments, but also apply to the vast majority of SMEs. However, if taxation policies are to play their intended roles, further taxation policies need to be further improved. Targeted. For example, in terms of value-added tax, China's value-added tax exemption policy for small and medium-sized enterprises sets the tax exemption standard as an enterprise with monthly sales of less than 20,000 yuan. However, with the continuous increase in operating costs, monthly sales are below 20,000 yuan. In fact, it is difficult for enterprises to make profits, and in the long-term, they are unable to make profits. Many SMEs are difficult to survive. SMEs that meet this standard are actually very few. Therefore, the future

tax exemption standard for VAT needs to be greatly improved, and a dynamic adjustment mechanism is adopted, so that most SMEs can benefit from it.

4.3. Pay attention to Financing Guarantee Policy Support

In terms of financing, although the current government departments have introduced certain financing guarantee policies for SMEs, the current situation of financing difficulties for SMEs has not been fundamentally changed. Therefore, the fiscal policy for financing guarantees needs further optimization. Adjustment. First of all, the difficulty of financing SMEs is largely due to the reluctance of financial institutions to provide financing services for SMEs. The government departments can fully formulate fiscal policies for SME financing for financial institutions to improve financial institutions' financing for SMEs. The enthusiasm to create a more equitable financing environment for SMEs. Secondly, in addition to loans from banks or financial institutions, government departments also need to adopt preferential policies to guide small and medium-sized enterprises to complete financing through non-credit financing methods such as collecting bills and financing bonds, such as providing one-time financial subsidies for enterprises that purchase financing bonds. . In addition, government departments need to increase supervision and support for non-bank financial institutions such as microfinance enterprises, so that such enterprises can be standardized and formalized, which can also reduce the difficulty of financing for SMEs.

4.4. Actively Improve Policy Supporting Measures

Although China's fiscal policy to promote the development of small and medium-sized enterprises is relatively comprehensive, many supporting measures for supporting policies are still in a blank state, and future government departments need to further improve these measures. For example, in terms of fiscal policy propaganda, government departments need to establish a multi-channel policy propaganda mechanism to vigorously promote new policies from new media platforms, radio and television, newspapers and other channels to help SMEs understand the relevant national fiscal policies and The preferential policies enjoyed are clear. In the development guidance of small and medium-sized enterprises, it is necessary to establish a specialized SME service system in various regions. Professional personnel are responsible for guiding SMEs from various aspects such as technology, law, loans, product development, and enterprise management. The problem of insufficient capacity and backwardness of SME managers.

5. Conclusion

All in all, China's SMEs are currently facing a huge development dilemma, and there are many shortcomings in the relevant fiscal policies to support the development of SMEs. However, as long as they can effectively adjust and optimize fiscal policies in response to current problems, they will still be able to the development of SMEs creates good policy conditions, thus creating a new situation for the prosperity and development of SMEs.

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