The Research on Sustainable Development of Small and Medium-sized Enterprises in China

CAI Daocheng, ZHANG Qiao
Department of Tourism, Qiongzhou University, China, 572200
Locycai@163.com

Abstract: The small and medium-sized enterprises in our country have got a great development in the recent 20 years when the national economy system reformation carried out. They are playing a more and more important role in national economy development and reformation and more concerns are focused on them. Sustainable development theory of SMEs is recently proposed, this article on China's sustainable development of SMEs gives some advices and recommendations accordingly. The government should grant more favors and the enterprises themselves should carry out further reform, strengthen management and raise its overall quality.

Keywords: SMEs, sustainable development, advices

1 Introduction

With the continuous development of the market economy, small and medium-sized enterprises of china have been the important Power of coordinated economic social development and economic system reform as well as an essential national economy growth Point and the solid foundation of healthy and coordinated development of economy and stable income source of national fiscal revenues and micro-foundation of the establishment of a market economic system and assurance and prerequisite of government’s concentrating on the ‘big’ Policy and an significant carrier of supporting Private investment and mainstay of constructing and Progressing minor cities and towns and the main vehicle of expanding employment in society. Centering on the implementation of spirit of The Fifth Plenary Session of the Sixteenth Central Committee of CPC during the ‘Eleventh Five-year Plan’ Period, our nation practice all round ‘SMEs development project’ which is a significant decision adhering to guiding the overall economic and social development by means of scientific development viewpoint, further carrying out great strategic deployment of (several views of State Council concerning encouraging, supporting and guiding the development of individual, Private and other non-Public economic forms)and a action guidance involving correctly directing non-Public economy and small and medium sized enterprises in’11th Five-Year Plan’ period.

2 The Theory of Sustainable Development of SMEs

Micro-enterprises are the mainstay of the national economy, human socio-economic sustainable development based on sustainable development of enterprises. Sustainable development is the ultimate goal of sustainable development of human society. Sustainable development of enterprises is the establishment of the enterprise theory, the theory of sustainable development and related theory on the basis of new business development. There are many supporting theory to the survival and development of SMEs, including moderate-scale theory, industrial organization theory and complementary theories of niche marketing.

2.1 The theory of moderate size.
Appropriate scale of the theory is the further development of economies of scale. In addition to consider the conditions of material production, as well as constrain by the ability to innovate, government policies, technological progress and other factors.

2.2 The complement theory of industrial organization.
Modern industrial organization theory considers that rational industrial organization system is the large enterprises and SMEs to set up long-term and stable system of specialization and collaboration. Large enterprises in their operations focus more on the development of new products and markets in order to play its comprehensive advantages of technical superiority and management, and SMEs expert basic skills in production and manufacturing process improvements.

2.3 The theory of niche marketing.
Niche marketing is market segmentation on the further development of the theory. How to break down the market into more and smaller regions, to provide various types to meet the needs of the smallest unit of consumption of products and services, SMEs have flexible operating characteristics of the business in a manner that is consistent with the personality of the consumer era of niche marketing of this request. Theory of niche marketing makes SMEs with the advantage of small quantities and diversification.

3 Advices to Sustainable Development of China's SMEs

SMEs play a rather important in the national economy status, the quality of their production and operation related to our national economy as a whole level of development. We must take effective measures to address the sustainable development of SMEs.

3.1 Set up a unified management of SMEs’ institutions
The establishment of a unified national SMEs’ Development Council to study the SMEs policy, the development of the SMEs’ planning, implementation and financing of SMEs support schemes for SMEs to provide training, information and technical assistance to adjust the relationship between small and medium-sized enterprises and large enterprises, to the maintenance of market order of fair competition; Setting up of the Authority Agencies in the provinces and cities, responsible for the guidance and services for SMEs. The highest administrative body is SMEs Secretary for National Development and Reform Commission of China which deals with small and medium-sized enterprises affair, established a basic national level and regional small and medium-sized organizations, the centralized management system.

3.2 Strengthen and improve legislative works in SMEs
China should learn from the experience of Western countries, research and build series of laws and regulations to support the development of small and medium-sized enterprises, Such as "SMEs Basic Law", "SMEs Technology Innovation Act," "SMEs credit guarantees" and "anti-monopoly law" and so on. With a clear form of legislation for SMEs in China's national economy and the role of the position, to establish the rights and obligations of small and medium-sized enterprises, to regulate the conduct norms for small and medium-sized enterprises, to lay a legal foundation for healthy development. China's introduction of laws and regulations, some support small and medium enterprises from the functional support and technical innovation, Such as "individual-owned Enterprise Law", "Company Law", "Encourage and promote small and medium enterprises on the development of policy advice" and "the People's Republic of China's SMEs Promotion Law," should form a complete legal system.

3.3 The establishment and improvement of social service systems
United States, Germany and France have set up a variety of intermediary institutions to provide education and training, information consultation, credit evaluation and technical guidance for small and medium-sized enterprises, and promote the development of SMEs. Recently past decade, China has established a number of social service systems, but not standardized, existing many problems, such as the lack of overall planning, weak comprehensive self-service capability, high fees and so on. Reference on international experience, the establishment and improvement of human resource development and training of service system, service system development, information systems consulting services, credit rating service system, marketing service system. A gradual development of targeted services, management consulting, legal advice, personnel training, information collection and exchange,
technology development, capital financing, marketing development, etc. for small and medium-sized enterprises to provide the necessary services. Government departments draw up the scientific development of these intermediaries charging standards, to strengthen the agency's regulatory fees. China's small and medium-sized enterprises social service systems are mainly high-tech industrial development zone, Productivity Center, Business Incubator, University of Science and Technology Parks.

3.4 The establishment and improvement of financial support for SMEs
It is a major problem that shortage of funds and fund-raising difficulties which have plagued the development of SMEs. First of all, we should build national credit system for SMEs in line with China's national conditions. From the creation of the government, enterprises, operators and other intermediaries four main types of credit financing of SMEs, broad the sources of financing. To encourage small and medium-sized commercial banks to establish credit and raise the proportion of loans to SMEs, the positive for all types of credit services to SMEs. Second, to establish multi-level, various forms of loan guarantee system, through local financial allocation, small and medium-sized investors, the donor community financing channels such as the implementation of the proportion of small and medium enterprises guarantee and financing small and medium-sized joint security. Government should play a pioneering role in guiding investment risk, establish the risk of a national venture fund to encourage and guide the community's active venture capital to SMEs, the investment break down at different levels of risk, with the exception of the security agencies have to bear certain risks, banks, enterprises and the society should also bear a certain proportion. At present, the Chinese government's financial support to SMEs mainly special funds for investment and investment in industrial policy. Most banks whose loans for SMEs are China Minsheng Bank, city commercial banks, urban credit cooperatives and other financial institutions.

3.5 Improve fiscal policy aimed at SMEs
Respond to the different nature of the existing preferential tax policies for enterprises, we should carry out induction and adjustment of clear policy support for SMEs. Appropriate to increase the establishment and improvement of small and medium-sized enterprises into the social security system and take measures to address some of the history of the debt burden of enterprises and the reform of the laid-off, separate the issue of resettlement staff. Gradually improved in the small and medium-sized enterprises financial services system, increase financial support for the development of SMEs, summarize the promotion of a number of local financial participation in the provision of funds to set up measures for SMEs development. China's financial support to SMEs mainly in financial subsidies, the Government's earmarked funds, the Government procurement policy. In our country there are no specific tax policies for small and medium-sized enterprises, and only in the income tax, value-added tax, sales tax, and depreciation policy to make the tax provisions to benefit small and medium-sized enterprises.

3.6 Encourage and promote the professionalism of the division of SMEs
The restructuring of small and medium-sized enterprises to increase efforts to promote the specialization of production and operation, redundant construction in favor of solution and change the "large and complete", "small and complete" the unreasonable business structure, so that small and medium enterprises obtain economies of scale and promote technical progress. In the course of industrialization, often forming large enterprises as the core group of business enterprises and the pyramid-shaped structure on the top of the tower is the large enterprises, while the tower is based on tens of thousands of small and medium enterprises, small and medium-sized and large between enterprises specialized division of labor. Large enterprises which in order to obtain economies of scale, are bound to shake off "large and complete" production systems, recourse to the social division of labor and cooperation, which is a big objective to increase the dependence of small and medium-sized enterprises, for SMEs to survive and provide a reliable basis. SMEs which determine their own direction of development are mainly in the large enterprises and the establishment of the division of labor in close partnership to
provide greater specialization of services. This is one of the world changes in the organizational structure of manufacturing enterprises as an important trend, it is for improving the production efficiency and competitiveness of the industry plays an important role. Therefore, in order to encourage and promote small and medium-sized enterprises professional division of labor, to support small and medium-sized to the direction of "small and specialized, small and fine, small but excellent".

3.7 Promote technological progress and technological innovation
The arrival of the knowledge-based economy of today, through technology and education, it is a socio-economic development of China's long-term strategy. From relying on simple quantitative expansion, the production of some low-grade, repetitive products, changing into rely on scientific and technological progress, engage in deep processing, increase value-added produce to meet market demand, customer satisfaction, cost-effective products, which small and medium-sized enterprises to improve their market competitiveness, access to long-term development of great significance. It is possible to encourage businesses to market-oriented, technical progress and the main investment in technological innovation. Enterprises must concentrate efforts on research and development to enhance the capacity of enterprises, technological innovation and technology capacity to support the establishment of the conditions of small and medium-sized technological innovation centers, the development of small and medium-sized technology innovation and development plans, encourage and support small and medium-sized scientific research personnel engaged in scientific research and new product development. At the same time, many small and medium-sized enterprises technology for obsolete equipment, low level of technology, wo should take measures to support SMEs to update equipment, the introduction of advanced technology, training of technical personnel and improve the technological level of enterprises, improve the competitiveness of SMEs. China has set up a Science and Technology Innovation Fund for small and medium-sized enterprises, small and medium-sized international market development funds and SMEs Development Fund.

3.8 Strengthen international exchanges and cooperation
Actively develop cooperation with relevant organizations abroad, organization, business contacts and friendly exchanges, expand channels for international cooperation and exchange. Services for small and medium-sized enterprises founder of the international exchange platform for SMEs display products, trade talks, technological exchange, marketing development, management consulting, financing, human resources development, international cooperation, etc., to help SMEs enter the international market. Carry out and promote exchanges between Chinese and foreign SMEs. Reflect the wishes and requirements of small and medium-sized enterprises, service for government and SMEs., promote the healthy development of China's SMEs. "Eleventh Five-Year" period, China will strive to comprehensively improve the level of small and medium-sized enterprises opening to the outside world, to encourage and support small and medium enterprises "going out" and "the introduction to" actively explore the domestic and foreign markets. Guide small and medium-sized changes in the mode of economic growth, speed up transformation and upgrading of processing trade, improve the level of exports and technical content. Encourage enterprises to introduce more advanced technology, key equipment, actively commitment to the international transfer of the service sector outsourcing, improve the quality of the use of foreign capital. Encourage SMEs to invest abroad, the development of products, labor exports, the establishment of network marketing, R & D cooperation. Strengthen cooperation with domestic government and international organizations, and actively explore new mechanisms of international cooperation, hold the China International Small and Medium Enterprises Fair well, build an open platform for SMEs to expand.
References