

Study on the Optimization of Soft Business Environment and Countermeasures in Shenyang, China

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Abstract: This paper analyzes the current status of the business environment in Shenyang, Liaoning Province, the countermeasures and suggestions for optimizing the development and the deep-seated connection with the economic construction with the data and information provided by the World Bank Group, the Business Environment Construction Bureau of Liaoning Province and the Shenyang Municipal People's Government about the business environment in China. The survey results show that the overall achievement of Shenyang's business environment construction results in recent years is relatively excellent, but sustainable optimization of the environment, especially the supervision of market investment always needs to be steady, and it is urgent to give practical optimization suggestions from both government and enterprise implementation, respectively, to promote the improvement and consolidation of the countermeasures of Shenyang's business soft environment.

1. Introduction

The business environment refers to the sum of external factors and conditions related to the governmental environment, market environment, rule of law environment, human environment, etc. involved in the process of access, production and operation, and exit of market players. In layman's terms, it is the time and cost required to comply with the policies and regulations for opening, operating, trading activities, paying taxes, closing and executing contracts, and other conditions. Moreover, the business environment for enterprises is in fact an important reflection of the soft power of a country or region's economy, and is an important element in improving international competitiveness[3]. Therefore, all cities in our country are making great efforts to optimize the business environment and continuously improve their strength. Meanwhile, a report released by the World Bank shows that a good business environment will increase the local investment rate by 0.3% and the GDP growth rate by 0.36%, which has a great impact on various aspects such as enterprise development, fiscal revenue and social employment.

2. Current situation of business environment construction in Shenyang

2.1 Changes in Shenyang's ranking in recent years

2.1.1 Before 2015 to 2020

As early as before 2015, information showed that Shenyang's business environment ranking had not entered the top 100 until 2016, when it started from ranking 92nd, and 78th in 2017, before showing a substantial trend of improvement in recent years. By June 2019, the "2019 China City Doing Business Report" compiled by the Central Broadcasting Station was released, which showed that Shenyang City ranked 19th in terms of comprehensive business environment, breaking through to a new historical high. Meanwhile, the report is divided into five dimensions of evaluation system under the report, which is again subdivided into rankings, namely infrastructure, human resources, financial services, governmental environment and inclusive innovation segments. The above data shows that compared to the past, the business environment of Shenyang has entered the "fast track" development.

2.1.2 2020-present

The Guangdong-Hong Kong-Macao Greater Bay Area Research Institute and the 21st Century Institute of Economic Research jointly released the "2020 Report on the Business Environment of 296 Prefectural and Higher Cities in China" based on the measurement of the business environment of nearly 300 prefectures and cities above the prefectural level, in which Shenyang was ranked 40th, down somewhat from last year, but this does not exclude the impact of the epidemic on Shenyang [1]. In addition, Suzhou, Zhuhai, Foshan, Quanzhou and other general prefecture-level cities in the south performed very well in this ranking, almost all among the top 20 of the list, which again shows that despite the epidemic environment, there is still a good business environment continues to optimize the rising show where Shenyang has much room to learn and progress in optimizing the business environment.

In the same year of 2020, another comprehensive ranking of "Doing Business Index with Chinese Characteristics" was released at the "2020 Entrepreneurship Roundtable", a parallel sub-forum of the "2020 China Entrepreneurship Boao Forum". At the "2020 Entrepreneurship Roundtable", the overall index of the business environment of 31 provinces, autonomous regions and municipalities in China in 2020 was 71.52 points, and Shenyang ranked 10th, a new record high. And for the first time in that year, it was rated as a benchmark city for business environment. In 2021, the National Development and Reform Commission gave feedback again that Shenyang was ranked as the national benchmark city for business environment construction for two consecutive years.

Generally speaking, Shenyang City has always insisted on optimizing the business environment in the way of "one step at a time", continuously improving itself in a stable manner, and taking a step further to build a mature business environment system as soon as possible.

2.2 Measures in Shenyang business environment optimization

The concept of business environment was introduced and gradually began to be taken seriously in China in 2017, and the department dedicated to business environment was only established in Shenyang in recent years, so the information is not fully exhaustive when exploring and studying the early (pre-2010) business environment reform measures in Shenyang. In this paper, two common aspects are selected for comparison and summary as far as possible, namely, government administrative approval and soft environment for foreign investment.

2.2.1 Government administrative approval

Mainly about the enterprise in the declaration after the examination of the law, the government to take some specific way, allowed to engage in activities. In June 2006, the Shenyang Municipal Government issued the "Notice on the Issuance of 10 Rules and Regulations on the Management of Shenyang City Administrative Approval Office Hall" (Shenzhengbanfa [2002] No. 17), which was issued to simplify the approval process, improve the efficiency of the government, further implement the administrative approval work and initially optimize the business environment at that time. It can be seen that at that time, Shenyang City already had the prototype of improving the awareness of business environment. In recent years, with the development of domestic economy and the increase of enterprise investment, the optimization of business environment has been put on the important agenda, and Shenyang has paid more and more attention to the construction of business environment. Since then, the Liaoning Provincial Bureau of Business Environment Construction issued the provincial government regulation "Liaoning Province Promotes the "Most Run Once" Regulations" (Liaoning Provincial People's Government Order No. 328) on December 12, 2019, and the "Most Run Once" reform has improved more comprehensively the The "Most Run Once" reform has enhanced the level of facilitation of government services. Compared with the initial notice in 2006, the breadth and depth of the government's attention to this has increased by more than one dimension, which shows that the Shenyang municipal government has always carried out in order to better serve the people, build a service-oriented government that satisfies the people, and take the road to optimize the business environment.

2.2.2 Foreign investment in the soft environment

Earlier, the Shenyang Municipal Government issued the Notice on Further Improving the Soft Environment for Foreign Investment in October 2006 (No. 41, 2003), which pointed out to effectively protect the legitimate rights and interests of foreign enterprises' investment, optimize the business environment for foreign investment, and attract more foreign investors in order to promote economic development. Now on August 28, 2020, the Liaoning Provincial Government again issued the "Implementation Opinions on Further Improving the Utilization of Foreign Investment", which clearly points out that the rights and interests of foreign investors should be further protected and a good business environment for foreign investment should be created, which is closely related to China's continuous deepening of cooperation with foreign investors and unswervingly following the road of opening up to the outside world with socialism of Chinese characteristics.

To sum up, with the economic development, the business environment in Shenyang City has been continuously increased on the basis of the original optimization, so that the road of optimizing the business environment is getting better and better

3. Other cities in China to optimize the business environment experience to learn from

3.1 Tier 1 Cities

Conventional indicators for evaluating first-tier cities include comprehensive economic strength, urban development and scale, radiation and influence, information exchange ability, and international competitiveness. Here, for example, Shanghai, where all the above conditions occupy certain advantages, has been steadily ranked among the top two in almost all national rankings of business environment in recent years, according to the data. So what exactly makes Shanghai maintain such a ranking, the following will refer to the five indicators evaluated by the 2019 China City Business Environment Report to analyze it one by one. [2]

(1) In terms of infrastructure dimensions, according to the 2019-2020 China Urban Support Maturity Analysis Report released by Ipsos Group, Shanghai ranks second in infrastructure construction and first in public services. As well as the transportation lines that pave the entire city, overall Shanghai's infrastructure dimension is excellently built.

(2) Human resource dimension, first of all, Shanghai as China's first-tier city economic situation is undoubtedly, the number of resident population, the total economic volume are the first in the country. The economy attracts talents first, plus flexible and preferential policies, career environment, and specific living treatment, Shanghai's human capital attraction index is quite high.

(3) Financial service dimension, Shanghai as China's eastern financial center has a relatively large financial market. On June 16, 2009, the Institute of Comprehensive Development (China-Shenzhen) launched the first "China Financial Center Index" ranking, and Shanghai ranked second. Meanwhile, with the rapid economic development and the influx of talents in recent years, Shanghai has always been ranked first in terms of financial efficiency, financing potential, and the ability to develop the financial industry.

(4) In terms of the government environment dimension, Shanghai's open government work is very well done, just recently the Shanghai Municipal People's Government issued the "2021 Shanghai government open work points a quick overview", emphasizing the future to further consolidate the transparency of government affairs, improve government administrative efficiency, and do a good job of government intervention and protection of the rights and interests of the people. And in previous years, Shanghai Municipal People's Government has also issued a large number of implementation of such documents, to effectively achieve open and transparent government affairs and maintain a good government environment.

(5) In terms of the inclusive innovation dimension, the Shanghai Municipal Government starts special funds for science and technology innovation programs every year, and constantly provides preferential policies for science and technology innovation talents to attract more talents from the society to participate and create a good environment for innovation and entrepreneurship. And the implementation of the relaxation of market access and expansion of external opening has been effective in enhancing the innovation capacity of Shanghai from the source.

The Shanghai Municipal Government has achieved a multi-dimensional and comprehensive development in the above five aspects, and made a leading sprint and long development for the promotion of business environment in Shanghai.

3.2 Other prefectural-level cities

They are Suzhou, Zhuhai, Dongguan and Quanzhou. The above cities are ranked 14, 15, 18 and 19 in order in the "2020 Report on Business Environment of 296 Prefectural and Higher Cities in China", while Shenyang as the provincial capital city is only ranked 40th in this ranking, in contrast to the rapid development of these four prefecture-level cities. Briefly analyzed for the following reasons.

3.2.1 Have a certain economic foundation

According to the information, Suzhou and Quanzhou are the first economic city in Jiangsu and Fujian respectively, and Dongguan is the fourth economic city in Guangdong, so it can be seen that these prefecture-level cities are not inferior in terms of economy. [4] And a good economy will, to a certain extent, effectively promote the development of a regional business environment.

3.2.2 With a sense of reform

Dongguan City, for example, is the pioneer of reform and opening up, and also the source of

commercial system reform, with a leading sprint mind in reform. In addition, the Dongguan government has effectively referred to the business environment reform measures of other countries, such as Japan, France, Singapore, etc., in recent years, and absorbed the strengths of other countries to better optimize its own business environment. This has contributed to the rapid progress of Dongguan's business environment.

Both the first-tier cities and other leading prefecture-level cities are inseparable from their government's policy promotion and their own economic development. Therefore, Shenyang City can refer to the above government practices and promote economic development to form a more mature and stable business environment system as soon as possible.

4. Countermeasures and Suggestions for Optimizing the Business Environment in Shenyang

A good business environment in a region is mainly associated with two aspects of government intervention and enterprises themselves in particular. The government is the main focus, and the enterprises are the main support.

4.1 For Government

4.1.1 Follow the national regulations to fulfill the policy

In recent years, the Government Central Committee and the State Council have attached great importance to the optimization of the business environment, and all regions and departments have continued to promote the reform of "management and service" in accordance with the deployment of the Government Central Committee and the State Council, which has greatly enhanced the improvement of the business environment. In October 2019, Premier Li Keqiang signed the State Council Decree (No. 722) announcing the "Regulations on Optimizing the Business Environment", which was issued in order to continuously optimize the business environment and provide stronger support and protection for the optimization of the business environment from the institutional level. Therefore, under the vigorous promotion of the Government Central Committee and the State Council, the Shenyang municipal government should follow the national regulations, it is necessary to formulate special administrative regulations to move forward with the country at the same frequency and provide more powerful protection for optimizing the business environment from the institutional level.

4.1.2 Create a service-oriented and honest government

The work reports released by the provincial Business Environment Supervision Bureau in recent years show that there are still some problems, mostly around the lack of depth and breadth of information disclosure, the need to strengthen the standardization and other issues mainly in terms of transparency of government affairs and the quality of government services. Therefore, under the premise of following the national regulations, the Shenyang municipal government needs to pay more attention to the openness of government affairs, emphasize the construction of service-oriented and honest government, highlight the optimization of the governmental environment, social environment, policy and rule of law environment, strengthen the construction of government culture, change the concept and quality of government personnel as well as the quality of service and the improvement of their own capabilities. For example, the Shenyang Business Environment Construction Bureau should further enhance the transparency of open government affairs, improve the system of government specific information system, form a standardized government affairs display system, and better serve enterprises and people, which is the main countermeasure to achieve sustainable optimization of business environment.

4.2 For companies

4.2.1 Follow government policies to enhance the value of the enterprise itself

In view of the "Liaoning Province to promote the "most run once" regulations" and other provisions, both state-owned enterprises and private enterprises should be sensitive to changes in the market environment, such as preferential policies and a series of changes. The most important thing is to make good use of them and transform them into a powerful tool to boost the economic development of enterprises and create more opportunities and value space for them.

4.2.2 Expand foreign trade transactions and deepen foreign exchanges and cooperation

Based on the good development of "One Belt One Road" and the rising international status and influence of China, the road of opening up to the outside world is getting stronger and stronger. Shenyang enterprises should open up the pattern of cooperation with foreign capital, try to follow the principle of "bring in, go out", actively communicate and cooperate with foreign countries, attract foreign capital to settle in, and promote the development of the city's business environment in a virtuous cycle.

4.2.3 To achieve compliance with the law, and the country to move forward with one heart

Enterprises should abide by the law, a good business environment cannot be built without the rule of law management. Enterprises need to discipline themselves, not to do illegal and disorderly things, and move forward with the government and the State, and jointly create a new era of the rule of law and sustainable development of the business environment.

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