

Research on the Financial Support Mode for the Survival and Development of Small and Medium-sized Enterprises Under Emergency Public Events Taking Suzhou Industrial Park as an Example

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Abstract

Small and medium-sized enterprises are an important part of China's national economy. They play an important role in promoting employment, increasing fiscal revenue, improving the quality of life and enhancing the vitality of the national economy. However, in novel coronavirus pneumonia, most areas are closed down and production is reduced. The funds of small and medium-sized enterprises are difficult, and the pressure of rent, taxes and fees is greater. In this public emergency, Suzhou municipal government took the lead in introducing financial support measures. In this context, this project studies the financial support mode for the survival and development of small and medium-sized enterprises under emergency public events, mainly analyzes whether the financial mode first introduced by Suzhou municipal government after the epidemic is universal, and seeks the financial support mode suitable for the survival and development of small and medium-sized enterprises under emergency public events, so as to reduce the losses of enterprises to the greatest extent.

Keywords

Small and Medium Enterprises; Public Emergency; Financial Model.

1. Introduction

In recent years, with the rapid development of China's economy, small and medium-sized enterprises have made important contributions in promoting the development of China's national economy. However, because most of the small and medium-sized enterprises are still in the embryonic stage of development, China has constantly introduced a series of policies and measures to support the development of small and medium-sized enterprises. Novel coronavirus pneumonia was a very difficult year for most of our enterprises in the past 2020. Due to the impact of the new crown pneumonia epidemic in the early years, the production and operation of domestic enterprises were all badly hit. According to the data released by the China Association of small and medium enterprises, the SME development index (SMEDI) in the first quarter of 2020 was 82.0, down 10.7 from the previous quarter. Then, along with the introduction of a series of supporting policies, the government provided help to enterprises in reducing taxes, reducing costs, stabilizing the workforce and jobs, and Inclusive Finance, vigorously implemented the "six stabilities" and "six guarantees" policies. In addition, domestic small and medium-sized enterprises actively organized the resumption of work and production, China's economy continued to maintain a stable recovery in the second half of the year. But it is still lower than the same period in 2019. At the same time, until 2021, the global epidemic situation is still complex and severe, and the economic recovery of countries and regions in the world is not balanced; The foundation of China's domestic economic recovery is not solid, and the promotion of high-quality development is facing some new situations and new problems. Therefore, in the face of emergency public events, how to ensure the normal and orderly production

and operation of small and medium-sized enterprises in China, and improve their ability of survival and development, is still a difficult problem for the development of small and medium-sized enterprises in China. Based on this, through the study of the relevant financial support policies issued by Suzhou municipal government to support SMEs during the epidemic period, this paper puts forward scientific and reasonable suggestions for the survival and development of SMEs in China.

2. Literature Review

Domestic scholars have carried out extensive research on the survival and development status of SMEs in China at this stage, achieved rich results, and put forward a series of suggestions on financial support for the development of SMEs.

Zhu Wuxiang et al. (2020) found that under the impact of the epidemic situation, small and medium-sized micro enterprises have great cash flow pressure. The smaller the enterprise scale is, the weaker the bank loan preferential support is, and the deviation between policy implementation and enterprise demands is large. They also proposed that it is necessary to strengthen information services and optimize the policy implementation path [1]. Liu Chao and Wang Haijun (2020) believe that the epidemic situation only has a short-term impact on the capital turnover of enterprises. We should strengthen the bank's special anti epidemic credit support, promote the debt financing of small and medium-sized enterprises, and use the special fund to expand financing channels. Considering the sustainability of the epidemic situation, we should improve the tolerance of small and medium-sized enterprises in terms of loans, and increase the willingness of banks to lend to enterprises, So as to support small and medium-sized enterprises [2]. Huang Qinghua et al. (2020) summarized the relevant supporting policies issued by the central and local departments, reviewed the relevant policies, and proposed that in the short term to solve the survival problem of small and medium-sized enterprises, we should scientifically promote the resumption of work and production, there is still a large space for tax reduction and fee reduction in the short term, and focus on the implementation of various loan supporting policies for small and medium-sized enterprises; In the long run, we need to focus on improving the business environment of enterprises, improving the law of market economy, enhancing the level of industrial chain and the core competitiveness of small and medium-sized enterprises [3]. Wang Tiankun (2020) proposed that small and medium-sized enterprises should pay attention to the management of cash flow, find ways to reduce expenditure, make full use of relevant preferential policies, and pay attention to the long-term survival of crisis awareness [4]. Tan Jin (2021) analyzed the loan data of large enterprises and small enterprises from six joint-stock banks in Beijing, Shanghai, Guangzhou, Shenzhen, Nanjing and Hangzhou in 2020, pointed out that financing difficulties have always been the main problem restricting the development of enterprises, and proposed that accelerating the development of electronic bills can be effectively solved [5]. Li Changchun and Yang Zhuo (2021) conducted an investigation by issuing online questionnaires to hundreds of small and medium-sized enterprises in Tongliao, and found that the survival and operation of SMEs affected by the epidemic is facing a serious situation. The economic operation is greatly influenced by COVID-19, and a more stable monetary policy is put forward to solve the financing problems for the trapped enterprises. Provide precision credit services, open up the supply chain finance of online, middle and downstream small enterprises, and innovate the digital inclusive financial service mode [6].

Through the above research, it is found that there is great room for improvement in the short-term and long-term development of China's policy support for small and medium-sized enterprises, especially in the aspect of policy implementation. However, most of the existing policy reviews are only theoretical analysis from an objective perspective, without specific solutions and means.

3. Analysis on the Financial Support Policy of Suzhou Municipal Government

The main research object of this paper is the financial policy of helping enterprises in Suzhou. Therefore, this paper takes the relevant policies published on the website of Suzhou Municipal

People's government from January 2020 to January 2021 as the main research object. Through research and induction, it can be summarized into the following three stages.

3.1 First Stage Policy

In the early stage of the epidemic, Suzhou municipal government issued the "ten preferential policies" to support small and medium-sized enterprises to tide over the difficulties. It issued targeted policy support measures for small and medium-sized enterprises from the aspects of increasing financial support, stabilizing the team, and reducing the burden on enterprises. It made clear the Financial Supervision Bureau, Suzhou Branch of the people's Bank of China, Suzhou Branch of the people's Bank of China, Suzhou Branch of the people's Bank of China Suzhou banking and Insurance Regulatory Bureau and other relevant units. It includes four parts: first, fully guarantee that the credit balance of small and micro enterprises in 2020 will not be lower than that of the same period last year, require all banking institutions and organizations to continue to strengthen support for small and micro enterprises, and do not arbitrarily put pressure on small and micro enterprises in terms of loan business. The second is to fully ensure that the cost requirements for small and micro enterprises to carry out commercial financing are reduced, and it is proposed that banking institutions can support enterprises by reducing the cost rate, so as to fully ensure that their financing cost can not be higher than that of the same period last year. Third, policy banks should set a good example, support branches in the Soviet Union such as China Development Bank, agricultural development bank, export import bank and export credit insurance company to improve service quality, and implement the relay degree of special fund services. Fourth, financial institutions should be encouraged to provide supportive financial services, and financial institutions should be organized to open online service platforms Innovative financial service modes, such as door-to-door service, provide privileges and high-quality services for small and medium-sized enterprises, especially those seriously affected by the epidemic. At the same time, in order to ensure the survival and development of the new agricultural business entities, Suzhou municipal government puts forward some policy suggestions on supporting the new agricultural business entities, such as providing preferential loans to enterprises, reducing the cost of enterprise financing, and canceling the insurance expenses of policy agriculture. In addition, the Suzhou municipal government has also issued a number of policy suggestions, proposing to promote the dual deployment of financial institutions and enterprises through the establishment of a special section on financial epidemic prevention of a comprehensive financial service platform, so as to effectively respond to the urgent needs of enterprises.

3.2 Second Stage Policy

On April 30, 2020, the office of Suzhou Municipal People's government issued several policy opinions on further improving the current financial support for the stable development of small and micro enterprises. The policy opinions include the following six aspects: first, the implementation of special credit plan. A 10 billion scale special fund has been set up to support the basic wages of enterprise employees, relieve the cash flow pressure of enterprises affected by the epidemic situation, and set up risk compensation funds to bear the risk losses caused by force majeure. Second, expand the scope of export trade credit insurance in the short term. Through the special funds, the enterprises pay the credit insurance premium to reduce the export risk. Third, increase the proportion of "first loan" of enterprises. Increase the number of "first loan" enterprises. Fourth, strengthen the support of "credit insurance loan". Improve the risk tolerance rate of SINOSURE fund and reduce the comprehensive financing cost of enterprises. Fifth, carry out the promotion activities of excellent products of Inclusive Finance. Publicize the knowledge of Inclusive Finance to the city's business operators, and promote win-win cooperation between banks and enterprises. Sixthly, professional financial advisers are assigned to industry associations. For the associations and chambers of Commerce of tourism, catering industry, small and medium-sized foreign trade enterprises, which are greatly affected by the epidemic, we will send a one-year full-time financial consultant to listen to, collect and study the needs of financial services in this field, provide financial business consulting services for member enterprises, and design financing schemes for enterprises with financing needs.

The new opinions integrate the existing financial services policies related to the real economy, and optimize and improve them in combination with the current survival and development of small and micro enterprises.

3.3 Third Stage Policy

On July 30, 2020, the Suzhou municipal government issued the guidance of Suzhou on further improving financial support, stabilizing enterprises and ensuring employment. The guidance includes the following four aspects: first, on the basis of setting up a 10 billion yuan special credit support fund, to ensure that the local governments further implement the relevant policies of Inclusive Finance and further guarantee the reduction of the cost of loans for small and medium-sized enterprises. We will urge banking institutions to be open and transparent in the process of enterprise loans, and continue to expand insurance coverage. The second is to improve the supervision and management system, including regular assessment and evaluation of banking business. Banking institutions should strengthen the monitoring and auditing of enterprise operation, credit capital flow and risk situation. Third, we should make great innovations in financial services, including providing door-to-door services for enterprises by financial consultants, establishing a re lending service mechanism, exploring supply chain financial services and building a government financing system. Fourth, optimize the financing service environment, including giving full play to the role of financial infrastructure, guiding financial institutions to implement policies to support enterprises, accelerating financial innovation and docking with multi-level capital market. Novel coronavirus pneumonia is being standardized in the epidemic prevention and control phase. The guiding opinions issued by the municipal government of Suzhou play a guiding role in guiding the work of financial institutions in the whole city, and do a solid job in supporting financial stability.

4. The Improvement of the Mode of Financial Support for Small and Medium-Sized Enterprises

Through the reference to Suzhou financial support model, this paper puts forward relevant suggestions on the financial support SMEs model from the government, financial institutions and enterprises, and provides the survival and development model for SMEs to cope with emergency public events, which are mainly divided into the following five aspects:

4.1 Establish a long-term two-way communication mechanism between enterprises and financial institutions to understand the needs of enterprises

Through the research, it is found that the government's policy on "helping enterprises to rescue enterprises" is not very consistent with the needs of enterprises in the actual situation, and there are also problems in the implementation of the policies. Therefore, the government should communicate with SMEs, and at the beginning of making policies, we should fully understand the difficulties and needs of the survival and development of SMEs, and then communicate with the policy implementing bodies, namely various financial institutions. Through the establishment of long-term two-way communication mechanism, the financial institutions' willingness to lend is fully improved without damaging the profitability of financial institutions, and a perfect system meeting the needs of both parties is formulated. At the same time, we should increase credit support, strengthen financial transfusion and reduce the cost of financial transactions.

4.2 To build a long-term mechanism for assistance after emergency in small and medium sized and micro enterprises, and form a complementary and coordinated policy support system with emergency policies

After the outbreak, with the government issuing a number of emergency policies and measures, it effectively alleviated the negative impact of the epidemic on the economy, but also exposed systemic problems in the short term. The main weakness of disaster recovery is the lack of long-term mechanism of disaster recovery for SMEs. The epidemic has a significant impact on small and medium-sized enterprises. Although important rescue measures have been taken immediately, due to the emergency, the recovery after disaster lacks standardized policies and long-term mechanisms, the

policies are not perfect, the implementation rules are not clear, which hinders the implementation of some emergency strategies, and the government still needs to take effective measures to supplement. Therefore, we should actively establish a long-term mechanism for the assistance of SMEs such as emergencies and natural disasters, and form a complementary and coordinated policy support system with emergency policies, which can make it an important system guarantee for the rapid recovery and reduction of disaster economic losses of SMEs.

4.3 Build a new long-term financial service model for small and medium sized and micro enterprises and establish multi-level small and micro enterprise rescue fund

The state and local governments respectively contribute to establish public or semi public welfare funds such as small and medium-sized and micro enterprise rescue funds according to industry or industry, to subsidize and compensate the losses caused by force majeure of small and medium-sized and micro enterprises, and create a healthy financing ecology for small and medium-sized enterprises. The relief fund can compensate for the credit loss of insurance products developed by small and medium-sized enterprises and insurance companies in the banking industry. Improve the enthusiasm of banks and insurance institutions. The epidemic will lead to a series of overdue or default, which is caused by force majeure and should not be borne by enterprises alone. On the one hand, it needs judicial explanation to distribute the loss legally and reasonably; On the other hand, the rescue can be used to alleviate the financial crisis caused by corporate liabilities, including risk sectors.

4.4 Improve the way to implement the policy, and ensure the effective and effective implementation of the policy

Give full play to the role of service platform of small and medium-sized and micro enterprises, and do a good job in the effect supervision and evaluation. We should strengthen policy guarantee, improve legal security system and establish and implement feedback evaluation system. We should give full play to the professional service functions of social organizations and enterprises, including the service platform for SMEs created by the government and financial institutions, and provide high-quality services and universal policy system for enterprises in terms of obtaining information. These institutions can constantly capture and sort out the needs of SMEs, analyze, classify and contact relevant government departments. The relevant departments shall assist small and medium-sized enterprises in obtaining policy information and loan declaration in a timely manner, cooperate with the administrative departments to provide policy implementation services and implement preferential policies.

4.5 Promote financial reform and innovation, increase financial technology investment and build digital service platform.

With the advent of the Internet era, the use of big data and cloud computing to improve the collection of credit data, strengthen the application of artificial intelligence and other technologies in financial technology, further promote the wide collection, efficient analysis and scientific application of credit data. Financial technology will change the phenomenon of "bad currency expelling good currency" caused by information asymmetry, and help small and medium-sized enterprises develop steadily. We will build a digital service supply platform covering supply chain, industrial chain and production finance docking of small and medium-sized enterprises, help SMEs accurately connect the financing chain, realize reasonable allocation of financial resources and meet the diversified financial service needs of small and medium-sized enterprises. Commercial banks should give full play to their R & D capabilities and technological advantages, innovate online digital inclusive financial products, use Internet big data, artificial intelligence and other technologies to automatically tap small and medium-sized enterprise customers, and provide online financial services for SMEs in real time by sharing standardized data.

5. Conclusions

In this public emergency, the central and local governments have successively issued relevant financial support policies to guide and help SMEs out of difficulties. Cannot do without cannot do

without the economic recovery of novel coronavirus pneumonia, but the recovery of SMEs is more dependent on the government's support and national policy support. By studying and judging the policies issued by the government under this public emergency, we can learn from the relevant experience and respond to and deal with emergencies in a timely manner. The Suzhou financial support model selected in this paper has a certain demonstration, but all regions need to consider it from all sides and at multiple levels, according to the extent of the impact of the event, the enterprises should adapt to local conditions. In order to effectively promote the economic recovery of small and medium-sized enterprises, it is necessary to formulate scientific and reasonable policies in different levels and categories, and ensure the efficient and accurate implementation.

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