

Research on the Development Path of Small and Medium-sized Enterprises in the New Development Pattern of "Double Cycle"

Lingyu Zhu*, Weilong Yin

Anhui University of Finance and Economics, Bengbu, 233030, China

Abstract

As an important part of my country's market economy, SMEs are an important source of power for high-quality economic development and a key stabilizer for the new development pattern. Under the new development pattern where the domestic big cycle is the main body and the international and domestic double cycles promote each other, there are still certain problems in the development of small and Medium-sized enterprises in Bengbu City. Through the empirical test of the logistic regression model, it can be found that the problems are mainly the prominent contradictions in the industrial structure and exports. The trade situation is severe, domestic effective demand is insufficient, and the commodity circulation system is blocked. In order to solve the problem, the article proposes four major development strategies: adjusting the industrial structure, deepening opening up, matching effective market demand, and opening up the circulation system. Through the four major development strategies, we will promote the transformation and upgrading of the industrial structure of SMEs in Bengbu City, break through the blockages and shortcomings of the circulation system, promote the matching of supply and demand, and promote the quality and efficiency of SMEs in Bengbu City, and give full play to the role of SMEs.

Keywords

Dual Cycle; New Development Pattern; Small and Medium-sized Enterprises.

1. Introduction

There are a large number of small and Medium-sized enterprises in our country, occupying an important position in the national economy, providing the country with a large number of jobs, creating a large amount of national wealth, and accounting for about 47% of the total national economic income [1]. At present, there are still certain gaps in consumption level and income level among various regions in our country. The development of small and Medium-sized enterprises and the promotion of small and Medium-sized enterprises to improve their quality and efficiency are of great significance for stimulating the local economy, reducing regional differences, and stabilizing the level of employment [2]. However, with the outbreak of the new crown epidemic in 2019, the unilateralism of the international community emerged, and various countries have introduced trade protection policies. The domestic economic development has been stagnant, which has slowed down the development of small and Medium-sized enterprises and faced huge challenges in survival. It has become an important problem to help small and Medium-sized enterprises to get out of their development difficulties and to resume work and production steadily.

In order to solve this problem, in 2021, the Central Committee of the Communist Party of China proposed in the "14th Five-Year Plan" and the 2035 long-term goal to build a new development pattern with the domestic cycle as the main body and the mutual promotion of the international and domestic double cycles[3]. On the one hand, it strives to stimulate the potential of domestic demand through the large domestic cycle; on the other hand, it connects with foreign markets,

deepens the opening up, accelerates the transformation and upgrading of the industrial structure of SMEs, and promotes the improvement of quality, efficiency and rapid development of SMEs [4]. This article takes Bengbu City as an example, combines online questionnaires and offline visits, directs the arrow to the current situation of SMEs, uses logistic regression model to statistically analyze relevant data, evaluates and analyzes the development status of SMEs, and explores the current problems of SMEs. In-depth study of the challenges faced by SMEs in Bengbu City under the new development pattern of "dual cycles", explore the development strategies of SMEs in Bengbu City, and put forward suggestions for the rapid development of my country's SMEs under the new development pattern of "dual cycles".

2. Theoretical Mechanism

2.1. The Evolution and Internal Logic of the New Dual-cycle Development Pattern

(1) Evolution

The Third Plenary Session of the Eleventh Central Committee formally kicked off the prelude to reform and opening up. China is gradually transforming into a market economy system, boosting economic growth through rural reforms and state-owned enterprise reforms, and laying the foundation for joining the global trading system. After joining the WTO in 2001, foreign trade has become an important force driving my country's economic development and ranks among the "troika". In 2006, my country's export volume ranked seventh in the world, and its dependence on foreign trade was as high as 40%. The pattern of export-oriented economic development was formally formed [5].

However, problems such as the financial crisis and population aging have made it impossible to maintain the export-oriented economic development pattern. During the outbreak of the financial crisis, countries around the world had overproduction and the rise of trade protectionism, which caused my country's export to face a huge impact. In response to the problem of overproduction, the country quickly issued policies to stimulate domestic demand, adjusted the pattern of export-oriented economic development, began to attach importance to internal circulation, and emphasized the importance of a long-term mechanism for expanding domestic demand. At the end of 2018, the "unblocked national economic cycle" was formally proposed by the central government, and the importance of the domestic market has increased significantly. The 2019 new crown epidemic broke out. In order to solve the export problem during the epidemic and restore economic order, my country formally proposed a new Dual-cycle development pattern in 2020.

(2) Internal logic

Under the new Dual-cycle development pattern, the domestic big cycle has become the top priority of the national economy. It is required to promote the domestic big cycle from the four links of production, distribution, circulation and consumption, solve the problem of obstruction, promote the upgrading of the industrial structure, and stimulate the growth of domestic demand. .

We should make up for shortcomings in production, and the country should continuously improve its independent innovation capabilities, concentrate its efforts on cultivating high-tech talents, and promote technological progress. At the same time, continuously adjust the industrial structure, promote the transformation and upgrading of the industrial structure, and fundamentally solve the "stuck neck" problem. In terms of distribution, national income should be increased. Income is a prerequisite for consumption. The state should continuously increase the income of low-income groups to ensure that low-income groups have the ability to consume so as to expand domestic demand. In terms of circulation, circulation costs should be reduced. The state should continue to promote infrastructure construction, reduce explicit costs,

increase policy support, reduce hidden costs, and ultimately reduce the total cost of commodity circulation. In terms of consumption, residents' willingness to consume should be increased, and residents' consumption should be stimulated by adjusting interest rates. At the same time, the social security mechanism should be improved to reduce residents' willingness to save [6].

2.2. The Status Quo of the Development of Small and Medium-sized Enterprises in Bengbu

(1) The domestic market is sluggish

By analyzing the Bengbu City's 2020 National Economic and Social Development Statistical Bulletin, we can know that the total retail sales of consumer goods in 2020 will reach 120.25 billion yuan, an increase of 0.03%. The domestic market demand is sluggish, and the income of the secondary and tertiary industries has dropped significantly. At the same time, the industrial added value of small and Medium-sized industrial enterprises fell to negative values and was severely affected by the epidemic.

(2) Shrinking foreign markets

By consulting Bengbu's 2020 national economic and social development statistical briefing, we can know that the impact of the first new crown epidemic, Bengbu's annual export in 2020 is 884 million U.S. dollars, which is a sharp drop in export volume compared with 2019. With the rise of unilateralism and trade doctrine, the foreign market of small and Medium-sized enterprises in Bengbu has obviously shrunk. At the same time, affected by the Sino-US trade friction, Bengbu's trade volume with the US continued to drop sharply, down 63.61% year-on-year.

3. The Status Quo of the Development of Small and Medium-sized Enterprises in Bengbu City under the New Dual-cycle Development Pattern

3.1. Contradictions in the Industrial Structure are Prominent

As one of the important industrial cities in Anhui Province, Bengbu is mainly based on processing and manufacturing, with more than 30 industries including textiles, machinery, chemicals, medicine, and more than 200 industrial categories. However, these industries have low technology content, low product added value, high substitutability, and are mainly labor-intensive industries. For example, the light textile industry in Bengbu City mainly relies on the development of demographic dividends and lacks product innovation awareness, leading to homogenization of products. Obviously, the competitiveness of foreign export trade has been declining, and it has not been able to meet the high-quality requirements of domestic residents under the upgrading of consumption.

3.2. The Export Trade Situation is Grim

After the outbreak of the new crown epidemic, on the one hand, governments of various countries urgently introduced epidemic control measures, which brought a huge impact on commodity transportation and industrial output, and the global trade volume dropped significantly. The 2021 "Global Trade Data and Outlook" pointed out that in 2020, the world's merchandise trade volume will decline rapidly, with a decline of 5.3%. On the other hand, under the influence of the epidemic, the willingness of residents in various countries to consume has declined, the sales of commodities in foreign markets have been frustrated, and the risks of foreign trade have increased. The foreign markets of Bengbu SMEs are mainly concentrated in the United States and countries along the "Belt and Road". However, due to factors such as the rise of U.S. trade protectionism, the obstruction of epidemic control measures in various countries, and the decline in consumption willingness of countries along the "Belt and Road",

Bengbu SMEs The export situation is more severe, and the volume of merchandise exports continues to decline.

3.3. Insufficient Effective Domestic Demand

The willingness of Chinese residents to consume is generally low, and consumer demand is mainly concentrated in real estate investment and other aspects. Under the influence of the epidemic, residents' willingness to consume has further declined, and their willingness to save continues to increase. Since 2001, the consumption rate of my country's residents has been declining year by year. During the epidemic, the growth rate of the consumption rate has dropped to a negative value. Insufficient effective domestic demand has clearly become a major obstacle to economic growth [7]. The domestic market for small and Medium-sized enterprises in Bengbu City has also shrunk further, with gradual overproduction, increasing the willingness of domestic residents to consume, and cultivating a scientific, effective and complete domestic demand system has become the key to the development of small and Medium-sized enterprises.

3.4. The Commodity Circulation System is Blocked

my country's circulation system is in the transition stage from traditional circulation to modern circulation [8], but infrastructure construction There are still congestion points and shortcomings. Take Bengbu City as an example. On the one hand, Bengbu City has fewer rural express delivery points, and the delivery speed is slow. On the other hand, the lack of urban e-commerce distribution transfer node facilities has led to low logistics and distribution efficiency [9]. At the same time Bengbu City circulation system The degree of digital intelligence is low, and network facilities and cold chain technologies are in urgent need of transformation and upgrading. Due to the low level of digitization and intelligence of the circulation system, it is difficult to reduce the commodity circulation cost of SMEs in Bengbu City, which hinders the development of SMEs. Improving the modernization level of Bengbu's commodity circulation system and breaking through the blockages and shortcomings of the circulation system have become important problems.

4. Empirical Test

This article specifically uses logistic regression model to test the influencing factors of the development of SMEs under the new Dual-cycle development pattern. Because there are many influencing factors, in the case of multiple independent variables, in order to explore the impact of a certain factor on the enterprise's resumption of work Function, we will establish a multiple regression model, on the basis of controlling other variables, get the degree of influence of a certain independent variable on the dependent variable.

4.1. Selection of Impact Indicators

Based on relevant literature and theoretical basis, we selected indicators from four aspects: industrial structure, domestic effective demand, export trade situation, and commodity circulation system to study the impact of the new fiscal and taxation policies on the resumption of work.

4.2. Establish a Multiple Regression Model

First, the four influencing factors of industrial structure, domestic effective demand, export trade situation, and commodity circulation system are respectively set as X_1, X_2, X_3, X_4 , and the multiple regression model is established as follows:

$$Y = a_0 + a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + \varepsilon$$

Among them, Y is the impact of the new fiscal policy on the enterprise's resumption of work, a0 is the intercept of the regression equation on the Y axis, a1, a2, a3 and a4 are the regression coefficients corresponding to the independent variables, which are random error terms, satisfying normality Distribution means the influence of random influencing factors. Using SPSS software to calculate the influencing factor analysis results, the final model's multiple correlation coefficient is 0.57, indicating that the independent variables are closely related to the dependent variables. It shows that the model is getting better and better. The DW value is used to detect the correlation between the residuals. The DW value is 1.976, which is very close to 2, indicating that there is no autocorrelation between the residuals.

Table 1. Analysis of variance

ANOVAa						
	model	sum of squares	Degree of freedom	Mean square	F	Significance
1	return	47.309	1	47.309	249.668	.000b
	Residual	145.715	769	.189		
	total	193.024	770			
2	return	56.449	2	28.225	158.716	.000c
	Residual	136.574	768	.178		
	total	193.024	770			
3	return	62.121	3	20.707	121.329	.000d
	Residual	130.903	767	.171		
	total	193.024	770			
4	return	62.781	4	15.695	92.308	.000e
	Residual	130.243	766	.170		
	total	193.024	770			

From the above analysis, excluding indicators that have little impact, industrial structure, domestic effective demand, export trade situation, and commodity circulation system indicators all have a significant impact on the development of SMEs, so the final regression model obtained is:

$$Y = 2.163 + 0.138X_1 + 0.124X_2 + 0.1X_3 + 0.051X_4$$

Since the greater the absolute value of the independent variable standardization coefficient, the greater the impact on the dependent variable. Therefore, it can be seen that the industrial structure has the greatest impact on the development of small and Medium-sized enterprises under the new Dual-cycle development pattern, followed by effective domestic demand, and the export trade situation affects the effect. Generally, the commodity circulation system has the least impact.

5. Development Path of Smes in Bengbu City under the New Dual-cycle Development Pattern

Based on the empirical test results, the following suggestions are specifically made:

5.1. Adjust the Industrial Structure

In order to solve the problem of industrial imbalance and improve the competitiveness of Bengbu's small and Medium-sized enterprises, Bengbu's small and Medium-sized enterprises

should focus on adjusting the industrial structure and realizing the transformation and upgrading of the industrial structure. There are three specific implementation paths.

The first is to deepen the reform of SMEs in Bengbu City and improve the innovation capabilities of SMEs. On the one hand, the Bengbu Municipal Government should insist on streamlining administration and delegating power, improve the management autonomy of Bengbu's small and Medium-sized enterprises, and stimulate the innovative vitality of small and Medium-sized enterprises. On the other hand, small and Medium-sized enterprises should promote talent incentive policies and retain high-quality talents through measures such as raising salaries and introducing welfare policies to give full play to their talent advantages. At the same time, all small and Medium-sized enterprises should further improve their corporate governance model, eliminate management corruption, introduce professionals to participate in corporate decision-making, and ensure that the decision-making process of corporate production innovation direction and speed is scientific and reasonable [10]. The second is to increase the proportion of investment in scientific and technological innovation to ensure that small and Medium-sized enterprises have capital and financing. To improve the level of scientific and technological innovation, the government should increase capital investment in scientific and technological development, on the one hand, through fiscal and taxation policies to help small and Medium-sized enterprises carry out industrial transformation and upgrading. On the other hand, to ensure a sound and reasonable financing system, expand financing channels for SMEs and reduce financing risks, we can learn from the financing model of "government + enterprise + others". After the financing channels for SMEs stabilize, the government will gradually withdraw [11].

The third is to undertake the transfer of industries in the Yangtze River Delta. As one of the important industrial cities in Anhui Province, Bengbu is relatively close to Nanjing and other cities. Through investment promotion, it can continue to undertake the transfer of industries in Nanjing and other cities and eliminate the original labor-intensive industries. , Transition from "Made in China" to "Intelligent Manufacturing" in China.

5.2. Deepen Opening up

Since the outbreak of the financial crisis, the economic growth of the major economies in the international community has gradually slowed down, and the potential of the consumer market has approached saturation [12]. Emerging developing countries represented by countries along the "Belt and Road" are in a stage of economic growth. They should stimulate their consumption demand and increase their consumption levels by strengthening infrastructure construction and increasing investment in countries along the route.

Small and Medium-sized enterprises in Bengbu City should aim at the market potential of countries along the "Belt and Road", further deepen business cooperation with countries along the route, and activate the consumption potential of the local market [13]. At the same time, it will study and analyze local customs and habits, target production of products, increase the added value of export commodities, and improve the quality of export products in order to achieve long-term development goals, mutual benefit with local enterprises, and increase the level of opening to the outside world [14].

5.3. Match the Effective Demand Market

To tap the potential of the domestic market, the key lies in supply-side reform. Small and Medium-sized enterprises in Bengbu City should increase effective product supply, improve product quality, and stimulate residents' willingness to consume. The specific implementation path is as follows:

The first is to change the production thinking of small and Medium-sized enterprises. In the production process, all enterprises should change from the traditional order-oriented

production mode to the market demand-oriented, and accurately grasp the consumer's willingness through research and other methods, and produce products that meet the consumer demand, thereby increasing the effective supply of enterprises and increasing product sales. [15]

The second is to improve the production technology of small and Medium-sized enterprises. In the context of domestic consumption transformation and upgrading, consumers are increasingly demanding product quality. All small and Medium-sized enterprises should improve production technology, pay attention to product innovation, and continuously increase the added value of their products in order to effectively match the domestic market and promote supply-side reforms [16].

5.4. Get through the Blockage of the Circulation System

Under the new Dual-cycle development pattern, opening the blockages and shortcomings of the circulation system has become the key to promoting the domestic large-scale circulation, Bengbu City Government should continue to strengthen the infrastructure construction of the circulation system and promote the intelligent transformation of the circulation system, effectively guarantee the circulation of small and Medium-sized enterprises in Bengbu City.

Strengthen the infrastructure construction of the circulation system. The Bengbu Municipal Government should increase the construction of logistics infrastructure. On the one hand, increase the delivery points of various towns and towns, improve the efficiency of rural e-commerce logistics, and stimulate the consumption of township residents. On the other hand, improve the construction of urban logistics system, increase transit nodes, solve the "last mile" problem, and improve the efficiency of urban logistics distribution. Promote the circulation of commodities and expand the consumer market.

Promote the intelligent transformation of the circulation system. The commodity circulation system of Bengbu City is undergoing a transition from traditional circulation to modern circulation. Enterprises should accelerate the pace of transformation, improve the level of circulation intelligence, and use the "Internet + physical store" model to realize a new network Retail, and relying on the digital logistics system to sell goods to all parts of the country, further tap the domestic market, and promote the domestic cycle.

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