

Research on the Countermeasures for the Integrated Development of Private Enterprises and State-owned Enterprises

-- Taking the Guangdong-Hong Kong-Macao Greater Bay Area as an Example

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Abstract. As China's national economy continuously develops, strengthening the integration of private enterprises and state-owned enterprises of the Guangdong-Hong Kong-Macao Greater Bay Area has become an inevitable requirement to promote the economic development of the Greater Bay Area. This paper analyzed the advantages and disadvantages of the state-owned enterprises and private enterprises in the Greater Bay Area, and the development relationship between them, and explored the different blocking factors inside and outside the integrated development of private enterprises and state-owned enterprises, thus obtaining five aspects of countermeasures and suggestions of integrated development of private enterprises and state-owned enterprises: setting up a correct sense of cooperative competition; leveling the playing field; achieving diversification of investment entities; sharing information and resources; improving industrial chain, build industrial clusters, and promotes the coordinated development of state-owned enterprises and private enterprises.

Keywords: Guangdong-Hong Kong-Macao Greater Bay Area; private enterprises; state-owned enterprises; integrated development.

1. Introduction

The Guangdong-Hong Kong-Macao Greater Bay Area was officially made in the "Report on the Work of the Government" on March 5, 2017, which is the fourth largest bay area in the world after New York Bay Area, San Francisco Bay Area, and Tokyo Bay Area. The GDP of the Guangdong-Hong Kong-Macao Greater Bay Area reached 10.867 trillion yuan in 2019; GDP per capita is 156203 yuan. At present, the construction of the Greater Bay Area is in full swing, the country hopes to build a world-class city cluster through the bay area strategy and participate in global competition, and integrate the "The Belt and Road" strategy to achieve Asian economic integration, therefore, the development of the Greater Bay Area is extremely important to the development of China's economic globalization, and it is also a bridgehead for the integrated development of private enterprises and state-owned enterprises in the period of strategic opportunities [1].

2. Prerequisites for the Integrated Development of Private Enterprises and State-owned Enterprises

2.1 Analysis of Development Advantages and Disadvantages of State-owned Enterprises

In combination with the realities of economic development of enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area, people still feel positive about the development of state-owned enterprises, under the influence of long traditional view, state-owned enterprises have high political and social status, including the key factors that determine the development of enterprises—financing capacity is also higher than that of ordinary private enterprises, these are all advantageous conditions for the development of state-owned enterprises. In addition, in market competition, the special properties of state-owned enterprises determine that when enterprises

allocate resources, most of them are dominated by labor of autonomous workers; therefore, it is difficult to form a subjective consciousness to exert individual talents and knowledge dissemination within state-owned enterprises. At present, many state-owned enterprises in the Greater Bay Area occupy absolute development advantages in enterprise scale, technical strength, capital, and reputation, etc. However, the influence of traditional ideas and enterprise' properties has caused internal style of the enterprise to be not positive, the labor environment of enterprises does not dominate in comparison with private enterprises[3].

2.2 Analysis of Development Advantages and Disadvantages of Private Enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area

In recent years, private enterprises in the Guangdong-Hong Kong-Macao Greater Bay Area have developed rapidly, which show many advantages. The most obvious is that private enterprises have strong flexibility, vitality and innovation in the systems and institutions, decision-making system. The image of private enterprises in the market is gradually formed in people's hearts, and they also have a strong sense and ability to grasp and control business opportunities and risks, and these make private enterprises continue to grow and develop. Moreover, private enterprises also have obvious disadvantages, they are faced with an unfair market competitive position in comparison with state-owned enterprises, heavy tax burden, financing difficulty, supply-demand imbalance for talents, governance structure and property rights system problems have seriously affected the sustainable development and survival of private enterprises. Therefore, the main emphasis of private enterprise reform is to establish and improve the internal governance mechanism of enterprises, so that their own property rights obtain strong guarantee. This requires not only the governmental support, but also the support of the whole society, private enterprises should attach importance to cooperation with state-owned enterprises, give full play to their own advantages, complement each other's advantages and disadvantages, and provide good development platforms for their development.

3. Analysis of Development Obstacles of Private Enterprises and State-owned Enterprises

3.1 External Obstacles

(1) The legacy reason for original system and traditional ideas. On the one hand, the "self-esteem" of state-owned enterprises for their own understanding often causes them unwilling to commit to cooperate with private enterprises, thus affecting the mutual integrated cooperation awareness between the two. On the other hand, facing the pressure of public opinion and the ideological prejudice reflected in governmental actions, state-owned enterprises have formed sense of pride in "the state sector advances, the private sector retreats" and "the state sector retreats, the private sector advances", which make their "big-pot" system" sense entrenched. This makes the momentum of state-owned enterprises less obvious.

(2) Excessive intervention and policy failure of government departments. In order to support the integration of state-owned enterprises and private enterprises, the state has also actively introduced a series of supporting policies, but most enterprises will have excessive intervention and policy failure when implementing policies. This is mainly due to the lack of integrity of government departments, they cannot meet commitment favorable policies to private enterprises, and cannot provide complete and practical supporting policies, the relevant responsible departments even shirk their responsibilities, as a result, the support for private enterprises has lagged, and the supporting policies cannot be effectively implemented.

(3) Unfair treatment existed under the ownership forms. At present, the monopolies in the Greater Bay Area are mainly based on many large state-owned enterprises, therefore, the private enterprises that want to join make their own advantages not obvious, because their scale is not big enough, and they do not have the advantages to compete with state-owned enterprises, faced with

the unfair treatment of different ownership forms by the system and the market, it is difficult to achieve the integration and development of state-owned enterprises.

3.2 Internal Obstacles

(1) Uncoordinated internal economic management system of the enterprises. Due to the difference of operation mechanism and management system between state-owned enterprises and private enterprises, it is difficult to achieve coordination in the integration process, the biggest characteristics of state-owned enterprises are the low liquidity, solidification phenomenon, and stable human resource management system, but the characteristics of private enterprises are opposite, their flexible and free human resources management model can conflict with state-owned enterprises, as a result, the two will have great contradictions and conflicts in employee election, human resource allocation, management arrangements and job transfer, it is difficult to achieve integration.

(2) Incomplete property right structure and governance mechanism. In the development process of state-owned enterprise reform and private enterprise transition, the problem of incomplete property right structure has greatly affected the integrated development of state-owned enterprises and private enterprises. Owners of state-owned enterprises are absent, systematic governance mechanism is not established, sound management systems are not established, and property rights are transferred at low prices; the property right structure of private enterprises is single, the use of property rights is not standardized, there is greater blindness, and clear and sound system regulations are not established. [2] These problems restrict the pace of the integrated development between state-owned enterprises and private enterprises.

(3) Conflict generated by different enterprise cultures and values. Due to the influence of past economic status and development history, state-owned enterprises and private enterprises have derived different enterprise cultures and values, because state-owned enterprises have long dominated the national economy, their cultures and values have become lack of sense of competition and sense of innovation, when cooperating with private enterprises, they often lack enough sincerity; while private enterprises show more open and innovative enterprise cultures and values, but many times, they may have short-term profit-seeking speculative thinking[3].

4. Countermeasures and Suggestions on the Integrated Development of Private Enterprises and State-owned Enterprises

4.1 Emancipate the Mind; Establish a Correct Sense of Cooperative Competition

State-owned enterprises need to swallow their pride, abandon the past "master" idea, and accurately view the essence of integrated development between themselves and private enterprises. Private enterprises need to continue to broaden their horizons on the basis of changing the past family-like ideas, and gradually form a sense of introspection, actively communicate with state-owned enterprises, seek cooperation and win-win, and strive to make a contribution to the sustainable and healthy development of the society and economy. Moreover, private enterprises and state-owned enterprises must actively adapt to each other's management ideas in the process of mutual integrated development, avoid mutual resistance, mutually trust and boldly cooperate, and strive to cultivate better cultural awareness and establish a good social image, which not only helps the harmonious development of state-owned enterprises and private enterprises, but also contributes to the improvement of social influence [4].

4.2 Really Implement Policies and Laws and Create a Level Playing Field

The formulation and implementation of policies and law must strengthen the transparency of policies in some industry areas and try to break the hidden restrictions that existed in the industry in the past. Policies of some monopolistic industries must be fully regularized, policies, laws and systems must be fair and comprehensive, ensure that the interests of state-owned enterprises and

private enterprises are not infringed, and ensure that the integration between each other can be smoothly promoted; even though some industries are open to private enterprises on the surface, they are not able to make real profits due to excessively strict policy supervision and regulations, the government should really improve the openness of some industries, ensure that state-owned enterprises and private enterprises can achieve better development in a truly fair market competition environment[5].

4.3 Solve the Property Right Problems and Realize the Diversification of Investment Entities

To promote the integrated development of state-owned enterprises and private enterprises, it is necessary to ensure that investment entities are developing towards diversified direction. In allusion to general competitive industries, the proportion of property right structure needs to conform to the actual development condition of the market, avoid the stock right of supremacy or state-owned enterprise control too high, and reasonably guide private enterprises to participate in investment; in allusion to some natural monopolistic industries, it is necessary to determine the stake between state-owned capital and private capital in combination with enterprise functions and needs, introduce relevant small print and requirements for scientific management and control.

4.4 Share Information and Resources, Complement Each Other's Advantages, Divide the Work and Cooperate

In order to ensure the coordinated development between state-owned enterprises and private enterprises, it is necessary to ensure the sharing of information resources on both sides, prevent information distortion or information asymmetry. When selecting cooperative objectives, it is necessary fully understand the superior resources owned by the other party, ensure that state-owned enterprises and private enterprises can exert their own advantages, and promote the continuous improvement of overall competitiveness. State-owned enterprises should actively learn from the hard-working and innovative spirit of private enterprises in production and management, and change the traditional ideas that just sit back and leave others to find a way out; private enterprises need to rely on the rich and perfect human, financial and technical resources of state-owned enterprises, with the help of the political status and social influence of state-owned enterprises, private enterprises can help themselves deal with financing difficulties and brain drain.

4.5 Improve the Industrial Chain, Build Industrial Clusters, and Promote the Coordinated Development of State-owned Enterprises and Private Enterprises

State-owned enterprises and private enterprises should strengthen the division of labor and cooperation when building industrial clusters and optimizing industrial chain, so as to form comprehensive supporting and mutually supporting development systems, insist on taking business as the connection and capital as the link, and finally form an industrial alliances and clusters. Guiding large enterprises to expand and extend products and technologies to small and medium-sized enterprises to achieve reasonable division of labor. Large enterprises should build platforms for social division of labor and cooperation with the help of separation of major and auxiliary; small and medium-sized enterprises should provide supporting services for large enterprises, enhance added value, thereby establishing more comprehensive industrial chains and promoting the improvement of core competitiveness of the Greater Bay Area.

5. Conclusion

To summarize, the integration of state-owned enterprises and private enterprises is an inevitable trend to promote steady development of economy in the Guangdong-Hong Kong-Macao Greater Bay Area. As an important position for China's economic construction, the Greater Bay Area, in the development of emphasizing the development space of private enterprises and reducing the monopoly phenomenon, through integrated development of state-owned enterprises and private enterprises, it is conducive to help the Greater Bay Area calmly face the ever-changing domestic

and foreign economic situation, enhances the capacity of sustainable development of regional enterprises, and achieves stable growth of the regional economy.

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