Research On the Influence of Financing Constraints on Corporate Performance: Based on The Perspective of Companies Appeared on The China's Small and Medium-Sized Board

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Abstract. Under the background of economic globalization, China's economy has developed rapidly. Small and medium-sized enterprises occupy a growing proportion in the Chinese economy, and make a great contribution to the national economic development and people's livelihood employment. However, due to their small scale and other reasons, they are faced with the major problem of difficult and expensive financing in the process of development. This paper takes financing as the entry point, selects the data of China's small and medium-sized board listed companies from 2017 to 2022, and empirically confirms that financing constraints have a significant negative impact on the performance of small and medium-sized enterprises. At the same time, it analyzes the causes of financing difficulties and the social impact of financing difficulties. In view of the specific problems in financing by referring to the corresponding policies of the United States and Japan, this paper puts forward some suggestions and measures.

Keywords: small and medium-sized enterprises; financing constraints; corporate performance.

1. Introduction

Since the reform and opening up, especially the establishment of the market economic system, our economy has been greatly developed. Small and medium-sized enterprises develop rapidly, and the development trend is quite good. They have played an important role, opening up a new road for the development of the national economy and making outstanding contributions to the growth of China's tax revenue. There is no doubt that if a company wants to grow, it must have enough capital. Sufficient capital can ensure the perfect operation of the whole chain from production to sales. Since almost all small and medium-sized enterprises in our country are individual proprietorship enterprises or partnerships, capital must be limited and financing becomes a necessity. However, due to the small scale, they have some defects in risk resistance, staff quality, financial system and so on, so they face a huge problem of difficult and expensive financing in the financing process. These problems have limited the development, progress and transformation of small and medium-sized enterprises to a large extent. If these problems can be solved, there will be a great breakthrough in the development of small and medium-sized enterprises, and our national economy will also take a big step forward, which will be very helpful to the improvement of China's international status and influence.

First of all, this paper analyzes the "financing difficulties" of small and medium-sized enterprises from the characteristics of financing difficulties, the reasons for financing difficulties and the social impact of financing difficulties. Then, through empirical analysis, it proves that smes are subject to financing constraints and that financing constraints do affect their performance. Finally, this paper puts forward some solutions to this phenomenon for reference.

2. Literature References

Over the years, there have been many researches on the financing difficulties of smes. Liu Tong (2022)[1] points out that the financing difficulties of small and medium-sized enterprises have external reasons such as threshold discrimination of commercial banks, policy implementation, but also internal reasons such as information asymmetry, lack of risk prevention awareness, and put forward some solutions and suggestions from both internal and external aspects.

As mentioned above, the reasons for financing difficulties of small and medium-sized enterprises include their own reasons and external reasons, so solving the problem of financing difficulties of small and medium-sized enterprises also need to start from these two aspects. In terms of solving the external difficulties of financing difficulties, Wei Jianguo (2021)[2] gives their own suggestions from the perspective of commercial banks. They select 357 smes on the New Third Board as research objects, and found through empirical study that the digital transformation of commercial banks can indeed improve the financing efficiency of smes, but there is a certain lag. The digital transformation here includes optimizing information environment, adjusting organizational structure and so on. Luo Linxi (2019)[3] explores the financing difficulties of smes from the relationship between banks and enterprises. Based on the theory of credit rationing and using the loan data of small and medium-sized board enterprises, she confirmed that the longer the contact time between enterprises and banks and the fiercer the competition between banks, the smaller the problem of financing difficulties of enterprises and the more beneficial to the development of enterprises.

For a long time in the past, financing guarantee institutions can help small and medium-sized enterprises increase credit to obtain loans. However, Tan Zhijia (2022)[4]bases on 10smes financing guarantee institutions, explores the micro-contagion mechanism and management methods of liquidity risk. Finally, she finds that risks could be transmitted from financial institutions to real enterprises. The mechanism is as follows: Banks maintain certain doubts on the ability of smes to repay loans, and smes begin to conduct some "moral hazard" operations after being guaranteed by guarantee institutions, such as over-borrowing in financing, transferring funds during crisis, and so on. Then guarantee institutions will face the dilemma of large pressure of compensation funds. The bank will also require the guarantee institutions to increase the premium and the loan threshold for small and medium-sized enterprises, resulting in a vicious circle. Fang Wen (2022)[5]creatively starting from the supply chain, innovatively proposed the supply chain collaborative financing model of tripartite cooperation among suppliers, banks and smes. In this model, small and medium-sized enterprises buy ata lower cost, even on credit, so that is zero financing rate. It can alleviate the financing difficulties of small and medium-sized enterprises to a certain extent.

In recent years, the rapid development of the Internet has also provided an effective way for small and medium-sized enterprises to solve the problem of difficult and expensive financing. However, because of the virtual nature of the Internet, it also has some problemsin solving the financing difficulties of small and medium-sized enterprises. Therefore, Hou Wenlin (2022)[6]measures such as strengthening supervision and credit investigation are proposed to solve Internet security problems and improve prevention and control capacity, so as to promote Internet financing of smes. The development of digital finance also provides powerful measures to solve the financing problems of small and medium-sized enterprises. Liu Yongqiang (2022)[7]bases on the data of small and medium-sized board and GEM from 2011 to 2018, it is found through empirical study that the development of digital finance can indeed improve the technological innovation ability of small and medium-sized enterprises, and then improve the core competitiveness of small and medium-sized enterprises, which is of great benefit to solving the financing difficulties of small and medium-sized enterprises. But this kind of promotion effect is more for high-tech and non-state-owned enterprises.

In terms of region, urban smes face more opportunities and challenges than rural smes. For rural smes, financing is more difficult. Mi Ping et al. (2022)[8]first point out that rural smes face more severe financing situation than urban smes: high cost, corporate discrimination, etc., and then analyze the reasons from their own and external aspects, and put forward suggestions one by one. Finally, it points out that in order to better promote the financing of small and medium-sized enterprises in rural areas, the most important thing is capital,which needs strong support from the government and laws.

3. Empirical analysis

Financing constraints will make small and medium-sized enterprises lack of funds, which will lead to capital fracture of enterprises, unable to continue operation. Theoretically, this is bound to have a negative impact on the performance of small and medium-sized enterprises. Therefore, this paper demonstrates this point of view based on empirical perspective.

3.1 Data and variables

This paper selects the relevant data of China's small and medium-sized board listed enterprises from 2017 to 2022 for research. In order to ensure the accuracy of the results, the following sample pretreatment work was done: (1) ST/PT company was excluded;(2) Eliminate companies listed less than one year;(3) Eliminate the companies with missing financial data, and winsor tail in the upper and lower 1% percentile for all continuous variables in the year, and finally get 14,665 samples.

Corporate performance usually includes market performance and financial performance, among which the former is mainly reflected by the change of stock price, and the latter is reflected by corporate financial statements. Domestic and foreign researchers usually use Tobin's Q value or enterprise market value to measure the market performance of enterprises. The main index to measure corporate financial performance is return on total assets (ROA). In view of the imperfect development of Chinese capital market, enterprise market performance is easy to be affected by the environment, so it is more reasonable to take financial performance as a measure of enterprise performance. Therefore, this paper uses financial performance to reflect the level of enterprise performance and selects return on total assets (ROA) as a measurement index .

Scholars have a variety of options for measuring the degree of financing constraint. Now the multi-index construction composite index method is widely used, that is, the KZ index, WW index and SA index. Considering the development of China's securities market, this paper selects KZ and SA index as indicators to measure financing constraints.

3.2 Model Setting

In order to verify the impact of financing constraints on enterprise performance, the following model is constructed:

$$ROA_{it} = \alpha + \beta \times SA_{it} + \sum Controls + \mu_{it} \tag{1}$$

$$ROA_{it} = \alpha + \beta \times KZ_{it} + \sum Controls + \mu_{it} \tag{2}$$

Where, *i* represents the *i* th enterprise, and *t* represents the *t* quarter, which is the residual term. *Controls* are the control variables, which are *asset-liability ratio,Tobin Q, EBITDA* and *retained earnings per share*.

3.3 Empirical results

3.3.1 Descriptive statistics

This paper makes descriptive statistics on *KZ index, SA index, EBIT, asset-liability ratio, Tobin Q* and *retained earnings per share*. The specific results are shown in the table below:

Table 1. Descriptive statistics

variable	N	mean	p50	sd	min	max	range
ROA	18871	0.0210	0.0170	0.0500	-0.233	0.177	0.410
KZ	14665	0.866	1.168	2.344	-5.985	5.906	11.89
SA	18871	-3.547	-3.594	0.183	-3.874	-2.994	0.881
EBIT	18871	269.5	94.24	610.4	-897.2	3941	4838
ratio	18871	0.425	0.410	0.205	0.0710	0.979	0.908
Q	15632	1.901	1.561	1.075	0.873	6.963	6.091
earning	18871	1.695	1.441	2.014	-3.569	9.159	12.73

As can be seen from the table, financial indicators such as *ROA* and *EBIT* of different enterprises differ greatly, and even have negative values. Compared with the *KZ index*, the *SA index* fluctuates more up and down.

3.3.2 Empirical results

Table 2. Empirical results

	ROA	ROA
SA	-0.005***	
	(0.002)	
KZ		-0.007***
		(0.000)
EBIT	0.000***	0.000***
	(0.000)	(0.000)
ratio	-0.085***	-0.028***
	(0.002)	(0.002)
Q	0.001***	0.005***
	(0.000)	(0.000)
earning	0.005***	0.004***
	(0.000)	(0.000)
_cons	0.017**	0.017***
	(0.007)	(0.001)
N	15632.000	14661.000
r2	0.410	0.460

It can be seen from the empirical results that financing constraints do have a negative impact on corporate performance, and the impact is very significant. This indicates that the greater the financing constraints an enterprise faces, the worse its performance will be. Theoretically speaking, the large financing constraints faced by enterprises indicate that enterprises do not have sufficient funds to meet the needs of production and operation, so the performance of enterprises will naturally not reach the ideal situation.In addition, this empiricalstudy also found that no matter under *KZ index* or *SA index*, EBIT has no influence on enterprise performance.

3.4 Robustness test

Data of Chinese industrial enterprises from 2011 to 2015 are used here to conduct robustness test. With reference to the practice of Liu Huizheng (2020), the logistic regression method is adopted to establish the financing constraint index. The establishment process is divided into three steps: pre-grouping, variable substitution into functional expression and model regression. Based on the original data of 1,590,253, the missing data of registered industry type or province were eliminated. According to the definition of small and medium-sized enterprises, 461,509 enterprises with annual revenue of 20 million or less than 30 employees were confirmed as small and medium-sized enterprises, and 8000 data were randomlyselected.

Since the industrial enterprise identification code in the database of Chinese **industrial enterprises** is not unique for each enterprise, not every enterprise has five years of data. This paper takes eight economic regions of China as the research unit to explore the relationship between the gross profit rate of enterprises in each economic region and the financing constraint.

When pre-grouping the research samples, this paper adopts the index of interest cover multiple. Interest cover multiple is the ratio of profit before interest and tax to interest expense, because it can reflect the enterprise's overall financial condition and the ability to obtain debt capital, reflect the enterprise's ability to repay debt and bankruptcy possibility. The larger the interest cover multiple is, the stronger the solvency, the better the profit, and the lower the degree of financing constraint. Therefore, in this paper, according to the practice of scholars Deng Xiang et al. (2014), interest protection multiple is selected as the sample pre-grouping index, and the annual sample observation values of each variable are sorted according to the order of interest protection multiple from small to large. The top 50% is taken as the high financing constraint group (take 1), and the last 50% is taken as the low financing constraint group (take 0).

Secondly, financing channels are divided into internal financing channels and external financing channels, so financing constraints can be subdivided into internal financing constraints caused by agency costs and external financing constraints caused by information asymetry. According to the prioritized financing theory, the financing sequence of an enterpriseis endogenous financing, debt financing and stock financing. Due to low cost and low risk, internal financing is the preferred financing channel for enterprises, followed by external financing methods such as debt and stock. Because the modern financial market has not yet fully developed, the bond and stock markets are relatively slow and single in variety, and the external financing methods of enterprises are mainly bank-oriented credit and commercial credit. To sum up, this paper selects several variables including internal financing and external financing mainly dominated by debt to construct a comprehensive index of financing constraint.The constraint indicators of endogenous financing include inventory ratio (*Inv*) andfixed assets ratio (*Tang*), which reflect the relative adequacy of endogenous funds, and net sales interest rate (*NIM*), which reflect corporate profitability. External financing constraint index can be subdivided into three channels. Leverage ratio (*Lev*), which reflects short-term debt repayment ability, is used to reflect bank credit constraint. Accounts receivable ratio (*AR*) reflecting loan recovery reflects commercial credit constraints; Foreign investment ratio (*FInv*) is used to reflect the influence of foreign participation on financing. Finally, accor-ding to the variables selected above, the financing constraint index model is constructed as follows:

$$Logit(FC) = \beta_0 + \beta_1 Inv + \beta_2 \operatorname{Tan} g + \beta_3 NIM + \beta_4 Lev + \beta_5 AR + \beta_6 Flnv + \mu_i \tag{3}$$

After logistic regression, obtained:

$$\begin{aligned} &Logit(FC) = -0.4152 + 2.9934 Inv + 0.0984 \operatorname{Tan} \mathrm{g} - 2.4593 NIM \\ &+0.0561 Lev + 2.0923 AR - 0.1371 Flnv \end{aligned} \tag{4}$$

From this, the probability of different enterprise financing constraints can be calculated:

$$FC = \frac{e^y}{1+e^y} \tag{5}$$

When *FC* is closer to 1, it means the enterprise is more likely to be constrained by financing, and the financing balance is difficult at this time. The more *FC* tends to 0, the smaller the probability of being constrained by financing, and the easier the financing of smes.

$$\mathrm{m} \arg \mathrm{in} = \theta_0 + \theta_1 FC + \theta_2 \mathrm{ROA}\_control + \theta_3 size\_control + \theta_4 EBIT\_control + \mu_i \tag{6}$$

FC (financing constraint) is chosen as the core explanatory variable; *margin* is gross profit rate, which is the explained variable; industry, area, enterprise ROA, enterprise size and enterprise profit before interest and tax (*EBIT*) are selected as the control variable. After regression, the following results are obtained:

Table 2. Empirical results

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Beijing and Tianjin	North-east area	Northern coastal area	Eastern coastal area	Southern coastal area	Central area	North-west area	South-west area
FC	-2.913***	-1.211***	-0.548	-2.820***	-3.070***	-3.040***	-0.088	-2.317***
	(0.346)	(0.228)	(2.218)	(0.236)	(0.415)	(0.346)	(0.385)	(0.409)
size	-0.008	0.011***	0.027	0.010***	0.006	-0.001	-0.001	0.009
	(0.010)	(0.003)	(0.024)	(0.003)	(0.005)	(0.004)	(0.010)	(0.008)
ROA	-0.008	0.014	1.015***	0.162***	0.160***	-0.000	0.350***	0.037
	(0.063)	(0.010)	(0.285)	(0.033)	(0.039)	(0.022)	(0.113)	(0.049)
EBIT	0.027***	0.007***	-0.015	0.008***	0.010***	0.010***	0.008	0.012*
	(0.008)	(0.003)	(0.019)	(0.003)	(0.004)	(0.004)	(0.009)	(0.006)
_cons	1.904***	0.757***	0.253	1.730***	1.926***	2.013***	0.230	1.475***
	(0.215)	(0.141)	(1.371)	(0.148)	(0.256)	(0.212)	(0.237)	(0.256)
N	318	1350	31	2225	977	1154	298	480
r2	0.260	0.072	0.481	0.198	0.167	0.108	0.083	0.132

We can see from the table that the gross profit rate of smes in the northern coastal region and northwest region is less constrained by financing, which is not significant. For the northwest region, such a result may be due to the small number of small and medium-sized enterprises in the northwest region, and their development is mainly restricted by regional economy or other factors. Therefore, the financing constraints of these companies have little impact on their gross profit margins. However, for other regions, regression coefficients of *FC* are negative and greater than 1, which is significant, indicating that financing constraints have a significant impact on the gross profit margin of enterprises in these regions. Among the eight regions, the gross profit rate of smes in the southern coastal region is most affected by financing constraints. This may be due to the developed economy in the southern coastal region, and other factors except financing constraints have little impact on the gross profit rate of smes in the region. As can be seen from the coefficient, the gross profit rate of smes in the region will decrease by 3.070 for every 1 increase in financing constraint; In addition to the northern coastal region and the northwest region, the northeast region has the least impact on the gross profit rate of enterprises by financing const-raints.

4. Analysis of causes

Based on the above analysis, I believe that under the modern economic conditions, the main reasons for the "difficult and expensive financing" of enterprises are as follows:

4.1 large financing risks

Risk, also known as financial risk, is a kind of non-systemic risk. All non-systemic risks can be avoided or minimized. Such as in the case of debt operation, small and medium-sized enterprises should calculate the proportion of stock and bond issuance, and strive to achieve the maximum rate of return on capital after deducting the interest rate of debt. Internal financing and external financing are two ways for small and medium-sized enterprises to obtain financing. Risks of endogenous financing can be divided into the following types: First, due to the unsound and imperfect financial system of smes, endogenous financing may cause certain tax difficulties, and the specific amount of tax payment may not be easy tocalculate accurately; Secondly, the internal financing mainly refers to borrowing from individuals. Although the personal loans have low thresholds and are easy to obtain, the interest rate is high, so small and medium-sized enterprises are faced with greater pressure to repaythe loans. When the enterprise operation to the late stage, the capital chain may be broken, leading to the bankruptcy of the enterprise; Finally, because smes do not have capital accumulation and original income, internal financing becomes very difficult. Compared with internal financing, external financing can raise a larger amount of capital and have a wider range of choices. But it also has many disadvantages. On the one hand, against the backdrop of the global economic downturn, governments around the world are adopting the principle of prudence with regard to "funds". Even though the Chinese government has taken relevant measures in the past, the global government's action, coupled with financial institutions' reluctance to lend to smes, makes it nearly impossible for smes to get loans. On the otherhand, there is a shortage of financial institutions suitable for the development of smes. From the perspective of saving costs and seeking far-reaching benefits, state-owned commercial banks set many thresholds on the "loan road" of small and medium-sized enterprises, which generally small and medium-sized enterprises cannot reach. They still discriminate against small and medium-sized enterprises. Although some city commercial banks, credit cooperatives and local commercial banks support the development of smes to some extent due to policies or in order to seek short-term benefits, the number and capacity of these financial institutions are limited, and the large number of smes in China, these financial institutions cannot fully meet the capital needs of all smes, and the development of smes is still hindered. In the two financing channels, internal financing is the main financing channel, but the ability is limited, and external financing is very difficult, which results in the situation of narrow financing channels.

4.2 The enterprise's own shortcomings

In addition to the narrow financing channels, the financing difficulties of smes are also related to their own shortcomings. The definition of small and medium-sized enterprises shows that small and medium-sized enterprises have problems such as small scale of operation, unstable operation situation, few personnel, imperfect departments and so on. Because smes are generally small in scale, their ability to predict risks is not strong, unable to predict the future economic situation and risk conditions, that is, their ability to resist risks is low. Of course, small and medium-sized enterprises risk prediction ability is not strong mainly also related to the shareholders do not support and information disclosure is not enough. Lack of shareholder support will cause certain financing problems, and information disclosure is not enough, the expectations of the majority of small and medium-sized enterprise stocks will be lower, the price will be undervalued. In this way, there is a vicious circle, frompoor operation and management to lack of shareholder support and insufficient information disclosure, to poor risk forecasting ability and underestimation, making it difficult for enterprises to raise funds, and finally more difficult for enterprises to operate. In addition to these, due to the imperfect management department of small and medium-sized enterprises, the relevant responsibilities have not been subdivided, the lack of perfection of the financial system is also a big problem hindering the financing of small and medium-sized enterprises. Therefore, from the large level, the managers of small and medium-sized enterprises should also moderately change the management thought and management mode, and strive to keep pace with the age.

4.3 Other Reasons

In addition to the above reasons, the government also has certain responsibilities in the causes of smes' financing difficulties. Although the government has given certain preferential policies in the management of small and medium-sized enterprises, the development of small and medium-sized enterprises is still difficult due to the scattered and unsystematic policies. Before the reform and opening up, China's economy lagged behind that of other countries for many years. Therefore, after the reform and opening up, the government gave priority to giving priority to large enterprises in order to rapidly develop China's economy. Up to now, China's economy has been developing well, but the government's support for small and medium-sized enterprises has not kept up, which is the historical reason for the financing difficulties of small and medium-sized enterprises. The government is the guiding standard of the whole society, if the government does not pay enough attention to small and medium-sized enterprises, then other social institutions will follow the attitude and measures of the government.

5. The solutions

5.1 Broaden financing channels

Financing risks are determined by financing methods. Different financing methods lead to different financing risks. As financing risks are non-systemic risks, they can be avoided as long as they are properly planned. Therefore, small and medium-sized enterprises should not only be limited to a single financing channel, but should actively open up financing channels, adopt positive business strategies to reduce financing risks. In recent years, China has launched the "Growth Enterprise Market" for smes. It was launched to help smes expand financing and provide more development opportunities. Competent relevant smes can also try to make inroads into the "science and Innovation board". Small and medium-sized enterprises should seize the opportunity, actively improve their own innovation capacity, and actively raise funds to reduce the pressure of financing through other channels. Compared with equity financing, bond financing has less risk and is a more suitable financing method for small enterprises with weak strength. Small and medium-sized enterprises can also issue some convertible bonds according to their actual situation. At the same time, smes should also actively seek cooperation with large companies. Compared with small and medium-sized enterprises, large companies are better at anticipating and fending off risks. Therefore, in the process of cooperation, small and medium-sized enterprises can actively learn from large companies, and strive to improve their own company management ability.

5.2 Establish a good corporate image

One of the effective ways to solve the financing difficulties of small and medium-sized enterprises is to establish a good corporate image. Similar to the "Zen abdication system" in the Western Zhou Dynasty, most small and medium-sized enterprises in China also belong to the "Zen abdication" type, so most managers are not active in their management thoughts and their management mode is outdated. Therefore, in order to effectively improve the level of financing, reduce the cost of financing, small and medium-sized enterprises need to establish a sound and perfect modern enterprise management system, improve the overall quality of enterprises, enhance the market competitiveness. Because the size of small and medium-sized enterprises is not large, there may be an unreasonable allocation of personnel in each department, so the small and medium-sized enterprises should try to make each department have a certain amount of personnel management, and strive to "the sparrow is small, all the five viscera". At the same time, the small and medium-sized enterprises should be in accordance with the requirements of the relevant national laws and regulations, establish a sound financial system, hire special financial personnel, every once in a while transparent, open reflect the company's financial situation, establish a good corporate image. In this way, investors can provide timely and reliable financial information, and make sure that the investment can be returned, to achieve the purpose of financing.

5.3 The government should increase support

As active agents of the market, small and medium-sized enterprises play an important role in China's economic construction and development, and their development should attract enough attention from the government. The government can provide support to small and medium-sized enterprises by introducing a series of preferential tax policies to reduce the tax burden of enterprises.

As smes vary in size, the government can set tiered tax rates for taxation. Considering that small and medium-sized enterprises may have the problem of unsound financial system, the government should make everything simple and easy to calculate in the part of tax on small and medium-sized enterprises, reduce the burden of small and medium-sized enterprises; It can also set some standards, and give certain subsidies to small and medium-sized enterprises that meet the relevant standards, so as to encourage them to carry out technological innovation and improve their competitiveness. The specific amount of subsidies can be set up a rating, according to the size of the level of financial support, and pay attention to the feedback of small and medium-sized enterprises; Standardize the order of the competitive market, and deal with the objects violating the order according to regulations, so as to ensure the steady and healthy development of small and medium-sized enterprises. Through the establishment of the credit evaluation system, the government, intermediary agencies and other institutions to each small and medium-sized enterprise's annual performance, financial transparency, and then issue a fair credit evaluation, as the basis for evaluating the credit status of small and medium-sized enterprises. After the credit rating is completed, financial institutions and lending institutions can judge the credit status of small and medium-sized enterprises according to the credit rating, and then give certain loan support.

5.4 Learn from the experience of the United States and Japan

The Small Business Administration of the United States invests in and sets up guarantee companies, which not only provides support loans directly to smes, but also guarantees about 90% of the loan amount for their loans, so that enterprises have no worries at all and carry out "policy support and market-oriented operation". As the government plays the role of "guarantee", the risks undertaken by banks are greatly reduced. When small and medium-sized enterprises receive loans, the production chain is maintained and the enterprises can function normally. Insurance companies in Tokyo provide short-and long-term loans to local credit guarantee associations, extending the loan period so that small and medium-sized enterprises have enough time cushion to reduce their economic pressure. To cope with the sudden crisis, Japan launched a variety of products, such as safety-net loans, to help small and medium-sized enterprises survive the crisis. Internet finance and crowdfunding are innovative financial instruments in the United States. They are necessary supplements to the mainstream financing channels and can guarantee loans to small and medium-sized enterprises in both quality and quantity.

6. Summary

Under the current policy situation of risk prevention, deleveraging and strict supervision, as well as the current sluggish global economic situation, sufficient attention should be paid to the development of small and medium-sized enterprises. Of course, the difficulty and high cost of financing for small and medium-sized private enterprises cannot be solved overnight. It requires the joint efforts of all parties. The efforts of the enterprises themselves are the most important. Small and medium-sized enterprises must persist in improving themselves, establishing an excellent corporate image and improving their competitiveness. The efforts of the government are the key, and its attitude determines the attitude of the society. Appropriate policy inclinations are necessary. Only in this way can our small and medium-sized enterprises operate well and develop healthily!

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