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Research on Countermeasures for Achieving High-quality Development of Chinese Private Enterprises under the Background of Digital Economy

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Abstract

High-quality development is the main task of building a modern socialist country in an all-round way, and the digital economy has become a key factor in driving the innovative development of enterprises. At present, China's private economy contributes more than 70% of technological innovation results and is an important driving force for promoting China's scientific and technological innovation. This paper studies the internal logic, development status and constraints of the digital economy in enabling the high-quality development of China's private enterprises, and puts forward countermeasures and suggestions from the perspective of top-level design, factor guarantee and talent supply to achieve the sustainability of the high-quality development of private enterprises driven by the digital economy.

Keywords

Private Eterprises; Dtal Eonomy; Hgh-quality Dvelopment.

1. Introduction

In 2022, the 20th National Congress of the Communist Party of China proposed to "vigorously develop the digital economy and promote the deep integration of artificial intelligence, the Internet, big data and the real economy". The "Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Development and Growth of the Private Economy" issued in July 2023, proposed "accelerating the promotion of digital transformation and technological transformation, and encouraging private enterprises to carry out digital common technology research and development". As an important foundation and important force for the high-quality development of China's economy, facing the impact of a new round of information technology revolution, how private enterprises can better use the digital economy to empower industrial structure upgrading and accelerate the high-quality development of enterprises has become an important issue that needs to be solved urgently[1]. Therefore, this article studies the underlying logic and internal mechanism of the digital economy driving the high-quality development of China's private enterprises, and provides useful guidance for private enterprises to explore the path of digital transformation and realize the integrated development of the digital economy and the real economy, which has certain practical significance.

2. The Internal Logic of Digital Economy Empowering the High-quality Development of Chinese Private Enterprises

2.1. Digital Economy Drives Enterprise Transformation and Upgrading

The rapid development of digital technologies such as big data, blockchain, and mobile Internet under the new round of information technology revolution has provided the driving force for

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enterprises to achieve technological iteration and upgrading, industrial innovation and development, broadened the boundaries of organization, business and management, promoted the integrated development of data elements and the optimal allocation of resources, and transformed the production methods of enterprises. It has promoted the integrated development of private enterprises and the digital economy, effectively promoted industrial transformation and upgrading, and accelerated the development of private enterprises from traditional production methods to intelligent development. With the comprehensive popularization and application of new generation digital technologies such as blockchain, Internet, and artificial intelligence, the supply chain, service chain, and industrial chain of private enterprises have also been transformed and upgraded. From the technological innovation of China's top 500 private enterprises in 2021, it can be seen that nearly 80% of the key technologies of enterprises are derived from independent development and research, 409 enterprises have completed the transformation of scientific and technological achievements through self-raised funds, and 90% of the top 500 private enterprises have implemented or plan to implement digital transformation. The "2022 China Private Enterprise Digital Transformation Research Report" shows that most of my country's private enterprises have already carried out digital transformation, have a certain awareness of transformation and have a need for further development. More than 60% of the sample companies have carried out digital transformation in their main business areas. The vast majority of private enterprises have a positive attitude towards increasing the application of digital technologies and tools. The organizational guarantee system for the digital transformation of private enterprises has been initially established, and they have expectations for public policies and services for digital transformation. Digitalization and intelligence have gradually become important ways and consensus for the transformation and upgrading of private enterprises.

2.2. Digital Economy Promotes Business Model Transformation

First, driven by the digital economy, market competition is no longer limited to traditional price and quality competition. More innovation, brand, customer experience and data element experience help small and medium-sized enterprises to achieve innovation in their own professional fields at a lower cost, so as to enhance their competitiveness and strive for more market share. Secondly, the development of digital technology breaks the flow barriers of physical space, improves the external economic environment constraints such as monopoly and information asymmetry, realizes cross-border long-distance transportation, expands the scope economy of enterprises, and promotes the expansion of the market boundaries of private enterprises to a greater extent. For example, the rise of e-commerce[2]. The rise of e-commerce allows private enterprises to sell products directly to consumers through the Internet, breaking the geographical and time restrictions of traditional business, improving sales efficiency and reducing sales costs; the development of Internet finance and mobile payment allows private enterprises to finance and pay more conveniently, improving the capital utilization efficiency and operational efficiency of enterprises; the application of artificial intelligence allows private enterprises to understand the market and consumer needs more accurately, and improves the market competitiveness and product research and development capabilities of enterprises.

Sharing economy, online payment, unmanned delivery and other businesses.

2.3. The Digital Economy Reduces Enterprise Operating Costs.

Intelligent operation can empower the entire process of enterprise production and operation and supply chain management, and provide strong support for enterprise development. With the help of technologies such as the Internet of Things, big data and artificial intelligence, enterprises can achieve intelligent connection and information sharing between equipment, which makes the production process more intelligent, reduces human intervention and subjective influence in the production process, improves production efficiency and product

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quality, and through intelligent production scheduling and monitoring systems, enterprises can more accurately predict and respond to problems in production, reduce production cycles, and thus improve overall production capacity[3]. At the same time, the rapid development of financial technology has effectively improved the service efficiency of financial institutions and reduced the financing costs of private enterprises. Massive data and artificial intelligence technology have provided new ideas for solving the problems of financing difficulties and high financing costs for private enterprises, especially small and medium-sized enterprises. For example, the "Digital Venture Capital" service launched by WeBank is driven by "technology + data + model", uses AI large language models to improve the efficiency of investment and financing matching, and strives to help small and medium-sized enterprises grow and develop by unblocking financing channels. In 2022, more than half of the newly issued corporate loans will be invested in private enterprises, and the average interest rate of corporate loans will drop by 0.47 percentage points from 2021. In the first half of 2023, new loans to private enterprises totaled 5.5 trillion yuan, an increase of 901.6 billion yuan year-on-year, and the average interest rate on loans to private enterprises fell by 0.25 percentage points year-on-year.

3. Constraints on the Digital Economy Empowering the High-quality Development of Chinese Private Enterprises

3.1. Inadequate Innovation Development Support Mechanisms

In the context of the digital economy, the high-quality development of private enterprises is inseparable from the role of national policies and support mechanisms. Since 2020, when the country issued the first digital transformation action program document "Implementation Plan for Promoting the "Cloud Computing, Data Use and Intelligence" Action to Cultivate New Economic Development", it has successively issued more than 20 policy documents to encourage and support the digital transformation of private enterprises, and to improve the policy system from many aspects such as digital capacity building, financial resource supply, and industrial ecosystem construction. However, as the main production factor in the digital economy era and an important production factor to promote the high-quality development of private enterprises, China is still in the initial stage of building a data factor market. There are many policy gaps in the institutional rules of data transactions, the boundaries of data property rights, and the methods of confirmation of rights, which hinder the pace of data factors becoming independent commodities or products in the market. Especially for big data, it is generated from the collection of private data to form public big data after the mixture of private property rights, which has special attributes, but due to the lack of corresponding policy environment guidance, some enterprises lack social responsibility in the process of technological innovation[4]. For example, in the field of artificial intelligence, there is no shortage of autonomous driving technology, and big data killing in the process of intelligent algorithm development. These phenomena have caused a great impact on consumer welfare and social ethical issues, which will be detrimental to the high-quality development of enterprises in the long run.

3.2. Unclear Understanding of Digital Transformation

The effect of digital economy in driving high-quality development of enterprises depends on the effectiveness of digital transformation of enterprises, and the recognition of enterprises on innovation and development is the internal driving force and important prerequisite for the formulation of digital transformation strategies. The lack of recognition of innovation and transformation by private enterprises is a major challenge that restricts their high-quality development under the background of the digital economy. According to the survey results of the "2022 China Private Enterprise Digital Transformation Research Report", from the

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perspective of the digital transformation process of enterprises, although 61.84% of the sample enterprises have started digital transformation in their main business areas, most private enterprises are still in the early stages of digital transformation, and even nearly 30% of enterprises have not carried out digital transformation in their main business. From the perspective of regional heterogeneity analysis of enterprise transformation, the maturity of digital transformation of enterprises shows a gradient distribution trend from east to west. Due to the good economic development foundation and good policy environment in the eastern region, the recognition and maturity of digital transformation of private enterprises are significantly higher than those in the central and western regions, and nearly half of the enterprises in the western region choose not to carry out digital transformation for the time being. In terms of the effectiveness of digital transformation, 50% of large enterprises believe that the results of digital transformation are good, while more than 70% of small and micro enterprises believe that the results of digital transformation are insufficient. The reason may be that enterprise digital transformation is essentially an enterprise resource investment activity. Enterprises of different sizes have differences in their resource bases and capability advantages. The advantages of large-scale enterprises over small and medium-sized enterprises are self-evident. Large enterprises have formed a complete supply chain system through digital transformation, which effectively promotes enterprise development. For small, medium and micro enterprises, the excessive pressure of R&D funding and resource investment in the digital transformation process leads to poor experience and sense of gain.

3.3. Shortage of Digital Talent in Private Enterprises

Digital talents are an important resource support for enterprises to carry out digital transformation. Competition among enterprises is ultimately a competition for talents. The insufficient supply of high-quality talents directly limits the potential and vitality of private enterprises' innovation and development. From the perspective of digital talents, they include digital industry, digital management and digital technology application talents and digital industry, digital management and digital technology research talents. However, from the national level, the digital talent training system is still not perfect. Colleges and universities and research institutes are relatively scarce in cultivating and reserving digital talents. Most colleges and universities have failed to involve special digital economy disciplines, especially there are few colleges and universities that independently conduct digital economy graduate student recruitment. At present, only some universities such as Peking University, Renmin University of China, Nankai University, and Central University of Finance and Economics have set up master's degree programs to carry out corresponding graduate student recruitment, which leads to an imbalance in the supply and demand ratio of digital talents[5]. From the perspective of enterprises, state-owned enterprises have the characteristics of larger scale, stable development, and broad platform compared with private enterprises, while private enterprises are limited in scale and lack innovation capabilities, which makes them in a weak stage in attracting talents. Especially since the outbreak of the epidemic, people's demand for stable employment prospects and development space has made the disadvantages of private enterprises in attracting talents more prominent.

4. Recommendations and Countermeasures

4.1. Strengthen Policy Supply

First, the government should strengthen the top-level design, guide and guarantee the high-quality development of enterprises through the power of the government, solve the problem of enterprises "not daring to transfer", focus on filling the policy gaps of data elements, accelerate the supply of systems such as data element intellectual property protection and transaction flow system, explore the construction of institutional mechanisms such as data element price

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mechanism and market competition mechanism, and solve the problems in the process of data element marketization. Secondly, it is necessary to clarify the boundaries of power and responsibility, change the government's monopoly to the separation of management and operation, and transfer more rights to the market and enterprise entities under the premise of controllable risks, so that enterprises have more rights of independent choice, so as to maximize the innovation potential of private enterprises and create a relaxed and inclusive environment to promote the high-quality development of enterprises. Finally, it is necessary to continue to optimize the business environment, especially to increase support for the high-quality development of private enterprises, focus on the scale characteristics and industry types of private enterprises, explore policy measures in the digital business environment, innovative financial assistance, and strengthening industrial coordination, improve the public service system necessary for the digital economy to enable the high-quality development of private enterprises, promote the formation of a good environment for fair and orderly market competition, and reduce the cost of digital transformation of private enterprises.

4.2. Enhance Resource Assurance

On the one hand, the government should build a platform to focus on solving the problem of enterprises "not being able to transform", actively carry out digital transformation demonstration projects, give play to the leading role of leading enterprises in the industrial chain in transformation and development, and guide other enterprises in the same industry to implement digital transformation. For example, private enterprises such as Huawei, Tencent, and Xiaomi can be used to lead the upstream and downstream enterprises in the industrial chain to actively adapt to the development trend of the times, update their business philosophy, and achieve technology transformation and industrialization through cooperation to promote digital transformation. At the same time, the government should also focus on the construction of digital transformation incubation platforms, provide policy consulting and other services to private enterprises, and help them contribute resources. On the other hand, private enterprises should establish an innovative concept, avoid simply copying the transformation experience in the industry, and reasonably formulate a transformation and development strategy while deeply understanding their own strengths and weaknesses. They should not only increase the research and development of digital technologies, strengthen the absorption and application of digital technologies such as big data, intelligent algorithms, and blockchain, embed them into the research and development and production links of enterprises, and increase the added value of the industrial chain; they should also serve consumers as the purpose, combine the needs of service objects, clarify the strategic positioning of private enterprises' digital transformation, and formulate a digital transformation strategic plan with focused goals and feasible measures.

4.3. Accelerate Talent Attraction and Development

First, optimize the cultivation mechanism of digital professionals. In the face of the problem of insufficient digital talent supply system, we should orderly promote universities and research institutes to scientifically and reasonably set up classified training programs for digital research talents and industrial application talents, support qualified research institutions to take the lead in carrying out pilot reforms in digital economy disciplines, especially in the bottleneck fields such as artificial intelligence, chips, and algorithms, and support the development of digital economy from the source of talent supply. At the same time, private enterprises should strengthen the training and education of digital talents, organize and carry out high-end talent training activities efficiently, and help enterprises improve the ability of digital talents. Secondly, improve the introduction mechanism of digital professionals. The government should strengthen the investment in talent introduction. It is recommended to set up special funds for talent introduction and development in the annual fiscal budget, and provide supporting

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employment guarantees. Enterprises should establish a recruitment mechanism for digital talents, optimize the recruitment process and experience, establish a talent reserve pool, and provide better salary benefits, development opportunities and working environment for outstanding talents. For example, recruitment exposure can be improved through different social networks and recruitment websites, special recruitment plans for digital talents can be set up, and digital talents can be managed in categories. Finally, improve the incentive mechanism for digital talents. Private enterprises should formulate corresponding incentive measures and create talent assessment standards, especially for the establishment of a fault-tolerant mechanism for digital talents. They should not only guide the creation of an innovative cultural environment and continuously reward talent achievements, but also correctly view the success or failure of R&D technology, and strive to create a development environment that is conducive to the growth of digital talents, thereby laying a solid talent foundation for enterprises to successfully complete digital transformation.

5. Conclusion

This article deeply explores the internal logic, development status and constraints of the digital economy's empowerment of high-quality development of Chinese private enterprises, and provides practical countermeasures and suggestions. Research shows that the digital economy has significantly improved the innovation capabilities and competitiveness of private enterprises by promoting enterprise transformation and upgrading, promoting business model changes, and reducing operating costs. However, factors such as imperfect national policy support mechanisms, insufficient awareness of corporate digital transformation, and insufficient digital talent reserves still restrict the high-quality development of private enterprises. To this end, the government should strengthen policy supply, create a good development environment, promote the innovative strategic deployment of private enterprises, accelerate talent introduction and training, and help private enterprises achieve sustainable development. In the future, it is necessary to further optimize the policy system and market environment, promote the marketization of data elements, enhance enterprises' awareness and capability of digital transformation, and comprehensively build a high-quality talent pool that adapts to the development of the digital economy to achieve the high-quality development of private enterprises and the deep integration of the digital economy.

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