

CSR Information Disclosure, Market Competition and Commercial Credit Financing

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Abstract

In the era of high-quality development of China's economy, enterprises no longer pursue only economic interests, but also regard social benefits as an important indicator of enterprise development. Commercial credit refers to the creditor's rights and debt relationship formed by enterprises in the transaction process. It has many advantages and is of great significance for alleviating the financing constraints of enterprises. In this context, this paper conducts a regression analysis on main board listed companies in Shanghai and Shenzhen stock exchanges from 2015 to 2021 to study the impact of CSR information disclosure on commercial credit financing. The empirical results show that disclosure of CSR information has a significant positive impact on commercial credit financing. This study enriches the relevant literature on the influencing factors of commercial credit financing and provides some empirical evidence for the management of CSR.

Keywords

CSR Information Disclosure; Market Competition; Commercial Credit Financing.

1. Introduction

With the rapid development of the economy and society, the scale and efficiency of enterprises have expanded rapidly, and people's needs for a better life have been constantly met. However, the growing inequality in social distribution has made the contradiction between enterprise interests and social interests increasingly prominent, leading to social responsibility incidents such as toxic food, fake and inferior vaccines, and environmental pollution. The social responsibility incidents have aroused widespread attention and raised the demand from all sectors of society for enterprises to fulfill their social responsibilities. The practical results have proved that corporate social responsibility (CSR) is an effective governance mechanism. On the one hand, it helps companies establish a positive corporate image and enhance their reputation. On the other hand, it generates a halo effect, leading to customer referrals, participation, and other benefits, thereby promoting the sustainable and healthy development of the company. Under the background of implementing the new development concept, the disclosure of social responsibility information by listed companies has become a crucial task. In recent years, China has gradually strengthened its institutional construction for CSR information disclosure. In 2008, the Shanghai and Shenzhen stock exchanges began to require some listed companies to disclose social responsibility reports and clearly specified the scope of disclosure. Since 2012, regulatory authorities have gradually refined the requirements for the content, procedures, and evaluation of social responsibility disclosure. With the continuous improvement of the system, the number of disclosed CSR reports has been escalating year by year. Nevertheless, a considerable number of enterprises are still in the spectator stage, and the overall CSR information disclosure is still in its initial stage. Corporate social responsibility information

disclosure incurs costs and demands that enterprises invest substantial resources. However, its significance for enterprises is becoming increasingly prominent and the positive economic consequences deserve attention, including improving financial conditions and alleviating financing constraints.

The daily operation of an enterprise cannot be carried out without financial support, and the development of an enterprise requires a sufficient source of funds. When an enterprise expands its scale and improves its efficiency, it will face the realistic problem of difficulty in financing and high financing costs. To solve the problem of insufficient funds, enterprises seek external financing. However, in light of the domestic financial market environment, the threshold for equity financing is relatively high, debt financing is subject to numerous restrictions and constraints, and bank deposits are significantly influenced by policies and there exists discrimination. Therefore, enterprises are in urgent need of exploring other financing channels. Commercial credit refers to the credit relationship among enterprises formed due to deferred payment or advance collection of funds in normal business operations and commodity transactions. Due to its characteristics such as low cost, low risk and flexible realization, it is prevalently existing in the economic activities of enterprises. Commercial credit is an important source of funds for enterprises and, as an important informal financing channel, it helps alleviate the financing constraints of enterprises and promotes their continuous development. There are numerous factors influencing commercial credit financing, including external factors such as market competition, as well as internal factors like corporate strategy. Nevertheless, whether it be external or internal factors, creditors highly value the credibility of enterprises, since commercial credit financing is a direct credit action among enterprises and is based on transactions. The disclosure of CSR information can serve as a means of assessing an enterprise's credibility.

Market competition serves as an external constraint mechanism in corporate governance, exerting significant influence on corporate strategic decision-making. According to the competitive hypothesis of commercial credit proposed by Fisman and Raturi[1], when suppliers face fierce market competition, they are willing to provide commercial credit to maintain customers, including those firms with high commercial credit costs due to financing constraints.

Based on the above background, this paper mainly explores whether CSR information disclosure has an impact on commercial credit financing, and analyzes whether the degree of market competition has a moderating effect on the relationship between them.

2. Literature Review

2.1. The Role of Firms' CSR

Numerous scholars have carried out studies on the relationship between CSR and corporate performance at various levels. Flammer discovered that the proposals related to CSR can generate positive announcement returns and outstanding accounting performances, suggesting that the proposals related to CSR are beneficial to companies and can increase the company's value[2]. Long et al. investigated the influence of CSR on financial performance in the institutional context where a powerful government and a transitioning market economy coexist. The research results indicate that CSR information disclosure can enhance corporate financial performance[3]. Kim et al. from a competitive perspective, offer a more detailed view on the relationship between CSR and corporate financial performance. The research findings reveal that when an enterprise has a distinct competitive advantage, active CSR activities can enhance its financial performance[4]. Franco et al. assert that the influence of CSR information disclosure on corporate performance assumes a U-shaped pattern. While CSR information disclosure incurs costs, it also brings benefits to the enterprise. When a stable transaction

relationship is established between the enterprise and its suppliers, CSR information disclosure can yield relatively high benefits for the enterprise [5].

Numerous scholars have carried out research on the influence of the implementation of CSR on financing constraints at diverse levels. Chan et al. gauged cash liquidity by means of the KZ index and Altman's Z-score, and the empirical outcomes demonstrated that there was a significant negative correlation between CSR and financing constraints [6]. Cheng et al. contend that enterprises with higher CSR performance encounter lower financing constraints, and the superior financing channels can be attributed to the fact that higher CSR performance contributes to enhancing information transparency, alleviating information asymmetry issues and thereby reducing agency costs [7]. Zhao and Xiao investigated the impact of CSR on financing constraints based on the perspective of the life cycle of enterprises, and the empirical results indicated that for companies in the growth, maturity, and decline stages of the life cycle, CSR participation was negatively correlated with financing constraints [8].

2.2. The Relationship between CSR and Commercial Credit Financing

Zhang and Deng conducted empirical research from the monetary policy perspective and discovered that CSR has a pronounced positive influence on commercial credit financing, and it can alleviate the adverse impact of monetary policy tightening on commercial credit financing [9]. Dong and Liu assert that enterprises can enhance their comprehensive competitiveness by fulfilling their social responsibilities proficiently, and enterprises in a competitive advantageous position can strive for more opportunities for commercial credit financing [10]. Ye and Chen contend that CSR is conducive to elevating the core competitiveness of enterprises, conveying a positive signal of low risk to the outside world, and significantly facilitating the acquisition of commercial credit [11]. Saeed and Zureigat maintain that superior CSR performance can enhance a company's reputation and thereby obtain more commercial credit financing from suppliers. Nevertheless, the financial crisis attenuates the positive correlation between them [12]. Zhang et al. posit that enterprises with better social responsibility performance are more likely to obtain commercial credit because suppliers perceive the CSR behavior of clients as a signal of credibility and the ability to fulfill financial obligations [13].

2.3. The Role of Market Competition

Wu and Huang hold that market competition can stimulate enterprises to undertake innovative investment for expanding development opportunities and simultaneously reduce agency costs and enhance financing efficiency [14]. Song et al. contend that the intense degree of market competition will strengthen the promoting effect of venture capital on enterprise innovation. The reason is that the intense degree of market competition means better development prospects of the industry. Venture capital helps enterprises carry out innovation activities to enhance competitiveness and seize market opportunities [15]. Jia and Liu argue that there is an inverted "U" relationship between the degree of market competition and CSR. As the degree of market competition intensifies, enterprises' willingness to fulfill social responsibility increases. However, when the degree of market competition is overly intense resulting in vicious competition, enterprises tend to avoid risks and thus have a lower willingness to fulfill social responsibility [16]. Jiang et al. assert that when the degree of market competition is intense, enterprises will increase their investment to seize market opportunities and achieve enterprise value addition, thereby obtaining a first-mover advantage [17]. Laksmana and Yang studied the influence of product market competition on enterprise investment decisions and discovered that intense market competition can motivate enterprise executives to make risky investments and restrain wasteful resource behavior caused by low organizational efficiency [18].

3. Theory and Hypotheses

3.1. Theoretical Analysis

Prior studies investigate the relationship between CSR and commercial credit financing mostly elaborate from the stakeholder theory. The stakeholder theory posits that an enterprise is an open organizational system that integrates the interest demands and value judgments of all stakeholders. To achieve the stability of the system and the maximization of overall value, enterprises need to handle their relationships with stakeholders properly to reach a value equilibrium. With the rapid development of the economy, the improvement of enterprises' competitive strength gradually rely on stakeholders, who can provide the necessary relations and resources for enterprises' survival and development. Enterprises' assumption of responsibilities towards stakeholders is conducive to establishing a trust mechanism with stakeholders. While fully exploiting various social resources to obtain value and benefits, enterprises need to consider the interests and demands of all parties and undertake corresponding social responsibilities to safeguard the interests of stakeholders and maintain the enterprise's good reputation, thereby ensuring the simultaneous improvement of the enterprise's business performance and social performance.

The theory of information asymmetry contends that the understanding of the relevant information varies among all kinds of parties. Information asymmetry can give rise to moral hazard issues. In a transaction, both parties utilize the information they have to maximize their own utility, and the seller exploits its information advantage to engage in behaviors that harm the interests of the other party. Information asymmetry can also trigger adverse selection problems. Due to information asymmetry and falling market prices, inferior goods drive out superior ones, resulting in a decline in the average quality of products traded in the market. Information asymmetry is a prevalent phenomenon among enterprises, which reduces the efficiency of capital markets and impacts the development of enterprises. Enterprises, as the "sellers" in transactions, hold a considerable amount of information concerning their financial status, environmental governance, and social contributions, while the outside world has scant knowledge of this information.

Signal transmission theory posits that enterprises, in response to the problem of information asymmetry, would bridge the information gap and obtain potential transaction benefits through means such as announcing dividends, profits and financing. Ross discovered that if enterprises possess high-quality investment information, they are capable of conveying information to investors by adjusting the capital structure or dividend policy. Scholars have applied the signal transmission theory in diverse research contexts to explain the influence of information asymmetry. They assert that to address problems of adverse selection and moral hazard, the information-dominant party would undertake corresponding actions to transfer relevant information to the information-disadvantaged party. Thus if the operators of an enterprise possess an absolute information superiority, they can convey the signal of the company's good operation to investors to enhance the investors' confidence and thereby raise more funds in the capital market. .

3.2. Hypotheses Development

The influence exerted by CSR information disclosure on commercial credit financing can be analyzed through the following theories. Firstly, in accordance with the stakeholder theory, while boosting economic benefits, enterprises should fully consider the demands of stakeholders and undertake corresponding responsibilities, to establish a favorable corporate image and constantly elevate the value of their reputation capital [19]. The notion of CSR has been deeply ingrained. While focusing on enterprises' daily operations, stakeholders also pay attention to their fulfillment of social responsibilities. An enterprise that is environmentally

protective and courageous in shouldering social responsibilities is more prone to receive support and recognition from the government, investors and consumers. When an enterprise actively fulfills its social responsibilities and discloses high-level CSR information, it helps suppliers gain a comprehensive understanding of the enterprise's fulfillment of social responsibilities and reduces related concerns arising from social responsibility incidents, thereby increasing the likelihood of obtaining commercial credit financing. Secondly, in line with the theory of information asymmetry, commercial credit financing is predicated on the trust between transaction parties, yet information asymmetry is prevalently existent among enterprises. Suppliers have rather limited information regarding the actual operation of enterprises and are unable to make objective judgments on commercial credit decisions, thus being in an informationally disadvantaged position. When an enterprise actively fulfills its social responsibilities and discloses high-level CSR information, it can assist suppliers in obtaining more non-financial information, which is conducive to alleviating the information asymmetry and thereby winning the cooperative intention of business partners to acquire more commercial credit financing. Finally, based on the signal transmission theory, in order to obtain a relative financing advantage, enterprises will actively adopt measures to release positive signals to the capital market, including disclosing social responsibility information. High-level disclosed CSR information has the characteristic of being difficult to imitate, which can better fulfill the role of a signal. When an enterprise actively fulfills its social responsibilities and discloses high-level CSR information, the genuine and reliable signals can help enhance the enterprise's reputation and establish a stable transaction relationship with suppliers, and thereby strive for more commercial credit financing. Hence, the first testable hypothesis is as follows:

H1: The disclosure of corporate social responsibility information is positively correlated with commercial credit financing.

The market competition constitutes a crucial external environment for the enterprises, exerting a profound influence on the decision-making and governance. The intense market competition means the greater possibility of enterprises being substituted by potential contenders. Hence, enterprises need to undertake actions to sustain their competitive edge, including fulfilling social responsibilities and alleviating information asymmetry. By releasing positive information to the outside world, the enterprises can obtain support from stakeholders. For suppliers, intense market competition can result in a substantial loss of customers. Thus, suppliers have a stronger motivation to offer commercial credit to retain customers, even for enterprises that are subject to financing constraints and have a high cost of commercial credit. For enterprises, their external financing resources are highly limited. When the market competition is intense, enterprises encounter greater the pressure in competing for resources. Therefore, enterprises that actively fulfill social responsibilities and disclose high-level CSR information can convey positive signals to the outside, which enhance the trust and cooperation intentions of business partners and attract resource owners to obtain more commercial credit financing. When the degree of market competition is low, there are more channels for obtaining financing resources and the demand for enterprises to utilize CSR information disclosure to obtain financing is smaller. Based on this, the second hypothesis is put forward:

H2: The degree of market competition can strengthen the positive effect of enterprise social responsibility information disclosure on commercial credit financing.

4. Methods

4.1. Sample and Data Collection

We take the listed companies on the Shanghai and Shenzhen stock exchanges from 2015 to 2021 as the research subjects. The evaluation system of CSR information disclosure from

Hexun.com is adopted as the indicator for enterprises to fulfill their social responsibilities. Partial missing data is manually processed, and other data are all from the CSMAR database. In combination with the research content and purpose of this paper, the following treatments are conducted on the sample data: (1) Eliminate ST and *ST-listed companies; (2) Exclude enterprises with insufficient information disclosure; (3) Conduct a 1% winsorization on continuous variables to eliminate the influence of extreme values. After data preprocessing, a total of 11,792 samples are ultimately obtained.

4.2. Dependent Variable

Scholars have adopted various methods to measure commercial credit financing. Jiang and Zeng gauged commercial credit financing by using $(\text{accounts receivable} - \text{accounts payable}) / \text{total assets}$ [20]. Zhang et al. assessed commercial credit financing through $(\text{accounts payable} + \text{bills payable} + \text{deposit received} - \text{accounts receivable} - \text{bills receivable} - \text{advance payments}) / \text{total assets}$ [21]. This paper focuses on the commercial credit supply obtained by enterprises. Hence, drawing on the practice of Lu and Yang, the commercial credit financing (SCF) is computed by using $(\text{accounts payable} + \text{bills payable} + \text{deposit received}) / \text{total assets}$ [22].

4.3. Independent Variable

Considering the availability of data and the objectivity of the scoring system, this paper adopts the evaluation system of Hexun.com for CSR reports to score enterprises. The higher score of CSR information disclosure means the better performance of social responsibility. To ensure the comparability between data, the CSR score is standardized by dividing it by 100.

4.4. Moderator Variable

The market competition can influence the implementation effect of corporate strategies and ultimately affect the business performance of enterprises. We follow Press and employs the excess price-cost margin (EPCM) to measure the degree of market competition within the industry [23]. The calculation formula for the price-cost margin (PCM) is $(\text{operating revenue} - \text{operating cost} - \text{selling expenses} - \text{administrative expenses}) / \text{operating revenue}$. The larger value means lower degree of product substitutability and higher degree of corporate monopoly. The calculation formula for the excess price-cost margin (EPCM) is the PCM of the enterprise minus the equally-weighted average of the PCM of the industry value. The larger value means stronger abilities to dominate the market and the lower degree of market competition. Hence, the excess price-cost margin is inversely proportional to the degree of market competition. Hence, the excess price-cost margin is multiplied by -1 to measure the degree of market competition.

4.5. Moderator Variable

To control other factors that affect commercial credit financing, we draw on the research findings of Zhang and Deng, Ye and Chen and select ten variables as control variables [24][25]. The specific measurement methods of each variable are detailed in Table 1.

Table 1. Definition of variables

Variable Type	Variable Name	Variable Symbol	Variable Calculation Method
Dependent variable	Commercial credit financing	SCF	(Accounts payable + Bills payable + Deposit received) / Total assets
Independent variable	CSR information disclosure	CSR	Corporate social responsibility rating score / 100
Moderator variable	The degree of market competition	EPCM	PCM = (Operating revenue - Operating cost - Selling expense - Administrative expense) / Operating revenue EPCM = PCM - Mean of PCM weighted equally by industry value
Control variables	Debt-paying ability	Lev	Debt-to-asset ratio
	Mortgage ability	Fixed	Fixed assets-net value/Total assets
	Operating cash flow from business activities	Cfo	Net cash flows from operating activities/ Total assets
	Corporate growth	Growth	(Operating revenue of the current year - Operating revenue of the previous year) / Operating revenue of the previous year
	Ownership concentration	Top1	Shareholding ratio of the largest shareholder
	Ownership type	Soe	Take 1 for state-owned enterprises, otherwise 0
	Firm age	Age	The natural logarithm of the number of years since the establishment of the enterprise plus 1
	Firm size	Size	The natural logarithm of the total assets of the enterprise at the end of the year
	Year	Year	Annual dummy variable
Industry	Industry	Industry dummy variable	

4.6. Models

To investigate the CSR-SCF relationship, we estimate the following model:

$$SCF_{i,t} = a_0 + a_1CSR_{i,t} + a_2\sum Control_{i,t} + Industry_i + Year_t + \epsilon_{i,t} \tag{1}$$

$CSR_{i,t}$ represents the CSR rating score. $SCF_{i,t}$ represents commercial credit financing. $Control_{i,t}$ include a set of control variables. The i and t refer to companies and periods. $\epsilon_{i,t}$ is an error term.

To test the moderating effects, the interaction term of $CSR_{i,t}$ and $EPCM_{i,t}$ is added to above model as following:

$$SCF_{i,t} = \gamma_0 + \gamma_1CSR_{i,t} + \gamma_2EPCM_{i,t} + \gamma_3CSR_{i,t} * EPCM_{i,t} + \beta_4\sum control_{i,t} + Industry_i + Year_t + \epsilon_{i,t} \tag{2}$$

5. Results

5.1. Base Results

Table 2 shows the descriptive statistic and Table 3 shows the correlations. According to Table 2, the minimum value of commercial credit financing is 0.014 and the maximum is 0.526, suggesting that there is a considerable variance in the level of commercial credit financing

among enterprises. The minimum score of CSR is -0.036 and the maximum is 0.684, indicating that the disclosure of CSR information is uneven. The minimum value of the degree of market competition is -0.342 and the maximum is 0.389, indicating that there are substantial differences in the degree of market competition faced by different enterprises.

According to Table 3, the results of the correlation test show that CSR information disclosure is significantly negatively correlated with commercial credit financing at a confidence level of 1%. However, considering that the correlation analysis is used to study the relationship between two variables and no other control variables were introduced in the study. Hence, the coefficient relationship between the two variables still needs to be verified through multiple regression. We further calculate the variance inflation factors (VIF) and find the maximum VIF is 3.84. Thus, multicollinearity has little impact on this study.

Table 4 presents the panel data estimated results of the fixed-effects model, which has been supposed to be preferable to the random-effects estimations after a Hausman test. In addition, year and industry dummies are included in the regression. As shown in table 4 the coefficients of CSR are positive and significant at 1% level, suggesting that a high level of CSR information disclosure can enable enterprises to obtain more commercial credit financing. Table 4 also presents the results to test the moderating effect of the the degree of market competition. The coefficients of CSR × EPCM are positive and significant at 1% level, indicating that the more intense the degree of market competition is, the more commercial credit financing enterprises can obtain by disclosing high-level social responsibility information. The above results support our hypothesis.

Table 2. Descriptive statistics

Variables	Observations	Mean	SD	Min	Max
SCF	11792	0.178	0.114	0.014	0.526
CSR	11792	0.215	0.125	-0.036	0.684
EPCM	11792	-0.005	0.110	-0.342	0.389
Lev	11792	0.442	0.194	0.059	0.889
Fixed	11792	0.210	0.154	0.002	0.685
Cfo	11792	0.046	0.064	-0.146	0.227
Growth	11792	0.173	0.407	-0.579	2.592
Top1	11792	0.340	0.145	0.087	0.737
Age	11792	2.929	0.291	2.197	3.526
Soe	11792	0.323	0.468	0.000	1.000
Size	11792	22.385	1.346	17.641	28.509

Table 3. Correlations

	1	2	3	4	5	6	7	8	9	10	11
1.SCF	1										
2.CSR	-0.026***	1									
3.EPCM	0.164***	-0.369***	1								
4.Lev	0.499***	-0.094***	0.259***	1							
5.Fixed	-0.226***	-0.086***	0.100***	0.062***	1						
6.Cfo	-0.064***	0.215***	-0.272***	-0.171***	0.250***	1					
7.Growth	0.031***	0.111***	-0.187***	0.017*	-0.098***	-0.018*	1				
8.Top1	0.092***	0.136***	-0.080***	0.059***	0.087***	0.115***	-0.015	1			
9.Age	0.037***	-0.006	0.120***	0.192***	0.029***	-0.012	-0.052***	-0.055***	1		
10.Soe	0.135***	0.056***	0.128***	0.290***	0.173***	-0.008	-0.089***	0.240***	0.225***	1	
11.Size	0.182***	0.214***	-0.020**	0.533***	0.097***	0.051***	0.043***	0.191***	0.184***	0.396***	1

Table 4. Regression results

	(1)	(3)
	SCF	SCF
CSR	0.027***	0.045***
	(3.76)	(5.99)
EPCM		0.117***
		(13.84)
CSR*EPCM		0.528***
		(9.10)
Lev	0.339***	0.325***
	(63.67)	(60.02)
Fixed	-0.150***	-0.154***
	(-23.46)	(-24.25)
Cfo	0.213***	0.252***
	(15.68)	(18.32)
Growth	0.000	0.003*
	(0.20)	(1.75)
Top1	0.075***	0.078***
	(12.97)	(13.56)
Age	-0.011***	-0.014***
	(-3.80)	(-4.74)
Soe	0.022***	0.020***
	(11.12)	(10.05)
Size	-0.011***	-0.010***
	(-13.17)	(-12.58)
Cons	0.214***	0.217***
	(10.76)	(11.00)
N	11792	11792
Adj R-sq	0.4438	0.4550
Industry	YES	YES
Year	YES	YES

5.2. Robustness Check

We conduct several additional analyses to test whether our primary analyses are robust. Results are reported in table 5. First, we employ other indicators to gauge commercial credit financing by using (accounts payable + bills payable + deposit received) / total liabilities. Second, we follow Kong et al. and evenly divides the score of CSR information disclosure scores into five levels, which is employed to replace the independent variables in the original model[26]. Third, we follow Liu et al. and take the difference between the annual average score of CSR information disclosure of enterprises belonging to the same industry and the score of the enterprise's own CSR information disclosure (IVCSR) as the instrumental variable[27]. The two-stage least squares (2SLS) method is employed to address the endogeneity issue and verify whether the hypotheses hold. In general, these additional tests support the robustness for our findings.

Table 5. Robustness Check

Panel A. Replace the dependent variable				
	SCF		SCF	
CSR	0.046***		0.079***	
	(2.87)		(4.82)	
EPCM			0.215***	
			(11.56)	
CSR*EPCM			0.898***	
			(7.03)	
Control variables	YES		YES	
N	11792		11792	
Adj R-sq	0.2884		0.2981	
Industry	YES		YES	
Year	YES		YES	
Panel B. Replace the independent variable				
	SCF		SCF	
CSR	0.003**		0.006***	
	(2.41)		(4.73)	
EPCM			0.101***	
			(12.21)	
CSR*EPCM			0.107***	
			(7.85)	
Control variables	YES		YES	
N	11792		11792	
Adj R-sq	0.4429		0.4528	
Industry	YES		YES	
Year	YES		YES	
Panel C. 2SLS				
	First Stage	Second Stage	First Stage	Second Stage
	CSR	SCF	CSR*EPCM	SCF
IVCSR	-0.010***	0.039***	-0.0001***	0.065***
	(-351.14)	(4.88)	(-11.88)	(7.82)
EPCM			-0.002***	0.749***
			(-4.09)	(11.19)
IVCSR*EPCM			-0.008***	0.165***
			(-255.37)	(18.79)
Control variables	YES	YES	YES	YES
N	11792	11792	11792	11792
Adj R-sq	0.9310	0.3471	0.8577	0.3696
Industry	YES	YES	YES	YES
Year	YES	YES	YES	YES

6. Conclusion

We mainly investigate the influence of CSR information disclosure on commercial credit financing and analyzes the moderating effect of the degree of market competition on the relationship between them. The research results of this paper are as follows: (1) When enterprises proactively fulfill their social responsibilities and actively disclose relevant

information, they can strive for more commercial credit financing; (2) The more intense the degree of market competition, to a certain extent, the positive effect of CSR information disclosure on commercial credit financing can be better exerted.

Based on the aforementioned research results, the following suggestions are put forward:

Enterprises should conform to the development trend of the times and focus on optimizing their social responsibility development strategies. Firstly, it is necessary to recognize the significance and necessity of fulfilling social responsibilities. Enterprises should cultivate and establish the awareness of social responsibility and develop it into the corporate culture. Secondly, enterprises should elevate the awareness of social responsibility to the overall strategic planning and implement it in all links of production and operation. They should actively assume the responsibilities to stakeholders, safeguard the legitimate rights and interests of all parties and not merely focus on short-term profits but attach more importance to long-term development.

Companies should pay attention to commercial credit and expand their financing channels. Financing difficulties are a common problem that restricts the further development of enterprises. And commercial credit, as an important source of funding for enterprises, has a positive role in relieving financing pressure and maintaining stable operations. Especially when enterprises face high bank lending costs, commercial credit is a better alternative. Commercial credit is based on the trust between the two parties involved in the transaction. When enterprises face fierce market competition and their financing channels are restricted, they can obtain more commercial credit financing by fulfilling their social responsibilities and disclosing high-quality social responsibility information. The CSR information releases positive and favorable signals to the outside world and help enterprises win the trust and cooperation intentions of business partners.

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