

Study on the Impact of the "Internet + Government Services" Pilot on the Entry of New Enterprises

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Abstract

Under the new development pattern, the "Internet plus Government Services" pilot program has become an important carrier for the interaction between the government and market entities, and is and will continue to have a profound impact on the business environment. Establishing a sound business environment has become an important way to attract enterprises to enter. Enterprise entry is conducive to improving the regional market vitality and regional competitiveness, improving the efficiency of resource allocation, and affecting the macroeconomic operation. This project takes the pilot project of "Internet + government service" as the starting point, and analyzes the impact of regional enterprises by collecting the pilot situation of "Internet + government service" in prefecture-level cities from 2017 to 2019.

Keywords

"Internet + Government Services"; Regional Enterprises Enter; Prefecture-level City.

1. Introduction

The number of newly registered enterprises in a city every year is the embodiment of the market vitality and economic prosperity. The entry of enterprises is conducive to improving the regional market vitality and regional competitiveness, improving the efficiency of resource allocation, and affecting the macroeconomic operation. However, the COVID-19 epidemic in 2020 has caused a huge impact on the macro economy, leading to a year-on-year decline of 23.3% in the number of new registrations in the first quarter, accompanied by a year-on-year growth of enterprises withdrawing from the market for the whole year (Mou Dan, 2023).

With the continuous increase of the cost of labor factors in China, as well as the upgrading and transfer of the industrial chain, the advantages of attracting enterprises have changed. Business environment is a key factor for enterprises to determine cross-regional investment, and a high-quality business environment plays a crucial role in promoting the high-quality development of regional economy. (Tang Jiamei, 2021). The conditions for China to attract enterprises have begun to shift to providing a fair, just and transparent business environment. To this end, in August 2018, The State Council issued the Guiding Opinions on Accelerating the Construction of the National Integrated Online Government Service Platform, which made arrangements for further promoting the "Internet + government services", accelerating the construction of the national integrated online government service platform, and comprehensively promoting the "one network and one office" of government services.

The implementation of the "Internet plus government services pilot" is an important link in the reform of the business environment, and it has played a significant and positive role in improving the business atmosphere. The intelligent online government service platform adopts efficient demand perception and accurate service push mechanism, Thus, the transformation from "enterprise looking for policies" to "policy actively serving enterprises", To continuously enhance the precision of government services, The improvement of the government's service

supply capacity has effectively improved the quality of the business environment (Liao Fuchong, 2022; Wang Fayuo, Zhang Huanpeng, 2022; Xing Zhenjiang, Zhang Juanjuan, 2019); In terms of governance capacity, The "Internet + Government Services" platform uses various advanced information network technologies, It promotes the close collaboration between government departments, the effective communication between different levels and the resource integration across fields. This not only optimizes the internal governance structure of the government, but also significantly improves the governance efficiency of the government.(Li Chungun, Luo Jiawei, 2021). At the same time, high-quality urban development is not only the essence of Chinese-style modernization, but also the key support for promoting the realization of Chinese-style modernization. Under this background, based on the city level research "Internet + e-government service" platform and service degree to the enterprise and the mechanism, the study to deepen the optimization of business environment, enhance the transparency of information disclosure, improve the efficiency and quality of government services, increase the enterprise market entry rate, and promote the development of urban economy of high quality, has the extremely important significance. Through in-depth analysis, we can better understand how the "Internet + Government Services" platform serves as a catalyst to stimulate market vitality and innovation capacity, and create a more open and fair business ecological environment. Such research can also provide valuable reference for policy makers in decision-making, and help them design more efficient and accurate service plans, so as to promote the overall economic and social progress and sustainable development.

At present, the research on "Internet + government services" mainly focuses on the theoretical level of connotation and framework introduction, and there is a lack of empirical research, and no research has involved the establishment of the pilot impact mechanism on the entry of enterprises. This paper discusses the impact of the pilot establishment of "Internet + government service" on the enterprise entry rate through the empirical test at the prefecture-level level.

2. Literature Review

At present, the relevant research on the construction of "Internet + government services" and the entry of enterprises is still an important issue to improve the level of government governance and improve the business environment in China. According to the literature, the literature related to this project mainly includes the research on the impact of the "Internet + government service" platform on the urban business environment and the impact of the business environment and government governance level on the entry of enterprises. Therefore, on the existing basis, we can further explore the impact mechanism and actual situation of "Internet + government services" on the entry of enterprises, in order to provide more targeted suggestions for the growth rate of enterprises.

In terms of the impact of the "Internet + government services" platform on the urban business environment, many scholars have concluded that the establishment of the "Internet + government services" platform will help optimize the city's business environment. Liao Fuchong (2022) used survey data from large-scale Chinese private enterprises and combined with government service capacity data at the provincial level. Taking the theory of administrative burden as the analytical framework, he concluded that the improvement of online government service ability has produced a significant positive effect on the evaluation of the business environment of enterprises.; Han Chunhui (2021) proposed in his analysis that the construction of the "Internet + government service" platform actively promoted by the government has not only realized the optimization and reconstruction of the governance structure, but also achieved the functional goal of optimizing the business environment. There is a "structure-function" interaction and correlation between the two. This shows that

improving the governance structure can effectively enhance the attractiveness and efficiency of the business environment. Some scholars have found that the application of digital technology has a positive effect on the implementation effect of policies, and the government can effectively reduce the occurrence of corruption (Elbahnasawy et al., 2014; Banerjee et al., 2020; Okunogbe and Santoro, 2021) and optimize the business environment to a certain extent. (Fan Hejun, et al., 2022).

When discussing the impact of business environment and government governance on the entry of enterprises, the study by Zhang Longpeng et al. (2016) revealed significant differences between different industries. Zhu Yimeng et al. (2022) proposed that the reform of the commercial system, the reduction of the market access threshold and the simplification of the registration and certification process will all help to attract more enterprises to participate in the tertiary industry. Liu Cheng and Xia Jiechang (2021) took a step further and built a business decision-making model, confirming that the reform of the business system not only promoted entrepreneurial activities, but also improved the quality of entrepreneurship, increased entrepreneurial opportunities, and improved the benefits of entrepreneurship.

Building the "Internet + government services" platform has become a key way to promote the modernization of the government governance system and governance capacity. With the continuous progress of "Internet + government services", it is constantly promoting the optimization of the business environment. Therefore, this study aims to start from the perspective of "Internet + government service" pilot, focus on the prefecture-level level, in-depth analysis of the impact of "Internet + government service" pilot on the entry of enterprises, aiming to provide strategic suggestions for the reform of China's business environment and the improvement of enterprise entry rate.

3. Theoretical Basis

According to the theory of institutional economics, in the operation of the economic system, both parties of the transaction need to pay a certain cost for the collection, negotiation and contract signing. These costs are collectively referred to as transaction costs. Under the traditional government governance model, information asymmetry is widespread, which leads to high institutional transaction costs for market entities. This cost is mainly due to the complexity of the approval process. In the traditional model, enterprises need to go through cumbersome approval procedures, which not only consume a lot of time and energy, but also increase the operating costs of enterprises. These costs not only prolong the production and operation cycle of enterprises, but also correspondingly increase their transaction costs. In addition, due to the incomplete and lack of transparency of government information release, the problem of information asymmetry between government and enterprises has intensified. The delay and incomplete release of government information leads to the inability of enterprises to obtain accurate policy information, thus increasing the uncertainty and risks of enterprises in market transactions. In this case, different stakeholders have to invest a lot of transaction costs in the bargaining and interest game in order to obtain the necessary information.

In China, reducing the institutional transaction cost has always been an important part of the government's work. To achieve this goal, the government has continued to promote transparency in government services, simplify the administrative approval process, and strive to create a fairer, more open and more transparent business environment. Through the reform of "delegating power, streamlining administration and service", namely the streamlining of administration, delegating power, strengthening regulation and optimizing services, the Chinese government is committed to reducing the transaction costs faced by enterprises. The core of this reform is to reduce the government's excessive interventions in the market,

improve the decisive role of the market in the allocation of resources, and strengthen the government's supervision and service function of the market. For example, China has promoted the policy of "one network office", enabling enterprises and citizens to easily handle all kinds of government affairs through online platforms. The implementation of this policy not only greatly improves the work efficiency, but also reduces the time and economic cost of enterprises in the process of work. Through the "One Network Office", enterprises can submit applications, check the progress and obtain results through the Internet at any time and anywhere, greatly reducing the inconvenience of having to wait to the government departments in person in the past. At the same time, China has also strengthened the disclosure of public information. By establishing an information disclosure platform, the government ensures the timely update and accurate release of various policies, so that enterprises and citizens can obtain relevant policy information in a timely manner. This transparency of information helps to reduce the additional costs faced by market subjects due to information asymmetry, and improve the level playing field of the market. In addition, the government encourages data sharing and business collaboration among departments to reduce duplication and unnecessary procedures. This internal coordination not only improves the efficiency of government work, but also further reduces the transaction cost of enterprises in the communication with the government.

In order to further improve administrative efficiency and reduce the burden on enterprises, China has also implemented the "one run at most" policy. The core concept of this policy is to simplify the administrative examination and approval process, so that enterprises can complete all the procedures only once to go to the relevant departments when handling the administrative examination and approval, thus greatly saving the time and resources of enterprises. The implementation of this policy not only improves the efficiency of government work, but also provides enterprises with more convenient handling experience. In addition, the information sharing mechanism among government departments is also constantly improving. By establishing an information sharing platform, various departments can exchange and share relevant information in real time, which helps to break down information islands and improve the efficiency and accuracy of decision-making. The establishment of the information sharing mechanism enables the government to more comprehensively understand the situation of enterprises, so as to provide better services for enterprises. In terms of concrete implementation, China has carried out the reform of "separating licenses from licenses" in some pilot free trade zones. The reform aims to simplify the administrative approval items in the process of enterprise start-up and operation, reduce the number of licenses and licenses that enterprises need to handle, and reduce the compliance cost of enterprise operation. Through this reform, enterprises can carry out business more easily and improve their market competitiveness.

In the pilot practice of "Internet + government service", innovative government service models, such as the integrated government service platform and the self-service examination and approval system without human intervention, have significantly improved the efficiency of online services of government departments through the application of digital technology. These reforms have not only promoted the streamlining and decentralization of government functions, but also helped the transformation of the role of the government, thus providing a more relaxed and lighter operating environment for enterprises and creating a more optimized institutional "soft environment".(Li Chungen, et al., 2021). In terms of specific applications, for example, a municipal government service center adopts an intelligent navigation system and a self-service terminal, so that citizens can quickly complete government matters such as business license application and tax registration through the terminal, without waiting in line. This not only improves the quality of government services, but also effectively alleviates the pressure of the front desk staff, and realizes the intelligence and convenience of government services. The implementation of the "Internet + Government Services" platform has greatly

improved the coverage and ease of use of online services, including information inquiry, consultation and answers, and approval procedures. This improvement has promoted the innovation of government service mode, such as "one network management" and "one network management".(Wang Fasuo et al., 2022), these institutional innovations simplify the examination and approval process of enterprises and reduce administrative links, thus significantly reducing transaction costs and stimulating the vitality and competitiveness of the market. Through this model, the government can more effectively monitor and manage various service processes and ensure service quality and efficiency. This unified management mode helps to eliminate information islands and improve the scientificity and accuracy of decision-making.

4. Empirical Analysis

4.1. Model Building

In order to test whether the "Internet + Government Service" pilot can have a positive impact on the entry of enterprises, the regression equation is used to conduct the model estimation, and the model is set as follows:

$$Entry_{i,t} = \alpha + \beta_1 Treat_{i,t} + \beta_2 \partial_{i,t} + \beta_3 \delta_{i,t} + \varepsilon_{i,t}$$

In the model, the subscripts i and t represent the urban individual and time respectively, and the explained variables are the entry rate of regional enterprises, $\delta_{i,t}$ and $\partial_{i,t}$ are the number of foreign investment and unit area; $\varepsilon_{i,t}$ represents the random disturbance item; $Treat_{i,t}$ represents the service ability of urban individual to implement the pilot of "Internet + government service". The β_1 of the coefficient value of $Treat_{i,t}$ is the core coefficient of this paper. If significant is positive, it indicates that the pilot policy of "Internet + government service" can promote the entry of regional enterprises.

4.2. Variable Description and Measures

4.2.1. Interpreted Variable: Regional Enterprise Entry Rate (Entry)

Enterprise entry refers to the process by which an enterprise commences its business activities in a new market or region. This usually involves a series of strategic decisions and practical operations, including market research, partnership building, marketing strategy development, etc. Enterprises can adopt different ways to enter new markets, such as direct investment, joint ventures, franchising and management, etc. Comparing with the entry of regional enterprises is mainly divided into two categories: first, measuring the entry rate; second, directly measuring the actual number of new enterprises in the year (Zhang Tao and Shen Yang, 2020; Li Shuo et al., 2022). In this paper, the entry index of new enterprises is used to express the entry situation of enterprises. Specifically, the ratio of the number of new enterprises in the year to the total number of enterprises in the year is measured by comparing the scores of all cities.

4.2.2. Interpret Variables

Core explanatory variable: The ability of urban online government affairs services ($Treat$).

When discussing the implementation effect of "Internet + government services", this study adopts a variety of ways to comprehensively evaluate its service level. First of all, the evaluation of urban e-government performance can quantitatively analyze the efficiency and effectiveness of urban government in using information technology to provide public services, which includes the service coverage, diversity of service types, citizen satisfaction and other indicators. Secondly, the evaluation of online services on government websites focuses on user experience and the quality of service interaction, examining whether government websites can

provide timely, accurate and easy-to-use services, and evaluating the acceptance and feedback of users to these services. In addition, the online government affairs capacity assessment of provincial governments pays more attention to the overall implementation of the network government affairs service framework and function, and evaluates the performance of provincial governments in integrating resources, optimizing processes, improving transparency and promoting public participation.

The construction of the index is based on the government big data detection system to comprehensively evaluate the government service capability provided by local governments through the Internet. This evaluation system focuses on three core dimensions: service supply capacity, response efficiency, and intelligence level. These dimensions together determine the performance of a city in the "Internet + government services" aspect. The calculation of the index relies on a variety of data points, including government websites, new media platforms and search engines, through which information is collected and conducted for in-depth analysis. Through the multi-directional quality evaluation of government services, this index can accurately reflect the actual level of "Internet + government services". This index provides a more comprehensive and in-depth evaluation perspective than a single evaluation method that has focused only on the function of government websites or the degree of information disclosure.

4.2.3. Control Variables

Following the research methods of existing literature, the control variables of this project include: Number of foreign investment (nfi), the natural logarithm of the number of foreign investment in the region, it refers to the amount of foreign investment made by foreign investors in a country or region within a certain period of time. This usually includes direct investment (such as setting up factories, buying enterprises, etc.) and indirect investment (such as buying of stocks, bonds, etc.). The amount of foreign investment is an important indicator to measure a region's ability to attract foreign capital, and also an important reference data to reflect the economic development of the country or region; unit area score (uas), which measures the regional area score level by the regional area level.

4.2.4. Data Source

Table 1. Statistical summary table of related variables in each prefecture-level city

year	City code	Entry	Treat	uas	nfi
2019	6109	36.64383698	18.90034294	70.2	10.61643791
2018	6109	39.24914551	19.45392418	63.67	30.71672249
2017	6109	32.08190918	16.38225365	60.1	22.18429947
2019	3408	70.54794312	60.13745499	80.2	44.17808533
2018	3408	68.94197845	63.13993454	74.42	75.42662048
2017	3408	68.94197845	60.75085449	66.57	74.74402618
2019	5204	38.69863129	49.14089584	80.2	50.34246445
2018	5204	33.10580444	41.97952271	59.12	35.83617783
2017	5204	50.17064667	18.90034294	70.2	26.27986336
...	...	...	...	...	...
2017	5120	8.2191782	32.76450729	73.41	12.67123222
2019	3703	8.191126823	35.49488068	69.04	18.43003464
2018	3703	8.191126823	85.56700897	73.04	19.79522324
2017	3703	80.13698578	84.64163208	80.2	70.89041138
2019	5103	78.15699768	85.32423401	59.12	61.77474213
2018	5103	80.88737488	60.48110199	66.57	47.78157043
2017	5103	20.54794502	59.04436874	73.41	22.60273933
2018	5203	21.84300232	60.06826019	74.42	12.62798595
2017	5203	25.25597191	40.61433411	73.04	18.43003464

The data of this study are from the reports of provincial and municipal governments in China, the Internet Service Capacity Evaluation Report of Chinese Local Governments 2017-2019, the Blue Book of Government Internet Service Capacity and the National Bureau of Statistics of China. In terms of data selection, the data were selected according to different research aspects.

Table 2. Descriptive statistics of the variables

Variable name	variable	sample capacity	mean value	maximal value	minimum value
Enterprise into	Entry	831	51.85	100	0.68
The ability of urban online government affairs services	Treat	831	51.49	100	0.34
Number of foreign investment	nfi	831	51.81	100	0.34
unit area score	uas	831	67.72	87.67	46.09

4.3. Empirical Test

4.3.1. Benchmark Regression Analysis

In the study of the correlation between online government service ability and urban enterprise entry index in cities with pilot "Internet + government service", we adopted the method of three benchmark regression analysis. In each analysis, we controlled different variables for regression, so as to more deeply explore how the online government service ability of cities in the city affects the entry of urban enterprises after the implementation of "Internet + government service". The study results are presented as follows.

From the data analysis results, we can clearly see that in the three regression analyses, the service capacity coefficient of the pilot implementation of "Internet + Government Service" was positive, and all of them passed the significance level test of 0.01. This result strongly indicates that the implementation of the pilot project of "Internet + government services" can significantly promote the development and settlement of enterprises in a region, which further confirms the close connection between the implementation of the pilot of "Internet + government services" and the settlement of urban enterprises. Moreover, the goodness-of-fit performed quite well from the results of each regression analysis. This shows that our model explains the data well, and further verifies that our results are reliable and valid.

Table 3. Benchmark regression results

variable	(1)	(2)	(3)
Treat	0.534*** (9.27)	0.533*** (9.25)	0.593*** (9.05)
nfi			-0.358 (-1.91)
uas		0.006 (0.892)	0.015 (0.320)
constant term	24.409*** (15.7448.23)	24.4373*** (8.17)	23.048*** (7.55)
R ²	0.938	0.965	0.946
adjust R ²	0.93	0.947	0.918

Note: ***, ** and * represent the significance levels of 1%, 5% and 10%, respectively.

5. Discussion

At present, the reform of China's business environment has not yet been improved, and the establishment of "Internet + government services", as an important part of the reform of the business environment, cannot be ignored. We can further optimize the business environment by improving the promotion of "Internet + government services". The pilot program of "Internet + Government Services" has significantly simplified the administrative process for enterprises to enter and operate, and attracted more high-quality enterprises to enter, thus promoting economic development. Through the online platform, enterprises can quickly complete the procedures of registration and certification, significantly reduce the time and cost threshold, and improve the speed of market response. As China's economy has entered the transition stage to high-quality development, it is particularly important to improve the quality of enterprises. This requires the continuous development of the "Internet plus government services", and increased investment and improvement in the construction of a digital government. By clarifying the relevant theories and role mechanisms between "Internet + government services" and the entry of enterprises, suggestions can be provided for the government to formulate more targeted countermeasures and further promote the entry of high-quality enterprises. In order to maximize the "Internet + e-government service" pilot program positive effect and continue, we put forward the following policy Suggestions: first, to promote "Internet + e-government service" pilot, continue to increase online processing of government services, especially in the investment, construction and business activities and other key areas of licensing and examination and approval. Second, we need to constantly improve the user experience, simplify the login and navigation processes by optimizing the user interface design and service processes, and provide clear guidance and help documentation. At the same time, it attaches importance to data security and privacy protection to ensure the data security of the platform, enhance the trust of enterprises in the system, including regular security audit, and open security performance and privacy protection measures. In addition, it is crucial to establish effective feedback and improvement mechanisms to enable businesses to report problems and recommendations in use, and governments should regularly evaluate these feedback and respond quickly to continuously improve service quality. Training and education will also need to be provided for business owners and employees, especially for small and medium-sized enterprises and practitioners in traditional industries, to teach them how to use the "Internet + government services" platform. Enhancing coordination and data sharing among government departments is also key to ensure coherence and consistency in government services. Finally, specific performance indicators should be set to regularly evaluate the effects of the "Internet + Government Services" platform, and the results should be reported to the public, including enterprise satisfaction, processing time, expansion of service scope, etc.

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