Research Review on the Mixed Reform System of State-owned Enterprises in China

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Abstract. The state-owned economy is the pillar economy of China. If the nationalized enterprises and non-nationalized enterprises develop at the same time, they can further improve the shortage of China's economic system and improve the production efficiency. As an excellent policy, the mixed reform system makes full use of the advantages of China's social and market background, scientifically and effectively solves the disadvantages of China's economic system, improves China's market status, strengthens the national supervision over the work of government departments, and promotes the healthy and long-term sustainable development of China's economy. This paper aims to summarize the significance of the mixed reform in China. The mixed reform of state-owned enterprises will help state-owned capital and private capital to become stronger, better and bigger, improve the competitiveness of enterprises and build world-class enterprises. Mixed reform of state-owned enterprises is conducive to the organic combination of public ownership and market economy. The mixed reform of state-owned enterprises is conducive to stimulating the vitality of micro subjects.

Keywords: State-owned enterprises, mixed-use reform, important value, system reform, structural problems.

1. Introduction

China's economic reform has continued to develop, and some state-owned enterprises have long had problems. On September 23, 2015, the State Council of China issued the Opinions on the Development of Mixed Ownership Economy in State-owned Enterprises, which proposed that the development of mixed ownership economy is an important measure to deepen the reform of state-owned enterprises. In order to implement the guiding principles of the 18th CPC National Congress and the third and fourth Plenary sessions of the 18th CPC Central Committee, local governments and enterprises in China have implemented the decisions and arrangements of the CPC Central Committee, the CPC Central Committee and The State Council, promoted the reform of mixed ownership of state-owned enterprises, and promoted the common development of economies of all forms of ownership. As an emerging economy, China's unique mixed reform system of state-owned enterprises has also played an important role in China [1].

In recent years, the state has gradually attached importance to the improvement of the market economic system, so the positive guidance of the government, market operation and the main role of the mixed reform policy of state-owned enterprises is to make state-owned capital, collective capital and non-public capital cross-shareholding and integrate with each other. Before the mixed reform policy of state-owned enterprises was put forward, some state-owned enterprises had problems such as lack of vitality and low efficiency, while the mixed reform policy of state-owned enterprises promoted the standardization of China's economic market, improved production efficiency and promoted the sustainable development of economy.

The mixed reform policy of state-owned enterprises can first promote economic development and improve the position of state-owned enterprises in the hearts of the people. The mixed reform of state-owned enterprises can improve the relationship between enterprises and the government, make the market and the government cooperate more closely, and improve the production efficiency of enterprises. When state-owned enterprises and market capital are effectively combined, there will be more sufficient funds to invest in scientific research and innovation, which can effectively improve

China's production efficiency and promote the progress and development of not only domestic but also China in the world [2].

In terms of state-owned enterprises macro policy, planning, state-owned enterprises mixed change is a suitable for China's national conditions to follow the law of economic development policy, scientific and practical to solve the disadvantages of China's economic system to improve the state of market, has injected new vitality for market development, also strengthen the national supervision of government departments to promote the sustainable development of China’s economic health for a long time.

2. Research Status of Mixed Reform of State-owned Enterprises

Mixed reform of state-owned enterprises certainly has many benefits, but with the deepening of the reform, the reform has encountered more and more resistance. At the same time, the enterprises that have not been reformed are also faced with many difficulties and problems, and the difficulties of restructuring are further increased. At the same time, in the successful restructuring of the enterprises, they also found that the reform is not complete, mainly reflected in the organizational structure is not clear, the run-in time is too long [3].

2.1. Serious Shortage of Funds for Enterprise Reform

Due to the benefits of the reform of the temptation is bigger, will attract a large number of capital and state-owned enterprises actively mix change, but may be due to the speed of restructuring or in the process of restructuring, the nature of the state-owned enterprise structure has not changed, there are still class curing, information transmission, information asymmetry, lack of flexibility, lack of scientific guidance, lead to enterprises cannot timely adapt to the change of the market and change [4, 5]. Most of the restructuring of the enterprise's net assets and realizable assets, cannot meet the investment demand and the cost of the worker, according to statistics, the latest enterprise restructuring need to pay economic compensation, according to the ministry of labor issued 481 files for specific standards, according to the workers working in this unit, every full year to be equivalent to a month's salary of economic compensation. Those working for less than one year shall pay economic compensation according to the standard of one year.

The wage calculation standard of economic compensation is to point to the average monthly salary of 12 months before the laborer removes the labor contract under the normal production situation, and the amount that these enterprises need to pay before the reform owes the wage, endowment insurance and so on need to pay is huge, cause huge capital gap, will affect the enterprise reform directly.

Another situation is the mutual insurance of enterprise funds and loans. There is a cross debt problem, which will not only make the enterprises with poor operation worse, but also drag down the enterprises with good operation, and increase the probability of bankruptcy or transformation of enterprises in the market, which is the loss of the original vitality of enterprises. In addition, the single equity structure cannot achieve diversified investment, so it is difficult to achieve a principle of risk diversification. As a result, when the market direction changes, the mechanism of the enterprise does not have certain flexibility, which affects the long-term development of the enterprise and will make the enterprise unstable [6].

In view of the problem of insufficient funds, the municipal Party committee and the municipal government attach great importance to it. After many times of research, coordination and solution to the major problems of enterprises, according to the proposal put forward by Zhang Zhenfeng, secretary of Wenzhou Municipal Party Committee, "investment should have the courage to seize food and projects and attract talents". It is necessary to integrate the actions of restructuring with attracting investment, optimize the industrial structure through restructuring, attract foreign capital investment and capital investment, increase the source of enterprise funds, improve the economic benefits of enterprises, attract a large number of talents, strengthen the integration of talents, and enhance the comprehensive competitiveness of enterprises. However, enterprises are restricted by capital constraints, and because of the large scale and complex business scope of most restructured enterprises, the demand for capital is very large, which will lead to their own insufficient situation.

2.2. The State-owned Economy Has Positioning

Organization structure is not clear, which can not be sound state-owned enterprises, also can be the impact of state-owned enterprise culture, different corporate culture, some employees will have not habit, will produce redundant management costs, in a long time, and meet the demand of the boss the interests of private enterprises, there are many departments set up to abandon the relevant, and increased the company increased the burden of the enterprise, in addition, and front too long, the allocation of resources is not reasonable, the scale economy, product structure convergence and so on serious unreasonable situation, seriously weakened the competitiveness of the state-owned economy .

For example, some private bosses will think using the advantages of state-owned capital rapid expansion, some private enterprise boss want to withdraw after rapid expansion, cash, enterprise contradiction increase, mixed before the main need to solve is how to development, mixed after the contradiction of the first is how to develop, the contradiction is the greater distribution of interests. After the mixed reform of enterprises, the problems of enterprise dividends and profit retention have also become a huge problem for the development of enterprises [7]. Private enterprise boss after the acquisition, hope to get the expected earnings every year, and the development of the enterprise must retain enough development fund, at the same time for the expansion of mixed restructuring enterprises, private boss cannot provide equivalent funds, through the equity pledge for state-owned capital, but when the pledge equity often equity value increase, damage the interests of the enterprise. At the same time, the contradiction also increases in the organization of personnel. Due to the interests of all parties, they will increase their own personnel, so that their own interests will not be who controls who manages. If the mixed ownership enterprises controlled by state-owned enterprises cannot even control the personnel rights, how to safeguard the state-owned interests of the enterprises in major events. Private bosses will make use of their own financial advantages to fully convey personal interests to obtain greater interests, and will find a larger leader as an umbrella.

The above contradiction is only a small part, the root cause of all these contradictions is the original private boss not only to earn their greater interests, and to fight for greater rights, through some interests into state-owned enterprises, and then to meet the demand of rights, finally achieve the rights and interests of win-win situation.

2.3. Use Public Interests and Seek National Interests in the Name of Mixed-use Reform

Some part of the enterprise and private enterprises, become the state ownership mixed enterprises, using the name of the undertaking project, after the new company in the city, to let the new company to undertake mixed restructuring enterprise project, the boss and management as middlemen do not conform to the interests of the code of ethics, let other conform to the interests of the ethics of the enterprise by the loss.

2.4. Enhanced the Vitality of Enterprises, Improved the Production Efficiency, and Optimized the Industrial Structure

Mixed through system reform, further optimize the ownership structure, improve property structure, at the same time can reduce the burden of state-owned enterprises, state-owned enterprises mainly for public resources allocation of social responsibility, such as need to provide public goods, employment allowance, child allowance, etc., restructuring can help state-owned enterprises to share the burden, the introduction of non-state-owned capital, enhance the diversification of shareholder structure, reduce the risk of enterprise development, enhance the company's decision-making and competitiveness [8]. The restructuring can optimize the allocation of resources, improve the allocation efficiency, make efficient use of limited resources, promote market competition, strive for more interests for citizens, improve the technical level, and strengthen the role of political macro-control [9].

3. Trend Analysis of Mixed Reform of State-owned Enterprises

3.1. The Mixed Reform Fund Will Play a Greater Role

An important purpose of the mixed reform of state-owned enterprises is to introduce private capital, overseas capital and other non-state capital, improve the diversified ownership structure, and stimulate the operating vitality and operating efficiency of state-owned enterprises. And the state-owned enterprise mixed reform fund is to participate in the reform in the way of the fund. Fund through capital operation, enlarge the control of state-owned enterprises, is the non-state-owned capital and state-owned enterprise logic and development direction is relatively consistent, at the same time of optimizing the allocation of capital resources, spread the risk, and due to the form of fund, can make the old and new investors orderly to join and exit, reduce the waste of resources, to achieve mutually beneficial and win-win situation [5].

3.2. Breakthrough in Differentiated Management and Control

Differentiated control refers to the process of classifying management objects according to different management objects, management needs and management indicators, and adopting different management methods and measures to realize effective management. Chinese economic market should consider the necessity of differentiated control. As the mixed reform enters the deep water period, the relationship between the superiors and subordinates of the state-owned major shareholders and the mixed reform enterprises needs a good bond [7, 10]. Differentiated management and control is an effective measure to promote the reform of the operation mechanism. The differentiated control of the subsidiaries can mainly solve three major problems: first, it can clarify the direction of classified reform, second, to optimize the governance structure, and third, to clarify the rights and responsibilities of the group and its subsidiaries. We will implement differentiated control and create high-quality development engines [11].

3.3. Actively Track the National Comments After the Mixed-use Reform

Some of the problems formed in the development of state-owned enterprises, such as corruption of officials, too concentrated power and abuse of private power by some leaders to damage the interests of other citizens, will cause the dissatisfaction of some citizens and lead to the decline of work enthusiasm. In addition, state-owned enterprises pay too much attention to educational background but ignore the more valuable recruitment conditions such as technology and ability, which leads to serious brain drain and imperfect company system, which leads to the overall low quality and negative public comments. After the mixed-use reform, the actively accepted the opinions and suggestions of the people outside the society through questionnaires, Internet voting and other methods, and actively promoted the improvement of the remaining problems and experience summary after the reform [12].

4. Conclusion

With the continuous improvement of the market structure of our country, with the universality of state-owned enterprises mix system, some state-owned enterprises and non-state capital, the market structure due to the national history accumulated problems improve one by one, let Chinas capital market structure rich diversity, enhance competition power, improve production efficiency to domestic long-term economic development, state-owned enterprises to enhance the ability to adapt and accept, non-state-owned enterprises need to ensure the moral baseline norms after the behavior of self-discipline, both in order to win-win situation self-restraint, continuous progress, restructuring enterprises to sustainable development.

In recent years, China's state-owned enterprises have achieved certain results. For example, a number of well-known state-owned enterprises such as China Aviation Oil Corporation, Guodian Group and China State Construction Corporation introduced excellent private enterprises as strategic investors through mixed reform, which effectively improved the competitiveness and operating efficiency of enterprises. At the same time, in some emerging fields, such as high-tech industries and green environmental protection industry, the mixed ownership of state-owned enterprises has achieved a good momentum of development, providing strong support for the innovation and development of related industries.

Looking forward to the future, the state-owned enterprises mixed reform will continue to advance. With the transformation and upgrading of China's economy and the change of market environment, the mixed ownership reform of state-owned enterprises will become an important means to strengthen the vitality of state-owned economy and promote economic development. At the same time, with the continuous improvement and deepening of the mixed-use reform policy, it is hoped to further optimize the governance structure of state-owned enterprises, promote the transformation and upgrading and innovative development of enterprises, and inject new impetus and vitality into China's economy.

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