



Research on the development of private economy in Shandong Province

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Abstract— *with the continuous optimization of the economic structure and the development of Chinese market economy, as an important part of the national economy the most vitality, the private economy has become the important strength to support and promote the economic growth of provinces and cities, the development of more and more from the economic theory circles attach great importance. Shandong Province, as a major economic province, but also the province of private economy in our country, there are still many factors that limit the further development of the private economy. Through carries on the analysis and the research to the Shandong Province private economy development present situation, find out their own development which the development of the existing problems and constraints of the external factor, and put forward the corresponding countermeasures and suggestions.*

Keywords—*private economy; private enterprise; Shandong Province*

I .A PRIVATE ECONOMY RELATED AREAS

A. The concept of private economy

The national economy of our country according to the division of the ownership type can be for public economy (state-owned economy, collective economy and non-public economy (private economy, Hong Kong, Macao and Taiwan economic and foreign economy). Private economy is the result of economic transition since China's reform and opening up to the outside world, the law of the people's Republic of China is no concept of private economy, the private economy is with Chinese characteristics of a kind of economic conception and form.

"Private enterprise" is to engage in economic activity by its own citizens funded the establishment and operation of the legal entity economic and non economic entity, has set up their own, self financing, operate independently, assume sole responsibility for its profit and loss, since the development of characteristic. Private enterprise is a kind of enterprise form in private sense, and it is the important part of "private economy".. In addition to the private enterprise, the private economy also includes private economy attributes, rather than the profit for the purpose of engaging in non economic activities, non enterprise units or departments.

Thus, it is possible to "private economy" are defined as follow: the private economy is to reflect the subject of investment or operating entity is the main feature of the economic component, is invested by domestic residents founded, business or holding business enterprises and institutions of economic sum.

B. The scope of private economy

The statistical scope of the private economy is not including the state-owned and state-owned holding, the foreign and Hong Kong, Macao and Taiwan owned and its holding economic organization. Namely, it includes the individual, private and other non-public enterprises, including the township enterprise, also includes the collective, joint-stock cooperative system and so on enterprise organization. Namely private economy is state-owned and state

II .THE DEVELOPMENT OF PRIVATE ECONOMY IN SHANDONG PROVINCE

A. The private economy has become the main power of economic growth in Shandong Province

Private economy in Shandong province is higher than the national average, in 2012, the private economy in Shandong Province, the proportion of GDP has more than 60%. As of September 2012, Shandong Province, registered private enterprises has more than 1000 million, an increase of 12.6%; average registered capital of year-on-year growth of 7.8%.

B. The private enterprise is the main channel of absorbing the labor force in Shandong Province

The development of the private economy, promote the a large number of rural surplus labor force to transfer from the first industry to the second industry and the third industry, for the laid-off workers of state-owned enterprises provide more jobs, has become an important channel for employment. The new private economy increases the proportion of new employment in the whole society and is still the main channel for increasing employment..



Generalized private economy excluding state-owned and state holding unit of employment growth rate in 2012 to 1.47%, higher than 0.53% in the whole society; 2013 private economy employment growth rate will reach about 1.5%, higher than about 0.5 percentage points in the whole society, which private enterprise employment 2013 and a half years growth 9.65%.

III. THE PROBLEMS IN THE DEVELOPMENT OF PRIVATE ECONOMY IN SHANDONG PROVINCE

A. The lack of fair competition in private economy

Private investment mainly concentrated in the general manufacturing and real estate, wholesale, retail trade, catering and other traditional services. In 2011, the total fixed asset investment in the province for 25928.4_yi billion yuan, although in these industries in private economy and other economic fixed assets investment proportion and more than 85%, but in basic industries and infrastructure, the emerging service industry and high-tech industries, industry of private economic investment into the depth is obviously inadequate. According to statistics, in public affairs, finance, education and geological prospecting industry, state-owned economy proportion of investment up to 80%, the reason is related to the approval procedures are complicated, the market access threshold is too high, in the obvious unfair competition. Private capital investment areas also

B. Financing difficulties of private enterprises

Shandong Province, the capital of private enterprises in the 70% is self financing, domestic loans and the use of foreign investment accounted for about 19%. Difficulty in financing and shortage of funds is the bottleneck of the further development of the private economy in Shandong, which seriously restricts the development and expansion of the private enterprises.. Most of the scale of private enterprises is small, the financial system is not standardized, so that the supply of funds can not judge the return rate of their investment, not lending or investment. Quite a number of private enterprise credit rating is low, obtaining mortgage loans difficult. The information asymmetry between banks and enterprises, make the bank can not understand the private enterprise's real financial situation, difficult to find the business risk and earnings, exacerbated by the bank "credit crunch" behavior.

C. The quality and level of private enterprise need to be improved

Shandong Province private enterprise in processing trade, resource dependent, energy consumption proportion of enterprises is still large, in the industrial chain of low-end, lack core technology and independent innovation ability, additional value is small, lack of core competitiveness and anti risk ability. The formation of the production capacity is limited to short-term benefits, the product market prospects, and promote the sustained economic growth is not strong.

In addition, private enterprises and backward management, such as some enterprises do not have independent financial accounting system, there is a potential decision making and risk management; some enterprises have yet to establish a modern enterprise management system, company to govern the family phenomenon is quite serious, internal incentive constraint mechanism is not perfect, enterprise internal lack of democracy and constraint mechanism.

IV. SHANDONG PRIVATE ECONOMY FUTURE DEVELOPMENT STRATEGY ANALYSIS

A. To relax the market access for private economy

Shandong government departments in the market access to further establish a unified market access regulations, in line with the market rules of the investment service system, as well as a just legal environment. In addition to the interests of the industry and the public safety of the industry to implement the franchise, the other industries should cancel the administrative monopoly, so that private capital into. For urban construction, electric power production costs are high, high scale production efficiency of natural monopoly industries of corresponding reform, take different measures of regulation, lifting of the right to operate, to encourage private capital to enter the industry. To introduce competition mechanism, and adopt appropriate methods allow private enterprises to gradually enter and open to foreign capital industry should be open to private enterprises to allow private enterprises and other market players enjoy national treatment, fair competition, common development.

B. Broaden the financing channels, and promote the construction of private enterprise credit system

Shandong Province to speed up the investment and financing system reform, encourage and guide private investment, private enterprise credit guarantee organization system construction, encourage individual and private enterprises to establish a mutual funds and guarantee the establishment of the private economy management mechanism, standardize government management market behavior in the credit policy to support the development of private enterprises, in the long short-term loans, or special preferential loans, private enterprises and other sectors of the economy, obtain equal status and treatment.



Through a variety of channels to broaden financing channels, allowing part of the qualified private enterprise distribution firm bonds, broaden private investment channels, activate idle funds. In addition, improve the credit system, create a credit environment, to improve the overall quality of small and medium private enterprises, reduce credit risk, improve their financing capacity, has a sense of urgency.

C. Promoting independent innovation and enhancing the core competitiveness of private enterprises

Government is conducive to enterprise independent innovation fiscal policy, guide and support large-scale backbone enterprises to carry out strategic key technologies and major equipment in the research and development, to build a platform for the international advanced level of technology innovation, increase high-tech private enterprise technology innovation fund investment to encourage independent innovation of private enterprises.

Private enterprises should also establish brand awareness, create brand and reputation. In the face of the international market, timely change idea, actively put the competition of brand and technology, make full use of scientific and technological innovation, the development of high-tech industries, and the transformation of traditional industries, improve the scientific and technological content of products, improve the occupation rate of market, obtaining competitive advantages with high technology and high quality products

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