

# Close-Clean Government-Business Relations Empowering Investment and Financing of Specialized, Refined, Distinctive & Innovative Enterprises: Mechanisms and Optimization Paths

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## Abstract

Under the background of cultivating new types of productive forces, specialized, innovative, and high-tech enterprises serve as the micro-support for the modern industrial system. However, due to the long investment cycle of scientific and technological innovation and the high proportion of intangible assets, these enterprises often face practical challenges such as financing constraints, imbalanced investment structure, and mismatch between investment and financing terms. This paper adopts literature research and normative analysis methods to systematically review the existing literature on the relationship between government and business and the financing of specialized, innovative, and high-tech enterprises. It distinguishes the differentiated functional logic of the "close" service dimension and the "clean" supervision dimension, and analyzes the current shortcomings of the government-enterprise governance system in alleviating the financing problems of scientific and technological enterprises. The research finds that "close" mainly alleviates enterprise financing constraints through information communication, policy resource supply, and government-bank-enterprise collaboration; "clean" mainly improves long-term investment by reducing rent-seeking, ensuring fair resource allocation, and stabilizing policy expectations. Based on the research conclusions, it proposes adaptive optimization measures from the aspects of government services, financial supply, and enterprise compliance operations, providing a reference for local areas to smooth out the financing bottlenecks of specialized, innovative, and high-tech enterprises by relying on the new type of government-enterprise interaction system.

## Keywords

Close and Harmonious Relationship between Government and Business; Specialized, Innovative and Distinctive Enterprises; Financing Constraints; Investment and Financing Behaviors.

## 1. Introduction

Developing new quality productive forces and building an independent and controllable modern industrial system are the core tasks for the current high-quality development of China's economy. Small and medium-sized enterprises with specialized, innovative, distinctive and high-tech features are the core carriers for bridging the gaps in the industrial chain and strengthening the resilience of the supply chain. The gradient cultivation system of the Ministry of Industry and Information Technology has been continuously expanding. As of the end of 2024, the total number of national-level "Little Giants" specializing in high-tech has exceeded 17,600, and there are over 140,000 such small and medium-sized enterprises. They are concentrated in high-end equipment, semiconductors, industrial software, biomedicine and other technology-intensive fields, with more than 90% being privately-owned entities.

Compared with traditional manufacturing enterprises, specialized and innovative entities have typical characteristics such as high proportion of intangible assets, strong continuous R&D investment and long profit return cycles. Their internal cash flow is insufficient to cover the long-term capital needs for technological iteration and production line expansion. The medium- and long-term external funding gap has become the core constraint restricting enterprises' innovation investment and scale expansion. [1] From the perspective of practical constraints, the traditional credit system takes real estate mortgage as the core risk control standard, which is inherently mismatched with the asset structure of scientific and technological enterprises. Coupled with institutional problems such as information asymmetry between banks and enterprises and uneven policy resource allocation, the contradictions of difficulty in financing, high financing costs, insufficient innovation investment, and short-sighted arbitrage investment have continued to emerge, severely restricting the function of specialized and innovative enterprises in strengthening and expanding supply chains.

The institutional environment formed by the interaction between the government and enterprises is a key variable determining the availability of resources for small and medium-sized enterprises. Distorted relationships between the government and businesses will further amplify the frictional costs of financing and investment for innovative enterprises. Under the traditional mode of government-enterprise interaction, in some regions, there were problems such as "favoritism but lack of transparency" such as power rent-seeking and unfair resource allocation; as the norms of government-business interaction have been continuously strengthened, a few officials may also exhibit the tendency of "clear but not friendly", that is, unclear boundaries and unwillingness or inability to act. Since then, various provinces and cities across the country have successively introduced supporting regulations and implementation rules, incorporating the construction of a clean and friendly political-business relationship into the core assessment content of the business environment optimization. The aim is to address the bottlenecks in the financing of small and medium-sized enterprises from the institutional level through innovations in government services, transparent supervision of power, and a collaborative mechanism between the government, banks, and enterprises.

Existing studies have discussed these topics separately: the relationship between clean and friendly political-business relations and the financing of specialized, innovative, and high-tech enterprises. Existing analyses on the relationship between clean and friendly political-business relations have mostly confirmed that positive interactions between the government and enterprises can reduce enterprise rent-seeking expenditures, broaden channels for credit and fiscal subsidies, and overall alleviate financing pressure [2]; literature related to specialized, innovative, and high-tech enterprises focuses on analyzing the causes of financing difficulties and exploring relief tools such as digital finance and supply chain finance [3][4]. However, existing studies still have three clear deficiencies: First, most studies have not conducted targeted analyses based on the unique attributes of specialized, innovative, and high-tech enterprises, which are characterized by light assets and long R&D cycles; Second, existing results mostly discuss financing constraints or a single variable of innovation investment separately, and rarely simultaneously examine the complete behavioral logic of financing and investment; Third, existing literature has not sufficiently distinguished and discussed the transmission paths and boundary conditions of the "clean" and "friendly" dual dimensions in their respective effects.

Based on the above research gaps, this paper adopts a literature research and normative analysis method to construct an "clean and friendly political-business relationship - financing constraints and resource allocation - financing and investment behavior" analytical framework, thereby clarifying the complete effect logic of the new political-business relationship on the financing activities of scientific and technological enterprises and providing a comprehensive analytical perspective.

The structure of the entire paper is as follows: The first part reviews relevant literature and four basic theories; the second part summarizes the financing characteristics, internal and external dual dilemmas of specialized, innovative, and high-tech enterprises; the third part disassembles the internal mechanisms by which the "clean" and "friendly" dual dimensions affect enterprises' financing and investment; the fourth part summarizes the research conclusions of the entire paper and proposes supporting optimization paths from the perspectives of the government, enterprises, and finance.

## 2. Literature Review and Theoretical Foundations

### 2.1. Literature Review

#### 2.1.1. Close-Clean Government-Business Relations

The close and clean relationship between the government and business is a non-personalized, equal and independent, and mutually beneficial new type of government-business relationship, which can be decomposed into two dimensions: "close" and "clean". For public officials, "close" means taking the initiative to provide services and relief, establishing a regular platform for government-business communication, and "clean" means adhering to integrity and avoiding corrupt transactions; for private entrepreneurs, "close" means actively communicating and offering suggestions, and cooperating with industrial development, while "clean" means operating legally and not engaging in interest transfer. These two aspects complement each other and are indispensable. Only having "close" without "clean" is likely to lead to collusion between the government and business, distorting the allocation of fiscal and financial resources; only having "clean" without "close", officials will shirk responsibility and be negligent in governance, and the policy demands of enterprises will not be implemented, and the constraints on investment and financing will continue to intensify.

At the classification level, the academic community has divided it into four types: government-business cooperation, government-business collusion, government-business avoidance, and government-business disorder [5]. The mainstream measurement system adopts the Urban Government-Business Relationship Index of Renmin University of China [6], which subdivides it into two secondary indicators: proximity index and integrity index. The proximity index is constructed based on the satisfaction of enterprises with government services, information disclosure, and government efficiency, while the integrity index is measured based on the transparency of local finance and the level of anti-corruption supervision. Yao Lichao (2024) research on regional heterogeneity shows that the construction of close and clean government-business relations in the eastern region has achieved remarkable results, which can enhance the total factor productivity of private enterprises, while the construction in the central and western regions and the northeastern region lags behind, significantly weakening the enabling effect on enterprise investment and financing and innovation. This conclusion is also highly consistent with the Urban Government-Business Relationship Index of Renmin University of China [7].

Existing literature has confirmed that the close and clean government-business relationship has multi-dimensional positive governance effects. From the perspective of resource acquisition, a balanced and standardized close and clean government-business interaction system can reduce rent-seeking expenditures, lower overall institutional transaction costs, connect various funding support channels such as loans, fiscal subsidies, and tax incentives, thereby alleviating the predicament of enterprises' resource constraints [2]. In the context of opening up to the outside world, this governance advantage will also extend to cross-border investment and financing, facilitating the connection of foreign investment resources [8]. Research related to digital transformation further supplements this logic, arguing that the new government-business relationship can provide stable resource support for enterprises by

alleviating financing pressure and providing supporting talent supply for scientific and technological innovation [9]. From the perspective of innovation investment, a complete close and clean system can not only continuously provide research and development funds for enterprises but also create a fair competitive atmosphere through a transparent and legal environment, guiding enterprises to focus on long-term technological breakthroughs and weakening the short-sighted profit management and short-term arbitrage tendencies of management [10]. Green mergers and acquisitions and low-carbon R&D activities will also be positively driven by this institutional environment. From the perspective of external governance of enterprises, existing research also points out that there is a structural imbalance in the current government-business construction in many regions. In some areas, public officials have a mentality of avoiding responsibility and being negligent in governance, coupled with poor communication channels between the government and business and imperfect financial fund supervision, which directly hinders enterprises from obtaining various support resources [11]. From the external institutional perspective, it interferes with the enterprise's investment and financing and R&D planning.

### 2.1.2. Investment and Financing of SRDI Enterprises

The official definition of "Specialized, Technologically Advanced, and Innovative" enterprises by the Ministry of Industry and Information Technology refers to small and medium-sized enterprises that follow a path of specialization, refinement, differentiation, and innovation. They focus on specific markets, possess independent core technologies, and are divided into three levels: innovative small and medium-sized enterprises, provincial specialized and innovative enterprises, and national "Little Giants". They are the core carriers for strengthening supply chains, enhancing supply capacity, and cultivating new quality productive forces. Compared with German "invisible champions" and Japanese "mid-sized enterprises", Chinese specialized and innovative enterprises are more prominent in terms of policy guidance. They rely on policy support to break through resource constraints, and the qualification recognition is significantly positively correlated with the improvement of the enterprise's total factor productivity [12]. At the same time, specialized and innovative enterprises also have significant shortcomings: First, the asset structure is light-asset-based, with intangible assets such as patents and processes as the core value, and there is insufficient collateral in traditional factories and equipment; Second, the intensity of R&D investment is significantly higher than that of ordinary small and medium-sized enterprises, with a R&D cycle of 3-10 years and a long investment return period; Third, the internal cash flow is weak, with continuous large-scale R&D investment in the early stage of industrialization, and the operating retained earnings are difficult to cover the investment gap; Fourth, the transparency of information is insufficient, with imperfect financial governance in small and medium-sized specialized and innovative enterprises, and a much higher degree of information asymmetry between banks and enterprises than traditional manufacturing enterprises [1][13].

The resulting financing constraints directly distort the investment and financing behaviors of enterprises: First, insufficient investment, high-quality R&D and digital transformation projects are forced to be put on hold due to funding shortages, and the scale of long-term innovation investment continues to shrink; Second, inefficient and short-sighted investment, financing constraints may lead to insufficient R&D investment and induce short-term asset allocation tendencies in some enterprises, reducing the quality of long-term innovation; Third, mismatch between financing and investment terms, short-term working capital loans are matched with long-term R&D investment, exacerbating the liquidity risk of enterprises [14][15]. Long-term financing distortions will inhibit technological iteration of enterprises, weaken the supporting capacity of the industrial chain, and hinder the cultivation of new quality productive forces [16].

## 2.2. Theoretical Foundations

### 2.2.1. Resource Dependence Theory

The resource dependence theory states that enterprises cannot complete long-term activities such as continuous research and development and capacity expansion solely through their own internal resources. They must continuously obtain key scarce resources such as fiscal subsidies, long-term credit, industrial policies, and public scientific and technological services from external entities like the government, financial institutions, the industrial chain, and the market. The smoothness of the external resource acquisition channels and the transaction costs of obtaining these resources directly determine the investment and financing decisions and long-term development space of enterprises [17]. Specialized and innovative enterprises have large R&D investment scales and limited internal cash flow reserves. They highly rely on the supply of resources by the government and financial institutions, and possess typical characteristics of resource dependence. From a theoretical perspective, a higher degree of closeness between the government and enterprises can establish regular information interaction channels, reduce the information costs for enterprises to search for policies and connect with financial resources, smoothly obtain external scarce elements, and the improvement of transparency helps to reduce non-productive investments in resource acquisition. Productivity cultivation [16].

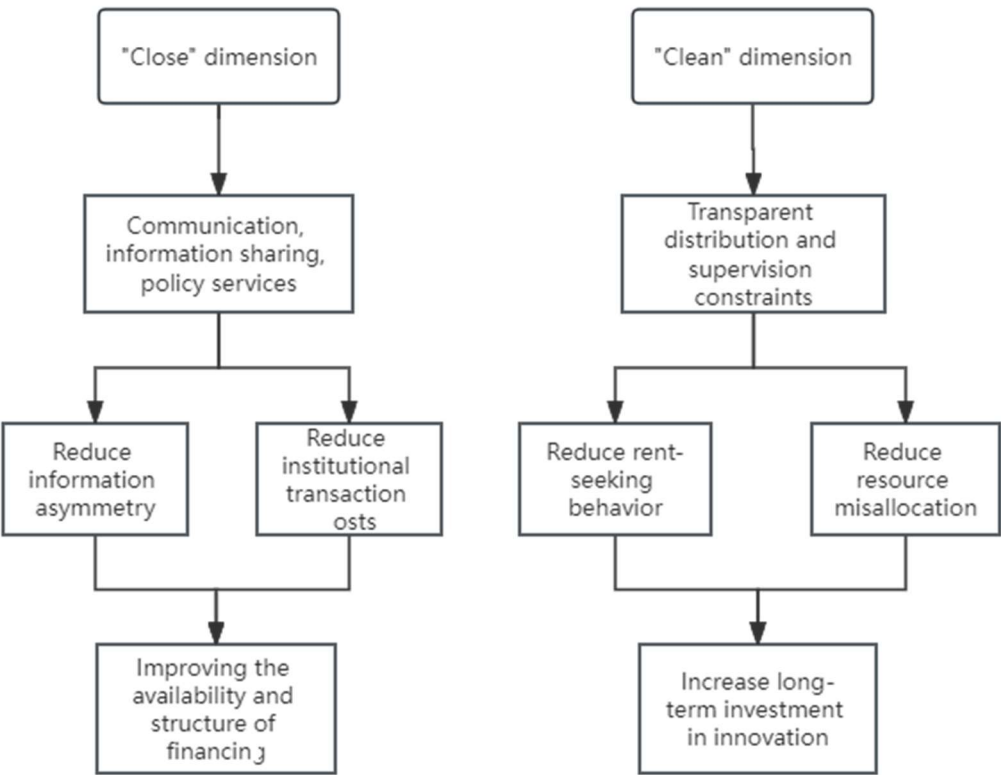
### 2.2.2. Financing Constraint Theory

Myers and Majluf (1984) established the financing hierarchy theory, which reveals that market information asymmetry will increase the premium of external financing over internal financing. If a company's own retained funds are insufficient to cover long-term research and development, technological improvement projects with positive returns, and at the same time, there are obstacles to external financing channels, the company will postpone high-quality investment projects and experience an investment shortage phenomenon [18]. Hadlock and Pierce (2010) further improved the quantitative identification system of financing constraints, providing empirical support for the misallocation of funds caused by information asymmetry [14]. Specialized and innovative enterprises mainly rely on intangible assets as their core assets, have highly uncertain operations, and have a relatively low level of financial information standardization. The problem of bank-enterprise information asymmetry is more prominent compared to traditional manufacturing enterprises, and they naturally bear higher external financing costs. A close and clean relationship between the government and business can weaken the information barrier between banks and enterprises through regular communication between the government and enterprises, government information disclosure, and by combining fiscal subsidies, scientific and technological risk compensation, intellectual property pledge and other supporting tools to expand the supply of long-term credit, narrow the gap in internal and external financing costs, alleviate the mismatch between investment and financing terms, and this article explains the formation mechanism and relief path of investment shortage in enterprises under information asymmetry based on the above theories.

### 2.2.3. Rent-Seeking Theory

The rent-seeking theory posits that when the government holds scarce resources such as fiscal subsidies, credit quotas, specialized and distinctive qualification certifications, and when the distribution of power lacks transparent supervision and officials have excessive discretionary power, enterprises will invest funds and human resources in non-productive rent-seeking activities. Through personal connections and exchanges of interests, they aim to obtain policy benefits. The costs of rent-seeking will significantly displace investment in production and research and development, thereby reducing the overall efficiency of market resource allocation [19]. Under the traditional "close but not transparent" political-business relationship, rent-seeking behaviors are widespread. In the "clean" dimension of a clean and clear political-business relationship, through the full public disclosure of fiscal distribution, quantitative blind

review scoring, and full auditing supervision, the space for power rent-seeking is compressed, significantly reducing non-productive expenditures by enterprises, releasing more funds for long-term innovation investment and financing, while also curbing the unfair resource allocation caused by collusion between the government and enterprises, and ensuring that small and medium-sized specialized and innovative enterprises can fairly obtain policy and financial resources.



**Figure 1.** Theoretical Analysis Framework Diagram

**3. Financing and Investment Predicaments of SRDI Enterprises and Their Institutional Roots**

**3.1. Core Practical Capital Operation Dilemmas**

**3.1.1. Insufficient Financing Accessibility**

From the perspective of capital demand characteristics, the 2025 research data from the Ernst & Young Institute and the School of Management of Zhejiang University shows that specialized and innovative enterprises in the semiconductor and biomedicine sectors have a complete R&D profit cycle of 5 to 10 years. The R&D return cycle in the precision manufacturing and industrial software sectors is also 3 to 5 years. During the industrialization stage, these enterprises continuously invest large amounts of funds, remaining in a state of slight profit or even loss. Their internal funds are difficult to cover the funding gap for technological iteration and production line expansion, and they have a high dependence on external long-term funds. Moreover, the leading national-level "little giants" enterprises are more likely to conduct equity financing through the Beijing Stock Exchange, the Science and Technology Innovation Board, or the regional specialized board for specialized and innovative enterprises. Most provincial-level small and medium-sized specialized and innovative enterprises can only obtain funds through indirect credit from banks. The problems of high equity financing thresholds, long cycles, and

high costs are particularly prominent [20]. At the same time, traditional bank credit uses real estate mortgage as the core risk control standard. The core assets of specialized and innovative enterprises are intangible assets such as patents and processes, which are difficult to complete standardized valuation and credit granting. This further reduces the space for obtaining credit and raises the overall financing cost.

### **3.1.2. Maturity Mismatch Between Investment and Financing**

The specialized, innovative, and high-tech enterprises have a strong demand for long-term capital investment such as research and development and production line renovation. However, there are significant shortcomings in the long-term financing supply of the domestic financial market, resulting in a mismatch of terms between "short-term borrowing to support long-term real investment". From the perspective of the financial supply side, domestic banks, considering risk control, mainly provide short-term working capital loans with a term of 1-3 years. The scale of medium- and long-term low-interest credit and equity long-term capital supply for innovative enterprises is limited [21]. Enterprises find it difficult to obtain long-term funds that match the innovation cycle and can only rely on rolling short-term credit to maintain the operation of long-term research and development projects. Bai Yunxia et al. (2016) also pointed out that the insufficient supply of long-term financing channels in China is the core institutional incentive for enterprises to engage in short-term borrowing and long-term investment [22]. On this basis, when economic policy uncertainty increases, enterprises' profit expectations and financing qualifications are under pressure, banks' risk aversion increases, and the loan term further shortens. This will continuously exacerbate the imbalance in the financing term structure [23].

### **3.1.3. Underinvestment in Long-Term R&D**

Some enterprises merely use the specialized, innovative, and characteristic enterprise qualification as a means to obtain financial subsidies. After obtaining the recognition, they reduce long-term R&D investment and deviate from their main business, reallocating funds to short-term arbitrage areas such as real estate and financial products. There are quite a few enterprises whose core indicators such as R&D intensity and patents have significantly declined during the review stage [24]. The industry research of People's Forum Network further adds that under the long-term financial pressure on small and medium-sized specialized and innovative enterprises, there is a tendency to "focus on short-term turnover and neglect long-term research and development", and a few enterprises have diverted the special subsidies for R&D and technological transformation to daily operations and financial management, failing to convert them into actual innovation investments [25].

### **3.1.4. Institutional Environment Constraints**

The traditional imbalanced relationship between the government and businesses has elevated the frictional costs in the investment and financing process of innovative and start-up enterprises at its root. On one hand, in an "affectionate but not transparent" governance environment, financial subsidies and support resources such as those for innovative and start-up credit financing are more likely to flow to large enterprises with rent-seeking conditions. Small and medium-sized, specialized, innovative and small and medium-sized enterprises find it difficult to equally enjoy the policy benefits, resulting in the possibility that resource allocation may be influenced by non-market factors when supervision is insufficient; when services are inadequate, the reasonable demands of enterprises for subsidy applications and credit enhancement cannot be effectively responded to, and policy information and support for application may not be effectively reached by enterprises.

## 3.2. Institutional Root Causes of Capital Operation Predicaments

### 3.2.1. Imperfect Government-Enterprise Information Exchange Mechanisms

At present, the progress of information sharing mechanisms among local government and enterprises varies across regions. Most areas have not yet established standardized and regular channels for information exchange among specialized, innovative, and high-quality enterprises. Financial institutions have limited access to core business information such as enterprises' patent reserves, continuous R&D investment, and scientific and technological qualifications, making it difficult to objectively assess the long-term development potential of enterprises. Industry authorities lack support from dynamic enterprise operation databases, and it is challenging to precisely match policy support resources with the actual capital needs of enterprises. This can lead to misallocation of fiscal and financial resources. Moreover, the implementation effects of relief tools such as intellectual property pledge interest subsidies, scientific and technological risk compensation, and specialized guarantee for specialized and innovative enterprises are highly correlated with the promotion efforts of local government-bank-enterprise collaboration services. In some regions, the progress of the construction of government-enterprise service systems is slow, and the implementation pace of supporting policies for scientific and technological finance is lagging behind, thereby increasing the overall financing costs for enterprises.

### 3.2.2. Uneven Regional Institutional Construction

Chen Ying and Lin Chen (2025) empirically demonstrated that the activity levels of specialized and innovative enterprises in a region are significantly positively correlated with the local business environment and the quality of the clean and friendly governance of the government-business relationship [26]. However, under the influence of high-pressure anti-corruption efforts and changes in the domestic and international environment, some local governments often have "single-directional efforts and imbalance in both directions" as a shortcoming in promoting the clean and friendly governance. Many regions have focused their efforts on preventing corruption risks, reducing the tiered service mechanism for small and medium-sized enterprises; regions with heavy pressure from industrial development assessment have concentrated their fiscal and financial support resources, weakening the constraints of full-process supervision and quantitative evaluation systems [27]. Yao Lichao (2024) based on the regional calculation of the People's Congress index of urban political-business relations confirmed that there are imbalances in the construction of various items in the central and western regions and in the northeastern region [7]. One type of cities has a relatively high score in the integrity index and a significantly lower score in the closeness index, with insufficient supply of government support services for enterprises; another type of cities has a relatively acceptable closeness index, but lagging indicators in the integrity dimensions such as government transparency and fund auditing, and a lack of standardized constraints on the allocation of support resources. Both one-way construction models weaken the enabling effect of the political-business relationship on enterprises' investment and financing and innovation.

### 3.2.3. Incomplete Supervision Mechanisms for Fiscal and Financial Supporting Policies

For specialized, innovative and high-tech enterprises, the research and development subsidies and special award subsidies for technological transformation lack a closed-loop tracking and control chain [28]. Some enterprises have diverted the targeted support funds for technological iteration to business turnover and short-term investment, making it difficult for policy resources to be effectively transformed into long-term investment in real economy innovation. At the same time, the supporting financial tools such as scientific and technological credit risk compensation and intellectual property pledge loans lack regular constraints and accountability mechanisms [29]. Some banks have behaviors such as reluctant lending and covertly raising the interest rates for scientific and technological loans, resulting in insufficient

medium- and long-term special credit investment for research and development, and making it difficult to fundamentally alleviate the contradiction of mismatch between financing and investment terms for enterprises.

## **4. Mechanisms Through Which Close-Clean Government-Business Relations Reshape SRDI Enterprises' Investment and Financing Behaviors**

### **4.1. Impacts of Close-Clean Government-Business Relations on SRDI Enterprises' Financing Activities**

#### **4.1.1. The "Close" Dimension**

The institutional framework corresponding to the "close" dimension focuses on establishing a regular and non-administrative government-enterprise collaborative service mechanism for innovative and entrepreneurial enterprises. It does not rely on mandatory administrative intervention. It provides inclusive and precise services to reduce the overall search and connection costs for enterprises to obtain policy and financial resources. It builds a resource connection channel that is suitable for specialized, innovative, and light-asset enterprises with long-term R&D attributes.

The "close" dimension can leverage three differentiated intermediary channels to optimize the overall financing situation of enterprises. First, the regular information exchange between the government and enterprises can integrate enterprise operating information and convey the true operating and innovation potential of enterprises to financial institutions, reducing the degree of information asymmetry in the capital market, lowering the costs of information verification and risk assessment by financial institutions, and alleviating banks' tendency to avoid risks for innovative enterprises. Second, the government integrates and consolidates fiscal and credit support resources and builds an integrated push channel to reduce the institutional transaction costs for enterprises in applying for subsidies and handling credit enhancement procedures, further expanding the external financing channels for enterprises. Third, the government-bank-enterprise collaborative mechanism guides financial institutions to adapt to the long-term R&D capital needs of innovative enterprises, moderately extending the loan term, and alleviating the imbalance in the term structure caused by the dominance of short-term credit.

Multiple intermediary transmission paths jointly improve the overall financing availability of enterprises and gradually alleviate the problem of mismatch in financing and investment terms caused by the dominance of short-term credit.

#### **4.1.2. The "Clean" Dimension**

The "clean" dimension-related institutional framework centers on power constraints and transparent allocation of resources. It implements three rigid constraints mechanisms: establishing quantitative evaluation standards for resource allocation, full-process information disclosure and public announcement, and post-event auditing and verification of special funds. These measures aim to reduce the discretionary space of officials in the process of allocating policy subsidies and credit enhancement resources, thereby forming a unified, stable and predictable resource allocation rule. This weakens non-market-oriented intervention of administrative forces in the allocation of scientific and technological resources.

The "clean" dimension can rely on three differentiated intermediary channels to optimize the overall financing situation of enterprises. First, the transparent resource allocation rules reduce the space for power rent-seeking and the non-productive expenditures of enterprises for obtaining subsidies and credit quotas, saving internal funds of the enterprises. Second, the transparent resource allocation standards weaken administrative resource preferences,

reducing the occupation of scientific and technological support resources by large enterprises and leading entities, and improving the equal opportunity for small, medium, specialized and innovative enterprises to obtain policy financial resources. Third, the post-event auditing and supervision system of special funds reduces the uncertainty judgment of financial institutions on the sustainability of policy support for scientific and technological enterprises, helping to weaken the long-term financing risk premium of scientific and technological enterprises.

These paths can supplement the internal funds reserves of enterprises to some extent, improve the equal opportunity for small and medium-sized specialized and innovative enterprises to obtain policy credit resources, and encourage financial institutions to moderately increase medium- and long-term credit to optimize the long-term financing structure of enterprises.

## **4.2. Transmission Mechanisms Linking Close-Clean Government-Business Relations to SRDI Enterprises' Investment Behaviors**

### **4.2.1. The "Close" Dimension**

The related systems in the "affection" dimension focus on the targeted supply of external innovative resources and the provision of industrial supporting public services. Through the transmission of industrial policies, it clarifies the long-term technical research and development support orientation, and makes up for the inherent shortcomings of small and medium-sized enterprises, such as insufficient internal cash flow and high pressure on research and development support investment.

The "affection" dimension can increase the investment efficiency of enterprises through three types of intermediary transmission paths. First, diversified external capital supply alleviates the financing constraints of enterprises, fills the funding gap for long-term research and development and digital transformation projects, and reduces the possibility of shelving high-quality innovation projects due to insufficient funds; second, the government builds shared scientific and technological support such as public pilot production and intellectual property operation, shares the basic research and development costs of enterprises, and reduces the marginal cost of long-term technological investment; third, clear and stable industrial support orientation guides the allocation of enterprise funds to focus on main business technological research and development, weakens the pressure of short-term performance assessment for management, and inhibits short-term arbitrage asset allocation behaviors such as financial management and real estate.

Multiple intermediary transmissions can release the long-term innovation investment potential of enterprises, reduce the phenomenon of shelving high-quality technological transformation projects due to insufficient funds, and at the same time suppress short-term arbitrage asset allocation behaviors such as financial management and real estate.

### **4.2.2. The "Clean" Dimension**

The "clean" dimension institutional system is composed of the special fund supervision system and the fair competition guarantee system. It clearly defines the usage boundaries of special award and subsidy funds and the rules for disciplinary actions for violations, eliminating non-equitable competitive conditions such as administrative bias and hidden market barriers, and establishing a system environment that entirely relies on technical capabilities and market strength to conduct industry competition. It also restricts both enterprises' short-sighted allocation of funds and non-productive rent-seeking behaviors in two directions.

The "clean" dimension can increase enterprise investment efficiency through two types of intermediary transmission paths. First, the supervision mechanism eliminates the consumption of non-productive rent-seeking funds by enterprises, and the funds originally used to maintain political and enterprise connections can be returned to the fields of real innovation such as research and development and technological upgrading; Second, the fair

competition market order eliminates the channels for obtaining market benefits through power protection, and enterprises can only rely on continuous technological iteration to build competitive advantages in specific market segments and internally enhance the motivation for long-term R&D investment.

These two intermediary paths can continuously expand the scale of real R&D investment and weaken the decline and short-sighted arbitrage tendencies of R&D investment after qualification recognition.

Based on the above, the "close" and "clean" dimensions are not independent of each other; they have a complementary and collaborative relationship. Relying solely on the resource supply services of the "close" dimension without the supervision and constraints of the "clean" dimension is likely to give rise to issues of unfair resource allocation and hidden rent-seeking, weakening the enabling effect of funds on innovation; emphasizing the clean supervision of the "clean" dimension while weakening the government-enterprise collaborative services of the "close" dimension will result in governance shortcomings such as disconnected government and enterprise information and inefficient implementation of support resources, exacerbating enterprise financing constraints and insufficient investment. Such behavior.

## 5. Research Conclusion and Policy Recommendations

### 5.1. Research Conclusion

This paper, based on theories such as resource dependence, financing constraints, and rent-seeking, and combined with the operating characteristics of specialized and innovative enterprises, which have light assets and long research and development cycles, conducts a normative analysis. The main findings are as follows:

First, there are multiple structural contradictions in the financing and investment of specialized and innovative enterprises. On the demand side, the research and development iterations and production line expansions of enterprises take a long time, and the internal cash flow is difficult to cover long-term capital expenditures. On the supply side, a clear hierarchical pattern has emerged. National-level "little giants" can connect with the equity market, while most provincial small and medium-sized enterprises can only rely on short-term bank credit. In addition, factors such as the difficulty of standardizing the collateral of intangible assets and the asymmetry of information between banks and enterprises, as well as the general weak financing accessibility, mismatch between financing terms, insufficient long-term R&D investment, and short-sighted arbitrage investment, all lead to multiple inefficiencies in the allocation of non-efficient funds. Imbalanced political-business relations will further amplify these frictional costs.

Second, the two dimensions of the "close" and "clean" in the political-business relationship have differentiated action paths and exist in a complementary relationship. The "close" dimension relies on regular government-enterprise collaboration and government-bank-enterprise connection services to alleviate the financing constraints of enterprises at the information exchange and resource allocation levels, expand long-term capital supply, and reduce institutional transaction costs, thereby alleviating the problem of insufficient long-term R&D investment; the "clean" dimension relies on open resource allocation and full-process supervision and constraints to reduce the rent-seeking space, reduce non-productive capital consumption of enterprises, standardize the use of fiscal support funds, and create a fair competitive environment, which can weaken the short-sighted capital allocation behavior of enterprises. Focusing on only one dimension is prone to governance deviations and is difficult to completely solve the bottlenecks in enterprise financing and investment.

Third, the improvement effect of the close and clean political-business relationship on enterprise financing and investment has boundary conditions and is subject to the constraints

of regional financial development levels and the internal governance level of enterprises. In regions with well-developed financial support, the implementation effect of government-bank-enterprise collaboration tools is relatively better, and the long-term scientific and technological credit supply is more sufficient; in the central and western regions and the northeastern region with weak financial support, the enabling role of the system is likely to be weakened. At the same time, the higher the financial compliance, R&D internal control, and information disclosure levels of enterprises, the more they can fully absorb government services and financial support resources; conversely, it will restrict the effectiveness of policy relief.

## **5.2. Policy Recommendations**

### **5.2.1. Government Authorities**

(1) Establish a regularized government-enterprise communication service system with hierarchical classification

According to the relevant work arrangements of the Ministry of Industry and Information Technology's "one-month-one-chain" investment and financing roadshow, establish a gradient-based enterprise connection mechanism. For innovative small and medium-sized enterprises, provincial specialized and innovative enterprises, and national "little giant" enterprises, provide differentiated visits, response to demands, and financing guidance services. Build an online regularized channel for direct expression of demands, and carry out investment and financing connection activities along industry chains. At the same time, improve the detailed rules for officials' service tolerance, alleviate the mentality of officials avoiding responsibility, reduce policy implementation obstacles caused by "clearing but not acting", and continuously open communication channels for enterprise policy consultation and financing connection.

(2) Legally and in accordance with regulations promote compliant data sharing among government, banks and enterprises

Relying on the national integrated financing credit service platform, collect enterprise operating information such as patents, research and development, qualifications, and tax payments under the premise of enterprises' voluntary written authorization. Follow the principle of minimum necessity and de-identification to push the white list data of scientific and technological enterprises to banks and guarantee institutions. Implement the rules for protecting trade secrets and business privacy throughout the process, establish a mechanism for hierarchical storage, access traceability, and liability pursuit for data leakage, and limit the shared data to only be used for credit approval and investment and financing connection scenarios. Prohibit the unauthorized circulation and use of enterprise business information and balance data circulation with the protection of the rights and interests of the entities.

(3) Improve the long-term government guarantee and scientific and technological risk compensation mechanism

Implement the relevant policies for scientific and technological innovation special guarantees, improve the provincial and municipal government financing guarantee systems, moderately reduce the guarantee rate for specialized and innovative enterprises, and increase the proportion of risk sharing for medium-term R&D loans. Encourage localities to coordinate the allocation of inclusive financial funds to establish a scientific and technological credit risk compensation pool, provide appropriate compensation for reasonable compensations arising from intellectual property pledge and long-term technological transformation special loans; the central government can provide preferential support to financial weak areas in the central and western regions through central guidance of local science and technology development funds and transfer payments for inclusive finance.

(4) Publicize policy resource allocation rules and establish a full-cycle fund performance evaluation mechanism

Implement a quantitative blind review allocation system for research subsidies, technology transformation rewards, and credit enhancement quotas. Use objective indicators such as research intensity, invention patents, and competitive strength in specific markets as the basis for allocation. Fully disclose the scoring standards, shortlisted list, and progress of fund disbursement. Establish a full-cycle tracking audit and performance evaluation process for the allocation, use, and output of support funds, and regularly verify the actual investment direction of the funds. For enterprises that misappropriate support funds and engage in financial manipulation or real estate arbitrage, cancel their subsequent policy application qualifications in accordance with regulations, and strengthen the constraint effect of fiscal funds.

### 5.2.2. Financial Institutions

Reconstruct the credit evaluation system by integrating with the government's science and technology innovation whitelist, weakening the rigid standards for real estate mortgage, incorporating the enterprise's specialized, innovative, and distinctive qualifications, patent reserves, and R&D investment into the core credit indicators, expanding the scale of intellectual property pledge and long-term credit loans without collateral, lowering the loan interest rates for science and technology projects; jointly build a credit risk compensation pool with local governments, sharing the bad debt losses of long-term intellectual property pledge loans, and providing medium- and long-term R&D special loans to alleviate the mismatch between investment and financing terms; collaborate with the government's listing incubation platform, introducing securities firms, government guiding funds, and venture capital institutions, providing shareholding reform, Beijing Stock Exchange, and regional specialized board guidance services to small and medium-sized specialized, innovative, and distinctive enterprises, and constructing a diversified financing system of "long-term credit + equity investment + fiscal subsidies".

### 5.2.3. Enterprises

Maintain the "clean" business bottom line, completely eliminate non-productive expenditures such as bribery and rent-seeking through personal connections, and fully invest the saved funds in physical investments such as main business research and development, digital transformation, etc.; actively utilize the regular communication channels provided by the government, actively participate in industry discussions, investment and financing roadshows, actively apply for tax and finance, guarantee, and technological transformation support policies, and obtain long-term low-cost funds through the government-bank-enterprise connection channels; improve the internal financial and research and development ledger management system, enhance information transparency, formulate medium- and long-term research and development investment plans, reduce short-term arbitrage configurations such as wealth management and real estate, and continuously increase investment in core technologies.

## 5.3. Research Limitations and Future Outlook

This paper mainly employs normative theoretical analysis methods for logical deduction. It has not yet conducted quantitative empirical tests by combining micro-enterprise panel data and regional survey samples, lacks cross-regional and enterprise-gradient comparative analysis, and is unable to identify the causal relationship between variables. There are also deficiencies in the quantitative explanation of the heterogeneous effects of different regions and different-sized enterprises.

Future research can collect micro-finance and investment panel data of specialized, innovative, and high-tech enterprises in multiple provinces, construct a measurement model to identify the causal effects of the clean and supportive political-business relationship on enterprise financing costs, R&D investment, short-term loans and long-term investments, and distinguish regional heterogeneity differences in the east and the central and western regions; it can also combine questionnaire surveys and case interviews to further clarify the regulatory mechanism of

grassroots government execution deviations and enterprise internal governance on the policy transmission effect, and enrich the relevant empirical evidence.

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