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Research on the problems and Countermeasures of China's Regional investment and financing management effect

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Abstract: In this paper, the main research is, investment and financing management effect problems existing in regional economic development in China, and the problems of the breadth and depth of. Firstly, this paper analyzes on the analysis and the research to the related field of scholars at home and abroad; secondly, this paper analyzes the current development of regional economy in China appeared in the management of investment and financing effect; finally, this paper aimed at improving the effect of China's regional economic development in the financing management problems some countermeasures and suggestions from the government level, hope can help enterprises and relevant units to provide basis and method of making effect optimal financing scheme.

Keywords: Regional economic; Investment; Financing; The government management

I. RESEARCH STATUS

Regional economic development is closely related to the investment and financing, the government investment and financing refers to the government to realize the regulation of economic activities as the goal, on the basis of the government credit as the foundation to raise funds and use of financial activities; which is combined with the investment and financing of two government high reputation and financial investment efficiency, is an important way for local government construction in local infrastructure and economic development. The government investment and financing of the pulling effect of city economic development is very significant. The government plays the indirect control and choosing appropriate investment and financing pattern is the effective way to stimulate the local economy high speed development. Reform and opening up since the development, investment and financing of local government in China is still in the initial stage, has not yet been achieved truly improve the investment and financing system, to solve the prominent contradictions city economic development and the shortage of funds.

Heitor Almeida (2009) and others through the investment preference, risk behavior, the choice of capital structure for analysis and research found that the investment security and liquidity are complementary to each other, they believe that short-term investments are relatively safe.

In recent years, many domestic scholars have studied the local government investment and financing, mainly from the following two aspects to discuss: one is research on the local government investment and financing status, countermeasures and future trend; another is the in-depth analysis of a typical city domestic financing successful case. Domestic scholars through the analysis of local government investment and financing situation, put forward the corresponding countermeasures, and explore the future development trend. Lin Bin (2010) put forward the government investment and financing and financial, finance is closely linked, it not only has the general function of investment and financing policy, with more obvious tendency. The government investment and financing management system with both the macro control system directly linked with economic activities, and closely related to micro management, has certain adaptability and flexibility.

Ma Haitao (2010) points out that the government fiscal investment and financing is a financing behavior is more special than general commercial finance, deepen its generation source of some defects in the market function and mechanism and government intervention and social economy coordinated and stable development function, is the organic combination of market and commonality, and finance, paid and unpaid, macro and micro, direct management and indirect management etc.. At the same time, Ma Haitao and Qin Qiang (2010) found in the soft budget constraints, local governments often have a tendency to over financing, at present relatively loose credit policy incentives, China's local government is actively play the local investment and financing platform functions of financing, the issuance of enterprise bonds through the payment, form financing. Han Zhanbing (2011) from 2001 to 2008 in China, the empirical study in the East, West three big regional representative panel data of listing Corporation, draw the regional economic development in our country is an important factor affecting the formation of enterprise financing structure. Among them, the enterprises in the eastern region of China lay particular stress on endogenous financing mode, and the enterprises of the western regions prefer exogenous financing.

In the current rapid economic development background, from the government level, with the regional division, the effect of investment and financing management directly influences the speed of economic development and the process of. Found study and Countermeasures on regional economic investment and financing management effect problem throughout the field of economy, there are many problems in our regional economic investment and financing management effects, scholars have put forward the corresponding countermeasures and methods to the problem, but the discussion from the theory angle more, combining with the data analysis less, but more in the proposed countermeasures broad. In this paper, combined with the current data analysis and research to the problem of China's regional investment and financing management effect, and by the graph form make the problem clear, specific; proposed measures to tackle the problem of segmentation aspect, from the perspective of the government, multi-faceted analysis countermeasures, countermeasures is perfect, can provide reference for investment and management the system of financing for enterprises and relevant units to formulate suitable region.

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II.EFFECT OF GOVERNMENT INVESTMENT AND FINANCING MANAGEMENT EXISTENCE

A.THE LOW EFFICIENCY OF INVESTMENT

With the rapid development of our economy, have steadily increased GDP every year in our country, while fixed asset investment has also increased year by year, but the rate of return on investment of it? Fixed asset investment benefit has not increased with the amount of fixed asset investment growth? Here in China's fixed asset investment benefit as the investment benefit analysis cases. The benefit of investment can be used to measure the benefit coefficient Et, it refers to the GDP growth amount and ratio of this growth has caused the whole society investment in fixed assets in a certain period, mainly reflecting the use of macro effect of fixed assets investment. Due to the increase in GDP depends not only on fixed asset investment, but also by the floating assets investment, labor productivity, improve the management level, making full use of the existing production equipment and other factors, therefore, fixed asset investment benefit coefficient can only approximate from the overall description of the fixed assets investment benefit.

Benefit coefficient definition formula is as follows:

$E_t=\triangle Y/K_t$ (1)

Type in Kt for a certain period of time (t years) investment in fixed assets, increase the amount of delta Y for the period GDP. In addition, another problem of the index is the year the amount of investment in fixed assets of the year added GDP does not necessarily play a large role. This is the lag effect of fixed assets investment benefit, considering the lag effect, can increase the two coefficients.

$E_{t1}=\triangle Y / K_{t-1}$ (2)

$E_{t2}=\triangle Y / K_{t-2}$ (3)

Type (2) as the efficiency coefficient formula one year lagged, type (3) for the benefit formula of the coefficient of lagged two years.

According to the statistical data Chinese prepared by the National Bureau of statistics in 2006, 2007, 2008, 2009 statistical yearbook, and network data to build the table as follows:

Table 1 the total social fixed assets investment benefit coefficient table

Particular year t	GDP（Billion yuan）	GDP Increment（Billion yuan）	Investment in fixed assets（Billion yuan）	Investment in fixed assets（Billion yuan）t-1	Investment in fixed assets（Billion yuan）t-2	Fixed assets investment benefit coefficient	Fixed assets investment benefit coefficient Et1	Fixed assets investment benefit coefficient Et2
2006	211923.5	28706.1	109998.2	88773.6	70477.4	0.261	0.323	0.407
2007	257305.6	45382.1	137323.9	109998.2	88773.6	0.330	0.413	0.511
2008	300670.0	43364.4	172828.4	137323.9	109998.2	0.251	0.316	0.394
2009	335353.0	34683.0	224598.8	172828.4	137323.9	0.154	0.201	0.253
2010	397983.0	62630.0	278140.0	224598.8	172828.4	0.225	0.279	0.362
Average	300647.0	42953.1	184577.9	146704.6	115880.3	0.244	0.306	0.386

Table 1 shows, the fixed assets investment coefficient Et is less than 0.500, and the difference is all above 0.1, illustrate the benefit of investment in fixed assets in China is low. Table 1 is drawn into the curve, can be more clearly see that China's fixed assets investment benefit society level.

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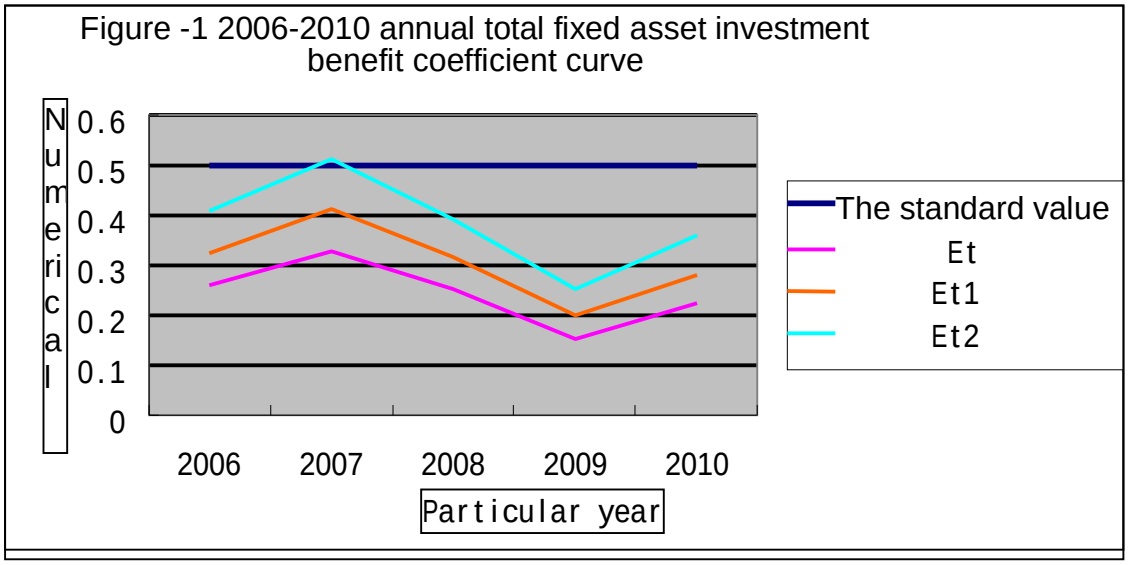

From Figure 1 we see the figure below, the purple curve represents the fixed assets investment benefit coefficient Et, said that the benefit of investment in fixed assets, from 2006 to 2010 are shown in Et values were less than 0.4, the standard value of 0.5 from far, from fixed assets investment benefit coefficient E_{t1} and E_{t2}, also the existence of coefficient the overall efficiency is not high status, just more than Et year high, reflected this just lag effect. Data in the table, "eleven five" during the period of the data, "eleven five" during our country more adequate funding, better economic conditions, more developed technology, human resources are abundant, but the coefficient of investment efficiency is relatively low, shows that China now although better economic conditions, but the application in the capital management, investment management problems still exist deficiencies.

B. Negative effect of investment -- investment caused damage to the ecological environment of the region

Since the reform and opening up, China's rapid economic development, especially industrial development is swift and violent, but we are in the development of the industry. Many ways is to follow the traditional pattern of industrial development in the west, rapid economic growth and the deterioration of the ecological environment of the coexistence of "economy environment" circle. Large, sustained investment to realize our country economy years of sustained rapid growth, improve the people's living level has reached a well-off in general, while also caused the deterioration of ecological environment. The ecological function of forest and grassland degradation, land desertification, soil erosion is severe, early, waterlogging, sand (Sha Chenbao) disasters, and all of this is still deteriorating.

The data shows, our country the degradation of grassland area of 2 / 3; the soil erosion area of 3560000 square kilometers, 7.1% of the total land area; area of sandy land of about 1000000 square kilometers, and is still expanding. The loss of biodiversity, global 1121 endangered species in our country, there are 190 kinds of.Nitrogen oxide emissions per unit GDP in China is 27.7 times that of Japan, Germany 16.6 times, 6.1 times America; sulfur dioxide emissions per unit of GDP is 68.7 times that of Japan, Germany 26.4 times, 6 times the American. Greenhouse gas CO2 now ranks second in the world, second only to USA. The main atmospheric pollutants SO2 exceeded the atmospheric environmental capacity of more than 80%, acid rain area accounted for about 30% of the land area of. Display monitor at the beginning of 2005, seven river polluted river has reached 53.3%, five bad water quality which is a serious pollution accounted for 30% and some basic loss of use value; 90% city river is seriously polluted; 75% of the lake water environmental degradation. In per capita water resources quantity and per mu is very low under the condition, the waste of water resources and water pollution is exacerbated by the shortage of water resources, serious water shortage. Industrial solid waste pollution on the rise. Sewage, industrial solid waste and garbage also caused pollution in Shangdi.

C.INVESTMENT "LIGHT AGRICULTURE" SERIOUS

China's investment in fixed assets, the main bias and good economic benefit, benefit quick recovery of the industry, and a disregard for agricultural investment, China is a large agricultural country, like the industry's shift a distance, speed up the industrialization development, should first strengthen the speed of development of agricultural industrialization, industrialization and the development of better, the data show that the the proportion of China's fixed asset investment in agriculture is low.

Table 2 shows that between 2003 and 2008, agriculture, forestry, animal husbandry and fishery investment total investment in fixed assets accounted for about 2.6%, the proportion of visible agriculture is minimal.

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Table 2 2003-2008 years of national investment and the proportion of the first industry

Particular year	Total investment in fixed assets （Billion yuan）	Farming, forest, herd, fishery investment （Billion yuan）	proportion （% ）
2003	55566.6	1652.3	2.97
2004	70477.4	1890.7	2.68
2005	88773.6	2323.7	2.62
2006	109998.2	2749.9	2.50
2007	137323.9	3403.5	2.48
2008	172828.4	5064.5	2.93

On China's current economic situation, the agricultural investment proportion of social investment in fixed obviously too small, and the development of agriculture in our country now has not reached the mature stage, the degree of agricultural mechanization is very low, a lot of practical can be liberated from the agricultural labor force has not released, there is a great space to improve the agriculture of our country the development of.

D. THE FINANCING SCOPE OF SMALL, SINGLE METHOD

In a narrow sense, behavior and process of financing is a financing business; in a broad sense, financing is also called financial, is the currency of the capital financing, the parties to the financial markets by raising funds or loans to the behavior of a variety of ways. Now, the financing is not only considered the economic behavior of enterprises have adopted. Chinese is take the characteristics of socialist economic road, financing should also is the economic behavior of the government, the government should use its unique capabilities, the use of various means of financing, promote the economic development. Financing has a lot of ways: one is the fund, means of false shares dark loan; two is the bank acceptance; three is the direct deposit; four is the bank credit (large pledged deposits); five is entrusted loans; six is through the funds; seven is a hedge fund; eight is the loan guarantee. At present our country in financing mainly use the loan, method of direct mode, financing funds and stock financing direct financing single, also affects the economic benefits.

III.POLICY AND SUGGESTION

A.THE PROMINENT EFFECT OF THE RELEASE, CONSOLIDATE AND PERFECT THE MECHANISM OF GOVERNMENT'S MACRO INVESTMENT

1.To strengthen the guidance function. One is to increase the total input. Through increased volume, reflects the government on the investment and financing support attitude and support, promote investment and strong release policy signal financing. Two is to optimize the investment. In the increment at the same time, we must change the capital investment and the use of measures, should be "small", "some things", to directly reduce to specific projects, a single support enterprises, focusing on the investment and financing environment optimization, system mechanism, perfect service system, the risk of loss compensation and so on, to provide a relaxed environment for investment and financing.

2.Strengthen the expansion function. Government investment is not only a part of the overall investment, should be the overall investment in the "starter", "power" and "fermentation point". Government investment should be the right entry point and point of integration, integration and concentration of funds, make full use of and innovative use of grants, equity, interest subsidies and other means and forms, effectively play the government funds "four two dial one thousand jins" role, to promote the release of the multiplier effect, promote investment and financing scale expanding the capacity of synergism.

3. Strengthen the incentive function. Under the condition of market economy, the capital owner investment behavior in the pursuit of their own interests motivation. Forming dynamic mechanism of investment and financing, but also depends on the interest mechanism of induction hardening and the incentive mechanism of formation. One is the financing situation into the performance appraisal system, enrich the current "four in one" examination content, improve the incentive mechanism between government hierarchy. The two is the tax preferential policies to well implement the transformation of value-added tax reform, to encourage more investment, is conducive to enhancing the ability of the formation of incentive mechanism of enterprise independent investment ability and the residents of self-employed. Three is a good amount of loans, financial institutions to deal with non-performing loans, support the positive contribution to local economic development a big reward, and tilt mainly in arrange special funds for government funds deposits, financial business and project when opening an account, the formation of incentive mechanism to increase the effective supply of financial services.

4. Strengthening the function of compensation. For those who do not want to involve private investors appear "vacancy", but also to regional economic and social development is of great significance in the field, government investment should actively "fill", play of public investment, the public benefit function, for those private investment risk is quite big, but the proper public

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welfare foundation, field "three agriculture", such as financial services, the small loan guarantee fund, the government investment to guide and encourage a positive risk, give appropriate compensation.

B. PLAY THE MAIN ROLE, THE FORMATION OF MICRO INVESTMENT MECHANISM AND IMPROVE THE MARKET MAIN BODY

1. Enhanced accumulation of investment ability. In the economic and social development at the same time, adjust and improve the income distribution pattern, benefit to enterprises, giving benefits to the people, and constantly improve the market main body income level and the accumulation ability, make market main body has the capital can be cast.

2.Guide the stock funds into real investment. To create a fair, liberal market environment, reduce market access conditions, the establishment of benefit induced mechanism, encourage independent venture, encouraging the development of non-public economy, make market main body has funded may vote.

3. Promotion of capital operation and appreciation ability. Constantly improve the market main body levels of capital operation, accelerate the capital turnover, improve the operation efficiency and the benefit of capital. To encourage capital re investment, the economic strength of the enterprise expands unceasingly, enhances the enterprise the level of profitability and capital appreciation ability, make market main body of investment gains.

4. To establish various forms of investment pattern. To establish "a full range, multi form" idea, abandon as long as the money into the narrow thinking, develop ideas and channels, actively encourage franchise investment, technology investment, brand investment, labor input and other diversified into the development of the form.

C.DREDGE THE CHANNEL OF DIRECT FINANCING, THE ESTABLISHMENT OF SOCIAL CAPITAL INVESTMENT MECHANISM

1. Expanding investment scale. Innovation the way investment, expand investment field, improving the service mode, to ensure that the investment made significant achievements. Meticulous organization, and actively participate in the large section investment activities, and continuously explore new ways of attracting investment, innovation investment, an extension of investment areas, expand investment channels. Strengthen the contract project tracking service, to help coordinate and solve specific problems, promoting the project early start, early benefit.

2. The use of investment and financing of stock market. Formulate enterprise listing plan, carry out the listing Corporation reserve resources cultivation. Diagnostic investigation of joint-stock company and has a certain scale of the limited liability company to be listed on the resources, grasp overall situation, focusing on cultivating industry in line with the policy, has the development potential of the high-tech enterprises, the local pillar enterprises and industry leading enterprises, listed as back-up resources, into a listed enterprise reserve resource base, and actively promote the advantages of industry, industry advantage of high quality the company listed on the main board, push the high growth firms, science and technology innovation companies listed in the small board and gem.

3. The use of investment and financing of bond market. Based on the strict control of the risk, to encourage qualified enterprises through the issuance of bonds investment and financing, broaden the financing channels for enterprises. Supervision enterprises attach importance to bond information disclosure, improve fund use efficiency, enhance the solvency of enterprises, establish a sound asset mortgage, credit guarantees and other debt security mechanism, reduces the enterprise debt risk.

D. THE INVESTMENT AND FINANCING ENVIRONMENT OF EXCELLENCE, IMPROVE THE INVESTMENT AND FINANCING SERVICE SYSTEM

1. Promote the construction of enterprise guarantee mechanism. According to the "government guidance, market operation" principle, support and encourage the social capital and the introduction of foreign capital investment guarantee industry, establishing the guarantee mechanism. Actively promote the government funded the establishment of pilot work of guarantee institutions for SMEs, by various financial arrangements for a certain amount of special funds, support the development of guarantee agencies. Actively seek financial guarantee the central, provincial re guarantee risk compensation funds, the focus for compensatory loss support guarantee industry development and guarantee mechanism.

2. Improve the investment and financing intermediary service level. Perfecting the financial intermediary service mechanism, the healthy development of all kinds of intermediary institutions to support the financial services and economic development. Improve the intermediary practitioners practising level and occupation moral quality, strengthen self-discipline, do everything by rule strictly, improve the quality and efficiency of service, effectively play the function of intermediary services. Strengthen the supervision of Intermediaries Examination further, guidance and supervision of intermediary agencies legitimate business integrity.

3. Promote the construction of credit system. Increase the credit resource integration efforts, finance, social security, public security, industry and commerce, taxation, telecommunications and other departments should actively provide credit information is the Construction Bank credit system, accelerate the establishment of a "multi network of a credit mechanism, resource sharing", and further improve the credit intermediary service system, promote the formation of effective credit incentive and constraint mechanism. Strengthen the integrity of education of the whole society, to carry out the integrity of the government, the integrity of enterprise, honesty and integrity to create community farmer selection activities, strengthen the government, enterprises and citizens of the credit consciousness, create a good social credit environment. The establishment of a joint collaboration mechanism between government, financial institutions, to crack down on malicious evasion of bank debts.

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4. The realization of economic and financial interaction and win-win. To establish and perfect the system of the financial work of the joint meeting, timely coordinate and solve the contradictions and problems existing in the enterprise and local economic development, financial institutions in the. Regularly held the bank government bank forum, key projects to promote, loan marketing fair, timely release of important economic information to banks, to promote good projects, promote the effective connection of credit funds and enterprise, project. In formulating economic development planning, key industry development policy and determine the key supporting enterprises, should be promptly consult the opinions and suggestions of financial department. The financial departments should take the initiative to strengthen contacts and communication with the government, actively participate in major economic activities, strive for government financial support for the work of.

IV.CONCLUSION

Through this analysis and study found, there were a lot of investment and financing management effect in regional economic development in our country, these problems directly affect the progress and quality of the economic development of our country. Through the analysis of the relevant data in recent years that, China's regional investment and financing management of the existing investment benefit is low, serious impact on the environment of investment, investment "light agriculture" problem is serious, the single way of financing, the degree of attention to the problem of low. At the same time, through the analysis and the research discovery, problem of China's regional investment and financing management effect, not by some appropriate strategies and eliminate specific analysis of specific issues, we can only use accurate, method and strategy to alleviate the problems and contradictions.

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