

# Reforming Business System: Impacts on Entrepreneurship, Innovation, and Economic Efficiency

Yang Liu\*

*School of English for International Business, Guangdong University of Foreign Studies, Guangzhou, China*

**Abstract:** Business system reform is a crucial component of China's "Delegation, Regulation, and Service" (DRS) reform, aimed at reducing institutional transaction costs and fostering high-quality economic development. This study explores the theoretical foundations of business system reform, emphasizing its role in lowering transaction costs and improving market efficiency. Through a comprehensive review of empirical research, the paper examines its macroeconomic effects on industrial structure, entrepreneurship, economic quality, innovation, and employment, as well as its microeconomic impacts on firm productivity, investment, and resource allocation. The findings highlight that these reforms significantly enhance economic dynamism by reducing regulatory burdens and promoting market competition. Future research should focus on digital governance, market entry and exit reforms, regional disparities, and international policy comparisons to further optimize China's business environment.

**Keywords:** Business System Reform, Transaction Cost, Market Competition, Business Environment.

## 1. Introduction

Business system reform is a pivotal initiative in deepening China's "Delegation, Regulation, and Service" (DRS) reform. Continuously enriching the connotation of business system reform will contribute to promoting high-quality economic development in China, making in-depth research on this topic highly significant.

Specifically, the business system is a crucial component of the socialist market economy. It comprises the legal regulations and policies that standardize market entities and commercial activities, ensuring the statutory rights of citizens to engage in business. This facilitates capable individuals in conducting business activities in accordance with their preferences and within the framework of the law (Wang & Huang, 2019; Zhang, 2017; Bai & Sun, 2022).

However, during the era of a planned economy and the transition from a planned to a market economy, China's business system was characterized by a multitude of registration and approval processes. The excessive number of pre-approval procedures and the high difficulty of registration hindered the vitality of market entities (Wang & Huang, 2019). To further invigorate market entities, China has undertaken

administrative management system reforms centered on DRS since the 18th National Congress of the Communist Party. This reform aims to shift government functions by addressing regulatory issues such as "excessive approvals, weak supervision, and inadequate services." By tackling the high institutional transaction costs that market participants face in market entry, competition, and operations, these reforms help businesses reduce operational costs (Zeng & Huang, 2020).

## 2. Theoretical Foundation of Business System Reform

From a theoretical perspective, business system reform is driven by policies aimed at relaxing market entry restrictions, easing exit regulations, and strengthening market supervision to lower transaction costs for enterprises. The theoretical foundation of business system reform can be traced back to transaction cost economics. The concept of transaction costs, also known as "transaction expenses," was first introduced by Coase in 1937 in "The Nature of the Firm." He argued that market transactions incur costs, including the costs of using the price mechanism and the expenses associated with discovering relative prices. Williamson (1981) extended this concept by likening transaction costs to "friction" in physics, further elaborating that transaction costs represent the losses incurred during the transaction process. Zhang (1999) provided a broader definition, categorizing transaction costs as all expenses beyond direct production and transportation costs. While there is no unified framework for defining transaction costs, the various conceptualizations converge on the idea that transaction costs impede economic transactions (Zeng & Huang, 2020). Institutional transaction costs fall under the broader category of transaction costs and can be analyzed using similar conceptual frameworks.

## 3. Macroeconomic Impacts of Business System Reform

Existing studies have primarily examined the effects of business system reforms on industrial structure, entrepreneurship, economic growth, economic quality, innovation and entrepreneurship, and employment choices of the floating population.

\*Corresponding author: 2680858377@qq.com

### A. Industrial Structure

Regarding industrial structure, Ji (2020) utilized a panel dataset of prefecture-level cities from 1999 to 2015 and applied the difference-in-differences (DID) method, finding that administrative approval reform significantly promoted regional industrial upgrading. The primary mechanisms include reducing institutional costs and improving resource allocation efficiency. Sun *et al.* (2022), using data from 281 prefecture-level and above cities from 2011 to 2015, found that business system reform facilitates industrial upgrading mainly by stimulating entrepreneurship, promoting innovation, and enhancing venture capital investment. Aghion *et al.* (2008), analyzing India's deregulation of industrial licensing (License Raj) across states with varying labor market conditions, found that post-deregulation, industrial development in employer-friendly labor markets outperformed those in employee-friendly labor environments.

### B. Entrepreneurship

Regarding entrepreneurship, Zheng (2022) used panel data from prefecture-level cities from 1999 to 2015 and a quasi-natural experiment based on the establishment of administrative approval centers in various regions of China. The study found that administrative approval reform significantly enhances entrepreneurship by reducing institutional transaction costs and easing financing constraints. Zhang (2021), using panel data from 283 prefecture-level cities from 2003 to 2014 and constructing an econometric model, found that administrative approval reform enhances entrepreneurship while generating negative spillover effects on surrounding cities. Dong *et al.* (2021), using data from the China Private Enterprise Survey (CPES) for the years 2006, 2008, and 2010, applied the DID method and found that the reform of administrative approval centers helps optimize entrepreneurs' time allocation by reducing non-productive activities and thus mitigating wasted entrepreneurial efforts. Schulz *et al.* (2016) studied the impact of Mexico's introduction of a "one-stop" business registration system and found that hybrid entrepreneurs (those maintaining employment while starting a business) are more affected by deregulation policies than full-time entrepreneurs.

### C. Economic Quality

Regarding economic quality, Zhao *et al.* (2021) applied entropy-weighted and super-efficiency SBM models to panel data from 249 prefecture-level and above cities in China, demonstrating that an improved business environment significantly contributes to green economic growth, primarily by stimulating entrepreneurship. Li and Zhang (2021), measuring the business environment index of 260 prefecture-level and above cities in China from 2008 to 2016, found that a better business environment enhances economic growth quality through the lens of entrepreneurship. He and Wang (2020), using data from the World Bank, Fraser Institute, and Polity IV covering 217 countries from 2000 to 2017, employed fixed effects and system GMM models to show that business environment improvements significantly enhance economic development quality, primarily through better market resource

allocation. Zhang and Meng (2022), based on provincial panel data from 2011 to 2017, found that an improved business environment significantly promotes high-quality economic development, particularly by enhancing technological innovation levels.

### D. Economic Growth

Regarding economic growth, Zeng *et al.* (2022) analyzed panel data from Chinese provincial cities from 1999 to 2018 and urban credit monitoring data from 2017 to 2019, empirically proving that a favorable business environment and credit regulation significantly promote regional economic growth by reducing transaction costs and facilitating market entry for potential firms. Xia and Liu (2017), using panel data from 2000 to 2013 and SME board-listed company data from 2010 to 2014, found that administrative approval reform fosters economic growth by reducing transaction costs. Chen *et al.* (2019), using panel data from 135 countries and regions worldwide, found that high fees, time, and costs associated with business registration suppress total output, and entry regulation reform promotes economic growth primarily by lowering the costs incurred in business establishment. Eliasson (1990) examined the importance of deregulation for structural diversity and competition, concluding that dominant firms' success after market entry shapes long-term economic performance, which may hinder sustained economic growth. Thus, fostering innovation and competition is crucial for long-term macroeconomic stability and growth.

### E. Innovation and Entrepreneurship

Regarding innovation and entrepreneurship, Xia and Liu (2020) conducted an empirical test using innovation data from 285 prefecture-level and above cities in China from 2013 to 2016, demonstrating that business system reforms and contract spirit significantly boost urban innovation, primarily by encouraging technological innovation in high-contract industries and increasing market entry of potential enterprises. Chen and Huang (2020), using manually collected data on the establishment times of administrative approval centers in prefecture-level cities and city innovation index data reflecting innovation quality, applied a bilateral stochastic frontier model to analyze the impact of administrative approval reform on urban innovation from both incentive and survival squeeze perspectives.

### F. Employment Choices of the Floating Population

Regarding the employment choices of the floating population, Li and Du (2022), using the 2017 national floating population monitoring survey data and matched city-level characteristics, applied a conditional logit model to demonstrate that business environment optimization promotes labor inflow by strengthening regional industrial competitiveness. Han (2022), using survey data from 35 key cities and business environment evaluation data, found that an improved business environment reduces employment difficulties for the floating population, with the optimization of business costs having the most significant impact. Lin and Wei (2020), using the China Household Finance Survey (CHFS) and the World Bank's

China Business Environment Index, found that a favorable business environment significantly promotes entrepreneurship among migrants, primarily by easing financial constraints through both formal and informal financing channels. Zhang *et al.* (2016), utilizing the 2008 World Bank Environment Report and the 2011 China Household Finance Survey, constructed an entrepreneurship choice model incorporating administrative approval intensity and found that increased administrative approval intensity suppresses local residents' entrepreneurial inclination and business scale, particularly affecting industrial startup projects. Liu and Xia (2021), employing nearly 600,000 individual entrepreneurship data points from the National Dynamic Monitoring Survey on Floating Population, found that business system reforms significantly enhance both the quantity and quality of entrepreneurship by leveraging human capital's comparative advantage in entrepreneurship. Zhang and Xia (2020), using CFPS data, demonstrated that an improved business environment increases residents' entrepreneurial intentions, with business system reforms having heterogeneous effects across education levels. Yuan and Yang (2021), using CHFS data, found that optimizing business environments—including both hard and soft business environment factors—enhances residents' entrepreneurial intentions, primarily by promoting household digital application levels. Castellaneta *et al.* (2020), studying Portugal's deregulation of business entry from 2005 to 2009, found that deregulation led to a higher rate of female entrepreneurship compared to male entrepreneurship.

#### 4. Microeconomic Impacts of Business System Reform

Existing research on micro-level firms primarily focuses on aspects such as firm innovation and R&D, resource allocation, capacity utilization, total factor productivity, firm size, investment, and employee returns.

##### A. Firm Innovation and R&D

Wang and Feng (2018), using matched data from China's Industrial Enterprise Database and patent database (1998–2006), employed difference-in-differences (DID) and triple difference methods to find that administrative approval reforms significantly enhance firm innovation levels, primarily by reducing institutional transaction costs. Nie *et al.* (2008) utilized panel data of large-scale industrial enterprises (2001–2005) in China and a Tobit model to explore factors influencing firm innovation activities. Their study found that a certain level of market competition fosters innovation, while larger state-owned enterprises engage in more innovation activities but exhibit lower innovation efficiency compared to private enterprises. Li and Yu (2021), based on business system reform data from 286 prefecture-level cities in China and matched A-share listed firms (2010–2018), applied a multi-period DID model and found that business system reforms promote firm innovation by lowering institutional and entry costs, thereby increasing firms' R&D time and funding. Yan *et al.* (2021), utilizing microdata from A-share private listed companies and a DID model, discovered that an improved business environment significantly enhances private firm innovation by reducing both fee-based and efficiency-based institutional

transaction costs. Jin (2020), using China's industrial enterprise data (1998–2007) and a natural experiment based on the establishment of local administrative approval centers, found that the positive impact of administrative approval reform on firm R&D diminishes with decreasing productivity, ultimately disadvantaging low-productivity firms.

##### B. Firm Resource Allocation

Guo and Shao (2019), using China's Industrial Enterprise Database (1998–2007), found that administrative approval reforms significantly reduced the dispersion of city-level firm productivity distribution and optimized resource allocation among firms. This impact stemmed mainly from market selection and incentive effects among firms with different productivity levels. Zou and Lei (2021a), using the same database, found that an improved business environment mitigates resource misallocation, with a stronger impact in capital-intensive industries than in labor-intensive ones. This occurs mainly through lowering firms' interest burdens and local tax rates. Zou and Lei (2021b) further found that a one-percentage-point improvement in the business environment improves firm resource misallocation by 0.011 percentage points, with the most pronounced effects in the eastern regions and high total factor productivity (TFP) firms. Zheng and Liu (2021), using industrial enterprise data (1998–2013), measured urban resource allocation efficiency and found that pilot cities implementing business system reforms experienced significantly improved resource allocation efficiency. Zhu *et al.* (2022), leveraging micro-level firm data from the Digital Economy Insight Platform and field survey data, incorporated business system reforms into the Melitz model. They found that lowering market entry barriers facilitates the entry of new firms into low-capital-intensive tertiary industries, particularly consumer services. Guo and Shao (2021) found that administrative approval reforms decreased the proportion of capital-intensive industries while increasing labor-intensive industries, primarily due to reduced transaction costs for different types of firms. Jayaratne and Strahan (1996) argued that deregulation significantly improves banking performance, increasing profitability and loan quality by expanding market share at the expense of less efficient competitors.

##### C. Firm Investment

Xie (2019), using a large sample of Chinese listed firms, examined capital allocation efficiency and found that an improved business environment enhances firms' capital allocation efficiency, curbing both overinvestment and underinvestment. Niu *et al.* (2022), using data from China's business environment and A-share listed firms (2008–2020), found that an improved business environment significantly boosts firm investment, particularly in manufacturing and mid-to-low technology industries. This effect is mainly achieved by easing firms' financing constraints.

##### D. Firm Capacity Utilization

Liu and Fu (2019), using World Bank survey data on Chinese enterprises, examined government-firm and business-to-business relationships and found that an improved business

environment enhances firm capacity utilization primarily by improving firms' relationships with government entities and other businesses.

#### *E. Firm Total Factor Productivity*

Zhu et al. (2020), using China's administrative approval center database and industrial enterprise database (1999–2007), found that administrative approval reforms generally promote TFP growth in incumbent firms by reducing institutional transaction costs and increasing market entry threats. Zhan and Wang (2020), analyzing all A-share listed firms (2000–2016) with a DID model, found that the establishment of administrative approval centers significantly improves firm TFP by helping firms seize investment opportunities and enhance investment efficiency, thereby optimizing resource allocation and productivity. Li et al. (2021), using industrial enterprise data (1998–2007) and local administrative approval center data, found that the establishment of administrative approval centers improves private firm productivity and resource allocation efficiency by lowering institutional costs.

#### *F. Firm Size*

Zhang et al. (2019), using industrial enterprise data (1998–2007) and a natural experiment based on the widespread establishment of administrative approval centers around 2001, found that administrative approval reforms significantly increased the Pareto index of firm size distribution, alleviating economic distortions. The reforms facilitated market entry for SMEs by lowering entry barriers and improving the business environment while also reducing firms' institutional transaction costs, thereby mitigating firm size distortions. Klapper et al. (2006), using a comprehensive European firm database, examined the impact of market entry regulations on new limited liability companies, finding that regulatory barriers increase firm entry costs, thereby hindering new firm creation. Excessive entry costs force new firms to enter at larger sizes, slowing the growth of existing firms in industries with naturally high entry rates.

#### *G. Firm Employee Returns*

Ferreira et al. (2021), using matched employer-employee data from Portuguese private firms and a quasi-natural experiment on Portugal's full-scale deregulation, found that deregulation flattened corporate hierarchies and increased overall employee wages. Fernandes et al. (2014), based on a quasi-natural experiment on Portugal's comprehensive deregulation reform and employer-employee matched data, found that deregulation intensified product market competition and increased the returns to employees' university degrees and skills.

### **5. Future Prospects**

As China continues to deepen its "Delegation, Regulation, and Service" (DRS) reform, the future of business system reform is expected to focus on further reducing institutional transaction costs, enhancing regulatory efficiency, and fostering an innovative business environment. Based on the

existing research and observed impacts, several key areas warrant further exploration and policy refinement.

#### *A. Enhancing Digital Governance and Smart Regulation*

The integration of digital technology into business system reform will play a crucial role in improving regulatory efficiency and service delivery. The development of digital government platforms and artificial intelligence-driven regulatory mechanisms can streamline administrative processes, enhance compliance monitoring, and reduce regulatory burdens on enterprises. Future research should examine the effectiveness of smart regulation in reducing institutional costs and fostering a more competitive market environment.

#### *B. Deepening Market Entry and Exit Reforms*

While significant progress has been made in simplifying business registration and approval procedures, further reforms are needed to facilitate business exits and insolvency procedures. A more flexible and transparent exit mechanism will allow resources to be reallocated efficiently, promoting market dynamism. Empirical research should focus on the impact of market exit reforms on entrepreneurial activity and economic resilience.

#### *C. Strengthening Institutional Support for Entrepreneurship and Innovation*

The role of business system reform in fostering entrepreneurship and innovation remains a critical area for future exploration. Policies that provide targeted support for startups, including access to financing, intellectual property protection, and streamlined administrative procedures, can further stimulate business creation and technological advancement. Future studies should analyze how different policy instruments interact to enhance innovation and entrepreneurial success rates.

#### *D. Addressing Regional Disparities in Business Environment Optimization*

Disparities in business environment improvements across regions highlight the need for more localized policy interventions. While some regions have made rapid advancements in reducing transaction costs and improving regulatory efficiency, others lag behind due to institutional constraints and economic structure differences. Future research should focus on identifying best practices from high-performing regions and exploring strategies for scaling successful reforms to less-developed areas.

#### *E. Evaluating the Long-Term Macroeconomic and Microeconomic Impacts*

Although existing studies have demonstrated the short-term benefits of business system reforms, further longitudinal studies are necessary to understand their long-term implications for economic growth, productivity, and firm performance. Future research should adopt dynamic modeling techniques to assess how business system reforms influence economic resilience, employment patterns, and industrial upgrading over extended

periods.

### *F. Strengthening International Comparisons and Policy Learning*

China's experience with business system reform can provide valuable insights for other economies undergoing similar transitions. Comparative studies between China and other emerging markets can shed light on the effectiveness of different regulatory frameworks and governance models. Additionally, international best practices in business environment reforms can offer guidance for future policy adjustments in China.

## 6. Conclusion

Business system reform is a key initiative within China's broader "Delegation, Regulation, and Service" (DRS) framework, aimed at reducing institutional transaction costs, improving market efficiency, and fostering economic growth. This study examines the theoretical underpinnings and macro- and microeconomic impacts of these reforms, providing a comprehensive analysis of their effects on industrial structure, entrepreneurship, economic quality, innovation, employment, firm productivity, and investment.

At the macroeconomic level, business system reforms have been found to facilitate industrial upgrading, stimulate entrepreneurship, and enhance economic quality and innovation by reducing administrative burdens and regulatory constraints. These reforms also contribute to regional economic growth by lowering barriers to market entry and improving resource allocation. Additionally, the optimization of business environments has significantly influenced the employment choices of the floating population, promoting labor mobility and entrepreneurial activities.

At the microeconomic level, business system reforms have led to improved firm-level outcomes, including increased innovation, more efficient resource allocation, enhanced investment, and higher total factor productivity. By easing market entry restrictions and reducing compliance costs, these reforms have encouraged competition and improved firm performance. Moreover, deregulation has influenced firm size distribution and employee compensation, leading to a more dynamic and competitive market landscape.

Looking ahead, future research and policy efforts should focus on enhancing digital governance, deepening market entry and exit reforms, strengthening institutional support for entrepreneurship, addressing regional disparities, and evaluating the long-term effects of these reforms. Comparative studies with other economies can also provide valuable insights into best practices for optimizing business environments. As China continues to refine its business system reform strategies, these areas of focus will be crucial for sustaining high-quality economic development.

## References

- [1] Aghion, P., Burgess, R., Redding, S. J., & Zilibotti, F. (2008). The Unequal Effects of Liberalization: Evidence from Dismantling the License Raj in India. *American Economic Review*, 98(4), 1397–1412.
- [2] Castellaneta, F., Conti, R., & Kacperczyk, A. (2020). The (Un) intended consequences of institutions lowering barriers to entrepreneurship: The impact on female workers. *Strategic Management Journal*, 41(7), 1274–1304.
- [3] Eliasson, G. (1990). Deregulation, Innovative Entry and Structural Diversity as a Source of Stable and Rapid Economic Growth (Working Paper 262). IUI Working Paper.
- [4] Fernandes, A. P., Ferreira, P., & Alan Winters, L. (2014). Firm entry deregulation, competition and returns to education and skill. *European Economic Review*, 70, 210–230.
- [5] Ferreira, P., Fernandes, A. P., & Cooke, D. (2021). Entry deregulation, firm organization, and wage inequality.
- [6] Jith Jayaratne and Philip E. Strahan. (1996). Entry Restrictions, Industry Evolution, and Dynamic Efficiency: Evidence from Commercial Banking.
- [7] Klapper, L., Laeven, L., & Rajan, R. (2006). Entry regulation as a barrier to entrepreneurship. *Journal of Financial Economics*, 82(3), 591–629.
- [8] Rangel González, E., & Torre Cepeda, L. E. (2015). Determinants of the cost of starting a business in Mexico. *The North American Journal of Economics and Finance*, 34, 430–449.
- [9] Schulz, M., Urbig, D., & Procher, V. (2016). Hybrid entrepreneurship and public policy: The case of firm entry deregulation. *Journal of Business Venturing*, 31(3), 272–286.
- [10] Williamson, O. E. (1981). The Economics of Organization: The Transaction Cost Approach. *American Journal of Sociology*, 87(3), 548–577.
- [11] Li, H., Yu, D., & Yu, J. (2023). Business system reform and total factor productivity: Evidence from a quasi-natural experiment. *Scientific Research Management*, 44(03), 151-157.
- [12] Han, J. (2022). Business environment and employment of floating population: An empirical analysis based on data from 35 key cities. *Price Theory and Practice*, 2022(09), 102-105, 205.
- [13] Xia, J., & Liu, C. (2022). Administrative system reform, factor marketization, and the establishment of a unified national market. *Economic and Management Research*, 43(11), 3-13.
- [14] Sun, X., Wang, X., & Huang, L. (2022). Business system reform and industrial structure upgrading. *Industrial Finance and Technology*, 2022(05), 31-52.
- [15] Li, K., & Du, Z. (2022). Optimization of the business environment and labor mobility: An investigation from the perspective of employment location. *Finance & Economics Science*, 2022(08), 106-120.
- [16] Bai, X., & Sun, X. (2022). The impact of business system reform on capital productivity: A study based on a quasi-natural experiment. *China Economic Issues*, 2022(04), 50-65.
- [17] Zheng, P. (2022). Can administrative approval system reform enhance entrepreneurship? *Journal of Nanjing University of Finance and Economics*, 2022(03), 44-54.
- [18] Zhang, Z., & Meng, M. (2022). Business environment, technological innovation, and high-quality economic development: An empirical analysis of provincial panel data based on the regulatory effect of opening-up. *Macroeconomic Quality Research*, 10(02), 100-112.
- [19] Zhu, Y., Bi, Q., Xu, X., & Chen, X. (2022). Business system reform and industrial structure transformation: A micro perspective. *Economic Research Journal*, 57(01), 189-208.
- [20] Niu, P., Zheng, M., & Guo, J. (2022). How does the business environment affect corporate investment? *Contemporary Finance & Economics*, 2022(01), 90-101.
- [21] Zeng, G., Wang, R., & Wang, H. (2022). Credit regulation, business environment, and regional economic growth. *Industrial Technology Economics*, 41(01), 12-20.
- [22] Yuan, W., & Yang, Z. (2021). How does the business environment affect entrepreneurship? The differences between hard and soft business environments. *Technology Economics*, 40(11), 35-45.
- [23] Dong, Z., Tang, C., & Liu, Z. (2021). The impact of establishing administrative approval centers on entrepreneurs' time allocation: Theory and evidence from China's private enterprise survey. *Guangdong Social Sciences*, 2021(06), 20-31, 254.
- [24] Yan, Y., Shao, C., & Liu, H. (2021). Business environment and private enterprise innovation: A quasi-natural experiment based on the establishment of administrative approval centers. *Journal of Finance and Economics*, 2021(09), 93-103.
- [25] Liu, C., & Xia, J. (2021). Business system reform, human capital, and entrepreneurial choice. *Finance & Trade Economics*, 42(08), 113-129.

- [26] Guo, X., & Shao, Y. (2021). Administrative approval reform, industrial structure, and labor income share. *Journal of Finance and Economics*, 47(08), 19-33, 108.
- [27] Li, X., & Yu, D. (2021). The impact of business system reform on enterprise innovation. *Economic Perspectives*, 2021(07), 116-131.
- [28] Li, Y., & Zhang, Z. (2021). Business environment, entrepreneurship, and economic growth quality: Empirical evidence from Chinese cities. *Macroeconomic Quality Research*, 9(04), 48-63.
- [29] Zhang, M. (2021). The impact of business system environment on entrepreneurship: A case study of China's local administrative approval reform. *Journal of Central University of Finance and Economics*, 2021(06), 90-103.
- [30] Li, L., Shang, Y., & Yan, L. (2021). Administrative approval system reform, institutional costs, and private enterprise growth. *Economic and Management Research*, 42(05), 29-49.
- [31] Zheng, G., & Liu, C. (2021). Business environment and resource allocation efficiency. *Research on Financial Issues*, 2021(02), 3-12.
- [32] Zhao, D., Dou, Y., & Zhang, J. (2021). Business environment and green economic growth: The mediating and masking effects of entrepreneurship. *Economic Issues Exploration*, 2021(02), 66-77.
- [33] Zou, W., & Lei, H. (2021). The effect of business environment on reducing resource misallocation and its mechanism: An analysis at the manufacturing level. *Journal of Wuhan University (Philosophy and Social Sciences Edition)*, 74(01), 121-139.
- [34] Zou, W., & Lei, H. (2021). How does the business environment improve enterprise resource misallocation? Effect evaluation and mechanism analysis. *Social Science Research*, 2021(01), 92-104.
- [35] He, D., & Wang, J. (2020). Business environment and high-quality economic development: Indicator system and empirical research. *Journal of Shanghai University of International Business and Economics*, 27(06), 51-62.
- [36] Ji, X. (2020). Does administrative approval system reform have an industrial upgrading effect? *Economic and Management Research*, 41(09), 47-61.
- [37] Zhan, X., & Wang, Y. (2020). Administrative approval reform and total factor productivity: A quasi-natural experiment based on the establishment of administrative approval centers. *Journal of Sun Yat-sen University (Social Science Edition)*, 60(05), 195-207.
- [38] Zhang, W., & Xia, L. (2020). The impact of the business environment on mass entrepreneurship: Evidence from business system reform. *Reform*, 2020(09), 94-103.
- [39] Jin, X. (2020). Administrative approval system reform, market access, and heterogeneous firms' R&D. *Industrial Economics Research*, 2020(04), 102-114.
- [40] Zeng, Z., & Huang, X. (2020). Research on the "streamline administration, delegate power, improve regulation, and upgrade services" reform based on institutional transaction costs. *Forum on Learning*, 2020(07), 68-74.
- [41] Chen, X., & Huang, X. (2020). Institutional innovation and technological innovation: A bilateral effect analysis of administrative approval system reform. *Contemporary Finance & Economics*, 2020(06), 16-27.
- [42] Liu, C., & Yang, J. (2020). Business system reform and industrial specialization. *China Industrial Economics*, 2020(04), 135-153.
- [43] Zhu, G., Zhang, L., & Xu, X. (2020). Administrative approval reform and the quality of economic development. *The Journal of Economics (Quarterly)*, 19(03), 1059-1080.
- [44] Huang, L., Sun, X., & Wang, X. (2020). Has business system reform effectively stimulated entrepreneurship? Evidence from prefecture-level cities. *Journal of Finance and Economics*, 46(02), 142-155.
- [45] Lin, T., & Wei, X. (2020). Business environment and the entrepreneurship of migrants. *Macroeconomic Quality Research*, 8(01), 57-68.
- [46] Zhang, L., Chen, Q., & Bi, Q. (2019). Business system reform and firms' institutional costs. *Journal of Sun Yat-sen University (Social Science Edition)*, 59(06), 167-177.
- [47] Guo, X., & Shao, Y. (2019). Administrative approval system reform and the evolution of firm productivity distribution. *Finance & Trade Economics*, 40(10), 142-160.
- [48] Liu, J., & Fu, J. (2019). Business environment optimization, dual relationships, and firms' capacity utilization. *Journal of Shanghai University of Finance and Economics*, 21(04), 70-89.
- [49] Zhang, T., Chen, B., & Liu, Y. (2019). How does administrative approval system reform alleviate distortions in firm size distribution? *Economic Review*, 2019(04), 32-48.
- [50] Wang, X., & Huang, L. (2019). The economic logic of business system reform. *Journal of Humanities*, 2019(07), 47-56.
- [51] Xie, W. (2019). The impact of the business environment on capital allocation efficiency. *Price Theory and Practice*, 2019(05), 22-25.
- [52] Chen, J., Ding, W., & Ma, N. (2019). Does reducing entry regulation necessarily promote economic growth? A reevaluation of the global deregulation policy reform. *Modern Finance and Economics (Journal of Tianjin University of Finance and Economics)*, 39(01), 72-85.
- [53] Wang, Y., & Feng, X. (2018). Administrative approval system reform and corporate innovation. *China Industrial Economics*, 2018(02), 24-42.
- [54] Zhang, M. (2017). Deepening business system reform, innovating market regulation, and creating a better market environment. *China Market Regulation Research*, 2017(09), 3-5, 11.
- [55] Zhang, L., Jiang, W., & Zhou, L. (2016). The impact of administrative approval on entrepreneurship: A perspective based on entrepreneurial talent. *China Industrial Economics*, 2016(04), 57-74.
- [56] Nie, H., Tan, S., & Wang, Y. (2008). Innovation, firm size, and market competition: A panel data analysis of Chinese firms. *The World Economy*, 2008(07), 57-66.
- [57] Zhang, W. (1999). The paradigm of transaction costs. *Social Sciences Front*, 1999(01), 1-9.