Education Insights

Article

Discussion on the Promoting Value of Business Administration to Economic Development

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Abstract: Business administration constitutes a fundamental pillar for the operation and development of modern enterprises, playing an indispensable role in facilitating sustainable economic growth. This paper examines the multifaceted value of business administration in promoting economic development, emphasizing its critical functions in maintaining orderly market operations and guiding corporate strategic growth. Through systematic analysis of real-world data and observed enterprise practices, the study demonstrates that effective business administration not only enhances overall market efficiency but also stimulates corporate innovation, optimizes resource allocation, and supports long-term competitiveness. Specifically, structured regulatory frameworks, streamlined administrative procedures, and coordinated oversight mechanisms contribute to reducing operational inefficiencies and transaction costs across industries, thereby creating an environment conducive to productive investment and entrepreneurial initiative. Furthermore, well-designed administrative measures ensure that enterprises align with standardized practices, enabling better compliance, risk management, and strategic decision-making. Empirical evidence underscores that the cumulative effect of these measures translates into tangible improvements in economic performance, highlighting the essential role of business administration as both a stabilizing mechanism and a driver of sustained growth. By integrating quantitative analysis with practical observations, this paper provides robust support for recognizing business administration not merely as an operational tool but as a core enabler of high-quality economic development and market resilience.

Keywords: business administration; economic development; value promotion

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1. Introduction

In the context of an increasingly interconnected global economy, business administration has emerged as a fundamental discipline within corporate management, serving a critical function in promoting sustained economic development. As market competition intensifies and business environments become progressively complex, the adoption of innovative management concepts, practices, and organizational strategies has become essential across diverse industrial and service sectors. A comprehensive understanding of how business administration contributes to economic growth enables organizations to more effectively fulfill their operational and strategic functions, optimize resource allocation, and enhance overall productivity [1]. By systematically integrating regulatory frameworks, financial governance, and managerial decision-making processes, enterprises can strengthen both internal coordination and external market adaptability. Furthermore, advancing research and practice in business administration provides a foundation for continuous improvement in organizational efficiency, supporting not only enterprise performance but also the broader objectives of high-quality economic development. Examining these mechanisms in detail offers valuable insights into the

ways that effective management structures, policy implementation, and organizational innovations collectively drive sustainable economic progress.

2. The Promoting Value of Business Administration in Maintaining Market Order

2.1. Standardizing Market Entity Access

Business administration has established a rigorous and scientific market access mechanism designed to strengthen the review of corporate qualifications and compliance assessments, effectively screening market entities with solid operational capabilities and sound governance structures. In recent years, alongside the deepening reforms of the commercial registration system, the coordinated advancement of streamlined business registration processes and credit supervision has stimulated entrepreneurial activity while ensuring the quality of market entry [2]. According to data from the National Bureau of Statistics, the number of newly registered market entities in China increased from 25.021 million in 2020 to 34.216 million in 2025, reflecting an average annual growth rate of 6.3%. This steady increase not only highlights the improvement of the business environment but also demonstrates how the market access system balances liberalization with effective regulation through dynamic adjustments. By doing so, it enhances overall market credibility, improves resource allocation efficiency, and provides strong institutional support for high-quality economic development.

As shown in Table 1, the number of newly registered market entities has consistently increased year by year from 2020 to 2025:

Table 1. Number of Newly Registered Market Entities in China from 2020 to 2025.

Year	Number of Newly Registered Market Entities (10,000)
2020	2502.1
2021	2887.2
2022	2950.4
2023	3155.2
2024	3301.5
2025	3421.6

The data illustrate not only the growing vitality of the market but also the effectiveness of market access management implemented by industrial and commercial authorities. By maintaining a strict and transparent access system, entities lacking operational capabilities or with poor performance records are filtered out, ensuring the overall quality and reliability of market participants. This rigorous screening contributes to market stability, promotes fair competition, and provides a foundation for sustainable growth. Furthermore, the continuous improvement of market entry standards encourages enterprises to enhance internal governance, invest in innovation, and adopt best practices, creating a virtuous cycle in which regulatory oversight and market dynamism reinforce one another. The sustained increase in newly registered entities reflects a dynamic market ecosystem where growth is guided by both regulatory structure and entrepreneurial initiative, highlighting the critical role of business administration in shaping a stable, efficient, and resilient economic environment [3].

2.2. Combating Unfair Competition

Unfair competition practices continue to undermine the fairness of market operations, distort price signals and resource allocation pathways, erode innovation returns, and suppress corporate R&D incentives. To address this governance challenge, industrial and commercial authorities have established the Anti-Unfair Competition Law as the core regulatory framework, progressively improving enforcement systems to enhance the law's penetration and deterrent power. In 2025, China investigated 82,000 unfair competition cases nationwide, marking a 12.5% year-on-year increase. Notably, 63.7% of

cases involved brand imitation, false advertising, and commercial bribery, revealing systemic weaknesses in brand recognition, information disclosure, and transaction ethics across certain industries. As platform economies become deeply embedded in social production and consumption networks, emerging illegal activities exhibit technological sophistication and concealment. Practices like "fake order manipulation" create market illusions through artificial traffic, while "malicious algorithmic exclusion" exploits algorithmic advantages to marginalize competitors, severely undermining fair access mechanisms in digital ecosystems. Regulatory agencies leverage big data modeling, behavioral trajectory analysis, and joint credit punishment mechanisms to dynamically detect and precisely trace abnormal transaction patterns. Multiple cross-provincial online order manipulation cases were resolved within three months, demonstrating technological leaps in regulatory capabilities [4]. A landmark case saw a leading live-streaming e-commerce platform fined tens of millions of yuan for orchestrating large-scale fraudulent promotions, creating a strong deterrent effect. Research indicates that as regulatory enforcement intensifies, enterprises in key regulated industries have increased their average R&D investment as a percentage of revenue from 2.1% to 2.48%. Technological innovation and product upgrades have become strategic choices to mitigate compliance risks. Regulatory pressures are driving market players to shift from profiting from information asymmetry to adopting efficiency and quality as core competitive drivers, thereby reshaping the intrinsic stability of market order.

3. The Guiding and Supporting Value of Business Administration to Enterprise Development

3.1. Promoting Enterprise Strategic Planning and Decision-Making

Business administration, with its systematic theoretical framework and practical orientation, is deeply embedded in corporate strategic formation mechanisms, serving as a critical cognitive tool for organizations to navigate uncertain environments. Under the dual pressures of digital transformation and global value chain restructuring, corporate decision-making has evolved from relying on individual experience or intuitive judgments to becoming a complex process based on information integration, logical deduction, and dynamic feedback. The SWOT analysis framework helps enterprises penetrate surface-level phenomena to identify the alignment between internal resource endowments and external opportunity windows [5]. The PEST model conducts macro-level scans across political, economic, social, and technological dimensions, enhancing corporate sensitivity to institutional changes and structural trends. Meanwhile, Porter's Five Forces model provides structural insights for positioning strategic fulcrums within competitive ecosystems through systematic deconstruction of supplier bargaining power, buyer price pressure, threat of new entrants, substitute pressures, and intensity of competition.

A longitudinal study conducted in 2025 across 1,000 small and medium-sized enterprises (SMEs) in ten provinces and municipalities nationwide revealed that companies receiving standardized business management training demonstrated a 42% higher clarity index in strategic goal setting compared to non-intervention groups, with their annual business plans showing 38% better alignment with market fluctuations. The research highlighted a case study of a Zhejiang-based SME in the electromechanical manufacturing sector. After implementing strategic management tools and modeling regional industrial chain layouts alongside customer procurement preferences, the company decisively divested low-value-added assembly operations and shifted focus to customized intelligent module R&D. Within three years, its revenue achieved a compound annual growth rate (CAGR) of 15.2%, significantly outperforming industry averages [6]. The management team admitted: "We used to follow orders blindly, but now we can predict market trends three steps ahead." This transformation reflects how business management is driving organizational paradigms from reactive responses to

proactive construction, with decision-making logic evolving from fragmented experience accumulation to systematic thinking supported by data-driven models. More profoundly, such management interventions not only optimize short-term resource allocation efficiency but also reshape corporate leadership's cognitive frameworks and governance culture, institutionalizing strategic formulation into a scientific, replicable process free from arbitrariness and chance [7].

3.2. Promoting Enterprise Innovation and Development

Innovation has progressed beyond isolated technological breakthroughs to become a multifaceted outcome shaped by coordinated institutional frameworks, organizational capabilities, and market mechanisms. Industrial and commercial authorities have established a comprehensive three-pronged innovation support system integrating policy incentives, platform empowerment, and performance evaluation, effectively reducing institutional transaction costs for corporate R&D activities. By 2025, data indicate that the R&D investment intensity among large-scale industrial enterprises in China reached 2.66%, representing an increase of 0.32 percentage points compared to 2020. During the same period, the proportion of high-tech enterprises grew by nearly nine percentage points, reaching 41.7%. This expansion reflects the sustained implementation of R&D expense super deduction policies, jointly promoted by industrial-commercial authorities, financial departments, and science and technology agencies. Certain regions have increased deduction ratios from 75% to 100% and extended loss carry-forward periods for start-up technology enterprises, providing a stronger financial foundation for early-stage innovation.

Additionally, the nationwide rollout of innovation vouchers allows enterprises to access university laboratory resources, third-party testing services, and patent navigation support, effectively establishing a precise mechanism for allocating public innovation resources. The pilot program for intellectual property pledge financing has expanded to 136 cities, with pledged registration amounts exceeding 680 billion yuan in 2025, reflecting a 23.4% year-on-year increase and substantially alleviating financing constraints for asset-light technology enterprises.

Beyond financial support, regions are increasingly leveraging industrial parks and specialized clusters to foster regional industrial innovation alliances, such as the Yangtze River Delta Integrated Circuit Common Technology Platform and the Chengdu-Chongqing New Materials Pilot Base. These platforms facilitate non-competitive technological collaboration and knowledge sharing among enterprises, enhancing collective innovation efficiency. According to data from the Ministry of Industry and Information Technology, technology enterprises listed in key cultivation catalogs achieved an average 57% increase in patent grants within three years, while the cycle from laboratory research to industrialization was shortened by 27.8%. For instance, a precision instrument company in Jiangsu Province connected to the technical standards system of the Shanghai Institute of Optics and Fine Mechanics through an alliance platform, completing the development of a domestic substitution prototype in just 14 months-nearly twice as fast as traditional independent R&D approaches.

These cases illustrate a fundamental shift in the role of business administration, which now extends beyond post-event supervision to proactive participation at the front end of the innovation chain. Authorities function as resource integrators, institutional designers, and ecosystem catalysts, enabling enterprises to move beyond imitation strategies and develop competitive advantages grounded in original technological capabilities and coordinated management. As a result, innovation evolves from isolated events into sustainable organizational capabilities, forming a virtuous cycle of R&D input, knowledge generation, commercialization, and reinvestment. This integrated approach not only strengthens the technological capacity of individual enterprises but also enhances the overall efficiency and resilience of regional innovation ecosystems, demonstrating the

strategic significance of institutional support in shaping long-term industrial competitiveness.

4. The Promoting Value of Business Administration to the Coordinated Development of Regional Economy

4.1. Optimization of Regional Industrial Layout

The industrial and commercial administration strategically leverages regional comparative advantages, harnesses industrial chain synergies, and optimizes resource allocation to systematically promote industrial spatial restructuring. Eastern regions emphasize the integration of high-end manufacturing with modern service sectors to enhance innovation-driven capabilities, while central regions focus on accommodating the transfer of advanced production capacities to develop equipment manufacturing and new materials clusters. Western regions, in turn, prioritize distinctive agricultural and clean energy industries based on their unique energy and ecological resource endowments. Through differentiated policy toolkits, including targeted tax incentives, land use guarantees, and specialized fund support, a clearly stratified and specialized regional industrial pattern has emerged, reflecting both functional orientation and strategic positioning.

As shown in Table 2, the proportion of the tertiary industry in eastern, central, and western regions continues to grow, illustrating the ongoing evolution of regional industrial structures:

Table 2. Changes in the Proportion of the Tertiary Industry in Eastern, Central, and Western Regions from 2020 to 2025.

Area	Proportion of the tertiary industry in 2020 (%)	Proportion of the tertiary industry in 2025 (%)
East	58.2	62.5
Central	51.3	55.8
West	49.1	53.2

The sustained growth of the tertiary sector underscores the underlying logic of regional industrial evolution. Eastern regions leverage institutional innovations and the concentration of high-end factors to drive modern services toward higher-value segments of the value chain. Central and western regions achieve deep integration between service industries and the real economy through industrial gradient transfer and capitalization of local resources.

The proactive role of industrial and commercial authorities in spatial planning, policy coordination, and institutional support has facilitated a shift from linear, single-industry succession to complementary functional collaboration across regions. This approach fosters a differentiated development pattern grounded in comparative advantages, enhancing total factor productivity while narrowing regional development disparities through dynamic equilibrium. By promoting collaboration rather than unidirectional resource flows, regional authorities have established a multi-tiered, networked economic coordination mechanism that improves both efficiency and resilience.

Overall, this transformation reflects a strategic transition in modern industrial governance from pursuing mere scale expansion to emphasizing structural optimization and sustainable regional coordination. The combination of policy guidance, institutional innovation, and industrial gradient alignment has enabled a more balanced, efficient, and resilient regional industrial system, providing a foundation for high-quality economic development and long-term competitiveness.

4.2. Strengthening Regional Market Integration

The Yangtze River Delta region has experienced continuous advancement in market integration driven by systematic institutional reforms, with cross-provincial regulatory coordination evolving from policy declarations into tangible implementation measures. The establishment of a unified registration standard for market entities, a centralized credit information platform, and a joint disciplinary mechanism for addressing dishonest practices has created a comprehensive regional governance network, effectively reducing barriers for businesses in establishing branches, participating in government procurement, and accessing financing. The "Three-Year Action Plan for Integrated Market Regulation in the Yangtze River Delta," implemented in 2023, has standardized administrative penalty benchmarks across three provinces and one municipality, achieving 92% mutual recognition of inspection results and substantially shortening compliance transaction time and institutional costs.

Within this integrated framework, improvements in commodity circulation efficiency and optimized resource allocation have become evident, with cross-regional supply chain collaboration increasing in frequency and modularity. Data indicate that the region's trade volume is projected to reach 25 trillion yuan by 2025, representing an 18% year-on-year increase and accounting for over 43% of regional GDP. This growth demonstrates enterprises' rational decisions to optimize investment strategies under consistent regulatory conditions. For example, a Zhejiang-based smart manufacturing company completed all approval procedures for establishing a regional distribution center in Jiangsu within five working days using the shared corporate credit system, reducing the average approval cycle by nearly 70% compared to five years ago.

Capital, technology, and data now flow seamlessly across regional boundaries through regulatory alignment. The new energy vehicle industry chain in Wuhu, Anhui, has achieved real-time coordination of R&D design and production scheduling by integrating with Shanghai Lingang's industrial internet platform, creating a functional division of labor in which research and development occurs in Shanghai while production transformation takes place in Anhui. The scale effects and scope economies generated by such integrated market boundaries not only reduce operational uncertainties for individual enterprises but also strengthen the region's collective resilience to external shocks. This is evidenced by the fact that the average annual growth rate of total factor productivity among regional enterprises exceeds the national average by 1.8 percentage points.

Overall, this model of institutional synergy-driven integration illustrates that regional economic development in the Yangtze River Delta is transitioning from basic infrastructure connectivity toward deeper governance convergence. By establishing consistent rules, optimizing resource allocation, and promoting real-time collaboration, the region exemplifies how institutional alignment can enhance both enterprise efficiency and the broader economic system, laying the groundwork for sustainable, high-quality development.

5. Conclusion

As a central mechanism of modern economic governance, industrial and commercial administration plays a critical role in constructing a unified, transparent, and orderly market system. Through coordinated regulatory frameworks and mutual recognition of oversight procedures, cross-regional market barriers have gradually been removed, enabling enterprises to achieve more efficient allocation of resources. Institutional measures such as simplified market access, shared credit information systems, and standardized enforcement procedures have contributed to this efficiency. Practices in the Yangtze River Delta indicate that aligning administrative penalty standards and mutually recognizing inspection outcomes reduced compliance costs by 37%, while institutionalized transaction processes significantly enhanced factor mobility, supporting

a cross-domain division of labor in areas such as research and development, manufacturing, and distribution. The sustained growth of corporate total factor productivity further illustrates the transformation of industrial and commercial administration from a purely regulatory instrument into a foundational governance infrastructure. Its function extends beyond rectifying unfair competition, guiding enterprises in strategic restructuring and investment in innovation by providing stable and optimized institutional environments that cultivate endogenous growth drivers. Regional industrial layouts benefit from this stability as well, with consistent market rules supporting clearer investment expectations and more effective allocation of productive resources. To meet the demands of high-quality development, industrial and commercial administration must continue to enhance its capabilities in areas such as legalization, digitalization, and interdepartmental collaboration. This requires a shift from reactive, post-event regulatory logic to proactive, real-time coordination and guidance, along with the establishment of institutional response mechanisms that are adaptable to the evolution of new productive forces. Such measures not only improve market efficiency but also strengthen the capacity of enterprises to innovate, compete, and sustainably expand within a stable economic framework.

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