IMPACT OF MARKETING ECONOMY SYSTEM ON CHINESE LOCAL GOVERNMENT FUNCTIONS TRANSFORMATION

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Abstract

The objectives of this study is to explore the effect of market economic system on the transformation of local government functions. In this study, quantitative research design and questionnaire survey method were adopted to collect data from government staff, enterprise staff and the public in Gansu Province. The research method used in this study is qualitative research. On the basis of questionnaire, descriptive statistical analysis is conducted on the obtained data to discuss regional differences, construct structural equation model, and further analyze the influence path of market economic system on the transformation of local government functions. The development of market subjects, market elements and market environment all have an impact on the internal optimization and external adaptation of local governments. Market subjects, as the micro subjects of market activities, has more direct influence on the transformation of local government functions. Market factors and market environment, through the change of macro environment, provide a good development soil for the transformation of local government functions, enhance the vitality of social organizations, promote the strategic adjustment of the superior government, and indirectly promote the transformation of local government functions.

This study results that: firstly, the analysis framework of the transformation of local government functions is supplemented from the perspective of environmental factors; Second, focusing on the influence mechanism of market economic system on the transformation of local government functions, to realize the transformation of the research perspective of market-government relationship; Thirdly, by using a variety of empirical analysis methods, this paper comprehensively verifies the impact intensity and path of market economic system on the transformation of local government functions, and finds that the development of market economic system directly or indirectly influences the transformation of local government functions through the development of social organizations and the strategic adjustment of the superior government. Furthermore, it provides possible policy suggestions for promoting the benign interaction between market economy and local government.

Based on the above research conclusions, it provides possible policy suggestions for promoting the benign interaction between market economy and local government from three aspects: building an effective market, cultivating an active society, and building a people satisfied government.

Keywords: Marketing Economy System, Government Functions, Local Government Functions Transformation

Introduction

Coordinated economic and social development is not only the intrinsic requirement of building a well-off society in an all-round way, but also an important part of the scientific outlook on development and a powerful guarantee for the healthy and orderly operation of the whole society. At present, China's economic and social development is facing enormous pressure of transformation and upgrading, and at the same time deeply affected by the deep adjustment of the world economic structure. To calmly respond to this development environment and the challenges posed by this environment, we must adhere to the coordinated economic and social development.

This was the study to our country economic society coordinated development as the research subject, from the theory and practice of our country's economic and social coordinated development issues related to do a thorough research, the way to adhere to the coordinated development of economy and society of our country, with the development of economic and social coordinated development of crack face dilemma has important theory meaning and practice meaning.

In the past, researches on the transformation of local government functions mainly focused on the internal relationship of the government system, and the interpretation of the relationship between market and government focused on how to promote the development of market economic system through government reform, but ignored the influence of market economic system on the transformation of local government functions.

According to the practice of government and market reform, there seems to be such a rule: longitudinal tracking of economic reform and government reform over the past 40 years of reform and opening up in time dimension, it is not difficult to find that every round of major reform of government institutions occurred after the reform of market economic system and theoretical breakthroughs (Hong Yinxing, 2018).

The horizontal comparison among regions shows that the eastern coastal areas with the rapid development of market economic system are more active in government innovation and government reform, and the level of government management and service is also relatively higher. In fact, China's structural reform often uses market reforms to force political and social reforms. Therefore, it is of great significance to study the influence mechanism of market economy system on the transformation of local government functions.

Research Objectives

1. To study the behavioral logic of local government function transformation under the background of market economy system reform.
2. To analyze the influence does the development of market economy system have on the transformation of local government functions.

3. To analyze how to realize the benign interaction between market economy and local government.

Research Methodology

The research methods of this article is used mix method research mainly based on quantitative research, combined with qualitative analysis using semi-constructed survey questionnaire to collect quantitative data and in-depth interviews was used to collect the qualitative data from samples. This research employed descriptive and inferential statistics to analyze quantitative data and to test the hypothesis.

For qualitative analysis, data were collected by in-depth interviews (Diehl & McDonald, 2001). In this paper, the population sample is defined as the public, enterprise employees and government officials. According to the suggestion of Creswell (2016), 5-25 can be used as the sample size for qualitative research. Therefore, this study collected data from 2 senior government officials and 10 entrepreneurs who have been working in related fields, as well as 10 public figures.

The researchers used purposeful sampling to select samples. Before entering the interview process, questions are tested by an expert in the relevant field using the IOC Test. Similarly, performance is measured in terms of the profitability of respondents' opinions. Conduct content analysis on qualitative data. In this process, the interview is transcribed and encoded for interpretation. All data obtained from the in-depth interview were analyzed to clarify the views of the interviewees.

On the other hand, using quantitative research method, the researcher employed a questionnaire to be the instrument of this method. The questionnaire was designed as Likert Scale style (Rating Scale). It also was designed by dividing into 3 parts (1) The genera information (2) The components of the research part, and (3) Recommendation part.

Results
This paper uses the primary data obtained from the questionnaire survey to measure the transformation of local government functions and the market economy system comprehensively, and analyzes the influence path of the market economy system on the transformation of local government functions through the structural equation model.

Using confirmatory factor analysis (CFA) to test the measurement models of the transformation of local government functions, the market economy system and the vitality of social organizations, the measurement models are of high quality. Construct a

structural equation model based on the conceptual model proposed in this paper. First, analyze the direct relationship between the development of the market economy system and the transformation of local government functions, and then introduce two intermediary variables, the vitality of social organizations and the guidance of the superior government, to further analyze the government- analyze the interactive structure of "market-society" and test research hypotheses.

Table 1. Path coefficients of the initial SEM

	Estimate	**S.E.**	**C.R.**	**P**
MS →SOV	0.045	0.075	0.596	0.551
MS→GEA	0.182	0.086	2.119	**
MS→GIO	0.142	0.093	1.534	0.125
MF→SOV	0.451	0.085	5.328	***
MF→GEA	0.125	0.108	1.161	0.246
MF→GIO	-0.267	0.116	-2.3	**
MF→SGA	0.362	0.094	3.854	***
MC→SOV	0.363	0.071	5.142	***
MC→GEA	0.096	0.094	1.02	0.308
MC→GIO	0.091	0.089	1.028	0.304
MC→SGA	0.263	0.097	2.727	***
SOV→GEA	0.208	0.1	2.071	**
SOV→GIO	0.266	0.109	2.444	**
SGA→GEA	0.367	0.054	6.808	***
SGA→GIO	0.206	0.063	3.273	***
GEA→GIO	0.605	0.085	7.107	***

legend: *p<.1; ** p<.05; *** p<.01

The covariation relationship between measurement errors of some variables was added, and four influence paths, such as "MS →SOV", "MF→GEA", "MC→GEA",

"MC→GIO", were deleted. After modification, most of the path coefficients of the structural equation model passed the statistical significance test (P<0.05), "MS→GIO" can also pass the test at the level of 0.1(P<0.1), as shown in Table 2.

Table 2 Non-standardized path coefficients of the modified SEM

	Estimate	S.E.	C.R.	P
MS→GEA	0.284	0.077	3.703	***
MS→GIO	0.205	0.114	1.797	*
MF→SOV	0.585	0.076	7.681	***
MF→GIO	-0.341	0.15	-2.275	**
MF→SGA	0.43	0.096	4.491	***
MC→SOV	0.303	0.085	3.562	***
MC→SGA	0.223	0.111	2	**
SOV→GEA	0.28	0.078	3.613	***
SOV→GIO	0.346	0.113	3.051	**
SGA→GEA	0.459	0.064	7.19	***
SGA→GIO	0.306	0.081	3.773	***
GEA→GIO	0.595	0.093	6.409	***

legend: *p<.1; ** p<.05; *** p<.01

Revised structural equation model adaptation degree index has different degrees of improvement, RMSEA from 0.073 to 0.059, GFI from 0.771 to 0.825, NNFI from 0.872 to 0.917, PGFI from 0.668 to 0.706, chi-square/df decreased from 2.739 to 2.125, this structural equation adaptation indexes meet the requirements of adaptation, structural equation model has a better goodness-of-fit, with the actual data.

Based on the primary data obtained from the questionnaire survey, this paper comprehensively measures the transformation of local government functions and the market economic system, and quantitatively analyzes the influence path of the market economic system on the transformation of local government functions through the structural equation model.

The results of structural equation model fitting show that the growth of market subjects, the development of market factors and the optimization of market environment all have influences on the internal optimization and external adaptation of local governments. Market subject has direct influence on the transformation of local government functions through micro mechanism;

Market factors and market environment are the macroscopic attributes of the market economic system, which have indirect effects on the transformation of local government functions through the intermediary role of social organizations and the superior government. In addition, from the perspective of the effects of various factors, the strategic adjustment of the superior government is still an important factor affecting the functional transformation of the county level local government, but the role of the market economic system and social organizations cannot be ignored.

Discussion

The ultimate goal of the transformation of local government functions is to improve governance performance and realize good governance. Market economy system to the influence mechanism of the functional change of local government theory analysis and empirical test, confirmed that the market economy system to the benign influence of functional change of local government, found the market and government influence each other, promote each other dynamic relations, examined the influence of "market - society - the government" path, in order to realize "the government, market and society" provides a theoretical basis for the possibility of benign interaction.

Then, how to realize the positive interaction between the market, society and local government, and then achieve the improvement of governance performance? Based on market economy system, social organization to the benign influence of the functional change of local government research conclusion, from stimulate vitality of market economy, promote social organization vitality, clear boundary three aspects put forward policy Suggestions of government functions and ultimately achieve efficient market, move society and the government of the people's satisfaction benign interaction and common development.

Conclusion

Based on the research results, this study provides policy suggestions for the benign interaction between market economy and local government. However, whether the policy suggestions can be truly transformed into public policies and play a role in practice still needs to be further tested and improved through policy simulation and policy experiment.

In addition, this research for the market economic system reform of local government function transformation, the influence mechanism research and some not,

can be used as the main direction of follow-up study. it provides possible policy suggestions for promoting the benign interaction between market economy and local government from three aspects: building an effective market, cultivating an active society, and building a people satisfied government.

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