

# Research on financial Promotion of real Economy from the perspective of financialization

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**Abstract:** In recent years, with the continuous rise of China's economy and the continuous development of The Times, China's economic level has produced significant innovation, but it also highlights the obvious phenomenon that China's current financial and real economy are not coordinated. It is mainly manifested in the excessive expansion of the financial sector, and the allocation of the financial market has become a distorted state, which leads to the serious industrial hollowing and the concentration of financial risks, and to some extent limits the development of China's real economy. Therefore, China needs to strengthen in-depth research and exploration on the coordination between finance and the real economy. Finance and the real economy complement each other. In the future, the scientific strategy of promoting the development of the real economy through finance and improving the financial system can effectively improve the auxiliary efficiency of the financial economy to the real economy. This paper will further promote the coordinated development of finance and the real economy for analysis.

**Key words:** Financialization perspective; Substantial economy; Development; Research

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The real economy is the foundation of the economy, and people have a strong dependence on the real economy in their lives. However, at present, the phenomenon of the disharmony between finance and the real economy in China is more and more obvious, which makes the hollowing of the real economy in our country more and more serious. The causes of these coordination are all formed by the financialization of China, which requires our country to further study and develop the integration of finance and real economy. Only by clarifying the effective methods of finance to promote the real economy and improving the financial system can the sustainable development of finance and real economy be effectively promoted.

## 1. Leading to financial and real economy is incompatible with the main inducement

From the analysis of the economic development state and concept of cash society, it is not difficult to develop the market economy under the coordination of industrial economy will gradually become a financial monopoly economy. This includes the relatively free competition environment in the industrial economic market, and all kinds of economic activities will operate on the basis of the law of value. In this way, industrial capital plays a very important role in economic activities. In the process of China's economic development, centralized production will also lead to the emergence of monopoly industries. The reason is that the financial capital we found is mainly industrial capital with the participation of bank capital, so that financial capital and industrial capital can be effectively combined to form a good concept of financial capital. At present, combining with the theoretical analysis of China's financial system, we can find that financial capital mainly serves industrial capital. That is, industrial capital is an important reason for the realization and operation of capital in the market economy. This includes that the main form of economic visualization is that financial capital participates in industrial capital in the way of investment, and then realizes the ability to control the

operation of industrial capital. In this whole process, the people who control the financial capital do not want to average the economic benefits to some extent. For its purpose is to achieve capital operation, achieve financial diversification of the purpose of operation, the ultimate goal is to obtain a greater return on capital. When the rate of return on financial capital is greater than the average return, it will have an impact on the market of our entity managers, and the structure of financial capital will change again, which will lead to the continuous distortion of the allocation of market resources in China.

## **2. The harm of financial and real economy incoordination**

### **(1) Increase the potential risks in the process of enterprise operation**

At present, the production cost in China is still relatively high, which means the profit space is small. In addition to the constraints of environment and resources, the cost of materials and land is also constantly rising, which leads to the continuous improvement of the operating cost of the real economy, while the profit space of the real economy has been constantly compressed. The impact of the financial crisis and the global financial downturn will also slow the pace of economic development in our country. At the same time, due to the existence of this problem, it is often difficult for enterprises to achieve reasonable adjustment of their own industrial structure in the process of development, which is not conducive to the effective control of production costs, and has a very negative impact on the development and optimization of enterprises. On the other hand, due to the existence of this problem, some enterprises are often difficult to achieve stable operation during the exploration of the operation, which is very bad for the long-term development of the enterprise.

### **(2) Increase the potential risks in the process of enterprise operation**

Researchers say that financial innovation has also led to increasing risks in the real economy. Under the background of China's current economic development, the innovation and development of financial services are all aimed at realizing the economic benefits with high returns and avoiding the supervision of various departments, which gradually forms a diversified situation. Of course, this also includes some long-term operation of injecting capital outside the real economy under the guise of financial institutions, resulting in the constant increase of leverage ratio, increasing the burden of the real economy, and thus contributing to the financial crisis of enterprises<sup>[7]</sup>. The continuous expansion of some financial institutions will gradually lead to the continuous decline in the quality of financial assets. In view of this problem, researchers point out that the incoordination between finance and real economy is often not conducive to the rational formulation and improvement of business strategy, thus causing great hidden dangers to the quality of enterprise development.

## **3. Finance promotes the effective strategy of real economy development**

### **(1) Reasonable adjustment of the industrial structure**

At present, China is in a transition period of unreasonable industrial structure and insufficient scientific and technological innovation, which will lead to serious overcapacity and low production capacity of the real economy. At present, the income of the real economy is far lower than that of the virtual economy, which is the fundamental reason for turning the real economy into the virtual one.<sup>[6]</sup> With this condition should speed up the transformation of the real economy, through the transformation to enhance the vitality of the real economy and profit, and effective financial services for the real economy, of course this also need to promote the development of the real economy to innovation, also can be achieved only through innovation of our country in the real economy transformation and upgrade, to constantly optimize economic structure, Only the real economy can have market share. At the same time, our country also needs to cultivate new industries to realize our country's economic development can be diversified. At the same time, a large number of research data shows, through the reasonable to do further adjustment of industrial structure, will help further implement the real economy of our country to reasonable set up the pace of its reform, thus effectively on the basis of market development change, the specific content in a reasonable manner to reasonably expanding profit

space in the process of enterprise management, In order to provide a strong guarantee for the benign development of enterprises<sup>[2]</sup>.

### (2) Effectively improve the financial management system

Lots of research data show that in order to further promote the coordinated development of China's financial and the real economy, the relevant departments should actively prepare for rational exploration of the real economy, thus effectively carried out for the comprehensive exploration of the theory of economic development, so as to effectively break the traditional financial monopoly problem, then to the all-round development of the real economy to provide powerful guarantee. On this issue, the relevant departments should establish the financial management system and laws and regulations reasonably, so as to lay a strong foundation and guarantee for the development and optimization of the financial industry. At the same time, a large number of research data show that through the reasonable optimization of the financial industry system, is conducive to further ensure that the interests of the test economy can be reasonably guaranteed, so as to ensure the prosperity and stable development of China's economy. In addition, the researchers pointed out that the effective improvement of relevant regulations is conducive to the realization of a reasonable division of profits of financial enterprises, so as to lay the foundation for the stable development of China's real economic structure<sup>[3]</sup>. For small and medium-sized enterprises, the effective implementation of this work is conducive to further achieving a reasonable guarantee for the development of enterprises and promoting the overall improvement of the level of economic development of enterprises. Finally, in order to further promote the effective development of the real economy, the state should actively do a good job of the reasonable guidance of the real economy enterprises, at the same time, increase the support of enterprises, and then lay a solid foundation for the development of China's economy<sup>[1]</sup>.

### (3) Actively carrying out financial industry reform

From the perspective of development, in the new historical period, in order to effectively ensure the harmonious coexistence of finance and real economy, relevant staff should actively analyze and evaluate the national supply-side reform strategy, so as to correctly recognize the status of real economy, so as to reasonably promote the full exploration of financial reform. In terms of specific practices, the financial industry can effectively promote the reasonable development of small and medium-sized commercial banks, so as to effectively realize the targeted improvement of China's financial service efficiency, so as to provide corresponding financial support for the development of China's real economy<sup>[4]</sup>. At the same time, based on this model, it is conducive to the reasonable expansion of China's financial supply channels, so as to provide power for the full control of financing costs of enterprises in the real economy. At the same time, in order to further achieve this goal fully established, the researchers said that the financial industry should actively do a good job in the reasonable construction of the resource operation market, so as to effectively realize the reasonable application of social capital, in order to achieve the purpose of stimulating economic growth. In addition, while actively guiding the development of the industry, by effectively promoting the establishment and improvement of regulatory work, the movement of the financial industry can be further regulated, which is conducive to promoting the comprehensive development of China's economy<sup>[5]</sup>.

## Conclusion

The researchers pointed out that the development of the real economy, an important lifeline of the country's economy, often has a significant impact on the prosperity and stability of Chinese society. Based on this, in a new historical period, in order to further promote the rational development of China's real economy, related researchers. On this issue, through the review of large amounts of data and analysis found that after the poor development of financial industry in China is tend to the real economy caused serious influence and harm, the damage often involves multiple levels of the real economy in our country, which is not conducive to China's economic development level of reasonable improvement and optimization, which in turn caused serious impact to the economic development of our country and the block. On this issue, a large number of studies show that in order to better promote the rational development and optimization of China's real economy, relevant staff should further do a good job in the full implementation of

the financial industry, so as to effectively guide the real economy with the help of finance, and then provide a strong guarantee for China's economic development.

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