Research on the impact of energy saving policies on subsidy income for regulated food enterprises: based on PSM-DID method

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Abstract. Taking the "Energy Saving and Low Carbon Action in Ten-thousand Enterprises" officially implemented in 2012 as the target of the energy saving policy, based on the data of food enterprises which are extracted from China Industry Business Performance Data, and by using the one-by-one propensity score matching method (one-by-one PSM), the balanced panel data of regulated enterprises (totalling 617) and unregulated food enterprises (totalling 617) from 2010 to 2013 are obtained through matching. Later, the difference-in-difference model (DID) with energy saving policy treatment variables is used for estimation to quantitatively evaluate the "net" effect of the energy-saving policy on subsidy income for regulated food enterprises. The results indicate that: The proportion of subsidized enterprises in all regulated food enterprises is higher than that of subsidized enterprises in unregulated food enterprises. Regulated food enterprises can obtain more subsidies than unregulated enterprises, which means, the proportion of subsidies in regulated enterprises is 43.1% higher than that in unregulated enterprises.

1. Introduction
During the "Energy Saving and Low Carbon Action in Ten-thousand Enterprises" officially implemented in May 2012, in order to prevent regulated enterprises from suffering unfair market treatment, the central and local governments at all levels have designed corresponding supporting policies for energy saving and emission reduction policies, including the policy of financial subsidies, etc. However, is it true that the regulated food enterprises can obtain more financial subsidies than unregulated enterprises in actual economic activities? As it is rarely mentioned in existing research documents, it is unable to check whether the supporting policies of compensation nature can be effectively implemented [1-3]. At present, the difference-in-difference model (DID) is one of the main methods used for policy performance evaluation, but it needs to meet the conditions that the subsidy incomes of policy-affected samples and non-policy-affected samples during the sample period show the common evolution trend, and the two types of samples have very close characteristics in this regard. While the propensity score matching method (PSM) can help you find the unregulated enterprises corresponding to each regulated enterprise with the closest characteristics, so as to reduce the sample selectivity deviation and ensure that the common trend assumption is satisfied to the greatest extent and ensure the reliability of DID model estimation results and the accuracy of policy
evaluation results. The difference-in-difference and propensity score matching method (PSM-DID) is applied widely to evaluate the effect of a certain event or policy, for example, the promotion effect of the establishment of national high-tech zones on optimization and upgrading of urban industrial structure, the promotion effect of the combination of sci-technology and finance on regional innovation, the promotion effect of the opening of high-speed rail on the development of regional tourism industry, the growth effect of carbon sequestration afforestation projects on the local economic development, and the impact effect of carbon trading pilot policies on the performance of urban carbon emissions [4-5]. On the basis of which, taking the Energy Saving and Low Carbon Action in Ten-thousand Enterprises and government subsidies as the target of the policy, based on the data of food enterprises which are extracted from China Industry Business Performance Data (2010-2013), this article introduces the difference-in-difference and propensity score matching method to test whether the food enterprises included in the action obtain more financial subsidies than other enterprises within the same industry. The research conclusions have important decision-making reference value and theoretical innovation significance.

2. Research object, data source and research method

2.1. Research object
The energy saving policy target defined in this article refers to the "Energy Saving and Low Carbon Action in Ten-thousand Enterprises", which is deemed as the continuation and expansion of "Energy Saving and Low Carbon Action in One-Thousand Enterprises ". The National Development and Reform Commission began to prepare an action plan since 2010, and jointly issued the Implementation Plan for Energy Saving and Low Carbon Action in Ten-thousand Enterprises together with 11 departments in December 2011, and released the List of Enterprises and Energy Saving Targets for Energy Saving and Low Carbon Action in Ten-thousand Enterprises in May 2012, covering a total of 16,078 enterprises (energy-consumers) and their respective energy saving tasks till end of 2015, for example, the energy saving task of Xiamen Yinlu Food Group Co., Ltd. is 5,950t standard coal, marking the formal implementation of the energy saving action. The standard for including the enterprise is that it belongs to the key energy-consumer with a comprehensive energy consumption of more than 10,000t standard coal in 2010 and an annual comprehensive energy consumption of more than 5,000t standard coal as designated by relevant departments. Therefore, the enterprises in the food industry are divided into enterprises included in the action and enterprises not included in the action. Only based on observation data of the two types of enterprises can we accurately evaluate whether the included enterprises can obtain more financial subsidies upon implementation of the policy.

2.2. Data source
In this article, the data of characteristic variables such as financial subsidy income, financial data, the number of years of establishment, the number of employees, the nature of ownership and the industry to which the food production enterprises belong are extracted from China Industry Business Performance Data (2010-2013) issued by the National Bureau of Statistics, which contain the data of all state-owned and non-state-owned enterprises above designated size (with main business income exceeding 5 million yuan before 2011 and main business income exceeding 20 million yuan after 2011). By making reference to the method proposed by the scholars like Huihua NIE (2012), enterprises which are lack of years of establishment or are abnormal years shall be eliminated. Enterprises that reoccur in the same year shall be eliminated; The enterprises whose number of employees or staff is less than 8 shall be eliminated; The enterprises whose data for 6 indexes of total number of employees, net value of fixed assets, total output value, export shipment value, sales revenue and financial subsidy income are missing or less than 0 shall be eliminated. As the subsidy income data of enterprises in 2009 and 2010 are not provided, the subsidy income data of 2010 are filled in based on the subsidy income data of 2008 for subsequent analysis.
According to the unified code for legal person, the list of enterprises of "Energy Saving and Low Carbon Action in Ten-thousand Enterprises" shall be matched with the "China Industry Business Performance Data" to clearly define the regulated enterprises and unregulated enterprises; also the data of food industry enterprises are retained according to the double-digit industry codes. The industry codes of agricultural and sideline products processing industry, food manufacturing industry, beverage manufacturing industry and tobacco processing industry are 13, 14, 15 and 16 respectively. After the above data are processed, the unbalanced panel data of food production enterprises from 2010 to 2013 are converted into balanced panel data. 298 enterprises, 121 enterprises, 177 enterprises and 21 enterprises among the agricultural and sideline products processing industry, food manufacturing industry, beverage manufacturing industry and tobacco processing industry are respectively included in the Energy Saving and Low Carbon Action in Ten-thousand Enterprises, while 6,736, 2,498, 1,720 and 69 enterprises are not included therein respectively. The one-by-one latest distance matching method without replacement is adopted for the unregulated enterprises who have the most similar characteristics to the regulated enterprises, and as a result, each regulated enterprise can achieve the matching. Finally, the number of enterprise samples in this article is 1234, the number of observation values is 4936, and number of two types of enterprises is half and half.

2.3. Research method

To evaluate the effect of energy saving policy on the subsidy income of regulated food production enterprises, it is necessary to fully understand the actual subsidy income of regulated enterprises and the subsidy income in an unregulated situation, and by subtracting one value from another, the "net" effect of energy saving policy can be obtained. In fact, the latter one cannot be directly obtained through the China Industry Business Performance Data, but it can be predicted by establishing a quasi-natural experimental framework [6]. The basic ideas are shown as follows: It is required to find the enterprises (i.e. unregulated enterprises) with very similar characteristics to the regulated enterprise and that should have been included in the "Energy Saving and Low Carbon Action in Ten-thousand Enterprises", and the subsidy income of these enterprises shall be taken as the predicted value of the subsidy income of regulated enterprises in an unregulated situation. Of course, in order to realize a real natural experiment, the following two problems still need to be solved.

The first is how to effectively separate "time effect" and "group effect". Upon the implementation of the energy saving policy, two important factors will affect the financial subsidy income of enterprises: One is the natural change of subsidy income as the time goes by, which is called "time effect"; The other is the general increase in subsidy income of regulated and unregulated enterprises upon the implementation of the energy saving policy, and the "group effect" upon the implementation of the policy is difficult to capture. Difference-in-difference method (DID) can effectively separate "time effect" and "treatment effect" and the traditional DUD equation is as follows:

\[ \text{subsidy}_{it} = \alpha_0 + \alpha_1 \text{time}_t + \alpha_2 \text{treat}_i + \alpha_3 \text{treat}_i \times \text{time}_t + \beta Z + \varepsilon_{it} \]

Among which, subsidy refers to the subsidy income of food production enterprise i during the period t. It is worth noting that: According to the definition of National Bureau of Statistics, the financial subsidy income includes the value-added tax return amount and the fixed subsidy calculated according to the quota of sales volume or workload and offered on schedule. Specifically, the financial subsidies received by food production enterprises may include productive subsidies (e.g. subsidies from production equipment investment, subsidies from technological innovation and subsidies from environmental investment etc.), research and development subsidies (such as subsidies for scientific research projects, subsidies for patent application fees and subsidies for new product development, etc.), subsidies related to awards or honors (such as brand awards, demonstration company awards, national new product awards, etc.) and export subsidies (such as cash awards and export rebates etc.).

Treat is the treatment variable, the assigned value of regulated enterprises (experimental group) is 1, and that of unregulated enterprises (control group) is 0. Time is a time variable, with an assigned value of 0 before 2012 and 1 after 2012. treat\times time is an interaction item of treatment variable and time variable. \( \alpha_1, \alpha_2 \) are time effect and group effect, which means to realize the separation of the two major
effects; $\alpha_3$ is the average treatment effect of energy saving policy, i.e., the "net" effect of energy saving policy on the subsidy income received by the regulated enterprises, which is the core parameter to be estimated in this article. $\varepsilon_i$ is a stochastic disturbance term. In addition, by referring to relevant research documents in this field, a series of control variables $Z$ are added to the DID model, which specifically includes the output value scale, enterprise scale, number of years of establishment, quantity of labor force, productivity, capital intensity, export scale, asset turnover rate, whether there is the debt, whether it is a state-owned enterprise, whether it is a foreign-funded enterprise, whether it is a Hong Kong, Macao and Taiwan enterprise, the per capita GDP of the province where it is located, and the per capita fiscal revenue of the province where it is located (Dai and Cheng, 2015; ALECKE, et al, 2012; Mariani, Mealli, 2017).

The second is how to deal with the problem about the inconsistent trend of "time effect" between regulated enterprises and unregulated enterprises. According to the difference-in-difference method, the explained variables (subsidy income) for the experimental group and the control group must have a common trend before the experiment, i.e., the common "time effect" trend. Only after such conditions are met can the accuracy and reliability of "the predicted value by using the subsidy income of unregulated enterprises upon the implementation of the policy as the subsidy income of regulated enterprises in an unregulated situation" be guaranteed. In fact, according to the admittance threshold of "Energy Saving and Low Carbon Action in Ten-thousand Enterprises", there is a significant difference between regulated enterprises and unregulated enterprises in terms of energy consumption and enterprise scale. It is difficult for the two groups of enterprises to have exactly the same "time effect" trend in terms of subsidy income before the implementation of the policy. For example, the growth rate of subsidy income of regulated enterprises should be faster than that of unregulated enterprises. In addition, the existence of admittance threshold indicates that the experimental group is not randomly generated, most of the included enterprises are the enterprises with large production scale, strong operation ability and strong ability to obtain financial subsidies within the industry, which means, by simply using the observation data of the experimental group and the control group for DID model estimation will lead to estimation errors due to "sample selectivity deviation", and the estimation results cannot truly reflect the effect of the policy.

In order to meet the common trend assumption and overcome the selective deviation, a propensity score matching method is introduced to find enterprises that have very similar characteristics with regulated enterprises from the unregulated enterprises. The specific process is shown as follows: Firstly, design 4 matching variables, including total output value, total assets, subsidy income in 2008 and whether it is a state-owned enterprise. Secondly, take whether it is included in the energy saving and low carbon action (treat) as the dependent variable and take the matching variable as the independent variable, based on the observation data of the variable in 2010 and logit model, estimate the probability of each food production enterprise being included in the energy saving and low carbon action (i.e. propensity score) Thirdly, based on the propensity score, adopt the one-by-one matching method without replacement to match the unregulated enterprises who have the most similar characteristics to the experimental group, i.e., the regulated enterprises. Fourthly, extend the matching results of enterprises in 2010 to the period of 2011-2013, i.e., the identities of regulated enterprises and unregulated enterprises will remain unchanged during the period of 2010-2013. The second and third steps are automatically completed by stata 14.0 software. The estimation results of logit model, which are not shown in this article, can be obtained from the author.

3. Results and analysis

3.1. Descriptive analysis of variables

According to the data in Table 1, the difference between the average values of the 4 matching variables between the control group and the experimental group is very small upon matching, which indicates that the characteristics of the control group and the experimental group are very similar, so that the sample selectivity deviation can be effectively overcome and the preconditions of the common
trend of the two groups of enterprises can be met. In addition, there is a difference in some control variables between the control group and the experimental group, and these differences may affect the subsidy income received by the two groups of enterprises, which indicates that the introduction of control variables can help improve the reliability of the estimation results of the model, i.e., ensure the reliability in relation to the evaluation of the impact effect of energy saving policy on subsidy income of food production enterprises.

**Table 1.** Variable Explanation and Average Value of Variable Observation Value upon Matching.

| Variable name               | Variable explanation                                      | 2010         | 2013         |
|-----------------------------|-----------------------------------------------------------|--------------|--------------|
| **Outcome variable**        |                                                           | Control group| Experimental group |
| Subsidy incomes             | Logarithmic value of subsidy income                        | 2.246        | 2.363        | 1.802        | 2.387        |
| Scale of output value       | Logarithmic value of gross output value                    | 12.857       | 13.072       | 13.088       | 13.865       |
| Enterprise scale            | Logarithmic value of total assets                          | 11.605       | 11.835       | 12.683       | 13.589       |
| Years of establishment      | 2013-year of establishment                                 | 20.077       | 23.332       | 23.283       | 23.233       |
| Quantity of labor force     | Logarithmic value of total employees                       | 5.846        | 6.447        | 6.419        | 6.788        |
| Productivity                | Calculation based on solow method of remainder            | 1.931        | 0.834        | 1.681        | 1.946        |
| Capital intensity           | Logarithmic value of per capita fixed assets of employees  | 4.263        | 5.040        | 4.816        | 5.463        |
| Export scale                | Logarithmic value of export amount                         | 2.357        | 2.288        | 2.631        | 2.698        |
| Asset turnover ratio        | Ratio of sales revenue to total assets                     | 4.426        | 7.733        | 2.365        | 1.888        |
| Whether it is included in   | 1 if yes; 0 if no                                          | 0.080        | 0.082        | 0.047        | 0.062        |
| liabilities                 |                                                           |              |              |              |              |
| Whether it is state-owned   | a 1 if yes; 0 if no                                        | 0.114        | 0.095        | 0.095        | 0.090        |
| enterprise                  |                                                           |              |              |              |              |
| Whether it is a foreign     | 1 if yes; 0 if no                                          | 0.106        | 0.089        | 0.113        | 0.167        |
| funded enterprise            |                                                           |              |              |              |              |
| Whether it is a Hong Kong, | 1 if yes; 0 if no                                          | 0.080        | 0.082        | 0.047        | 0.062        |
| Macao and Taiwan enterprise |                                                           |              |              |              |              |
| GDP per capita               | Logarithmic value of per capita GDP in the province where   |              |              |              |              |
|                             | the enterprise is located                                  |              |              |              |              |
| Per capita fiscal income     | Logarithmic value of per capita fiscal revenue in the      |              |              |              |              |
|                             | province where the enterprise is located                   |              |              |              |              |
| **Matching variable**       |                                                           |              |              |              |              |
| Total output value (lnoutput)| Logarithmic value of total output value                    | 12.857       | 13.072       |              |              |
| Whether it is state-owned   | a 1 if yes; 0 if no                                        | 0.080        | 0.082        |              |              |
| enterprise (stateown)        |                                                           |              |              |              |              |
| Total assets (lnassets)      | Logarithmic value                                         | 11.093       | 11.121       |              |              |
| Subsidy income in 2008 (subsidy 2008) | Logarithmic value of subsidy income in 2008 |
|-------------------------------------|------------------------------------------|
| of total assets                     |                                          |
| 2.246                               | 2.363                                    |

Note: In this article, the data of 2010 are used for matching, so the descriptive statistics of matching variables can only reflect the situation of 2010. The control group in the table refers to the unregulated enterprises that are retained after matching with the propensity score matching method, the same below.

3.2. Quality of propensity score matching method

Figure 1 shows the distribution condition of propensity score kernel density of the experimental group and the control group upon matching. As can be seen from the figure that propensity score distribution of the two groups of enterprises is relatively close, i.e. the two groups of samples have strong characteristic similarity upon matching, indicating that the matching effect is quite good. Figure 2 shows that there is almost no difference in the average values of the matching variables for the two groups of enterprises upon matching, and the absolute standard deviation of the four matching variables is less than 10%, especially for 3 variables of subsidy2008, inputput and lnassets, the average value difference (absolute standard deviation) upon matching is greatly reduced compared with that before matching. To sum up, the matching technology reduces the sample selection deviation, ensuring that DID equation can be estimated on the premise of satisfying the parallel trend assumption, thus ensuring the reliability of the estimation results.

3.3. Typical facts of subsidy income differences between experimental group and control group

According to Figure 3, the number of subsidized enterprises in the experimental group is more than that in the control group since 2011 when the “Energy Saving and Low Carbon Action in Ten-thousand Enterprises” is formulated and implemented. The average subsidy income of the subsidized enterprises in the experimental group is more than that in the control group during the period in 2010-2013; Moreover, after the release of the List of Enterprises and Energy Saving Targets for "Energy Saving and Low Carbon Action in Ten-thousand Enterprises" in 2012, the growth rate of average subsidy income of subsidized enterprises in the experimental group is significantly faster than that in the control group, so we can make a preliminary judgment that the experimental group has received more financial subsidies due to being included in the energy saving and low carbon action. Of course, it needs to be determined based on subsequent measurement and analysis. In addition, the average subsidy income of subsidized enterprises in the experimental group declined in 2011 compared with 2010, but the subsidy scale of subsidized enterprises in the control group became larger, so we can make a preliminary judgment that the difference in subsidy income between the experimental group and the control group upon the implementation of the policy cannot be construed as a result of the policy effect of energy saving and low carbon action, and the initial difference between the two groups of enterprises must also be eliminated.
3.4. Estimation results and discussions of DID model

After the propensity score matching, based on the microscopic data of 617 regulated food enterprises and 617 unregulated food enterprises, the least square method (OLS) is used to estimate the DID model. Table 2 shows the estimation results of DID model. The coefficient of treat*time mentioned in this article is 0.431, which is significant at the confidence coefficient of 95%, which indicates that the subsidy income difference between the control group and the experimental group reaches a significant level, i.e., the regulated food enterprises can obtain more subsidies than unregulated enterprises, which means, the proportion of subsidies in regulated enterprises is 43.1% higher than that in unregulated enterprises., so it means that the Chinese government provides corresponding compensation to food enterprises that undertake energy saving tasks. Firstly, food enterprises that have been included in the "Energy Saving and Low Carbon Action in Ten-thousand Enterprises " are required to increase investment in terms of process transformation, technological improvement, equipment renewal, production process reconstruction, low-carbon product development etc. in order to complete the energy saving task, and these investments are under support of corresponding financial subsidy projects, so the regulated enterprises that take practical actions to save energy and reduce emissions will of course receive more subsidies. Secondly, it is clearly stated in the Implementation Plan for Energy Saving Target Responsibility Assessment of Ten-thousand Enterprises that: "All regions and relevant departments should reward enterprises (units) that have made outstanding achievements in energy saving." According to the Assessment Results of Energy Saving Target Responsibility of Ten-thousand Enterprises in 2013 issued by the National Development and Reform Commission, only 56 regulated food enterprises (totaling 617) in this article are assessed as "unfinished", i.e. more than 90% of the regulated enterprises can obtain corresponding rewards after completing the annual energy saving tasks. Chinese governments at all levels and relevant departments have strong control over the financial subsidy resources at their disposal (Girma, et al., 2010), and such resources can be allocated to enterprises who are active in completing the task of energy saving so as to encourage more enterprises to increase investment in energy saving and consumption reduction. Thirdly, the administrator responsibility system is implemented for "Energy Saving and Low Carbon Action in Ten-thousand Enterprises", the fulfilment condition of the energy-saving target of ten-thousand enterprises has been incorporated into the energy-saving target responsibility assessment and evaluation system of the provincial government. Such mechanism will force the competent department in charge of energy saving project to strengthen supervision over the fulfilment of energy saving tasks of the regulated enterprises, and even lead to "collusive behavior", that is, ten-thousand enterprises included will strive to complete the energy saving task, and governments at all levels and competent
departments will "compensate" these enterprise through release of preferential policies such as financial subsidies, so as to achieve a win-win result that energy saving and consumption reduction of enterprises can be achieved and local governments and competent departments can complete the assessment indicators.

Table 2. Estimate result of DID model.

|                                | Coefficient | Standard deviation | T value |
|--------------------------------|-------------|--------------------|---------|
| time                           | -0.094      | 0.142              | -0.662  |
| treat                          | -0.205      | 0.147              | -1.395  |
| treat*time                     | 0.431***    | 0.194              | 2.222   |
| Scale of output value          | -0.026      | 0.063              | -0.413  |
| Enterprise scale               | 0.524***    | 0.080              | 6.550   |
| Year of establishment          | 0.004**     | 0.002              | 2.000   |
| Quantity of labor force        | -0.078      | 0.085              | -0.918  |
| Productivity                   | 0.007       | 0.015              | 0.467   |
| Capital intensity              | -0.158***   | 0.059              | -2.678  |
| Export scale                   | 0.026**     | 0.011              | 2.364   |
| Asset turnover ratio           | 0.001       | 0.010              | 0.100   |
| Whether it is included in liabilities | 0.223   | 0.158               | 1.411   |
| Whether it is a state-owned enterprise | 0.146   | 0.196              | 0.745   |
| Whether it is a foreign-funded enterprise | -0.354***   | 0.121               | -2.926  |
| Whether it is a Hong Kong, Macao and Taiwan enterprise | -0.209   | 0.171              | -1.222  |
| GDP per capita                 | -0.432**    | 0.189              | -2.286  |
| Per capita fiscal income       | 0.211***    | 0.052              | 4.058   |
| Constant                       | -1.653      | 1.688              | -0.662  |

Note: *, ** and *** respectively means that it is significant at the confidence coefficient of 90%, 95% and 99%. The data in parentheses are standard deviations.

4. Conclusions and revelation

Taking the "Energy Saving and Low Carbon Action in Ten-thousand Enterprises" as an example, the list of ten-thousand enterprises is matched with the China Industry Business Performance Data in this article. After the food enterprises are retained, the regulated enterprises and unregulated enterprises in the food industry are determined. Then based on the balanced panel data of two groups of enterprises from 2010 to 2013, the propensity score matching-difference-in-difference method is adopted in this article to evaluate the impact of energy saving policy on subsidy income of the regulated food enterprises. The main conclusions are drawn as follows: Firstly, generally speaking, the food enterprises regulated under the energy saving policy can obtain more subsidy income than unregulated enterprise, which indicates that the government and the competent departments provide corresponding compensation to food enterprises that undertake energy saving tasks. The main reason is that Chinese governments at all levels have set up various subsidy programs related to energy saving and consumption reduction (environmental protection) as well as productive subsidies, R&D subsidies and export subsidies, however, under the multiple influences of the demand to encourage enterprises to save energy and reduce consumption, the administrator responsibility system and the "collusive behavior between government and enterprises", financial subsidy resources related to (and not related to) the energy saving are tendentiously allocated to the regulated enterprises.
Based on the above research conclusions, we can have a understanding of the following 2 policy implications. Firstly, food enterprises undertaking energy saving tasks can actively invest in terms of energy saving and consumption reduction project, and actively apply for financial subsidy funds related to (and not related to) the energy saving and consumption reduction (environmental protection) related and other preferential policies to make up for shortfall of investment related to energy saving and consumption reduction. Through the above actions, on the one hand, it actively undertakes the social responsibility of energy saving, consumption reduction and CO2 reduction, thus providing experience and technical knowledge support for the low-carbon transformation of China's food industry; On the other hand, it also lays a foundation for adapting to the low-carbon competition mode in the future, as the major export destinations of food enterprises such as the United States, Britain, Japan, France, Sweden, Canada etc. have implemented the carbon label system, and low carbon will surely become one of the important competitive factors in the future international market.

Secondly, local governments and major departments (trade associations) involving the food industry should allocate financial subsidy resources in a balanced manner. In addition, in the context of strengthening the audit mechanism and responsibility system for special financial funds, the food enterprises usually need to accept routine or even unconventional supervision, audit and performance evaluation after obtaining financial subsidies. A project is subject to the audit and assessment by many departments such as the Finance Department (Bureau), the Audit Department (Bureau), the Economy and Information Technology Department (Bureau), the National Development and Reform Commission (Bureau), the Environmental Protection Department (Bureau), the Science and Technology Department (Bureau), etc. The audit contents are different from the information and formats to be filled in for different departments, so those subsidized enterprises have to struggle to cope with such matters and their enthusiasm in application for subsidies decreases. So governments at all levels should try their best to coordinate and manage financial subsidy projects, strengthen communication and coordination among the employers of subsidy projects, form a unified format covering the supervision and assessment contents, audit contents and required documents, reduce the hidden costs of enterprises to improve the enthusiasm of applying for financial subsidy projects and to further increase the investment of enterprises in terms of energy saving and consumption reduction.

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