

# Research and Analysis on the Benign Interaction between Financial Economy and Real Economy

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**Abstract:** With the rapid development and upgrading of China's economy, the financial economy is separated from the real economy and the innovative financial system supports the development of the real economy. However, the changes in the relationship between the financial economy and the real economy cause market fluctuations and hinder the development of enterprises. Moreover, the financial economy shows a lack of power, which is not conducive to the development of the real economy, but also hinders the overall development of China's economy. In view of this situation, the financial economy and the real economy should do a good job of benign interaction, establish a symbiotic economic system, broaden financing channels, optimize the market environment and so on, so as to solve the difficulties existing in the development of the financial economy and the real economy, realize the benign interaction, innovate the industrial structure, and promote the transformation and upgrading of China's economy as a whole.

## 1. Introduction

Financial economy and real economy are important parts of national economy. Financial economy supports the development of real economy, and real economy also lays a good foundation for the development of financial economy. However, in the process of coordinated development, due to the influence of many internal and external factors, the relationship between financial economy and real economy affects the development of the market. Therefore, the market economy should make reasonable planning, optimize the market environment, strengthen market supervision, eliminate the existing influencing factors, ensure the benign interaction between financial economy and real economy, and promote the sustainable development of local economy.

## 2. Relationship between Financial Economy and Real Economy

### 2.1 Financial Economy Supports the Development of Real Economy

Financial economy supporting the development of the real economy refers to the real economy in the process of development can use the financial economy to obtain development capital. Many enterprises will accumulate a lot of funds to maintain internal operation through financial operation, provide financial support for various activities, ensure the stable operation of enterprises, obtain more economic benefits, and promote the development of the real economy. There are many risk problems in the past credit loan, and it is difficult for small and medium-sized enterprises to use credit loan for financing. The development of financial economy solves this dilemma and reduces the risk of credit loan. It provides professional services for enterprises, guarantees for both sides of the economy, uses legal fund-raising and introduction to accumulate funds, and then puts them into the real economy, which promotes the development of the real economy and maximizes its own benefits.

### 2.2 Real Economy Lays a Good Foundation for the Development of Financial Economy

The real economy has been occupying a very important position in the market economy, and it is

the guarantee of the normal operation of the society. The real economy creates wealth and maintains the stable operation of market economy through production. China's overall economy is also supported by the real economy to establish a sound industrial system. On this basis, financial economy is derived, which provides more support for the development of the real economy, and at the same time depends on the real economy. It can be seen that the two are interdependent, and the development of financial economy can't be separated from the support of the real economy.

### **3. Negative Effects Caused by the Change of the Relationship between Financial Economy and Real Economy**

#### **3.1 Financial Turmoil Leads to Market Fluctuation**

At present, in the market economy, the development of financial economy is always faster than that of the real economy, which leads to the decline of the status of the real economy in economic activities, the suppression of economic development and the imbalance of market structure. In order to meet people's needs, commercial banks continue to expand their own development scale, increase some new business, and further strengthen the construction of the financial system, but there are also many financial disturbances in this process. In order to reduce the risk of loans, banks continue to improve the financial regulatory system, so corporate lending needs higher threshold, difficult to obtain enough funds to maintain the development of the real economy. It causes market fluctuation and is not conducive to the balanced and stable development of economy.

#### **3.2 Hinder the Development of Enterprises**

In the new era, in order to obtain faster and higher development, enterprises have realized the transformation in internal structure, introduced the construction of information technology and carried out modern management. However, in the process, enterprises need a lot of capital support, and some production capacity work is facing the dilemma of elimination, so the development of the real economy has been seriously suppressed. Many industries, such as real estate, use virtual economy to occupy a large amount of capital costs, reducing the survival space of other enterprises. In addition, with the continuous improvement of risk prevention mechanism of commercial banks in recent years, higher requirements are put forward for enterprise loans. Most of the small and medium-sized enterprises are difficult to meet the requirements of banks, and it is difficult for them to obtain the required funds successfully. Strict credit standards have reduced the organizational vitality of enterprises, and enterprises lack financial support and are relatively difficult to operate. Especially in the new era, competition is particularly fierce. Enterprises lack financial support and are difficult to obtain more opportunities, which affects the sustainable development of enterprises.

### **4. Measures for Benign Interaction between Financial Economy and Real Economy**

#### **4.1 Establish a Financial and Economic System of Symbiotic Development**

In the process of financial economic development in the past, the established financial economic system did not fully consider the development of the real economy, which limited the scope of application of the financial economic system, and was not conducive to the benign interaction between the financial economy and the real economy. Therefore, in the new era, local governments should pay attention to the establishment of a symbiotic financial economic system, further improve the relevant construction of the system according to the needs of the development of the real economy, and issue relevant policies to give certain support. In the process of financial economy development, there are higher requirements for risk prevention mechanism, but it will hinder the development of the real economy. Local governments can improve the regulatory mechanism according to this feature, provide effective guarantee for the development of the financial economy

and the real economy, reduce the credit standard, and obtain more financial support for the real economy. At the same time, it can also stimulate the organizational vitality of financial institutions and achieve positive interaction.

#### **4.2 Optimize the Market Environment**

In the process of the development of financial economy and real economy, the government plays a very important role. In order to realize the positive interaction between the two, the government should also pay attention to the optimization of the environment. First of all, it is necessary to analyze the various problems existing in the development of financial economy. The increasing number of financial institutions has broken the market environment in which commercial banks dominate. However, the construction and operation of financial institutions lack a certain order, and the financial ecological environment is not optimistic. Therefore, the government should give full play to its own functions, give some guidance, or formulate relevant systems to regulate the construction and development of financial institutions. They can establish credit intermediary or credit department, give full play to the functions of these departments, build a stable and safe development environment, provide corresponding services for the development of financial economy, and reduce the economic burden in the operation of financial economy. Secondly, it is necessary to fully consider all kinds of difficulties in the development of small and medium-sized enterprises, optimize the development environment of the real economy, and provide financial support for the development and construction of small and medium-sized enterprises. Finally, we need to build a scientific and perfect assessment mechanism, understand the current development situation of the real economy and financial economy and the existing problems, formulate solutions, and innovate the construction of the market economy system.

#### **4.3 Broaden Financing Channels**

Broadening financing channels can give full play to the value and advantages of financial institutions, and also provide broader space for the development of the real economy. First of all, the government should strengthen communication with financial institutions, establish banking and political mechanisms, so that financial institutions can timely understand the government, know various policies and systems formulated on financial and economic development, do a good job in the adjustment of development planning and broaden financing channels. Secondly, the government and financial institutions can consult some financial experts to understand the rationality and feasibility of fund collection and introduction methods, formulate effective development plans, and eliminate the existing influencing factors. In addition, financial institutions need to constantly improve their service level and quality, so as to broaden financing channels, ensure the stability of various channels, and provide more opportunities for the real economy.

#### **4.4 Strengthen Financial Market Supervision**

The government should strengthen the supervision of the financial market, establish a perfect risk prevention mechanism, effectively avoid all kinds of risk problems in the development process of financial economy and real economy, so as to promote the benign interaction and coordinated development of the two. We should improve the relevant laws and regulations, do a good job in supervision, timely discover problems in the financial market, crack down on some illegal financing activities, standardize the market order, and promote the stable and coordinated development of the economy.

### **5. Conclusion**

In a word, the coordinated development of financial economy and real economy is the main trend of current economic development, and has a good development prospect. The financial

economy and the real economy are interdependent and promote each other, which makes up for the defects in their development and lays a good foundation for development. The government needs to intervene, give full play to its own functions, provide corresponding guidance and planning for the development of financial economy and real economy, implement various policies and systems, standardize the development of financial economy and real economy, optimize the market environment, establish an economic system in which financial economy and real economy coexist, and broaden financing channels, so as to realize the benign interaction and coordinated development of financial economy and real economy, promote the rapid development and transformation and upgrading of China's economy.

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