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RESEARCH ON THE IMPACT OF THE MARKETIZATION LEVEL OF CAPITAL FACTORS ON THE SUSTAINABLE DEVELOPMENT ABILITY OF ENTERPRISES**Abstract:**

At present, China's stock market is large but not strong, the system and mechanism are inflexible, and the bond market segmentation still exists. At the same time, there is a large gap between domestic and foreign capital markets, and the financial system that effectively deals with international financial risks needs to be improved. All these factors restrict the sustainable development of Chinese enterprises. In a series of policy opinions issued by the CPC Central Committee in recent years, it is clear that all kinds of hidden barriers should be eliminated, all kinds of factors should flow independently and orderly, and the operation mechanism of the factor market should be improved. Therefore, it is of great practical significance to study the influence of the marketization level of capital factors on the sustainable development ability of enterprises.

Based on the data of Shanghai and Shenzhen A-share listed companies from 2011 to 2020, this paper analyzes the marketization level of capital factors and the sustainable development ability of 31 provinces in China, and uses the fixed effect model to test the influence and function mechanism of the marketization level of capital factors on the sustainable development ability of enterprises. Research findings indicate that enhancing the marketization of capital factors notably enhances enterprises' capacity for sustainable development. Mechanism analysis suggests that advancing the digital economy's development level amplifies the impact of capital factor marketization on bolstering enterprises' sustainable development capabilities.;the marketization of capital factors mainly affects the sustainable development ability of enterprises by raising the attention of public environment.

In view of the improvement of the sustainable development ability of enterprises, the paper proposes these ideas: to intensify the market-driven changes in factors, hasten the growth of the digital economy, and mold the societal perception of businesses. The article broadens the scope of pertinent studies on the financial impacts of capital factor marketization and the elements influencing businesses' sustainable growth potential, while also offering valuable insights for advancing the marketization of capital factors in China.

Keywords:

Capital factors marketization allocation, sustainable development ability, influence mechanism