

Research on the Influence of Economic Policy Uncertainty on Cash Dividend Policy

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Abstract: Based on the sample of A-share listed companies in China from 2013 to 2021, this paper explores the influence of economic policy uncertainty on cash dividend policy through random effect panel regression, and draws the following conclusions: First, the increase of economic policy uncertainty will make enterprises pay more cash dividends; Secondly, compared with enterprises with low financing constraints, enterprises with high financing constraints are more willing to pay more cash dividends in the face of increasing economic policy uncertainty; Finally, the higher the growth of enterprises, the more significant the impact of economic policy uncertainty on cash dividends of enterprises. The research of this paper not only further expands the research direction of economic policy uncertainty and cash dividend policy, but also has certain guiding role for enterprises to formulate more reasonable cash dividend policy.

Keywords: Economic policy uncertainty, Cash dividend, Financing constraints, Growth.

1. Introduction

The financial crisis in 2008 has severely impacted the world economy, and the overall economic situation of all countries has been seriously affected. In order to alleviate the negative impact caused by the financial crisis, governments of various countries have successively issued a series of policies to deal with it. However, so far, the impact of the financial crisis on the economies of various countries still exists, and the outbreak of the Russian-Ukrainian war has aggravated the instability of the world economy to a certain extent. In such a turbulent international economic environment, our government has issued a series of fiscal and monetary policies, which have indeed played a positive role in stabilizing the price level, promoting economic growth and alleviating the negative impact of the international situation on our economy. However, it is undeniable that the constant adjustment of macroeconomic policies will also affect the economic situation of micro-enterprises.

In a narrow sense, dividend policy refers to the principles and strategies for enterprises to determine how to distribute the company's net profit, which is an indicator to reflect the company's operating conditions. Therefore, dividend policy is very important to enterprises. The stable dividend policy reflects that the enterprise is in good operating condition, and investors will think that the development prospect of the enterprise is considerable and are more inclined to invest in it.

Under the current macroeconomic situation, the impact of the uncertainty of economic policy on dividend policy has always been a research topic for scholars. However, there are few literatures on the impact of economic policy uncertainty on cash dividend policy from the perspective of financing constraints. Based on this, this paper not only studies the direct negative impact of economic policy on cash dividend policy, but also explores the regulatory effect of financing constraint and the different effects of economic policy uncertainty on cash dividend policy under different growth conditions, thus further expanding the research scope of influencing factors of cash dividend policy. At the same time, for external investors, the cash dividend policy reflects the operating conditions of the enterprise, and investors will

make investment decisions according to the principles and strategies of the enterprise's distribution of net profit. The research in this paper is also helpful for enterprise management to formulate a more reasonable cash dividend policy considering the macroeconomic environment, and then help enterprises attract more external investors and improve investors' confidence in the enterprise.

Many scholars at home and abroad have studied the relationship between economic policy uncertainty and cash dividend policy, but the conclusions are not uniform. On the one hand, some domestic scholars come to the conclusion that the uncertainty of economic policy is negatively related to the payment of cash dividends. Among them, Li Fengyu and other scholars (Li Fengyu, Shi Yongdong 2016; Han Tong, Xu Xiwen, Yang Haoyu 2017; Chen Yanyan, Cheng Liubing 2018; Yao Na (2019) studies the relationship between economic policy uncertainty and cash holdings of enterprises, and draws the conclusion that enterprises will increase cash holdings when economic policy uncertainty increases [1][2][4][5], while Shen Chen (2018) selects the annual data of China A-share listed companies from 2007 to 2016 as the research sample, and through regression analysis, it is concluded that economic policy uncertainty will have a negative impact on cash dividend distribution of enterprises. In addition, foreign scholars Tran, D.V.(2020) conducted a study on banking enterprises, and concluded that when faced with economic policy uncertainty, banks became more cautious and reduced dividend payments to protect resources and resist potential adverse financial shocks in uncertain times [6]. On the other hand, some scholars believe that the uncertainty of economic policy is positively related to the cash dividend of enterprises. Liu Bin (2018) inferred by analyzing the empirical data of listed companies in China's main board and small and medium-sized board market that when the uncertainty of economic policy rises, the cash dividend payment rate of enterprises rises [7]. Domestic scholars He Baolu (2020) and Li Chunyun (2020) believe that enterprises will adopt a more active cash dividend policy when the uncertainty of economic policy increases due to agency problems [8][9]. In addition, Kai Zhong, Liang Peng and Peng Wen (2021) made an in-depth study of the impact

of monetary policy uncertainty on cash dividend policy, and they found that monetary policy uncertainty will lead to a decline in the level of cash holdings of enterprises, because the cash held by enterprises is an important fund to support cash dividend distribution during the period of high monetary policy uncertainty [10]. Attig, Najah et al. (2021) found that a high level of economic policy uncertainty (EPU) is positively correlated with dividend payout by using data from 19 countries [11].

The relationship between economic policy uncertainty and cash dividend policy is influenced by many factors. Liu Liwen (2019) first analyzed the regression results with different property rights of enterprises as samples, and found that compared with private enterprises, the degree of economic policy uncertainty has a stronger inhibitory effect on cash dividends in state-owned enterprises. He believes that it is because of the problem of "absence of owners" in state-owned enterprises in China, and the owner's control chain is long. In the face of rising economic policy uncertainty, it is more difficult for owners to observe the efficiency and personal efforts of their investment decisions, thus the management has greater motivation [12]. B Sarwar and M Hassan (2020) studied the moderating effect of financial expertise of the board of directors on the relationship between them. By using Logit model, dividend initiation (Di) and dividend termination (Dt) were introduced. The two scholars found that maintaining a high level of financial expertise of the board of directors is beneficial to reducing the negative (positive) impact of economic policy uncertainty on dividend distribution [13].

Based on the above analysis, we can find that economic policy uncertainty, as a new research direction, has been studied by many scholars at home and abroad, but so far, the impact of economic policy uncertainty on corporate cash dividend policy is still in the exploratory stage, and the existing research on the relationship between the two mainly focuses on the nature of enterprise property rights, enterprise life cycle, agency issues, etc., but there is a lack of research on the adjustment and effect of financing constraints. Therefore, this paper first studies the relationship between economic policy uncertainty and cash dividend payment of enterprises, and then studies the intermediary role of financing constraints and the influence of macroeconomic policy uncertainty on cash dividend policy of enterprises under different growth conditions.

2. Theoretical Analysis and Research Hypothesis

Based on the signal transmission theory, investors often regard the dividend policy of enterprises as a reflection of the operating conditions of enterprises in order to make rational investment decisions. The management of the enterprise sends good information to investors by issuing cash dividends. Liu Yujing (2013) pointed out that when the company has more information about future investment opportunities, profit prospects and abundant cash flow, the management authorities will choose to increase the dividend payment rate to tell shareholders and potential investors; On the other hand, when there is a lack of investment opportunities and confidence in the future business development of the enterprise, the signal released by the management to reduce the dividend level will also be received by the outside world, and the stock price may therefore fall [14]. Therefore, Yang

Yuchen (2021) thinks that when an enterprise is faced with uncertainty, the management's prediction of the future economic prospects will become pessimistic, and the company's dividend policy will also change accordingly [16]. Li Demei (2021) also proposed that when the uncertainty of economic policy intensifies, in order to cater to investors' preferences, reduce the perceived investment risk of investors and stabilize the stock price, enterprises will also increase the payment of cash dividends [17]. Therefore, based on the signaling theory, this paper assumes that when the uncertainty of macroeconomic policies increases, the management of enterprises will pay more cash dividends in order to stabilize the stock price and send good information to investors. Based on the above analysis, hypothesis H1 is proposed.

H1: Uncertainty of economic policy will have a positive impact on cash dividend distribution of enterprises.

The theory of financing constraint was first put forward by Robert Blank, which is a theory used to describe the financing behavior and financial situation of enterprises. Based on this theory, Chen Junlan (2022) thinks that the forms of corporate financing are external financing with debt financing (bank credit) and equity financing (margin financing and securities lending) and internal financing with internal operating profit as specific typical [15]. Although, under the conditional assumption of MM theory, the internal and external financing situation of enterprises will not affect their development, in reality, the investment decision of enterprises will also be limited by financing constraints. When the financing constraints faced by enterprises are higher, the financing channels of enterprises become narrower and the financing costs increase. In order to alleviate this situation, enterprise management will be more inclined to carry out equity financing and absorb more external investment. At this time, enterprises need to establish a good reputation to gain the trust of investors. Therefore, companies with high financing constraints are more likely to send a positive signal to the outside of the company through a stable dividend policy and attract external investors. Based on financing constraint theory, hypothesis H2 is proposed.

H2: Financing constraints positively regulate the impact of economic policy uncertainty on cash dividends.

From the perspective of enterprise growth, enterprises with high growth have more room for growth and more investment opportunities. In this case, enterprises need more funds. However, most of these enterprises are in the initial stage, with a high degree of financing constraints. At this time, the main source of funds for enterprises is to absorb external equity investment, which requires enterprises to maintain a good reputation and attract investors. Therefore, when the uncertainty of economic policy increases, the management of these high-growth enterprises will increase the payment of cash dividends to cater to investors in order to establish their corporate image. Based on the above analysis, hypothesis H3 is proposed.

H3: Compared with enterprises with low growth, the uncertainty of economic policies of enterprises with high growth has a more significant impact on cash dividends.

3. Research Design

Section 1 Sample selection and data source

This paper takes the listed companies in Shanghai and Shenzhen A-shares from 2013 to 2021 as samples, and the sample data comes from Guotai 'an database and Ruisi database. In order to facilitate the empirical analysis, this

paper preprocesses the data as follows: first, remove the samples of listed companies whose financial or other conditions are abnormal by ST and PT. Second, delete the samples with missing main variables. Third, delete the samples of observation values that have been listed for less than one year. Fourthly, in order to avoid the influence of extreme values in the sample on the regression results, Winsor2 processing is carried out on continuous variables at the level of 1% and 99%. Through the above processing, 2340 sample data are obtained in this paper, and the data processing and operation are completed by using Excel software and Stata16.0 software.

Section 2 Variable definition

1. The explained variable-the level of cash dividend payment (Divpay)

The research object of this paper is the cash dividend policy, and the change of cash dividend policy is influenced by the profitability of enterprises. Wang Yaping (2020) thinks that cash dividends issued by enterprises usually meet the following conditions: sufficient retained earnings, sufficient cash holdings, and the decision of the board of directors [18]. This paper uses the level of cash dividend payment (Divpay) to measure the cash dividend policy. The level of cash dividend payment reflects the relative level of cash dividend paid by enterprises from net profit by calculating the ratio of total cash dividend to net profit.

2. Explanatory variable-economic policy uncertainty (EPU)

The economic policy uncertainty (EPU) index was put forward by Scott R. Baker, Nicholas Bloom and Steven J. Davis of Stanford University and University of Chicago. Since it was put forward, this indicator has been widely used to reflect the changes of various macroeconomic policies introduced by the government. After the outbreak of the financial crisis, the government's frequent changes in economic policies have had a certain impact on the development of micro-enterprises. Starting from the impact of economic policy uncertainty on the cash dividend policy of enterprises, this paper uses the arithmetic average method to calculate the economic policy uncertainty (EPU).

3. Adjustment variable-financing constraint (KZ)

The moderating variable in this paper is financing constraint. There are many indexes to measure financing constraints, such as SA, WW, FC, etc., but KZ index is more intuitive. The calculation formula of KZ index is $-1.001909 * OCF/Asset + 3.139193 * LEV - 39.3678 * Dividends/Asset - 1.314759 * Cash/Asset + 0.2826389 * Tobin'sq$. When the absolute value of KZ index is greater, it shows that the

financing constraint of enterprises is greater.

4. Control variables (plus year and industry control variables)

(1) the Size of the company (size)

The size of a company is the size of a company divided according to certain standards and regulations, which is one of the factors that affect the payment of cash dividends by enterprises. The company Size can be determined by calculating $\ln(\text{total assets} + 1)$. Generally speaking, other things being equal, the larger the company Size, the more inclined the company is to pay more cash dividends.

(2) Financial leverage (DFL)

Financial leverage (DFL) is a micro-factor that affects the cash dividend policy of enterprises. It refers to the phenomenon that the change range of earnings per share of common stock is greater than that of earnings before interest and tax under the premise of fixed debt interest or preferred stock dividend, which can be quantified directly by calculating the ratio of total liabilities to total assets.

(3) Ownership concentration (OC)

Equity concentration is the main indicator to measure the distribution of the company's equity, and it is also an important indicator to measure the strength of the company's stability, and it is also an important indicator to measure the company's structure. We can judge the equity concentration by determining the shareholding ratio of the largest shareholder. Bao Wurihan (2013) believes that the relationship between equity concentration and cash dividends is that the higher the equity concentration, the more cash dividends will be paid [19].

(4) the nature of equity (OP)

According to the nature of equity, this paper divides the listed companies as samples into state-owned enterprises and non-state-owned enterprises, with the state-owned enterprises assigned a value of 1 and the non-state-owned enterprises assigned a value of 0.

(5) Zone

In this paper, the regions where the research samples are located are divided into economically developed regions and economically underdeveloped regions, in which the economically developed regions are assigned a value of 1 and the rest are assigned a value of 0. In addition, Jiangsu, Zhejiang, Shandong, Guangdong, Beijing, Tianjin, Shanghai and Fujian are regarded as economically developed areas, while other provinces are regarded as economically underdeveloped areas.

Table 1. Shows the main variables and their definitions in the model.

Table 1. Variable definition

Variable category	Variable name	Variable symbol	Variable definition
Explained variable	Cash dividend payment level	Divpay	Total cash dividend/net profit
Explanatory variable	Economic policy uncertainty	EPU	Arithmetic average of "China economic policy uncertainty index" based on Baker et al.
mediator variable	Financing constraint	KZ	Absolute value of KZ index
Control variable	Company size	Size	$\ln(\text{total assets} + 1)$
	trading on equity	DFL	Earnings before interest and tax/Total profit before tax
	Ownership concentration	OC	The shareholding ratio of the largest shareholder
	Nature of equity	OP	State-owned enterprises assign 1, and non-state-owned enterprises assign 0
	Region	Zone	The economically developed areas are assigned 1, and the economically underdeveloped areas are assigned 0

Section 3 Model setting

In order to verify hypothesis H1, this paper designs model (1):

$$\text{Divpay}_t = \beta_0 + \beta_1 \text{EPU}_t + \beta_2 \text{Size}_t + \beta_3 \text{DFL}_t + \beta_4 \text{OC}_t + \beta_5 \text{OP}_t + \Sigma \text{year} + \Sigma \text{ind} + \varepsilon_t \quad (1)$$

Among them, Divpay indicates that the cash dividend payment level is the explained variable, and EPU indicates that the uncertainty of economic policy is the explained variable. β_0 is a constant term in the model. In addition, the remaining variables are control variables, and β_i stands for regression coefficient. Σyear and Σind are annual virtual variables and industry virtual variables respectively, and ε_t stands for error term. If the assumption H1 in this paper holds, β_1 in model (1) should be significantly positive.

In order to verify the hypothesis H2, this paper designs the model (2):

$$\text{Divpay}_t = \beta_0 + \beta_1 \text{EPU}_t + \beta_2 \text{KZ}_t + \beta_3 \text{EPU}_t \times \text{KZ}_t + \beta_4 \text{Size}_t + \beta_5 \text{DFL}_t + \beta_6 \text{OC}_t + \beta_7 \text{OP}_t + \Sigma \text{year} + \Sigma \text{ind} + \varepsilon_t \quad (2)$$

On the basis of model (1), model (2) adds adjustment variable KZ and interaction item $\text{Divpay} \times \text{KZ}$ to verify the

adjustment effect of hypothetical H2. If H2 is assumed in this paper, β_3 should be positive.

4. Empirical Analysis

Section 1 Descriptive statistical analysis

The descriptive statistical analysis of the main variables in this paper is shown in Table 2. First of all, the average value of Divpay is 4.063, and the median value is 3.648, which shows that the cash dividend payment of Chinese enterprises is at a high level during the sample period. The standard deviation of Divpay is 0.226, the minimum value is 0.000, and the maximum value is 1.295. Comparing with the standard deviation of EPU of 2.354, the minimum value of 1.139 and the maximum value of 7.919, it can be concluded that the fluctuation of cash dividend payment level is smoother than that of economic policy uncertainty in China. Secondly, the average value of economic policy uncertainty is 0.330, while the median value is 0.300. In addition, the standard deviation of EPU is 2.354, the minimum value is 1.139, and the maximum value is 7.919. The difference between the standard deviation and the maximum value and the minimum value is also large, indicating that the uncertainty of China's economic policy fluctuates greatly. The data of other variables are shown in Table 2, and will not be described one by one.

Table 2. Descriptive statistic

variable	N	mean	p50	sd	min	max
Divpay	2,340.000	0.330	0.300	0.226	0.000	1.295
EPU	2,340.000	4.063	3.648	2.354	1.139	7.919
KZ	2,340.000	1.692	1.444	1.274	0.038	6.423
Size	2,340.000	23.467	23.309	1.489	20.754	27.897
DFL	2,340.000	1.225	1.033	0.685	0.554	5.852
OC	2,340.000	61.227	61.790	15.692	28.310	94.470
Zone	2,340.000	0.685	1.000	0.465	0.000	1.000

Section 2 Correlation test

The correlation test between the main variables in this paper is shown in Table 3. From the relationship between explanatory variables and explained variables, the correlation coefficient between economic policy uncertainty (EPU) and cash dividend payment level (Divpay) is 0.048, which is a significant positive correlation, that is, when the degree of economic policy uncertainty faced by enterprises increases, enterprise management tends to pay more cash dividends, which preliminarily verifies the first hypothesis H1 of this paper. From the relationship between the control variable and the explained variable, the correlation coefficient between the ownership concentration (OC) and the explained variable is 0.138, and the relationship between them is significantly positive, that is, the higher the ownership concentration, the more inclined to distribute cash dividends. Zhao Ruijie and

Wu Chaoyang (2017) believe that this is because the greater the control right of the major shareholders, the stronger the motivation to occupy the interests of the minor shareholders, and the possibility of listed companies using cash dividends to convey benefits to the major shareholders[20]. The correlation coefficient between Zone and explanatory variables is -0.085, which indicates that there is a significant negative correlation between zone characteristics and cash dividend payment level.

In addition, it can be seen from the table that the maximum correlation coefficient between different variables is 0.480, which is less than 0.6, indicating that there is no serious multicollinearity problem between variables in the table. Therefore, this paper can make further regression analysis to further explore the correlation between variables.

Table 3. Correlation coefficient between main variables

	Divpay	EPU	KZ	Size	DFL	OC	Zone
Divpay	1.000						
EPU	0.048**	1.000					
KZ	0.039*	-0.022	1.000				
Size	0.001	0.161***	0.144***	1.000			
DFL	-0.007	-0.059***	0.151***	0.069***	1.000		
OC	0.138***	0.012	0.059***	0.480***	-0.115***	1.000	
Zone	-0.085***	0.000	-0.121***	0.108***	-0.113***	0.006	1.000

Note: *** p<0.01, ** p<0.05, * p<0.1.

Section 3 Regression analysis

1. Benchmark regression

This paper makes a regression analysis on the uncertainty of economic policy and the level of cash dividend payment, and the regression results are shown in Table 4. It can be seen from the regression results of (3) listed rich people that the explanatory variables are significantly positively correlated with the explained variables at a significant level of 1%, which indicates that the uncertainty of economic policy has a positive impact on the level of cash dividends paid by enterprises. This is because when the uncertainty of economic policy increases, enterprises hope to send good information to investors by increasing the payment of cash dividends in

order to absorb equity investments. At the same time, the regression results further verify the hypothesis H1 of this paper. Financial leverage, equity concentration and the explained variables are also positively correlated, indicating that the higher the financial leverage and equity concentration, the higher the cash dividend payment level. When the financial leverage of an enterprise increases, investors will think that the financial risk of the enterprise will increase and the possibility of bankruptcy will increase, and investors will take measures to transfer the risk as soon as possible. Faced with this situation, the management of enterprises will pay more cash dividends to appease investors' emotions and ensure the normal operation of the company.

Table 4. Regression analysis of economic policy uncertainty and cash dividend payment level

VARIABLES	(1) Divpay	(2) Divpay	(3) Divpay
EPU	0.010*** (2.53)		0.012*** (2.85)
Size		-0.003 (-0.37)	-0.003 (-0.37)
DFL		0.020*** (2.85)	0.020*** (2.85)
OC		0.002*** (4.13)	0.002*** (4.13)
OP		-0.031 (-1.46)	-0.031 (-1.46)
Zone		-0.011 (-0.55)	-0.011 (-0.55)
Year	control	control	control
Industry	control	control	control
Constant	0.373*** (6.19)	0.288 (1.58)	0.274 (1.52)
N	2,340	2,340	2,340

2. Analysis of regulatory effect

Table 5 analyzes the moderating effect of financing constraint (KZ) on the relationship between explanatory variables and explained variables. From the table, it can be seen that the cross term is significant and positive, indicating that the financing constraints of enterprises positively regulate the impact of economic policy uncertainty on cash

dividend distribution. Enterprises with higher financing constraints are more eager to establish a good corporate image and implement a more active cash dividend policy in the face of economic policy uncertainty because of fewer financing channels, high financing costs and increased financing difficulties. This also confirms the hypothesis H2 in this paper.

Table 5. Regression Analysis of Economic Policy Uncertainty, Corporate Financing Constraints and Dividend Policy

VARIABLES	(1) Divpay	(2) Divpay
EPU	0.017** (2.33)	0.016** (2.22)
KZ	0.017*** (2.67)	0.018*** (2.81)
EPU*KZ		0.004* (1.86)
Size	-0.013 (-1.26)	-0.014 (-1.35)
DFL	0.012*** (2.59)	0.012*** (2.58)
OC	0.003*** (3.51)	0.003*** (3.56)
OP	-0.040 (-1.35)	-0.041 (-1.38)
Zone	-0.015 (-0.59)	-0.012 (-0.48)
Year	control	control
Industry	control	control
Constant	0.450* (1.90)	0.474** (1.99)
N	2,340	2,340

3. Robustness test

Firstly, this paper changes the measurement method of EPU, replacing the arithmetic average method with the geometric average method. It can be concluded from Table 6 that after the measurement method of EPU is changed, the

explanatory variables and the explained variables are still significantly positively correlated, and the adjustment effect is still significant, which shows that the empirical results of this paper are robust to some extent.

Table 6. Robustness test of changing the measurement method of explanatory variables

VARIABLES	(1) Divpay	(2) Divpay	(3) Divpay
EPU	0.346*** (2.85)	0.370*** (3.04)	0.358*** (2.94)
KZ		0.010*** (2.64)	0.011*** (2.79)
EPU*KZ			0.067* (1.84)
Size	-0.003 (-0.37)	-0.004 (-0.56)	-0.005 (-0.64)
DFL	0.020*** (2.85)	0.019*** (2.64)	0.019*** (2.65)
OC	0.002*** (4.13)	0.002*** (4.11)	0.002*** (4.13)
OP	-0.031 (-1.46)	-0.028 (-1.35)	-0.029 (-1.38)
Zone	-0.011 (-0.55)	-0.008 (-0.37)	-0.006 (-0.29)
Year	control	control	control
Industry	control	control	control
Constant	-0.093 (-0.49)	-0.101 (-0.53)	-0.073 (-0.39)
N	2,340	2,340	2,340

Secondly, at the end of 2019, the COVID-19 epidemic broke out for the first time, which had a certain impact on enterprises and easily interfered with the regression results of this paper. Therefore, in order to avoid the interference of epidemic situation, the sample of 2019 was excluded and then

regression was conducted again, and it was found that the uncertainty of economic policy was positively correlated with the cash dividend. In addition, the cross items in Table 7 are also significant. This further verifies the robustness of the empirical results in this paper.

Table 7. Robustness test of excluding 2019 samples

VARIABLES	(1) Divpay	(2) Divpay	(3) Divpay
EPU	0.013*** (2.93)	0.014*** (3.14)	0.013*** (3.01)
KZ		0.012*** (2.74)	0.014*** (3.32)
EPU*KZ			0.004*** (2.80)
Size	-0.005 (-0.56)	-0.006 (-0.77)	-0.008 (-0.97)
DFL	0.022*** (2.84)	0.020*** (2.65)	0.021*** (2.71)
OC	0.002*** (4.20)	0.002*** (4.18)	0.003*** (4.30)
OP	-0.050** (-2.22)	-0.047** (-2.10)	-0.048** (-2.17)
Zone	-0.004 (-0.19)	-0.000 (-0.01)	0.003 (0.13)
Constant	0.301 (1.59)	0.319* (1.69)	0.353* (1.86)
Year	control	control	control
Industry	control	control	control
N	2,080	2,080	2,080

4. Heterogeneity analysis

Chen Haifang (2023) put forward that the production

capacity of an enterprise represents the growth of the enterprise, which can reflect the future development possibility of the enterprise using resources, and often involves the human resources, organizational structure, management level, strategic planning and an expectation that may affect the potential development level of the enterprise [21]. The growth of an enterprise is also a comprehensive index for investors and other stakeholders to evaluate the enterprise, so the growth is very important for the enterprise. This paper analyzes the effect of economic policy uncertainty

on cash dividend payment level under different growth conditions, as shown in Table 8. The samples are divided into two groups according to their growth. The positive correlation between explanatory variables and explained variables is significant in one group and not significant in the other. Therefore, compared with low-growth enterprises, the uncertainty of economic policy has a more significant positive impact on cash dividend policy in high-growth enterprises, and this heterogeneity analysis verifies the third hypothesis H3 in this paper.

Table 8. Regression analysis of economic policy uncertainty, enterprise growth and cash dividend payment level

VARIABLES	(1)	(2)
	High growth	Low growth
EPU	0.017** (2.09)	0.003 (1.01)
Size	0.009 (0.73)	-0.009* (-1.82)
DFL	0.063** (2.36)	0.006 (0.81)
OC	-0.000 (-0.39)	0.002*** (5.46)
OP	-0.149*** (-3.27)	-0.025* (-1.73)
Zone	0.023 (0.55)	-0.014 (-1.25)
Year	control	control
Industry	control	control
Constant	0.271 (0.92)	0.453*** (3.97)
N	230	2,110

5. Research conclusions and suggestions

Section 1 Research conclusion

The influence of macro-economy on the dividend policy of micro-enterprises has always been a hot topic for scholars. Starting with the influence of macro-economic policy uncertainty on cash dividend policy, this paper takes the listed companies in Shanghai and Shenzhen A-shares from 2013 to 2021 as samples, and makes an empirical analysis of the relationship between them from different angles. Finally, the conclusions are as follows: there is a significant positive correlation between the uncertainty of economic policy and the cash dividend payment level of enterprises; Financing constraints have a positive regulatory effect on the correlation between economic policy uncertainty and cash dividend payment level; In enterprises with high growth, the positive impact of economic policy uncertainty on cash dividend policy is more significant.

Section 2 Relevant suggestions

From the perspective of the government. First of all, when the government chooses to adjust relevant economic policies to promote economic development, it also pays close attention to the reaction of enterprises to the uncertainty of economic policies, and strives to minimize the negative impact of the uncertainty of economic policies on enterprises when formulating relevant policies. At the same time, enterprises need to make a correct judgment on the changes of future economic policies. Relevant government departments should increase the information disclosure of economic policies, maximize the transparency of economic policy changes, and make the uncertainty of economic

policies change within a reasonable range. Secondly, in the period of increasing economic policy uncertainty, enterprises may have relatively negative expectations for the market, which often leads to a decline in output and a corresponding reduction in project investment, which is not conducive to social and economic development in the long run. Therefore, in order to improve the confidence of enterprises, the government should play a guiding role in guiding enterprises, reasonably and effectively guide enterprises to predict the changes of future economic policies, and actively and effectively communicate with enterprises and other market-related subjects. Finally, for enterprises with strong financing constraints, in the period of strong economic policy uncertainty, higher financing costs limit foreign investment and development. Therefore, government departments should strive to create a good financing environment, establish a variety of financing channels, and provide enterprises with sufficient sources of project investment, product innovation and R&D financing even in the period of strong economic policy uncertainty, so that enterprises can achieve sustained and stable development.

From the perspective of enterprises. First of all, in the period of increasing economic policy uncertainty, enterprises should increase investment in commodity development, improve their market competitiveness and make full use of their competitive advantages. Actively carry out product research and development and innovation, and combine other means to enhance the vitality of enterprises. According to the present situation of the company's business development, by breaking some existing restrictions in the company's current growth process and striving to improve the marketing level of competitive products, the company can seek stable

development in the market with more competitors even in the period of high external macro risks. Secondly, enterprises should keep abreast of the changes in economic policies, keep a clear understanding of the changing trend of economic policy uncertainty, and closely monitor the adjustment trend of economic policies of relevant government departments closely related to the development of enterprise activities. Therefore, in the case of relevant changes in economic policies, reasonable and effective measures can be taken in time to reduce the risks related to the uncertainty of economic policies and maintain the good development of enterprises. In the case of increasing economic policy uncertainty, maintaining a high level of capital holdings is helpful to protect companies from risks by preventive encouragement of liquidity holdings. Finally, in order to improve the level of corporate governance, the management of the company must strive to improve its management ability. Formulate an appropriate cash dividend policy, consider the interests of major shareholders and minority shareholders, consider the relevant changes in macroeconomic policies, and consider the company's own operating conditions and current financial conditions. Under the circumstance of high financing constraints and high economic policy uncertainty, through compromise, the cash dividend level can be appropriately raised, which will send a positive signal to the future business development of related enterprises and show their strong comprehensive strength, thus enhancing the company's reputation and offsetting the negative impact of economic policy uncertainty on the company, thus attracting external investment and enhancing the confidence of external investors in the future development of the company.

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