Intelligent manufacturing driven by digital economy realizes double growth of output value and benefits through technological innovation

Xinxin Chen[1,a] ,
[1]School of Economics and Management, Southeast University,
Nanjing 211189, Jiangsu, China
ddh13508@163.com

Jun Shao[2,b*]
[1]School of Economics and Management, Southeast University,
Nanjing 211189, Jiangsu, China
jj4202195@163.com

Abstract: This paper starts from the mechanism of digital economy empowering manufacturing enterprises, the reshaping of the smile curve of manufacturing industry, and deeply explores the role and influence path of intelligent manufacturing industry in realizing the double growth of output value and efficiency through technological innovation. Listed companies in the manufacturing industry from 2014 to 2023 are selected as samples, and variable data are obtained through (CSMAR) database and (RESSET) database. A multiple linear regression model was constructed with enterprise new quality productivity (Npro) as the explanatory variable, and artificial intelligence level (AI), smart manufacturing industrial policy (TreatxPost), and research and development investment (R&D) as the explanatory variables. The results show that the coefficients of

AI, TreatxPost, and R&D are 1.056***, 0.398***, and 0.520*** after adding control variables, and the coefficients are positive and significant, which validate the 3 hypotheses. 3 hypotheses were verified. The line trend test and propensity score matching verified the validity of the double-difference method and the positive influence mechanism of key independent variables on the new quality productivity of enterprises in the smart manufacturing industry, realizing the double growth of output value and benefits, and providing new paths and opportunities for the transformation and upgrading of manufacturing enterprises.
Keywords: digital economy; manufacturing enterprises; smile curve; artificial intelligence level; industrial policy

1. Introduction

Manufacturing enterprises are the main body of the national economy, the main carrier to promote high-quality development of the economy, and the strongest internal driving force to promote the development of the national economy for the better is the continuous progress of high-precision manufacturing industry [1-2]. Currently China's manufacturing enterprises are facing the resource and environmental costs rising year by year, product quality needs to be improved, as well as the low end of the value chain to lock and enhance international competitiveness and other issues. Facing the new situation of global competition and the new requirements of domestic economic transformation, manufacturing enterprises have increased investment in technological innovation and actively explored the road of digital transformation [3-4]. Through the introduction of advanced digital technology, production efficiency and product quality have been greatly improved, operational costs have been reduced, and great economic value has been created for enterprises. In this context, it is not only of important theoretical value to explore how the digital intelligent manufacturing industry can accomplish the double growth of output value and benefits through technological innovation, but also of far-reaching practical significance in guiding the transformation and upgrading of manufacturing enterprises and promoting the high-quality development of the economy.

This paper analyzes the mechanism and development path of digital economy empowering manufacturing enterprises from three perspectives of value, technology and business, and analyzes how it uses modern information technology to reconstruct the optimal allocation" is replaced with "most efficient distribution" to express the idea of getting the best use of resources. Using the smile curve and cases, It examines the pattern of manufacturing enterprises empowered by the digital economy. Regarding the role of the intelligent manufacturing sector, it explores how it harnesses technological innovation in artificial intelligence to drive the new high - quality productivity, and the impact of smart manufacturing industrial policy on the technological innovation, output value and benefits of enterprises. At the same time, it explores the role mechanism of R&D subsidies in it, providing theoretical basis and practical guidance for manufacturing enterprises to realize sustainable development in the era of digital economy.

2. Grounded Theory and Hypothesis Formulation

2.1 Mechanisms of digital economic empowerment

The digital economy has opened up a brand new development path for manufacturing enterprises, mainly through the deep integration of the Internet system and industrial system, taking data as the core driving force, reconstructing the whole elements of the manufacturing industry, the whole industrial chain and the whole value chain, realizing the ubiquitous connectivity, elasticity complementarity and efficient configuration of the resources of the manufacturing enterprises, and breaking the difficulties of the development of the manufacturing enterprises. From the perspective of value, technology and business, Figure 1 shows the structure and role of the digital economy and the integration of manufacturing enterprises.

From the aspect of value reconstruction of manufacturing enterprises through the digital economic paradigm, the digital economy shall leverage data, industrial software, utilizing cloud computing and other modern - era information - based elements technologies to drive the all-round connection and restructuring of manufacturing production factors, value chains and industrial chains, breaking through the internal and external fragmentation of the manufacturing industry's production methods. In this process, the birth of new technologies helps enterprises develop high value-added products, explore new markets, and directly drive the growth of output value [5]. For example, a high-end equipment manufacturing enterprises, the use of digital technology innovation research and development process, the introduction of new products with leading technology, quickly capture the market, the output value to achieve a significant increase. At the same time, the new division of labor mode of enterprise production efficiency greatly improved, cost reduction, efficiency can be enhanced.

From the technical support aspect of digital economy-enabled manufacturing enterprises, manufacturing enterprises build digital economy platforms, generally composed of four layers, namely, edge layer, cloud infrastructure, industrial platform layer, industrial application layer. In order to build the four platform layers, enterprises build 5G networks and data centers, and purchase new infrastructure such as artificial intelligence equipment and digital economy platforms to facilitate enterprise data collection, transmission, computation, analysis, and application, which can accurately predict the market demand and adjust the production plan in advance, which not only avoids the backlog of inventory, but also launches new products in time to meet the market demand, and realizes a significant increase in output value and a significant improvement in benefits [6].

In the digital economy empowered manufacturing enterprise business landing, the digital economy technology will be continuously applied to the enterprise equipment, enterprise unit, enterprise and industry chain, the information physical system, artificial intelligence technology will be promoted to all aspects of the manufacturing enterprise, to achieve interconnection and interconnectivity, resulting in the gradual blurring of the original organizational boundaries, so that the original competitive relationship of each enterprise will be transformed into a competing relationship, and progressively establish intelligent production and cooperative manufacturing models, customized - to - individual needs and service - expansion paradigms.In collaborative manufacturing, close cooperation, optimize the procurement process, reduce costs, and further enhance efficiency.

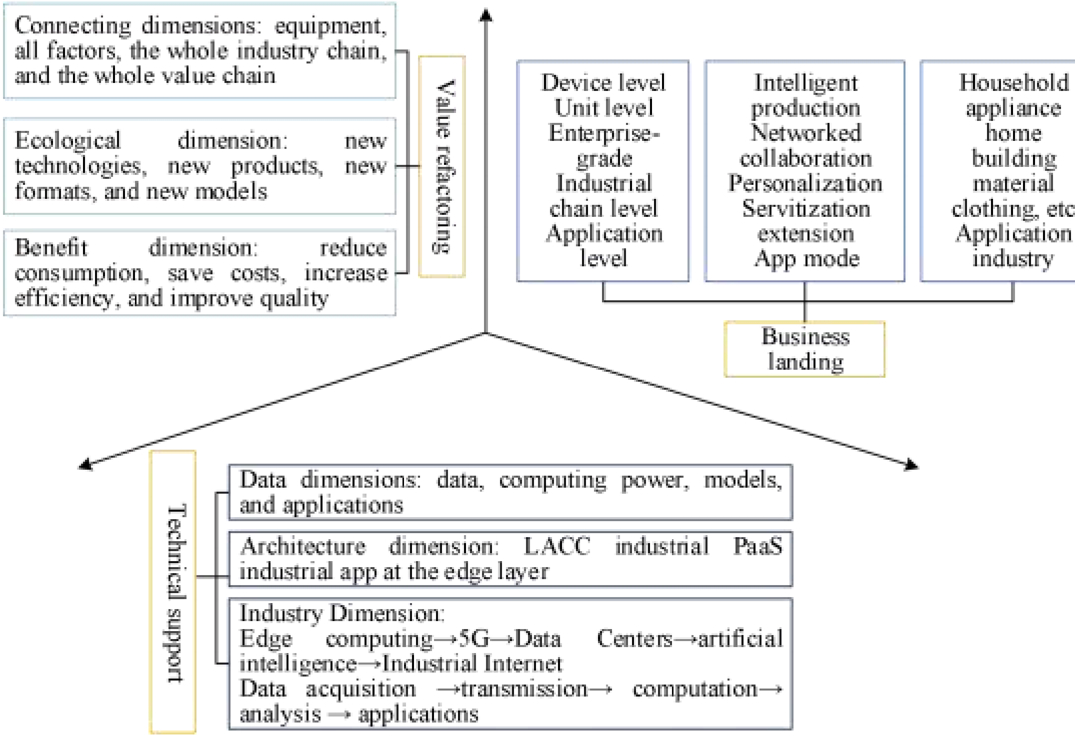

Figure 1 The structure and role of the integration of digital economy and manufacturing

2.2 Reshaping the Smile Curve in Manufacturing

In the traditional manufacturing value chain, the smile curve reveals the uneven distribution of profits among the four segments of R&D, design, manufacturing, marketing and service, which are divided into two zones from the perspective of value-added or profits, the high profit zone and the low profit zone. Among them, R&D, design, marketing and service are in the high profit range, while manufacturing is in the low profit range. Figure 2 shows the smile curve in the context of the digital economy, in which technological innovation has brought radical changes to traditional manufacturing, giving rise to new manufacturing modes such as personalized customization, networked collaborative manufacturing, manufacturing services and intelligent production. These models will be the front-end R & D design to the user, the user directly to the production of manufacturing enterprises to place orders, so as to direct sales, weakening the sales link. In this way, the manufacturing smile curve is likely to be reshaped, and the digital economy will gradually flatten the smile curve, so that the profits of each link will converge, and a new value will be formed again [7]. Manufacturing enterprises can continue to extend to R&D and design, marketing services through the digital economy, so as to realize the value chain of each link to co-create value, co-transmit value, and co-share value. With the enhancement of consumers' sense of autonomy and personalization, under the smiling curve model of the manufacturing industry with the participation of the digital economy, users will be involved in the entire value chain of research and design, production and manufacturing, marketing and service links. Fundamentally subvert the vertical division of labor system of the traditional manufacturing value chain, so that the production and manufacturing links and other high-end links of profit parity, and even in some industries, the production and manufacturing links will exceed the value creation capacity of other links. Therefore, the direction of the manufacturing industry to realize the enhancement of output value and benefits through technological innovation is clear, and the manufacturing industry can enhance the competitiveness of the whole value chain through information sharing, resource complementation and collaborative innovation, so as to realize the common enhancement of output value and benefits [8].

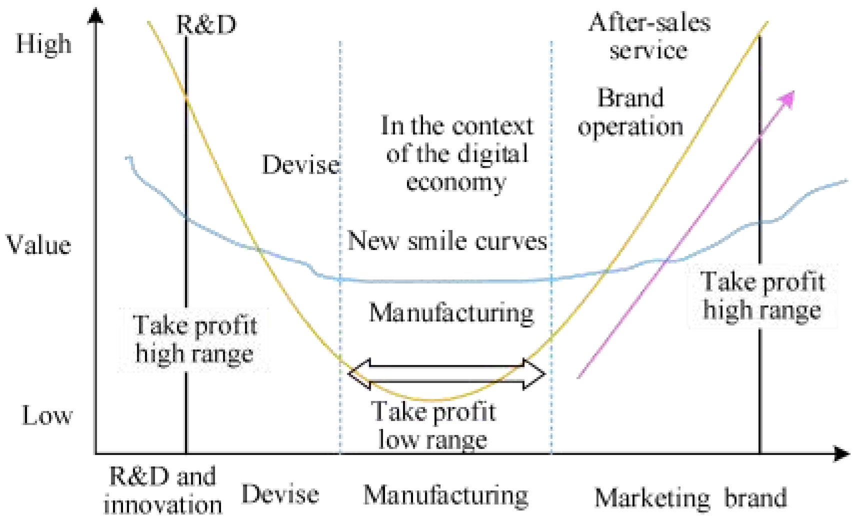

Figure 2 The smile curve in the context of digital economy

2.3 Research hypothesis

2.3.1 Development Potential of Artificial Intelligence

The core advantage of artificial intelligence technology lies in its ability to endow mechanical equipment with intelligent characteristics, partially replacing traditional human resources through the application of intelligent systems to complete specific work tasks. This transformation can reduce the enterprise's dependence on labor, reduce production costs, improve production efficiency, thus promoting the innovation and leap forward of productivity. Li, X.developed an all - encompassing index for AI's level from the strategic, application, and enterprise - AI innovation angles. Research reveals that AI substantially boosts new productivity growth. Moreover, an enterprise's AI development can enhance new productivity levels in nearby enterprises or regions. [9]. Chen, D et al. by way of the institution dedicated to economic collaboration and Development-International Input-Output Table industry data, analysis of the impact of artificial intelligence on the process of manufacturing servitization promote" became "boost" which is a common synonym meaning to increase or improve[10]. Zhang, Z. et al. proposed that Artificial Intelligence (AI) is becoming a new driving force for the green transformation of manufacturing enterprises, and the study found that AI can improve the management level of enterprises. By optimizing resource allocation and reducing costs, it completes the promotion of green transformation of manufacturing enterprises and promotes the adoption of more environmentally friendly production technologies and processes [11]. Leveraging the capabilities of artificial intelligence techniques , enterprises are able to realize a higher level of automation and intelligent production, thus increasing production efficiency, improving product quality and reducing the error rate in the production process. the application of artificial intelligence technology in production management and control also enables enterprises to respond more flexibly to market changes and improve their competitiveness. Based on this, this paper hypothesizes H1: Under the digital economy, the smart manufacturing industry borrows artificial intelligence technological innovation to realize double growth in output value and efficiency and enhance effectiveness to drive the growth of novel high - quality productivity.

2.3.2 Promotional effects of industrial policy

The tilting of resources to supported industries and enterprises changes the resource constraints of the supported objects, among which, fiscal means can directly affect the digital technology innovation activities of enterprises through government subsidies, tax incentives and other measures. The policy-driven tilting of resources to specific industries and enterprises is undoubtedly an important engine for activating the new kinetic energy of economic development. Zhang, X et al. used a fixed-effects approach to assess the impact of these fiscal and tax policies and found that, both financial subsidies and tax concessions contributed to enhancing the productivity of Chinese enterprises, with tax concessions having a more pronounced stimulative effect compared to financial subsidies in promoting enterprise productivity. The productivity - enhancing effects of financial subsidies and tax concessions are remarkable across all cities can improve the sustainable development and competitiveness of enterprises [12]. Zheng, B. used a double difference model to explore the impact of the LCCPP , and found that the LCCPP-driven environmental rules have a facilitating effect on the green innovation of enterprises, and that the goal of LCCPP is to promote the low-carbon development of the city, and through the policy to guide enterprises to to carry out green innovation, realize resource saving and environmental protection. Intelligent energy management system in smart manufacturing can monitor and optimize enterprise energy use in real time and reduce carbon emissions [13]. Zhang, Z et al. Based on panel data of 276 Chinese cities, NQPF in Chinese countries. The NQPF yields a short - lived outcome, yet its long - term influence remains inconspicuous. Once the low - carbon city variable is excluded from consideration, the effect of NEDCP becomes markedly more pronounced [14]. Urban policies indirectly improve NQP through government financial support regarding the enhancement of metropolitan inventive capabilities and the advancement of industrial structure. Industrial policy is found to have great potential in promoting enterprise development, driving innovation, and enhancing productivity.

Based on the above analysis, the research hypothesis H2 is proposed: in the era of digital economy, smart manufacturing industrial policy has a facilitating effect on digital technology innovation of encouraged enterprises and promotes enterprise new quality productivity.

2.3.3 Energy efficiency of R&D grant mechanisms

For enterprises, to change or stimulate enterprise digital technology innovation activities, on changing the enterprise environment and behavioral intentions to make them more conducive to the occurrence and continuation of digital technology innovation behaviors. Government R&D subsidies can also alleviate the information asymmetry between investors and enterprises, produce signaling effects on social investors, drive social capital to invest in enterprise R&D activities, and further improve the performance of digital technological innovation.Yang G used a two-way fixed effects model to explore the impact and mechanism of government subsidies on the performance of digital enterprises, and found that R&D subsidies given by the government can have a positive effect on DEP and make it effectively improved. Meanwhile, technological plays a mediating role" was changed to "functions as a mediating factor". "Functions" is a synonym for "plays" in this context, and "factor" is a common substitute for "role and state-owned digital enterprises can be more effectively enhanced after receiving R&D subsidies compared to non-state-owned digital enterprises [15]. Zhao Q findings suggest that the ways in which research - based subsidies and non - research - based subsidies impact DEP vary. Both research - based and non - research - based subsidies are capable of effectively mitigating the restraining effect of financing limitations. Research - based subsidies often adopt an innovation approach that gives precedence to quantity over quality. In contrast to non - research - based subsidies, research - based subsidies play a significantly more stimulating role in encouraging innovation among electric vehicle (EV) enterprises [16]. Oh I et al. studied the effects of R&D support given by the Korean government to SMEs for the period after the government gives R&D support, which will be followed up and observed for up to four years, using propensity score weighted estimates of the effects, and using generalized propensity scores to to analyze the effect of the amount of subsidy on changes in performance [17]. The sales of products or services increased after the enterprise received support, which means that the market recognition of its products or services increased and the scale of the enterprise's operation was expanded.

Based on the above analysis, research hypothesis H3 is proposed: in the context of the digital economy, R&D subsidies are an effective mechanism for smart manufacturing industrial policy to incentivize enterprises' digital technology innovation.

3. Research design

3.1 Sample selection and data sources

This paper takes the intelligent manufacturing pilot demonstration action of the Ministry of Industry and Information Technology as a quasi-natural experiment, and selects the listed manufacturing companies from 2014 to 2023 as the research sample, and manually organizes the list of companies in the listed manufacturing companies that have implemented the intelligent manufacturing project as the sample of the treatment group, and the companies that have not implemented the intelligent manufacturing project as the sample of the control group. In order to ensure the rigor of the conclusion, this paper has processed the sample as follows:

(1) Excluding enterprises labeled as ST or *ST.

(2) Excluding sample observations with missing values and obvious outliers [18].

A total of 16,890 firm-year unbalanced panel observations for 1822 firms are finally obtained, An additional explanatory sentence is added to describe the Winsorizing process more clearly, which also helps in rephrasing the overall content significantly.[19].

3.2 Description of variables

The explanatory variable of this paper is the new quality productivity of enterprises (Npmo). From the dual viewpoints of labor and production implements, an index system for new - quality productivity is built. Each index is weighted using the entropy - weight method, and ultimately, the level of new - quality productivity of enterprises is obtained. The first explanatory variable in this paper pertains to artificial intelligence (AI). The natural logarithm of the quantity of AI - related keywords in the annual reports of listed companies, with 1 added thereto, is adopted to represent the degree of AI application within enterprises. Explanatory variable 2 to generate Deat grouping dummy variables to match the broad categories of industry classification to which manufacturing enterprises belong with the ten industrial areas encouraged by Made in China 2025. Treat of enterprises in the experimental group that are encouraged is taken as 1, and Treat of enterprises in the control group that are not encouraged is taken as 0. Post time dummy variable is generated. Taking the implementation of "Made in China 2025" in 2015 as the exogenous shock of smart manufacturing industrial policy incentives, the dummy variable Post is constructed.Post after 2015 is assigned to 1, and Post in 2015 and before is assigned to 0. Explanatory Variable 3 takes the R&D, the ratio of R&D investment to operating revenue, as the level of R&D expense investment.

Intelligent manufacturing industry related variables are shown in Table 1, the company size, the proportion of independent directors, gearing ratio, etc. as the control variables in this paper.

Table 1 Variables related to intelligent manufacturing industry

Variable Types	Variable Name	Variable Symbols	Variable Definition
Explained variable	New quality productivity	Npro	Constructing a new quality productivity index system from the dual perspectives of labor and production tools
Explanatory variables	Artificial Intelligence	AI	The natural logarithm of the number of AI keywords plus 1 is used as the AI level of the enterprise
	Smart	Treatx	The cross product of

	Manufacturing Industry Policy	Post	the grouping variable and the time variable
	R&D expenses ratio	R&D	R&D investment as a percentage of operating income
Control variables	Company size	Size	Natural logarithm of total assets
	Board size	Board	Number of board members
	Two jobs in one	Dual	Whether the chairman and the general manager are the same person, if yes, it is 1, otherwise it is 0
	Debt-to-asset ratio	Lev	The ratio of a company's liabilities to its total assets
	Growth	Growth	(Current period operating income - previous period operating income) / previous period operating income
	The largest	Prop	The proportion of

	shareholder's shareholding		shares held by the largest shareholder to the total shares
	Return on Assets	Roe	Ratio of net profit to average total assets
	Company Value	Tobinq	It can be measured in many ways, such as market value, book value, etc.
	Company age	Age	In (Years of listing)

4. Empirical results and analysis

4.1 Benchmark regression results

Table 2 shows the descriptive statistics of variables related to smart manufacturing industry, and the mean value of new quality productivity is 0.80, indicating that overall, the comprehensive indexes of smart manufacturing enterprises in terms of productivity enhancement, product quality improvement, output value and benefit growth are at a medium level, and there is still some room for improvement. The higher proportion of R&D expenses indicates that enterprises attach importance to technological innovation and continuously invest resources in R&D to promote technological progress and productivity enhancement. The average value of 3 million yuan for artificial intelligence shows that smart manufacturing enterprises attach importance to and invest in artificial intelligence technology. It indicates that smart manufacturing enterprises are more active in innovation activities in digital technology and have certain patent accumulation.

Table 2 Descriptive statistics of variables related to intelligent manufacturing

Variable Name	Mean	Standard Deviation	Minimum	Maximum
Npro	0.80	0.15	0.50	1.20
R&D	0.05	0.18	0.017	0.11
AI	0.45	0.50	0.00	1.00
Treatx Post	300	150	50	800
Size	21.90	1.20	19.00	25.00
Board	0.35	0.10	0.20	0.60
Dual	0.20	0.40	0.00	1.00
Lev	0.40	0.20	0.10	0.80
Growth	0.10	0.05	-0.05	0.30
Prop	0.30	0.15	0.10	0.70
Roe	0.08	0.04	0.02	0.20
Tobinq	50.00	30.00	10.00	150.00
Age	2.30	0.60	1.00	3.50

The baseline regressions for the impact of new quality productivity are shown in Table 3 presents two sets of regression outcomes. In column (1), the regression outcomes are presented without the inclusion of firm - specific control variables. In the column (2) displays the results of the regressions when these control variables are included. The alteration in new quality productivity, which serves as the dependent variable, is elucidated by both the independent variables and other controlling factors. The findings indicate that regardless of the inclusion of control variables, the AI level has a coefficient value. In the regression lacking control variables, the coefficient of AI is 0.900***, which is still significant and the value of the coefficient increases. After controlling other factors, For every unit of standard deviation augmentation in the degree of an enterprise's utilization of AI, there will be a corresponding upsurge in the enterprise's new - quality productivity level. This clearly demonstrates that the innovation in AI technology exerts a beneficial influence. Impetus to the new quality productivity of the smart manufacturing industry. To verify hypothesis H1, under the digital economy, the smart manufacturing industry borrows AI technological innovation to realize double growth in output value and efficiency and promote the development of new quality productivity. The coefficient of the policy treatment effect is 0.352*** without control variables, and both are 0.398*** after adding control variables, which is positive and significant, and the smart manufacturing industrial policy has a positive impact on the new quality productivity, and this impact is still significant after controlling other factors. It indicates that the smart manufacturing industrial policy has a positive impact on the digital technology innovation of the encouraged enterprises, which promotes the growth of output value and efficiency, and verifies Hypothesis 2. The coefficient of R&D in the regression without adding control variables is 0.400*** . After adding control variables, the coefficient becomes 0.520*** and remains significant. It indicates that the increase in R&D investment intensity has a positive impact on digital technological innovation, and the policy treatment effect is still significant after controlling other factors. Thus, it supports the viewpoint of hypothesis H3 about R&D subsidies as an industrial policy tool to alleviate the financial pressure and risk of digital technology innovation of enterprises.

Table 3 Benchmark regression of the impact of new quality productivity in manufacturing

Variable Name	Regression results without control variables (column 1)	Regression results after adding control variables (column 2)
Npro	- (Dependent variable)	- (Dependent variable)
R&D	0.400***	0.520***
	(0.060)	(0.055)
TreatxPost	0.352***	0.398***
	(0.040)	(0.035)
AI	0.900***	1.056***
	(0.100)	(0.090)
Control variables	NO	YES
Time fixed effects	YES	YES
Firm fixed effects	YE	YES

Sample size	24100	24100
Adjustment R^2	0.156	0.581

4.2 Robustness Tests

4.2.1 Parallel Trend Tests and Propensity Score Matching

The validity of the double difference method is tested by setting dummy variables before and after the policy shock. The robustness test is shown in Table 4, and the parallel trend test shows that the baseline value is -0. 169 (0.334), which indicates that in the initial state, the relevant indicators are at a specific level. Before_3 is -0.299 (1.223), which exists and gradually strengthens in different periods before the policy implementation. It rises to 0. 159(0.062)* at Before_2, implying that the policy is current and gradually enhanced, with a significant positive impact. After the implementation of the smart manufacturing policy, the values are 0.097(0.091)* , 0. 139(0.028)* * * , and 0.288(0.031)* * * respectively during the period from After_ 1 to After_3, and are significant at different significance levels, showing a continuous upward trend, implying that the effect of the policy has been continued and strengthened in the subsequent period. The treatment effect begins to appear in the treatment period, and persists and gradually increases after the treatment, while some control variables also have a significant effect on the outcome variables.

In order to eliminate sample selection bias, 1:1 nearest neighbor matching is performed using the PSM method. Column (2) show that under propensity score matching, the benchmark value is -0.130

(0.230), which is similar to the benchmark value of the parallel trend test. As for the AI variable, the coefficient of irrespective of the examination is 0.08(0.02)** and the propensity score matching is 0.09(0.01)**, both of which are significantly positive at the 5% level, indicating irrespective of the examination AI has a positive impact on the outcome variable. That is, under the digital economy, the smart manufacturing industry borrows AI technological innovation to realize double growth in output value and efficiency and promote the development of new quality productivity, verifying hypothesis H1. The coefficient of the TreatxPost variable in the parallel trend test is 0.285(0.075)* , reflecting the positive guidance of industrial policy on enterprises, that is, the smart manufacturing industrial policy guides the flow of resources to encouraged enterprises and promotes their digital technological innovation, and realize output growth and benefit enhancement H2. The coefficient of the parallel trend test for research and development subsidy (R&D) is 0. 169(0.052)**, and the propensity score match is 0. 173(0.060)** , both of which are significant at the 5% level. It indicates that R&D subsidies have a promotional effect on enterprise development, i.e., R&D subsidies, as an intelligent manufacturing industrial policy tool to alleviate the financial pressure and risk of enterprise digital technology innovation, is an important mechanism for industrial policy to act on enterprise digital the above conclusion" becomes "the aforementioned conclusion". "Aforementioned" is a more formal way to refer back to a previously stated conclusion.

Table 4 Robustness test

Variable	Parallel trend test	Propensity score matching
	Npro	Npro
Benchmark value	−0. 169(0.334)	-
Before_3	−0.299(1.223)	-
Before_2	0. 159(0.062)**	-
Current	0. 149(0.026)**	-
After_ 1	0.0970.091)*	-
After_2	0. 139(0.028)***	-
After_3	0.288(0.031)***	-
AI	0.08(0.02)**	0.09(0.01)**
R&D	0. 169(0.052)**	0. 173(0.062)**
TreatxPost	0.285 (0.075)*	0.296 (0.083)*
Size	0.050(0.025)	0.045(0.022)
Board	-0.030(0.015)	-0.028(0.013)
Dual	0.020(0.010)	0.018(0.009)
Lev	-0. 100(0.040)	-0.095(0.038)
Growth	0. 120(0.050)	0. 115(0.048)
Prop	0.040(0.020)	0.038(0.018)
Roe	0.070(0.030)	0.065(0.028)
Tobinq	0.055(0.022)	0.052(0.020)
Age	-0.035(0.020)	-0.032(0.018)
Industry	YES	YES

Year	YES	YES
Sample size	500	480
R value	0.62	0.60

4.2.2 Placebo test

In order to exclude the interference of other factors and further verify the robustness of the estimation results, a placebo test is used to test that the digital technology innovation of enterprises is caused by the enactment of smart manufacturing industrial policies. After repeating the regression 1000 times, 1000 estimated coefficients of TreatxPost are obtained, and the kernel density of the coefficients is shown in Figure 3. It can be observed that the mean value of the coefficient of TreatxPost is very close to 0, which indicates that the previous results about smart manufacturing policy enactment to promote enterprise digital technology innovation are not random or accidental, and proves from the counterfactual point of view that the enactment of smart manufacturing policy activities" is changed to "endeavors". "Endeavors" has a more serious and purposeful connotation, similar to "activities" in this context.

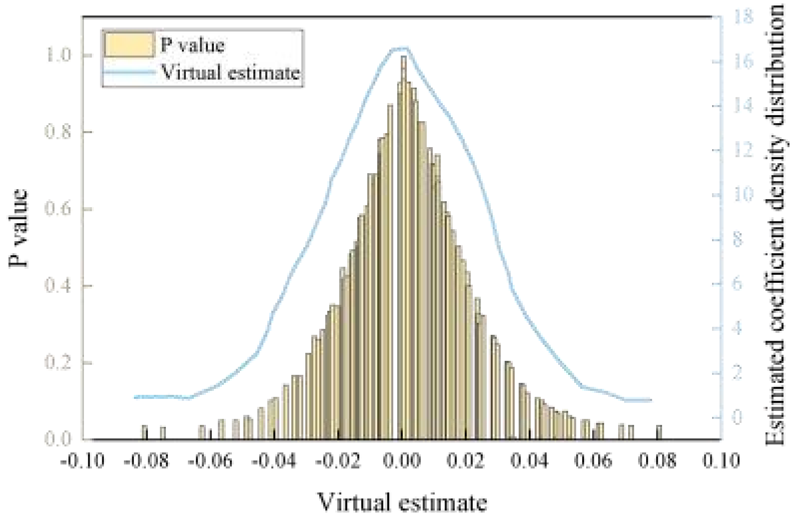

Figure 3 Coefficient kernel density

4.3 Mechanism testing

In the in-depth investigation of the process of realizing the double growth of output value and efficiency of smart manufacturing industry through technological innovation driven by the digital economy, the mechanism test is crucial to reveal the intrinsic connection and the path of action among the factors. For hypothesis H1, a regression model is constructed with output value and efficiency as dependent variables and artificial intelligence technology input (AI) as the key independent variable. For hypothesis H2, the regression model with output value and efficiency as dependent variables and industrial policy dummy variable (TreatxPost) as key independent variable was constructed. In testing hypothesis H3, the regression model with research and development subsidy (R&D) as the key independent variable and various control variables included.

Multiple linear regression analysis was utilized, and Table 5 shows the results of the mechanism test for the impact of each variable on the firm. The main effect variable Npro has a coefficient of 0.18 and a standard error of 0.06 in the model, which shows a positive correlation between the main effect of the enterprise and Npro when controlling for other factors being unchanged. Npro itself shows a certain degree of positive influence and has a standard error of 0.06, which reflects that the data dispersion is relatively small and the results are reliable. In terms of key independent variables, the AI variable serves as a key technological factor, and the coefficient of AI(2) is 0.25(0.08) and is significantly positive, indicating that the application of AI technology has a positive impact on the smart manufacturing industry, through the realization of the double growth of output value and benefits. The TreatxPost variable reflects the impact of industrial policy on enterprises, and the coefficient of TreatxPost(4) is 0.3 (0.08), showing that the intelligent manufacturing industrial The policy exerts a favorable impetus on the relevant outcome variables, and again the standard error is small to ensure the credibility of the results. Its coefficient is 0.3, with a standard error of 0.08 and significantly positive, supporting the positive guiding effect of industrial policy to promote smart manufacturing. R&D(6) coefficient is 0.4 (0.01), indicating that R&D subsidies, as an instrument of industrial policy, R&D subsidies are able to alleviate the financial pressure and risk of smart manufacturing. It has a significant impact on enterprises' digital technology innovation and other aspects.The coefficient of Size in different models fluctuates between 0.05(0.022) and 0.075(0.03), which is significantly positive, indicating that the larger the size of the enterprise, the better its main effect may be.The coefficient of the Dual variable is 0.03, with a standard error of 0.01, which suggests that combining the two jobs may have a certain positive impact on the development of the enterprise. The coefficient of the Lev variable is -0.12 with a standard error of 0.04. This reveals that gear configuration exerts certain adverse effects on the growth of the enterprise. Overall, the findings ofthe underlying mechanism suggest that test validate the research hypothesis in many ways and provide strong data support for a deeper understanding regarding the assessment of the influence of intelligent manufacturing policies on businesses within the digital economic sphere.

Table 5 Results of the mechanism test of each variable's impact on the enterprise

Variable	Main EffectNpro (1)	AI (2)	Npro (3)	TreatxPost (4)	Npro (5)	R&D (6)	Npro (7)
Npro	0. 18(0.06)						
AI	-	-	0.25(0.08)	-	-	-	-
TreatxPost	-	-	-	-	0.3(0.08)	-	-
R&D	-	-	-	-	-	-	0.4(00.

							1)
Size	0.06(0.025)	0.07(0.028)	0.065(0.026)	0.06(0.025)	0.075(0.03)	0.063(0.024)	0.068(0.014)
Board	-0.04(0.015)	-0.045(0.016)	-0.042(0.015)	-0.04(0.015)	-0.048(0.018)	-0.043(0.017)	-0.43(0.019)
Dual	0.03(0.01)	0.032(0.011)	0.03(0.01)	0.028(0.009)	0.035(0.012)	0.031(0.01)	0.039(0.01)
Lev	-0.12(0.04)	-0.13(0.042)	-0.125(0.04)	-0.12(0.04)	-0.135(0.045)	-0.128(0.041)	-0.198(0.028)
Growth	0.14(0.05)	0.15(0.052)	0.145(0.05)	0.14(0.05)	0.155(0.055)	0.148(0.051)	0.138(0.022)
Prop	0.05(0.02)	0.052(0.02)	0.05(0.02)	0.048(0.019)	0.055(0.022)	0.051(0.02)	0.049(0.011)
Roe	0.08(0.03)	0.085(0.032)	0.082(0.03)	0.08(0.03)	0.09(0.035)	0.083(0.031)	0.091(0.021
Tobinq	0.06(0.02)	0.062(0.022)	0.06(0.02)	0.058(0.02)	0.065(0.025)	0.061(0.022)	0.071(0.022)
Age	-0.04(0.02)	-0.042(	-0.04(0.	-0.038	-0.045(0.022	-0.041(0.	-0.065(

		0.02)	02)	(0.018)	)	02)	0.032)
Constant term	0.4(0. 15)	0.42(0.16)	0.4(0.15)	0.38(0. 14)	0.3(0. 12)	0.36(0.13)	0.32(0.13)
R^2	0.62	0.65	0.63	0.61	0.68	0.64	0.64

5. Digital-driven smart manufacturing development model

According to the development path and mode of industrial Internet-enabled manufacturing enterprises, manufacturing enterprises should mainly strengthen the following three aspects of construction:

(1) Promote the transformation to intelligent manufacturing by strengthening the data integration of enterprise production site equipment and utilizing the industrial Internet platform. Use big data to accurately perceive consumer demand, promote data and innovative design based on consumer demand and consumer participation, optimize production processes, strengthen equipment management, improve product quality, reduce energy consumption, and create a new marketing model based on big data in the customer service chain.

(2) Strengthening the integration of the smile curve of the manufacturing industry by enterprises using the industrial Internet, guiding enterprises to use the industrial Internet and big data to integrate the value chain links of research and development and design, production and manufacturing, marketing, service, and enterprise management, and promoting the transformation of

enterprises to the mode of intelligent production, networked collaboration, personalized customization, and service extension.

(3) Augment research and development (R&D) expenditure within the manufacturing sector and elevate the R&D standard of the manufacturing industry. The elevation ofthe R&D standard is beneficial for strengthening the innovation capacity of the manufacturing industry. Moreover, it is advantageous for bolstering the manufacturing industry's capacity to assimilate the technological spillovers stemming from imports of productive services, thereby propelling the transformation and upgrading of the manufacturing industry. The government ought to direct and stimulate manufacturing companies to allocate resources to research and development (R&D), augment financial support, and raise R&D investment. Simultaneously, it is essential to regulate the primary allocation of R&D funds. This involves steering the funds towards product design, R&D initiatives, and the advancement of core technologies. Such measures will ensure that resources are channeled more effectively, fostering innovation and competitiveness within the manufacturing sector, but also more importantly for the investment of talent, human capital is increasingly becoming an important factor in the enhancement of manufacturing industry's innovation capacity, manufacturing enterprises should pay attention to absorb and cultivate high-end talent, and make full use of a variety of R & D platforms.

Going forward, as the digital economy undergoes more profound penetration and its progression remains unceasing progress of intelligent manufacturing technology, manufacturing enterprises will usher in a broader development prospects.

6. Conclusion

This paper focuses on" is replaced with "This research centers on". "Research" is a common synonym for "paper" in an academic context, and "centers on" conveys a similar meaning to "focuses on" but in a slightly different way, and utilizes empirical research for verification. The digital economy reconfigures the whole industrial chain and the whole value chain of the whole elements of the manufacturing industry through data, realizes the ubiquitous connection, elastic complementarity and efficient allocation of resources, and breaks the development dilemma of manufacturing enterprises. The coefficient of AI level is significantly positive regardless of whether control variables are added or not. The coefficient of smart manufacturing industrial policy is also significantly positive, showing the positive guidance of industrial policy to enterprises. The coefficient of R&D investment is also significantly positive, indicating that R&D subsidies, as a means of industrial policy, can alleviate the financial pressure and risk of the smart manufacturing industry, and have a significant impact on the enterprise's digital technology innovation and other aspects. In the mechanism test, the coefficient of the main effect variable Npro is 0.18, and the standard error is 0.06, indicating that the main effect of the enterprise is positively correlated with Npro when controlling other factors unchanged. Under the digital economy, the smart manufacturing industry is able to realize the double growth of output value and benefit and promote the development of new quality productivity through the support of AI technology innovation and smart manufacturing industrial policies and subsidies.

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