

Abstract

This thesis examines the innovation capabilities of Chinese small and medium-sized enterprises (SMEs) in the post-COVID era. It specifically explores the relationship between research and development (R&D) investment, innovation performance, government policies, firm size, established time of the firms, external environment, and risk aversion. The study employs a systematic questionnaire that collects data from different SMEs to examine their innovation performance, specifically in terms of R&D spending and the influence of external factors such as government regulations. The results indicate that although financial resources are essential for promoting innovation, a strong aversion to risk greatly hinders R&D operations. The research emphasizes the need for customized government interventions to reduce financial burdens and promote innovative practices among SMEs. In addition, the study acknowledges the constraints of a limited number of participants and proposes that future investigations should embrace a wider array of sectors to strengthen the credibility of the findings. In summary, this study enhances our comprehension of the mechanisms behind innovation in SMEs in China. It also provides valuable perspectives for policymakers who seek to facilitate the sector's revival and expansion in the post-pandemic era.