

The Fundamental Situation Faced by Rural Entrepreneurs and Corresponding Advice under the Context of Rural Revitalization

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Abstract: Under the context of rural revitalization, encouraging rural youths to establish businesses within the rural areas has become a significant approach to solving the problem of the loss of rural talents, accelerating the growth of the local economy, and achieving the long-term goal of rural revitalization as well as rural-urban economic integration. With SWOT analysis being leveraged in the essay, the essay discovers the strengths and drawbacks of rural enterprises and those two aspects' coexistence relationship. Particularly, for rural enterprises, difficulties created by the rural environment, information availability, and rural entrepreneurs' self-development capacity frequently occurred, making rural entrepreneurship unable to inject vitality into the local economy. Based on rural field investigation and common issues that are specifically related to rural entrepreneurship, this essay provides targeted suggestions in four primary areas: the exploitation of rural resources, the cultivation of the rural entrepreneurial environment, the integration of local resources, and the importance of professional training in enhancing rural youths' entrepreneurial mindsets and propensity. From the perspective of rural revitalization strategies, these approaches enable ambitious rural youths to give full play of their potential to create more resources for rural areas.

1. Introduction

1.1 Research Background

Since the reform and opening-up policy, China's market-oriented economy has thrived, encouraging rural populations to move to urban areas to seek better employment opportunities. However, this circumstance increases the prevalence of rural aging society which diminishes rural areas' internal developmental capacity. With new urbanization development strategies being implemented, rural individuals have an increasing intention of moving back to rural areas under the repulsion force from urban areas as well as the attraction force from rural areas [1], breaking the conventional one-directional flow of rural population. On the one hand, with the threats of group prejudice, restrictions on academic credentials, and low social welfare faced by rural individuals in urban areas, the traditional perspective of improving the standard of living by working in cities cannot be realized. On the other hand, the support each level of government has given to rural enterprises,

the current transformation and upgradation of rural industries, and conventional Chinese views of prioritizing hometowns and families have made rural youths eager to go back to rural areas. A document in 2018 about rural revitalization states that the prosperity of rural areas will perpetually be the fundamental prerequisite for a nation's prosperity. If China wants to become a developed country, rural areas must become developed. To create a more developed rural area, the Chinese government must preserve the beauty of rural areas and retain rural youths who can create countless welfare for rural societies.

1.2 Research Significance

Currently, urban areas oftentimes lack employment opportunities for rural youths, hindering the process of rural-urban economic integration. Furthermore, the prevalence of rural aging society has made it hard to drive rural economic growth steadily. Zhuzhi Xia (2016) has explained the phenomenon of how rural youths break the traditional one-directional rural-urban population flowing pattern while accelerating rural-urban economic integration [2]. Di Zhao (2017) has discovered that how to formulate policies to solve rural entrepreneurial-related issues needs to be continuously explored both theoretically and practically [3]. Among all these essays, however, there are seldom essays analyzing the general landscape for rural entrepreneurship and the associated factors that confine rural youths' development opportunities. In response to this deficiency, this essay utilizes SWOT Analysis to thoroughly analyze the strengths, weaknesses, opportunities, and threats for rural entrepreneurs as well as factors that limit the potential of rural development. Intending to enrich theoretical analysis and effectively provide theoretical references for governments to stimulate rural economic development under the context of rural revitalization strategy, this essay also offers constructive suggestions that can solve the existing problems.

2. Rural Entrepreneurs' Basic Situation—SWOT Analysis

2.1 Strengths

Rural youths' childhood experience provides exclusive advantages for them to pursue rural entrepreneurship. First of all, rural individuals have a comprehensive understanding of rural circumstances. On the one hand, because of their living experiences in rural areas, rural youths can accumulate different interpersonal relationships and effectively discover commercial opportunities, possessing unique enthusiasm to drive local economic growth. On the other hand, since rural youths are more adaptable to rural areas when operating their rural enterprises, they tend to be more energetic and incentivized compared to urban youths. Additionally, having a hard work spirit is a common phenomenon among rural individuals. Unlike urban youths, rural youths do not receive excessive attention from their parents and need to do farm work to supplement family income. Given these experiences, rural youths usually have formed the capacity to bear hardships. Furthermore, these long-existed spirits stimulate them to take their startup businesses more seriously, greatly improving the success rate for rural enterprises [4].

2.2 Weaknesses

The incomplete process of rural-urban integration as well as the inadequacy of policy implementation have made rural youths face many challenges when coming back to rural areas to establish businesses. On the one side, external environmental factors lead to obvious weakness for rural individuals. When working in urban areas, rural individuals generally only socialize with other rural individuals, indirectly leading to their insufficient accumulation of experience and network

resources in terms of urban employment and entrepreneurship. Meanwhile, rural individuals usually pursue marginal industries in urban areas with low income, causing a lack of initial startup capital. Despite that, the lack of entrepreneurial mindsets and the complexity of market operations further hinder rural individuals' capacity to implement the entrepreneurial theoretical knowledge they have acquired in a realistic setting. On the other side, local policies' preferences for foreign investment result in rural enterprises' low capital scale. Local governments' lack of long-term strategic awareness, to some extent, amplifies rural youths' weakness. Specifically, certain local governments tend to only focus on introducing foreign investments to boost the local economy because of foreign corporations' relatively larger size and professionalism, ignoring rural entrepreneurs' demand for support. This ultimately becomes one of the major factors that leads to rural enterprises' lack of initial startup capital, small scale, and low efficiency. In addition, rural development policies' singular focus on certain entrepreneurial industries also leads to a tremendous homogeneity among rural enterprises, malignant price competition among congeneric products, and eventually low profitability [5].

2.3 Opportunities

Being born in a new era, rural youths possess exclusive development opportunities that previous generations don't have. In terms of development prospects, the optimization and adjustment of the Chinese economic structures as well as the flourishing of individual industries and the private economy have generated innovative entrepreneurial industries such as rural e-commerce platforms based on the idea of "Internet+". In terms of the degree of difficulty in starting a company in rural areas, rural youths' enterprises focus mostly on primary industries that sell primary commodities, and the cost for such establishments is generally low. Meanwhile, the abundant labor resources in rural areas further lower the cost of labor. With the central government constantly increasing financial support given to rural youths, rural youths' capability of accumulating startup capital can be safely ensured. Eventually, the emphasis on rural development given by all levels of the Chinese government is a huge opportunity. For instance, in 2015, the Chinese State Council announced "Suggestions on Promoting Participation in Entrepreneurship and Innovation" to create more employment opportunities and encourage the establishment of rural enterprises, preparing fertilized soil for rural entrepreneurs. In 2015, Shandong Province also formulated "Suggestion on Better Resolving issues concerned with employment opportunities and start-up businesses", addressing issues related to agriculture, rural areas, and rural people. These approaches provide extensive development platforms for rural youths who are talented and aspiring.

2.4 Threats

Rural youths' decisions to move back to rural areas for startup businesses are based on their rationalization of the general economic situation and policy implementation, and their actions are considered practical explorations based on fundamental theoretical principles. Rural youths are inherently incentivized by the potential benefits of becoming rural entrepreneurs. However, the inconsistency between theory and reality and the different types of challenges rural youths will face as rural entrepreneurs lead them to develop mental problems. Firstly, at the initial stage of a start-up company, there is a high possibility for rural youths to exhibit high degrees of apprehension when real situations don't match their expectations. Likewise, the uncertainties and risks associated with their businesses can also diminish their enthusiasm for their businesses. This decrease in enthusiasm is even greater when rural youths compare their income with that of the reference groups, consequently leading to rural youths developing psychological gaps and mental distortion that decrease their self-efficacy. Secondly, under the impact of the conventional idea that people get wealthy in cities and the traditional perspective that advocates for stability, rural youths' families can

exert great pressure on them, discouraging them from continuously putting in effort. Lastly, even if the country formulates relevant preferential policies for rural youths, government departments sometimes lack the awareness of serving their people, and this barrier can make rural individuals' efforts ineffective and can increase the cost of establishing rural enterprises. Moreover, the banking system within rural areas is also defective, frequently constraining rural youths from borrowing loans for financing purposes and subsequently increasing rural entrepreneurs' financing costs.

3. Analysis of Factors that Create Developmental Issues

3.1 The Limitation of Rural Environment

Being affected by the general environment of rural areas, rural youths don't possess strong intentions of becoming entrepreneurs, and rural enterprises' development is unsustainable. On the one hand, rural areas' relatively underdeveloped external environment in comparison with that of the urban areas cannot satisfy rural youths' pursuit of materialism and spiritual cultures. Rural areas don't have comprehensive infrastructures and development opportunities like those of the urban centers. As a high-consumption group, rural youths' desire for better lives cannot be satisfied with low income, making them more likely to seek employment opportunities in cities. Despite that, urban areas provide rural individuals with high-level education resources, fabulous employment policies, and diverse entertainment opportunities, discouraging rural youths from staying in rural areas and contributing to rural revitalization [6]. On the other hand, rural areas' external environment cannot provide rural entrepreneurs with solid foundations for entrepreneurship. Rural youths have already been limited by their living conditions, social services, and startup capital. Thus, their intentions to be employed will only be greater than that of becoming an entrepreneur when everything about rural entrepreneurship appears to be so uncertain. Take Anning, Yunnan, a rural city in Southwestern China, as an example, research statistics showcase that 96% of rural youths consider the efficiency and success rate in starting up a rural business to be limited by the rural environment. Furthermore, the inadequacy of the adjustment of rural industrial structure further leads to rural entrepreneurs having problems such as limited entrepreneurial areas, intense competition, strong homogeneity, and low profitability. Not only do these problems decrease the overall competitiveness of rural industries, but they also hinder rural youths from establishing their startup businesses. Given the above information, rural individuals possess a generally low intention of becoming entrepreneurs, especially within rural areas.

3.2 Asymmetrical Information about Rural Employment and Entrepreneurship

The deficiency of rural employment and entrepreneurial information as well as the related approaches to obtaining that information, to some degree, affect rural individuals' enthusiasm for establishing businesses in rural areas. Based on a research paper, 75.8% of rural areas do not provide entrepreneurial information for rural youths. In the rest of the 24.2% of rural areas that provide entrepreneurial information for rural individuals, 86% of the information is inaccurate and impractical. In contrast, the employment and entrepreneurial information provided by urban areas are updated and accurate, and rural youths who are competent have a high chance of gaining high salaries through that information, making rural individuals more likely to benefit from staying in urban areas. Henceforth, with the great uncertainty created by rural entrepreneurship, rural youths' choice of staying in urban areas is a rational decision based on their lack of startup capital and the high risks associated with rural entrepreneurship.

3.3 The Small Scale of Rural Startups

The scales of rural youths' startup companies are relatively small, and rural entrepreneurs' firms usually possess part-time characteristics. Without sufficient initial capitalization, these startup corporations are unable to stimulate the local economy because of the little influence they can create. For example, rural corporations can only provide a limited number of job opportunities and are unable to transform rural communities' stereotypical impression of rural entrepreneurship. Furthermore, setting up a startup in rural areas requires rural youths to finance their corporations using their life savings, a drawback that doesn't exist in urban areas where the complete banking system can provide loans for businesses. With all those taken into consideration, it is difficult for rural enterprises to achieve sustainable development. Besides the scale of rural corporations, many rural youths endow their businesses with part-time characteristics, immensely restricting rural corporations' potential for expansion, impeding rural enterprises' process of socialization and professionalization, and lowering rural corporations' overall efficiency in creating more resources for rural communities. As most rural youths pursue entrepreneurship for survival, they tend to start their businesses in the primary industry that is characterized by low cost, low threshold, and low profitability rather than the tertiary industry where capital and high technology are concentrated. Rural entrepreneurs' focus on selling primary commodities that are saturated in the rural market creates fierce price competition. Again, these traits are not beneficial for the expansion of rural corporations. Take the current landscape in Anning, Yunnan, as an example, approximately 68% of rural entrepreneurs who come back to rural areas from cities pursue businesses in the first industry such as planting and cultivation. Given that information, the experience and knowledge rural entrepreneurs have acquired in urban areas cannot serve as advantages for them, making rural corporations unable to efficiently stimulate sustainable growth for the local economy.

3.4 Lack of Self-Development Capacity

The general competencies of rural youths are still relatively low, and their lack of entrepreneurial experience and capacity to withstand psychological stress make their corporations generally unsuccessful and underdeveloped. As for entrepreneurial experience, rural youths usually only have an education level of middle school or high school and lack practical experience and the ability to capture the general market trends. This ultimately leads to rural youths' lack of long-term entrepreneurial momentum. Take Anning, Yunnan, as an example, statistics collected by the field research display the fact that among those who return to their hometowns to establish businesses, about 61% of them don't possess bachelor's degrees, and 61% of rural individuals confess that their rural enterprises' success is strongly determined by their self-development capacity. Though the local governments provide professional training about entrepreneurship for rural individuals, this approach is still a drop in the bucket compared to the large rural population. Furthermore, the content of these entrepreneurial trainings is frequently impractical in a realistic setting and only becomes a mere formality, unable to provide constructive support for rural entrepreneurs. In terms of the capacity to withstand psychological stress, the inconsistency between expectations and real outcomes as well as the comparison with the income of the reference groups usually leads to low self-efficacy among rural entrepreneurs. Among interviewees, 75% of rural youths express their concerns about the pressure exerted by their family, which further affects their entrepreneurial propensity and sustainability, and 54% of rural youths think this pressure should be attributed to conventional employment values. Since rural youths already have low savings, low social welfare, high risks associated with entrepreneurship, and high mental pressure, they tend to be more mentally stressed compared to other entrepreneurs. These aspects lead them to have low risk-management ability and increase the failure possibilities of their startup corporations.

4. Advice for the Development of Rural Entrepreneurship

4.1 Exploit Rural Resources and Encourage Efficient Rural-Urban Integration

Improving the rural entrepreneurial environment is the key to stimulating rural youths' enthusiasm for becoming rural entrepreneurs. Firstly, rural governments should be dedicated to constructing infrastructures, improving education standards, offering timely medical services, and creating extensive entertainment opportunities to strengthen rural youths' confidence in their decisions. Secondly, local governments should increase their financial investment to optimize the rural entrepreneurial environment. On the one hand, with the process of rural-urban integration, local governments should construct hardware facilities for associated rural entrepreneurial industries to achieve resource sharing between rural and urban areas, enabling their common prosperity and decreasing the risks associated with rural entrepreneurship. With fabulous business environments, rural youths' willingness to become rural entrepreneurs will be enhanced. On the other hand, local governments should also increase the service awareness of facilitating agencies to make sure that rural entrepreneurs can feel their efforts being appreciated by the governments. This approach can increase the effectiveness and success rate of rural startups as well as decrease the potential challenges rural youths might face. Finally, local governments should fully exploit the unique advantages their local industries have. With the ideology of "Internet+" and rural cooperatives' capacity to integrate agricultural resources, rural startups are expected to gradually increase their competitiveness in the market. Under the process of rural-urban economic integration, rural areas can for sure attract more and more talented rural entrepreneurs [7].

4.2 Increase the Degree of Policy Promotion and Cultivate an Excellent Entrepreneurial Atmosphere

Rural governments should provide accurate and useful information about rural entrepreneurship and be dedicated to fostering a positive entrepreneurial atmosphere that can increase rural entrepreneurs' enthusiasm. In terms of rural individuals' awareness of rural entrepreneurial policies, rural governments should increase the promotion of the preferential policies they have formulated, establish specialized ways to provide entrepreneurial information to rural youths, and utilize different resources to deepen rural youths' understanding of rural revitalization's significance and its potential benefits. Rural areas should also promote ideas that associate entrepreneurship with low risks and great honors, decreasing the potential resistance force and pressure exerted on rural youths because of the conventional employment view. In terms of implementing effective policies, local governments should provide a comprehensive supporting system to ensure rural enterprises' prosperity [8]. These preferential policies benefiting rural youths should be put into practice to show rural youths how rural areas are able to offer unique advantages that urban areas cannot. These unique benefits should include providing any necessary financing support, enlarging ways for rural enterprises seeking outside financing, alleviating rural youths' pressure for initial capitalization, and ensuring rural youths can work with like-minded rural entrepreneurs who are energetic and passionate.

4.3 Integrate Entrepreneurial Development Resources to Increase the Scale of Rural Startups

The primary problem for rural startups is their lack of startup capital and their relatively small scale. Thus, integrating rural entrepreneurial resources is the key to increasing rural corporations' influences, decreasing risks associated with rural entrepreneurship, and cultivating an overall positive entrepreneurial atmosphere. Firstly, rural areas' entrepreneurial environment should be improved. Rural governments should construct high-quality start-up sites to equip rural youths with better

entrepreneurial services and facilities. These high-quality start-up sites can bring in leading rural enterprises that can inspire rural youths' participation. Meanwhile, by providing deductions in renting fees and taxes for startups at the start-up sites, rural youths' enthusiasm for entrepreneurship can be further incentivized. Secondly, rural governments should perfect rural entrepreneurial policies. Because of the unique peculiarity of rural industry structure, the only effective way to stimulate the local economy is to integrate different development resources. Therefore, rural governments should encourage the establishment of rural cooperatives to provide rural entrepreneurs with a platform to collaborate in a mutually beneficial relationship. Similarly, by implementing policies that promote the idea of Internet+ and rural sharing e-commerce platforms, rural governments can provide a broader and more stable market for agricultural products. Lastly, increasing the overall competitiveness of rural industries is the precondition to achieving successful results. The emergence of different rural corporations in the start-up sites can foster a competitive environment, creating competitive rural corporations that can inject vitality into the local economy. Rural cooperatives' integration of resources can also lead to an increase in the rural start-ups' size, showcasing how the integration of resources can create a better entrepreneurial environment for rural corporations.

4.4 Strengthen Rural Youths' Entrepreneurial Mindsets to Enhance their Entrepreneurial Competencies

Rural youths' insufficient capacity for entrepreneurship is the primary factor that negatively affects the success rate of rural enterprises. On the one hand, to resolve this lack of entrepreneurial knowledge, local governments must rely on online resources and local education resources. Firstly, online learning should be popularized because of its exclusive advantages. For instance, students can take the courses wherever and whenever they want at a relatively low cost. With professional agencies giving rural youths training about fundamental entrepreneurial knowledge online, rural youths can increase their capacity to capture general market trends, offsetting their lack of education and practical experience. Secondly, by relying on neighboring city universities' education resources, rural youths can learn more about theoretical knowledge that is strongly applicable to local circumstances. Meanwhile, talented students from those universities, learning about the opportunities rural areas have, also have the potential to be attracted to rural areas. On the other hand, local governments should prevent rural youths from developing mental problems by offering assistance on both macro and micro levels. On a macro level, the government should be dedicated to improving the external entrepreneurial environment for rural youths and increasing rural youths' sense of satisfaction to fundamentally prevent them from developing mental problems. On a micro level, local governments should establish psychological counseling agencies for rural youths, transforming their negative emotions into positive emotions that can increase rural entrepreneurs' self-efficacy as well as rural enterprises' success rates. Specifically, this approach can increase rural youths' mental bearing capacity and the sustainability of their enthusiasm for entrepreneurship.

5. Conclusion

To sum up, this essay utilizes the SWOT analysis to analyze rural entrepreneurs' development landscape, such as their strengths and weaknesses. Based on the field investigations, even though rural entrepreneurs possess unique advantages and development opportunities compared to youths in urban areas, their weaknesses and the threats created by the external environment continue to become significant factors that diminish their success rate. The research discovers that rural entrepreneurs are frequently negatively affected by entrepreneurial environments, asymmetrical entrepreneurial information, the small scale of their startup corporations, and their deficiency of self-development capacities. These factors greatly weakened rural youths' enthusiasm for rural entrepreneurship as well

as rural corporations' process of socialization and specialization, leading to a situation where rural startups are unable to effectively contribute to the sustainable growth of the local economy. In response to these development challenges and to maximize the outcome of the rural transformation strategies, this essay gives the following suggestions. Firstly, the local government should fully exploit rural agricultural resources and thoroughly promote local industries' uniqueness to decrease risks associated with rural enterprises and to increase rural youths' enthusiasm for rural entrepreneurship. Secondly, actively promoting the advantages of rural enterprises is necessary to encourage mass entrepreneurship and innovation, preventing the potential negative impacts conventional employment views might impose on rural youths. Thirdly, the scale of rural corporations can be increased through the integration of rural resources; the establishment of business incubators and agencies such as rural cooperatives can also function to enlarge the market for agricultural products and encourage rural youths' participation in rural employment and entrepreneurship. Fourthly, local development should rely on the education resources in the neighboring areas and online resources that can train rural entrepreneurs professionally while enhancing their entrepreneurial mindsets from all aspects. Since rural entrepreneurship is the key measure for rural revitalization and rural-urban economic integration, rural enterprises' prosperity will undoubtedly create a better future for rural areas in the long run.

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