On the Development Status of Rural College Students Returning Home to Start Businesses from the Perspective of Social Network

—A Case Study of Town D, City H, Province S

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Abstract—The rural revitalization strategy was initiated in the Report of the 19th CPC National Congress, accompanied by a series of policies, encouraging college students to return to home to start a business. The highly educated college students are the main force for the rural revitalization, but there are many problems ahead of them while launching business in hometown. In the light of the current status, this paper, combining the actual conditions of college students returning home business, analyzes obstacles for these students with the social network theory, and puts forward suggestions to envisage the importance of the social network for college students entrepreneurship in hometown, and to change the traditional concept of rural students’ parents etc., in order to reduce the resistance of college students returning home business, improve the their enthusiasm and business benefits.

Keywords—rural areas; college students; returning home to start a business; social network

I. RESEARCH BACKGROUND

In the report of the 19th CPC national congress, General Secretary Xi Jinping has put forward the strategy of rural vitalization, which provides strategic guidance for China’s rural development in the new era. The vigorous development of the rural economy has created a good entrepreneurial environment, activated the rural innovation, and provided more opportunities for rural college students to return home to start their own businesses. Local governments have issued various policies to encourage college students to return home to start businesses, which has created a good social environment for them. Recent years have witnessed the great importance attached by China to rural e-commerce. The central “No.1 document” of six consecutive years has clarified to develop e-commerce in rural areas. At present, college students start their own businesses through e-commerce to inject vitality into rural development, which is of great significance for solving the problems of agriculture, rural areas and farmers as well as promoting the rural revitalization.

II. LITERATURE REVIEW

The academic community has made a research on college students’ returning home to start a business and gained some achievements. As for the returning motivation, some scholars believe that the current new countryside construction meets the development of times and offers great opportunities for college students’ entrepreneurship and employment. [1] What’s more, under the “internet +” background, the promotion of e-commerce has generated opportunities and room for students who return home to start a business. [2] At the same time, family spirit support, favorable hometown loan and tax preference are also the main factors affecting young college students to return home to start their own businesses. [3]

As for the problems faced by college students who return to their hometowns to start businesses, some scholars believe that college students who are the second generation of farmers face challenges in terms of policy support, capital raising, entrepreneurial environment and individual entrepreneurial quality. [4] Taking Hunan province as an example, some scholars have found that returning young people have many favorable factors for Internet entrepreneurship, but there are also problems such as imperfect policies and regulations, insufficient implementation and low overall level of e-commerce. However, lack of venture capital, start-up technology and backward start-up ideas are the main challenges for college students to return home to start their own businesses. [5]
To resolve these obstacles, some scholars believe that the government should optimize the system of returning home to start businesses, establish related social organizations and groups, and improve the ideological construction of college students. [6] Similarly, it is also important to optimize the entrepreneurial environment and improve the supportive policies for rural returning youth. [7]

Based on this, this paper, on the basis of previous studies and from the perspective of social network theory, focuses on how college students use social network to start businesses when return to rural areas.

III. ECOLOGICAL STATUS QUO OF RURAL COLLEGE STUDENTS RETURNING HOME TO START BUSINESSES

A. Basic condition of town D

Town D is located in the southeast suburb of county C, city H, Shandong province. Before 2015, town D had a township administration system, with 32 administrative villages and 86 natural villages under its jurisdiction. It has a registered population of 44,500, a total area of 45 square kilometers, and a cultivated land area of about 50,000 mu. Up to now, there are a total of more than 6,000 returned entrepreneurs, including nearly 700 college students, more than 3,000 migrant workers, and over 28,000 directly or indirectly engaged in the e-commerce industry.

In this paper, the author selected his hometown for research and conducted in-depth interviews with 5 returning entrepreneurial college students from town D and government officials (B1) with a “snowball method”. Semi-structured interviews were conducted according to the interview outline designed in advance and recorded with the consent of the author. The details of the interviewees are shown below.

TABLE I. BASIC INFORMATION OF THE RESEARCH OBJECT

| No. | Age | Gender | Education       | Years of business | Reasons for return          | Types of online shop       |
|-----|-----|--------|-----------------|-------------------|-----------------------------|---------------------------|
| N1  | 25  | Male   | College degree  | 3                 | Self-determined             | Costume                   |
| N2  | 27  | Female | Bachelor degree | 2                 | Self-determined             | Costume                   |
| N3  | 29  | Male   | Bachelor degree | 3                 | Parents’ request           | Costume, Han Chinese Clothing |
| N4  | 31  | Female | College degree  | 3                 | Parents’ request           | Costume, woodwork         |
| N5  | 33  | Male   | College degree  | 4                 | Self-determined             | Costume                   |

B. Characteristics of college students start their own businesses in town D

1) The proportion of college students returning home to start businesses increases year by year

In recent years, with the increasingly severe employment situation of college students and the widening employment gap, more and more college students begin to think out of the original employment framework to seek self-employment and return home for employment. Since 2014, the number of college students returning to D town to start businesses has been increasing, rising from 434 to 700. In addition, the government attaches great importance to the movement, takes the development of e-commerce and the cultivation of new rural citizens as the important focus of rural revitalization, and timely introduces various preferential policies to solve the problem of college students starting businesses in their hometowns, encouraging more college students choose to return home and start businesses.

2) Male accounts for a large part in the entrepreneurs in town D

Among the students returning home, both genders climb year on year, and male students outnumber female counterparts. Since 2014, male has increased from 301 to 490, and female from 133 to 210. In view of the gender differences, male in rural areas may shoulder more responsibilities of families, and choose to go back to home due to parents’ traditional concept. Men are under more pressure than women as they need to support their parents. In addition, the pressure in the city also force them to go home.

3) More job opportunities drive farmers’ income

The Internet provides a opportunity for returning college students to start their own businesses with low cost and low threshold. That they start their own businesses in rural areas with the help of e-commerce brings job opportunities to neighbor villages and alleviates the problem of left-behind children and the left-behind elderly in rural areas to a certain extent. For example, in the clothes processing workshop of Taobao industrial park, the workers are mainly women, and the elderly. The women who originally go out to seek jobs now can earn money near home, while taking care of the family and children. Through e-commerce, college students sell costumes to all over the world to promote the development of local industries and directly bring economic income to local residents. As a result, the per capita net income of town D is higher than that of the county.
IV. THE ROLE OF SOCIAL NETWORK IN THE ENTREPRENEURIAL PROCESS OF RURAL COLLEGE STUDENTS RETURNING HOME

Social relation network plays an important role in the entrepreneurial process of college students returning to their hometowns. The outstanding social relation network can be classified into family ties, genetic relationship, geographical relationship, study relationship and industry relationship.

A. Blood ties

Family ties form by blood ties and marriage, which belongs to the strong relationship influencing students to return to home. Among the five social networks, blood ties in family relationship have the greatest influence on college students’ choice of returning home to start their own businesses, and it can be said that the blood relationship promotes college students’ choice of returning home to start their own businesses. Chinese traditional culture is family-centered, which creates Chinese family relation network. College students are generally lack of social experience. Their social relations mainly come from the blood ties based on family, which is also the network relationship that college students can get the most resources and support in the process of returning home to start their own business.

N3: “When I graduated from university, the job market is tough, so I chose to go back home to start a business. Starting a business cannot do without the support of my parents, such as funds and contacts. The money to build workshops and buy equipment, are all sponsored by my parents.”

N4: “I came back to my hometown to start my own business after working outside for a few years. In these years, there was too much pressure and I felt uncomfortable. My parents were also worried about me and thought that it was not easy for a girl to struggle in another city and that girls would always come back home. I thought it over and finally decided to go home.”

Close to the Township of Confucius and Mencius, H city has a rooted tradition of family order. Unlike some villages, the villagers come back to start their own businesses not only for economic gains, but more importantly for family responsibilities. Young people work outside for a period of time. Their children reach the age to receive the education, and parents get old and need support. If returning to the hometown to start a business, they can not only create a stable family environment for their children to receive education, but also take care of their aged parents.

B. Genetic relationship

Genetic relationship is the kinship extended on the basis of family, and it is an important social relationship that influences college students to return home to start their own businesses. The support of it also belongs to the strong relationship for college students to return home to start their own businesses. The genetic relationship permeates into all aspects including the support for the entrepreneurial intention of college entrepreneurs, the capital raising and the share of sales market, etc. The members of the kinship network are close to each other with frequent interactions, which is a crucial social relationship in the process of college students returning home to start their own businesses.

N2: “Business start-up is fresh to me. In terms of fund raising and customer source, I have received great help from my relatives. Because my aunt works on e-commerce, I have a smooth start-up.”

N5: “My parents were opposed to my decision to return home and start business in 2015, for that I haven’t learnt about that. However, the kid of one of my grandfathers took up e-commerce since finishing the technical secondary school. It cannot be denied that my business start-up in hometown is inseparable from relatives’ support. They helped me persuade my parents, invested on me and did a lot of favors.”

C. Geographical relationship

Geographical relationship refers to the social relationship formed by geographical location, which is a kind of social network owned by returning entrepreneurial college students. The rapid development of costume clothing industry, the government’s strong support for local e-commerce, and the establishment of D town Taobao business incubator base, have become the geographical advantages of these entrepreneurs. Thanks to the exemplary role of e-commerce leaders and the extensive publicity of entrepreneurship, more and more college students choose to return home to start their own businesses. Therefore, it can be seen that the network of geographical relations infiltrates into every aspect of the entrepreneurial process of college students.

N4: “I have borrowed others’ production workshop to process costumes. Based on the trust from these countrymen, I paid them after the finish of the order. It was their help in the early stage of my business that made me confident to carry on.”

D. Study relationship

For the college students, their classmates in primary school, middle school and high school can more or less provide social capital for the entrepreneurship. They can obtain a lot of information through communication with their classmates, and reasonably integrate their own social resources to build a high-quality social network, which can provide more opportunities for themselves.

N1: “In the class reunion in 2015, I happened to know that many of my classmates have earned a fortune through e-commerce. So, I attempted to have a try. At that time, I have neither the fund nor the experience. It was my classmates who...”
supported me in spirit and capital and passed on their experience that helped me get through the obstacles.”

N4: “I have worked far away from my home for a few years. In 2015, I decided to return home and start a business, but I knew little about e-commerce and it had nothing to do with my major in university. Fortunately, my classmates got me acquaintance with it and related policies, promised to lend me money to open online shop and process costumes.”

E. Industry relationship

Industry relationship is a social network formed by the needs of e-commerce activities for college students. The costume industry encountered the bottleneck with the rise of homogeneity competition and the increasing number of merchants. However, college students, with a higher reserve of knowledge, can make use of the industry relationship and brainstorm with their counterparts in the same industry to develop new products, which trigger another new pattern of rural e-commerce.

N3: “the products are all about the same, and sellers who are producing children costumes are competing on the price. As more and more people have shifted their attention to Han Chinese Clothing, I want to grasp new opportunities to make something new and expand my shop.”

B1: “The Taobao appeal industry in town D is undertaken by the grassroots, and it is the fruit of local famers’ innovation, diligence and wisdom. However, as a special entrepreneurial group, college students play a key role in its industrial transformation and upgrading and sustainable development.”

V. CONCLUSIONS AND SUGGESTIONS

A. Conclusions

First, social networks provide strong spiritual support for college students to return to their hometowns. The social network relationship that college students rely on in the process of returning home to start their own businesses is a primary network social relationship characterized by “strong relationship” based on blood ties and generic relationship. The “strong relationship” social network can provide spiritual support for college students returning home to start businesses. Spiritual support is an important factor to promote college students returning home to start businesses. Although intangible, it has a very important influence on college students’ decision to return home to start businesses.

Second, the scale of social network has a positive relationship with the acquisition of social capital and entrepreneurial resources. Social network expands with the accumulation of the time college students spend on entrepreneurship. Moreover, social capital gets richer and students grow in entrepreneurial resource acquisition and entrepreneurship capability. All these help theses college students to integrate entrepreneurship resources, timely seize the opportunity, and increase the success rate of entrepreneurship.

Third, social networks provide platforms for returning entrepreneurial college students to exchange information at all levels. The social relationship network accumulated by college students also provides an interdisciplinary and cross-industry information exchange platform. Through the communication with various members of the social network, students can continuously obtain entrepreneurial opportunities and entrepreneurial knowledge, etc., so as to realize the transfer of knowledge and ability, and provide more channels for them to obtain information resources.

B. Suggestions

We need to envisage the importance of social networks for students’ start-ups in their hometown. Students can make full use of these networks to gain support and help. On the basis of maintaining the primary social network of “strong relationship” based on consanguinity and geography, we should maintain other social relationship networks. With the government network, we should increase the social ability of these college students, expand social network continuously, increase the value of their social capital and increase the success rate of entrepreneurship.

It is necessary to change the traditional view of the parents of those entrepreneur students. Many parents hold a bias that only those who have no promise will return to their hometown. Therefore, local governments should actively publicize positive concept and guide parents to eliminate the stereotype. In this way, the students can better participate in the construction of their mother town and contribute wisdom and vitality to the rural revitalization in the new era.

Government should give full support to the rural revitalization by encouraging students to start businesses in their home. Fund support, production sites and large entrepreneurial facilities can be offered to them. Introduce students to the Taobao industrial park and strengthen the communication and cooperation among students, so as to build digital countryside and realize rural revitalization.

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