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Analysis on Characteristics and Functions of the Peasant Workers' Returning Home for Venturing in Shaanxi Province

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Abstract Features and effects of returned migrant workers' entrepreneurship in Shaanxi Province are analyzed. Returned migrant workers' entrepreneurship in Shaanxi Province depends on traditional agriculture to develop the quantitative business of planting and breeding, local resources to develop the processing of building materials and agricultural products, small towns to develop service industry such as catering and tourism and the capital accumulated when working in the outside to achieve the transformation from an ordinary worker to an entrepreneur. Returned migrant workers' entrepreneurship in Shaanxi Province promotes the employment and expands ways of transferring rural labor force and increasing incomes. Advantageous recourses are attracted to the rural and underdeveloped areas, which is beneficial to narrowing the gap between the urban and rural areas. It can also promote the transformation of agricultural developmental methods and speed the pace of building modern agriculture. And a group of talents with higher qualities are provided for new rural construction through the modeling and leading role. Entrepreneurship and urbanization are combined together to advance the process of rural urbanization.

Key words Shaanxi Province, Returned migrant worker, Entrepreneurship, Feature, Effect, China

With the arrival of the new century, the pace of transferring labor intensive industries from coastal developed areas to the western areas is quickened and western developing conditions as well as the environment are improved. Thus a vigorous upsurge of returned migrant workers starting businesses is blooming in Shaanxi Province. Returned migrant workers' entrepreneurship has become a significant force in the economic and social development at county level in the underdeveloped economic regions of Shaanxi Province. It is an effective method of promoting the urbanization and industrialization in western regions of China as well as an effective carrier of economic development with industry nurturing agriculture and cities supporting the countryside. To practically carry out the work of migrant workers and speed the development of county economy, government of Shaanxi Province successively issued *Notice on Carefully Conducting the Work of Returned Migrant Workers' Entrepreneurship by Provincial People's Government of Shaanxi Province* and *Notice on Further Strengthening the Work of Migrant Workers by Provincial people's Government of Shaanxi Province*. *Guidance on Establishing Model Counties of Returned Migrant Workers' Entrepreneurship* formulated by Provincial Human Resources and Department of Labor and Social Security is carefully executed in places throughout the province. In order to know the process of returned migrant workers'

venture, Social Science Confederation of Shaanxi Province, together with Provincial Human Resources and Department of Labor and Security, established a researching group of specific subjects in July, 2009. And this subject was regarded as a significant theoretical and practical problem concerning philosophy and general social sciences of Shaanxi Province in 2009. The researching group penetrated many cities and counties, such as Baoji, Yan'an, Yulin and Xianyang, to conduct practical investigations and obtained lots of faithful materials. And the research is a progressive achievement of this subject.

1 Entrepreneurial features of returned migrant workers in Shaanxi Province

Migrant workers in Shaanxi Province are engaged in industries with greater labor intensity and lower technical content when working in the outside. Businesses set up after they return to the countryside are much the same as those, mainly focusing on industries like architecture, mining, transportation, catering and farm product processing. Returned migrant workers' entrepreneurship has close connection with work done in the outside. Working for others is the precondition for starting a business. Entrepreneurship after returning to the countryside cannot be achieved without working in the outside^[1]. The entrepreneurial characteristics of returned migrant workers in Shaanxi Province are as the following.

1.1 Depending on traditional agriculture to develop the quantitative business of planting and breeding Yang Shuhong, a peasant in Huaishuguan Village of Huaishuguan Town of Yang County of Hanzhong City, went to Guangdong to work in 1996 and returned in 2002, investing over 2 million yuan in establishing a planting base of Chinese medicinal plants with an

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overall area of more than 800 hm², in which woody medicinal materials take up 500 hm² and herbal medicinal materials 300 hm². It has an annual yield of over 6 million yuan with the employment of more than 600 people every year. Li Xiaobing of Taibai Village in Xinji Town of Nanzheng County returned after working in the outside and invested over 700 000 yuan to set up a chicken farm with more than 7 400 penned chickens. The farm raises more than 8 000 chickens each year. Sold fresh eggs amount 150 t and annual output values at 1 million. 8 local peasants are employed. Wu Hanzhong, a peasant and communist of Wukan Village, struggled and strived in architecture industry in places like Xi'an and Lanzhou from 1986 and accumulated certain capital. He returned in 1998 and took the position of the village party secretary. In order to guide the whole villagers to become rich, he invested 400 000 yuan to set up a piggery personally in 2002 with 100 penned sows. And it produces more than 1 000 live pigs every year.

1.2 Depending on local resources to develop the processing of building materials and agricultural products

Returned migrant workers' entrepreneurship is based on local resources^[2]. Labor export brings up a group of talents with broad horizon, technique and managing abilities who have strong inner power to start a business after returning. Ma Yan, a villager in Baili Village of Heyang County of Weinan City, worked in the outside after graduating from middle school and accumulated over 100 000 yuan. He returned and set up an architecture industry in 2001 which grew gradually with more than 300 local villagers being employed and the income of over 3 million yuan. Guo Xiangqian, a migrant worker in Hejiawan Township of Yanchuan County of Yan'an City, worked in Beijing and accumulated over 1 million. He returned back and established a jujube company in 2002. The annual yield took up nearly 50% of that of the whole county. And now it has developed into a comprehensive industry of planting base, producing and processing, tourism and holiday, etc with 126 workers and a total capital of over 40 million. Guo Xiangqian was awarded the "Top Ten Migrant Workers" of Shaanxi Province in 2006. After making money in the outside, Pu Zuoyan, a villager in Zhengjiaying Village of Shaheying Town of Chenggu County, invested more than 2 million in building Lvyuan Purified Water Factory with over 40 people being employed. The products occupy more than 70% of the consuming market of drinking water in the county.

1.3 Depending on small towns to develop service industry such as catering and tourism

Liu Xiaodong of Chang'an district in Xi'an City went to Guangdong and worked in a fruit wholesaling market after graduating from high school. He ran a small restaurant at the edge of the city after coming back, employing 7 villagers of Lantian County and Hu County. More and more returned migrant workers in Xiwei Village start businesses on their own under his guidance. Throughout the village, over 100 villagers run their own taxis and over 700 run shop front rooms. Li Wenli of Xizhai Village in Chang'an district once worked in Xi'an City. He learned engineering design and drawing, hence a hot talent in the construction market. But he gave

up high salary in the city and returned to the village to undertake infrastructure construction and engineering. He became a capable person in building a new countryside. Villagers in Xizhai Village all went out and worked for others before 2003. Now, they come back and start businesses, employing others. Throughout the village, there are 40 hotels, 40 restaurants and 3 supermarkets with per capita net income of more than 7 000 yuan.

1.4 Depending on the capital accumulated when working in the outside to achieve the transformation from an ordinary worker to an entrepreneur

More and more returned migrant workers with technique, knowledge and capital start businesses or chiefly lead the companies, which play an increasingly obvious promoting role in the development of local economy^[3]. Migrant workers of Shaanxi Province accumulate technical experience and venture capital through working in cities, which creates conditions for returning to start businesses. They are leaders of driving the masses to get rich and the reserve forces of rural basic cadres. These capable persons return and start business, which speeds the structure adjustment of rural economy, promotes the development of modern agriculture, injects new vitality to the construction of small towns and plays a significant role in improving rural infrastructure construction and advancing the construction of a new countryside. The pattern of venture supporting employment is formed, which drives the development of agricultural and rural economy. Shanyang County of Shangluo City takes excavating capable persons and encouraging capable persons to start businesses as the breakthrough point of promoting the venture of returned migrant workers. Shen Yongqing, Wang Shichun and some others, advanced people of starting businesses, were recommended and elected county and provincial deputies to National People's Congress as well as members of Chinese People's Political Consultative Conference. Shen Yongqing, Zhang Shishuang and Zhang Changmin were recommended as "distinctive socialist builders" of Shangluo City. Activities of "entrepreneurial capable persons pairing and promoting entrepreneurship" were held throughout the county to guide entrepreneurial capable persons to actively assist and support returned migrant workers with capital, projects, technology and management. Activities of "party construction of capable persons enriching people" were held throughout the county. Capable persons who started businesses and became rich were recommended to be members of the party branch committee and villagers' committee. 30 capable persons in becoming rich and starting businesses of the county were elected village branch secretaries, which connected rural grass-roots party construction and the promotion of returned migrant workers' entrepreneurship. Cheng Tongcang, an entrepreneurial capable person of Shitouliang Village of Gaobadian County, led people in repairing roads and erecting bridges after taking the position of village party secretary. 25 chicken breeding majors and 35 pig breeding majors were developed. They grew Chinese medicinal materials with an area of 66.67 hm² and improved walnut with an area of 33.33 hm². And the village has become one of the demonstration villages of building

new countryside in the county. Wang Houming, branch secretary of Donghe Village of Xizhaochuan County, made manual vermicelli and became rich. He then led over 60 households of the village to undertake the processing of manual vermicelli and achieved common prosperity.

2 Entrepreneurial effect of returned migrant workers in Shaanxi Province

Entrepreneurship of returned migrant workers in Shaanxi Province creates a group of new employment carriers, promotes short-distance transference of surplus labor in local villages and opens an important way of transferring rural labor. Generally speaking, entrepreneurship of returned migrant workers in Shaanxi Province is beneficial to promoting the development of township enterprises, medium-sized and small enterprises and private economy in underdeveloped areas through the capital and human capital accumulated in developed areas as well as cities. It is beneficial to diffusing some rural migrant workers in cities and transferring to non-agricultural industries and towns, which speeds the development of industrialization and urbanization in this region. It is also beneficial to human resources with higher qualities going to underdeveloped areas and the countryside, thus advancing the development of modern agriculture and the construction of new countryside. Since the natural links between migrant workers and the countryside as well as agriculture, returned migrant workers' entrepreneurship provides new thoughts for building new countryside with its unique methods.

2.1 Entrepreneurship promoting employment and expanding ways of transferring rural labor force and increasing incomes

First of all, personal developmental problems of returned entrepreneurs are settled. The most direct influence of returned migrant workers' entrepreneurship is to largely improve their own economic returns and economic status. Employment and re-employment of migrant workers in cities and laid-off workers are appropriately settled^[4]. Besides, ways of returned migrant workers' employment and increasing income are widened. Returned migrant workers' entrepreneurship transfers labor intensive industries in coastal areas to the inland, such as dress making, shoes industry, furniture industry and electronics and so on. Quite a lot of workers employed by these industries are migrant workers coming back from working in coastal areas, which meets returned migrant workers' actual demand of taking care of the old and the young as well as family reunions, thus they have new employment approaches and income increasing points. Lastly, approaches of employment and increasing income of rural elderly surplus labor force, people waiting for employment in cities and unemployed peasants are opened up. It is estimated that one entrepreneur can solve the employment of 5 to 10 labor forces. So, entrepreneurship can provide more jobs and employment space for rural labor force.

Zichang County of Yan'an City has a total population of 262 000 with agricultural population of 190 000. Rural labor force amounts 75 000 and surplus labor force 32 000. By the end of 2009, 27 000 labor forces have been transferred and

5 507 people were transferred nearby. Labor output created economic income of 107.73 million. There are 1 332 entrepreneurial migrant workers which take up 30.6% of the total returned migrant workers. There are 44 established private companies, 135 breeding majors and 110 individual businesses with the total investment of 200 million yuan and the employment of 4 000 people^[5].

2.2 Attracting advantageous recourses to the rural and underdeveloped areas, which is beneficial to narrowing the gap between the urban and rural areas

Developmental differences between the urban and rural areas and among regions during the transitional period of industrialization and urbanization in our country are the principal reasons for population flow. The outflow places of migrant workers in Shaanxi Province are mostly traditional agricultural areas where township industries and private economy are underdeveloped. Peasants go to cities to undertake the construction of industrialization and urbanization in developed regions, which is helpful to increasing income while being employed. Some migrant workers are in stable employment state in developed regions. Their settlement as citizens can also relieve the human-land conflict of rural development in western areas. But this cannot replace the development of county economy and the countryside in underdeveloped areas. Those traditional agricultural regions which are remote from central cities and lack advantageous resources have many restraints in developing industry and commerce. Returned migrant workers' entrepreneurship in Shaanxi Province drives the development of private economy, such as township industries and minor industries. Few poverty-stricken areas can attract foreign investment. However, returned migrant workers' entrepreneurship brings a chance to break this situation. Economic development of underdeveloped areas in Shaanxi Province should depend on the entrepreneurship of local returned migrant workers who worked in the coastal areas and have experience. During the changes of industrial structure of our country and the gradient transference of labor intensive industries in coastal areas, only returned migrant workers can be taken as the principal part of economic development, which is the same case with the economic development of Shaanxi Province. Generally speaking, underdeveloped areas which burgeon township industries and business service lack capital, information, technology and most importantly, entrepreneurial talents who have sense of competition and a pioneering spirit and can grasp the market, integrate element resources. Obviously, migrant workers in coastal areas have experience of market economy and industrialization and have accumulated certain capital and human capital. They return to their hometowns and start businesses with capital and marketing concept, technology as well as management of developed regions and will surely be the crucial power in promoting the development of regional private economy in Shaanxi Province.

Ansai County of Yan'an City is located in the north of the City. It has a total area of 2 950 km² and a population of 166 200 in which agricultural population counts 143 328. Since 2007, county committee and government have been encoura-

ging and supporting returned migrant workers to start businesses, which promotes the transference of rural labor force. And this is regarded as a strategic measure of developing the county economy and increasing peasants' income with favorable achievement. Traditional catering businesses, such as northern Shaanxi snacks, have obvious underlying advantages and great potential in developing distinctive economy, leading returned migrant workers' entrepreneurship and promoting local transference of labor force. In recent years, county government greatly supports distinctive cultural industries according to local conditions. With experience of working and doing business in the outside, many returned migrant workers set up farmhouse enjoyment and snack bars with local distinctions around their houses or at the edge of towns. They achieved self-employment with low investment but quick effect. They also provide jobs for other rural labor forces. 38 farmhouse enjoyments are established with the employment of 304 rural labor forces. Besides, another entrepreneurial advantage is folk art. Ansai County is known as the hometown of folk art, such as painting, paper cutting, waist drums and ballads. With capital accumulated when working in the outside, some returned migrant workers built waist drum teams, art groups, weaving houses, ballad teams and paper cutting stores and so on, which created distinctive folk cultural brands and achieved the employment of more peasants and laid-off workers in towns and cities.

2.3 Promoting the transformation of agricultural developmental methods and speeding the pace of building modern agriculture

Shaanxi is a big province in agriculture. Agriculture takes a considerable proportion in county economy of underdeveloped areas. And agricultural income still takes up over one-third of the rural per capita net income. One of the importances of returned migrant workers' entrepreneurship in Shaanxi Province is the combination with commercial agricultural development. Local economic development needs intensive breeding, planting, processing and circulation services of agricultural products and widened line chain as well as improved economic returns. Hence, larger investment and development space as well as benefit space. Underdeveloped areas in Shaanxi Province are weak not only in business industry but also in the processing, circulation and services of agricultural products. Returned migrant workers' entrepreneurship in Shaanxi Province starts from processing and circulation field to promote the advancement of local agricultural industrialization and professional cooperation of economic entity.

As the birthplace of Chou and Qin Dynasties as well as a famous historic and cultural city, Guchengyong State of Fengxiang County in Baoji City is one of the nine Cathay Sian administrative regions and an important post station of the Silk Road. With a total area of 1 179 km², it has 17 towns and 233 villages. It is a traditional agricultural major county as well as a cultural major county. Pre-Qin culture with the feature of farming civilization is of long standing history. Economic and social development is relatively lagging behind. The total population of the county is 510 000 among which agricultural population counts 468 000 and rural labor force 242 000. How to get a

sound and fast increase of peasants' income and improve rural appearance are significant projects of economic and social development of Fengxiang County. In recent years, the county government increases salary income and takes it as a breakthrough point of improving peasants' income, advancing labor economy with the thought of industry development. At present, throughout the county, 92 000 people steadily work in 32 provinces and several foreign countries every year with the annual income ranges from 500 to 700 million. Peasants' salary income has taken up over 30% of peasants' per capita net income. Some of migrant workers return and start businesses after the primitive accumulation of capital. In 2008, the county government caught "five opportunities" and achieved "five vigorously promoting and escalating" working thoughts. The government focused attention on items, reconstruction, promoting income increase, ensuring stability and strengthening efficiency and successfully achieved each target task. Over the county, local total output value is 7 350 million yuan with a year-on-year growth of 15.5%. Local fiscal revenue is 133 million yuan with a year-on-year growth of 20%. Rural per capita net income is 4 309 yuan with a net increase of 700 yuan. Per capita disposable income of urban dwellers is 11 674 yuan with a net increase of 2 294 yuan. Fengxiang County was nominated to be the Big Ten Counties of county economic and social development in Shaanxi Province.

2.4 Providing a group of talents with higher qualities for new rural construction through the modeling and leading role

Migrant workers of Shaanxi Province work in the outside and produce a group of new industrial workers and technical management personnel. Some of them return to the countryside and start businesses and become the backbone of local rural construction and development. Quite a lot of returned peasants of Shaanxi Province undertook public services such as education and health, and some even took the position as a village cadre apart from being engaged in agricultural exploitation and business services. Li Chaoxian, a peasant of Bai Village in Xizhangbao Town of Liquan County of Xianyang City, worked in the city for 18 years. Starting from scratch, he established economic entities such as 4 hotels with "Cape of Good Hope" and "Zhaoling" brands and decoration companies as well as agricultural demonstration bases, creating an annual profit and tax of 10 million yuan. Li Chaoxian returned and became the branch secretary in 1998. During the nine years' struggle, he took more than 9 million yuan from his own companies successively to support the infrastructure construction and industrial development of Bai Village, which changed the backward appearance of the village. Rural per capita net income of the village in 2006 was 5 900 yuan which was 8 times more than that of 10 years ago. Over 150 households that lived in shacks 10 years ago all moved to new houses. Party branch of Bai Village was conferred "national advanced basic-level party organization" by the organizing department of the Central Committee of the Communist Party of China. And Li Chaoxian was awarded glorious titles such as the top one-hundred leaders of "prospering the village and enriching the people" as well as the model

worker of Shaanxi Province.

2.5 Combining entrepreneurship and urbanization together to advance the process of rural urbanization The writer believes that returned migrant workers' entrepreneurship in Shaanxi Province is not regression in urbanization, but the combination of entrepreneurship and urbanization in underdeveloped areas, which promotes the urbanization development based on small towns. First of all, it provides industrial support for the development of small towns which is the chief way of arranging rural surplus labor force^[6]. Companies established by returned migrant workers mainly are in small towns and county towns except those invested in agricultural management and for making a living. These industries drive some economic factors such as capital and labor force to small towns. Additionally, infrastructure and matching industries are developed. Returned migrant workers in Shaanxi Province establish commerce services in towns, such as education, medical treatment, culture, accommodation and catering and develop realty business. They provide various production and living services and directly invest in the infrastructure construction, which promotes the development of matching industries in small towns. Infrastructure and commerce services invested by returned migrant workers not only meet local demand but also bear the qualities and tastes of those in cities. Located in the southeast of Shaanxi Province, Shanyang County of Shangluo City has 30 towns and 322 villages with a total area of 3 535 km² in which cultivated land counts 23 500 hm². It has a population of 440 700 and total labor force of 194 800 in which rural population counts 403 100 and rural labor force 178 300. It is a poor county in mountainous area with a big population but rich in labor force. In recent years, while making labor industries bigger and stronger, Shanyang County actively guide the entrepreneurship of returned "capable persons" with technique, management abilities and competence, exploiting advantageous resources in the county, establishing economic entities and broadening job search in rural and urban areas. A vigorous upsurge of returned migrant workers' entrepreneurship is blooming throughout the county with a group of advanced entrepreneurial models. In 2001, Shen Yongqing, a peasant in Chengguan County, returned and invested 70 million in establishing Shanyang Eternity Mine Construction Company in Shaanxi Province with the employment of 205 laid-off workers and more than 900 rural surplus labor force. The company runs two vanadium ore factories and one vitriol plant with the output value of nearly 100 million yuan and tax paid of 12.67 million yuan which ranks the third among all industrial enterprises in the city and the first among private enterprises. In 2007, he invested 80 million and set up a kiloton nitrogen fertilizer plant in the industrial park of the county town with an annual output of over 100 million and newly-increased employment of 600 people. Wang Shichun, a peasant in Manchuan Town, has successively established 4 companies since 2005, such as Hongrui Coal Invest Management Limited Company of Shaanxi Province and Ruifang Real Estate Development Limited Company. With the capital fund of hundreds of million yuan, he returned and invested 20 million yuan in building Tianzhu Mountain Forest Park of Shanyang County. In February, 2009, Mao Nongde, a peasant in Hujiayuan County, invested 2 million yuan in building Chenyang Ecological Agriculture Limited Liability Company of Shanyang

County. With rented land of 33.33 hm², he set up an ecological agriculture sightseeing base combining lily pond and fish cultivating, green vegetable, touring and recreation together with the employment of over 300 local people and the output value of more than 6 million yuan.

3 Conclusion

Returned migrant workers' entrepreneurship still faces a series of problems, such as inadequate fiscal support, overburdened tax, poor management, blind investment and insensitive market response and so on. So, government departments should make and perfect policies complementing the entrepreneurship to create a favorable policy environment; intensify financial support to provide certain entrepreneurial capital for migrant workers; exempt tax for several years for newly established industries; build transferring and service centers of enterprise information in small towns if possible to provide effective supply and demand information promptly; and meanwhile strengthen education about relative laws and regulations to improve migrant workers' self-protection awareness of entrepreneurship and protect their deserved legal rights. Migrant workers become new entrepreneurs, which broadens the way of transferring rural labor force and increasing income, narrows the gap between the rural and urban areas, speeds the pace of building modern agriculture and builds a long-acting mechanism of increasing peasants' income. This is the key of solving issues concerning agriculture, countryside and farmers. And at the mean time, it is a necessity to promote the construction of a new socialist countryside, a well-off society in an all-round way as well as a harmonious Shaanxi Province. And effective measures should be taken along many lines to create more favorable conditions for the entrepreneurship of returned migrant workers and improve migrant workers' income, which will lay a foundation for expanding peasants' consumption and promoting sound and fast economic development of Shaanxi Province.

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