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The Difficulties and Countermeasures of Migrant Workers Returning Home to Start Business of Shaanxi

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Abstract The paper discloses the current situation of migrant workers returning home to start business by making a survey of the total number of returning migrant workers. The paper also points out the main difficulties the migrant workers who returning home to start business facing. The first is the old fashioned and backward concepts of development in some local departments; the second is lacking of powerful supports of policies; the third is the still bad environment to start business; the fourth is the lower qualities of people who are going to start business. Based on these situations, the official policies are put forward to encourage and support migrant workers to return home to start business. Such as strategies activating migrant workers to return home to start business should be positively operated; the management services should be further standardized and the environment should be perfected for starting business; the programs and items to start business by migrant workers returning home should be guided and favored; beneficial tax policies should be improved further; financial services should be further perfected; the land using problems of migrant workers should be firstly solved; the demonstration project of migrant workers returning back to start business should be continuously carried on; the organizing and leading jobs for starting business of migrant workers should be further strengthened.

Key words Shaanxi, Migrant workers returning home, Starting a business, Policies and countermeasures, China

The returning to start businesses of migrant workers in Shaanxi Province creates a new series of carriers, promoting the transferring of the local and rural surplus labours. Migrant workers' returning home to start businesses explores an important routine to transfer the surplus labours in rural areas. However, during the process of migrant workers returning back to start businesses, there are some difficulties which influence the motives of the following returning migrant workers. By making an analysis on the current conditions of migrant workers returning back to start businesses of Shaanxi Province, the author discloses some problems existing in business starting process of migrant workers and puts forward encouraging and supporting policies and countermeasures for migrant workers returning home to start businesses.

1 The current situations of migrant workers returning home to start businesses in Shaanxi Province

Shaanxi Province has an agricultural population of 27.7 million people and the number of the surplus labours is 6.71 million people. According to the survey statistics in 2010, programs of migrant workers returning home to start businesses are mainly about construction and building, small-scaled manufacturing industry, mineral exploring and refining, transporting, dining, services, husbandry and planting, commercial trading, processing of agricultural products, fruits sales, medicine, print-

ing, automobile and equipments repairing, building materials, tourism, husbandry, education and entertainment and so on.

In recent years, the provincial government of Shaanxi has been viewing migrant workers returning home to start businesses as a strategic project to increase income of farmers and improve farmers' lives. The whole province has positively put into force the essences of *Notes on how to deal well with migrant workers' returning home to start businesses for governmental departments of Shaanxi Province and Guidelines on how to carry out the demonstration counties of migrant workers returning back to start businesses for provincial human-resource department and social security of Shaanxi Province*, establishing primarily the systems of organization, policy-shifting, training courses, services and estimation of the demonstration county where migrant workers return back to start businesses^[1]. According to the statistics of January in 2010, the number of surplus labours transferring in rural areas of the whole province is 6.2 million people, realizing the salary of 30.9 billion Yuan, increasing 10.3% comparing to the past and topping in the first place than ever before. Among which, 2.998 million people are still working outside of the province. There are more than 200 000 migrant workers returning home to start businesses, covering 6.7% of the whole number of migrant workers. The accumulated number of investment by migrant workers who return back to start businesses is 5.13 billion Yuan, establishing about 95 600 enterprises, transferring more than 400 000 surplus labours in rural areas to be employed, having about 20 000 people attended the training courses for starting businesses and loaning to about 3 798 people with a number of capital of 156 million Yuan^[2]. The number of migrant workers returning home to start businesses in the whole province and 20 demonstration counties are in Table 1 and 2.

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Table 1 The number of migrant workers out going for jobs and returning back to start businesses of all cities in Shaanxi Province in 2009

Cities	× 10 ⁴ People	
	The number of migrant workers out-going for jobs	The number of migrant workers returning back to start business
Xi'an City	40.0	2.7
Baoji City	96.0	4.3
Xianyang City	95.4	4.5
Tongchuan City	7.7	0.8
Weinan City	68.0	4.2
Yan'an City	24.2	1.2
Yulin City	58.7	4.5
Hanzhong City	58.0	4.2
Ankang City	57.0	4.3
Shangluo City	56.3	4.6
Total	561.3	35.3

Note: Data come from the *Statistical Yearbook of China* and the Provincial Statistical Report of Shaanxi in 2010.

Table 2 The number of migrant workers returning back to start businesses of the 20 demonstration counties (region) of Shaanxi in 2009

		People	
County (region)	The number of migrant workers returning back to start businesses	County (region)	The number of migrant workers returning back to start businesses
Zhouzhi County	2 100	Chang'an Region	3 122
Fengxiang County	3 500	Fufeng County	3 727
Wugong County	3 100	Jingyang County	2 324
Yintai County	2 000	Yangling Region	1 000
Linwei County	4 800	Fuping County	5 600
Zichang County	1 668	Ansai County	1 548
Suide County	2 300	Dingbian County	2 536
Mian County	2 600	Xixiang County	2 800
Ziyang County	5 000	Shiquan County	1 800
Shanyang County	11 000	Shangnan County	5 000

Note: Data come from the *Statistical Yearbook of China* and the Provincial Statistical Report of Shaanxi in 2010.

The returning back to start businesses of migrant workers in Shaanxi Province not only brings back the techniques and marketing information which hometown needs, but also demonstrates and propagates. It not only brings new blood to activate the progress of urbanization, promotes the development of rural economy and accelerates the construction of towns and villages, but also creates more and more jobs for local residents which of course offers farmers an important opportunity to get more income and be employed, making local farmers employed in the second and tertiary industries neararound. The most needed is the marketing information brought back by migrant workers which connect the two terminals together. The two terminals, production and sales, promotes the consumption speed of agricultural products in local areas, solving efficiently the problems of talents in rural areas generated by the industrial restructure after migrant workers out-going for jobs. It is beneficial to promotes the progress of new-countryside construction. At present, besides the 20 provincial demonstration counties of migrant workers returning back to start businesses authorized by Shaanxi Province, another 26 demonstration counties in 10

cities have been confirmed.

2 The main difficulties faced by migrant workers who return home to start businesses of Shaanxi Province

2.1 Old-fashioned development concepts of some local departments Some local governments of Shaanxi Province cannot view the returning back to start businesses of migrant workers in a rational way. The old-fashioned and stubborn minds cannot recognize the significances of farmers' returning back to start businesses having on the construction of the harmonious socialism comprehensively. What they think of the returning back to start businesses of migrant workers is nonsense, only solving migrant workers themselves problems of jobs and increment on income without having any significance on promoting the economic development and financial improvement. So, some local departments pay little attention to the migrant workers' returning back to start businesses, not viewing which as similar important as introducing capital to villages. The returning home to start businesses of migrant workers does not enjoy the same benefits and cannot gain any powerful supports. All of which have seriously frustrated all migrant workers who return back to start businesses. Some migrant workers who return back to start businesses reflect the low efficiency of local governmental departments and during the operation of some policies, there are mistakes and inadequate service, or even greedy on free things. All of which have seriously hindered the process of migrant workers coming back to start businesses.

2.2 Lacking valid and powerful policy-supports Although some areas formulate some policies in encouraging migrant workers to return home to start businesses, the policies are mostly indefinite to cover the whole which lack validity and practice. In a word, these policies are not attractive, especially in terms of capital and land. At present, the small-scaled loan which is operated only for migrant workers who return home to start businesses by government of Shaanxi functions positively, while the amount of loaning is not big with complicated and difficult in procedures to get relative certificates from financial departments. The capital investment is relatively inadequate, lacking valid financial supports. So, it is hard to solve the difficulties of migrant workers who return to start businesses; with the increasing number of migrant workers returning home to start businesses, some local areas are hard in land supplying, which is a great difficult hindering the process of enlarging scales of companies. At the same time, some local departments lack supports on migrant workers who return home to start businesses. The local departments help migrant workers at the very beginning of starting businesses. While, their supports and attention disappear during and after the process which result in a phenomenon that most migrant workers have reduced to give up during the process.

2.3 Bad environment for starting businesses Generally speaking, it is a universal phenomenon in the rural underdeveloped area of Shaanxi Province that the conditions of infrastructure are bad. Especially in counties and towns, there are wide-

spread unbalanced problems that the needs of urban construction do not satisfy the development of industries in terms of roads, water resources, electricity, communications, transport and energy and so on. Some of the local places are strict in land investment. In addition to the complicated procedures to get certificates from industrial and commercial departments, tax departments and environmental departments and so on, some beneficial policies cannot be operated well. Besides these, there are not corresponding encouraging and protecting policies for migrant workers who return home to start businesses, such as tax reducing, capital supports and financial loans and so on, which discourage the motives of migrant workers who return home to start businesses. Meanwhile, limited to influences of many aspects, some departments are low-efficient in policy-propagation and following services who cannot establish a valid channel in information transmission. Some migrant workers returning home to start businesses who have mastered some skills cannot get the accurate marketing information after their returning. The unpunctual marketing information of products sales, lack of skills and blind investment to some degree lead to bad effects of investment.

2.4 Low qualities of migrant workers starting businesses

Some migrant workers are low in qualities. Some of them are graduated from middle or senior middle school. They are blind in starting businesses and weak in management without professional guidelines. It is difficult to attract talents. They judge according to their experiences and information they get which lack science and techniques. All of which result in serious short term. Some of them are backward in marketing concepts, low abilities to explore markets. All of which result in low competition of companies, unsteady profits and negative potential markets and reflect on the following aspects. Firstly, low techniques in business, single products, low qualities and easy to be copies, hard to enlarge scale in entities; secondly, weak strength, personal or family businesses in modes which is difficult to be cooperative and weak in risk resistance; thirdly, some migrant workers lack confidence and management experiences in starting businesses. Some migrant workers are ambitious to start businesses, while having no ideas about what kind of projects and how to begin? They lack confidence; fourthly, some migrant workers are backward in management, low abilities to explore potential markets, serious short period, undemocratic policies in management, irrational mechanisms. Besides these, companies lack a long-term development program. All of which decide the fate of companies that it is hard to adjust the changes of markets.

3 Countermeasures and suggestion

3.1 Operating positively strategic policies to encourage migrant workers to start businesses Insist on guidelines of respecting businesses starting, taking advantages to give helps, supporting positively and perfecting services and so on. Firstly, respect people who wants to start businesses. Respect the strong and dependent minds of starting businesses, self-starting rights of businesses and the marketing economic stand-

ing of businesses starting, protecting the valid rights. Secondly, taking advantages to give helps. Leads migrant workers to follow the industrial requirements of the State, keeping from the transferring of high pollution industries to the poor and rural areas. Guide migrant workers to be honest and lawful. Thirdly, support positively. List in the agenda the returning home of migrant workers to start businesses. Support and encourage every company which are established by migrant workers who return back, valid in law and industrial polices and absorbing the local labours. Fourthly, perfect the services. Strengthen the awareness of services. Solve problems of getting capital supports when migrant workers return home to start businesses and so on.

3.2 Further improving management services and perfecting the environment for businesses starting

The conditions of environment for business starting have improved a lot at present. While, local governments and management departments should further formalism the management and services of migrant workers who return back to start businesses and perfect the objective environment for migrant workers returning back to start businesses. The first is to broaden the permission conditions. The local governments must not have constraint conditions in some fields themselves without official forbidden and limited by the State. The second is trying hard to simplify the permission procedures, clean and standardize the charging items, promoting the combined permission with one-stop service. The third is to further standardize the governmental behaviour, checking seriously the invalid actions on supervision, charging, levying tax and so on and protect the lawful rights and securities of person and possession of migrant workers who return home to start businesses.

3.3 Continuing to help and guide migrant workers to select programs in businesses starting

Notes on how to deal well with migrant workers' returning home to start businesses for governmental departments of Shaanxi Province and Guidelines on how to carry out the demonstration counties of migrant workers returning back to start businesses for provincial human-resource department and social security of Shaanxi Province by the provincial government of Shaanxi Province on 27th November in 2007 puts forward clearly the 5 requirements on how to guide and help migrant workers to select programs in businesses starting, still working significantly at present and having practical importance. The local governments and departments at present should positively guide and help migrant workers to select good programs in businesses starting.

3.4 Increasing financial supporting force

In this aspect, there are some can be borrowed from Yangling areas in tax reducing to support migrant workers returning back to start businesses. All migrant workers who return home to start businesses are allowed to be free in enrolling fees and yearly supervision fees when applying for operation certificates; those who establish the kind of tertiary industry, employing the workers who lost jobs for more than 30% (including 30%) of the total employees, are qualified to be devoid of the operation taxes which could have been levied, the infrastructure fees of urban

construction and additional fees for education and so on for 3 years; the industrial profits are to be benefited according to rules of taxes; to invest on companies in urban areas and industrial gardens and being taken into construction projects, companies are treated with the beneficial policies of foreign investment.

3.5 Further improving the financial services Firstly, it should strengthen the supporting efforts of financial policies shifting even largely to the medium sized and small sized enterprises and projects of migrant workers returning back to start businesses. Financial organizations servicing medium and small sized companies and rural communities should be firstly developed. Secondly, further enlarge the bank operation sites in rural areas and promote the development of new-countryside financial organizations. Thirdly, fixed assets mortgages, personal assets loans and mutual loans among different excellent private companies in the same area, occupation can be operated to meet different kinds of needs by business starters. And the fields of mortgages can be further expanded. Fourthly, the state-owned commercial bank should authorize the subsidiary banks in the business starting fields to afford loans to business starters according to forms of commercial banks. And at last, to establish the guarantee mechanisms of credit supporting combined with fiscal and finance. Different levels of governments should prepare some amount of capital to enrich the medium and small sized credit guarantee mechanisms to construct the systems of credit guarantee mechanisms, which are used only for supporting migrant workers returning back to start businesses.

3.6 Firstly solving problems of farmers' land The land using policies of Yangling region where migrant workers returning home to start businesses can be modelled. The occupation land of business operation by migrant workers can be firstly authorized to use by the local state land department if the fixed assets have accumulated to more than 2 million Yuan investment on the processing industries of agricultural products. Different kinds of fees generated during the process of land borrowing could be reduced once admitted by the local departments; land occupation by those investment on husbandry and construction of large agricultural products are charged free and need to be check according to rules of local agricultural departments; the operation periods can be relatively expanded if the land using authorities are gained to have breeding and planting industries through transferring methods such as leasing or renting. At present, local governments and departments should take into the whole plans of land using the land using problems of migrant workers who return home to start businesses; insist on the State policies of protecting cultivation land and saving land resources; combine with the local practical situations to solve the land problems of migrant workers who return back to start businesses.

3.7 Continuing to carry out the demonstration projects of migrant workers returning back to start businesses On one hand, the main tasks of constructing demonstration counties of migrant workers returning home to start businesses should be practically finished. That means to establish the lead-

ership system of the organization, to perfect the supporting systems of policies, to complete the training systems of business starting, to construct the service systems of business starting and complete the supervision systems on jobs. On the other hand, all kinds of indexes of demonstration counties of migrant workers returning home to start businesses should be completed. That means the index of assuring the training courses of migrant workers starting business is not lower than 25%; the index of successful business starting is not lower than 50%; the index of absorbing labours by business starter is not lower than 8%; the index of employing promotion by business starters is not lower than 30%; the index accelerating the development of enterprises by migrant workers' business starting is not lower than 30%; the index of credit supporting is not lower than 60%; the index of satisfaction with the business starting environment is not lower than 80% and the index of admission to industries of migrant workers should be excellent.

3.8 Strengthening the organizing and guiding systems for migrant workers who return home to start business

Different levels of governments and departments should take the returning home to start business of migrant workers into the local social development programs, deepen the knowledge of labour economic strategies, change situations from exporting labours to earn money to attract talents to help development and actively explore and establish new mechanisms to absorb migrant workers to return home to start businesses. In term of talents, enrich talents resources by affording free training to migrant workers who return to start business and staffs or adopting the foreign capital to develop enterprises with the help of state financial loans; in term of region, develop the farmers based on the local practical situations and guide migrant workers to cluster around towns to start business or to invest; in term of propagation, propagating efforts should be enlarged and thoughts of starting businesses of migrant workers should be changes. To strengthen the migrant workers confidence on business starting, leading the whole society to respect, pay attention to and support business starting and attracting more migrant workers to return home to start businesses to make new contribution to the development of rural economic society and the construction of new-countryside.

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