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Analysis on Management of Entrepreneurial Environment for Migrant Workers

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Abstract Entrepreneurial behavior of returning migrant workers plays a significant role in development of rural areas. Management of entrepreneurial environment can stimulate enthusiasm of migrant workers for entrepreneurial activities, reducing their entrepreneurial costs, and increasing the probability of their success in entrepreneurial activities. Management of entrepreneurial environment includes management of financing, system, technology, and social network environment. It is recommended to improve fitting and mutual adaptation of different types of environment through consolidating various types of environment, and make overall environment management from the entrepreneurial process of migrant workers, so as to improve enthusiasm of migrant workers for entrepreneurial activities and increase the probability of successful entrepreneurial activities.

Key words Migrant workers, Entrepreneurial environment, Environment analysis

1 Introduction

Both theories and practice have shown that most migrant workers not only have entrepreneurial awareness, but also have steady enterprising spirit and practical entrepreneurial objectives. Due to intense supply-demand relationship at labor market, a lot of migrant workers have strong desire to return hometown for entrepreneurial activities. Migrant workers' returning to hometown brings new opportunity for development of rural economy. It also plays a significant role in developing township enterprises, private economy, and agricultural industrialized operation in underdeveloped areas, developing small town and county-wide economy, promoting transfer and employment of rural labor, and boosting coordinated urban and rural development. However, weak support of the state, poor entrepreneurial environment and lack of entrepreneurial policies restrict generation and development of migrant workers' entrepreneurial activities. If these problems fail to be solved effectively, it will lead to failure of migrant workers' entrepreneurial activities and bring about some negative consequences. Government should provide support for migrant workers in entrepreneurial opportunities, entrepreneurial training, entrepreneurial financing, entrepreneurial service, entrepreneurial cost, and entrepreneurial incubation and park. Nevertheless, there is still no research on supporting entrepreneurial activities of migrant workers from the perspective of their entrepreneurial process. In addition, entrepreneurial behavior of migrant workers is influenced by their ability, capital they own, rural social environment, regular institutional arrangement, and social support. These factors constitute main parts of entrepreneurial environment of migrant workers. Thus, government should optimize entrepreneurial environment of migrant workers to provide more powerful stimulation for entrepreneurial activities of migrant workers. Study on management of entrepre-

neurial environment for migrant workers is of great significance.

2 Analysis of entrepreneurial environment for migrant workers

2.1 Analysis on capital environment for migrant workers' entrepreneurial activities Enterprisers are not willing to completely rely on their own capitals. Contractual arrangement of actual financing is not only multi-dimensional, but also the rational selection results of the parties through negotiation. In the entrepreneurial process, migrant workers undertake functions of enterprisers and capitalists. With gradual lifting of threshold of entrepreneurial capital, industries with high input and high income become the mainstream. This will raise capital threshold of entrepreneurial activities of migrant workers. In addition to limited capital accumulation during migrant working, migrant workers have to resort to regular financing and irregular financing. The irregular financing refers to financing through social network like relatives and friends. Besides, social network financing is an essential source for entrepreneurial activities of enterprises. Regular and irregular financial institutions coexist and mutually complement. Financing environment of self funds → irregular finance → regular finance determines complexity and difficulty of capital environment management. In the process of enterprise innovation, capital constraint is mainly manifested in obtaining of entrepreneurial funds. For migrant workers, entrepreneurial capitals can be accumulated by themselves or obtained through regular or irregular financing channels. When their accumulated funds fail to satisfy their entrepreneurial demands, migrant workers will have to select external financing scale on the basis of considering marginal income and marginal cost of capitals. The costs for regular and irregular financing channels are different. Regular financing needs mortgage and guarantee, and also has to accept strict examination and approval and supervision process of credit institutions, thus costs of regular financing are relatively high. The costs for irregular financing are

low, but only those farmers with higher social capitals and reputation can obtain. What's more, entrepreneurial risk increases difficulty of private financing for migrant workers, and also increases financing costs.

2.2 Analysis of institutional environment for migrant workers' entrepreneurial activities Migrant workers' entrepreneurial activities remain in certain institutional environment, including taxation system, industrial and commercial management, quality testing, health and epidemic prevention, environmental protection, and land management system. These systems not only influence entrepreneurial decision of migrant workers, but also influence costs of migrant workers' entrepreneurial activities. Too heavy burden of taxation and ineffective implementation of preferential land and tax policies are major factors restricting migrant workers' entrepreneurial activities. In the innovation period of enterprises, migrant workers need to apply registration and approval for administration for industry and commerce, health and epidemic prevention department, and administration of taxation. In this process, expenses constitute entrepreneurial costs of migrant workers, and high entrepreneurial costs generally restrict entrepreneurial willingness of migrant workers. In the growth period of enterprises, taxes are major costs of enterprises. Although local government has formulated a series of preferential policies for encouraging and supporting farmers to conduct entrepreneurial activities, these policies just remain in name in the implementation process. As a result, it leads to rise of operating costs and failure of operation. The discontinuity of systems and weak implementation become major obstacles of migrant workers' entrepreneurial activities.

2.3 Analysis of technological environment for migrant workers' entrepreneurial activities Enterprises consist of technology, systems and contracts. Technology plays an essential role in enterprise growth. Especially in the condition of gradual shortening of life cycle, the speed of technological revolution is accelerating. For new enterprises, it takes a long time for products to adapt to market, and it needs constant adjustment. Product innovation is based on technological innovation. Only through constant technological innovation, may new enterprises gradually establish their competitive position. Technological innovation of entrepreneurial activities includes environment of technological transfer and technological training. The environment of technological transfer includes technological providers, such as scientific research institutions, colleges and universities, other independent invention entities and patent owners. It also includes technological intermediary organizations, technological demand entities such as entrepreneurial migrant workers or enterprises. The environment of technological transfer influences availability of technologies for migrant workers in entrepreneurial activities. There is still no perfect technological transfer system, especially in remote and poverty-stricken rural areas. Therefore, migrant workers do not have advantages in technological receiving in technological transfer system. As to the technological training environment, the dual urban

and rural structure for a long time leads to insufficient rural human capital. The average educational level of farmers is low. Farmers lack specialized technological training. In consequence, most migrant workers have to be engaged in industries with technological level.

2.4 Analysis of social network environment for migrant workers' entrepreneurial activities High density entrepreneurial network can better promote experienced migrant workers to find more innovative opportunities. The entrepreneurial network not only can increase availability of entrepreneurial capitals, technologies and orders, but also can reduce costs for obtaining these resources. Social relation network plays a decreasing role in rural development, but still plays an important role in entrepreneurial activities of migrant workers. Firstly, rural social environment is stable. Stable social environment creates stable market environment, stimulates market demands, expands market scopes, and provides stable operation market for entrepreneurial activities of migrant workers. Secondly, rural honest environment is gradually established, especially in the great tide of new socialist countryside construction. Thirdly, social network scope is gradually expanding from rural to urban areas and social network scale is gradually enlarging for migrant workers due to their special working experience.

3 Management of entrepreneurial environment for migrant workers from the perspective of entrepreneurial process

3.1 Management of technological environment for migrant workers' entrepreneurial activities Establishment of technological environment is to consolidate relevant parties, and establish perfect technological circulation channel to satisfy technological demands of migrant workers for entrepreneurial activities. From the entrepreneurial process, firstly, it is required to improve technological availability for migrant workers. Technological availability is directly related to technological acceptance and external environment. For external environment, it is necessary to establish perfect technological transfer system and technological extension system, and strengthen technological extension efforts. Secondly, it is necessary to strengthen employee training and improve ability of enterprises in accepting technologies. Proficiency of employees and innovation ability of scientific researchers directly influence technological entrepreneurial activities of migrant workers. Thus, enterprises should strengthen technological training of their employees and improve their technological level. Thirdly, it is necessary to increase independent research and development inputs, and raise independent innovation ability. At the innovation stage, enterprises should constantly innovate upon products, make product orientation on the basis of satisfying market demands, and improve the ability of obtaining capital elements and adaptation of institutional environment. Therefore, we divided entrepreneurial environment of migrant workers into capital, technology, system, and social network.

3.2 Management of capital environment for migrant workers' entrepreneurial activities

Enterprisers are not willing to completely rely on their own capitals. Contractual arrangement of actual financing is not only multi-dimensional, but also the rational selection results of the parties through negotiation. In the entrepreneurial process, migrant workers undertake functions of enterprisers and capitalists. With gradual lifting of threshold of entrepreneurial capital, industries with high input and high income become the mainstream. This will raise capital threshold of entrepreneurial activities of migrant workers. In addition to limited capital accumulation during migrant working, migrant workers have to resort to regular financing and irregular financing. The irregular financing refers to financing through social network like relatives and friends. Besides, social network financing is an essential source for entrepreneurial activities of enterprises. Regular and irregular financial institutions coexist and mutually complement. Financing environment of self funds → irregular finance → regular finance determines complexity and difficulty of capital environment management. In the process of enterprise innovation, capital constraint is mainly manifested in obtaining of entrepreneurial funds. For migrant workers, entrepreneurial capitals can be accumulated by themselves or obtained through regular or irregular financing channels. When their accumulated funds fail to satisfy their entrepreneurial demands, migrant workers will have to select external financing scale on the basis of considering marginal income and marginal cost of capitals. The costs for regular and irregular financing channels are different. Regular financing needs mortgage and guarantee, and also has to accept strict examination and approval and supervision process of credit institutions, thus costs of regular financing are relatively high. The costs for irregular financing are low, but only those farmers with higher social capitals and reputation can obtain. What's more, entrepreneurial risk increases difficulty of private financing for migrant workers, and also increases financing costs.

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3.4 Management of technological environment for migrant workers' entrepreneurial activities

Enterprises consist of technology, systems and contracts. Technology plays an essential role in enterprise growth. Especially in the condition of gradual shortening of life cycle, the speed of technological revolution is accelerating. For new enterprises, it takes a long time for products to adapt to market, and it needs constant adjustment. Product innovation is based on technological innovation. Only through constant technological innovation, may new enterprises gradually establish their competitive position. Technological innovation of entrepreneurial activities includes environment of technological transfer and technological training. The environment of technological transfer includes technological providers, such as scientific research institutions, colleges and universities, other independent invention entities and patent owners. It also includes technological intermediary organizations, technological demand entities such as entrepreneurial migrant workers or enterprises. The environment of technological transfer influences availability of technologies for migrant workers in entrepreneurial activities. There is still no perfect technological transfer system, especially in remote and poverty-stricken rural areas. Therefore, migrant workers do not have advantages in technological receiving in technological transfer system. As to the technological training environment, the dual urban and rural structure for a long time leads to insufficient rural human capital. The average educational level of farmers is low. Farmers lack specialized technological training. In consequence, most migrant workers have to be engaged in industries with technological level.

3.5 Management of social network environment for migrant workers' entrepreneurial activities

High density entrepreneurial network can better promote experienced migrant workers to find more innovative opportunities. The entrepreneurial network not only can increase availability of entrepreneurial capitals, technologies and orders, but also can reduce costs for obtaining these resources. Social relation network plays a decreasing role in rural development, but still plays an important role in entrepreneurial activities of migrant workers. Firstly, rural social environment is stable. Stable social environment creates stable market environment, stimulates market demands, expands market scopes, and provides stable operation market for entrepreneurial activities of migrant workers. Secondly, rural honest environment is gradually established, especially in the great tide of new socialist countryside construction. Thirdly, social network scope is gradually expanding from rural to urban areas and social network scale is gradually enlarging for migrant workers due to their special working ex-

perience.

4 Recommendations

4.1 Consolidating entrepreneurial environment for migrant workers and improving entrepreneurial quality

Migrant workers' entrepreneurial activity is a process of adapting to environment. Changes of any environmental factor will lead to failure of entrepreneurial activities. Therefore, to correctly guide migrant workers in entrepreneurial activities, it is recommended to start from overall aspects of entrepreneurial environment, improve consolidation degree of different types of environment and improve migrant workers' entrepreneurial quality. Firstly, at the same time of optimizing social environment, it is recommended to optimize capital environment. The stability of social environment is the guarantee for bringing into play recognition ability of migrant workers in entrepreneurial opportunities, while capital obtaining is the foundation for migrant workers grasping entrepreneurial opportunities. Secondly, at the same time of optimizing institutional environment, it is recommended to optimize technological environment. Incentive function of systems and guarantee function of technologies are preconditions for successful entrepreneurial activities of migrant workers. Therefore, government should strengthen institutional supply, establish perfect technological market, and improve technological availability for migrant workers' entrepreneurial activities. Thirdly, regular systems should combine with irregular social network management. At the same time of strengthening support and restraint for entrepreneurial activities of migrant workers in regular system, it is recommended to reinforce management of irregular social network. On the one hand, it is recommended to increase institutional efficiency in industry and commerce, taxation, health and social services, simplify the processes, raise the examination and approval efficiency of entrepreneurial activities, and reduce costs of migrant workers for entrepreneurial activities. On the other hand, it is recommended to enhance rural honesty construction and rural civilization construction, strengthen propaganda and education, and improve rural social network management efficiency.

4.2 Accelerating innovation of entrepreneurial environment and reducing entrepreneurial risks

Firstly, it is recommended to speed up credit product innovation and training system innovation and improve capital and technological environment. In the process of entrepreneurial activities, capital demands change with enterprise growth, thus the supply of credit products should be innovated along with growth process of enterprise, so as to provide larger selection space for migrant workers' entrepreneurial activities. For example, set up entrepreneurial fund and provide small sum mortgage loan for new enterprises in the growth period. At the same time of accelerating credit products, it is recommended to accelerate innovation of education and training system, and establish training oriented towards entrepreneurial migrant workers and

employees of new entrepreneurial enterprises, so as to improve quality of employees from overall aspects. Secondly, it is recommended to accelerate technological and institutional environment innovation, establish technological environment suitable for application of migrant workers. In technological transfer and technological transformation, it is recommended to provide auxiliary services, reduce uncertainty due to technology factors, and establish more flexible systems to satisfy demands of new enterprises, such as institutional innovation in enterprise registration, taxation and industry and commerce, and health epidemic prevention, to satisfy demands of different new enterprises. Thirdly, it is recommended to establish entrepreneurial network, to facilitate communication between entrepreneurial migrant workers. Well-established social network can provide effective communication platform for migrant workers grasping entrepreneurial opportunities, optimizing entrepreneurial process, and exchanging entrepreneurial information. In addition, effective operation of social network is helpful for increasing utilization efficiency of entrepreneurial migrant workers for network.

4.3 Strengthening the cooperation between government, grass-roots Party organizations and rural cooperatives

In different entrepreneurial network environment, there are different environment management and innovation subjects and coordination between different types of environment needs cooperation of different subjects. Firstly, it is recommended to strengthen the cooperation between government and rural grass-roots Party organizations, to make grass-roots Party organizations really become the information exchange platform connecting entrepreneurial migrant workers and government departments. Secondly, it is recommended to strengthen cooperation between government and specialized farmers cooperatives, establish cooperative economic organizations through government guidance and support, and optimize entrepreneurial selection behavior of migrant workers. On the one hand, it should bring into play functions of fund financing and technological services. On the other hand, it should strengthen mutual learning and mutual assistance of migrant workers in the entrepreneurial process, to reduce entrepreneurial costs and enhance entrepreneurial network. Thirdly, it is recommended to strengthen coordination between rural cooperative organizations and rural grass-roots Party government, especially in irregular institutional supply, management of rural social network, and construction of honest and credit environment.

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