

Study of Chinese Peasants' in Situ Entrepreneurial Project Categories and Their Market Prospects

SHEN Zhongming^{[a],*}

^[a]Commerce Department, Rongchang Campus of Southwest University, Chongqing, China.

*Corresponding author.

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Abstract

Currently, Chinese government at all levels actively support peasants' entrepreneurships in situ and returned migrant workers' entrepreneurships in situ. It is necessary to analyze entrepreneurial project categories and their market prospects in order to support peasants' entrepreneurships. Chinese peasants' in situ entrepreneurial projects refer to various entrepreneurial projects which are suitable for the conditions where peasants are located. There are practical market backgrounds for peasants to start a business in situ and motivations to change their current living conditions. There are general entrepreneurial projects for peasants as well as specific entrepreneurial project categories and their market prospects for peasants in specific location such as Fengdu County. Hope these entrepreneurial project categories and their market prospects for peasants can provide reference for the analysis of peasants' in situ entrepreneurial projects and their market prospects in different places in China.

Key words: Chinese peasants; Entrepreneurship in situ; Project categories; Market prospects; Fengdu county; Motivation

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INTRODUCTION

Nowadays, economy has been developing rapidly and financial crisis has been influencing economic development since 2008. "Entrepreneurship" has become familiar to everyone. College students, city residents and peasants all expect to successfully build their own career by starting their own business. In order to start a business, we need to choose a project first; to choose a good project, we need to analyze projects in depth. Each entrepreneur is concerned about how to find a good suitable project, how to earn money legally and how to find new customers. It is obvious that Chinese peasants starting a business in situ need to combine the local natural and social resources together. For example, they should study projects such as beef cattle breeding, feed veterinary medicine, food and beverage, electronics and furniture and so on and their market prospects.

1. TO DEFINE CHINESE PEASANTS' IN SITU ENTREPRENEURIAL PROJECTS

Projects refer to events or tasks determined by market research and predicted knowledge which are to be accomplished according to relevant provisions. It is the same with Zhou Huizhen's view on projects: A project means a one-time task during a certain period of time in which we need to achieve the expected quality target according to the scope of provided budgets. For example, if we build a building, we need to finish it at a time during a specific period of time in accordance with provided quality performance, cost and schedule requirements (Zhou, 2013). Entrepreneurial projects are projects entrepreneurs choose based on their own conditions and external environmental conditions with expectations to achieve certain objectives within a certain period of time, such as entrepreneurial projects of planting Chinese herbal medicines, beef cattle breeding, aquaculture, co-financing to register a company to operate a product, start-

up of a farm stay, and building a processing plant and so on. Chinese peasants' in situ entrepreneurial projects refer to various entrepreneurial projects which fit the actual conditions of peasants at their locations, such as projects of planting, breeding and rural retail and so on. Take Fengdu County in Chongqing as an example. Peasants in Fengdu County combine the geographical, economic, social and cultural advantages in resources and their own actual conditions to foster entrepreneurial projects such as grass planting and livestock breeding, developing tourism and establishing farm stays and other projects.

2. THE MARKET BACKGROUND AND MOTIVATIONS OF CHINESE PEASANTS' IN SITU ENTREPRENEURIAL PROJECTS

Since the reform and opening up, China has become a worldwide emerging market. Through television and working in the city, Chinese peasants have already come to understand that, this is the big market background of Chinese peasants' in situ entrepreneurialships.

2.1 The Market Background of Chinese Peasants' in Situ Entrepreneurships in Reality

China's entrepreneurship market background shows five characteristics. First, the market is huge. China's territory is vast with more than 1.3 billion populations. The economy develops rapidly and various project products have great market prospects. We can drink the volume in liquor of several big "West Lake" every year. Think about how many "meat, milk, egg and grain" products we eat. Therefore, the market is huge; it is just the time for entrepreneurialships. Second, the market changes quickly. The overall market has a big capacity and it changes fast as well. The market prospect of some project products was great then but it disappeared quickly. For example, the once-popular communications product, "PAS" soon exited the market; policies change rapidly. The tax policies of domestic enterprises and foreign companies once were different. There are still some aspects of the laws and regulations are not perfect. Some people do not understand the consumer. The early "Sanzhu Oral Liquid" made a lot of money. However, the agricultural policy has been very stable and beneficial policies and the policy of industry nurturing agriculture have not changed; Third, the market once was disorder. Counterfeit and infringement were serious and there were many unusual strange phenomena. The dairy market was great; however, these successful entrepreneurs chose to "add melamine to milk" or even "add melamine to milk" to sell. They destroyed their own successful business. No wonder we also heard this joke: "an aunt from the countryside selling vegetables once said, you city residents are so healthy! Why? The vegetables we plant and the pigs and poultry we breed contain so much pesticide and feed. We sell them to you while they

still have drug residues to eat, but they do not poison you to death!" Fourth, the short-term market orientation is prominent. When televisions, slippers and apparels and some other products enter the US market, they lament that such prices are made out of the earth?! Fifth, the market differentiation is significant; there are big differences between different regions and industries; there are obvious differences in levels of entrepreneurialships. The differences between coastal and inland regions and mountains and plains are really big. Based on this background, Chinese peasants have the opportunity to start businesses and they are able to start businesses.

2.2 The Motivation of Chinese Peasants' in Situ Entrepreneurships

Firstly, the motivation is to change their current life. In fact, Chinese peasants live a good life now and most of them have enough food to eat and clothes to wear. They have free space and fewer psychological stresses; a lot of people in town have more pressures, and most of those who commit suicide are city people, such as the suicidal singer Chen Lin who sang the song *I Never Understand Your Tenderness*. Of course, maybe we think the economic conditions are not good, so we want to change and want to start to change our lives. Secondly, the motivation is to become outstanding and to have integrated influence in the community, village, and town. There are talented capable people among peasants who have the idea to change the reality or want to change their own home-based ordinary life with two cows and wife and children around. They want to use their own advantages, strengths, conditions to maximize the change of themselves, to make large projects, and to create a great career. Thirdly, the motivation is to illustrate peasants' own advantages. Nowadays, "Chinese peasant" can be described as the most glorious term. Now peasants have land and other production factors and they are producers with control over the factors; peasants are industrious and brave, able to concentrate efforts on selected entrepreneurial projects. Peasants have the spirit of hard-working, such as Wenzhou entrepreneurial peasants' spirit of "traveling thousands of miles, exhausting every possible means, speaking thousands of words and going through a lot of hard work" and peasants' "cattle-breeding spirit" in Fengdu County, Chongqing.

3. CHINESE PEASANTS' IN SITU ENTREPRENEURIAL PROJECT CATEGORIES AND THEIR PROSPECTS

Now, the government all over China has placed emphasis on peasants' in situ entrepreneurialships or migrant workers returning home for entrepreneurialships. They have set up Pioneer Parks to help peasants to practice entrepreneurial projects. For example, there are many Taiwan peasants' pioneer parks in many regions in mainland China; there are

Taiwan peasants' pioneer parks in Beibei District in Chongqing and in many other districts and counties. Some districts and counties have set up pioneer parks similar to industrial parks for peasants and returned migrant workers to start businesses in situ and they also provide support service system.

3.1 General Chinese Peasants' in Situ Entrepreneurial Project Categories and Their Prospects

The first category is the construction project: In early times, entrepreneurial peasants would like to choose construction projects and they entered through contracting. These projects have relatively large market and the profits are high, but there is intense competition and now the requirements of technology and capital for entering have been improved. The second category is the commercial project: There are many commercial project categories. Some projects are approachable, but they are volatile. For example, they can choose to open a small supermarket, a clothing store or a trading company. The total market is still large, but the market information is constantly changing. It can be difficult to support if there is not enough money and manpower. Sometimes some peasants are too eager for projects to earn money and they are attempted by some investment websites and false television advertisements, resulting in being deceived. There were reports of the case that a peasant in Yongchuan District, Chongqing joined the "Jiumei" bags and the case of crispy rice in Wanzhou and other cases in which they were deceived. The third category is the planting project: This category has various projects with wide entrepreneurial prospects. They are mainly limited by geography, ecology, and technology and capital and so on; it would be better if sightseeing, ecological and tourism parks can be built. However, it is a greater challenge for ordinary peasants who is lack of resources. The fourth category is the breeding project: there are many such projects in general and the conditions are not the same; there are differences in the north and in the south. In the north, it usually is scale farming, but in the south it is relatively dispersed. The fifth category is the service project: the market of food and beverage, health care and other service projects is large, and they have a larger adaptability. These projects require certain experience, social connections and specialty. Chinese peasants who start businesses in situ choose many projects in this category. They can just start with "300 Yuan" for survival such as selling cool jelly as a start.

3.2 Chinese Peasants' in Situ Entrepreneurial Project Categories and Their Prospects in Specific Location Fengdu County

3.2.1 General Entrepreneurial Project Categories and Their Prospects for Peasants in Fengdu County

Firstly, factory production projects and their prospects: The location of Fengdu determines that factory production

projects are not leading development projects there due to the environmental protection of the Three Gorges Reservoir and the hollowing phenomenon over time in industries; of course, some may also found production plants of small and medium size based on geopolitical resources or proprietary technology. However, for most peasants in Fengdu County, it is quite difficult to start such plants since it is hard to find markets, capital, technology, information and entrepreneurial talents; and the first entrants have strong strength, so it is hard to challenge or even follow them.

Secondly, technology-based processing projects and their prospects: Such projects have a market, but they require special process skills and appropriate resources. Peasants can start these projects combining with tourism and other related projects, such as projects of bamboo weaving, hand weaving and sculpture and so on. Maybe some peasants in Fengdu County, Chongqing have seen or known a few people around to make achievements in these projects. Those who want to start such projects must be careful.

Thirdly, commercial and retail projects and their prospects: Such projects such as entrepreneurial stores and trades in the major tourist attractions in Fengdu and on urban streets have great market and the volatility is also great; if the site is accurate and the store location, people flow, consumption habits, product range, the price system, and service are all good, it can be very successful and get quick results. But the biggest feature of this type of projects is that the entering has almost no threshold. With a lot of similar competitors, the competition is fierce. If one is a little inattentive, he will be eliminated. From time to time you will see posters to transfer stores. Nowadays, in cities and towns in China such as Fengdu County, Chongqing, as we can see, drug stores are just like clothing stores and bakeries, and their density ratio is even larger than bakeries. "Tongjunge", "Shuangye" and "Jiasheng" and other drug stores are everywhere. Grocery stores, fruit, clothing, books and newspapers, grain and cooking oil and other large and small retail stores, supermarket chains are everywhere. We might have never seen more stores and pavements than that of today. We can see how intense the competition is. In such projects with a few high profits, no more than "three months", there would be a large number of followers entering the fierce competition. Some of them worked so hard in the city to earn "30,000 to 50,000 yuan". Of course, we cannot rule out a small number of peasants entering early or those who have a lot of money have received rewards in this area. Restaurant projects must have specialties. Specialty restaurants with a good combination of online and offline sale can make money and come a successful business, but they also have to face fierce competition for customers, involving sanitation, security control, and restrictions of many other governmental departments.

Fourthly, planting projects of fruits and vegetables and flowers and their prospects: such projects have a market and peasants are familiar with basic planting techniques or it is easy for them to learn; these projects have higher requirements regarding soil, climate and lighting conditions and the conversion rate is relatively low. It is important to increase the degree of commercialization, make innovative feature brands and conduct deep-processing; if combined with farm house experience and farming experience travel, tourism and leisure for comprehensive development, the prospects are even better, such as the project of eco-tourism Agricultural Park in Dahei Mountain in Fengdu County, the iron peanuts, Nan bamboo, citrus and Jin oranges and other featured planting projects of high quality in Longkong Town. The operational results of these peasants starting businesses in situ are relatively better.

3.2.2 Entrepreneurial Project of “Beef Cattle Breeding” and Its Prospects for Peasants in Fengdu County

Firstly, the market prospect for beef cattle and its products is huge. Fengdu County is working hard to create the “beef cattle town in Southern China”. Peasants who start cattle breeding projects in situ will be able to obtain direct and indirect support from the government and the relevant functional departments. The most critical factor is the market demand for beef cattle and its products is large and the consumer-driven force is fierce. The per capita beef consumption in China is only half the average level of that in the world. With the growth of urban and rural residents’ income and the transformation of consumer attitudes, there will be more room for the growth of market demand for beef in China in the future. Only from the aspect of meeting over 32 million Chongqing people’s consumer demand for beef and its products, the supply gap in the market will be very huge. Obviously, Fengdu peasants who start businesses in situ in beef cattle breeding project can make money and it is such a sunrise industry project; from a historical perspective on domestic beef consumer market, in the early 1990s, per capita beef consumption was less than 0.5 kg, some people, especially peasants might have not eaten beef within a year. Now in the 21st century, although there is a substantial growth in beef consumption, per capita consumption is only 4.3 kg. We can see that the short supply situation of beef will continue for a long time and the market price will rise. Prior to 1998, beef price was stable, 13-14 yuan per kilogram. Till 1998, the price increased year after year, rising from 14 to 20 yuan, then rising to 24 yuan and then to 28 yuan, and there is still room for growth (Li, 2006). Currently fresh beef is usually more than 40 Yuan per kg. It is significantly different from the cyclical fluctuations of pork price within two to three years, which is such a headache for peasants who breed pigs.

Secondly, beef is high-quality meat which is loved by consumers. Beef contains rich protein and iron. Compared with port, its fat and cholesterol content is lower. The amino acids in beef and its proportion are more suitable for the human’s nutritional needs and its variety of nutrients are easier to digest. It is beneficial to human health to eat more beef; with the popularity of various processing methods of beef and seasonings used, the number of home-made beef dishes has also significantly increased; the various parts of cattle also fit the geography, climate and food culture of Chongqing where both a variety of western beef restaurants need a lot of high-quality beef and hot pot restaurants all over the streets of Chongqing also have a large demand for beef and beef tripe.

Thirdly, the characteristics of cattle production determine that it is difficult to make the market saturated in short term. The reproductive capacity of cattle is much lower than that of hogs and cattle’s production cycle is even longer. Generally, the breeding age of beef cattle is more than a year and half, and the majority will have only one calf per birth and very a few will have two, while pigs generally have 10 piglets per birth. From the perspective of the number, the development of cattle will be very slow; compared to the pig production, the ability of cattle to resist disease is stronger and cattle have a relatively low probability of getting sick. Disease risk of breeding cattle is relatively low than breeding hogs; unlike cattle, pigs are omnivores rather than herbivores. Many types of forage such as bamboo, straw, corn leaves and etc. can be digested by cattle. This saves feed costs and also increases the resilience of diseases. These features of cattle production coincide with the natural resource conditions in Fengdu County. The beef cattle industrialization project of the Ministry of Science of China is also located in the territory of Fengdu County. This also shows, the market for Fengdu peasants to start beef cattle breeding projects is promising.

CONCLUSION

Currently, Chinese government at all levels actively support peasants to start businesses in situ and support returned migrant workers to start businesses in situ. If peasants want to start their own businesses, it is necessary to analyze entrepreneurial project categories and their prospects. Entrepreneurial projects are projects entrepreneurs choose based on their own conditions and external environmental conditions with expectations to achieve certain objectives within a certain period of time. Chinese peasants’ in situ entrepreneurial projects refer to various entrepreneurial projects which fit the actual conditions of peasants at their locations. There are five market background features and several motivations for Chinese peasants to start businesses; there are general

Chinese peasants' in situ entrepreneurial projects and their prospects, such as projects of construction, commercial projects, cultivation and breeding projects and their corresponding prospects; there are the general Chinese peasants' in situ entrepreneurial projects in specific location Fengdu County and their prospects as well as Fengdu peasants' "beef cattle breeding" projects and their prospects. Chinese peasants' in situ entrepreneurial projects and their prospects involve nationwide general projects. We also combine with the general projects and beef cattle breeding projects which are based on local natural and social resource advantages

and the prospects of these projects in a specific location, Fengdu, Chongqing, China with the hope to provide reference for peasants' in situ entrepreneurships in China.

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