

Youth Entrepreneurship Platform Returning to Hometown in China

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Contributor: Ailing Liu, Xiaojun Ma, Meimei Zhou, Lichen Zeng, Jijian Lu

The construction of business incubator platforms to assist young people who return to their hometowns to launch their own enterprises is urgently needed because youth entrepreneurship is seen as a crucial component of rural revitalization. Based on this, the authors of this study distributed surveys to 468 returning youths in rural startup spaces to gather data, built a structural model, and conducted interviews with 13 entrepreneurial youths to examine the relationship between government policies, services, and the design of rural startup spaces, as well as the self-efficacy of returning entrepreneurial youths and the innovation performance of businesses. The results demonstrate how important government policies are in encouraging youth entrepreneurship in their local communities. It has the potential to enhance both the development of rural crowdsourcing spaces and the self-efficacy of young entrepreneurs, thereby enhancing the innovative capabilities of local entrepreneurial businesses. Therefore, in order to encourage economic development in rural areas, the government should improve pertinent support measures, enhance the development of business incubation platforms, and encourage young people moving back to their hometowns to start their own businesses.

Keywords: government policy ; youth entrepreneurship platform

1. Introduction

The loss of population—especially of young people—has a significant impact on the economic, social, and environmental sustainability of rural areas ^[1], and the continued decline and aging of the rural population poses new risks to rural revitalization ^[2]. Youth entrepreneurship is recognized as a key component of rural revitalization. Even though there will be more than 11 million entrepreneurs returning to their hometowns and moving to the countryside in China by April 2022, some data indicate that the proportion of young people aged 15 to 39 who live there permanently is currently less than 30%. Further research reveals that the majority of these entrepreneurs only stay for a brief time before quickly moving back to the city ^[3].

Global attention has been drawn to the rapidly expanding number of rural entrepreneurial incubation platforms in China in this context ^[4]. The role of incubation platforms for entrepreneurship is consistent with the claim made by Thorton, Flynne ^[5], and Saxenian ^[6] that entrepreneurial environments are characterized by thriving supportive networks that provide institutional structures connecting individual entrepreneurs to organized sources of learning and resources. Numerous studies have looked at the goals ^[7], obstacles ^[8], motivation ^[9], supports ^{[10][11]}, entrepreneurial skills ^[12], mentoring ^[13], and social networks ^[14] that influence young people's decision to return to entrepreneurship.

2. Youth Entrepreneurship Platform Returning to Hometown

2.1. The Impact of Returning Entrepreneurship Support Policies on the Service and Design of Rural Crowdsourcing Spaces

Many academics have attempted to describe homecoming entrepreneurship, which is a phenomenon of population mobility and employment with Chinese characteristics. Han Jun's suggestion ^[15] that "farmers return to their hometowns after a period of time working outside and use the capital, skills, information, and other resources accumulated from their work to set up enterprises, develop service industries, and invest in commercial agriculture in villages, small towns, or counties" is the one that has received the most recognition among them. Starting a business in one's hometown is a perfect example of the entrepreneurial spirit in action. According to Schumpeter, the so-called entrepreneurial spirit employs new technologies and new business models to "shock" the products, companies, and services that are already available in the original market ^[16]. Additionally, excellent entrepreneurs will disrupt the market through innovation, make excessive profits, defeat the established businesses, get rid of the established production technology or organizational structure, and foster economic growth. Entrepreneurs who pursue rural entrepreneurship use their innovative spirit to

address issues with rural development. As demonstrated by Audretsch et al. ^[17], entrepreneurship is influenced by a variety of forces and causes, including governmental, institutional, and social ones. As a result, the factors influencing young people to start their own businesses can be divided into endogenous and exogenous factors. Endogenous factors include the entrepreneur's own entrepreneurial ability, age, education, and poverty status, while exogenous factors include local resources, economic conditions, and cultural norms.

One of the most significant exogenous elements influencing the resurgence of young entrepreneurs is the service and design of rural crowdsourcing spaces, which is why this study adopts the perspective of an entrepreneurial incubation platform. Crowdsources are creative cross-boundary network effect platforms with a high level of participation that are focused on giving consumers or enterprises access to resources, services, and expertise for innovation and entrepreneurship. Rural crowdsources' ability to offer platform organizations and veteran entrepreneurs dual value-added innovation and entrepreneurship service network resources will determine how successfully they flourish. Three categories in particular make up the services provided by rural crowdsources: technical support, financial support, and social support ^[18]. Technical support is the supply of office space, equipment, supplies, and training to assist businesses in achieving their objectives ^[19]. In order to cut the expenses of innovation, financial support refers to the provision of resources at reduced prices and assistance in securing funding from the government, pertinent organizations, and institutions ^[20]. Crowdsources establish learning and communication platforms for businesses, facilitate group debates, and encourage inter-firm communication and collaboration for innovation prospects. This is referred to as social support. These numerous resources can increase business owners' competitive edge and sense of efficacy while providing them with more opportunities. Although rural crowdsourcing spaces can offer these services, they have limited resources and capacity to offer high-level services, including mentoring, guidance on science and technology policy, entrepreneurship training, and improving business management.

As a result, it is crucial to draw attention to another significant exogenous element that encourages young people to start businesses in their hometowns and is examined in this study: governmental policy assistance. To promote entrepreneurship among migrant workers, the Chinese government has implemented a number of preferential policies, such as the "Strategic Plan for Rural Revitalisation (2018–2022)". These policies have helped a growing number of migratory employees establish their own enterprises when they relocate back to their hometowns. By the end of 2021, 11.2 million people will have returned to their hometowns to launch enterprises and innovate in rural areas, with 70% of those people being rural migrant workers who are starting firms in their hometowns ^[21]. The government has emerged as a key tool for improving the service capacity of rural crowdsourcing spaces through the establishment of legislation to act moderately and appropriately due to the limited service resources and service behaviors of rural crowdsourcing spaces. Rural crowdsourcing spaces have gradually enhanced their service functions, enlarged their service regions, and boosted the competitiveness of their platforms thanks to the support and incentives from government resources. The government must fill the roles of "manager", "supervisor", and "guide", as well as make up for the shortcomings of the various services provided by the rural crowdspring space, because moving back to the country to start a business involves high risk and uncertainty. In order to address the shortcomings of various services provided by rural crowd creation spaces through appropriate interventions and to indirectly increase the platform's competitiveness, such as the space's capacity for providing services and its capacity to incubate creators' innovations, the government must assume the roles of "manager", "supervisor", and "guide".

2.2. The Effect of the Support Policies for Returning Entrepreneurs on the Self-Efficacy of Returning Entrepreneurs

This study's main internal factor is entrepreneurial self-efficacy. A person's self-perception of their own skills and abilities is known as self-efficacy. It reflects people's internal reflections on whether they possess the competencies that are important for task performance as well as their belief that they can convert these competencies into desired outcomes ^[22]. The profession-related literature has extensively employed self-efficacy to explain phenomena, like profession choice, career preferences, and eventually career behavior ^[23]. The entrepreneurial career also has a place for entrepreneurial self-efficacy. An individual's confidence in their ability to carry out entrepreneurial operations successfully defines entrepreneurial self-efficacy. Self-efficacy is crucial for entrepreneurial success due to the complexity and uncertainty of the entrepreneurial process, which involves identifying opportunities, integrating resources, developing a business, and making it profitable ^[24].

Self-efficacy is significantly influenced by social context plasticity. Entrepreneurs' perspectives of their careers and desire to select can be significantly and positively influenced by the external environment, which includes entrepreneurship education ^[25], policy assistance, and family support. It can also have an impact on entrepreneurs' self-efficacy. Governments should support an environment that fosters successful entrepreneurship through legislation as they are

essential for entrepreneurial activities [26]. Policies that encourage entrepreneurship can enhance the effect of entrepreneurial zeal on the accumulation of psychological capital [27]. As a result, entrepreneurial policies can improve the environment for business, lower risk, boost inclination for entrepreneurship, and motivate business owners to continue operating their businesses. This increases self-efficacy.

2.3. The Impact of Rural Crowdsourcing Space Services and Design on the Self-Efficacy of Returning Entrepreneurs

Because the physical environment in which a person lives has an impact on that person's behavior, the design of crowdsourcing spaces can also affect the creative activities of creators. Crowdfunding emphasizes the "social" aspect of the place in addition to the physical area's design [18][28]. Therefore, offices and communication spaces in crowdspring places must be reasonably separate. Through open design, creators congregate in the area to exchange knowledge and materials, promoting the exchange of creative ideas [29]. Good spatial design creates opportunities for accidental communication and the collision of creative ideas, which promotes creator engagement, information overflow, and the emergence of new ideas, increasing the self-efficacy of entrepreneurs [30]. This is in line with the knowledge spillover hypothesis of entrepreneurship, according to which knowledge-rich contexts produce more possibilities for entrepreneurship while knowledge-poor environments produce less of it.

According to the knowledge spillover hypothesis of entrepreneurship, new information and concepts are one source of business opportunities [31][32][33]. This theory holds that knowledge and ideas produced in organizational settings such as businesses, academic research labs, etc., which cannot be commercialized because of the inherent uncertainty of the knowledge, become a source of knowledge for entrepreneurial opportunities, which Audretsch describes as a source of knowledge that is only partially commercialized in existing organizations [34]. This study makes the case that effective design and customer service in rural crowdsourcing venues can also serve as a knowledge base for business potential.

2.4. The Effects of Entrepreneurial Platform Services and Design, Entrepreneurial Self-Efficacy, and Entrepreneurial Support Policies on Corporate Entrepreneurial Performance

In terms of result orientation, the combined effect of internal and external factors, such as entrepreneurial platform services and design, entrepreneurial self-efficacy, and entrepreneurial support policies, will encourage young people's willingness to return to their hometowns to start their own businesses, which will ultimately improve the innovative and entrepreneurial performance of enterprises.

The physical environment is an outside influence that inevitably affects how people behave. The design of the physical environment has an impact on people's emotions and behavior, according to environmental psychology studies, demonstrating that humans and the physical environment interact. Platform design empowerment emphasizes the need for people to interact in settings where they can increase their knowledge, resources, and opportunities [35]. The physical design of the office has a big impact on how productive employees are, which affects how well an organization performs.

Entrepreneurs who have higher levels of self-efficacy are better equipped to guide their businesses to higher rates of revenue growth and employment growth [36]. Entrepreneurs with higher levels of self-efficacy will be better able to boost their chances of success by properly identifying knowledge gaps in both their networks and themselves, developing a broad range of problem-solving abilities and competencies, and developing the ability to put up with conflict. Self-efficacy is crucial for the creation and maintenance of competitive advantage in new enterprises, and among business owners, high self-efficacy in innovation encourages taking calculated risks and maintaining financial management, which boosts corporate success [37].

In order to increase economic prosperity, Leyden contends that government policies may change an environment in which there is little entrepreneurial activity into one that supports individual creativity and entrepreneurship in both the public and private sectors [38]. This is in line with the new growth theory, which emphasizes the importance of government policy in economic development and gives institutional and technological variables a high priority as growth-promoting factors. In addition, the new growth theory views the interaction over time between institutional frameworks and technical advancement as a prerequisite for long-term, sustainable economic growth. For instance, Thatcherism in the United Kingdom and the Reagan economic reforms in the United States both significantly increased private sector entrepreneurship.

2.5. The Mediating Role of Entrepreneurship Platform Services and Design on Entrepreneurship Support Policies and Firm Entrepreneurial Performance

Government policies play an extremely important guiding role in the process of resource and service-driven operational performance improvement. Chen et al. showed that the implementation of government policies plays an extremely important role in guiding and facilitating the daily operation and performance evaluation of crowdspace and that more reasonable financial subsidies and tax incentives can significantly improve the operational efficiency of crowdspace [39]. The study by Pieterse and Rese et al. also confirmed the facilitating relationship between entrepreneurial platform services and design on business entrepreneurial performance. The results indicate that other elements such as the design of crowdsourcing spaces, arranged activities, and provided resources can be targeted to meet firms' needs, provide a creative environment, and facilitate the generation of innovative activities, ultimately contributing to the improvement in tenants' innovation performance [40]. Thus, government policy-supported entrepreneurial platform services and design have the potential to contribute to the growth of the entrepreneurial performance of firms.

2.6. The Mediating Role of Entrepreneurial Self-Efficacy on Entrepreneurial Support Policies and Business Startup Performance

North's theory on the role of institutions in growth analysis contends that institutions influence people's goals to advance in every civilization [41]. Additionally, he made the argument that both formal and informal institutions have a role in the development of crucial factors that promote economic progress. According to Acemoglu et al. [42], Baumol [43], and Rodrik [44], institutions may have an indirect effect on economic growth as opposed to direct consequences. Leibenstein additionally adds to Schumpeter's theories by arguing that entrepreneurship has a substantial influence on economic cycles and economic progress [16][45]. On the basis of this, scholars have suggested that the higher the level and quality of entrepreneurship, which eventually results in higher development, the better the institutions. In other words, entrepreneurship can connect institutions to economic progress [46]. The significance of institutions is more understood in China because of its centralized government.

According to the social cognitive perspective, self-efficacy is influenced by three factors: the individual's analysis of the task, the attribution of past success or failure, and the individual's evaluation of the environment in which they find themselves [47]. For example, a study by Wu et al. demonstrated that external environmental factors such as policies directly affect the development of self-efficacy and that entrepreneurial self-efficacy is higher when entrepreneurs perceive a better entrepreneurial environment [48]. Also, entrepreneurs who have greater confidence in the tasks to be accomplished and the roles to be performed in the entrepreneurial process gain more advantages. This is because entrepreneurs with high self-efficacy set higher entrepreneurial goals for themselves and their ventures in the entrepreneurial process, and high goal consistency makes them work harder to achieve their goals and show more perseverance and persistent behavior in the face of difficulties and setbacks, thus better contributing to entrepreneurial performance [49]. Thus, the self-efficacy developed by entrepreneurs due to government policy support is likely to contribute to the growth of the entrepreneurial performance of firms.

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