

The Problems and Solutions of Small and Medium-sized Enterprises in Rural Areas of China in the Post-epidemic Era

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Abstract: In the post-epidemic era, it is the small and medium-sized enterprises in rural areas that are facing more problems, which threatens their survival. Therefore, this paper, from the perspective of “opportunity” and taking Qian County in Shanxi Province as an example, tries to study the existing problems and solutions for enterprise development and minimize the negative impact of the epidemic on the production and operation of small and medium-sized enterprises in rural areas.

In the post-epidemic era, the enterprises in Qian County, Shanxi province have gradually resumed operation. However, there are still many problems. The small and medium-sized enterprises are facing unprecedented challenges. Under such circumstances, how to promote the development of small and medium-sized enterprises and strictly prevent short-term shocks from evolving into long-term risks in the process of epidemic prevention and control has become a crucial part of regional economic work.

1. Opportunities for the Small and Medium-sized Enterprises in the Post-epidemic Era

1.1 Accelerating the Subversion of Existing Industry Rules.

In the past, the rules of the industry were characterized by “the large and strong enterprise is winner”. In the post-epidemic era, the dominant rules have evolved into “the fast and advanced one is winner”. “Swiftness” has replaced “strength” [1]. which gradually become the fundamental element of competition among enterprises in the future, providing a good opportunity for small and medium-sized enterprises.

For example, Xi'an, Shanxi province, will gather together the social service work of agriculture and survey the social service model for kiwi chain industry -one store, two parks, and one store, two warehouses.

In recent years, the local science and technology enterprises focusing on kiwi industry chain comprehensive services, continue to develop widely and deeply. They gather experts in the related field to provide the professional guidance. Before planting, the enterprises will help farmers by providing technological guidance. In the process of sale, they will create the unified brand and the best one-stop integrated service, in order to make farmers catch up with the trend of modern agriculture development.

The mode of “one store, two parks” and “one store, two warehouses” will be adopted in the plantation to guide farmers to conduct standardized planting management. The brand “Snow kiwi in Qinling Mountains” will be the highlight in sale. The new management model for kiwi, which links plantation and sale directly and benefits fruit sellers and farmers, is coming into being [2].

1.2 A Boom of Online Business

In the post-epidemic era, most consumers have formed the habit of online shopping which forces companies to focus on online business and digital economy, which makes projects diverse. These changes create opportunities for about 24 innovated and technological projects with new model, new technology and new types of business, such as producing phytosterol for animals smart community farmland, Ultra-low temperature virus-free seed technology, mushroom mobile production shop with 5G technology, agaric and big industry, series products of pumpkin and so on. What's more, the seeding project and poverty relief park project also meet development chance[3].

At the same time, under the background of the constant adjustment of rural industrial structure, industries in the surrounding areas of Xi'an are developing with their own characteristics. The economic region of fruit production, with Zhouzhi and Huxian as the representative, has initially formed the fruit industry planting area. And the planting area of grape and kiwi rapidly improve, which has reached 72% of the entire agricultural land area. The related industry has also made up to 84.0% of the local industry and become the pillar industry of the surrounding rural economy in the current period. In the development stage of digital economy, rural small and medium-sized enterprises and powerful business company are all at the same starting line, which provides a basis for them to occupy more market shares.

1.3 Changing Disadvantages into Advantages.

Large enterprises have huge organization, large scale, extensive business, abundant assets and large number of personnel, in a broad sense, which have become the burden for their transformation and upgrading. By comparison, the small and medium-sized enterprises can take the initiative to change their development pattern without these kind of burdens. Taking the guidance of Xi Jinping's new era socialism with Chinese characteristics as guidance, the small and medium-sized enterprises should thoroughly implement the strategic plan for revitalizing the rural areas and the State Council's request for promoting the quality development of innovation and entrepreneurship. The structural reform of agricultural supply side should be taken as the main line and helping rural revitalization by entrepreneurship and innovation is regarded as the goal.

We should let new farmers play the leading role, build platforms for entrepreneurial achievement to adapt to the social market in the post-epidemic era. In this way, can we stimulate the development of entrepreneurship and innovation, given the chance to farmers to play to their talents. Farmers, returning migrant workers, rural capable people, retired soldiers, college students, scientific and technological personnel and other kinds of talents should also be given stage to display their skills in rural areas, making the rural entrepreneurship and innovation in a higher level and providing strong support for rural revitalization.

2. The Problems in the Development of Rural Small and Medium-sized Enterprises in the Post-epidemic Era

2.1 The Difficulty of Financing

Although the financing difficulty of small and medium-sized enterprises in the post epidemic era has been greatly concerned by the government and academia, a series of policies have been issued in various parts of China to encourage and support the development of small and medium-sized enterprises after the epidemic. For example, Qian County Human Resources and Social Security Bureau and Qian County Finance Bureau issued a regulation on September 17, 2020, which specified that the eligible enterprises should be given subsidies after epidemic. However, due to the narrow financing channels, the lack of financial resources and the outflow of funds (to big cities), the financing problems of rural small and medium-sized enterprises are still prominent in the post-epidemic era [4].

2.2 The Online Market Service System is not Perfect

In the post-epidemic era, good online operation is essential for small and medium-sized enterprises' long-term development. Good online operation is closely related to multi-level and

all-round service system. The enterprises fail to publicize their products and lack professional information resources and technical service institutions, making them in a very disadvantageous position[5].

2.3 Labor Shortage

In the post-epidemic era, the rural spring plowing is postponed, so the problem of labor shortages after the resumption of work is extremely prominent. Without the mature talent training methods and institutions, it is hard for small and medium-sized enterprises to supply market service and apply high-quality talents due to information asymmetry and [6].

3. Solutions

3.1 Focusing on Financing Difficulties

In the post-epidemic era, financing issues such as cash flow emergency are one of the main problems restricting the sustainable development of enterprises. Similar problems exist in most small and medium-sized enterprises in the world. Drawing on the experience of Japan and other countries on the construction and development of rural financial organizations, we can put financial support and services in a key point and develop rural micro-finance organizations on the basis of the establishment of rural cooperative banks [7]. That is, for the needs of small and medium-sized enterprises, under the premise of implementing LPR (loan market quoted interest rate), we encourage the small and medium-sized enterprises with similar income levels in the same county and village to form a group. We should also set the reasonable maximum of the loan to carry out the policy of reducing the comprehensive financing cost by 50 basis points compared with the previous year. At the same time, we put the form- SME financial public treasury + SME “white list” into force. In order to rationally control the corporate loan interest rates and grant loans to enterprises, we will adjust the government subscription bond or the bonds that are given guarantees and with a limit of less than 20 times the capital, simple insurance annuities and industrial investment capital.

In order to ensure that year-on-year growth rate of inclusive small and micro loans is higher than that of other loans, and the annual credit balance is higher than that of the same period last year, government should further increase credit support and expand the loan coverage of small and medium-sized enterprises[8]. According to the standard that the growth rate of inclusive small and micro loans of large state-owned banks is more than 20%, we should implement the principle of giving continuous loan, no loan withdrawal and no loan pressure to increase the proportion of enterprise signal loans; in view of the repayment difficulties of enterprises seriously affected by the epidemic, the repayment period should be further extended [9].

3.2 Exploring the Online Market

In the post-epidemic era, small and medium-sized enterprises with low risk resistance have been affected the most. In order to stabilize economic development, small and medium-sized enterprises should head against the troubles and take the initiative to enter online office, short video or live broadcast and other fields to find a way to survive. They should pay more attention to online market, use Tik Tok and Kwai to release short videos about product and business-related information to increase sales and break the deadlock of market [10]. At the same time, they should take full play of “Small and Medium Enterprise Recovery Plan”, such as “0 certification fee for Tik Tok enterprise account”, “free and open enterprise products & services”, and “advertising support policy”, continuing to use the joint conference system, to help the development of small and medium-sized enterprises. The Provincial Small and Medium-sized Enterprise Development Promotion Center assigns experts to monitor the online market development environment and give relevant answers to guide them to scientifically build online market. At the same time, the enterprise online market projects should be divided into different levels to gain privilege for enterprises such as product registration certificate, production and operation license project, enterprise live broadcast so that enterprises can build a short video + live broadcast marketing

channel in short time. In this way, can enterprises increase strengthen publicity to improve popularity.

3.3 Optimize the Allocation of Labor Resources

Considering the problem of labor shortage of rural small and medium-sized enterprises after returning to work, we can start from optimizing the allocation of agricultural seasonal wage sources, keeping the balance of labor supply and demand and organizing rural labor professional training to support the development of rural small and medium-sized enterprises.

On the one hand, on the basis of implementing the policy of enterprises assist, the skilled labor service organizations of enterprises should be established in villages or counties [11]. In the organization, professional training for workers should be carried out, simultaneously, the organizational level of enterprise labor training should be improved, as well as the technical level and labor efficiency of workers.

On the other hand, in the county, we are establishing the platform using computer technology to deal with labor information. The government should provide sufficient support to the connection of labor supply and demand, solving the problem of surplus labor force caused by information asymmetry.

In addition, facing with more complex situation and greater development pressure in the post-epidemic era, rural small and medium-sized enterprises should learn from the methods of urban talent introduction, improve talent guidance mechanism, provide service and continuous support to trained and professional farmers, and effectively change “talents follow projects” into “projects follow talents”.

4. Summary

To sum up, although we have achieved a victory in the prevention and control of coronavirus in 2020, it still has brought negative impacts on economy, especially the grassroots economy. For the rural small and medium-sized enterprises who are at the end of the industrial chain, in order to tide over the difficulties, they need to continue to do a good job in the prevention and control of the epidemic, and at the same time, actively find the problems in their own development, strive for policy support, and prepare for their further development.

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