

# Reviews of ECONJOURNAL-D-22-00056

Does the Different Ways of Internet Utilization Promote Entrepreneurship: Evidence from Rural China

## Round 1

### Reviewer 1

The paper explores the role of the internet for rural households to start their businesses. The authors used the Chinese Family Tracking Survey in 2018. The paper analyses two aspects on the one hand, opportunity identification and resource mobilization, specifically internet information acquisition and internet social behaviors and Internet business behaviors on the other hand. The methodological section applies a Logit model. The results show both opportunity recognition and resource mobilization behaviors are relevant ways to promote farmers' entrepreneurial choices.

The following non-negligible aspects must be addressed. The major concerns regard the hypotheses that are not well described and theoretically addressed with literature citations. Problems are also in the data section, description of the variables, estimation method, and in discussion of weak results. I am skeptical due to the absence of robust literature, on the one hand, model testing, and the lack of robustness checks: the confusion matrix, AIC, and BIC tests.

Here are my specific comments:

- 1) The introduction is short. The authors should improve this section by combining the first paragraph with a part of the literature and with the hypotheses the paper wants to test.
- 2) In the literature review section, references are missing. Many of the statements lack bibliographic references, this is a major weakness I observed. The statements made do not report any comparison with the empirical and theoretical literature. Additionally, many redundant sentences do not add any element to the paper. Here are some examples: "Based on traditional entrepreneurial theory, the Internet enriches the ability of opportunity identification and resource mobilization. The convenience of Internet information acquisition, the popularity of Internet learning behaviors, the extensiveness of Internet social behaviors, and the availability of Internet business behaviors have further improved farmers' ability to identify opportunities and mobilize resources"; or "On the one hand, the Internet can spread business opportunities and reduce the search cost of entrepreneurial information, so farmers can quickly identify entrepreneurial opportunities in a constantly changing market. Sufficient and timely Internet information, rational allocation of production factors, and production structure can help farmers seize opportunities". The same observation is for the following pages.
- 3) Every hypothesis must be justified by the scientific literature. The authors should make some efforts to add References.
- 4) Once again, "Above all, using the Internet for learning may facilitate farmers' entrepreneurial choices"...but what choices?
- 5) After presenting and well explain the hypotheses, the authors should add a table summarizing the postulations and the expected results of the analysis.
- 6) The data section is problematic. The authors should differently organize the data and the regression, starting from a methodological section that could be divided into data and theoretical and empirical models. The data paragraph is short and confusing. The authors should describe the

survey they have used properly. Additionally, the authors should report a set of questions included in the survey and they should also provide how the data from different sources have been matched. Furthermore, what is confusing is the variables' description; it seems that confusion between dependent and independent variables finds its place. This is an important section, and the authors should pay attention to how they are informing people about the data used as in the following sentence: "The explanatory variable in this paper is the entrepreneurial choice of farmers". But this is the dependent variable, that is, the explained variable". Once again, "The core explanatory variables of this paper are Internet information acquisition, Internet learning behavior, Internet social behavior, and Internet business behavior." If the core of the independent variable is internet information, what do the authors mean by the entrepreneurial choice of farmers? How did the authors compute the entrepreneurial choices? On the base of internet use? If it is true, the dependent variable is equal to 0 if farmers do not use the internet and equal to 1 in the opposite case. But if it is true, I see a correlation issue between variables and a problem of reverse causality. How did the authors manage this problem?

7) Results should be improved by organizing the discussion according to the hypotheses. Moreover, the results must then be compared with the empirical literature and underline whether the outcome of the analysis is in line with or differ from those of the literature itself.

8) Furthermore, as specified in a previous comment, many sentences are redundant and distract attention from the reading. I would suggest to the authors to go ahead with writing results and improving all the sections with the key reference from the literature.

9) I appreciate the differentiation of the sample (table 2). I find the sample split a good exercise to study the effect on the entrepreneur's choice. However, more effort in explaining and comparing results with theoretical and empirical literature is needed as in the following sentence: in the comments, see the following sentence: "Model (1) reports the regression results that Internet information acquisition and Internet learning behavior affect farmers' entrepreneurial choices. The coefficient of Internet information acquisition is 0.576, the sign is positive, and it is significant at the 1% level, so hypothesis 1 holds. The coefficient of Internet learning behavior is 0.289 with a positive sign and significance at the 5% level, so Hypothesis 2 holds".

10) Concerning the paragraph titled "moderating effect", the author should provide a table with the net effect.

11) The previously mentioned comments should be applied in the discussion of the results.

12) The conclusion should be revised by considering all the previous comments.

13) As a robustness check, I strongly suggest the use of the "confusion matrix", the "roc curve" and the "AIC/BIC test".

14) References should be added. See for instance what follows:

- Liu, Z.; Ren, Y.; Mei, Y. How Does Internet Use Promote Farmer Entrepreneurship: Evidence from Rural China. *Sustainability* 2022, 14, 16915. <https://doi.org/10.3390/su142416915>;

- Xie, G.; Huang, L.; Bin, H.; Apostolidis, C.; Jiang, Y.; Li, G.; Cai, W. Sustainable entrepreneurship in rural E-commerce: Identifying entrepreneurs in practitioners by using deep neural networks approach. *Front. Environ. Sci.* 2022, 10, 840479;

- Barnett, W.A.; Hu, M.; Wang, X. Does the utilization of information communication technology promote entrepreneurship: Evidence from rural china. *Technol. Forecast. Soc. Chang.* 2019, 141, 12–21;
- Bhimani, H.; Mention, A.L.; Barlatier, P.J. Social media and innovation: A systematic literature review and future research directions. *Technol. Forecast. Soc. Chang.* 2019, 144, 251–269;
- Ying Tan, Xiaoying Li, The impact of the internet on entrepreneurship, *International Review of Economics & Finance*, Volume 77, 2022, Pages 135-142, ISSN 1059-0560, <https://doi.org/10.1016/j.iref.2021.09.016>;
- Yu Luo, Yuchao Peng, Liyanun Zeng, Digital financial capability and entrepreneurial performance, *International Review of Economics & Finance*, Volume 76, 2021, Pages 55-74, ISSN 1059-0560, <https://doi.org/10.1016/j.iref.2021.05.010>.

## Review 2

The title is good and presents a reason for investigation and study. The abstract is poorly written. The use of the internet to broaden knowledge via information dissemination is known. What presents the new research needs is its use in the choices of farmers in the economy. How the internet affects the farmers choices of the specific entrepreneurial activities apart from the entrepreneurial functions could have made the submission more direct and detailed.

There seems to be no depth in the study. The literature was neither detailed, assumed many issues are known by the the reader, nor did it contain enough citations on the farmers and choices; though the currency was not in doubt. This made each of the sections to be a standalone and not connecting. The methodology, no doubt is good enough, though superior one like partial least squares would have been more useful.

Accessing and analyzing data for a research from one source is not best of practice for a macro paper. The results as analysed is good. The paper also suffers incredibly from English language problems. Since the paper is from non-English speaking country, communication might be passable but still not good enough. There are many words that are unknown to today's English

## Round 2

### Reviewer 1

I find the paper improved, however, some gaps still remain.

Some of the references cited are dated. Moreover, the first hypothesis seems to be more of a statement rather than a hypothesis. I believe the effort the authors must make is to direct the question to the core of the topic, that is, how the use of the internet impacts the entrepreneur's choices.

Some of the links still could be better addressed, such as in the following sentences: "The findings suggest that with the increase in the internet use in rural China, the willingness to engage in entrepreneurship has also increased significantly".

There seems to be no depth in this study, some sentences and some parts of the paper continue to be standalone and not really connected.

I would like to suggest some papers to address the authors in improving the article.

Putra, Panca O. Hadi, and Harry B. Santoso. "Contextual factors and performance impact of e-business use in Indonesian small and medium enterprises (SMEs)." *Helijon* 6.3 (2020): e03568.

Langley, David J., et al. "The Internet of Everything: Smart things and their impact on business models." *Journal of Business Research* 122 (2021): 853-863.

Shehata, Gamal Mohamed, and Mohammed A. Montash. "Driving the internet and e-business technologies to generate a competitive advantage in emerging markets: Evidence from Egypt." *Information Technology & People* 33.2 (2020): 389-423.

Paiola, Marco, and Heiko Gebauer. "Internet of things technologies, digital servitization and business model innovation in BtoB manufacturing firms." *Industrial Marketing Management* 89 (2020): 245-264.

Chatterjee, Sheshadri, and Arpan Kumar Kar. "Why do small and medium enterprises use social media marketing and what is the impact: Empirical insights from India." *International Journal of Information Management* 53 (2020): 102103.