

Entrepreneurs' motives shaped by socioeconomic and country effects: China and Denmark

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Abstract

The starting point is the proposition that entrepreneurs are different at engaging in entrepreneurial activities. Necessity entrepreneurs engage in entrepreneurship to avoid unemployment, whereas opportunity entrepreneurs pursue a recognized opportunity for profit. This proposition is refined by investigating inequalities within entrepreneurs in terms of age, gender and education. These propositions are hypothesized to differ from one country to another, here China and Denmark. We hypothesized that gender, age, education and country effects motives. A further refinement is to consider that country moderates the impacts of gender, age and education on motives. The method for testing the hypotheses is logistic regression using SPSS. Drawing on country level data from the Global Entrepreneurship Monitor and based on a sample of 13,670 entrepreneurs covering the period 2001-2015 illustrates that gender, age, education and country effects motives in China and Denmark, in that women are less frequently opportunity motivated than men; older entrepreneurs are less frequently opportunity motivated than younger entrepreneurs; educated entrepreneurs are more frequently motivated by opportunity than less educated entrepreneurs; and Chinese entrepreneurs are less frequently motivated by opportunity than their Danish counterparts.

Furthermore, educated Chinese entrepreneurs are especially often motivated by opportunity.

Key words: Entrepreneurship, motives, opportunity, necessity, age, education, gender, China, Denmark, Global Entrepreneurship Monitor (GEM)

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Introduction

Shane et al. 2003; Locke and Baum 2007 cited in Hessels, et al. (2008) argue that “Hardly anybody starts a business in order to achieve innovation, job creation, or economic growth at the national level. Instead, people desire personal profits, or autonomy, amongst others, or are just forced into entrepreneurship because they have no other options”. Such motives can be classified as either opportunity or necessity, a distinction akin to “pull” and “push”. Wilson, et al. 2004 cited in Hessels, et al. (2008) believe that push motives are less prevalent in developed countries.

“Necessity entrepreneurs engage in entrepreneurship to avoid unemployment, whereas opportunity entrepreneurs pursue a recognized opportunity for profit” (Bratu, et al., 2009, p. 245; Roman and Rusu, 2016). Necessity entrepreneurs start business because they have no other source of income. It also means these necessity based businesses are often less innovative and without growth potential (Nielsen et al., 2017).

Necessity entrepreneurship (push motives) arises from family pressure and entrepreneur’s general dissatisfaction with their current situation while opportunity motives (pull) arises from the need for achievement, the desire to be independent and more opportunities for social development (Tripopsakul, 2017).

According to Verheul, Thurik, Hessels and Van der Zwan 2010 cited in Tripopsakul (2017), pull motivation is a requirement for autonomy and social recognition.

Necessity entrepreneurs build an important part of the total set of entrepreneurs in developing countries, and are relatively less common in developed countries.

In developing countries, the entrepreneurship is concerned with starting and accelerating growth, and in providing impulse to the structural transformation of economies; in the advanced economies the concern is mainly with obtaining new sources of productivity growth, which leads competitiveness (Bratu, et al., 2009).

Wennekers et al. (2005) cited in Hessels, et al. (2008) also believe that necessity entrepreneurship is more common in lower-income societies and decrease with the level of economic development.

Few studies considering a comparison between opportunity and necessity entrepreneurship in two very different societies. To fill this research gap, authors try to formulate hypotheses about effects of

gender, age, education and country on motives. They then hypothesized whether gender, age and education together with country, in combination, decrease or increase entrepreneur's motives.

Theoretical background and hypotheses

Entrepreneurship is about discovering, evaluating and exploring opportunities regardless of current resource constraints (Stevenson, 1985; Venkataraman, 1997). Another variation of entrepreneurship that derives from the Global Entrepreneurship Monitor is seeking entrepreneurship due to a paucity of other options to earn a living.

It is obvious that different societies with different economies/income, culture, history, size and population have different motivations to entrepreneurship. Hessels, et al. (2008) believe that push motives are less prevalent in developed countries.

According to World Bank data, 73% of the world's poor live in middle-income countries like China which are exhibiting high growth rates. These countries are of great importance as they represent about one-third of global GDP and are major engines of global growth (World Bank, 2017).

Entrepreneurs in more developed countries are more likely than entrepreneurs in less developed countries to engage in opportunity-based (pull) entrepreneurship rather than necessity-based (push) entrepreneurship (Sahasranamam and Sud, 2016). Difference in age, education and gender also play an important role in the likelihood of motivation to entrepreneurship. Research in a high-income country illustrates that necessity entrepreneurship is largely independent of age, while opportunity entrepreneurship has an inverted -U shaped relationship (Bergmann and Sternberg, 2007). In a low-income country, it was seen that the likelihood for opportunity-based and necessity-based entrepreneurship increases with age (Brünjes and Diez, 2013). "Findings in middle-income countries, suggest that as individuals become older they are less likely to become opportunity entrepreneurs. This could be due to the greater risk associated with opportunity entrepreneurship, coupled with family pressures and job security needs" (Sahasranamam and Sud, 2016).

Females are more likely than males to engage in necessity-based entrepreneurship rather than opportunity-based entrepreneurship (Warnecke, et al. 2012). However, the difference of these forms of entrepreneurship in less developed countries as compared to developed countries, specifically in terms of age, education and gender, is noticeably absent in the extant literature.

"At the same time, entrepreneurship is often considered the solution to problems such as rising youth unemployment" (Chigunta et al., 2005).

In an attempt to explore and fill this research gap, individual level antecedents of opportunity and necessity based entrepreneurship in China and Denmark is investigated.

Tominc and Rebernik believe that necessity-based entrepreneurs are dominant in developing countries rather than developed countries (2004).

Gender

Research show female are less likely than male to engage in entrepreneurial activities (Širec and Močnik, 2012; Phipps and Prieto, 2015). Orhan and Scott argue that several attributes closely associated with necessity entrepreneurship that were particularly common among female entrepreneurs. These were insufficient family income, dissatisfaction with the salary offered for employment, difficulty finding a job and lack of flexibility in their schedule to accommodate household responsibilities (Orhan and Scott, 2001).

Women show low level of confidence in entrepreneurial abilities (Thébaud, 2010). This poor self-confidence is due to different reasons, but is significantly influenced by gendered norms regarding the role and behavior of women in China (Warnecke, et al. 2012).

Young people are increasingly being encouraged to switch from 'job seekers' to 'job creators' (Langevang and Gough, 2012). However, the majority of them are not well equipped and belong to the group of 'necessity' entrepreneurs instead of 'opportunity' entrepreneurs. 'Necessity' entrepreneurs in general do not have much growth ambition in their businesses. Thus, they have only limited impact on the development of the economy. On the other hand, 'opportunity' entrepreneurs start their businesses out of an identified market opportunity. In this way, they are assumed to help build the economy further (Chigunta et al., 2005; Langevang, et al., 2012).

These considerations can be stated as the first hypothesis:

Hypothesis 1. Gender effects motives; in that women are less frequently opportunity motivated than men in China and Denmark.

Age

Lévesque and Minniti (2006) "examined the effect of age on entrepreneurship based on the opportunity cost of time. They argued that with age, people are less willing to invest time in activities that have a long and uncertain payback period, such as starting a venture. Further, with age, income

from waged labor increases as the individual gains experience. This is likely to further increase the opportunity cost associated with starting a new venture” (Lévesque and Minniti, 2006).

Bergmann and Sternberg (2007) found that age has an inverse U-shaped relationship with opportunity-based entrepreneurship. They did not find a significant effect of age on necessity-based entrepreneurship. Wagner (2005) found these relationships to be in reverse. He observed that while there was no effect of age on opportunity-based entrepreneurship, an inverse U-shaped relationship existed in the case of necessity-based entrepreneurship. Further, opportunity-based entrepreneurs tend to be older than necessity-based entrepreneurs (Wagner, 2005; Block and Sandner, 2009).

Tripopsakul’s research on entrepreneurs (GEM data 2015) in 13 European countries and 10 Asian countries shows that young entrepreneurs seems to become an opportunity driven nascent entrepreneurs than their older counterparts (Tripopsakul, 2017).

“Opportunity entrepreneurs are generally older than necessity entrepreneurs“(Block and Sandner 2009; Fossen and Buttner 2013) cited in Van der Zwan, et al., (2016) p. 278.

These considerations lead to the second hypothesis:

Hypothesis 2. Age effects motives; in that older entrepreneurs are less frequently opportunity motivated than younger entrepreneurs in China and Denmark.

Education

When looking at the prevalence rate of income/wealth motive (push factor) versus the independence motive (pull factor) within entrepreneurs, it is obvious that many individual determinants such as experience, education, and financial position play an important role when explaining these motives (Hessels, et al., 2008).

“Job satisfaction, previous work experiences, entrepreneurial parents, age, and education as the factors which differentiate entrepreneurs from non-entrepreneurs” (Gartner, 1989) cited in Lee, et al. (2005) p. 27. Gartner also believe that education is one of the critical factors in distinguishing entrepreneurs from non-entrepreneurs (Gartner, 1989).

Cho’s study also emphasize the effect of education on motives to create a new venture (Cho, 1998) cited in Lee, et al. (2005).

Lee, et al. (2005) study reveals that “the impact of entrepreneurship education in each country is different because of each country’s unique culture in regards to entrepreneurship” p. 41.

“Great diversity exists among entrepreneurs based on their “growing background” of social, cultural, and educational environments” (Mckelvy, 1982) cited in Lee, et al. (2005).

Concerning education and motives, Autio and Acs (2010) note that higher education levels improve the perception of opportunities. With formal education, individuals are better equipped to learn about markets and technology, and recognize opportunities in the surrounding environment (Shane, 2000). Formal education also allows individuals to develop learning aptitudes and enables skills to exploit those opportunities (Grant, 1996). Hence, individuals who stay within the education system for a longer period are more likely to be opportunity entrepreneurs (Baptista, et al., 2014). Poschke (2013) found that necessity entrepreneurs tend to have lower levels of education, run smaller firms, expect their firms to grow less, but are likely to stay in the market for longer periods.

Education increases access to social networks and creates a sense of self-efficacy therefore any educational advantage for females will translate to upper rates of opportunity-based entrepreneurship (Warnecke, et al. 2012).

Tripopsakul’s research shows that education is a significant antecedent factor to become an opportunity driven nascent entrepreneur in both Europe and Asia (Tripopsakul, 2017).

“Research has shown that the education level of opportunity entrepreneurs is higher than that of necessity entrepreneurs” (Fossen and Buttner 2013; Stephan et al. 2015) cited in Van der Zwan, et al., (2016) p. 278.

These considerations lead to the third hypothesis:

Hypothesis 3. Education effects motives; in that educated entrepreneurs are more frequently motivated by opportunity than less educated entrepreneurs in China and Denmark.

Country

Shane et al. (1991) cited in Hessels, et al. (2008) comparing Norway, UK and New Zealand, as well as Baum et al, (1993) cited in Hessels, et al. (2008), comparing the USA and Israel, found that motives vary between countries. Reynolds et al. (2002); Grilo and Thurik (2006); Bhola et al. (2006) cited in Hessels, et al. (2008) argue that necessity motives play a major role in developing countries as well as in developed countries although to a lesser extent.

Shenkar and his colleagues compared and ranked different countries on their ratio of opportunity to necessity for early-stage entrepreneurs. They found very high ratios for Denmark (27.4), compared with very low ratios for China (1.2). They argue that when Danish entrepreneurs are likely to start a business as a way to tap opportunities for wealth and personal growth, Chinese are more likely to take the plunge as a way of overcoming limited employment opportunities (Shenkar et al. 2014). According to Anca, Viorel and Elena 2009 cited in Tripopsakul (2017), necessity entrepreneurs are common in developing countries while opportunity entrepreneurs are prevalent in mostly developed countries.

Swierczek and Ha 2013 cited in Stefanovic, et al. (2010) found that Vietnamese small business owners are more opportunity motivated than necessity. Benzing, et al. 2005 cited in Stefanovic, et al. (2010) found that Romanians are more necessity motivated rather than opportunity motivated. Ozsoy, et al., 2001 cited in Stefanovic, et al. (2010) also presented research results from Turkey. Entrepreneurs' motives are more or less the same in Turkey as well.

Indians are vice versa in this case Benzing, and Chu 2005 cited in Stefanovic, et al. (2010).

African countries like Uganda, Bewayo, 1995 cited in Stefanovic, et al., (2010), Kenya and Ghana Chu, et al., (2007) cited in Stefanovic, et al., (2010), are motivated mostly by opportunity.

Finally, Pistrui et al. study reveals that the primary motives of Chinese entrepreneurs is the desire for higher earnings (Pistrui et al., 2001).

These considerations lead to the forth hypothesis:

Hypothesis 4. Country effects motives; in that Chinese entrepreneurs are less frequently motivated by opportunity than Danish entrepreneurs.

“A higher proportion of men than women engage in entrepreneurship in all developed economies, despite a recent trend increase in female entrepreneurship in some of them” (Parker, 2009). The environment (cultural and political) in which female are located might influence their perceptions, ambitions, personality traits and motives (Santiago Castro and Pisani, 2013). Tominc and Rebernik found that 12% of Chinese women are motivated by necessity while 4% are opportunity motivated (Tominc and Rebernik, 2003).

These considerations lead to the fifth hypothesis:

Hypothesis 5. The gender effect on motives depends on country; in that women in China are especially seldom motivated by opportunity.

We also hypothesized that:

Hypothesis 6. The age effect on motives depends on country; in that older Chinese entrepreneurs are especially seldom motivated by opportunity.

Hypothesis 7. The education effect on motives depends on country; in that educated Chinese entrepreneurs are especially often motivated by opportunity.

Research design and data

To investigate entrepreneurs' motives, a sample of entrepreneurs, which is large and fairly representative is needed. Such a sample is available from the Global Entrepreneurship Monitor surveys covering the period 2001-2015 (Global Entrepreneurship Research Association, 2017). GEM is an international research project that aims to identify: a) correlations between a country's entrepreneurship activity and socio-economic growth, b) how entrepreneurial activity varies across countries; and c) which national framework conditions encourage a country's entrepreneurial activities (Nielsen et al., 2017 pp. 52-54). The GEM survey of individuals can be considered a two-stage sample of the adult population (18-64 years) in the world. In the first stage, countries have been sampled by self-selection; when researchers within some countries formed national teams that joined the GEM consortium. In each such participating country, the second stage was to draw an approximate national probability sample of adults and in interviews identify entrepreneurs.

A sample of 13,670 entrepreneurs (China N=10,618 and Denmark N=3,052) in the start-up and operating phases in China and Denmark is at hand. So the research design is comparative. Adults were sampled randomly and entrepreneurs were identified as those adults who were owner-managers of a start-up or operating enterprise. Therefore, the findings can be generalized with reasonable confidence for all the entrepreneurs in the surveyed countries.

The entrepreneurs starting or operating a firm reported on their motives, as detailed below, and on other characteristics of themselves and their firms:

The entrepreneurs starting or operating a firm reported on their motives, as detailed below, and on other characteristics of themselves and their firms:

- Gender is coded 0 for males and 1 for female entrepreneurs.
- Age is measured in years, ranging from 18 to 64 years.
- Education is measured in years.

- Motive is measured by asking, are you involved in this start-up to take advantage of a business opportunity or because you have no better choices for work? And is coded 1 if take advantage of business opportunity, 0 if no better choices for work.
- Country is coded 1 for China and 0 for Denmark.

The method for testing the hypotheses is logistic regression using SPSS.

Entrepreneur's motives in China and Denmark

As we mentioned earlier, entrepreneurs are different at engaging in entrepreneurial activities in terms of their socioeconomic factors i.e. gender, age and education as well as the society they belong to.

Motives by country

Table 1: Motives by country (N=17260 entrepreneurs).

Country	China	Denmark
Opportunity motivated	44.4%	80%
Necessity motivated	55.6%	20%
Total	100%	100%

The above table shows that entrepreneurs are more necessity based in China rather than opportunity based. In Denmark, entrepreneurs are more motivated by opportunity rather than necessity. There is considerable variation between motives in terms of opportunity and necessity in these two countries.

Motives by genders and country

Table 2: Motives by genders and country (N=14208 entrepreneurs).

Country	China		Denmark	
	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>
Opportunity motivated	48%	40%	80%	79%
Necessity motivated	52%	60%	20%	21%
Total	100%	100%	100%	100%

As shown in Table 2, both men and women are motivated more by necessity rather than opportunity in China.

In Denmark, both men and women are motivated more by opportunity rather than necessity.

The motivational factors related to gender is very different in these two countries in the way that the difference between motivational factors between men and women is more considerable in Denmark than in China.

Motives by age and country

Table 3: Motives by age and country (N=14208 entrepreneurs).

Country	China			Denmark		
Age (years)	<i>18-29</i>	<i>30-49</i>	<i>50-64</i>	<i>18-29</i>	<i>30-49</i>	<i>50-64</i>
Opportunity motivated	50%	44%	36%	82%	82%	75%
Necessity motivated	50%	56%	64%	18%	18%	25%
Total	100%	100%	100%	100%	100%	100%

Table 3 demonstrates that in China entrepreneur's motives based on opportunity is decreasing by age. On the other hand, necessity based entrepreneurship is increasing by age.

In Denmark, opportunity based entrepreneurship is decreasing by age and necessity entrepreneurship is increasing by age.

The increasing and decreasing level in China is more considerable than in Denmark.

Motives by education and country

Table 4: Motives by education and country (N=14208 entrepreneurs).

Country	China				Denmark			
Education (years)	less than secondary degree	secondary degree	postsecondary education	graduate education	less than secondary degree	secondary degree	postsecondary education	graduate education
Opportunity motivated	33%	45.5%	59%	71.5%	74%	76%	79%	83.5%
Necessity motivated	67%	54.5%	41%	28.5%	26%	24%	21%	16.5%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Table 4 indicates that entrepreneur's motives by opportunity is increasing by their level of the education in China. Their motives by necessity is decreasing by the level of education in China.

In Denmark, entrepreneur's motives by opportunity is increasing by their level of the education. Entrepreneur's motives by necessity is decreasing by the level of education in Denmark.

The increasing and decreasing level in China is more significant than in Denmark.

The more an entrepreneur education, overall, the more opportunity motivated the entrepreneur is likely to be.

In the other word, the more an entrepreneur education, overall, the less necessity motivated the entrepreneur is likely to be.

Effects of socioeconomic factors and country on motives (opportunity)

We had hypothesized that gender, age and country have negative effect on motives while education has a positive effect on motives.

Figure 1. Socioeconomic and country effects on entrepreneurial motives

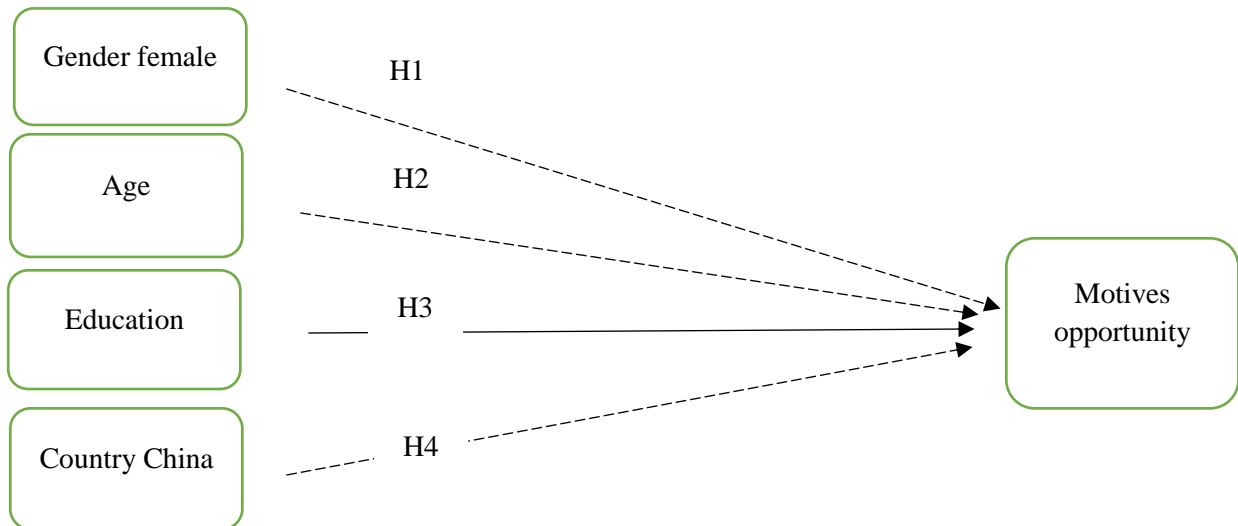


Figure 1 shows the positive effects as solid arrows and the negative effect as a dashed arrow.

Logistic regression results

Table 5 represents the results of logistic regression analysis.

Table 5: Entrepreneurs' motives affected by gender, age, education and country. (based on two countries with 14208 entrepreneurs).

	Standardized coefficient	Probability-value
Gender	-0.25	< .0001
Age	-0.01	< .0001
Education	0.11	< .0001
Country	-1.25	< .0001

According to Table 5, gender effects motives (the effect is negative and significant). Therefore, women are less frequently opportunity motivated than their male counterparts in China and Denmark. Supports H1.

Age, likewise, effects motives (the effect is negative and significant). Therefore, the older entrepreneurs are less frequently opportunity motivated than younger entrepreneurs in China and Denmark. This negative effect of the age thus supports Hypothesis 2.

Education effects motives (the effect is positive and significant). Therefore, educated entrepreneurs are more frequently motivated by opportunity than less educated entrepreneurs in China and Denmark. This positive effect of education supports Hypothesis 3.

Country effects motives (the effect is negative and significant). Therefore, Chinese entrepreneurs are less frequently motivated by opportunity than Danish entrepreneurs. This negative effect corroborates Hypothesis 4.

We had also hypothesized that the gender effect on motives depends on country; the age effect on motives depends on country. Finally, education effect on motives depends on country as well.

Effects on entrepreneurs' motives from interaction of country with socioeconomic factors

Figure 2. Effects on entrepreneurs' motives from interaction of country with socioeconomic factors

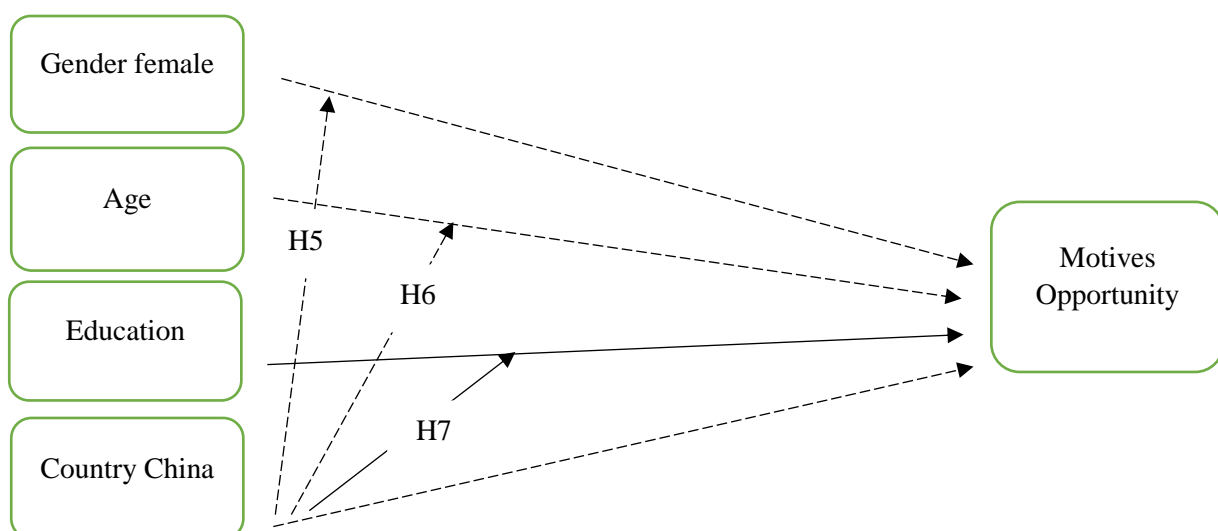


Figure 2 shows the positive effects as solid arrows and the negative effect as a dashed arrow.

Logistic regression results (with interaction effects)

The results of logistic regression analysis with interaction effects are shown in Table 6.

Table 6: Entrepreneurs' motives affected by gender, age, education, country and combination of country with gender, age and education (based on two countries with 14208 entrepreneurs).

	Standardized coefficient	Probability-value
Gender	-0.1	
Age	-0.01	
Education	0.06	
Country	-2.4	
Country*Gender	-0.15	Not significant
Country*Age	0.0	Not significant
Country*Education	0.07	< .0001

As illustrated in Table 6, interaction effect of country and gender on motives is not significant. Gender effect is similar in these two countries. This does not support Hypothesis 5.

Interaction effect of country and age on motives is not significant. Age effect is similar in these two countries. This does not support Hypothesis 6 either.

Education effect is different in these two countries; in that educated Chinese entrepreneurs are especially often motivated by opportunity.

(that positive effect of education upon opportunity motive is even stronger in China than Denmark) , corroborating Hypothesis 7.

Conclusions

This study outlines the characteristics and determinants of Danish and Chinese entrepreneurs and illustrates the distinctive attributes of these entrepreneurs. The aim of the paper is to shed some additional light into this area: Entrepreneurs' motives shaped by socioeconomic and country effects: China and Denmark.

The overall sample size of data from China was 10,618 and Denmark 3,052. The issue has concerned how entrepreneurial motives unfolds in the society, specifically how entrepreneurs' motives differs by age, education and gender. Seven hypotheses has been specified.

Hypothesis 1. Gender effects motives; in that women are less frequently opportunity motivated than men in China and Denmark.

Results show that gender effects motives (the effect is negative and significant). Therefore, women are less frequently opportunity motivated than their male counterparts in China and Denmark. Supports H1.

Hypothesis 2. Age effects motives; in that older entrepreneurs are less frequently opportunity motivated than younger entrepreneurs in China and Denmark.

Age, likewise, effects motives (the effect is negative and significant). Therefore, the older entrepreneurs are less frequently opportunity motivated than younger entrepreneurs in China and Denmark. This negative effect of the age thus supports Hypothesis 2.

Hypothesis 3. Education effects motives; in that educated entrepreneurs are more frequently motivated by opportunity than less educated entrepreneurs in China and Denmark.

Education effects motives (the effect is positive and significant). Therefore, educated entrepreneurs are more frequently motivated by opportunity than less educated entrepreneurs in China and Denmark. This positive effect of education supports Hypothesis 3.

Hypothesis 4. Country effects motives; in that Chinese entrepreneurs are less frequently motivated by opportunity than Danish entrepreneurs.

Country effects motives (the effect is negative and significant). Therefore, Chinese entrepreneurs are less frequently motivated by opportunity than Danish entrepreneurs. This negative effect corroborates Hypothesis 4.

Hypothesis 5. The gender effect on motives depends on country; in that women in China are especially seldom motivated by opportunity.

Interaction effect of country and gender on motives is not significant. Gender effect is similar in these two countries. This does not support Hypothesis 5.

Hypothesis 6. The age effect on motives depends on country; in that older Chinese entrepreneurs are especially seldom motivated by opportunity.

Interaction effect of country and age on motives is not significant. Age effect is similar in these two countries. This does not support Hypothesis 6 either.

Hypothesis 7. The education effect on motives depends on country; in that educated Chinese entrepreneurs are especially often motivated by opportunity.

Education effect is different in these two countries; in that educated Chinese entrepreneurs are especially often motivated by opportunity.

(that positive effect of education upon opportunity motive is even stronger in China than Denmark) , corroborating Hypothesis 7.

Figure 3. Effects on entrepreneurs' motives from socioeconomic factors and country, and interaction of country with socioeconomic factors

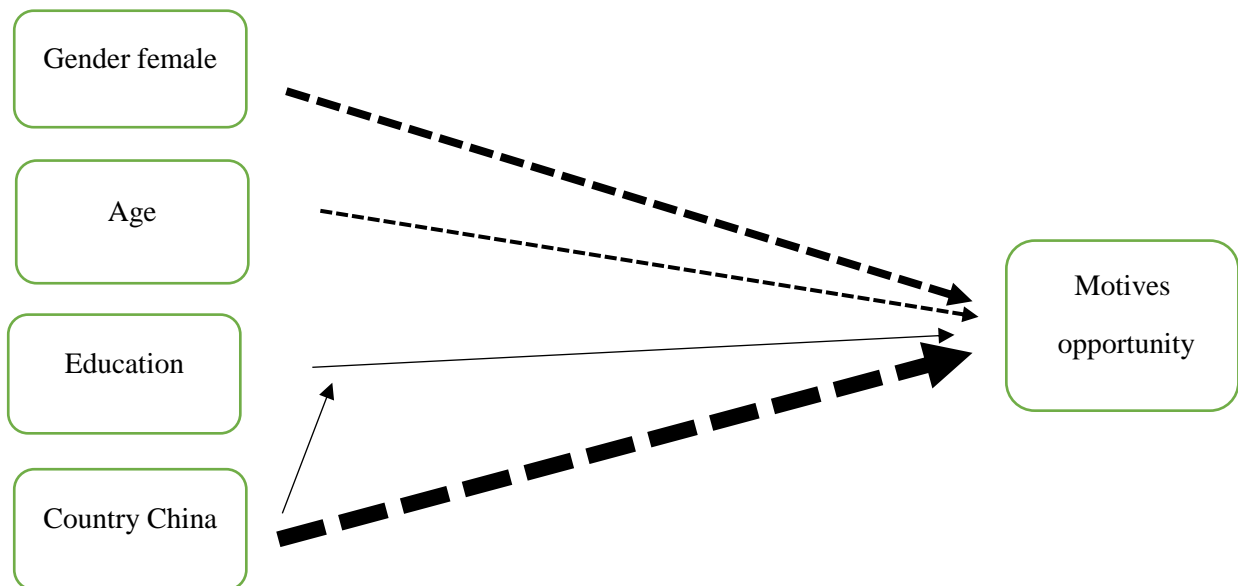


Figure 3 shows the positive effects as solid arrows and the negative effect as a dashed arrow, with thickness indicating strength.

Recommendations for future research

Entrepreneurs' motives differs by age, education and gender as well as age range, education range and between genders in China and Denmark. Other factors like culture affects their motives as well. The two countries differ in culture; traditional culture prevails in China, whereas Denmark has a more modern culture. It could also be challenging to consider another environmental national variable like trust.

Another study could investigate how other factors like environmental legislation e.g. tax, intellectual property and labor laws, which might be tougher in emerging markets like China - effect entrepreneurs' motives.

Unemployment rate is another factor, which is different in China and Denmark that leads to opportunity, or necessity based entrepreneurship.

Recommendations for policy makers in China

China requires a reduction in poverty and unemployment in order to mitigate necessity-based entrepreneurship and increase in human capital, better access to credit, and more transparent business regulations to promote opportunity-based entrepreneurship (Warnecke, et al. 2012). Currently, more than 7 million undergraduates face the challenge of finding jobs, helping SMEs in terms of various supporting policies is an attractive effort for those young energetic generations. Regarding female entrepreneurship, the problem with non-targeted policies promoting entrepreneurship in general is that women still face inequality, thus benefiting to a much lesser extent than they should. For example, an increase in the lending capacity of banks does not necessarily increase women's access to credit if their business ventures are still viewed as more likely to fail in comparison to men. This makes the need apparent for policy that targets female entrepreneurs in particular. It also highlights the need for a cultural shift towards gender equity in China (a more long-term endeavor). By providing subsidies for professional training, preferential tax conditions for rising female entrepreneurs, and small loan guarantees, the Chinese government has begun to explicitly mitigate the problems faced by female necessity-based entrepreneurs (Alon, et al., 2011).

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