The Research on Entrepreneurship of College-Students in China

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Qijie Peng                            Man Yan
Summary

In recent years, Chinese college students face the severe employment situation. In order to promote social economic development and reduce employment pressure, one way to mitigate this problem is to encourage college students to start their own businesses, which not only solve own employment problem but also create more job opportunities for society. However, present situation shows us an unfavorable development within entrepreneurship of college student in China, the entrepreneurial rate and success rate are very low. Thus the purpose of this thesis is to analyze the determining factors that influence entrepreneurial rate and success rate based on new venture creation framework from macro-environment and individual attributes.

In this thesis, we conduct mixed method by applying qualitative and quantitative data collection tools to analyze current Chinese college students’ entrepreneurship situation. We received 1000 questionnaires from Chinese college student respondents through website and also conducted semi-structured interview with eight college student entrepreneurs, two governmental sector representatives, and two education workers through phone.

Through the analysis on data collected, we found that the low entrepreneurship rate and success rate of Chinese College students were influenced by different factors: the shortage of entrepreneurial policy, unsatisfactory financial and non-financial assistance, the shortage of entrepreneurial education and the unbalance between Chinese college students’ entrepreneurial ability and entrepreneurial demand. Although Chinese government has offered a series of assistance programs to encourage college students to create their own businesses, various barriers have negatively affected the implementing process, further lead to unsatisfactory outcome. Similarly, entrepreneurship education still in its initial stage, which is not the main required course so that students cannot obtain comprehensive and systematic entrepreneurial knowledge, and lack of practical entrepreneurial activities as well.

In addition, Chinese college students’ lack of required entrepreneurial ability is also caused by the traditional education system, shortage of social experience and individual character question and so on. Based on above factors, in the last chapter of thesis, we provided a series of suggestions from four angles: government policy, financial and non-financial assistance, entrepreneurship education and college students’ capability.

Key words: entrepreneurship, Chinese college students, government policy, financial and non-financial assistance, entrepreneurship education, entrepreneurial ability.
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Chapter 1: Introduction

The first chapter acts as a prologue which aims to provide an overview for the topic we chose. It starts with presentation on the background of research, followed by a discussion on the research problem. Two main research questions are formulated and expressed, along with the purposes of this study. Finally, this chapter also includes an introduction on the outline of whole thesis.

1.1. Research background

"New promising ventures and new small businesses are important research subjects in terms of their impact on absolute gross national product (GNP) and employment and their potential for social and economic impact".

(Baum, Frese, and Baron, 2007, P5)

Entrepreneurship, as one of driving forces, is very important for economic growth and development (Baumol et al. 2007, P133). Drucker and Coulson-Thomas (2005) point out that “the drivers of growth in modern economics are not large industrial companies, but rather, new and small business”, these new and small businesses refers to the Entrepreneurial ventures. Either in developed or developing countries, governments is devoting more and more resources towards raising the rate of entrepreneurship (Thomas Gries and Wim Naude, 2009, P14). In the United States, entrepreneurship appears to be a long-term economic development strategy (Jason Henderson and Stephan Weiler, 2010, P25). Entrepreneurial activities in China also become a very important and active phenomenon in society, and it as a powerful engine of rapid development of economic in that entrepreneurship played a positive role in improvement of market system and rationalization of market structures as well as the enhancement of enterprises and national innovation capabilities (Wu Jia, 2008, P 1). These positive effects brought a breakthrough in technology and organization innovation so that provide new products and services for society.

Except for facilitate the economic growth, more important, the main benefit of entrepreneurship is to create more new employment opportunities for society (McMillan & Woodruff, 2002, P166). Audretsch (2000) noted that those countries with more entrepreneurial activities have lower unemployment rates, whereas countries with less entrepreneurial activities have higher unemployment rates. Entrepreneurial ventures have a significant impact on new job creation (Lisa Z. Song, Michael Song, and Mark E. Parry, 2010, P130) that can be realized by Baum’s research, this research found that
“Entrepreneurship through establishment of new independent businesses was so successful in the United States during the 1980s and 1990s in creating new jobs that it overcame the elimination of over 5 million jobs in established big business” (Baum, Frese, and Baron cited Kirchhoff, 2007, P5). The relationship between employment growth and entrepreneurial activity strengthens over a longer time horizon (Jason Henderson and Stephan Weiler, 2010, P25).

Entrepreneurship for China, especially for Chinese college students has a particular and crucial meaning in terms of national conditions (Wu Jia, 2008, P1), due to encouraging and promoting entrepreneurial activities is an effective way of relieve employment pressure. In recent years, China is experiencing the peak period of working-age population growth and the labor is oversupplied to 150 million (Li Jiahua, 2009, P2). China faces the severe employment situation for long term. In addition, the report of GEM (Global Entrepreneurship Monitor)\(^1\) indicated that the entrepreneurs in China are younger, and one of important entrepreneurial group in young entrepreneurs is Chinese college students (GEM, 2006), that is because with the large-scale enrollment in colleges and universities, the numbers of college students are increased sharply and the amount of graduates has increased by 5.5 times since 2001-2010. (The following figure shows detailed information about growth of number of graduates from 2001 to 2010). In order to ease the employment pressure, government launched a series of incentive mechanism to encourage and help college students to undertake their own business, and the universities also set up entrepreneurial education and training to improve their entrepreneurial skills. In this external environment, many college students and graduates began to switch their perspective and start a business.

\[ 
\text{Figure 1: the number of graduates from 2001 to 2010. (Source: Chinese Ministry of Education)} 
\]

\(^1\) “The Global Entrepreneurship Monitor (GEM) is a not-for-profit academic research consortium that has as its goal making high quality information on global entrepreneurial activity readily available to as wide an audience as possible” (www.gemconsortium.org) .
Entrepreneurial ventures have a significant impact on economic growth and employment growth, but existing evidence indicates that most entrepreneurial activities end with failure, which also included the Chinese college students’ entrepreneurial activities. The latest research data (Studentboss, 2010) show that about 40% of enterprises in China was bankrupted during the first year, and only about 20% of enterprises can survive during five years, more seriously, compared with the general ventures, the success rate for college students’ ventures is only 2%-3%, which far below the general enterprise success.

1.2. Problem statement

Entrepreneurship is strongly encouraged all over the world, and it is certainly one of the most important areas of research in that the entrepreneurship activities’ positive outcomes to the society. On the other hand, the situation of entrepreneurship activities is not optimistic in China, especially for Chinese college students’ entrepreneurship, it is necessary for us to improve this negative situation from the perspective of solve the practical social problems. Therefore, understanding and analyzing what factors influence entrepreneurship becomes a starting point of research.

Schumpeter (1934) prints out that entrepreneur are prime movers of economic change and they are stood out like an economic hero whose creativity invigorates the economy with new ideas that lead to economic growth, obviously, the college students as an independent object lead us to research the college students’ entrepreneurship activities which become more meaningful. However, although phenomenon of entrepreneurship activities, especially the Chinese college students’ entrepreneurship activities are concerned by many people, the current entrepreneurship research for college students in China is still at the early childhood stage, and just little attention has been devoted to a college student’s perspective of business ownership (Wu Jia, 2010, P 3).

Moreover, entrepreneurship is a multifaceted phenomenon; traditional entrepreneurship researches discuss numerous entrepreneurial issues from different perspectives. Verhuel et al (2000) suggested that it is far from enough to identify the factors of influence entrepreneurship from a single perspective and it should identify from several aspects, and provide a unified framework for understanding and analyzing what factors may influence entrepreneurship. However, the researchers always only consider single factor of influence college student entrepreneurship activities in China, and in large part these researches are concentrated in the entrepreneurial environment factors such as entrepreneurship education, government policies, financial issues (Li Yuetao, 2010, P89). There is few researchers consider internal factors such as the entrepreneurs capabilities, propensity and so on, and also few researchers combine external factors and internal factors simultaneously to form a theoretical framework to study the Chinese college student’ entrepreneurship activities, especially most research has focus on the theoretical parts, just a small group of researchers apply the empirical research. Since factors of entrepreneurship can be studied from different aspects, therefore, our
research will consider the composite factors to study the external and internal factor of entrepreneurship which based on the empirical research.

1.3. Research Questions

The study of Chinese college students’ entrepreneurship is still growing, however, as it was discussed; just few researches were done in the composite factors of influence college students’ entrepreneurship through the unified framework. Therefore, in order to make a contribution to the integrated factors from the multidimensional perspective, this thesis will focus on answering the following research questions:

1. What are the external factors that lead to low entrepreneurship rates of Chinese college students and success rates?

2. What are internal factors that lead to low entrepreneurship rates of Chinese college students and success rates?

1.4. Purpose

The one aim of this study is to find out reasons behind the low entrepreneurship rates of college students and success rates by analyzing the external and internal factors to entrepreneurship. Moreover this study will presents a framework to explain the composite factors of influence Chinese college student’ entrepreneurship and fill this gap in theoretical concepts. Another is its practical application, by combining theorized with empirical studies; hopefully this thesis will shed some lights on future Chinese college students’ entrepreneurship development.

1.5. Disposition of the thesis

Chapter 2 – Research Paradigm: this chapter is aimed to present, not only the choice of subject, but also ontological and epistemological considerations of out thesis. Furthermore under guidance of researching philosophy, the research approach’s application also will be presented. The chapter also explains how the sources were selected.

Chapter 3 – Literature Review: this chapter mainly introduces factors of influence successful entrepreneurship from both external and internal aspects. Through review for previous studies, the external and internal influence factors are narrowed to 8 particular factors. Finally these 8 factors become objects investigated by following empirical research. In addition this chapter also explains what is entrepreneurship and what are entrepreneurial characteristics possessed by Chinese college-students.
Chapter 4 – Methodological Framework: this chapter presents how the mechanisms for data collect were designed and how the research sample was selected. And the chapter will also present an overview of how the questionnaire survey and interview were conducted.

Chapter 5 – The result of quantitative data collection: this chapter presents the results of quantitative data collection from three dimensions: Chinese college-students’ attitude for entrepreneurship, Chinese college-students’ satisfaction degree of external environment factors, and Chinese college-students’ attitude for individual entrepreneurial competencies.

Chapter 6 – The result of qualitative data collection: this chapter displays the results of qualitative analysis from semi-structured interview, which focus on three different views: student entrepreneurs’ perspective, governmental sector representative’s view and education worker’s view regarding college students’ entrepreneurship in China.

Chapter 7 – Analysis and Discussion: this chapter presents integrated analysis and discussion for previous theories and presented results of quantitative and qualitative data collection. And the analysis of the data leads to answer for the research question. Finally the framework to explain the composite factors that influences Chinese college-students entrepreneurship is formed.

Chapter 8 – Conclusion: this chapter aims to present the conclusions, derived from the empirical findings and analysis in this study that answers the research questions.

Chapter 9 – Suggestion: according to the research results to give some constructive suggestions on how to improve the Chinese college students’ entrepreneurship rate and success rate from the three angles which are government supports, the implementation of education as well as the improvement of college students’ capability.

Chapter 10 – More Information: this chapter presents the validity and reliability of this thesis. This chapter also explains its possible limitation and further research.
Chapter 2 Research Paradigm

This chapter is aimed to present, not only the choice of subject, but also ontological and epistemological considerations of our thesis. Furthermore, under guidance of researching philosophy, the research approach’s application also will be presented. The chapter also explains how the sources were selected.

2.1 Choice of Subject

We believe that selection of thesis topic ought to build on authors’ professional knowledge and background, thus the topic of this paper considered two factors of “entrepreneurship” and “Chinese social situation”. However, specific idea originated from some network news about employment of Chinese graduates. The news reported the employment of graduates is a very thorny issue. The proportion of highly educated people in developed countries far beyond the Chinese, so the next few years, the national enrollment should not stop. As graduates each year growing, the situation of employment is becoming increasingly severe. In order to alleviate the employment pressure, society, government and universities have begun to actively encourage and support graduates’ entrepreneurship.

However, the road of graduates’ entrepreneurship is exceptionally difficult because of limited conditions such as they start businesses without an accurate grasp of market dynamics and an accurate analysis of the market needs, and lack of an orderly entrepreneurial environment, so that graduates’ entrepreneurship becomes a “cold” option in the “hot” employment. Minority success and majority failure indicated that graduates’ entrepreneurship is a long way to go. The information of graduates’ employment gave rise to our interest; therefore we defined the topic of this thesis as the research on college-students entrepreneurship in China, and hope that our research can make some contributions for improving Chinese college-students entrepreneurship’s status.

2.2 Philosophy of Research

The purpose of academic research is to provide valuable knowledge for science and society (Cristian & Maria cited Kent, 2010 Master thesis in Umeå University, P7); the valuable knowledge originates from researchers’ understanding for world that surrounds them; however due to different belief systems created by ethnicity, gender, age, and experience, different researchers have different views of understand world (Catalina cited Denzin & Lincoln, 2010 Master thesis in Umeå University, P5); the different belief systems represent different philosophical issues of researchers for their
researching objects; therefore it is significant to make its researching philosophy clear before starting study. Additionally exploration of researching philosophy benefits on determination of which researching methodology should be applied to develop our researches. This is because the philosophy of research can help authors to “clarify the overall research strategy to be used”, and reduce unnecessary work caused by inappropriate use of research methods (Frank, year unfound, P48). In the following section we present our researching philosophy, and will explain how it might influence this thesis.

2.2.1 Ontology and Epistemology

Ontology and epistemology are considered as main philosophical statements for academic research. Ontology denotes “a brand of philosophy concerned with articulating the nature and structure of the world” (Wand and Weber, 1993, P220). Epistemology denotes “the nature of human knowledge and understanding that can possibly be acquired through different types of inquiry and alternative methods of investigation” (Hirschheim et al., 1995, P20). In other words, the ontology believes there is a reality which cannot be modified, but people can recognize it from objectivism and subjectivism; the epistemology believes reality can be modified by social iterations, and it has three possible distinctions: positivism, realism and interpretivism.

For this thesis, we believe in the reality of negative phenomenon of Chinese college-student entrepreneurship, and subjectively consider the reasons caused entrepreneurship failure come from internal and external two aspects, therefore in following literature review we present possible internal and external factors of influencing entrepreneurship. However we also believe that the reality can be modified by social iterations, so for finding out actual factors caused entrepreneurship failure we test validity of theories through investigating for current Chinese college students. According to different characteristics of positivism, realism, and interpretivism, and linking to features of this paper, we considered realism as our researching philosophy. The realism is new philosophical position improved on basis of positivism due to many researchers complained “whether positivism means the philosophical term or a scientific approach more generally” (Bryman, 2007, P17). The positivism refers to ‘the application of the methods of natural sciences to study of social reality and beyond’ (Bryman, 2007, P.16). It is more focus on an objective analysis of ‘observable social reality’ through interpreting ‘those data that have been collected in an apparently value-free manner’ (Mark, Philip, and Adrian, 2009, P.114). In another words, the research can not affect or be affected by the subject of research (Saunders, Lewis,Thornhill, 2000, p.85), thus researchers should supply hypotheses base on existing theory, then to test and confirm validity of these hypotheses by collection of credible data. However, the essence of realism is to argue truth of reality by researchers themselves senses because ‘objects have an existence independent of the human mind’ (Mark, Philip, and Adrian, 2009, P. 114). Although realism is another philosophical
position, it is still similar to positivism in that it develops knowledge by suggesting assumptions and to test and confirm this assumption according to collection data and understanding of these data (Mark, Philip, and Adrian, 2009, P. 114). And the philosophical approach of realism has two types: direct realism and critical realism. We think the philosophical approach applied by this thesis belongs to critical realism.

On the contrary, the interpretivism is taken to dispute ‘the positivist orthodoxy’ depend on researchers’ subjective meaning for understanding of social action (Bryman, 2007. P19). There are three characteristics for interpretivism approach. First, it emphasized the research on people rather than objects and therefore the point is to examine people and their social behaviors (Mark, Philip, and Adrian, 2009. P116). Second, it concentrates on using empathetic stance which means researchers need ‘entre the social world of research subject and understand their world from their point of view’ (Mark, Philip, and Adrian, 2009. P116). Third, under interpretivism approach, researchers should build a theory in accordance with their observation for social actors and their behaviors. Although one of the key deliverables of this research project is to present framework for explaining the composite factors of influence Chinese college student’s entrepreneurship, which seems to build a theory, actually this framework mainly derives from our conclusion for testing validity of theories, but not to build a theory through observation for college-student’s entrepreneurial behaviors. Additionally the point of our study is to examine existing theories rather than current college students. The aim of investigating college students just is for testing validity of theories. Therefore the interpretivism is inappropriate for this thesis.

2.3 Research Approach

The aims of this thesis are to find out possible reasons caused entrepreneurship failure of Chinese college-students, and identify all factors that influence college-students to success, then to form a beneficial framework. In order to achieve these aims, firstly, we present possible factors promoted successful entrepreneurship in literature review part; afterwards we carry out a survey for current college students to test validity of existing theories; thereby detect actual reasons caused college-student entrepreneurship failure; finally integrating them and providing some suggestions to improve this phenomenon. This will be our main researching process. In this sense, deductive researching approach is appropriate, because service regulation of deductive is to test a theory and hypothesis (Mark, Philip, and Adrian, 2009, P.124).

Furthermore we also interview several representations, such as college students’, governmental sector and education workers, to ensure completeness of beneficial framework that we will present to explain the composite factors of influence Chinese college student’ entrepreneurship finally, because it is possible to gain more valuable information through interview for representations. To complete and develop a theoretical framework like this belongs to category of inductive research. The inductive approach is to develop a theory according to result of data analysis (Mark, Philip, and
Adrian, 2009, P.124), which means theory is an outcome of research (Bryman, 2007. P4). Therefore the inductive research approach also is applied in this thesis. All in all, both research approaches are applied in this thesis, but deductive approach occupies a leading position.

For achieving our research purpose in effective and logical way, we need to employ a research strategy for this thesis, hence the following aspects were considered: (1) the objective of the research, (2) characteristics of the research, and (3) how the empirical findings would be used (Malhotra & Birks, 2007, p. 70).

First, the objective of the research is to find out the reasons causing failure of Chinese college - student entrepreneurship; second, a flexible research process, such as collecting all possible factors of influencing entrepreneurship according to theoretical knowledge; to carry out survey among current college student base on those possible factors, and simple interviews also will be implemented for several representatives; Third, the empirical data will compare with all possible factors finding in literature in order to test which are reasons caused negative situation and to suggest more possible reasons. According to these answers, we suggest survey strategy as researching guidance to manage development of whole paper. This is because “survey strategy is most frequently used to answer who, what, where, how much and how many questions” (Mark, Philip, and Adrian, 2009, P. 144). Generally the survey strategy used in our research has two main advantages: 1. the researcher can control all research processes by designing data collection technique, such as questionnaire design; 2. using of Sampling can reduce research cost than investigating whole population. However taking too much time in research process is always considered being its vital disadvantage.

In order to give readers a clearer impression, we explained whole research process of this thesis in figures (Figure 2). The figures presents a summary of the different research stages and what is aimed with each one of them. And the content of literature review will be described in next chapter, while the part of empirical study will be stated and analyzed in following chapter 5, chapter 6, and chapter 7. However, all in all, the whole of research process use not only secondary sources but also primary information.
Following two sections will further elaborate on how the approaches, presented in Figure 2, are undertaken. They will give readers more information about our research approach.

2.3.1 Literature Selection

As mentioned the reasons caused failure of Chinese college-student entrepreneurship are subjectively considered come from both internal and external aspects, thus the main theories for the theoretical framework were selected from the literature review made on environment factors of entrepreneurship and the psychology of entrepreneurship. Additionally linking to our research topic, before present theories of external and internal affected factors, we also display theories about definition of entrepreneurship and Chinese college - students’ entrepreneurship. These theories are presented in next chapter (Chapter 3).

The secondary data used for the literature review mainly have two viable sources. The first source were books, which give us already established theories, and the second source used were peer-reviewed articles, since many points underlined in our thesis have been research in other articles. Most of secondary sources were collected through LIBRIS, which is the library database of Umeå University and has a significant number of books and articles. In addition, Umeå University database helped us on a considerable scale, since we had the opportunity to search through other databases, like Business Review and so forth.
Beside databases of Umeå University, we have also Google Scholar, since it proved to be of great value when we search for Chinese articles and useful articles have been found through that database. We have used Google Scholar since Umeå database was good till one point and that was when we wanted to go in depth for the articles related or concerning the student life in China.

2.3.2 Method selection

We, again, turned to our purpose to find out actual reasons caused negative situation of college-student entrepreneurship through testing external and internal factors of affecting successful entrepreneurship presented in theoretical part. In other words, this research need to solve the question that what are external and internal reasons caused the failure of college-student entrepreneurship. Additionally the approach solved this question is to understand which factors are lacked by current large numbers of college students through survey for them base on theoretical external and internal influence factors. For answering the research question above and reaching this aim of the thesis, a quantitative method was chosen. As the literature states that quantitative research refers to the problem and phenomenon expressed by large numbers and then to analyze, test and explain these numbers with logic, and detailed to gain the significance, this method involves a large number of questions which answered by a large number of respondents, and it often use survey and questionnaire to gain the research results (Denscombe, 2007, p.109), and its purpose is to solve the question of “what”. Therefore a quantitative study was a better fit for gathering the information.

Furthermore, after knowing which reasons caused negative influence, we still search for whether there are other reasons affected this situation. For this we also selected qualitative method. The qualitative research usually emphasizes words rather than quantification, it tends to achieve a better understanding of research phenomenon and subjective data through introduce the questions of why and how, these questions focus on the understanding of inner experience of participants and it concentrates more on findings about individuals’ opinions, experiences and feelings (Mark, Philip, and Adrain 2009, P.152). The qualitative research approach allow us to understand those factors how to affect negative situation of college-student entrepreneurship and more influence factors caused this phenomena through investigating for several representatives.

In other words this thesis applied mixed method, i.e. both qualitative and quantitative for data collection. Mixed methods research has increasingly become the preferred research method since mixed methods research can mutually promote and facilitate deeper understanding of the research questions (Bryman, 2007, P.653). Denscombe claim that: “The use of more than one method can enhance the findings of research by providing a fuller and more complete picture of what is being studied. The benefit of the Mixed Methods approach in this instance is that data produced by the different methods can be complementary. They can provide alternative perspectives that, when combined
go further towards an all-embracing vision of the subject than can be produced using a mono-method approach.” (Denscombe, 2007, p.110)
Chapter 3: Theoretical framework and Literature review

This chapter mainly introduces influential factors of successful entrepreneurship from both external and internal aspects, and through review on previous studies the external and internal influential factors are narrowed down to 8 particular factors. Finally these 8 factors form the framework investigated by following empirical research. In addition this chapter also explains what is entrepreneurship and what are entrepreneurial characteristics possessed by Chinese college-students.

As foundation of entire essay, the statement of theoretical part need have clear logical frame. The main theme of this paper is investigation for entrepreneurship of college – student, thus we begin from introduction for two related concepts. These two concepts are what entrepreneurship is and what entrepreneurial characteristics of Chinese college-student possess. On the other hand, one of the purposes of this paper is to find out reasons caused the low entrepreneurship rates and success rate. For this purpose we work out two investigating directions (external and internal) through analyzing models of entrepreneurial process. That is to say we are going to find out influential variables both externally and internally. After confirming research direction, we further discuss which external and internal variables are, which will be main part of theoretical framework. Ultimately we collect all possible influence factors as index of empirical research and put forward some assumptions base on those influence factors.

3.1. Definition of Entrepreneurship

“Entrepreneurship is process that involves the discovery, evaluation, and exploitation of opportunities to introduce new products, services, processes, and ways of organizing or markets”.

(Baum, Frese, and Baron cited Shane & Venkataraman, 2000 and Venkataraman, 1997, 2007, P6)

As self-employment activity is of catholic concern in recent years, many scholars have been making an intensive study of this area and gave new connotation to “Entrepreneurship”. Different scholars endowed “Entrepreneurship” with different definitions according to their different academic backgrounds.

Schumpeter (1934) suggested the process of entrepreneurship is the process of innovation which means innovator is entrepreneur. The entrepreneur overcomes immanent contradiction of free market economics through innovation so as to nourish the economic growth. Thus, entrepreneurship is innovation (Schumpeter, 1934, P5).
Kirzner in 1973 defined entrepreneurship as an activity of exploiting business opportunities by entrepreneurs who do not have any special characteristics; it means the alert discovery of an opportunity caused by alertness to opportunities and arbitrage (Kirzner, 1973).

Ronstadt (1984) suggested entrepreneurship is dynamic process of creating the wealth. The wealth is created by some people whom undertake assets value, time, career commitment, or risk of supplying products and services. Their new product or service maybe not new or exclusive, but the value of new product or service is deployed and infused by entrepreneurs through gaining necessary skills and resources (Ronstadt, 1984).

Stevenson, Roberts, and Grousbeck (1985) suggested entrepreneurship should be a behavior which is driven by perceived opportunity; not be a behavior which is controlled by available resources (Stevenson, Roberts, and Grousbeck, 1985).

Low and MacMillan (1988) defined entrepreneurship as the nestablishment of new organizations, and suggested the research of entrepreneurship should seek interpretation and promotion for effects of new organizations in pushing economic development (Low & MacMillan, 1988).

Dollingers (2003) proposed three principal characters of entrepreneurship are creativity and innovation; resource combination and economic organization establishment; and opportunity and capability’s growth in risky and uncertain environment, thus he defined entrepreneurship as new economic organization that is created in risky and uncertain environment (Dollingers, 2003).

Erik Sram in 2008 explained that entrepreneurship as innovation and recombination of resources into a new form, this is not to say what a perfect imitation has been done before and thus it should involves a change in the marketplace (Erik Stam, 2008).

Many definitions can be found in the literature, however, a generally accepted and popular definition for “Entrepreneurship” is “it is process that involves the discovery, evaluation, and exploitation of opportunities to introduce new products, services, processes, ways of organizing, or markets” (Baum, Frese, and Baron cited Shane & Venkataraman, 2000 and Venkataraman, 1997, 2007, P6). It also showed that the company focus on investing into new ventures, creating new ventures, setting up new organization departments and supplying new products and services to market, regardless whether the market exists before or not.

### 3.2. Entrepreneurial Characteristics of Chinese College - student

The entrepreneurship of college-student discussed in this paper refers to setting up company by graduates or undergraduates. There are two types of entrepreneurship:
The independent entrepreneurship means individual or team to set up a new company; whereas the internal entrepreneurship means starting up in an existing big company. The entrepreneurship of college-student mainly belongs to scope of independent entrepreneurship.

As a distinct group, the college students have not only some similar characteristics with other entrepreneurs, but also some different characteristics with them.

1. Psychological characteristics: college students generally are 18-25 years old, which is the best age of creativity. Due to their strong sense of innovation and less restriction, college students usually have propensity to start (Li Yuetao, 2010, P89).

2. Personal knowledge structure: the college students have good foundation in entrepreneurial skills because of their high education degree. The entrepreneurship group make up by college students accepted higher education and professional knowledge (Wang Xiaofang, 2010, P16). In addition, the college students also have foundation of advanced technology due to good academic atmosphere in university.

3. Comprehensive quality: For college students, their common problems are fewer opportunities to practice, lack of entrepreneurial experience, and limited understanding for society, especially for Chinese college students (Zhang Weiming, 2010, P2). That is because college students put most of their attentions only on education which influenced by Chinese present educational system and traditional notions. This directly leads to unfavorable comprehensive quality of Chinese college students.

4. Lack of capital: For all entrepreneurs, lack of capital is critical problem in their entrepreneurship process. In China, all of college students are supported by their family or society, so almost all students are “proletariat” (Wu Jia, 2010, P17). They do not have their own capital or available property for mortgage and guarantee. Therefore lack of capital is prominent feature for all of college-student entrepreneurs.

5. Policy Support: In recent years, China has been implementing institutional and technological innovation. Ministry of Education issued some policies and measures to support and encourage entrepreneurship of college students. Some local governments also announced relevant measures to nourish entrepreneurship of college-student.

### 3.3 The Factors Influenced Successful Entrepreneurship

During the entrepreneurial process, entrepreneurs’ behavior will be influenced by some critical factors, such as environmental, social, personal or a combination of them (The Entrepreneur’s Handbook, Website Resource, P15). These factors can be divided into three group variables according to Baum, Frese, and Baron’s model of entrepreneurial process, which are individual-level factors, group or interpersonal factors, and
social-level variables (Baum, Frese, and Baron, 2007, P20). The individual – level factors mean factors as “factors relating to the experience, skills, motives, cognitions, and characteristics of potential or actual entrepreneurs”; the group- interpersonal factors as “factors involving entrepreneurs’ relations with other persons, such as their exposure to role models of entrepreneurship and the size and quality of their social networks”; the social-level variables as “factors relating to the social, economic, and political environments in which entrepreneurs operate” (Baum, Frese, and Baron, 2007, P20). Actually these three group variables also can be regards as two broad dimensions of external and internal influential factors. Successful entrepreneurship is to ensure that entrepreneurial process can be successfully carried out, thus the factors influenced entrepreneurs’ behavior during entrepreneurial process also are factors influencing the successful entrepreneurship. In following context, we are going to discuss which critical influential factors are for entrepreneurship of college – student, based on the structure of external and internal influence.

3.3.1 The external factors

There are many entrepreneurship models for entrepreneurial external environment. Two classical entrepreneurship models are “New Ventures Creation Model” and “Global Entrepreneurship Monitor Model”, which often used by many researchers on entrepreneurial researches.

The “New Ventures Creation Model” was proposed by Devi R. Gnyawall and Daniel S. Fogel in 1994, which states the environment has a strong influence on the survival and growth of new ventures, and the entrepreneurial environment should be a combination of many factors in the entrepreneurial process, and this combination include five dimensions: policies and procedures, socioeconomic conditions, entrepreneurial and business skills, financial assistance and non-financial assistance. Each dimension could be measured by some sub-dimensions; table 1 shows the concrete dimensions and corresponding sub-dimensions.

Table 1: Concrete dimensions of entrepreneurship (Source: Devi R. Gnyawall and Daniel S. Fogel, 1994, P. 55)

<table>
<thead>
<tr>
<th>Government policies and procedures:</th>
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<tbody>
<tr>
<td>Restrictions on imports and exports</td>
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<tr>
<td>Provision of bankruptcy laws</td>
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<tr>
<td>Entry barriers</td>
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<tr>
<td>Procedures requirements for registration and licensing</td>
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<tr>
<td>Number of institutions for entrepreneurs to support to</td>
</tr>
<tr>
<td>Rules and regulations governing entrepreneurial activities</td>
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<tr>
<td>Laws to protect proprietary rights</td>
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<tr>
<td>Socioeconomic conditions</td>
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<tr>
<td><strong>Public attitude toward entrepreneurship</strong></td>
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<tr>
<td>--------------------------------------------</td>
</tr>
<tr>
<td><strong>Presence of experienced entrepreneurs</strong></td>
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<tr>
<td><strong>Successful role models</strong></td>
</tr>
<tr>
<td><strong>Existence of persons with entrepreneurial characteristics</strong></td>
</tr>
<tr>
<td><strong>Recognition of exemplary entrepreneurial performance</strong></td>
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<tr>
<td><strong>Proportion of small firms in the population of firms</strong></td>
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<tr>
<td><strong>Diversity of economic activities</strong></td>
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<tr>
<td><strong>Extent of economic growth</strong></td>
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<tr>
<td><strong>Financial assistance</strong></td>
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<tr>
<td><strong>Venture capital</strong></td>
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<tr>
<td><strong>Alternative sources of financing</strong></td>
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<tr>
<td><strong>Low-cost loans</strong></td>
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<tr>
<td><strong>Willingness of financial institutions to finance small entrepreneurs</strong></td>
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<tr>
<td><strong>Credit guarantee program for start-up enterprises</strong></td>
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<tr>
<td><strong>Competition among financial institutions</strong></td>
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<tr>
<td><strong>Non-financial assistance</strong></td>
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<tr>
<td><strong>Counseling and support services</strong></td>
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<tr>
<td><strong>Entrepreneurial networks</strong></td>
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<tr>
<td><strong>Incubator facilities</strong></td>
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<tr>
<td><strong>Government procurement programs for small businesses</strong></td>
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<tr>
<td><strong>Tax incentives and exemptions</strong></td>
</tr>
<tr>
<td><strong>Local and international information networks</strong></td>
</tr>
<tr>
<td><strong>Modern transport and communication facilities</strong></td>
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<tr>
<td><strong>Entrepreneurial education</strong></td>
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<tr>
<td><strong>Technical and vocational education</strong></td>
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<tr>
<td><strong>Business education</strong></td>
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<tr>
<td><strong>Entrepreneurial training programs</strong></td>
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<tr>
<td><strong>Technical and vocational training programs</strong></td>
</tr>
<tr>
<td><strong>Availability of information</strong></td>
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</table>

GEM (Global Entrepreneurship Monitor) proposes a model of explaining the mechanism of economic growth, the core effects of entrepreneurial activities is to promote economic growth and employment, and the entrepreneurial environment described in nine aspects: financial support, government policies, government programs, education and training, research and development transfer, commercial and professional infrastructure, access to physical infrastructure, market openness, cultural and social norms.

In addition to the two main models mentioned above, there are other empirical researches on entrepreneurial activities, such as Pradip N. Khandwalla (2001) illustrated some characteristics related to the environment of entrepreneurship in the article of “Environment and its impact on the organization”, which made the research of this area more systematic so that promoted the future theoretical and practical work (Pradip N. Khandwalla, 1972, P299). Scott Shane (2003) believed that the environment of
entrepreneurship consists of economic environment, political environment and socio-cultural environment. Economic environment including income, capital tax, property taxes, economic growth and social wealth, low inflation and stable economic conditions. Political environment including freedom, legal and property protection measures, decentralization. Socio-cultural environment include social respect, pressure and special cultural beliefs (Scott Shane, 2003, P85). This is a good framework for the analysis of entrepreneurial environment, however, it lacks of accumulation of the corresponding research in terms of measureable.

Entrepreneurship research on college students mainly consider the characteristics of college students that can generally be attributed to a good mass base, have received advanced entrepreneurship education, entrepreneurship mainly concentrated in the high-tech industries (Thelma Quince, 2003, P 3), and also believed that the Government should intervene in the process of college students’ entrepreneurship appropriately, the society should encourage students to play their own advantage to capture market opportunities (Miller & Friesen, 1987, P923).

Also, Zhang Yuli, the Professor of Nankai University, China, further emphasized that the logical relationships between entrepreneurs, business opportunities and entrepreneurial environment which based on the model of entrepreneurship, and promote how entrepreneurial environment to meet the needs of entrepreneurs, how to stimulate entrepreneurship issues, thus he believes that the elements of entrepreneurial environment that influences Chinese college students’ entrepreneurial activities are government policies and procedures, socioeconomic conditions, entrepreneurial and business skills, financial assistance and non-financial assistance (Wu Jia, 2010, P36).

Although the “Global Entrepreneurship Monitor” Model is the most widely used index system to entrepreneurship in the world, in theory it should be suitable for all areas of entrepreneurship research and surveys, however, through deep understanding we find that among these indicators, An obvious logical relationship is lacking and the description of factors of influence entrepreneurship is not complete, Plus, these indicators is very difficult to collect the data needed for individuals. For these reasons, we use “New Venture Creation” Model (Figure 3) as the guidance of this paper for entrepreneurial environment research, because this model has obvious logical system and the more complete description of entrepreneurship factors (Wang Kang, 2010, P34), and more importantly this model is more complete by many scholars, so it is suitable for us to apply this model to research our topic.
According to Devi R. Gnyawall and Daniel S. Fogel’s, entrepreneurial opportunities influenced by government policies and procedures, that is because the deregulated economic conditions lead to the market mechanisms operate freely than regulated economic environment, and entrepreneurs have more opportunities to start a business without very high barriers. Besides the opportunities, propensity to start and entrepreneurial ability also influence likelihood of start new ventures (Devi R. Gnyawall and Daniel S. Fogel, 1994, P. 53). Generally speaking, propensity to start derives from the influence of socio-economic factors, and the persons with strong propensity to start have a high possibility to create new ventures than the persons with weak propensities to start. The entrepreneurial ability means individual attributions to the success or failure of entrepreneurship, the formation of entrepreneurial and business skills depend on the entrepreneurial education and training. In addition, entrepreneurs’ access to financial and non-financial assistance also affects the likelihood of entrepreneurial ship.

Thus, Devi R. Gnyawall and Daniel S. Fogel published the following findings: (Devi R. Gnyawall and Daniel S. Fogel, 1994, P. 56)

F1: The favorable government policies and procedures can provide a broader scope of opportunities to entrepreneurship;

F2: The more favorable the socioeconomic factors, the greater the propensity to enterprise;

F3: The more favorable financial and non-financial assistances, the greater the likelihood to enterprises;

F4: The greater the entrepreneurial education and business skills, the greater the ability to enterprise;
That is to say, the external factors of influence successful entrepreneurship include government policies and procedures, social-economic factors, entrepreneurial and business skills, financial assistance and non-financial assistance. The following context will further describe and discuss these external factors in detail.

### 3.3.1.1 Government policies and procedures

Traditional economics suggests that the individuals maximize the welfare of society in a free and unregulated market to pursue their own interests. However, Stiglitz (2001) argue that it is not suitable for the real world, on the contrary, market participants cannot get adequate information and the market’s function is imperfect so that often damage the their interests. In order to make market functions more perfect, government and institutions need to intervene in the market by implement government policies. Pearce notes, “Governments are important to organizations, establishing and enforcing the rules under which organizations operate” (Jone L. Pearce, 2008, P. 1). Similarly, Guyawall believed that the state can promote and guide the entrepreneurial activities by implementation of entrepreneurial policies because “government not only can influence the market mechanisms and make them function efficiently by removing conditions that create market imperfections and administrative rigidities, but also create an ‘enterprise culture’ that enables firms to take reasonable risks and seek profits” (Devi R. Gnyawall, 1994, P. 46). Therefore, government policies and procedures could be more effective in promoting rapid development of economic, as well as the entrepreneurial activities.

If entrepreneurship is an important engine for economic growth, then, government policy formed an institutional environment which influences the conduct of entrepreneurial activities (Maria Minniti, 2008, P. 779). In recent years, more and more governments started to pay increasing attention to entrepreneurship and formulated a series of policies to encourage entrepreneurship. In China, government created some preferential policies to develop college students’ entrepreneurial activities, for example, the university graduates who want to start their own business but lack of start-up capital can apply small loans from local banks and the loan period normally not more than two years, at the same time, government will provide fifty percent of interest subsidy if repayment on time. In addition, College graduates start their own businesses can enjoy the preferential tax policies at the first and second year.

As Michae said, “governments around the world seek to support entrepreneurship, yet the justification for such intervention varies” (Steven C. Michae, 2009, P. 285), the government support entrepreneurial activities, whatever the purpose is easing employment pressure or enhancing their market competitiveness, which should centered on the idea of “governments seeking to stimulate their economies should reduce constraints on entrepreneurship” (Maria Minniti, 2008, P. 780). Government policy on the one hand should affect innovation and provide more entrepreneurial opportunities because they hold the right of policies-making that can be used to improve the innovation and entrepreneurial policy environment. On the other hand, the implementation of policies should inspire person who has potential entrepreneurial
desire and interest because one of the main roles for government policies is seeking to reduce the obstacles in entrepreneurship process. (Steven C. Michae, 2009, P.285).

However, not all of government policies on college students’ entrepreneurship can play a positive role to solve problems; also there is no researches have shown that the question of how governments are able to influence positively entrepreneurial activity (Maria Minniti, 2008, P. 780). Even though the government policy can improve the entrepreneurial rate in one country, it doesn’t mean this government policy can promote entrepreneurial activities in another country (Zhang Weiming, 2010, P2). Therefore government should consider the specific issue about how government promotes entrepreneurial activities more effectively in their own background.

It is noteworthy that governments often make efforts to support entrepreneurial activities but the results have not been especially effective, and more seriously, the evaluations of result have been exaggerated and do not match with actual achievement (Steven C. Michae, 2009, P. 286). To avoid the failure of government policies, government not only should grasp adequate and reliable information when making polices, but also evaluate the effectiveness of policies realistically so that timely adjustments and improvements can be taken. At the same time, we should clearly understand that the government policy cannot aspire to the elimination of new venture failures (Maria Minniti, 2008, P. 788) because entrepreneurial success based on a variety of reasons while not only depends on the support of government policy, education and training, personal ability, etc are also important.

Nevertheless, it cannot be denied the contribution of government policy in encouraging entrepreneurship; at least, government policies and procedures provide a broader scope of opportunities to entrepreneurs (Devi R. Gnyawall, 1994, P. 57). Since that everything has two sides, government policies mold institutional structures for entrepreneurial action, it encourages some activities and at the same time maybe discourages others. It is clear that government policy has the power to influence entrepreneurial activity, but it is also clear that such influence is not necessarily desirable as it may steer entrepreneurs toward actions that have negative business results. Therefore, the best way of balance two sides is that “before developing specific policies and programs, governments should focus on analysis of the extent of the opportunity, propensity to enterprise, and ability to enterprise, could identify weak areas, and then formulate policies and programs to strengthen the weaker areas”(Devi R. Gnyawall, 1994, P.58).

3.3.1.2. Socio-economic conditions

Socio-economic conditions formed by the two major aspects: regional economic conditions and characteristics, as well as the community attitude towards entrepreneurship and entrepreneurs (Wu Jia, 2010, P38). Relative to the other four external and internal factors, socio-economic conditions is the most macroscopic factor and is not controlled by human, because it was influenced by the macroeconomic situation and cultural traditions (Laura Galloway, 2005, P47).
A sound socio-economic environment is an important guarantee for entrepreneurial success and sustainable development, although the social-economic environment in each country and region is different (Edward L. Glaeser, 2009, P64). The urban economic growth and entrepreneurship become even more tight, and each of them promoting their advance (Marshall, 1920), that explained the relationship between the economic development and entrepreneurship are complementary and promote each other. Gnyawall also indicated that “a favorable attitude of the society toward entrepreneurship and a widespread public support for entrepreneurial activities are both needed to motivate people to start a new business” (Devi R. Gnyawall, 1994, P.46).

Concretely, socio-economic conditions affect the other four environment factors: The good economic conditions make it easier for enterprises to obtain fund in that it increase the residents’ income, and thereby making more investment capital available; but also it providing more business opportunities, making more people want to get business and management skills, and thereby society will increase the quantity and quality of entrepreneurship training and management skills (Rong Yan, 2010, P45). Moreover, the community attitudes towards entrepreneurs and entrepreneurship have a direct impact on the non-financial support and government policies and procedures. The society will enhance non-financial support if it held favorable attitude for entrepreneurial behavior, meanwhile the attitude of community will affect the attitude of government so that provide more benefit to entrepreneurship (Niu, Jiao, 2009, P23). In addition, the society attitude toward entrepreneurship and entrepreneurs also seriously affected the entrepreneurs’ propensity to entrepreneurship, even if business success, the entrepreneurs’ satisfaction will be reduced if the society held negative attitude to entrepreneurial behavior (Wang Yibo, 2009, P 32).

As above mentioned, socioeconomic environment can promote and encourage entrepreneurship when country and region have a positive socioeconomic environment, on the contrary, the negative socioeconomic environment may discourage people to start business. According to Devi.R. Gnyawall (1994)’s point of view, socioeconomic factors such as proportion of new firm in the population of firms, extent of economic growth, diversity of economic activities, public attitude toward entrepreneurship, and presence of experienced entrepreneurs will influence the rate of new venture creation and growth (Devi R. Gnyawall, 1994, P.46). Feiock’s research shows that the cities have a large number of economic development programs are easily to promote growth of entrepreneurship than cities have a smaller number of such programs.

More specifically, from the macroscopic point of view, socioeconomic environment include four aspects, which are wealth, economic stability, capital availability and taxation (Scott Shane, 2004, P. 160). These four aspects will influence the exploitation of entrepreneurial opportunities and process of business development: according to the Shane’ perspective, wealth increased would positively facilitate resource acquisition and opportunity exploitation; stable economic environment makes people more confident to conducting their entrepreneurial activities; the available venture capital in a country or
region broaden funding source and encourage the establishment of new ventures; at the same way, the marginal tax rates will influence the earning of enterprise which directly determine the people’s willing of start a business.

At present, there are some main aspects influences socioeconomic environments in China: the financial crisis, the RMB appreciation and the new Enterprise Income Tax Law, which had an impact on entrepreneurial opportunity exploitation. On the one hand, the decline of world economic growth rate directly affect the generation of entrepreneurial opportunities, and the change of global economic environment lead to the high uncertainties and risks. On the other hand, RMB appreciation would undermine the international competitiveness of enterprises, thereby reducing the entrepreneurial opportunities. In addition, the implementation of economic policies by governments would have more or less impact on entrepreneurship, such as the new Enterprise Income Tax Law.

3.3.1.3. Financial assistance and non-financial assistance

From the perspective of management, entrepreneurs need financial support for three reasons: scatter risk of business, accumulation of venture capital, the growth and expansion of investments (Wu Jia, 2010, P40). Due to the high-risk characteristics as well as the consideration of finance cost, in the early stage of entrepreneurship the main source of venture capital is private equity capital, including its own funds, lending from friends and relatives and private equity funds (Niu Jiao, 2009, P43). Gradually the venture capital was formally provided when decreasing the uncertainty of entrepreneurship and enterprises enter into the growth stage, and this time the further growth and expansion of enterprises also need the support of venture capital, which including financial and management of two aspects. Concretely, the indicators of measure the financial assistance consist of venture capital, alternative source of financing, low-cost loans, willingness of financial institutions to finance small entrepreneurs and so on (Devi R. Gnyawall, 1994, P.48).

As with financial support, the non-financial support for entrepreneurs is also very important due to entrepreneurs particular need to get the help of how to conduct market research, prepare business plans, access to loans, so the incubator in this area played a significant role (Lan Xin, 2008, P29). Research has shown that in business start-up phase the entrepreneur spent almost half time to build relationships with other entrepreneurs and relevant organizations since the networking is an effective mechanism to enhance the entrepreneurial capacity (Wu Jia, 2010, P42). In China, Government support entrepreneurs by provides training, advisory services and tax relief to encourage entrepreneurs to undertake business. Infrastructure is a prerequisite and guarantee for entrepreneurship, including universities and research projects, skilled workforce, modern transportation and so on.

3.3.1.4. Entrepreneurship education and training
In the era of knowledge-based economy, entrepreneurship by using knowledge-based innovation is a new model; this is an inevitable trend of entrepreneurial development. With the rapid development of science and technology, existing businesses cannot capture all the new industrial fields. Therefore, college students are entirely possible to establish high-tech enterprises by virtue of own technological innovation. However, the establishment of a new venture requires not only a good innovative idea, but also abundant business skills. Policy makers believe that increased levels of entrepreneurship can be reached through education (Thomas Lans, 2008, P. 364), the ultimate aim of entrepreneurship education is improving the individuals' entrepreneurial behavior and increasing their chance of success (Natalia Martin Cruz, Ana Isabel Rodriguez Escudero, Juan Hernangomez Barahona, Fernando Saboia Leitao, 2008, P. 198). From these opinions, education as one of the fundamental factors of success, it plays an important role in the development process of start-up.

Thomas N. Garavan argued that no one was born to be a successful entrepreneur, their success not only because of lucking and timing, but also rooted in their work experience and adequate education (Thomas N. Garavan, 1994, P.3). A general education has a strong positive influence on people who desire to become a success self-employed owner, because training and entrepreneurship education improved their innovation and entrepreneurial capacity, they can find more entrepreneurial opportunities than the person with less entrepreneurship education. At the same time, the entrepreneurship education also becomes more pragmatic then before, according to Thomas Lans’s point of view (2008), the contemporary entrepreneurship education experience a significant change in dimensions, which focus on the creation of specific situation at first and gradually focus on the foster entrepreneurial culture and behavior. More importantly, the change of entrepreneurship education pay more attention to the research of how to improve the business skills of college students and decrease obstacles in the process of entrepreneurship rather than provided the basic theoretical knowledge of entrepreneurship (Thomas Lans, 2008, P. 364).

Sexton and Kasarda stated that “the two goals of most business education programmers are to prepare people for career success and to increase their capacity for future learning” (Thomas N. Garavan, 1994, P.5). On the one hand, due to lack of business awareness and entrepreneurial skills, technologic invention or innovation is hard to translate into commercial products to realize economic benefits; entrepreneurship education will increase the transformation of scientific and technological achievements by providing the entrepreneurial skills and knowledge. On the other hand, many public bodies promote the development of entrepreneurship education programmes because it contributes to economic development and improve enterprises competitiveness (Natalia Martin Cruz, Ana Isabel Rodriguez Escudero, Juan Hernangomez Barahona, Fernando Saboia Leitao, 2008, P. 199 cite Hytti and Kuopusjarvi, 2004), the effective implementation of entrepreneurship education not only can foster entrepreneurs with entrepreneurial spirit and entrepreneurial capacity, enhance the vitality of economy and promote socioeconomic development, but also optimize the allocation of human resources to ease the employment pressure on society.
In today’s society, knowledge and information widely penetrate into all activities. As society needs more innovative products, it gives new meaning to education: Education is “investment in people”. As receptors of education - college students learn more knowledge of entrepreneurship which is the need of the times. Therefore, colleges and universities need to carry out entrepreneurship education to adapt the needs of knowledge-based economy and social development.

In China, although government and education sector emphasis more on entrepreneurship education, and many universities have launched entrepreneurship education and activities, it does not mean that these entrepreneurship education and activities to some extent could effectively promote college students’ entrepreneurial activities and increase their entrepreneurial capacity, because the effective entrepreneurship education influenced by many factors such as education form, content, conditions, environments and so on.

3.3.2 The internal factors

Factors of influencing entrepreneurship include not only external environment factors but also internal individual factors. Indeed compared with the external environment factors, the internal individual factors have more important effect on successful entrepreneurship. That is because that the internal individual factors give entrepreneurs internal driving forces for starting a new venture. In this section, we are going to discuss what internal individual factors play important roles in successful entrepreneurial process from two aspects of entrepreneurs’ personality characteristics and entrepreneurs’ competencies. Now we will begin from discussion on entrepreneurs’ personality characteristics.

3.3.2.1 Entrepreneurs’ personality characteristics

Entrepreneurs’ personality characteristics need be discussed from two aspects of general personality traits and specific personality traits. However compared with the specific personality traits, the general personality traits relate less strongly to business creation and success. This is because the effects of general personality traits have to be achieved by specific personality traits and entrepreneurs’ competencies of knowledge, skill, and ability. The figure 4 below clearly shows their relationship.
Thus in this section we use more space for discussion for specific personality traits. Although the general personality traits have no direct relationship with final business creation and success, we still think it is necessary to introduce what they are due to important relationship with specific personality traits. According to Costa & McCre (1988), the most frequently used broad personality traits include five big psychological factors of extraversion, emotional stability, openness to experience, agreeableness, and conscientiousness. These five big psychological factors have quite important influence for generation of some specific personality traits. Coming back to discussion on specific personality traits, starting a business or business growth may be driven by main six specific behaviors. They are essential for achievement, risk-taking, innovativeness, autonomy, locus of control, and self-efficacy. Following context will describe them in details.

**Need for achievement:** according to business dictionary, need for achievement is “a personality trait that characterized by an enduring and consistent concern with setting and meeting high standards of achievement” (BusinessDictionary.com). Entrepreneurs with high in need for achievement are more likely to assess success than other people because this personality trait let owners prefer challenging tasks rather than routine, take personal responsibility for their performance, seek feedback about their performance, and search for new and better ways to improve their performance (Scott Adrew Shane, 2003, p99; Baum, Frese, and Baron, 2007, P49). Additionally, in Jim Hatch and Jeffrey Zweic’s study for what is the stuff of an entrepreneur, through in-depth interviews for over 50 successful entrepreneurs in the greater Chicago area, they found many of respondents exhibited their notions for relentless pursuit of success, for example a founder of business-to-business software firm said that “business is his report card on life and he think he is at his best in business and that is where he must succeed” (Jim and Jeffrey, 2000, p70). Compare with others the successful business owners often have higher need for achievement.
**Risk-taking:** A risk taker is described as someone “who in the context of a business venture, pursues a business idea when the probability of succeeding is low” (Baum, Frese, and Baron cited Chell et al., 2007, P49). Entrepreneurs with higher in risk-taking propensity are likely to assess success than other people because risk bearing is a fundamental part of successful entrepreneurship (Scott Adrew Shane, 2003, p103). In the process of entrepreneurship, entrepreneurs have to face various risks. For example during the initial stage of starting new venture, entrepreneurs are likely to encounter the lack of entrepreneurial capital, as results, they maybe “‘maxed – out’ their credit cards, stretched payments to suppliers, mortgaged their houses and borrowed money from friends and family” (Jim and Jeffrey, 2000, p69), therefore to tolerate personal bankruptcy risk or losing the family residence risk is necessary, indeed would strain the entrepreneurs’ personal relationship due to losing money of friends and family (Jim and Jeffrey, 2000, p69). However those risks caused by lacking of entrepreneurial capital have to be tolerated if they want success.

**Innovativeness:** Innovativeness means a person pursues creative ways to face challenges. Entrepreneurs with innovativeness are likely to access success than others because business owner’s innovativeness registers as willingness that would like to “introduce new products, new markets, new processes of production, new technologies, and new research into firm” (Baum, Frese, and Baron, 2007, p51). “Although innovativeness can be described as a person characteristic, the implement of innovations cannot be done by one person alone and needs to be studied on the level of the firm” (Baum, Frese, and Baron cited Klein and Sorra 2007, p51). The firm gives resources new ability by systemic and purposeful innovation. This ability changes resources’ output value and creates new customer demand and distinctive product so that bring profits for firm.

**Autonomy:** Autonomy means a person or group’s independent behavior in the whole process of accomplishing perspective. “Although need for autonomy may obstruct venture growth because it may hamper effective cooperation with others”, the empirical studies indicates the entrepreneurs with autonomy are likely to access success than other people (Baum, Frese, and Baron, 2007, P52). This is because the autonomy represents business owner’s self-regulated ability and willingness in exploring opportunity. That is to say the entrepreneurs always can make a decision freely and independently even if meeting some restraints from environmental factors, competitors, or organization internal factors.

**Locus of Control:** There are two types of locus of control: internal locus of control and external locus of control. People with internal locus of control believe that they can control in their destiny and future; on the contrary, people with external locus of control believe that they are controlled by others or outside events (Baum, Frese, and Baron, 2007, P52). Generally entrepreneur with internal locus of control are more likely to assess success than other people (Scott Adrew Shane, 2003, p108). This is because when facing difficult situation the entrepreneurs with internal locus of control are going to try their best to improve present situation, and believe that they are able to take steps
to insure against possible failure.

**Self Efficacy:** “Self-efficacy is the belief to be able to perform a certain action effectively” (Baum, Frese, and Baron, 2007, P53). Entrepreneurs with self-efficacy are more likely to achieve success than other people (Scott Adrew Shane, 2003, p111). Self efficacy means confident attitude. The entrepreneurs must possess confident attitude because it is required for exploiting business opportunities and innovating new product and service due to demand of subjective judgment under uncertainty.

Although these specific personality traits are important influence factors for a successful entrepreneur, for reducing complexity of discussion and ensuring pertinence of this paper we don’t consider them in following empirical study part, but focus on entrepreneurs’ competencies to discuss internal factors of influencing successful entrepreneurship. We know this behavior may cause incomplete researching results finally, thus in following limitation section we make more explanation for it.

3.3.2.2 Entrepreneurs’ Competencies

The nature of entrepreneur’s work consists in creating new markets, disturb established markets, introduce new processes, and form new organizations (Baum, Frese, and Baron, 2007 p8). Newness causes that entrepreneurs have to work in uncertain situation. Furthermore due to in different entrepreneurial stages the entrepreneurs need to complete different tasks, for example the pre-launch stage asks entrepreneurs to identify and evaluate entrepreneurial opportunity; the launch stage asks entrepreneurs to protect new products or service from competitors; the post-launch stage ask entrepreneurs to recruit high-technology employees and to perform all the functions of effective managers, so the entrepreneurs also have to work in complex situation. The uncertain and complex situation force entrepreneurs to possess some certain competencies if they want to successfully start new ventures. Alleged entrepreneurs’ competencies refer to some competencies that entrepreneurs find and seize business opportunities, create more value by recombining various existing under certain conditions. They also can be interpreted as some competencies that make entrepreneurs’ entrepreneurial dream come into reality. Theoretically the entrepreneurs’ competencies can be discussed and analyzed base from aspects of their knowledge, skill, and ability.

The knowledge is important because all opportunities’ identification or innovative ideas’ generation must depend on entrepreneurs’ prior knowledge. And the knowledge can support implementation in building and organizing new ventures. When entrepreneurs’ knowledge allows “the discovery and utilization of rare, valuable, and difficult to imitate resources; or allows “entrepreneurs to combine or bundles other resources and assets in a craft way”, it may become an entrepreneur’ competency (Baum, Frese, and Baron, 2007 p74). However the knowledge cannot make impact alone unless entrepreneurs have the skills and abilities to use it. Alleged skill is defined “as expertness acquired or developed through training and practice”; whereas alleged ability is defined “as dexterity acquired or developed through learning and experience” (Baum,
Frese, and Baron, 2007 p75). In the process of launching new venture entrepreneur’s human skill may become an competency when need entrepreneur to attract, motivate, and retain key persons (e.g. employees and partners) and create relationship with potential customers, suppliers, and investors, which because “human skills are some resources embedded in an individual’s social and professional network” (Baum, Frese, and Baron, 2007 p75-77). In addition, during the process of entrepreneurship, the entrepreneurs often face some “difficulties of obtaining capital, labor, raw materials, components, and technology in emerging and existing markets”, when they reallocate and combine assets and resources in new ways to meet customers’ demands by using their knowledge and skills, their this ability may become an competency (Baum, Frese, and Baron, 2007 p79-81).

In following section, we introduce four obligatory competencies in details as a successful entrepreneur. These four certain competencies are refined out from some articles research on entrepreneurial competency of Chinese entrepreneurs. And they submit three competencies of knowledge, skill, and ability. More importantly, we are going to carry out questionnaire survey for Chinese college-students base on these four entrepreneurs’ competencies.

### 3.3.2.2.1 Capacity of learning and innovation

In current marketing economy, entrepreneurs are urgently asked to improve and expose their innovative ability. To emphasize improvement and exposure of innovative ability is because entrepreneurs usually need face challenges from four directions when they create new venture: threat of entry (it includes economies of scale, product differentiation, capital requirement, cost disadvantages, access to distribution channels, and government policy), bargaining power of customers, bargaining power of suppliers, and threat of substitute products or services (Michael E. 1979, P137-145). These challenges impede and restrict entry of emerging enterprises. The best way to avoid and overcome these challenges is to use innovation strategy. The innovation doesn’t only refer to technological innovation, it also includes institutional innovation, and thinking innovation (Venkataraman, 1997, P6), because the purpose of innovation lies in creating Blue Oceans untainted by competition. Inventions of leading-edge technology belong to an approach of creating Blue Oceans, but it is not only one; more other approaches express in how to link innovative ideas to what buyers valued, because the essence of creating Blue Oceans is company can create greater value for customers at a lower cost (Kim & Mauborgne, 2004, P76-84).

Moreover the innovative capacity possessed by entrepreneurs usually is many-sided, such as sensitivity to entrepreneurial environment, high-speed decision-making, effective organization and operation, and so on. Thus entrepreneurs also are asked to possess comprehensive knowledge and experience. Current society is called “information age”, it is quite reasonable that using “knowledge explosion” describe speediness of knowledge development. In this complex and multivariable social environment, the entrepreneurs who having comprehensive knowledge and experiences
are more possible to hold right direction and make audacious decision so that innovative success can easily be achieved. However comprehensive knowledge and experiences derive from continuing learning and accumulating. In essence, great readiness to learn, stronger consciousness to update knowledge, and learning ability are premise and foundation of innovative ability. That is to say the capacity of learning and innovation play quite important role for creating new ventures.

3.3.2.2 Capacity of identifying opportunity

The capacity of identifying opportunity refers to entrepreneurs’ ability to identify and seize marketing opportunities. Special function of entrepreneur is to seek even greater development space by identifying and seizing various opportunities. However this function depends on a kind of ability to discover productions its price under value or business opportunities production factors are not utilized completely in certain market. The founders of new ventures are individuals who identifying opportunity; they have responsibility to identify existing business opportunity and transform them into new marketing value.

In the beginning of describing the model of new venture creation, we have interpreted what entrepreneurial opportunity is. In this section, we further explore crucial feature of entrepreneurial opportunity by studying Schumpeter’s innovation theory. Schumpeter emphasized prime mover of economic development is imbalance. Technological, regulations and political, social, legal, and other more innovation and changes result in aggregation of emerging wealth until new balance is established. Due to incomplete mobility of information, not all people can gain information in time, those people who gaining information are quicker than others, in the situation that the balance isn’t established yet, can assemble resource in the price that lower than balanced price and gain higher profits by selling these resource recombination. Shumpeter innovation is information priority and originality which just reflect characteristic of entrepreneurial opportunity (Shumpeter, 1934, p256). Thus entrepreneurial opportunities are differ from general large numbers of profitable opportunities; its trait lies in reformation and efficiency improvement to “products, services, raw material, and managerial approach” (Kirzner, 1997, P766). Due to totally uncertainty of decision region and degree of accepting new things; we cannot make decision for future non-determinacy depending on strict precision measurement (Bauml, 1989, P67). This is why entrepreneurs’ capacity of indentifying and grasping entrepreneurial opportunity is quite important, especially as founders of new ventures. The lacking the capacity of indentifying opportunities makes the college-student entrepreneurs to be difficult to successfully create new ventures. Although entrepreneurial opportunities exist, they only can bring successes for those people who can identify and seize them. The entrepreneurial opportunities are not obvious for most of people (Hayek, 1945, P155), their emergence is because of different people’s ability to identify opportunities. In any time, only a few people can discovery entrepreneurial opportunities (Kirzner, 1973, P766).
3.3.2.2.3 Capacity of organization and coordination

Due to lack of resources, entrepreneurs need an ability that not only adequately mobilize external resource, but also effectively dispose and utilize existing resources. In the beginning, new ventures always lack normative management system which decide entrepreneurs must have certain organization and coordination’s ability to substitute it so that ask them possess skills in leading, controlling, organizing, mobilizing internal and external resources. All in all, capacity of organizing and coordinating means ability of mobilizing and coordinating internal and external resources of new venture, forming entrepreneurial group, and leading employees.

Organizing ability is a strategic resource that can make entrepreneurs gain competitive advantage. Strategic resources refer to core resources caused enterprise competitive strength formation. The reason is that organizing skills can gather all dispersive valuable resources existing company to strive for company’s objection, such as some valuable resources staying in different modes and non-uniform distribution in various internal departments, or come from different employees. Due to transitivity of knowledge and existence of trading relation, any common resources are difficult to maintain durative competitive advantage. The most effective approach to gain core resources which possess competitive advantage is to integrate interrelated resources between various internal departments.

3.3.2.2.4 Understanding degree for entrepreneurial knowledge

Generally speaking, there are two preconditions must be satisfied before entrepreneurs start to do business: capital and entrepreneurial knowledge. After solving capital problem, if entrepreneurs want to do business successfully, they must possess certain entrepreneurial knowledge. In case of lacking entrepreneurial knowledge, the likelihood of their business will be reduced. The basic entrepreneurial knowledge include how to register new venture, which taxes you should pay, which rules and procedures you should know in process of paying taxes, and so on. Moreover, certain marketing knowledge are also needed, such as marketing forecasting and research, consumer behavior, fixing price strategy, marketing management, and so on. In addition, the knowledge in finance is necessary as well, such as monetary knowledge, accounting knowledge, investment knowledge, and so on.

If possessing four kinds of entrepreneurial abilities mentioned above, the entrepreneurs are possible to achieve success. On the contrary, when entrepreneurs lack those four main entrepreneurial abilities, the success will be difficult to achieve. In the article that discusses the problem of Chinese entrepreneurs’ ability, the author stated that the reason caused failure of entrepreneurship is because entrepreneurs lack several necessary entrepreneurial abilities (Hua zhao, 2007, Website Resource). Thus here the same with general Chinese entrepreneurs we propose the unfavorable situation of entrepreneurship of Chinese college student is also caused by lack of their entrepreneurial abilities.
3.4. The index of measure external and internal factors to entrepreneurship

All those factors mentioned above can affect the new venture creation, it will improve the success rate when they are fulfilled, and otherwise it may not result desired results and or even become barriers to entrepreneurs. In this study, we evaluate the degree of influence on both external and internal factors, thus combination with our research purpose; we proposed our research process as below:

Figure 5: Evaluation model of Chinese college student’s entrepreneurship

Based on the research above for influential factors of successful entrepreneurship and combined with the China’s realities and the particularity of Chinese college student’s entrepreneurship, we building the evaluation system of index, specific description in Table 2. The building process will describe in Chapter 3.

Table 2: An overview of the major index of external and internal factors

<table>
<thead>
<tr>
<th>Index of external factors</th>
<th>Index of internal factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government policies and procedures:</td>
<td>Entrepreneur’s competencies</td>
</tr>
<tr>
<td>Preferential policies to entrepreneurship</td>
<td>capacity of learning and innovation</td>
</tr>
<tr>
<td>Industry barriers to entry</td>
<td>capacity of identifying opportunity</td>
</tr>
<tr>
<td>Procedural requirements for registration and licensing</td>
<td>capacity of organization and coordination</td>
</tr>
<tr>
<td>Administrative efficiency</td>
<td>understanding degree of entrepreneurial knowledge</td>
</tr>
<tr>
<td>Protection of intellectual property</td>
<td></td>
</tr>
<tr>
<td>The attitude of government to entrepreneurship</td>
<td></td>
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<tr>
<td>Registered capital requirements</td>
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</tbody>
</table>


<table>
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<tr>
<th>Socioeconomic conditions:</th>
</tr>
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<tbody>
<tr>
<td>➢ Location of enterprise</td>
</tr>
<tr>
<td>➢ Modern transport facilities</td>
</tr>
<tr>
<td>➢ Economic level</td>
</tr>
<tr>
<td>➢ The attitude of the public to entrepreneurship</td>
</tr>
<tr>
<td>➢ Example of successful entrepreneurs</td>
</tr>
<tr>
<td>➢ The praise of the typical entrepreneurial behavior</td>
</tr>
<tr>
<td>➢ The degree of tolerance of business failure</td>
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<table>
<thead>
<tr>
<th>Financial assistance:</th>
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</thead>
<tbody>
<tr>
<td>➢ Availability of Venture Capital</td>
</tr>
<tr>
<td>➢ Diversity of financing channels</td>
</tr>
<tr>
<td>➢ Availability of low-interest loans</td>
</tr>
<tr>
<td>➢ Level of development of financial institutions</td>
</tr>
<tr>
<td>➢ The availability of venture capital funds</td>
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<table>
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<tr>
<th>Non-financial assistance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Status of advisory service</td>
</tr>
<tr>
<td>➢ Degree of support for business information network</td>
</tr>
<tr>
<td>➢ Intensity of tax incentives</td>
</tr>
<tr>
<td>➢ The establishment of University Science Park</td>
</tr>
<tr>
<td>➢ The strength of Universities and research institutes</td>
</tr>
<tr>
<td>➢ University policy to support student entrepreneurs</td>
</tr>
<tr>
<td>➢ Degree of family support</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Entrepreneurial education and training</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Business and management skills training</td>
</tr>
<tr>
<td>➢ Education of expertise in University</td>
</tr>
<tr>
<td>➢ The course of Entrepreneurship education</td>
</tr>
<tr>
<td>➢ The practice of Entrepreneurship</td>
</tr>
<tr>
<td>➢ Vocational and technical training</td>
</tr>
</tbody>
</table>

Based on the theory and above mentioned concrete indexes, we propose five assumptions of this paper:

**Assumption 1**: Chinese government provided favorable policies and procedures for
Chinese college students to entrepreneurship.

**Assumption 2**: China has favorable socio-economic conditions for Chinese college students to entrepreneurship.

**Assumption 3**: China has favorable financial and non-financial assistance.

**Assumption 4**: China has favorable entrepreneurial education and training.

**Assumption 5**: Chinese college students have enough ability of learning and innovating.

**Assumption 6**: Chinese college students have enough ability of identifying opportunity.

**Assumption 7**: Chinese college students have enough ability of organizing and coordinating.

**Assumption 8**: Chinese college students have enough entrepreneurial knowledge.
Chapter 4: Methodological Framework

This chapter presents how the mechanisms for data collect were designed and how the research sample was selected. And the chapter will also present an overview of how the questionnaire survey and interview were conducted.

4.1 Data Collection: Mix Method

In method selection section we have mentioned that mix methods was chosen for conducting the empirical part of this thesis. The mix method means using two type of techniques-quantitative and qualitative method to collect data. For answering what are the external and internal factors that lead to low entrepreneurship rates of Chinese college students and success rates, we applied quantitative method and used questionnaire as tool of collecting data. Additionally for searching more possible factors, we also applied qualitative method and used interview as tool of collecting data.

4.1.1 Self-administered Questionnaire and Semi-structured interview

Generally there are two types of questionnaires that could be used for this research: self-administered questionnaire and interviewer-administered questionnaire. The former is the person answering the questionnaire and records the answers by themselves, usually these questionnaires are administered electronically using the internet or intranet, and then they return questionnaire after completion (postal or mail questionnaires), or delivered by hand to each respondents and collected later (delivery and collection questionnaires). The latter is the person answering the questionnaire and interviewer records the answers, interviewers usually using the telephone to collect answers or meet respondents and ask questions face to face (Mark and Philip, 2009, P.360). Taking into account our target group are Chinese college students, the time and geographical distance constraint us from administering questionnaire face to face. With the development of internet technology, the self-administered questionnaire by using the web is more efficient and economic, thus, we believe that conduct this type of questionnaire is more suitable for us to collect data.

Additionally there are also different types of interviews that could be applied for this survey, such as semi-structured, in-depth and group interviews. Before choose the type of interviews we should consider the purpose of research and understand each type of interviews. Owing to the geographical limitations, it is difficult to conducting group interview, thus we consider the method of group interview is not viable for us. In-depth interview is a conversation between researcher and respondents, usually researcher introducing questions in a neutral manner and listening attentively to participants’
responses, which as the precondition of asking follow-up questions. In-depth interviews are usually conducted by face-to-face which involve one interviewer and one participant. Semi-structured interview refer to the research has a list of questions based on a specifically organized context; it allows interviewers change the order of questions or bring up new questions, which depending on the process of interview (Mark and Philip, 2009, P.320). According to our research purpose, we provide a list of questions based on research background and also desire that respondents bring up new opinions and questions besides our questions. Thus, Compared with in-depth interview, conduct semi-structured interview is a more appropriate qualitative research technique for us. To sum up, self-completion questionnaire and semi-structured interview server as the data collection tools in this research.

4.1.2 Questionnaire Design and Interview Guide

The questionnaire designed for this thesis was guided by the conceptual framework of external and internal factors presented in theoretical part. Therefore the main contents of questionnaire consist of two sections: the satisfaction degree of current situation to external factors and the measure for college students’ entrepreneurship competencies. And according to theoretical framework, the questions of the first main part tested four external influence factors: government policies and procedure, social-economic conditions, financial assistance and non-financial assistance, and entrepreneurship education and training; the questions of the second part tested four internal influenctial factors: competency of learning and innovation, competency of identifying opportunity, competency of organizing and coordinating, and understanding degree for entrepreneurial knowledge. Moreover all the questions included in these two main sections allow respondents to evaluate external and internal influence factors through using a scale of 1-5 points. The specific questions are presented in the Appendix 1.

Beside these two main sections, we also designed some questions in the beginning of questionnaire to survey respondents’ basic information, such as age, gender, educational background, career experience, and email address (this information is to make preparation for following interview survey, because the part of respondents of interview are chosen from respondents of making questionnaire), and their attitude for entrepreneurship, such as “how do you define ‘Entrepreneurship’?”, “would you like to create own venture?”, “are you willing to give up some economic income for achieving an entrepreneurial opportunity?”, “what is your motivation of entrepreneurship?”, and “what is your plan when you graduated?”.

Since the purpose of interview is to make up deficiencies of questionnaire and get more detailed opinions and views which cannot gain from questionnaire, therefore similarly the interview guide designed for this thesis also included the contents of both external and internal aspects. Investigating for external factors we inquired respondents about their opinions for government policies, socioeconomic conditions, and entrepreneurial education. In addition, we asked respondents some different questions base on their
entrepreneurial experience for investigating internal factors, for example the respondents with successful entrepreneurial experience are asked the relationship between entrepreneurial abilities and their success of entrepreneurship; the respondents whom just start to create own business are asked their opinions for importance of entrepreneurial competency in the process of entrepreneurship; and the respondents with unsuccessful entrepreneurial experience are asked the relationship between entrepreneurial abilities and their failure of entrepreneurship. Furthermore, for understanding college-students’ opinions for entrepreneurship, the motivations of entrepreneurship, and their actual entrepreneurial situation in depth, we also designed some questions to enquire them these basic information before starting survey for external and internal factors. The specific questions will be found in Appendix 2.

Additionally it is need to be emphasized this interview guide is just designed for respondents of college-student. The other respondents investigated by us, such as the representatives who work in government and the representative who work in education organizations, don’t need to ask those questions presented in interview guide. Because of their specificity, the information we want to get from them is professional and single, such as we would like to know some information about the government programs (including government policies, financial and non-financial assistance) provided for college students to encourage entrepreneurship and the barriers encountered in the process of implementation from government representatives; and we would like to know some information about the situation of entrepreneurship education in Chinese universities and the implementation barriers of entrepreneurship education and training from the relevant staff in educational organizations. Due to these questions are quite opened, so we do not design interview guide in the process of investigating government officer and educational workers.

### 4.2 Definition of Research Sample

In order to reach the aims of this thesis, finding out the reasons caused negative situation of Chinese college-student entrepreneurship, understanding how they affect entrepreneurship of college-student and whether they have other influence reasons, we applied mix method such as self-administered questionnaire and semi-structured interview as a data gathering tool. Furthermore, the definition of the research sample plays an import role so that the data gathered will yield sufficient information that will allow a detailed analysis of topic being studies.

### 4.2.1 Sampling Method

Researchers can investigate entire population in the study when the entire population is very small. However, if the entire population is too large for researchers, selection of sampling is incumbent work for researchers in that they cannot send questionnaire to all or interview the whole objects. Sampling techniques enable researchers collect data
from a sub-group rather than entire population to reflect the characteristics of the population not only save cost but also reduce the time of analysis data.

To select research sample there are two types of sampling techniques: a mathematical approach called “probability or representative sampling”, and a non- mathematical approach, called “non-probability or judgmental sampling”.

In probability samples, each case being selected from the entire population has a known non-zero probability and usually it is equal for all case. The advantage of this method is sampling error can be calculated which avoids the influence of human factors so that ensure the objectivity of the samples. Probability sampling is often associated with survey and experimental research strategies (Mark and Philip, 2009, P.213). Probability methods include random sampling, systematic sampling, and stratified sampling.

In non-probability sampling, each case being selected from the entire population is not known and it conducted by researcher’ subjective judgments in some nonrandom manner (Mark and Philip, 2009, P.213). It is unable to determine the sampling error and cannot correctly explain the relevance between sample and entire population. Non-probability method includes convenience sampling, judgment sampling, quota sampling, and snowball sampling.

Saunders suggested that a non-probability sampling technique appears to be more appropriate than probability since considering the nature of the research. (Saunders et al. 2000, p.152). The substance of this study is to analyze the current situation of college student’ entrepreneurship in China, due to the research population are students who are studying in Chinese universities, thus we cannot contact all students and make sure each student has an equal opportunity being sampling. Therefore a non-probability sampling technique was applied in this process. In addition, the interviewees were handpicked by us from the students who have response the questionnaire and left e-mail address, thus it also applied a non-probability sampling.

4.2.2 Size of Research Sample and Selection Criteria

The sample of our quantitative research is defined as 1000 Chinese college-students. And excepting for nationality these 1000 college students will not be limited by any conditions, such as province. As mentioned that the numbers of college-students are increasing, for example the number of graduates has increased 5.5 times from 2001-2010 and the graduates have reached 6.32 million in 2010, therefore the size of quantitative research cannot too small, because too small size maybe do not have enough representativeness. However the size also cannot be defined too big, due to we do not have enough time to survey a large population. On balance, we considered it is suitable to define the size of research sample as 1000 Chinese college-students. The questionnaire will randomly hand out to Chinese college students by internet until taking 1000 valid questionnaires back which is our criteria of selecting respondents.
In addition, we interviewed 8 representatives of college-students whom chosen from the respondents of questionnaire survey. Due to we designed different questions focusing on different respondents according to their entrepreneurial experience, so our selected criteria is that at least two persons of eight representatives just start to create own business, two with successful experience of entrepreneurship, and two with failing experience of entrepreneurship. Moreover we also interview with two governmental sector representatives and two education workers. The 12 respondents described in Table 2. By the request, their branches and professions are named, but otherwise they want to keep anonymous.

Table 3: Interviewee profiles

<table>
<thead>
<tr>
<th>Interviewees</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entrepreneur 1</strong></td>
<td>The “Tableware disinfector” set up his Tableware disinfector Center 2 years ago in the Neimenggu province, China, currently employees 15 people. He was worked in a service company and in charge of the marketing before he set up this business, which helps him to form a network of relationship. His major is marketing and now he is studying master degree of management.</td>
</tr>
<tr>
<td><strong>Entrepreneur 2</strong></td>
<td>The “Wedding studio owner”, she planned a successful and personalized wedding for dozens of newly married couples with her several partners, and after she registered a company. Now the company has 17 employees, and the size of company further expanded after integrates a considerable part of external funding.</td>
</tr>
<tr>
<td><strong>Entrepreneur 3</strong></td>
<td>The “Network platform owner” set up this website one and a half years ago, which provide platform for college students to sale second-hand products and free of charge to open shops on this website at the early stage. Now he has a small team with 13 people and is committed to developing more projects to generate more economic benefit, e.g. by expanding the website’s visibility to attract more customers insert advertising on the home page.</td>
</tr>
<tr>
<td><strong>Entrepreneur 4</strong></td>
<td>The “Costume designer” have established their own clothing company one year ago, and he has their own clothing brand “one’s own”. But Currently the company is still in the early stage of entrepreneurship and only has a shop on the Internet. He is now a student at the University and majored in mathematics, founded his own business has always been his dream.</td>
</tr>
<tr>
<td><strong>Entrepreneur 5</strong></td>
<td>The “educational service founder” has had the education and training institution for one year although now it is not gets great success. However, he experienced entrepreneurship earlier as well; he had sold digital products and organizes students’ tourism before. But his parents are not encouraging him to start a business since they believed start a business has risk and he should find a stable job.</td>
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</tbody>
</table>
Entrepreneur 6  The “Accessories shop owner” selling some very special accessories commodities which design by young designers. She set up a store on website but business is not good so she had to shut down after 1 year. She studying the second year in university and majored in Information technology.

Entrepreneur 7  The “Digital Products Agents”, he set up this business with his three classmates and open a store in the building. Due to the fierce competitive of market and they are students lack experience and marketing knowledge as well as not enough time to operate, thus they had to shut down this store after 1.5 year.

Entrepreneur 8  The “Flower Shop owner”, she set up this business with two friends and open a store. Due to the fierce competitive of market and they are students lack experience and marketing knowledge as well as Family against, thus they also shut down this store after 1 year.

Governmental sector representatives  They are governmental sector representatives, who responsible for formulate and implement government policies of encourage college student’s entrepreneurship.

Education workers  They are education workers, work in university and responsible for set up entrepreneurship course.

4.3 Collecting the Data

As described in the previous section the data was collected through two methods of questionnaire survey and interview. In the process of implementing questionnaire survey, the website of professional questionnaire survey, called questionnaire star (the website address as www.sojump.com) play a significantly great role. Following section will emphatically introduce it and presents the processes of quantitative data and qualitative data collections.

4.3.1 The introduction of “Questionnaire Star”

The “Questionnaire Star” is a professional website of questionnaire survey which builds a professional platform for online questionnaire survey, test and assessment, and vote. It has over 2.6 million samples resources (translated from Chinese introduction of this website) and the numbers of college-students occupy 28.2% of whole resources (the information come from website of “Questionnaire Star”). Additionally the website of “Questionnaire Star” has three advantages: high efficiency (multitudinal collection channels, such as email and web page), high quality (with accurate positioning of target population), and low cost (0.2 euro for a valid answer). For ensuring validity and reliability of collecting data, the “Questionnaire Star” provides strict quality controlling mechanism, such as the control for sampling quality, the control for identity of respondents (to avoid the same respondents), and the control for answering processes. Finally the website will supply original data for customers, which include the IP address
of respondents, time of handing in answers, and using time of finishing a questionnaire.

### 4.3.2 Data Collection Process

For collecting quantitative data, we firstly established web page of questionnaire that can be filled in online in website of “Questionnaire Star” according to the logical framework of Appendix 1. Then using function of “Questionnaire Star” handed our questionnaire out until collecting 1000 valid answers. We spent two –three weeks to collect valid answers. When achieved we downloaded original data from website of “Questionnaire Star” and put all data in SPSS software to stand by for final analysis. When gaining the results of analysis we draw them into figures through using Excel software.

On the other hand, we sifted out eight representatives of college-students in the same time with putting quantitative data in SPSS software according to the sampling criteria presented in pervious section and rapidly reach them through the e-mail addresses they left when answer the questionnaire. After accepting their reply we e-mailed them again to confirm the interview time. Hussy notes that interviews can be conducted with one individual or a group of individuals by face to face, voice to voice, and screen to screen manners (Hussey, 1997). However, it is impractical to conduct this interview with a group of individuals by face to face since we write this thesis in Umeå of Sweden and our respondents are Chinese college-students who live in China. Therefore we decided interview with individuals by using Skype, this approach may be seen as more convenient. In addition beside eight representatives of college-students, we interviewed two government officers and two educational works as well. Their contact information is achieved from official website. Each interview was recorded on tape and lasted from 30 minutes to 45 minutes. The whole of interview processes about kept one week and three days. After collecting qualitative data we sorted out them into notes and analyzed them one by one.
Chapter 5: The Result of Quantitative Data Collection

This chapter presents the results of quantitative data collection from three dimensions: Chinese college-students’ attitude for entrepreneurship, Chinese college-students’ satisfaction degree of external environment factors, and Chinese college-students’ attitude for individual entrepreneurial competencies.

The purpose of this chapter is to collect quantitative data from questionnaire survey. Our questionnaire released through the website of “Questionnaire Star” (http://www.sojump.com), and the target number of questionnaires is 1,000. Therefore, finally 1000 copies of valid questionnaires received, and the total number of questionnaires is 1127, the response rate was 88.73%. After collecting all data, we used SPSS software to analyze them and draw them into figures through using Excel software.

5.1 The basic situation for respondents

We designed ten questions to investigate basic situation of respondents in questionnaire. However last five questions are points of this section. The first five questions only ask respondents their basic information, such as age, gender, education background, career experience, and email address. Therefore the keystone of result statement will concentrate on last five questions.

Question 6: How do you define “Entrepreneurship”?

The result show there is 67.9% college-students consider “Entrepreneurship” as to start an own business; 28.9% to establish a company, and 3.2% to invent a leading-edge technology (See Figure 6).

Figure 6: Definition of “Entrepreneurship”
Question 7: Would you like to create own venture?

The result show there is 94.1% respondents answered “YES”; only 5.9% respondents answered “NO”.

Question 8: Are you willing to give up some economic income for achieving an entrepreneurial opportunity?

The result show there is 85.9% respondents said they aren’t willing; only 14.1% respondents said they are willing.

Question 9: What is your motivation of entrepreneurship?

The result show there is 43.4% respondents said their motivation is for achieving the self-worth, 41.6% for earning much more money; and 6.4% for improving social status. In addition, there is 5.1% respondents said employment pressure lead to their motivation of entrepreneurship, 1.4% due to influence of entrepreneurial education, and 2.1% due to existence of business opportunity in Chinese market (See Figure 7).

![Figure 7: The Motivation of Entrepreneurship](image)

Question 10: What is your plan when you graduated?

The result show there is 65.6% respondents said after graduation they are going to look for job, 10.3% to continue study, 8.8% to create own venture, and 15.2% respondents said they are going to decide their plan depending on future situation (See Figure 8).
5.2. Satisfaction degree of external environment factors

This section displayed analytical results of external environment factors. First of all, we presented overall assessment result for external environment factors. Followed by the assessment results of four specific external factors (government policies and procedures, socio-economic condition, financial assistance and non-financial assistance, and entrepreneurship education and training) also are presented.

5.2.1. The overall evaluation of external environment for college student’s entrepreneurship

The overall evaluation of entrepreneurial environment in China between the status of general and dissatisfied, just a small number of respondents are strongly dissatisfied or strongly satisfied with that, the following table shows this specific result:

Table 4: The overall evaluation of external environment for college student’s entrepreneurship

<table>
<thead>
<tr>
<th>Overall evaluation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly dissatisfied</td>
<td>31</td>
<td>3.1%</td>
</tr>
<tr>
<td>dissatisfied</td>
<td>189</td>
<td>18.9%</td>
</tr>
</tbody>
</table>
| General                    | 571       | 57.1%   | Overall scope
| satisfied                  | 203       | 20.3%   |
| strongly satisfied         | 6         | 0.6%    |
| **Total**                  | **1000**  | **100%**|
From this result we can see that respondents on the overall evaluation of the Chinese college students’ entrepreneurial environment are more concentrated, and the overall score was 2.96. This result indicating that the current college students’ entrepreneurial environment is very general; hence many aspects need to be enhanced and improved.

5.2.2. Specific evaluation for the college students’ entrepreneurial environment

In order to evaluate satisfaction degree of each external environment, we offered five options from strongly dissatisfied, dissatisfied, general, satisfied to strongly satisfied, which expressed by Arabic numbers 1, 2, 3, 4, and 5. Finally we use weighted average method to calculate out the mean value of respondents’ evaluation in each kind of index. The following table shows the respondents’ evaluation for each external entrepreneurial environment:

1. Government policies and procedures:

We evaluate government policies and procedures from seven indexes, from the Table 5 we can see that the index of attitude of the government of entrepreneurial activity got relatively high score (3.59), it shows that respondents agree with government to encourage students’ entrepreneurial activities, and they think that government done a good job in certain areas such as industry barriers to entry (3.38), registered capital requirements (3.15), protection of intellectual property (3.03). However, despite the respondents believed that the government actively encourages and supports students to undertake entrepreneurial activities, their specific support actions and procedures have not been recognized by respondents, they do not agree with high administrative efficiency (2.71), and the more cumbersome procedural requirements for registration and licensing does not facilitate the entrepreneurs, more importantly, the preferential policies taken by government to support college students’ entrepreneurial activities did not achieve the desired results and the scoring only is 2.62, which means the satisfaction degree is low. Moreover, the mean value of government policies and procedures is 2.94, which is under the normal level.
Table 5: the evaluation of government policies and procedures

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Index of evaluation</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The attitude of government to entrepreneurship</td>
<td>3.59</td>
</tr>
<tr>
<td>2</td>
<td>Industry barriers to entry</td>
<td>3.38</td>
</tr>
<tr>
<td>3</td>
<td>Registered capital requirements</td>
<td>3.15</td>
</tr>
<tr>
<td>4</td>
<td>Protection of intellectual property</td>
<td>3.03</td>
</tr>
<tr>
<td>5</td>
<td>Administrative efficiency</td>
<td>2.71</td>
</tr>
<tr>
<td>6</td>
<td>Procedural requirements for registration and licensing</td>
<td>2.69</td>
</tr>
<tr>
<td>7</td>
<td>Preferential policies to entrepreneurship</td>
<td>2.59</td>
</tr>
</tbody>
</table>

2. Socio-economic conditions:

We evaluate socio-economic conditions from seven indexes, from Table 6 we can see that the index of attitude of the public of entrepreneurial activity got relatively high score (3.90), it shows that respondents agree with public to encourage students’ entrepreneurial activities, and they think that socio-economic conditions in most areas can facilitate and improve college students’ entrepreneurial activities, such as current economic level (3.67), the example of successful entrepreneurs (3.36), the praise of the typical entrepreneurial behavior (3.29), relatively, the score of some index such as the degree of tolerance of business failure (3.14) and the location of enterprise (3.05) slightly lower than that indexes. However, only one index scores less than 3, which means respondents have litter dissatisfaction about the modern transport facilities (2.96). Overall, the respondents are satisfied with the positive role and influence brought by socio-economic conditions to college students’ entrepreneurial activities.

Table 6: the evaluation of Socio-economic conditions

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Index of evaluation</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The attitude of the public to entrepreneurship</td>
<td>3.90</td>
</tr>
<tr>
<td>2</td>
<td>Economic level</td>
<td>3.67</td>
</tr>
<tr>
<td>3</td>
<td>Example of successful entrepreneurs</td>
<td>3.36</td>
</tr>
<tr>
<td>4</td>
<td>The praise of the typical entrepreneurial behavior</td>
<td>3.29</td>
</tr>
<tr>
<td>5</td>
<td>The degree of tolerance of business failure</td>
<td>3.14</td>
</tr>
<tr>
<td>6</td>
<td>Location of enterprise</td>
<td>3.05</td>
</tr>
<tr>
<td>7</td>
<td>Modern transport facilities</td>
<td>2.96</td>
</tr>
</tbody>
</table>

3. Financial assistance:

We evaluate factors of financial assistance from five indexes, from the Table 7 we can see that the index of the level of development of financial institutions got relatively high score (3.73), it shows that respondents agree with the continuous development of China’s financial institutions in recent years. However, the development of financial institutions does not seem to bring more favorable financial assistance to
entrepreneurship of college students since the respondents think that it is difficult to obtain the venture capital funds (2.52), low-interest loans (2.49) and venture capital (3.27) so that the financial channels are very poor, and the score of index of diversity of financial channels is only 2.27. Overall, the respondents are dissatisfied with the financial assistances to college students’ entrepreneurial activities.

Table 7: the evaluation of financial assistance

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Index of evaluation</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Level of development of financial institutions</td>
<td>3.73</td>
</tr>
<tr>
<td>2</td>
<td>The availability of venture capital funds</td>
<td>2.52</td>
</tr>
<tr>
<td>3</td>
<td>Availability of low-interest loans</td>
<td>2.49</td>
</tr>
<tr>
<td>4</td>
<td>Diversity of financing channels</td>
<td>2.49</td>
</tr>
<tr>
<td>5</td>
<td>Availability of Venture Capital</td>
<td>2.27</td>
</tr>
</tbody>
</table>

4. Non-financial assistance:

We evaluate factor of non-financial assistance from six indexes, from the Table 8 we can see that all of these indexes’ score are not high; the highest score is only 3.01 (Degree of family support and University policy to support student entrepreneurs), it shows that respondents dissatisfied with the non-financial assistance to college students’ entrepreneurship. In addition, the most dissatisfied non-financial assistance is Degree of support for business information network and the score is only 2.40. The other non-financial assistance such as the establishment of University Science Park (2.81), Intensity of tax incentives (2.57), and Status of advisory service (2.53) also not very satisfied and the score are lower than 3 points. Overall, the respondents are dissatisfied with the non-financial assistances to college students’ entrepreneurial activities.

Table 8: the evaluation of Non-financial assistance

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Index of evaluation</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Degree of family support</td>
<td>3.01</td>
</tr>
<tr>
<td>2</td>
<td>University policy to support student entrepreneurs</td>
<td>3.01</td>
</tr>
<tr>
<td>3</td>
<td>The establishment of University Science Park</td>
<td>2.81</td>
</tr>
<tr>
<td>4</td>
<td>Intensity of tax incentives</td>
<td>2.57</td>
</tr>
<tr>
<td>5</td>
<td>Status of advisory service</td>
<td>2.53</td>
</tr>
<tr>
<td>6</td>
<td>Degree of support for business information network</td>
<td>2.40</td>
</tr>
</tbody>
</table>

5. Entrepreneurial education and training:

We evaluate external factor of entrepreneurial education and training from five indexes, from the Table 9 we can see that only one index score is higher than 3 points (the score of business and managements skills training is 3.27), it shows that respondents agree
that they can get business and management skills from education in university, however, they do not think that universities in China done a good job in area of entrepreneurial education and training, such as Vocational and technical training (2.96), Education of expertise in University (2.77), The course of Entrepreneurship education (2.58), especially the practice of entrepreneurship (2.53). Overall, the respondents are dissatisfied with the implementation of entrepreneurial education and training to college students’ entrepreneurial activities.

Table 9: the evaluation of Entrepreneurial education and training

<table>
<thead>
<tr>
<th>Sequence</th>
<th>Index of evaluation</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business and management skills training</td>
<td>3.27</td>
</tr>
<tr>
<td>2</td>
<td>Vocational and technical training</td>
<td>2.96</td>
</tr>
<tr>
<td>3</td>
<td>Education of expertise in University</td>
<td>2.77</td>
</tr>
<tr>
<td>4</td>
<td>The course of Entrepreneurship education</td>
<td>2.58</td>
</tr>
<tr>
<td>5</td>
<td>The practice of Entrepreneurship</td>
<td>2.53</td>
</tr>
</tbody>
</table>

We obtained the satisfaction degree of each external factor to college students’ entrepreneurial activities by analysis of response. It can be seen from the scores, the results is not good. In addition to the socio-economic conditions which got relatively higher degree of satisfaction, the satisfaction degree of government policies and procedures, financial assistance, non-financial assistance and the entrepreneurial education and training are not high and even very low. These negative measures mainly reflected in several key indexes such as Availability of Venture Capital, Diversity of financing channels, preferential policies to entrepreneurship, Degree of support for business information network, Status of advisory service, the course of Entrepreneurship education and so on.

5.3. Attitude for Individual Entrepreneurship Competency

In order to test entrepreneurial competency of college students, we designed 16 questions in this section base on learning and innovative competency, identifying opportunity competency, organization and coordination competency, and understanding degree for entrepreneurial knowledge. Through self-evaluation of respondents for these entrepreneurial competencies, we survey whether the failure of entrepreneurship of college student is caused by the lack of these entrepreneurial competencies. We offered five different level options for every question from strongly degree to strongly disagree, and respectively are expressed by Arabic numbers 5, 4, 3, 2, and 1. Finally we use weighted average method to calculate out the mean value of every measured entrepreneurial competency. The mean value more close Arabic number 5 which means the college students are more confident in that competency. If the mean value achieves Arabic number 4, this expresses college students have possessed correlative entrepreneurial competency.
5.3.1 Learning competency

We survey learning competency of Chinese college student from two aspects of learning willingness and awareness of knowledge update. From the Table 10, we can see the question (1) reflects learning willingness of college student, and questions (2) to (4) reflects awareness of knowledge update of college student. The findings show the respondents have higher confidence in this entrepreneurial competency, the mean value as 3.72 (this is an average of 3.75, 3.67, 3.77, and 3.63). That is to say Chinese college students possess certain learning ability.

Table 10: The Findings of Learning Competency

<table>
<thead>
<tr>
<th>Learning competency</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Common</th>
<th>Degree</th>
<th>Strongly Agree</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I have strong willingness to receive new knowledge and grasp new skills.</td>
<td>3.6%</td>
<td>6.8%</td>
<td>20.8%</td>
<td>48.4%</td>
<td>20.2%</td>
<td>3.75</td>
</tr>
<tr>
<td>2. I would like to give up old information in time and update own ideas.</td>
<td>1.7%</td>
<td>7.9%</td>
<td>26.6%</td>
<td>49.8%</td>
<td>14.0%</td>
<td>3.67</td>
</tr>
<tr>
<td>3. I am patient to sum up experiences from mistakes and failures.</td>
<td>1.6%</td>
<td>5.5%</td>
<td>25.2%</td>
<td>49.7%</td>
<td>18.0%</td>
<td>3.77</td>
</tr>
<tr>
<td>4. I am good at putting the knowledge I have into practical work.</td>
<td>1.4%</td>
<td>6.0%</td>
<td>33.6%</td>
<td>45.8%</td>
<td>13.2%</td>
<td>3.63</td>
</tr>
<tr>
<td>Average Mean Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.72</td>
</tr>
</tbody>
</table>

5.3.2 Innovative competency

Through the four questions displayed in Table 11, we survey innovative competency of Chinese college students from three aspects of innovative spirit, criticized spirit, and innovative ability. The findings show respondents have lower confidence in innovative capacity, the mean value as 3.48 (this is an average of 3.65, 3.47, 3.45, and 3.34). That is to say Chinese college students have some shortages in innovative capacity.
Table 11: The Findings of Innovative Competency

<table>
<thead>
<tr>
<th>Innovative competency</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Common</th>
<th>Degree</th>
<th>Strongly Agree</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I like to solve problem by new approaches.</td>
<td>1.0%</td>
<td>8.1%</td>
<td>30.2%</td>
<td>46.7%</td>
<td>14.0%</td>
<td>3.65</td>
</tr>
<tr>
<td>2. I am used to daringly implement own ideas by breaking routine.</td>
<td>1.6%</td>
<td>11.3%</td>
<td>37.2%</td>
<td>38.4%</td>
<td>11.5%</td>
<td>3.47</td>
</tr>
<tr>
<td>3. I usually propose opinion due to doubt for existing technology and scheme.</td>
<td>1.5%</td>
<td>11.5%</td>
<td>38.7%</td>
<td>37.5%</td>
<td>10.8%</td>
<td>3.45</td>
</tr>
<tr>
<td>4. I am very imaginative.</td>
<td>2.2%</td>
<td>14.2%</td>
<td>41.3%</td>
<td>32.0%</td>
<td>10.3%</td>
<td>3.34</td>
</tr>
<tr>
<td>Average Mean Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.48</td>
</tr>
</tbody>
</table>

5.3.3 Identifying opportunity competency

Through the three questions displayed in Table 12, we surveyed competency for identifying entrepreneurial opportunity of Chinese college students. The findings show the respondents have lower confidence in this entrepreneurial competency, the mean value as 3.36 (this is an average of 3.4, 3.37, and 3.31). That is to say Chinese college students have certain shortage in capacity for indentifying entrepreneurial opportunity.

Table 12: The Finding of Competency for indentifying opportunity

<table>
<thead>
<tr>
<th>Identifying opportunity competency</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Common</th>
<th>Degree</th>
<th>Strongly Agree</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I have able to take enough capital for getting job done on time</td>
<td>2.5%</td>
<td>10.8%</td>
<td>38.5%</td>
<td>40.2%</td>
<td>8.0%</td>
<td>3.40</td>
</tr>
<tr>
<td>2. I can forecast changes happen in future depending on existing information</td>
<td>2.0%</td>
<td>11.7%</td>
<td>42.4%</td>
<td>35.2%</td>
<td>8.7%</td>
<td>3.37</td>
</tr>
<tr>
<td>3. I can get success in different environments and roles.</td>
<td>1.9%</td>
<td>14.0%</td>
<td>43.6%</td>
<td>32.0%</td>
<td>8.5%</td>
<td>3.31</td>
</tr>
<tr>
<td>Average Mean Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.36</td>
</tr>
</tbody>
</table>

5.3.4 Organization and coordination competency

Through the three questions displayed in Table 13, we surveyed self-management
capacity of Chinese college students. The findings show the respondents have higher confidence in this entrepreneurial ability, the mean value as 3.89 (this is an average of 4.17, 3.76, and 3.75). That is to say Chinese college students possess certain self-management capacity.

### Table 13: The Findings of Organization and Coordination Competency

<table>
<thead>
<tr>
<th>Organization and coordination competency</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Common</th>
<th>Degree</th>
<th>Strongly Agree</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I comply with honest principle in my life.</td>
<td>1.5%</td>
<td>3.6%</td>
<td>12.9%</td>
<td>40.9%</td>
<td>41.1%</td>
<td>4.17</td>
</tr>
<tr>
<td>2. I have able to persuade others to support me for getting job done on time</td>
<td>1.1%</td>
<td>4.7%</td>
<td>28.8%</td>
<td>48.3%</td>
<td>17.1%</td>
<td>3.76</td>
</tr>
<tr>
<td>3. I have able to take enough time for getting job done on time.</td>
<td>0.9%</td>
<td>5.0%</td>
<td>26.8%</td>
<td>52.7%</td>
<td>14.6%</td>
<td>3.75</td>
</tr>
</tbody>
</table>

Average Mean Value | 3.89

### 5.3.5 Understanding degree of entrepreneurial knowledge

We survey understanding degree of entrepreneurial knowledge of Chinese college student from two aspects of knowledge of company’s operating and marketing knowledge. From the Table 14, we can see the question (1) reflects degree of understanding the knowledge of company’s operating, and the question (2) reflects degree of the understanding of marketing knowledge. The findings show respondents have lower confidence in this entrepreneurial ability, the mean value as 3.2 (this is an average of 3.28 and 3.13). That is to say Chinese college students have certain shortage in degree of the understanding of entrepreneurial knowledge.

### Table 14: The Findings of Understanding Degree of Entrepreneurial Knowledge

<table>
<thead>
<tr>
<th>Understanding degree of entrepreneurial knowledge</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Common</th>
<th>Degree</th>
<th>Strongly Agree</th>
<th>Mean Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I understand some knowledge of company’s running</td>
<td>5.4%</td>
<td>15.3%</td>
<td>39.0%</td>
<td>26.9%</td>
<td>13.4%</td>
<td>3.28</td>
</tr>
<tr>
<td>2. I have abundant marketing knowledge</td>
<td>9.4%</td>
<td>15.6%</td>
<td>41.1%</td>
<td>20.2%</td>
<td>13.7%</td>
<td>3.13</td>
</tr>
</tbody>
</table>

Average Mean Value | 3.2

On the whole, the average mean value of 16 questions that survey entrepreneurial competency of Chinese college students is 3.53 which did not reach 4, that is to say
Chinese college students are lacking certain entrepreneurial competency. Among that, the mean values presented in learning competency and organization and coordination competency are higher, respectively as 3.72 and 3.89, almost close to 4. Whereas the mean values presented in innovative competency, identifying opportunity competency, and degree of understanding of entrepreneurial knowledge are lower, respectively as 3.48, 3.36, and 3.2.

![Bar chart showing entrepreneurial capacity comparison](image)

**Figure 9: Comparison of Entrepreneurial Capacity**
Chapter 6: The Result of Qualitative Data Collection

In this chapter, we display the results of qualitative analysis from semi-structured interview, which focus on three different views: student entrepreneurs’ perspective, governmental sector representative’s view and education worker’s view regarding college students' entrepreneurship in China.

The purpose of this thesis is to find out the reasons of lower entrepreneurship rate and success rate for Chinese college students, and at the same time to improve this current situation by our research analysis. Based on the literature review in chapter 3, we propose that the factors of college student’ entrepreneurial activities involve two dimensions: external factors and internal factors. Therefore, in the chapter 5 we analyzed the Chinese college students’ attitude on entrepreneurship which involve following aspects: government policy and procedures, socio-economic conditions, financial assistance and non-financial assistance, entrepreneurial education and training as well as entrepreneurial competencies, However, the quantitative method in chapter 5 is a result analysis process and aims to understand the current satisfaction degree of external factors and the college students’ entrepreneurial capability by questionnaire. Thus, this chapter aims at analyze qualitative data in a systematic way to search for more reasons caused negative situation of Chinese college-students entrepreneurship. In order to obtain more extensive and comprehensive answers, we present the data results from three different views by logic way: college student entrepreneurs’ perspective, governmental sector representatives’ perspective and education workers’ perspective.

Furthermore, these respondents’ descriptions can be found in table 3 which attached in the chapter 3. Based on these three different views, each area of respondents’ answers shall be analyzed below.

6.1. College Student entrepreneurs’ perspective

As mentioned in the previous section the interview guide used to investigate college students consists of two aspects: the survey for external factors and internal influential factors. We also will present results of qualitative research for college students from both external and internal aspects.

6.1.1. External environment factors

In the part of literature review, we stated external factors of entrepreneurship and also showed that common concrete external factors. According to results of interview, interviewees provided following concrete external factors and reflect that these external
factors did not bring the expected results and even hinder their entrepreneurial activities: procedural requirements for registration and licensing, venture capital, diversity of financing channels, low-cost loans, credit policy, counseling and support service, incubator facilities, tax incentives and exemptions, transport and communication facilities, macroeconomic stability, extent of economic growth, entrepreneurial education system, entrepreneurial training. And a new phenomenon was provided: unqualified staff in implementation process and difficulty of doing things without relationship.

We are going to present the commonly concrete external factors separately and understand what opinions hold by college student entrepreneurs are:

Procedural requirements for registration and licensing: in China, the strict registration system and cumbersome approval requirements prevent entrepreneurs from getting a license in a short time. Some entrepreneurs point out that it can be shortened by corruption or relationship.

Diversity of financing channels: Financing shows the sources and flow of funds. Every business needs the basic start-up capital. Therefore, for the entrepreneurs, the ability of quickly and efficiently obtain venture capital is critical factor of business success. However, in China the financing channels are limited for entrepreneurs and they rely mainly on banks and other financial institutions. In fact, venture financing, SME loans are secured venture financing channels. Most of interviewed entrepreneurs said that “government should provide more opportunities and information for entrepreneurs to find partners and broaden the financing channels, in order to further development of business.” Some college student entrepreneurs’ advantage is the technology and patents, but the lack of funds, experience and social resources, there are lots of good technology cannot be commercialized due to capital and scale constraints.

Credit policy: it is difficult to get loans from banks. All of interviewed college student entrepreneurs get investment support from their family. On the one hand, enterprises set up by college students are generally small, basically it is difficult to get venture capital; on the other, banks and other financial institutions provide the loans to entrepreneurs reluctantly. Therefore, some of them try to get lending from bank but not successful. “Credit policies are only a pretense policy to encourage college students to start a business.” (Tableware disinfector). “I tried to obtain bank loans, but a series of conditions prevent me from getting loans, such as I need an innovative products and patents” (Network platform owner). “The loan amount is limited and cannot meet my needs to start a business” (Wedding studio owner).

Low-interest loan: it is difficult for entrepreneurs to benefit from this policy because entrepreneurs must pay off the loan within two years if they got low-interest loan, for the entrepreneurs who stay in the early stage of business, this regulation undoubtedly bring an enormous psychological pressure on them. In addition, the bank provide loans
with high threshold, entrepreneurs should mortgage or need a guarantor, so it is very difficult for college students if the entrepreneurs want to obtain loan from banks.

**Tax incentives and exemptions:** although the tax rates are quite low in China, it will be better if taxes were lower because these tax expenditures severely affected or even hindered the development of entrepreneurial activity, especially in the early stage of development they did not make profit. However, Educational service founder deem that “tax incentives are not effective to encourage college students to start a business, after all, China's tax revenue has been low, as citizens, pay taxes is our duty and responsibility”. Of course mostly interviewed entrepreneurs prefer the low tax. Tableware disinfecter said that “it is difficult to get loans from bank due to many risk existed for government and banks, however, the policy of tax incentives maybe is easier to implement than lending policy, it is still very difficult for us to enjoy any tax incentives”.

**Macroeconomic stability:** most of interviewees think macroeconomic stability in China increased their confidence of entrepreneurial activities.

**Extent of economic growth:** The steady economic growth in China brings many business opportunities, it has affected positively through the fact of demand increased among population and their power of purchasing is higher than before.

**Social factors:** most of respondents believed that public has a positive opinion regarding college student entrepreneurs and their activities.

**Entrepreneurial education and training** - Entrepreneurship education is an expedient way but it is not running through the entire process of education and training in China. In addition, the type of entrepreneurship education is single; all of entrepreneurial courses are elective course in universities, and it mainly introduces the basic knowledge of entrepreneurship to college students instead of practical skills. “The entrepreneurship courses are very boring, and the teachers just simply describe the basic entrepreneurial knowledge and skills so that this course does not have any help for students who want to start a business. If the school can provide some entrepreneurship practice or activities, I think the help maybe larger than that way.” (Educational service founder).

Most of respondents have heard some support programs such as the counseling and support service, incubator facilities, they are never taking part in any program and using any of the support approach.

In addition to above mentioned barriers, we found out that the most important obstacle considered by respondents is corruption, i.e. the difficulty to get these preferential policies if they lack relations with relative departments and staff. “Now we doing anything necessary to build relationships with relative departments, such as children are not going to a good school without relations with educational sector, promotions rely on relationship; finding a job depends on relationships and so on. It is difficult do
6.1.2. The Entrepreneurial Competency

Although interviewed eight respondents have totally different background, according to their experiences, we can classify them into three research groups: 1. the college-student entrepreneurs who have successful created own business; 2. the college-student entrepreneurs who stay in the early stage of business; and 3. the college-student entrepreneurs who have experienced failure of entrepreneurship. Aiming at different research groups, we respectively offered different questions to inquire their attitudes for entrepreneurial ability. The survey results are displayed below:

A. The survey results for the college-student entrepreneurs who have successful created own business.

This research group is composed by three college-student entrepreneurs. They are the founders of “Tableware disinfector”, the owner of “Wedding studio”, and the owner of “network platform”. For them we offered four questions below:

1. Do you think your entrepreneurial abilities are main reasons that lead to your success of entrepreneurship?
2. Have you possessed enough entrepreneurial abilities?
3. What are your main entrepreneurial abilities to bring the success of entrepreneurship?
4. Do you think which entrepreneurial abilities may influence your success of entrepreneurship in the future if you lack it?

Due to this interview is implemented in Chinese language environment, the date we collected express in Chinese. Thus the statements below are translated by authors according to meaning of respondents.

The founder of “Tableware disinfector”

When we asked the reason of success, he thinks the entrepreneurial ability is a main reason influenced success of entrepreneurship. He said his success, firstly because he holds a valid entrepreneurial opportunity, secondly credit by network of relationship accumulated during previous jobs. However he does not think he has possessed enough capacity. For keeping favorable development of his business, he said he needs to improve his knowledge in entrepreneurship.

➢ The owner of “Wedding studio”

She thinks individual entrepreneurial capacity play an important role in the processes of entrepreneurial activities. She said the reason she can achieve success of
entrepreneurship totally because possessed wonderful entrepreneurial abilities. When asked what are her main entrepreneurial abilities facilitate her success of entrepreneurship, she said there are four main entrepreneurial abilities need to be mentioned: innovative ability, the ability for indentifying opportunity, organization ability, and the ability for making decision.

➢ The owner of “network platform”

He said individual entrepreneurial capacity is very important in entrepreneurial processes. And he thinks his success should thank to his acute awareness for people demands and capacity of organization and coordination. Similarly, he also doesn’t think he have possessed enough entrepreneurial capacity. In the future, he said he is going to continue improve his innovative ability.

B. The survey results for college-student entrepreneurs who stay in the early stage of entrepreneurship.

This research group is composed by two college-student entrepreneurs. They are the founders of “costume designer” and the founder of “educational service institution”. For them we offered four questions below:

1. Do you think your personal entrepreneurial abilities are important factors of influencing success of entrepreneurship?
2. What entrepreneurial abilities have you possessed may influence success of entrepreneurship?
3. Have you possessed enough entrepreneurial abilities?
4. Do you think which entrepreneurial abilities may influence your success of entrepreneurship in the future if you lack it?

➢ The founder of “costume designer”

He said the reason of current entrepreneurship success is that he has good innovative ability and ability for making a decision. Thus he thinks the individual entrepreneurial capacity is very important. However he does not think he has possessed enough entrepreneurial capacity. He feel himself lacks favorable ability of organization.

➢ The founder of “educational service”

He thinks the individual entrepreneurial capacity is quite important. For him, the entrepreneurial capacities which may successfully influence his entrepreneurship are capacity for indentifying opportunity and capacity for making decision. He also does not think he has possessed enough entrepreneurial capacity and said he mainly lack innovative capacity.

C. The survey results for college-student entrepreneurs who have experienced failure
of entrepreneurship.

This research group is composed by three college-student entrepreneurs. They are the owner of “Accessories shop”; the owner of “Digital products agents”; and the owner of “Flower shop”. For them we offered two questions below:

1. Do you think that lacking entrepreneurial abilities are main reasons caused failure of your entrepreneurship?
2. Which entrepreneurial abilities do you lack according to your failing experience?

- The owner of “Accessories shop owner”

Although many entrepreneurial policies look very favorable, it is not very useful for college students to undertake entrepreneurial activities. For example, you need to be engaged in technology transfer, development, consulting and other industry if you want to enjoy the tax incentives, so the implementation of these preferential policies are always required to meet many constraints.

She said her failure of entrepreneurship actually is because lack the support of capital and certain entrepreneurial capacity. According to her failure experience, she said she lacks favorable innovation capacity and capacity for making decision.

- The owner of “Digital Products Agents”

He also said the lacking of entrepreneurial capacity and funding are main reasons caused failure of entrepreneurship. He thinks his failure is because he lacks understanding for necessary entrepreneurial knowledge and experience and innovative ability, as well as he cannot always get entrepreneurial capital from his parents.

- The owner of “Flower Shop owner”

She thinks entrepreneurial capacity is very necessary for a success entrepreneurs and her failure of entrepreneurship just caused by lacking of entrepreneurial capacity. She said she mainly lack understanding for entrepreneurial knowledge, capacity of interpersonal relationship, and capacity for indentifying opportunity.

On the whole, through survey for eight college-student entrepreneurs based on interview, we found that the most dissatisfied aspects mainly concentrated in financial channels, tax incentives, entrepreneurial education and entrepreneurial practice, etc. In addition, expect for the four main entrepreneurial capacities mentioned in theoretical part, other two entrepreneurial capacities also can make an important influence for entrepreneurship considered by college-student entrepreneurs. They are capacity of interpersonal relationship and capacity for make a decision.
6.2. Government sector representatives’ perspective

We interviewed two governmental sector representatives, who responsible for formulate and implement government policies to support college student’s entrepreneurship. Our purpose is mainly to know how the government support and promote college students’ entrepreneurial activities. Thus, in this section we will present the government sector’s perspectives from two aspects: direct and indirect governmental supports (involve government policies and procedures, financial assistance and non-financial assistance), the barriers to implementation of policies.

6.2.1. Direct and indirect government supports

According to the interviewed governmental sector representatives, the provided support model to college student entrepreneurs can be divided into three categories: government-led, market driven and mixed.

The feature of Government-led model is to establish the “angel fund” which found by government, it aims to support college student entrepreneurs to undertake business. The mode of “angel fund” is using colleges’ High-Tech Park to construct incubation bases for college student entrepreneurs, and then select incubation project through assess entrepreneurial projects. At the same time, these ventures allowed to enter the incubation base (Park), and government provide professional counseling such as registration, financial management, operations and other aspects. The general incubation period is two years and then leaves the park. The enterprise needs to refund the “Angel capital” if they get success, otherwise the enterprises do not need to return the fund if they fail.

Compared with government-led model, the Market driven model is aiming to create and optimize the social entrepreneurial environment, encourage universities and college students freely conduct their own forms of entrepreneurship education and entrepreneurial practices, the purpose of this model is to make the market environment factors as driving force to facilitate college students’ entrepreneurial activities. Firstly, it provide an “all real environments” to guide college student start business and conduct entrepreneurship education, namely, entrepreneurs must register in accordance with relevant provisions, at the same time enterprise should comply with rules such as operation of market, survival the fittest, and it also accept the supervision and management by the relevant government departments.

The so-called mixed model of support college students’ entrepreneurship combined two models mentioned above.

In addition to above mentioned support programs, government sector representative said that government provided a series of preferential policies to encourage college students’
entrepreneurship, such as the enterprise can be exempted enterprise income tax in two years if this enterprise belong to the industry of consulting, information, and technical services. “Although there exist many deficiencies in the preferential policies to encourage college students’ entrepreneurship, government business incentives are available in many areas, and the government also make effort to provide a better entrepreneurial environment for college student entrepreneurs.”

6.2.2. Barriers to implementation of policy

In the process of policies implementation, due to institutional, policies, policy makers, and other factors, the result is rather unsatisfactory.

The aims of preferential policies is to encourage college students’ entrepreneurship, but the success of these support policies not only depends on the quality of entrepreneurs and their efforts, but also on the whole society and entrepreneurial environment. At present, China's entrepreneurial activities are still in the initial stage, the college students are not inspired to start business, which is mainly because the entrepreneurial activities are constrained by institutional obstacles. These institutional barriers in three specific areas:

Firstly, macroeconomic policy and microeconomic measures are not complete. Although the government has introduced a number of entrepreneurial policies, it is difficult to effectively implement in the concrete process due to lack of specific operating conditions or market imperfections. Therefore, the environment degradation makes small businesses or micro-businesses difficult to survival and development.

Secondly, the entrepreneurial activities are difficult to conduct in an imperfect competitive market. Government sector representatives said, “since reform and opening up, Chinese market environment has been greatly improved, but it is undeniable that the monopoly forces in market is still very strong, small and medium private enterprises in market competition stay in the obvious unequal status so that difficult to get wider opportunities for development.”

Third, currently the entire education system in Chins is still examination-oriented education. Although entrepreneurship education in colleges and universities has been launched for ten years, the entrepreneurship education still stay in the initial stage, “not only most of the colleges and universities are lacking of rational understanding, but also entrepreneurship education has not yet integrated into the system of Talents Cultivation and arrive the level of “driving force” to improving the national economic development”, the government sector representatives said.
6.3. Education workers’ perspective

We interviewed two education workers who are working in Chinese student information counseling and employment center. Our purpose is mainly to know how the Ministry of Education guides the college students’ entrepreneurial activities by entrepreneurial education. Thus, in this section we will present the entrepreneurship education perspectives from two aspects: the situation of entrepreneurship education in China and the barriers to entrepreneurship education.

6.3.1 The situation of entrepreneurship education in China

According to the education workers interviewed, entrepreneurship education mainly divided into the following five types in China:

First, some of colleges set up a dedicated team to conduct the systematic entrepreneurship education in which they realized the great importance of entrepreneurial education. They are committed to making the new concept of entrepreneurship education running through the entire process of education. Such as colleges build an entrepreneurial base to fully improve the quality of students, which not only focus on the education of entrepreneurial knowledge and skills, but also the practice and training. However, few colleges set up a subject of entrepreneurship and incorporate entrepreneurship education into the curriculum system.

Second, a number of colleges and universities carry out entrepreneurial activities by building a base or venture parks. The main feature of this type is to conduct entrepreneurship education and organize entrepreneurial activities through the promotion of developed private economy and markets forces. Some colleges have received a good result through combine the entrepreneurship education and social practice.

Third, government promotes many forms of entrepreneurship education. Such as: government departments propose the “the Model of Entrepreneurship Education” with 18 colleges and universities to effectively promote entrepreneurship education implementation.

Fourth, at present the competition of “Challenge Cup” and “Business Plan” are the most popular forms of entrepreneurial education. With the growing influence of “college student entrepreneurship competition”, more and more colleges pay attention to conduct entrepreneurship education because the colleges and universities must set up the system of entrepreneurship education if they want to join in this competition.

Fifth, international and social entrepreneurship education have been introduced into colleges and universities. In 2005, the China Youth Federation and International Labor
Organization set up the “KAB basic entrepreneurship course” in 6 colleges and universities, (KAB means know about business). In 2007, International Labor Organization cooperation with China Ministry of Labor Social Security introduces SYB training system (SYB means Start Your Business) into China, and small numbers of universities involved in this training system, such as the employment center of Tsinghua University conduct the entrepreneurship education by use KAB materials and teaching methods, it received a good effect.

6.3.2. Barriers to entrepreneurial education

Colleges and university actively conduct entrepreneurship education among Chinese college students in recent year; however, many issues hinder the further development of entrepreneurial education. According to interviewed education workers, “At present entrepreneurship education in China has achieved some success; it is still a relatively new subject, so the college and universities hold different opinions about conduction of entrepreneurship education.” The misunderstanding for entrepreneurship education mainly as follows:

First, the understanding of entrepreneurial education in colleges and universities is one-sided; they do not realize the entrepreneurial education’s crucial and important role in national education system.

Second, the college and universities deem that the employment issue is the main reason to conduct entrepreneurship education, thus they do not need to carry out entrepreneurship education if there have a good employment records.

Third, colleges and society deem that college students are bound to fail if they are lacking of funds, space and experience during the entrepreneurial process. Therefore it is not necessary to set up entrepreneurial education to encourage entrepreneurial activities in colleges and universities. In short, entrepreneurial education has little effect on business success.

Fourth, some colleges think that only a few small numbers of students want to accept entrepreneurship education, thus it is not meaningful to carry out entrepreneurship education.

Basically, the current education model is the type of “accepted education” for students, namely, students receive education in a very passive manner by lecture rather than knowledge from practice. However, the ultimate goal of entrepreneurship education, on the one hand, is to enable students to innovate and create more business ideas by apply knowledge and skills, on the other is to transfer knowledge and skills into material wealth. Thus, from this point of view, it is a great challenge for colleges and universities to improve and promote entrepreneurship education in this current situation.
Chapter 7: Analysis and Discussion

This chapter presents integrated analysis and discussion for previous theories and presented results of quantitative and qualitative data collection. And the analysis of the data leads to answer for the research question. Finally the framework to explain the composite factors of influence Chinese college-students entrepreneurship is formed.

This chapter analyzed the quantitative and qualitative data presented in chapter 5 and 6 following on logical framework of questionnaire survey, due to interview survey plays a complement role. These gathered data is intended to illustrate the reasons behind the low entrepreneurship rates and success rates of college students. This chapter will discuss the theoretical concepts that were presented in the theoretical framework and literature review, and also these theoretical findings will be used for data analysis and answer the research questions of this thesis.

The theoretical framework of this thesis involves two parts: external environment factor and internal factors from individual to entrepreneurship. Thus, each external and internal factor will be analyzed; conclusions that can be illustrated to all Chinese college students to entrepreneurship will be provided together with this analysis. Then a framework of external and internal factors to Chinese college student’ entrepreneurship will be proposed, and also we will indicate the negative and positive factors for Chinese college students’ entrepreneurial activities based on this framework.

7.1 The analysis of college-students’ attitude for entrepreneurship

The survey of basic situation for respondents is the first part of questionnaire. During this process we mainly investigated Chinese college-students’ attitude for entrepreneurship. The results of survey revealed Chinese college-students have certain propensity to start, because 94.1% respondents answered they would like when they are asked whether would like to create own business. The propensity to start refers to people’s consciousness propensity for individual’s motive force (Qiyun Wu, 2008, P39). And it has core effect in the processes of entrepreneurial practice, due to its domination for entrepreneurs’ attitude and action for entrepreneurial activity and guidance for direction and intensity of their action (Qiyun Wu, 2008, P39). This finding meets the theory of propensity to start. Theoretically entrepreneurs’ propensity to start presents an inverted U-shaped relationship with their family backgrounds and human capital - education degree and career experience respectively (Bhide, 2003, P91-P95). This means individuals from middle-class backgrounds are more possible to generate propensity to start than individual from either extremely wealthy or extremely deprived backgrounds, and individuals with proper education level and career experience are more possible to generate propensity to start than individuals with either too much or
too little prior education and experience (Bhide, 2003, P91). And practically Chinese college-students are individuals from middle-class backgrounds and with proper education level. The reason that evaluates them with proper education level is not difficult to be explained. The college-students usually have certain knowledge background. In China, if you would like to study in college or universities, you must pass strict examination and evaluation. But why are college-students evaluated from middle-class backgrounds. This is because the students who can study in colleges or universities usually have not bad family backgrounds; otherwise they cannot pay for expensive tuition fees. Therefore it is reasonable to say Chinese college-students have certain propensity to start. This result also increased validity of this thesis. Due to Chinese college-students have propensity to start, so the research for entrepreneurship of Chinese college-students is significative.

However though Chinese college-students have certain propensity to start, this impulse do not promote rate of entrepreneurship of college-student in China. The results of empirical survey reveal only 14.1% respondents said they would like to give up some economical income for changing entrepreneurial opportunity, and 8.8% respondents said they are going to create own business when they graduated. These results told us there is gap between ideal of college student and action of college student. Although Chinese college students have a great longing for entrepreneurship, a few of people would like to try to hold on to their dream of entrepreneurship. The entrepreneurial spirit showed by college students cannot meet with their propensity to start. Actually it is not difficult to understand why a few college students choose to entrepreneurship after graduation. Entrepreneurship is a process from seeking and shaping opportunity to planning for implementation. When they wake up to entrepreneurial risk caused by shortage of them own entrepreneurial conditions, the college students have to rationally choose to give up ideas of entrepreneurship. The purpose is to avoid entrepreneurial risk.

In addition, through survey for Chinese college-students, we found most of them (67.9% college-students) define “Entrepreneurship” as starting an own business, but a few of them consider “Entrepreneurship” as establishment of a company (28.9% college-students) or invention of a leading-edge technology (3.2% college students). These show Chinese college-students have weak technological innovation sense. On the other side, through survey of entrepreneurial motivation, we found most of college-students’ entrepreneurial motivation as earning much more money (41.6% college-students) and achieving the self-worth (43.4% college-students), but a few college-students (5.1% college-students). These show Chinese undergraduates don’t feel employment pressure yet.
7.2. The analysis of external factors to Chinese college-students’ entrepreneurship

In chapter 3, the framework of external environment elements to entrepreneurship was defined as one dimension to influence entrepreneurial activities (Scott Shane, 2003). In order to understand these external environment elements in Chinese college student’s entrepreneurship, it was analyzed with the usage of reviewed theoretical concepts about this question. The analysis of this question starts with the review of different source of entrepreneurial environment concepts, and then chooses a most suitable framework of theory as research model of this thesis. Through the subdivision of each external environment factors, each detail index can be analyzed by questionnaire and interview. Based on this information, the conclusions can be common for all Chinese college students’ entrepreneurship. Finally, all these discussions lead to the proposition of the detailed reasons to current situation of Chinese college student’ entrepreneurial activities.

According to the theory, external environmental conditions are the prerequisite of new venture creation. The core elements of specific environment determine the creation of new venture which include these main factors: government policies and procedures, socio-economic factors, financial and non-financial assistance, entrepreneurship education and training (Devi R. Gnyawali 1994, P37). Government policies and procedures bring more entrepreneurial opportunities in that it influence market mechanisms and create deregulated economic conditions so that entrepreneurs have more opportunities to start a business without very large barriers (Jone L. Pearce, 2008, P59). Socio-economic conditions affecting propensity of college student to start so that the persons who have high propensity to start are more possible to create new ventures than the persons who have low propensities to start (Edward L. Glaeser, 2009). The favorable financial assistance and non-financial assistance also provide more likelihood of entrepreneurship to college students from the perspective of management (Wu Jia, 2010, P23). Similarly, the entrepreneurial ability can be reached by entrepreneurial education and training (Thomas Lans, 2008, P102) in that the ultimately aim is improving the individuals’ entrepreneurial behavior.

During the investigation with respondents, the satisfaction degree of Chinese college students towards external environment factors was displayed and the deep reasons of these results were discussed. As it could be seen from that chapter all theoretical concepts regarding the external environment are used on practice by Chinese students’ entrepreneurship as well. In order to make the structure more logic and compared to the theory presented in the frame of reference, we will analyze research results with the following order: government policy, socioeconomic conditions, financial assistance and non-financial assistance, and entrepreneurial education and training.
7.2.1. Government policy and procedures

In the theoretical part, we illustrated that entrepreneurial opportunities influenced by government policies and procedures because the deregulated economic conditions lead to the freely operated market mechanisms, and entrepreneurs have more opportunities to start a business without very large barriers (Devi R. Gnyawall 1994, P43). Thus, the favorable government policies and procedures promote more college students’ entrepreneurial activities. During the analysis of questionnaire, we can see the evaluation results of government policies and procedures by respondents are favorable in some aspects: it is undeniable that respondents hold the positive and neutral attitude in terms of “the attitude of government to entrepreneurship”, “industry barriers to entry”, “registered capital requirements” and “protection of intellectual property”. However, respondents also explained that although the satisfaction degrees of these indicators are not low, these indicators are not the most important for college students, especially a positive attitude of government to entrepreneurship cannot bring more opportunities than preferential policies. Thus, they believed that the preferential policies are more useful for college students to explore entrepreneurial opportunities.

However, we found that the satisfaction degree to preferential policies of entrepreneurship is very low so that it does not help on entrepreneurship activities among college-students’ in China. The result of qualitative research also show the same phenomenon, government has been adopting a series of measures to solve barriers and encourage college students to start a business, but most of respondents deem that entrepreneurial policy cannot give substantial help to college students due to the most of strict conditions should be met if you want to obtain these preferential policies.

Based on the theory, we also understand that entrepreneurs hold the negative attitude for doing a business if they have to follow many rules and procedural requirements, if they have to report to many institutions, and if they have to spend more time and money in fulfilling the procedural requirements. (Devi R. Gnyawall, 1994, P47). We can see that our findings just prove this theory. the low satisfaction degree of policies and procedures reflected in the administrative efficiency, the respondents generally felt the low efficiency of government departments with administrative department if they deal with the business matters without relationships; similarly, respondents stated the procedural requirements for registration and licensing is very cumbersome so that entrepreneurs cannot get license in a short time, usually they have to wait more than a month or longer to obtain business license, of course the time of registration can be shorten if they have relationships with relative departments. Clearly, above mentioned findings are main the reasons of low satisfaction to “administrative efficiency”, “procedural requirements for registration and licensing” and “preferential policies to entrepreneurship”.

In the theoretical part we also mentioned that governments often make efforts to support entrepreneurial activities but the results have not been very effective, and more
seriously, the evaluations of result have been exaggerated and do not match with actual achievement. (Steven C. Michae, 2009, P. 286). From our results of research, another reason we have discerned from the investigation is that government policies do not match actual achievement although government formulated many policies to support college students’ entrepreneurship. For instant, Government sector representatives indicated that government support college student entrepreneurs to undertake a business by the form of “angel fund”, however, this policy was only implemented in a small area, most of college student entrepreneurs do not enjoy its benefit so that the evaluation of results for this policy have always been exaggerated and it did not match with most of entrepreneurs’ requirement. Thus, the government policies stay in a dilemma situation: on the one hand college students desire to obtain more entrepreneurial opportunities by government policies, while the Government also hopes to promote college students’ entrepreneurial activities by improving entrepreneurial environment; on the other hand the Government has not received the expected results, and college student do not believed that policy brought positive results so that the gaps was existed between results of implementation and policy objectives. To sum up, the government has a positive attitude to entrepreneurship, but it has not received desired achievements.

Combining above analysis with our results of survey, the negative and positive government policies and their scores showed in the following table separately. In addition, the mean value of government policies and procedures is 2.94, which means this factor did achieve the normal level.

**Table 15: Positive and negative government policies and procedures**

<table>
<thead>
<tr>
<th>Positive government policies and procedures</th>
<th>Negative government policies and procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ The attitude of government to entrepreneurship(3.59)</td>
<td></td>
</tr>
<tr>
<td>➢ Industry barriers to entry (3.28)</td>
<td></td>
</tr>
<tr>
<td>➢ Registered capital requirements(3.15)</td>
<td></td>
</tr>
<tr>
<td>➢ Protection of intellectual property(3.03)</td>
<td></td>
</tr>
<tr>
<td>➢ Preferential policies to entrepreneurship(2.59)</td>
<td></td>
</tr>
<tr>
<td>➢ Procedural requirements for registration and licensing(2.69)</td>
<td></td>
</tr>
<tr>
<td>➢ Administrative efficiency(2.71)</td>
<td></td>
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</table>

Obviously, both of the qualitative and quantitative results showed the factor of government policies and procedures does not have a positive impact on Chinese college students’ entrepreneurship, it only promote entrepreneurial activities in a small part of the region. Therefore, according to the Devi R. Gnyawall’s finding and our research result, the assumption 1 is rejection.

**Assumption 1:** Chinese government provided favorable policies for Chinese college students to entrepreneurship.

To sum up, this result means that government did not provided favorable government policies and procedures for Chinese college students’ entrepreneurship, and these policies and procedures did not provide a broader scope of opportunities to
entrepreneurial activities.

### 7.2.2. Socio-economic conditions

According to the theoretical concepts of external factors, socioeconomic conditions can promote and encourage entrepreneurship when countries and regions have a favorable socio-economic environment; on the contrary, the unfavorable socio-economic conditions may discourage people from going into start-up. Especially a favorable attitude of the society toward entrepreneurship and a widespread public support for entrepreneurial activities are both needed to motivate people to start a new business (Devi R. Gnyawall, 1994, P.46). The society will enhance non-financial support if it held favorable attitude for entrepreneurial behavior, meanwhile the attitude of community will affect the attitude of government so that provide more benefit to entrepreneurship (Zhou Tianyong, 2008, P26). Referring to the data gathered from questionnaires and interview, we found that the respondents have almost the same positive attitude: they think community hold positive attitude towards Chinese college students’ entrepreneurship and entrepreneurs, the economic level and macroeconomic stability in China also increase their confidence of entrepreneurial activities in that demand was increased among population and the power of purchasing is higher than before.

Moreover, a sound socio-economic environment is an important guarantee for entrepreneurial success and sustainable development of new start-up (Edward L. Glaeser, 2009, P.1). From the evaluation results we can see that in addition to the economic level and public attitude, respondents also has a high satisfaction degree to location of enterprise and social atmosphere, especially the typical entrepreneurial behavior is propagated and praised, and there were many models of successful entrepreneurs. So the college students can learn successful experience from these successful entrepreneurs so that reducing the number of obstacles during. In addition, respondent think the degree of tolerance of business failure in society is not low which means communities do not show a negative attitude because of the failure of entrepreneurs. Therefore, all of these show that the entire socio-economic environment is conducive to entrepreneurial activities.

Although most of respondents believed that the socio-economic conditions do not hamper their entrepreneurial activities, government sector representatives mentioned that the imperfect competitive market make it difficult for entrepreneurial activities, medium private enterprises in market competition in the obvious unequal status and difficult to get enough opportunities for development.

According to the above analysis and combine with our results of research, the negative and positive socioeconomic conditions showed in the following table separately, and the mean value of satisfaction degree to socio-economic conditions is 3.32.
Table 16: Positive and negative socio-economic conditions

<table>
<thead>
<tr>
<th>Positive socio-economic conditions</th>
<th>Negative socio-economic conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ The attitude of the public to entrepreneurship (3.90)</td>
<td>➢ Modern transport facilities (2.96)</td>
</tr>
<tr>
<td>➢ Economic level (3.67)</td>
<td></td>
</tr>
<tr>
<td>➢ Model of successful entrepreneurs (3.36)</td>
<td></td>
</tr>
<tr>
<td>➢ The praise of the typical entrepreneurial behavior (3.29)</td>
<td></td>
</tr>
<tr>
<td>➢ The degree of tolerance of business failure (3.14)</td>
<td></td>
</tr>
<tr>
<td>➢ Location of enterprise (3.05)</td>
<td></td>
</tr>
</tbody>
</table>

Obviously, both of the qualitative and quantitative results showed the factor of socio-economic conditions have a positive impact on Chinese college students’ entrepreneurship even though the modern transport facilities need to be improved and also imperfect competition existed in market. Therefore, according to the Devi R. Gnyawall’s findings and our research result, the assumption 2 is accepted.

**Assumption 2:** China has favorable socioeconomic factors for Chinese college students to entrepreneurship.

To sum up, this result means that socioeconomic conditions in China did not hinder college students’ entrepreneurial activities; more or less imperfect situation will impact on the entrepreneurial activities. Thus China has favorable socioeconomic factors for Chinese college students to entrepreneurship.

### 7.2.3. Financial assistance and non-financial assistance

In the theoretical part, the main source of venture capital in the early stage of entrepreneurship is private equity capital, including its own funds, lending from friends and relatives and private equity funds in the early stage of entrepreneurship (Niu Jia, 2009). Gradually the venture capital was formally provided with decreasing uncertainty of entrepreneurship and enterprises when they enter into the growth stage, and this time the further growth and expansion of enterprises also need the support of venture capital, which including financial and management of two aspects (Devi R. Gnyawall, 1994, P.48). Thus the financial assistance plays a decisive role in the whole entrepreneurial process. During the analysis of questionnaire, we can see the evaluation result of financial assistance by respondents is favorable in the level of development of financial institutions, there is no doubt that high levels of financial institutions should have the capacity and conditions to provide more financial assistance to entrepreneurs.

However, we found that the satisfaction level to other financial assistances is very low.
so that it does not have a positive impact on entrepreneurship. The results of qualitative research also show the same phenomenon: firstly the main reason of unfavorable satisfaction degree to “availability of low-interest loans” is that bank did not provide loans to college students due to the high-risks, so the college students cannot obtain the low-interest loans from banks. Second, currently the main forms of individual commercial loans are secured loans, deposit loans and the third-party guarantees loan, it is difficult for most of college students to access to these form of loans either. Meanwhile, the respondents believe that the financing channels are very few and most of funds of entrepreneurship were received from family, friends and so on. In addition, some institutions set up the venture capital funds for college students’ entrepreneurship, but basically it is impossible to obtain the funds if the enterprise is very small. So now it can be said that currently the biggest bottleneck for college student’s entrepreneurship is venture capital.

As with financial support, the non-financial support for entrepreneurs is also very important due to entrepreneurs’ particular need on how to conduct market research, prepare business plans, access to loans (Lan Xin, 2008). Research has shown that in business start-up phase the entrepreneur spent almost half of their time to build relationships with other entrepreneurs and relevant organizations since the networking is an effective mechanism to enhance the entrepreneurial capacity (Wu Jia, 2010). Thus the financial assistance also plays a decisive role in the whole entrepreneurial process. During the analysis of questionnaire, we can see the evaluation result of financial assistance by respondents is favorable in the “degree of family support” and “university policy to support student entrepreneurs”, that is because most of entrepreneurial capital was obtained from family, there is no doubt that their families support them to undertake entrepreneurial activities; and also more and more universities concern the college students’ entrepreneurship in that it is one of the ways to solve the employment problem.

However, we found that the satisfaction degree to other financial assistances is very low so that it does not impact positively on college-students’ entrepreneurship. The results of qualitative research also show the same phenomenon: the first issue is tax incentive, respondents think that the current intensity of tax incentive and the scope of enjoy preferential tax is small so that college student enjoy the same tax policy with other self-employed, thus it is a heavy burden for college student to operate a business, meanwhile there are also many restrictions if you want to enjoy preferential tax policies, such as the industry of exemption of sales tax can only be engaged in technology transfer, technology development, technology consulting and technical services. The other issue is that they think there are no good advisory services available if they want to get effective business guidance and supports. After all, the business information network is not developed; they do not have experience and network of relationships so that many difficulties were faced during the entrepreneurial process.

From above analysis and combine with our results of research, the negative and positive financial assistance and non-financial assistance, as well as their scores showed in the
following table separately. In addition, the mean value of financial assistance and non-financial assistance is 2.69, which means this factor did achieve the normal level.

Table 17: Positive and negative financial and non-financial assistance

<table>
<thead>
<tr>
<th>Positive financial and non-financial assistance</th>
<th>Negative financial and non-financial assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Level of development of financial institutions (3.73) ➢ Degree of family support (3.01) ➢ University policy to support student entrepreneurs (3.01)</td>
<td>➢ The availability of venture capital funds (2.52) ➢ Availability of low-interest loans (2.49) ➢ Diversity of financing channels (2.49) ➢ Availability of Venture Capital (2.27) ➢ The establishment of University Science Park (2.81) ➢ Intensity of tax incentives (2.57) ➢ Status of advisory service (2.53) ➢ Degree of support for business information network (2.40)</td>
</tr>
</tbody>
</table>

Obviously, both of the qualitative and quantitative results showed the factor of financial and non-financial assistance does not have a positive impact on Chinese college students’ entrepreneurship, it only promote entrepreneurial activities in few aspects. Therefore, according to the Devi R. Gnyawall’s finding and our research result, the assumption 3 is rejection.

**Assumption 3: China has favorable financial and non-financial assistance.**

To sum up, this result means that there is not a favorable financial assistance and non-financial assistance for Chinese college students to entrepreneurship, and these assistance did not provide a greater likelihood to entrepreneurial activities.

7.2.4. Entrepreneurial education and training

Entrepreneurship education and training programs can contribute to economic development and improvement of enterprises competitiveness (Natalia Martin Cruz, Ana Isabel Rodriguez Escudero, Juan Hernangomez Barahona, Fernando Saboia Leitao, 2008, P. 199 site Hytti and Kuopusjarvi, 2004). Most of policy makers deem that increased levels of entrepreneurship can be reached through education and especially entrepreneurship education due to the ultimately aim of entrepreneurship education is improving the individuals’ entrepreneurial behavior and increasing their enterprise success (Natalia Martin Cruz, Ana Isabel Rodriguez Escudero, Juan Hernangomez Barahona, Fernando Saboia Leitao, 2008, P. 198). Two goals of most business education programmers are to prepare people for career success and to increase their capacity for future learning (Thomas N. Garavan, 1994, P. 5). For instant, concretely effective entrepreneurship education can foster entrepreneurs’ entrepreneurial spirit,
entrepreneurial capacity and increase start-up intentions, and then improve survival rate and growth.

However, regarding the entrepreneurial education and training, only one index score is higher than 3 points (the score of business and management skills training is 3.27), it shows that respondents agree that they can get the business and management skills from education in university, however, the respondents has almost the same negative attitude: they do not think that universities in China done a good job in area of entrepreneurial education and training, such as Vocational and technical training (2.96), Education of expertise in University (2.77), The course of Entrepreneurship education (2.58), especially the practice of entrepreneurship (2.53). Overall, the respondents are dissatisfied with the implementation of entrepreneurial education and training to college students’ entrepreneurial activities.

The reason for these results is that most of respondents didn’t take entrepreneurial course in their university; only fewer respondents gave positive answers to a good atmosphere for entrepreneurial education in their university, most of them think there is a normal or not a good atmosphere for entrepreneurial education in their university so that entrepreneurial education and training cannot give substantial help to students although university set up the entrepreneurial education and provide training program.

From the interview with education worker’ representatives we understand that in China the relative departments used a variety of forms to provide entrepreneurial education and training, however, college students did not believe that it increases their entrepreneurial and business skills. What reasons caused entrepreneurial education did not receiv the expected results, in the following section we will as present, interpret and analyze the respondents’ answers in relation to the general characteristics of negative entrepreneurial education and training.

Thomas Lans states the change of entrepreneurship education should pay more attention to the research on how to improve the business skills of college students and decrease obstacles in the process of entrepreneurship rather than provided the basic theory knowledge of entrepreneurship (Thomas Lans, 2008, P. 364). Based on this point of view, one reason we have discerned is that entrepreneurial courses in most of universities are elective courses and mainly introduce the basic knowledge of entrepreneurship with lectures so that the college students feel the entrepreneurial courses are very boring and it provides little help for students who want to start a business. There are very few colleges set up a subject of entrepreneurship and incorporated entrepreneurship education into the curriculum system.

Some developed countries have already formed a relatively mature entrepreneurial education and entrepreneurial support system so that their college students developed useful ability of innovation and creation. (Wu Jia, 2010). Although China has recognized the importance of entrepreneurial education, the current development situation is not optimistic. The entrepreneurial education in China is in the stage of
exploration and development, and the result of entrepreneurial education is not satisfactory. In the research we found that college students do not think the entrepreneurial education is very useful and helpful for their entrepreneurial venture, which mainly caused by the current entrepreneurial education’s lack of the pertinence. At the same time due to the difference of economic development level, location and other factors, there is a considerable gap between the different regions. As the backward regions with relatively low economic development level, the entrepreneurial education is still in its infancy, entrepreneurial education has not been systematically incorporated into teaching arrangements and it is also lack of systematic education materials and curriculum.

In addition, in the research we find that lack of qualified teachers is another bottleneck which restricted the development of entrepreneurial education in China. Entrepreneurial education teachers in China are mostly “academic”. However, the practical and experiential characteristics of entrepreneurial education required that entrepreneurial educators not only have the theoretical knowledge but also practical experience.

From above analysis and combine with our results of research, the negative and positive entrepreneurial education and training, as well as their scores showed in the following table separately. In addition, the mean value of entrepreneurial education and training is 2.69, which means this factor did achieve the normal level.

**Table 18: Positive and negative entrepreneurial education and training**

<table>
<thead>
<tr>
<th>Positive entrepreneurial education and training</th>
<th>Negative entrepreneurial education and training</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Business and management skills training (3.27)</td>
<td>➢ Vocational and technical training (2.96)</td>
</tr>
<tr>
<td>➢ Education of expertise in University (2.77)</td>
<td>➢ The course of Entrepreneurship education (2.58)</td>
</tr>
<tr>
<td>➢ The practice of Entrepreneurship (2.53)</td>
<td></td>
</tr>
</tbody>
</table>

Obviously, both of the qualitative and quantitative results showed the factor of entrepreneurial education and training does not have a positive impact on Chinese college students’ entrepreneurship, there is lack of effectively entrepreneurial education and training programs and the entrepreneurial education in China still stay in infancy, so that it does not have a positive impact on entrepreneurial activities. Therefore, according to the Devi R. Gnyawall’s finding and our research result, the assumption 4 is rejection.

**Assumption 4: China has the greater entrepreneurial education and training program.**

To sum up, this result mean that universities and relative departments did not provided greater entrepreneurial education and training program for Chinese college students to improve their entrepreneurial and business skills, and existing entrepreneurial education
and training did not bring the positive impact.

Therefore, according to above analysis, we can get the following research result of external factors to entrepreneurship for Chinese college students:

![Diagram showing research results of external factors](image)

**Figure 10: Research results of external factors**

### 7.3. The analysis of internal factors to Chinese college students’ entrepreneurship

Beside external environment factors, internal individual factors also play important roles in the process of entrepreneurship. In previous theoretical part, we discussed internal individual factors from two aspects of entrepreneurs’ personality characteristics and entrepreneurs’ competencies. However though entrepreneurs’ personality characteristics are critical influence factors for successful entrepreneurship, we do not consider them as the points of empirical research, but focus on entrepreneurs’ competencies to survey internal individual factors. This is for reducing complexity of this paper and ensuring its pertinence. Theoretically the entrepreneurs’ competencies mean their knowledge, skill, and ability. But to discuss entrepreneurs’ competencies from knowledge, skill, and ability appears to be very abstract. Therefore according to investigation report that evaluate the situation and environment of Chinese entrepreneurs’ growth (system investigation of Chinese Entrepreneurs, 2005), we proposed four main entrepreneurial capacities of influence Chinese entrepreneurship situation. They are ability of learning and innovation, ability of indentifying opportunity, ability of organizing and coordinating, and the level of entrepreneurial knowledge. And through theoretical research, we have explained why they are so important entrepreneurial capacity. More importantly, due to other theoretical evidence, especially in an article of investigating capacity defect of Chinese entrepreneurs (Hua zhao, 2007), we found the lack of entrepreneurial competencies are main reasons caused failure of Chinese entrepreneurs. Thus we did empirical research for these four entrepreneurial
abilities base on Chinese college-students. The purpose is to test whether these four entrepreneurial capacities also are reasons caused negative situation of Chinese college-students’ entrepreneurship. However through empirical survey search we found Chinese are lack these four kinds of entrepreneurial abilities. The average of mean values that gained through survey for these abilities show as 3.53 which do not achieve approving value 4. Following section presents our analysis for each of entrepreneurial abilities.

7.3.1 Analysis for capacity of learning and innovation

Theoretically the entrepreneurs must have innovative ability, because innovation is the best way to avoid and overcome challenges that happen in the process of creating new venture, such as economies of scale, product differentiation, cost disadvantages, access to distribution channels, government policy, bargaining power of customers, bargaining power of suppliers, and threat of substitute products or services (Michael E. 1979, P137-145). However innovation needs comprehensive knowledge and experience as foundation. The comprehensive knowledge and experiences derive from continuing learning and accumulating. Thus the learning ability is also very important for entrepreneurs. For this we propose an assumption:

Assumption 5: Chinese college-students have enough ability of learning and innovation

However according to the results of empirical research we found Chinese college-students are lack of capacity of learning and innovation. The mean value of learning and innovative ability shows as 3.6 which just over the average of mean values of entrepreneurial ability 3.53. However the results also reveal Chinese college-students have comparatively stronger learning ability in spite of lack of innovative ability. The mean value of learning ability show as 3.72 which almost close approving value 4, whereas the mean value of innovative ability show as 3.48 which don’t achieve average mean value of entrepreneurial capacity 3.53. Why do Chinese college-students still lack innovative ability even if they have possessed certain precondition and basis of innovation? Through analysis we think the knowledge and experience of Chinese college-students gained by learning don’t help them to generate innovative ideas. If to learn only because of awareness for crisis and demand for life-long education, this kind of learning does not always have relation with innovation; only to learning with research, curiosity, exploration, and suspicion just can gain innovative result. Beside inheritance and learning, energy of innovation lies in critical spirit and spirit of doubt, to critically inherit is substance of innovation. If wanting to look for reason caused this phenomenon, we have to mention problem of Chinese traditional education system. From primary to high school, the teachers and parents train students as passive answer machine and force them to do exercise again and again in the syllabus for promoting proportion of students entering schools with a higher grade; and usually measure students’ good or bad by their obedient degree, never considering their potential ability and comprehensive quality, so that some students are afraid to think, speak, and do.
Undoubtedly, this education system and mode restrict students’ development of innovative thinking.

Therefore our conclusion is Chinese college-students does not have enough limited ability of learning and innovation and the lack of this ability is one of reasons caused negative situation of Chinese college-students entrepreneurship.

7.3.2 Analysis for capacity of indentifying opportunity

Theoretically business opportunity comes from incomplete mobility of information (Shumpeter, 1934, p256), thus differed with other large numbers of profitable opportunities the features of business opportunity lies in reformation and efficiency improvement to “products, services, raw material, and managerial approach” (Kirzner, 1997, P766). And due to uncertainty for future a few people can identify and seize business opportunity even if it is existed. However for entrepreneurs it is important to possess capacity of indentifying opportunity because creation of new venture begins from identification of business opportunity. Therefore we propose am assumption:

Assumption 6: Chinese college-students have enough ability to identify opportunity.

However according to the results of empirical research we found Chinese college-students also lack of ability of identifying opportunity. The mean value of opportunity identified ability shows as 3.36 which don’t achieve the average mean value of entrepreneurial ability 3.53 as well. Through analysis we think the possible reason is because college students always stay in the campus so that have less opportunity to connect society. But according to people’s experience business opportunity usually can be found from five big sources (Liberation Daily, April 2010): (1) **Problem**: The essential purpose of entrepreneurship is to satisfy customer demand. The customer demand is problem when demand doesn’t be satisfied. The important channel of finding entrepreneurial opportunity is to be good at discovery and realize people’s demands and problems happen in their daily life; (2) **Diversification**: The entrepreneurial opportunities usually grow out of ever-changing marketing environment, if the environment changed, marketing demand and marketing structure also will necessarily change. This diversification mainly comes from alteration of industrial structure, updates of consumption structure, acceleration of urbanization, change of people’s conception, change of government policy, change of population structure, upturn of income level of resident, trend of globalization, and so on. For example when upturn of income level of resident, the owning amount of private car will increase, this can derive many of entrepreneurial opportunities, such as sale of automobile, repair, accessories, clean, decoration, etc; (3) **Invention**: Invention provides new products, new service, and better meet costumers’ demand; also bring entrepreneurial opportunities at the same time. For example, with the advent of the computer, many of entrepreneurial opportunities that have relationship with computer are also followed, such as computer maintenance, software development, the training of computer operation, information
service, internet business, etc; (4) **Competition**: Having ability to make up for deficiency of rivals also can become your entrepreneurial opportunity. If you can supply products and service quicker and cheaper than your rivals, you maybe find entrepreneurial opportunity; and **Generation of new knowledge and technology**: for example, with popularization of health knowledge and improvement of technology, business around “water” brings more entrepreneurial opportunities. These five sources need people to nearly connect society. That is to say it is to indentify opportunity if you don’t pay attention to observant change of social environment.

Therefore our conclusion is Chinese college-students do not have enough abilities of identifying opportunity and the lack of this ability is one of reasons caused negative situation of Chinese college-students entrepreneurship.

### 7.3.3 Analysis for capacity of organization and coordination

Theoretically in the beginning of entrepreneurship the enterprises always lack normative management system, thus entrepreneurs are asked to have organization and coordination’s ability so that all dispersive valuable resources existing enterprises can effectively service for enterprises’ objections. Therefore the capacity of organization and coordination is also very important in the process of entrepreneurship. For this we propose an assumption:

**Assumption 7**: *Chinese college-students have enough ability of organizing and coordinating.*

According to the results of empirical research we found Chinese college-students possess comparatively stronger capacity of organization and coordination. The mean value of organization and coordination’s ability shows as 3.89 which is more close approving value 4. We evaluated ability of organizing and coordinating of Chinese college students by surveying their self-management ability. Alleged self-management ability refers to their self-development plan, personal time management, learning ability, and ability for dealing with relationship in the working processes. The findings reveal Chinese college students have higher confidence on self-management ability.

Therefore our conclusion is Chinese college-students have enough ability of organizing and coordinating and the negative situation Chinese college-students entrepreneurship is not because the lack of organization and coordination’s ability.

### 7.3.4 Analysis for understanding degree of entrepreneurial knowledge

Theoretically the venture capital and entrepreneurial knowledge are two necessary preconditions of entrepreneurship. After solving venture capital problem, the entrepreneurship still will fail if entrepreneurs have enough entrepreneurial knowledge,
Thus the understanding for entrepreneurial knowledge is also very important. For this we propose an assumption:

Assumption 8: Chinese college-students have enough entrepreneurial knowledge.

However, according to the results of empirical research, we found that Chinese college-students lack the understanding of entrepreneurial knowledge. The mean value present in understanding degree for entrepreneurial knowledge shows as 3.2, which also achieve the average mean value of entrepreneurial ability 3.53. Through analysis, we think except for entrepreneurship education which has explained before in depth, another main reason caused poor understanding for entrepreneurial knowledge refers to Chinese education approach. Current most of educational institutions still put their educational point in theoretical part and ignore practice. However, entrepreneurship is learnable but un-teachable. It is not enough to learn entrepreneurship just from theory. The entrepreneurial knowledge only can be actually understood in practice processes.

Therefore, our conclusion is Chinese college-students do not have enough entrepreneurial knowledge, and the lack of this ability is one of the reasons caused negative situation of Chinese college-students entrepreneurship.

On the whole, through quantitative survey for these four kinds of entrepreneurial abilities, we found the reasons caused negative situation of Chinese college-student entrepreneurship include lack of ability of learning and innovating, ability of identifying opportunity, poor entrepreneurial knowledge, except for capacity of organization and coordination. And we draw them into the figure below (Figure 11)

![Diagram](image)

**Figure 11: Research results of internal factors**

In addition, through interview for eight representatives of college-students, we found other two entrepreneurial abilities's shortage also will lead to failure of entrepreneurship of college students. They are ability for making a strategic decision and ability of
interpersonal relationship.

7.3.5 The capacity of making a strategy decision

As founders of new ventures, entrepreneurs must designate company’s development direction and work out business plan. They must be more farsighted, vigorous, courage and insight than others so as to turn into guide of new venture. This require entrepreneur possess abilities of commanding the whole situation and making decision immediately to constitute clear organization purpose, effectively implement tactics to achieve entrepreneurial goals, and establish necessary strategic alliances. All in all, the capacity for making a strategic decision is ability that founder of new venture cope with all kinds of entrepreneurial works and external environment uncertainty which only can be gained through long-term entrepreneurial practice and learning.

The ability of decision making is necessary and basic individual quality for a successful entrepreneur. Level of decision-making directly influences entrepreneurial success or failure. According to American Rand Corporation (it is a nonprofit institution that helps improve policy and decision-making through research and analysis), bankruptcy of 85% large enterprises in the world is because of decision mistake made by entrepreneurs. Company’s growth is a process of continually facing and making choices and these choices must be made quickly under conditions of high uncertainty (Bhide, 2003, P99). Entrepreneurs always stay in various crossroads; their every decision might indicate different results. The crucial choices faced by every enterprise actually are the same, their differentiate express in entrepreneurial success is because of making more right decisions.

However, according to investigation, Chinese college-student entrepreneurs usually put most of their time and energy to enterprise’s marketing activities. Although this action is important, they should put more time and energy to think company’s long-time development and global benefit, namely to conduct business strategy decision. Entrepreneurs overly concerned with specific administrative practice and to ignore business strategy decision which may lead company to the wrong track on its long-term development.

7.3.6 The ability of management interpersonal relationship

An important mission entrepreneurs must complete is to pave the way for enterprise by association, and to create good image and competitive advantage. The entrepreneurship also is a process that entrepreneurs maintain and establish various new relationships; establishing good interpersonal relationship includes not only relationship establishment but also relationship reestablishment. The founders of new ventures don’t work alone, thus they need effectively deal with interpersonal relation from different social fields. The capacity of interpersonal relationship is ability that entrepreneurs promote
interaction between person and person, person and organization, and organization and organization.

During the process of new venture establishment, interpersonal relationship is an important determinant; especially in China that relationship always is considered as an important social phenomenon. To establish a good interpersonal relationship need entrepreneurs possess high-level communication ability. However the high-level communication ability depends on entrepreneurs’ eloquence. A sociable entrepreneur is good at saying right words in right time; he always can express his various wishes and meanings in a nature way.

For an emerging new enterprise, it should pay attention to establish four dimensions interpersonal relationship during the initial entrepreneurship period: (1) the relationship with government - to keep good relation with government will help enterprises to gain priority of government supports. Government agencies at all levels possess power in obstructing and supporting enterprise development. Although government should exercise power according to relative laws and regulations, in the same entrepreneurial condition enterprises having good relationship with government will always gain priority; (2) the relationship with consumer - here consumer means beneficiary of company’s product and service, it can be an individual, and also can be an organization. The consumers are main source of profit, thus it is necessary to establish good relationship with consumers (Junyun, 2009, P329); (3) the relationship with supplier - recently, company wants to maintain production which need depend on supplier to provide components and parts, raw material, equipment, energy source and so son. Moreover quality of products and raw material supplier directly influence quality of products and services. In addition, suppliers also provide useful information for company development in relative market, raw material, goods, price, and others trends about goods. Thus to keep a good relationship with suppliers is quite important (Junyun, 2009, P330); (4) the relationship with dealer - dealers have responsibility for products sale, therefore company need a good cooperation with its dealers. A good relationship not only can help company to cooperate with dealers in long-term, but also can promote dealers to actively publicize and maintain company’s image (Junyun, 2009, P330).

Therefore collected all results of research together we summed up five internal reasons caused negative situation of Chinese college-student entrepreneurship. They are the lack of learning and innovative ability, the lack of identified opportunity’s ability, the lack of entrepreneurial knowledge, the lack of ability for making a strategic decision, and the lack of interpersonal relationship ability.
Chapter 8: Conclusion

This chapter aims to present the conclusions, derived from the empirical findings and analysis in this study that answers the research questions.

This study aimed at developing a better understanding of what factors result in the low entrepreneurial success rate in China. For fulfilling the purpose, our research aims at answering the following research questions:

1. What external factors lead to low entrepreneurship rates of Chinese college students and success rates?

In this study we proposed three hypotheses for external factor and confirmed two external factors lead to low entrepreneurship rate of Chinese college student:

Furthermore, we made an analysis based on theory and proposed six assumptions:

**Assumption 1:** Chinese government provided favorable policies and procedures for Chinese college students to entrepreneurship.

**Assumption 2:** China has favorable socio-economic conditions for Chinese college students to entrepreneurship.

**Assumption 3:** China has favorable financial and non-financial assistance.

**Assumption 4:** China has favorable entrepreneurial education and training.

These results of assumptions explain that even if China is lying in good social-economic conditions at present, unfavorable government policies and procedure, poor financial and non-financial assistance, as well as negative entrepreneurial education and training all lead to the low entrepreneurship rate among Chinese college students and decrease the success rate. Thus, government policies, financial assistance and non-financial assistance, and entrepreneurial education and training as the external factors have been influencing the entrepreneurship rate and success rate for Chinese college students.

So, how do these two factors influence the entrepreneurship of Chinese college students? Firstly, college-students’ entrepreneurial policy issued by government is still imperfect. Although Chinese government has offered three categorical support models (Government-led, Market driven, and Mixed) to encourage college student undertake their own business, various berries in implementation prevent the support models from achieving desired outcome. For example, corruption lead to an unequal competitive environment, it is particularly difficult for these without policy’s preferential treatment.
so that lead to entrepreneurial policy shortage in some aspects such as lending policy, tax incentives, and financing channels. Generally capital is one of important hardware conditions to ensure entrepreneurship success, because college-student entrepreneurs need financial support to commercialize their advanced technology even if they have very good ideas, however the shortages of Chinese college-student entrepreneurial policy clearly hindered college-student entrepreneurs to acquire entrepreneurial capital, such as it is difficult to get loan from bank even if government provide the lending policy. This is why this paper displays the imperfect government polices as well as financial and non-financial assistance result in the low rate of Chinese college-students entrepreneurship rate.

In addition to the above government policies on financial and non-financial assistance, the shortage of entrepreneurial education and training also influence the success of entrepreneurship of Chinese college students, that is because compared with other European and American nations, Chinese entrepreneurial education only stay in preliminary stage. Although Chinese education department has woke up and actively encouraged colleges and universities to carry out entrepreneurial education. Meanwhile people has some misunderstanding, such as people think that entrepreneurial knowledge and skills should come from work experience, instead of from school education; some universities consider that it is not necessary to set up entrepreneurial education and training if existing a good situation of employment. In addition, colleges and society deem that college students are bound to fail if they are start business in that lack of funds, space and experience. Therefore college cannot encourage entrepreneurial activities so that they do not need to set up entrepreneurship education. Except for capital, required entrepreneurial knowledge and skills also play important roles in successful entrepreneurial processes. Entrepreneurship education in China mainly adopts the form of lecture so that the college students only obtain the basic knowledge rather than practice ability. Without enough entrepreneurial knowledge and practice skills, the dream to start their own business are possible to be an armchair strategy even if you have plenty of entrepreneurial capital and advance technology, so that it is difficult to avoid entrepreneurship failure. Thus the shortage of entrepreneurial education and practice training was displayed as another factor result in low rate of Chinese college-students entrepreneurship.

2. What internal factors lead to low entrepreneurship rates of Chinese college students and success rates?

Through researching for literature review and previous studies we collected four main internal factors that affect Chinese entrepreneurs to create new venture, and some previous studies in China presented the lack of these four main internal factors will cause the failure of entrepreneurship. Therefore we tested these four internal factors whether are the reasons caused negative situation of Chinese college-students entrepreneurship through questionnaire survey for 1000 Chinese college-students. Before survey we proposed some assumptions for these four internal factors:
**Assumption 5:** Chinese college students have enough ability of learning and innovation.

**Assumption 6:** Chinese college students have enough ability of identifying opportunity.

**Assumption 7:** Chinese college students have enough capacity of organizing and coordinating.

**Assumption 8:** Chinese college students have enough entrepreneurial knowledge.

Finally the results of empirical survey reveal Chinese college-students lack three of four kinds of entrepreneurial abilities except for ability of organizing and coordinating. Therefore we think the lack of learning and innovative and identifying opportunity ability, and shortage of entrepreneurial knowledge is important internal reasons caused current negative situation of Chinese college-students entrepreneurship.

For finding out more internal reasons caused this phenomenon, we also interviewed eight representatives of 1000 college-students. The results of survey told us the lack of ability for making a strategic decision and building interpersonal relationship are other two internal reasons caused failure of Chinese college-students entrepreneurship.

Therefore according to all results of survey we found the internal reasons caused current unfavorable situation of Chinese college-students entrepreneurship are lack of five entrepreneurial abilities. They are learning and innovative ability, identifying opportunity’s ability, understanding degree for entrepreneurial knowledge, the ability for making a strategic decision, and interpersonal relationship ability.

Ultimately we use a framework (Figure 12) to display all affected factors caused negative situation of Chinese college-students entrepreneurship according to the research of this thesis:
Figure 12: The factors caused negative situation of Chinese college-students entrepreneurship
Chapter 9: Suggestions

Based on the research results, this chapter aims to give suggestions on how to improve the entrepreneurship rate and success rate of Chinese college students. The suggestions can be provided from the three angles which are government supports, the implementation of education as well as the improvement of college students’ capability.

9.1. The suggestions for government

1. Improve the entrepreneurial development system and reduce business costs

Government set up many of business incubator in order to encourage college students’ entrepreneurial activities; however, a series of problems existed for these incubators such as the small scale and the low hatching quality and so on. Thus government should pay more attention to improve the efficiency of business incubation through providing venture capital and establish a sound legal structure, it not only conduct incubation services in a social context, but also attract large numbers of talent to significantly enhance the innovative ability of incubators. In addition to improve entrepreneurial development system, government should be deepened to reduce the entrepreneurial costs through reduce the types of charge, the level of charges, and simplify the approving procedures of start-up.

2. Strengthen the enforcement of government policies and improve entrepreneurial service system

The key to build a quality entrepreneurship environment is allocation of entrepreneurship resource based on the market system, it means government policy as a regulator, not only encourage college students to conduct entrepreneurial activities, but also provide favorable resource through improve the market system and insist on institutional innovation. The core of government-led institutional innovation is to protect property rights, to maintain contractual rights and to improve the social security system. Thus, these goals require government to strengthen the enforcement of policies to create a relaxed policy environment for enterprises’ investment and operation activities.

3. Set up cooperation system with university and enterprise

Entrepreneurs cannot do business without innovation and creation; government should encourage innovation and technological development, at the same time provides a channel to transfer innovation into industry. Thus, government needs to set up cooperation system with university and enterprise to realize this goal. In this
cooperation system, the university can provide innovative technology through their research programmes, and government can provide direct or indirect financial assistance to promote innovation, most importantly, college students could start their own business to commercialize these innovative technology.

9.2. The suggestions for education

1. The important role of primary and secondary education in entrepreneurship

Education sectors focus only on the implementation of entrepreneurship education in university and neglect the cultivation of youngsters’ entrepreneurial awareness and basic entrepreneurial skills. Compared with many countries and regions which has well entrepreneurship education, the primary and secondary education in China have a greatly disparity in the aspects of encourage creativity, self-reliance, individual initiative, as well as the provision of knowledge about the market and entrepreneurship. Therefore, education sectors should gradually bring entrepreneurship education into the national education system, covering from the middle school, high school, undergraduate until to graduate education.

2. Selection and training of entrepreneurship education teachers

Entrepreneurship education is new challenge for the university in China in that it not only requires the traditional modes of teaching, but more emphasis on practice. However, currently the university teachers lack practical experience of operation and management, therefore, universities should emphasis on the entrepreneurial practices by encourage and send teachers to engage in entrepreneurial practices activities, at the same time pay more attention to absorb the large number of the part-time teachers in society who has entrepreneurial experience and academic backgrounds to mainly responsible for the guidance of entrepreneurial practice.

3. Construction of Entrepreneurship Education Evaluation System

Although the concept of entrepreneurship education has been proposed very early in China, the entrepreneurship education just implemented a few years ago. Entrepreneurship education in China is still in the exploratory stage, which not only lack of practical operational mechanisms, but also evaluation system. However, with the development of entrepreneurship education at the University, its corresponding evaluation system and mechanisms become increasingly important in that only the evaluation can better promote the advancement of entrepreneurship education. Evaluation is a kind of value judgments process, which should focus on the cultivation of university students’ entrepreneurial awareness, entrepreneurial skills, entrepreneurship spirit as well as improvement of social value.

4. Strengthen Practice Teaching
Practice teaching is an indispensable measure to foster entrepreneurial talent. Entrepreneurship education should pay great attention in practicality and applicability. University Innovation Center should establish a wide range of external social networking to form an entrepreneurship education ecosystem with university, community and enterprise, and also effectively develop and integrate various business resources in community. At the same time universities should increase the entrepreneurial incubators, and actively promote students to carry out research activities and entrepreneurial activities.

9.3. The suggestions for college students

1. Make a complete business plan before start a business

College students should develop a complete and executable business plan before start a business which must be based on reality and effective market research; it cannot be imagined and subjective judgments. Business plan help entrepreneurs clarify ideas and find many issues cannot consider before start, although the actual implementation of business usually have a great changes with the original plan, a thoughtful planning will greatly increase the probability of succes.

2. Should be carefully operating funds

It is necessary for enterprises to develop a well-functioning budget plan. Entrepreneurs should adjust to funding operational plans at any time in that business plan maybe change due to various circumstances such as sluggish sales, increased costs and personnel, etc.

3. To create a good operation environment

College students often are difficult to grasp the business information in the business community due to lack of social experience and business experience. Thus entrepreneurs can access to industry associations and take advantage of industry associations to promote their own status and influence through understand the industry information, meet industry partners and establish extensive cooperation in this industry. At the same time, entrepreneurs can settle in an effective business park and take advantage of incentive policies, financial management, marketing support services. In addition, entrepreneurs can also hire an experienced business management consultant, and learn to use a variety of resources.

4. To establish an effective team

In the early stages of entrepreneurship, entrepreneurs subject to funding constraints, they need to do all of things before the formation of operation team. When the enterprises established and have enough operation funds, entrepreneurs should build a
team and assign the appropriate tasks to each of team member. Once forming a highly efficient and stable team, enterprise will enter a relatively stable development stage.

5. The formation of core competiveness

The research results show that one of important factors influences the entrepreneurial success rate of Chinese college students is lack of core competitiveness in the fierce competition, which is because most of college student entrepreneurs start a business without core technique or continuous innovation capability; they only rely on simple imitation for existing business mode or discovery for existing resource. However, core competence is the source of core competitiveness, and the real competition among enterprises is the competition of core competence, which determines the survival of enterprises. Therefore, entrepreneurs should gradually form the core competiveness through continuous innovation in the long-term development.
Chapter 10: More Information

This chapter presents the validity and reliability of this thesis. And the chapter also explains its possible limitation and further research.

10.1 Validity and Reliability

Reliability and validity are two dimensions of using to discuss about the credibility of research findings. The reliability can be defined as ‘the extent to which your data collection techniques or analysis procedures will consistent findings’ (Mark, Philip, and Adrian, 2009, p 156). This makes more critical of sampling quality for reliability of our quantitative data collection. There are two variables influence sampling quality: selection of participant and their bias to answer of questionnaire. In order to avoid threats we released the questionnaire in professional questionnaire survey website (www.sojump.com) which has a quite reliable and huge sampling data so that many of famous enterprises, government organizations and education organization all are their customs such as DHL, Philips, Hp, China Mobile, SPD Bank, Renmin University of China, Tinghua University, etc. and purchased their professional service. We have right to ask responders must be college students and allow them to answer questionnaire in anonymity. This confirms reliability of quantitative data. For qualitative data collection of depth interview, in order to avoid unreliability caused by observers’ error and bias we formulated interview schedule and content for observers. Thus we can guarantee all collected data are reliable.

The validity is to determine ‘whether the findings are really about what they appear to be about’ (Mark, Philip, and Adrian, 2009, p 157). Usually there are two types of validity: internal and external. The internal validity refers to degree of whether data collection technique can enough cover research subject, however the external validity means that is there the systemic difference between sampling participated in research and whole target population. For our research, the final findings will be supported by those data which collected through questionnaire and interview techniques. Then the questionnaire is designed base on theoretical framework which was developed in the literature review and the content of interview come from advance of questions displayed in questionnaire. In addition we adopted internet questionnaire survey which confirmed our sampling’s representation because respondent aren’t regional limitation. Thus we can confirm internal and external validity of all data.
10.2 Limitations

All research literatures have more or less some limitations. There also are two practical limitations for this thesis. Firstly let’s present about theoretical limitation. In previous the part of literature review we wrote the factors of influence entrepreneurship can be discussed from both external and internal aspects. Actually the external and internal factors include a lot of contents, for example external factors maybe involve the factors of external culture environment beside social environment; and internal factors also mean entrepreneurs’ personality characteristics which have mentioned in previous theory beside entrepreneurs’ competencies. However for reducing complexity and highlighting direction of this paper, we put points on research for external social environment and internal entrepreneurial competencies thus caused theoretical limitation of this paper. In addition, there also is empirical limitation. Due to time and budget limitations we chosen 1000 Chinese college-students as our sample to test whether the reasons caused negative situation of Chinese college-students entrepreneurship just are the factors those presented in our theoretical part. But the numbers of graduates in China in 2010 have reached 6.32 million. Compared with 6.32 million, we seem to choose small sampling size. Moreover we only selected eight representatives from 1000 Chinese college-students to do interview for finding out more other reasons. These samples of small size maybe affected the validity of our research, thus it become our empirical limitation.

10.3 Further Research

According to the contents presented in theoretical limitation we found researchers can do further research from two aspects of external culture environment and internal personality characteristics for topic of Chinese college-students entrepreneurship. Furthermore the purpose of this thesis mainly is to find out external and internal factors caused negative situation of Chinese college-students entrepreneurship through quantitative research approach. That is to say this paper focuses on display of influence factors, thus the researchers also can do further research to discuss these factors how to influence Chinese college-students entrepreneurship and caused a negative situation.
Reference

Books:


**Articles:**


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Lan Xin. (2008). Research of the marketing dilemma and countermeasure related to entrepreneurship by college student in Chengdu. Southwest Jiaotong University, F713.50, 1-43.


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5. Mbalib.com. (2010). Entrepreneurs ability, from [http://wiki.mbalib.com/wiki%E4%BC%81%E4%B8%9A%E5%AE%B6%E8%83%BD%E5%8A%9B]. [Retrieved date:2010-2-3]


Appendices

Appendix 1 - Questionnaire

College students’ entrepreneurship Situation Survey

The factors of successful entrepreneurship include not only external environment and recourse, but also entrepreneurs’ internal personality and capability. For surveying the factors of influence situation of entrepreneurship of Chinese college students, this questionnaire makes an investigation for college students from their basic situation, attitude for importance of external factors to entrepreneurship, attitude for satisfaction degree of external factors to entrepreneurship, as well as the entrepreneurial capacity. Please read all questions carefully and indicate your issue. Your answers are very important for our research. Thank you for your cooperation!

Section 1: The basic situation for respondents:

1. Age:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>1</td>
<td>18-25</td>
</tr>
<tr>
<td>2</td>
<td>25-30</td>
</tr>
<tr>
<td>3</td>
<td>30 and older</td>
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</table>

2. Your Gender

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<th></th>
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<tbody>
<tr>
<td>0</td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>Female</td>
</tr>
</tbody>
</table>

3. Education Background:

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<table>
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<tr>
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<tbody>
<tr>
<td>1</td>
<td>Under bachelor</td>
</tr>
<tr>
<td>2</td>
<td>Bachelor</td>
</tr>
<tr>
<td>3</td>
<td>Master</td>
</tr>
<tr>
<td>4</td>
<td>Doctor</td>
</tr>
</tbody>
</table>

4. Do you have career experience?

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<tbody>
<tr>
<td>0</td>
<td>Yes</td>
</tr>
<tr>
<td>1</td>
<td>No</td>
</tr>
</tbody>
</table>
5. Your email address __________

6. How do you define “Entrepreneurship”?  
   1= To establish a company  
   2= To start an own business  
   3= To invent a leading edge technology

7. Would you like to create own venture?  
   1= Yes  
   2= No

8. Are you willing to give up some economic income for achieving an entrepreneurial opportunity?  
   1= Yes  
   2= No

9. What is your motivation of entrepreneurship?  
   1= For earning much more money  
   2= For improving social status  
   3= For achieving the self-worth  
   4= Influence of entrepreneurial education  
   5= Employment pressure  
   6= The existence of business opportunity in Chinese market

10. What is your plan when you graduated?  
    1= To create own venture  
    2= To look for job  
    3= To continue study  
    4= To decide depending on future situation

Section 2: the satisfaction degree of index of influence entrepreneurship:

The following table lists the external factors of influence college students’ entrepreneurship, please indicate your view on the satisfaction degree of each of the following factors by using a scale of 1-5:

1=strongly dissatisfied; 2=dissatisfied; 3=normal; 4=satisfied; 5=strongly satisfied;

A. Government policy and procedures:

<table>
<thead>
<tr>
<th>Factor</th>
<th>Scale (1-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferential policies to entrepreneurship</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Industry barriers to entry</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Procedural requirements for registration and licensing</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Administrative efficiency</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Protection of intellectual property</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>The attitude of government to entrepreneurship</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>Registered capital requirements</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>
B. Socio-economic conditions:

<table>
<thead>
<tr>
<th>1. Location of enterprise</th>
<th>1 2 3 4 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Modern transport facilities</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. Economic level</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. The attitude of the public to entrepreneurship</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. Example of successful entrepreneurs</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6. The praise of the typical entrepreneurial behavior</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>7. The degree of tolerance of business failure</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

C. Financial assistance

<table>
<thead>
<tr>
<th>1. Availability of Venture Capital</th>
<th>1 2 3 4 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Diversity of financing channels</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. Availability of low-interest loans</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. Level of development of financial institutions</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. The availability of venture capital funds</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

D. Non-financial assistance

<table>
<thead>
<tr>
<th>1. Status of advisory service</th>
<th>1 2 3 4 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Degree of support for business information network</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. Intensity of tax incentives</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. The establishment of University Science Park</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. The strength of Universities and research institutes</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>6. University policy to support student entrepreneurs</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>7. Degree of family support</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

E. Entrepreneurial education and training

<table>
<thead>
<tr>
<th>1. Business and management skills training</th>
<th>1 2 3 4 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Education of expertise in University</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>3. The course of Entrepreneurship education</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>4. The practice of Entrepreneurship</td>
<td>1 2 3 4 5</td>
</tr>
<tr>
<td>5. Vocational and technical training</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

Section 3: The measure for college students’ entrepreneurship competencies:

Entrepreneurs’ entrepreneurial competencies are crucial factor to influence successful rate of entrepreneurship. We can break these competencies into learning and innovation competency, competency for indentifying opportunity, competency of organization and coordination, and understanding degree for entrepreneurial knowledge. This section will make an investigation for college students from these three aspects. Please indicate your
view on these aspects by using a scale of 1-5:

1 = strongly disagree;  2 = disagree;  3 = normal;  4 = agree;  5 = strongly agree;

**A: Evaluation for competency of learning and innovation**

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<th></th>
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</thead>
<tbody>
<tr>
<td>1. I have strong willingness to receive new knowledge and grasp new skills.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. I would like to give up old information in time and update own ideas.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. I am patient to sum up experiences from mistakes and failures.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>4. I am good at putting the knowledge I have into practical work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5. I like to solve problem by new approaches.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>6. I am used to daringly implement own ideas by breaking routine.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>7. I usually propose opinion due to doubt for existing technology and scheme.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>8. I am very imaginative.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</tbody>
</table>

**B: Evaluation for competency of indentify opportunity**

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</thead>
<tbody>
<tr>
<td>1. I have able to take enough capital for getting job done on time</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. I can accurately forecast changes happen in future period depending on existing information</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. I can get success in different environments and roles.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</table>

**C: Evaluation for competency of organization and coordination**

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<th></th>
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</thead>
<tbody>
<tr>
<td>1. I comply with honest principle in my life.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. I have able to persuade others to support me for getting job done on time</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>3. I have able to take enough time for getting job done on time</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</tbody>
</table>

**D: Evaluation for understanding degree for entrepreneurial knowledge**

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<th></th>
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</thead>
<tbody>
<tr>
<td>1. I understand some knowledge of company’s running</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2. I have abundant marketing knowledge</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>
Appendix 2 - Interview questions for entrepreneurs

Basic questions:

1. When did you start your business?
2. Why did you start your business? /What is your motivation to start your business?
3. How did you obtain investment to start your business?
4. How did you choose a business sector?
5. How many employees do you have?
6. How is your operating status?
7. What is your educational background, what is your major?

Semi-structured questions:

8. What is your opinion for the government policies? Is it helpful for you or not? Why? Would you mention concrete examples?
9. What is your opinion for socioeconomic conditions? Is it helpful for you or not? Why? Would you mention concrete examples?
10. What is your opinion of the entrepreneurial education? Is it useful for you or not? Why? Would you mention concrete examples?

The survey for entrepreneurial capacity

The purpose of this section is to survey entrepreneurial capacity. Due to respondents from different experience background, we are going to choose different questions from list below to survey their entrepreneurial capacity.

A: The respondents who have successful entrepreneurial experience

1. Do you think your entrepreneurial abilities are main reasons that lead to your success of entrepreneurship?
2. Have you possessed enough entrepreneurial abilities?
3. What are your main entrepreneurial abilities to bring the success of entrepreneurship?
4. Do you think which entrepreneurial abilities may influence your success of entrepreneurship in the future if you lack it?

B: The respondents who just start to create own business

1. Do you think your personal entrepreneurial abilities are important factors of influencing success of entrepreneurship?
2. What entrepreneurial abilities have you possessed may influence success of entrepreneurship?
3. Have you possessed enough entrepreneurial abilities?
4. Do you think which entrepreneurial abilities may influence your success of entrepreneurship in the future if you lack it?

C: The respondents who have unsuccessful entrepreneurial experience

1. Do you think that lacking entrepreneurial abilities are main reason caused failure of your entrepreneurship?
2. Which entrepreneurial abilities do you lack according to your failing experience?