

# Gender Differences of Rural Entrepreneurs in China: A Study from the Perspective of Entrepreneurship Background

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**Abstract**: Rural entrepreneurs of different genders face different backgrounds when starting their own businesses. Rural male entrepreneurs are generally stronger than rural female entrepreneurs in education, social capital, entrepreneurial needs and skills. As a rapidly growing group in recent years, the quality of rural female entrepreneurs has been constantly improved, and they have huge entrepreneurial potential that cannot be ignored.

**Keywords**: rural entrepreneurs; Entrepreneurial background; Gender differences

Since the reform and opening up, China's urban-rural income gap has gradually decreased in proportion, but increased in numerical value. The main methods to improve rural income and reduce the income gap between urban and rural areas in China are the entrepreneurship of peasant entrepreneurs. According to the development report "Ten Years Opportunities and Challenges for Chinese Women in Business", Chinese women entrepreneurs accounted for 20% of Chinese entrepreneurs by the end of last century, and the scale of enterprises reached 36.5% in 2009 after the baptism of economic crisis. The number is relatively small but the potential is large. This paper mainly studies and analyzes the gender differences among Chinese rural entrepreneurs from the perspective of entrepreneurial background.

## 1. Personality factors of peasant entrepreneurs of different genders

Rural entrepreneurs, as the main body of farmers' independent entrepreneurship, the individual characteristics of rural entrepreneurs' entrepreneurial motivation will inevitably have a greater impact on farmers' entrepreneurship. Previous studies have paid less attention to the impact of gender on rural entrepreneurs' entrepreneurship. Gender, as an important personality trait, has an inevitable impact on the entrepreneurial motivation of rural entrepreneurs.

#### 1.1 Personality factors of rural men

## 1.1.1 Male education level. According.

To "China Rural Education Development Report 2019", in 2017, rural preschool students accounted for 62.90% of the total; The total number of rural students receiving compulsory education accounted for 65.40%; The total number of students enrolled in rural regular senior high schools is 52.35%, and the proportion of school-age children enrolled in schools in rural areas is constantly increasing, and the overall education level in rural areas is rising steadily. In many rural areas of China, due to the traditional preference for sons over daughters, the educational resources of rural families are generally skewed toward men. However, due to the relative scarcity of educational resources in rural areas, the educational level of men in rural areas is generally lower than that in urban areas.

According to previous studies, the proportion of people's entrepreneurial intention is directly proportional to their education level. The general low level of education in China's rural areas determines that farmers' entrepreneurial

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consciousness is not as strong as that of urban residents. With the gradual increase in the overall level of education in rural areas, entrepreneurship awareness in rural China is also increasing. Families with higher education level are more inclined to engage in non-agricultural labor, while fewer are engaged in agricultural production activities and housework. Such division of labor makes those families with more human capital closer to market activities (Luo Mingzhong, Zou Jiayu, 2011). Especially in the traditional concept of rural areas, men are the backbone of the family and naturally shoulder the main force of farmers' entrepreneurs.

#### 1.1.2 Male entrepreneurial needs and skills.

We define the entrepreneurship that is forced to carry out without other better job options as survival entrepreneurship, while the opportunistic entrepreneurship is the initiative of individuals due to preference (Liu Pengcheng, Li Lei, Wang Xiaojie, 2013). According to the babson college and London business school in 1999 launched the global entrepreneurship monitor (Global Entrepreneurship Monitor) project of China statistics show that Chinese men, opportunistic entrepreneurship rate is significantly higher than the survival rate of entrepreneurship, and rich material life gradually with China's rural areas, the proportion will gradually widening gap.

According to GEM statistics, Chinese male entrepreneurs are significantly more educated than Chinese female entrepreneurs, and about half of them believe that they have enough skills and knowledge needed to start a business. In rural areas, the preference for sons is more serious and the educational resources are skewed towards men, which relatively aggravates this phenomenon.

#### 1.1.3 Male social capital.

Social capital refers to the correlation between various groups or individuals, namely the mutual relationship and the trust capital brought by the relationship (Lv Huiming and Zhang Hejie, 2014). The amount of social capital has a direct impact on the individual behavior decisions of peasant entrepreneurs. Most rural residents in China have relatively little social capital, and their entrepreneurial motivation, including their entrepreneurial behavior, is greatly affected by the amount of social capital. Among them, human capital is the most. The accumulation of human capital directly affects the ability of farmers entrepreneurs to acquire and grasp opportunities.

In rural China, village contact more closely, the relation between two adjacent village has also relatively close together, combined with traditional Chinese clan concept and the idea of a gens, very easy to form a "circle", in the "inner circle", the root of the communication between people in friendship, kinship and clan clan that determines the social resources of China's rural residents possess basic on the "inner circle". This "small circle" is relatively advantageous in the early stages of a business. In the early stages of a startup, the entrepreneur has access to most of the resources he wants from this "small circle" and the support of most of the people in the circle. However, when enterprises or organizations go through the initial stage of entrepreneurship and become mature and standardized, this "small circle" will restrict the entrepreneurial behavior of entrepreneurs to a certain extent.

Firstly, the social capital of entrepreneurs is basically concentrated in the "small circle". If enterprises want to continue to develop, the social capital they rely on has exceeded the entrepreneurs' own amount of social capital. The other is the obstacles to the implementation of standardization caused by the "human feelings" in the inner circle of the enterprise. In the vast rural areas, in order to maintain their family status and improve their family life, men will act as the vanguard of migrant workers. They go out to work. In the process of labor migration, social capital is gradually accumulated and human capital is constantly improved. This improves the entrepreneurial enthusiasm and success rate of this part of farmers.

## 1.2 Factors of rural women's personality traits

#### 1.2.1 Female educational level.

According to the China Rural Education Development Report 2019, the country's total investment in education in 2017 was 4,256.201 billion yuan, up 9.45 percent from 2016.Of this, the state budget for education reached 3.420775 trillion yuan, accounting for 80.37 percent of the total investment in education and an increase of 8.95 percent over 2016.In 2017, the average educational budget for junior high school students nationwide was 14,641.15 yuan, up 9.13 percent from 2016.Of this, rural areas accounted for 13,447.08 yuan, an increase of 7.77 percent over 2016.

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The average public expenditure for junior high school students nationwide was 3,792.53 yuan, an increase of 6.47 percent over 2016. Among them, 3,406.72 yuan was spent in rural areas, an increase of 4.59 percent over 2016. The country's overall investment in education increased steadily. However, the allocation of educational resources in rural areas has been lagging behind the national average level, and the growth rate of input is also lower than the national average. The average educational level of female entrepreneurs in China is lower than that of male entrepreneurs. Firstly, in rural areas of China at the present stage, there are still school-age children who have not received complete compulsory education, and many of them are women. Second, it is easier for women with higher education level to get job opportunities, and women prefer stable jobs (Gong Lihua, 2009). The education level of women in China's rural areas is lower than that of men, and many of the knowledge and skills needed by female farmers to start a business are incomplete. Research shows that the low education level of female group affects the choice of female entrepreneurs, and more female entrepreneurs choose survival entrepreneurship rather than opportunity entrepreneurship. As China's financial expenditure on education in rural areas continues to increase, the low level of education of women in rural areas is also decreasing. The education level of rural women in China is rising steadily, which is the result of the comprehensive effect of the national policy of universal compulsory education and the continuous improvement of the economic level in rural areas.

#### 1.2.2 Women's entrepreneurial needs and skills.

The low rate of female entrepreneurs themselves, coupled with the rapid growth of female entrepreneurs in recent years, has attracted increasing attention from scholars. Some scholars believe that women's low entrepreneurship rate is caused by their low physical strength, low social capital, low entrepreneurial skills and low risk bearing capacity. In rural areas, female entrepreneurship is not in high demand. According to GEM data statistics show that women entrepreneurs in more options when there is no other better job choice and was forced to by survival necessity entrepreneurship, and less to individual interest in the opportunity, entrepreneurial initiative, further research shows that even though women engaged in out of opportunity, entrepreneurial individuals interested in, they are also more likely to choose a more familiar with the industry, rarely venture to choose more unfamiliar industry, this is mainly because women entrepreneurs to the degree of risk aversion is higher (ming-zhong luo, Zou Jiayu, 2011).

In rural areas of China, women's status in the family is usually lower than that of men. The most fundamental reason for rural women to start their own businesses is to get rid of poverty and realize the equality of political rights and family status. The former generally carries out survival entrepreneurship, while the latter generally chooses opportunity entrepreneurship. Because women have a harder time finding work, aquaculture, farming, barbeques and leasing are among the most important options. Women entrepreneurs in rural China are often Mired in traditional cultural definitions of women, and their entrepreneurial behavior is often a response to external threats and adverse influences. After starting a business, rural women find it difficult to get economic support from their families when they are engaged in opportunistic entrepreneurship, and it is easier for them to get economic support from their families when they are engaged in forced survival entrepreneurship. Compared with about half of male entrepreneurs, less than a third of female entrepreneurs believe that they have enough skills and knowledge to start a business, indicating a certain gap between female entrepreneurs and male entrepreneurs in their entrepreneurial skills.

# 2. External factors of entrepreneurial motivation of farmers of different genders

Generally speaking, farmers' entrepreneurs are also a special group among entrepreneurs, who are different from ordinary entrepreneurs in terms of their capacity of social capital and human capital, discovery of entrepreneurial opportunities, grasp of entrepreneurial opportunities, integration and utilization of resources. Farmers entrepreneurs face various objective external conditions, such as geographical orientation, traditional concepts, government policy support, etc. The economic level of rural areas also affects the entrepreneurial level of farmers' entrepreneurs to a great extent, which is reflected in the local social and cultural level of rural areas and national policy guidance, which directly determines the entrepreneurial motivation and entrepreneurial level of farmers' entrepreneurs to a certain extent.

#### 2.1 External factors of rural male entrepreneurship

The natural environment is a significant factor affecting the choice of entrepreneurs. It is a traditional saying in China that "relying on mountains to live by water", which also summarizes the entrepreneurial thinking of farmers to a certain extent. In rural areas rich in natural resources, most entrepreneurs will choose rich natural resources as the original capital of entrepreneurship; In rural areas with beautiful scenery, entrepreneurs will also choose tourism as the main idea of entrepreneurship.

The geographical location of the countryside, the distance from the developed cities and the traffic conditions are also a major factor restricting the farmers to start their own businesses. In rural areas close to developed cities and convenient transportation, the more entrepreneurial ideas received, the easier it is to generate entrepreneurial ideas. On the contrary, rural areas in more remote areas themselves have not received enough entrepreneurial ideas, and poor traffic conditions are not conducive to the external communication of the region, so it is difficult to generate entrepreneurial ideas and entrepreneurship is not easy to succeed.

#### 2.2 External factors of rural women's entrepreneurship

There is little difference between the external factors faced by rural female entrepreneurs and those faced by male entrepreneurs. The most important factors are the sense of social identity and the limitation of traditional culture. Rural women face a lot of external evaluation in the process of starting a business. When women engage in survival entrepreneurship, they will gain more social recognition and attention, thus obtaining more social resources from the society to support their entrepreneurship. In traditional Chinese concepts, women's low status determines that they may face certain gender discrimination when starting a business, which to some extent limits their entrepreneurial motivation and achievements. With the spread of education, this backwardness is changing, and female entrepreneurship is now nothing new.

# 3 Conclusions and research significance

To study the entrepreneurial background of rural entrepreneurs from the perspective of gender difference is helpful to understand the problems faced by rural entrepreneurs at the present stage. Rural entrepreneurs can be divided into rural male entrepreneurs and rural women entrepreneurs, combined with gender differences to analyze the background of rural entrepreneurship, help rural entrepreneurship at this stage because of gender differences, groups are faced with the problem, is conducive to the future in the rural areas, economic status and social status of gender equality, is advantageous to the long-term stability of rural social economic development.

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