



# **The Background In The Entrepreneurial Environmental Determinants Previously Findings**

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**Abstract:** Today, entrepreneurship is regarded as one of the best economic development strategies to develop the country's economic growth and sustain the country's competitiveness in facing the increasing trends of globalization. The research is a study of the background in entrepreneurship research previously done and findings.

**Keywords:** undergraduates in China; Entrepreneur; Entrepreneurship

## **1. Introduction**

Environmental determinants is composed of a number of environmental factors, these elements constitute the entrepreneurial environmental dimensions. Certain researchers are now studying the economic growth on a macro scale. These studies found that the tie between economic freedom and entrepreneurship that has previously been shown on a national level continues to hold. It was found state economic freedom to be significantly tied to new business formation. Many scholars are divided in their study of the entrepreneurial environment dimensions.

## **2. Research background and research status at home and abroad**

### **2.1 Government policies**

Much research on the determinants of entrepreneurial levels studied the impact of government policies. Bruce (2000) looked at differential tax treatment of the self-employed and used time series models to show that these differences had a significant impact on entry into self-employment. Bruce (2002) found that more favorable tax rates encourage transition into self-employment, but not necessarily the reverse, and that differential tax rates are statistically significant. Higher taxes can serve as insurance against the risk of self-employment, though the effect this has on self-employment rates is difficult to determine. Bruce and Moshin (2005) used time series models to find that various federal taxes had statistically significant but quantitatively small effects on entrepreneurial levels. Choi and Phan (2006) used longitudinal data to demonstrate that government policy can affect new firm creation through policies related to technology, promoting competition and labor mobility. Garrett and Wall (2006) examined the effect of all 50 states' policy environments on entrepreneurship and found income tax rates, bankruptcy law, and minimum wage legislation to be statistically and economically significant. Acs et al. (2008) and Baumol et al. (2007) provided policy suggestions for increasing entrepreneurial rates.

### **2.2 Socio-economic conditions**

Socio-economic conditions according to Ozcan (1995) Turkey in the 216 small business survey, it was found that family and friends are the initial venture's major source of funding. Family and friends' support and encouragement will affect the entrepreneur's business options. Henderson and Robertson (2000) also believe that in addition to personal experience, family factors that affect students' career choices is the most important. This is mainly because the spirit

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of family and friends can provide encouragement and financial support. Autio (1997), who examined the different cultural backgrounds of the intensity of entrepreneurial intention, studies show that the image of entrepreneurs and encouragement of entrepreneurship campus culture will inspire student entrepreneurs the firm belief. Some scholar's social values of entrepreneurship and motivation and beliefs is a prerequisite for entrepreneurial willingness to have an impact (eg, Davidsson and Honig, 2003).

### **2.3 Entrepreneurship education**

Entrepreneurs need to accept the more knowledge gained. Richer skills and training for entrepreneurship awareness and understanding is more profound. This knowledge help entrepreneurs assess risks, market research, consumer demand for access to information, and entrepreneurial activities (Borjas, 1956). Clark (1984) in the United States introduced a medium for the survey of university students, to teach them about the knowledge of entrepreneurial activity. The results showed that the entrepreneurship course of study for their final decision has a very important business influence. Franke and Luthje (2004) made a comparative study of the University of Vienna and Munich University students and MIT students' entrepreneurial intention. The comparative analysis results showed that the University of Vienna and Munich University student entrepreneurs with relatively low willingness pointed out the blame of the lack of entrepreneurial innovation education. Turker (2009) in the study of factors affecting willingness of business students in 300 university students in Turkey indicated findings that if universities can provide adequate education and entrepreneurship incentives, the number of entrepreneurs in the younger age groups will increase.

### **2.4 Financial support**

Venture capital funding issue is one of the main obstacles in the issue of financial support. Some empirical findings of the study showed that in developing countries, the lack of venture capital, credit schemes and the constraints of the financial system is the potential impact of innovative and successful entrepreneur's biggest obstacle (Marsden, 1992; Meier and Pilgrim, 1994). Potential funding sources could be personal savings, home networking and credit systems, or financial institutions. Crosa (2002) indicated that financial capital is the start-ups supporting factor. The presence of household income, household net worth and real estate ownership will increase the potential for entrepreneurs to put into practice the possibility of entrepreneurial activity.

### **2.5 Non-financial support**

Gnyawali and Fogel (1994) believed that the network to improve the ability of the entrepreneur to have an effective mechanism for entrepreneurship network provides four main elements: the support and encouragement of entrepreneurial role models, expert guidance, and access to opportunities, information and resources. The network types include fairs, expositions, associations and clubs. Busenit and Lau (1996) stated that the specific social context, such as market conditions, occupational mobility, and social networks will affect the entrepreneur's awareness. There is also an environment conducive to entrepreneurship that will affect the perception of entrepreneurial intention. Kristiansen (2004) in the Norwegian and Indonesian student entrepreneur's willingness research, proposed a social network. Information and the availability of capital is an important influence that students start their willingness to become entrepreneurs as contributed by external environmental factors.

## **3. Conclusion**

According to this research needs, where the main detail was proposed by Gnyawali and Fogel (1994), there are five dimensional models of the entrepreneurial environment. Saxenian LAN (2000) pointed out that the environmental determinants are the talent market, social networks, social and cultural atmosphere. GEM (2003) also proposed that environmental determinants are government policies, government programs, financial support, entrepreneurship education, business environment and infrastructure, cultural and social norms. Yi Hong Mei (2007) proposed that the environmental determinants are hardware environment, software environment. Yuan Ying Wen (2008) pointed out that environmental determinants are political and legal environment, social and cultural environment, and economic environment. Su Yi Nan (2009) also considered that Economic environment, policy environment, education and training environment, social and cultural environment and financing environment are environmental determinants.

The environmental factors are important for creating new businesses has been widely gaining influence. Gnyawali and Fogel (1994) proposed that the entrepreneurial process and entrepreneurial environment are a combination of various elements. These elements can be divided into government policies, socio-economic conditions, entrepreneurial capabilities, financial support and non-financial support to the five dimensions. The design of each dimension in a more detailed manner, together with the sub-dimensions is referred by some people in the entrepreneurial environment analysis framework which is called the five dimensional model.

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