WEP Warwick Evans Publishing

International Journal of Global Economics and Management

ISSN: 3005-9690 (Print), ISSN: 3005-8090 (Online) | Volume 2, Number 3, Year 2024
DOI: https://doi.org/10.62051/IJGEM.v2n3.35
Journal homepage: https://wepub.org/index.php/IJGEM/index

Study on the Impact of Digital Inclusive Finance on Urban and Rural Residents' Entrepreneurship

Yanna Lu

School of Management, Chongqing university of Technology, Chongqing, 400000, China

ABSTRACT

Based on the number of newly registered enterprises each year as a measure of the level of entrepreneurship among urban and rural residents, this study empirically examines the impact of digital inclusive finance on entrepreneurial activities based on panel data from 31 provinces across the country and digital inclusive finance indices from 2011 to 2020. The findings reveal that digital inclusive finance significantly promotes entrepreneurial activities overall. In terms of specific indicators, this promotion effect is primarily driven by the dimensions of coverage breadth and usage depth. When dividing the total sample into four regions: East, Central, West, and Northeast, the study further explores the impact of digital inclusive finance on entrepreneurial behavior in urban and rural areas and across different regions. Therefore, it is recommended to accelerate the development and construction of digital inclusive finance, strengthen the establishment of comprehensive digital infrastructure, and promote the deep integration of digital inclusive finance with traditional industries. This will optimize the allocation of financial resources while also achieving industrial structure optimization and upgrading.

KEYWORDS

Digital inclusive finance; Entrepreneurship level of urban residents; Entrepreneurship level of rural residents; Regional entrepreneurship level.

1. INTRODUCTION

Since the post-epidemic era, in order to achieve high-quality economic development and promote economic structural transformation, the state has successively issued a series of supporting policies. Innovation and entrepreneurship are an important part of achieving economic structural transformation and upgrading, promoting supply-side reform, and promoting employment. Entrepreneurship is the source of employment, and the development of entrepreneurial activities has made outstanding contributions to promoting China's economic growth and alleviating social employment pressure, and plays an important role in promoting economic transformation and upgrading. However, entrepreneurship is conditional, and the smooth promotion of innovation and entrepreneurship policies cannot be separated from the support of funds, especially small and medium-sized enterprises. Innovation and entrepreneurship usually have the function of helping residents to find jobs and driving economic development [1]. The development of the "digital inclusive finance" system based on "inclusive finance" has truly alleviated the financial constraints faced by vulnerable groups such as small and micro enterprises and farmers. With its natural inclusiveness, digital inclusive finance takes finance as its essence and helps enterprises to start their own businesses through digital means. By lowering the threshold of financial services, improving information transparency and reducing the information asymmetry between lenders and borrowers, it helps the tail group to obtain the accessibility of venture capital, realize the optimal allocation of resources, and in a real sense reduce the problem of corporate financing constraints caused by

traditional financial institutions because of the "preference for the rich and the poor". At the same time, regional analysis is carried out according to the division criteria proposed by Dong Minjie and Liang Yongmei (2015) [2]. The eastern region includes 10 provinces and cities, including Beijing, Shanghai, Tianjin, Guangdong, Hebei, Jiangsu, Zhejiang, Fujian, Shandong and Hainan. The central region includes Anhui, Shanxi, Jiangxi, Henan, Hubei, Hunan 6 provinces; The western region includes Chongqing, Sichuan, Shaanxi, Guizhou, Yunnan, Tibet, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia, Guangxi 12 provinces and municipalities; The northeast region includes Liaoning, Jilin and Heilongjiang provinces. The full sample data of 31 provinces are first reduced by 1% and then divided into four parts: eastern, northeastern and central and western regions for regression analysis, which is used to verify the impact of the development level of digital inclusive finance in different regions on the entrepreneurship of urban and rural residents.

The contributions of this article are as follows: Firstly, from an empirical perspective, it provides further empirical support for the research on the relationship between digital inclusive finance and entrepreneurship level. Based on the panel data of 31 provinces across the country from 2011 to 2020, the study examines the impact of digital inclusive finance on entrepreneurial activities, enriching the relevant theoretical foundation. Secondly, from a practical perspective, in the post-pandemic era, with the gradual disappearance of the demographic dividend and the decline of the international economy, China's economic development is also facing transformation, optimization, and upgrading. Under the new form of economic development, factors that affect entrepreneurship have also undergone new changes, and digital inclusive finance provides a new approach for the development of entrepreneurship in China.

2. LITERATURE REVIEW AND RESEARCH HYPOTHESIS

At the 2016 G20 Hangzhou Summit, digital inclusive finance was officially proposed for the first time. It is a new type of financial service model that effectively integrates traditional financial service channels and meets the demands of emerging consumption through technologies such as the internet, big data, and cloud computing. Its aim is to provide financial support to a wider range of micro, small, and medium-sized enterprises, individual industrial and commercial households, and disadvantaged groups. Through financial market mechanisms, it enables more members of society to access financial services equitably, improves the accessibility of funds for micro, small, and medium-sized enterprises, individual industrial and commercial households, and disadvantaged groups, and lowers the threshold for obtaining funds. Scholars have mainly focused their research on three aspects: the measurement index system, influencing factors, and impact effects of digital inclusive finance.

Regarding indicator measurement, digital inclusive finance is a concept with multiple dimensions, and its focus varies. Many international organizations, such as the World Bank and the Alliance for Financial Inclusion (AFI), mostly develop evaluation systems for inclusive finance development from aspects such as the breadth of financial services and usage [3]. However, merely measuring data related to traditional bank-centered financial institutions is insufficient to comprehensively reflect the level of digital inclusive finance development [5]. To address this issue, the Digital Finance Research Center of Peking University, in collaboration with Ant Group, officially released the "Peking University Digital Inclusive Finance Index." Compiled using Ant Group's customer database, it encompasses three dimensions: usage depth, coverage breadth, and digitization level, with 33 specific indicators. In terms of influencing factors, Ge He ping and zhu Hui wen (2018) pointed out that the use of the internet has a significant promotional effect on the breadth of coverage of digital inclusive finance. Regarding impact effects, research has focused on the relationship between digital inclusive finance and residents' welfare, the development of small and medium-sized enterprises, agricultural, rural, and farmer issues, and the development of the real economy.

Different scholars have different views on the definition of the concept of entrepreneurship. The evolution of the concept is mainly divided into individual behavior level, professional level and

comprehensive level. Schumpeter (1934) [6] proposed a classic theory of entrepreneurship mainly aimed at the enterprise level, which believed that entrepreneurship is a process in which an enterprise re-produces, processes and sells its resources, thus realizing the reorganization of resources and establishing a new organizational structure. This definition is widely recognized by countries around the world, and it is considered to be very appropriate in enterprise research and practice. After synthesizing the definition of entrepreneurship in the above literature, this paper holds that entrepreneurship is a process in which entrepreneurs (individuals or organizations) identify entrepreneurial opportunities, utilize resources for innovation and creation, produce new products or services that meet market demand, and ultimately contribute to and value for sustainable social and economic development.

With the further research on the relationship between digital finance, inclusive finance and entrepreneurial behavior, the relationship between digital inclusive finance and entrepreneurship has attracted much attention from scholars. Digital inclusive finance is a new financial development model that provides convenient, fair, safe and efficient financial products and services for all social strata with financial needs, especially low-income groups, poor people in rural and remote areas, small, medium and micro enterprises and other social entities[7]. The research on the relationship between digital financial inclusion and entrepreneurship is mainly carried out from two aspects: theoretical and empirical research. First, from the theoretical perspective, digital inclusive finance helps to stimulate the entrepreneurial enthusiasm of entrepreneurs and promote the generation of entrepreneurial activities. Xie Fuhui et al. (2018) believe that the development of digital finance enables entrepreneurs in less developed areas to obtain convenient and fast financial services, and the support of financial services helps the realization of entrepreneurial enterprises [8]. The second is to verify how digital financial inclusion promotes entrepreneurial activities from the empirical level. Ren Biyun (2019) proposed that digital inclusive finance could help solve the "partial environmental problem" caused by the difference in efforts due to different external environments, thus further promoting the entrepreneurship of rural residents [9]. Xie Wenwu (2020) also conducted an in-depth study on the relationship between the development of digital inclusive finance and the entrepreneurship of rural residents, and found that the depth of use of digital inclusive finance is a key factor to promote the entrepreneurship of rural residents. Digital inclusive finance plays a significant role in promoting entrepreneurial behavior of rural residents, while the effect is not significant in promoting entrepreneurship of urban residents [10].

Based on this, the following hypotheses are proposed in this paper: The development of digital inclusive finance contributes to enhancing the overall and regional entrepreneurial development levels in both urban and rural areas.

3. STUDY DESIGN

3.1. Data Sources

This article takes the Digital Inclusive Finance Index of Peking University and the level of entrepreneurship as the explanatory variables and the explained variables. Using panel data from various provinces between 2011 and 2020, it conducts theoretical and empirical tests on the impact of China's digital inclusive finance development on the level of entrepreneurship. The Digital Inclusive Finance Index is sourced from the Digital Inclusive Finance Research Center of Peking University, while the entrepreneurship data is derived from the annual industrial and commercial registration information set of mainland enterprises. Unpublished data is referenced from corporate information query platforms such as Qichacha. Other data is obtained from the statistical yearbooks of various provinces.

3.2. Variable Description

In this paper, the Digital Inclusive Finance Development Index is selected as the explanatory variable, encompassing three primary indicators: the overall index of digital inclusive finance, the coverage breadth (COV) of digital financial services, the usage depth (USE), and the digitization level (DIG). To facilitate subsequent research, some data has been standardized. Referring to the research of Li Xiaoyuan, Li, and others, each index is divided by 100 as a measurement indicator in this paper. Drawing on the measurement methods from literature such as Xie Xuanli et al. (2018) and Zhang Bijun et al. (2021) [11], based on the registration information data of industrial and commercial enterprises in mainland China on the internet, the registration data of enterprises with addresses specified to villages is set as the level of entrepreneurial behavior in rural areas (Y1), while the rest is considered as the level of entrepreneurial behavior in urban areas (Y2). The overall number of registered enterprises is used as a measure of the overall entrepreneurial behavior level in both urban and rural areas (Y). Referring to other related studies, these variables are used as control variables. Among them, (1) Regional economic development level (PGDP): the gross domestic product of each province, autonomous region, and municipality divided by the total regional population. The total regional population is measured by the permanent resident population, as it is believed in economic research that permanent residents contribute the most to the economy. The level of economic development affects whether the basic conditions necessary for entrepreneurship can be met and generally affects the transmission capacity of information in the region. Therefore, the level of regional economic development is considered as a control variable. In specific model validation, per capita GDP is measured by taking its logarithm. (2) Per capita public service expenditure (PUB): the general public service expenditure of each region divided by the total regional population. The development of digital inclusive finance requires not only the support of government policy conditions but also the support of digital infrastructure, financial services, technology, and other aspects. That is, the proportion of government public service expenditure will also affect the development of digital inclusive finance. Therefore, public service expenditure is introduced as one of the control variables. (3) Human capital level (HC): adopting the measurement method used in most studies, the average number of students enrolled in higher education institutions per 100,000 population is used as the measurement standard. Generally speaking, the higher the level of education, the higher the level of human capital development in the region. (4) Traditional financial development level (FIN): measured by the proportion of the balance of loans in various currencies of financial institutions in each region to GDP. Traditional finance plays an important role in both digital inclusive finance and entrepreneurship, so it is included as a control variable. (5) Infrastructure (FRA): measured by the proportion of fixed asset investment in each region to its gross domestic product. When the transportation infrastructure in a region is well-developed and convenient, residents will have more opportunities and willingness to seek job opportunities, and correspondingly, the level of entrepreneurship will be higher. Therefore, fixed infrastructure is introduced as a control variable. The descriptive statistics of the relevant variables are presented in Table 1.

Table 1. Descriptive statistics

	(1)	(2)	(3)	(4)	(5)
VARIABLES	N	Mean	Sd	Min	Max
Y	310	9.909	1.370	3.045	14.91
Y1	310	7.797	0.936	0.693	9.627
Y2	310	9.645	1.481	2.944	14.90
DIFI	310	2.162	0.970	0.162	4.319
COV	310	1.967	0.966	0.0196	3.970
USE	310	2.111	0.982	0.0676	4.887
DIG	310	2.901	1.173	0.0758	4.622
PGDP	310	10.83	0.439	9.706	12.01
PUB	310	7.014	0.426	6.352	8.993
HC	310	7.823	0.292	6.987	8.633
FIN	310	1.479	0.476	0.234	2.998
FRA	310	0.851	0.292	0.211	1.597

3.3. Model Construction

To investigate the impact of digital inclusive finance on the entrepreneurial level of urban and rural residents, based on the aforementioned assumptions, the following basic model is established:

$$Y_{it} = \alpha_0 + \alpha_1 DIFI_{it} + \beta X_{it} + \mu_i + \delta_t + \varepsilon_{it}$$

In this model, the explained variable Y represents the level of entrepreneurship, while the explanatory variable DIFI represents the development level of digital inclusive finance, which includes three sub-indices: coverage breadth, usage depth, and digitization level. X represents the control variables, including per capita GDP, human capital level, per capita public service expenditure, traditional financial development level, and infrastructure. i represents the province; t represents the year; α and β are regression coefficients; μi represents the fixed effect of the province, δt represents the fixed effect of the year; and ε represents the random disturbance term.

4. EMPIRICAL STUDY

4.1. The Benchmark Regression Analysis Of The Impact Of China's Digital Inclusive Finance Development On Overall Entrepreneurship In Urban And Rural Areas

Before baseline regression, individual effect and hausman test were carried out successively. When Hausman test chose fixed effect or random effect, the fixed effect model was found to be more suitable, so the fixed effect model was chosen in this paper. The four models in Table 2 show the impact of the total index of digital financial inclusion and the three sub-indexes on the level of entrepreneurship in each region. It is found that when models 1-4 are not included in the control variables, the total index of digital inclusive finance (1.821), coverage breadth (2.502) and depth (0.751) have a significantly positive impact on the level of urban and rural entrepreneurial behavior, and models 5-8 are the regression results of the included control variables. The total index, coverage breadth, depth and digitization of digital inclusive finance play a positive role under different significance levels. On the whole, the total index of digital inclusive finance has a positive promoting effect on entrepreneurial behavior regardless of the inclusion of control variables or without control

variables, and H1 hypothesis has been verified. Specifically looking at the results after adding control variables, in model 5, the influence coefficient of the total digital inclusive finance index on the total number of start-ups in urban and rural areas is 2.467, which is positive and significant at the 1% level, indicating that the development of digital inclusive finance has a significant promoting effect on the level of entrepreneurial behavior in urban and rural areas, which verifies that hypothesis 1 is valid. The total digital financial inclusion development index (impact coefficient 2.467) and coverage breadth of digital financial inclusion (impact coefficient 2.368) are significantly positive at 1% level, the depth of use (impact coefficient 1.137) is significantly positive at 5% level, and the degree of digitization (impact coefficient 0.395) is significantly positive at 10% level.

Table 2. The benchmark regression results of the impact of digital inclusive finance on the level of entrepreneurial behavior in urban and rural areas

Explained variable Y: Overall entrepreneurial level in urban and rural areas								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DIFI	1.821***				2.467***			
	(3.19)				(3.780)			
COV		2.502***				2.368**		
		(3.12)				(2.469)		
USE			0.751**				1.137***	
			(2.44)				(3.350)	
DIG				0.285				0.395*
				(1.36)				(1.800)
PGDP					-1.129**	-1.110**	-0.771	-0.559
					(-2.240)	(-2.030)	(-1.594)	(-1.153)
PUB					1.069**	1.147**	1.033**	1.029**
					(2.225)	(2.345)	(2.137)	(2.097)
HC					2.296***	1.320**	2.529***	1.728***
					(3.428)	(2.033)	(3.565)	(2.614)
FIN					0.392**	0.230	0.349*	0.380*
					(2.117)	(1.230)	(1.883)	(1.956)
FRA					0.256	0.549*	0.282	0.463
					(0.756)	(1.651)	(0.829)	(1.362)
_cons	7.686	7.073	8.536	9.445	-6.619	0.910	-11.229	-5.839
	(11.95)	(8.40)	(17.24)	(35.89)	(-0.908)	(0.117)	(-1.487)	(-0.785)
Province fixed	yes	yes	yes	yes	yes	yes	yes	yes
Time fixed	yes	yes	yes	yes	yes	yes	yes	yes
N	310	310	310	310	310	310	310	310
adj. R2	0.7702	0.7698	0.7666	0.7631	0.790	0.784	0.788	0.782

t statistics in parentheses

* p<0.05, ** p<0.01, *** p<0.001

4.2. Consider The Test Of Urban-Rural Differences

Considering the vast territory of China, the actual development situation of different provinces and regions is different, according to the different registered addresses of registered enterprises, the total enterprise entrepreneurship index is planned to be divided into urban entrepreneurial behavior and rural entrepreneurial behavior, so the explained variables are divided into the total number of start-ups, the number of rural entrepreneurs and the number of urban entrepreneurs. Models 5-8 in Table 3 are regression results with urban entrepreneurial behavior as the explained variable. The regression coefficients of the total index and sub-index of digital inclusive finance in the urban sample are 2.439,

2.408, 1.119 and 0.382, respectively, and the coefficients of the coverage breadth and use depth of the total index and sub-index are significantly positive. However, in the rural sample, the regression coefficients were 0.534, 1.255, 0.160 and 0.022, which were all positive but not significant. Overall, it shows that digital financial inclusion has a greater impact on the level of entrepreneurial activities in urban areas. On the one hand, compared with urban residents, rural residents may have less income, less start-up capital available for disposal, and it is difficult for them to take out mortgage property to obtain loans, so they have fewer opportunities to obtain financial services. Relatively speaking, urban residents have more free disposable income or funds, and can obtain loans with lower interest rates through corresponding financing channels. On the other hand, the education level and acceptance degree of rural residents are also quite different from that of urban residents, and there are certain differences in the grasp of entrepreneurial opportunities and the understanding of digital financial inclusion policies. Moreover, the users and usage frequency of rural residents are much lower than that of urban residents. Therefore, many reasons have led to the significant difference in the level of entrepreneurship between urban and rural areas. The specific results of urban entrepreneurship level and rural entrepreneurship level are shown in Table 3.

Table 3. Benchmark regression results of entrepreneurship level of urban and rural residents

	Y1: Rural entrepreneurial level				Y2: Urban entrepreneurial level			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
DIFI	0.534				2.439***			
	(0.800)				(3.629)			
COV		1.255				2.408**		
		(1.301)				(2.443)		
USE			0.160				1.119***	
			(0.463)				(3.204)	
DIG				0.022				0.382*
				(0.101)				(1.695)
PGDP	0.172	-0.028	0.274	0.312	-1.305**	-1.305**	-0.950*	-0.740
	(0.334)	(-0.051)	(0.556)	(0.641)	(-2.516)	(-2.322)	(-1.909)	(-1.484)
PUB	-0.003	0.044	-0.010	-0.008	1.114**	1.194**	1.078**	1.074**
	(-0.006)	(0.089)	(-0.020)	(-0.017)	(2.251)	(2.374)	(2.166)	(2.130)
HC	1.534**	1.267*	1.506**	1.374**	2.320***	1.351**	2.546***	1.754**
	(2.239)	(1.940)	(2.086)	(2.072)	(3.365)	(2.024)	(3.487)	(2.580)
FIN	0.383**	0.331*	0.369*	0.365*	0.455**	0.294	0.412**	0.441**
	(2.021)	(1.758)	(1.957)	(1.874)	(2.386)	(1.526)	(2.161)	(2.208)
FRA	0.449	0.504	0.477	0.512	0.268	0.557	0.296	0.475
	(1.299)	(1.508)	(1.377)	(1.502)	(0.770)	(1.631)	(0.843)	(1.360)
_cons	-9.259	-5.795	-9.780	-8.947	-5.272	2.335	-9.802	-4.483
	(-1.242)	(-0.743)	(-1.272)	(-1.198)	(-0.702)	(0.293)	(-1.261)	(-0.586)
Province fixed	yes	yes	yes	yes	yes	yes	yes	yes
Time fixed	yes	yes	yes	yes	yes	yes	yes	yes
N	310	310	310	310	310	310	310	310
adj. R2	0.530	0.532	0.529	0.529	0.810	0.805	0.808	0.803

t statistics in parentheses

* p<0.05, ** p<0.01, *** p<0.001

4.3. Test Of Regional Differences

4.3.1. Subregional regression

In this paper, the total sample data of 31 provinces in China is first reduced by 1%, and then divided into four parts: eastern, northeastern, and central and western parts. Table 4 is a descriptive statistical table of the four sections.

Table 4. Descriptive statistics

	East		Northeast		Middle		West	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
VARIABLES	Mean	Sd	Mean	Sd	Mean	Sd	Mean	Sd
Y	10.14	1.365	10.03	1.086	10.07	1.316	9.604	1.421
Y1	7.835	0.806	7.917	0.689	8.167	0.467	7.550	1.173
Y2	9.913	1.484	9.746	1.246	9.749	1.465	9.345	1.505
DIFI	2.430	1.011	2.038	0.890	2.117	0.967	1.993	0.919
COV	2.256	0.971	1.827	0.866	1.873	0.965	1.808	0.942
USE	2.481	1.051	1.958	0.862	2.124	0.941	1.835	0.876
DIG	2.912	1.242	2.879	1.175	2.914	1.179	2.892	1.123
PGDP	11.23	0.403	10.77	0.191	10.65	0.262	10.60	0.344
PUB	6.994	0.301	6.844	0.180	6.792	0.235	7.184	0.546
HC	7.978	0.292	7.951	0.116	7.833	0.153	7.656	0.288
FIN	1.602	0.495	1.521	0.330	1.082	0.272	1.564	0.472
FRA	0.637	0.267	0.903	0.318	0.872	0.182	1.007	0.237

4.3.2. The impact of digital financial inclusion on the level of urban and rural entrepreneurial behavior

The chart below shows the regression results of the heterogeneity test population. Models (1), (2), (3) and (4) are empirical results of the eastern, northeastern, central and western regions, respectively. The results show that the regression coefficient of digital financial inclusion on entrepreneurial behavior in the eastern and central regions is significantly positive, while the effect is not significant in the northeast and western regions. This indicates that the development of digital inclusive finance has a significant promoting effect on the level of urban and rural entrepreneurial behavior in the eastern and central regions. The entrepreneurial effect intensity of digital inclusive finance in China shows a trend of "East > Middle > Northeast > West", showing obvious regional heterogeneity. The reason for this difference may be that the financial development supporting facilities in the eastern region are relatively perfect, and the development level of digital inclusive finance is relatively high.

Table 5. Regression results of heterogeneity test

VARIABLES	(1)	(2)	(3)	(4)
	Y(East)	Y(Northeast)	Y(Middle)	Y(West)
DIFI	4.254***	9.618	3.039***	3.434
	(3.09)	(1.39)	(3.42)	(1.48)
PGDP	-2.241**	0.630	0.0850	-2.892**
	(-2.62)	(0.27)	(0.08)	(-2.15)
PUB	-0.708	2.683	0.00899	1.961
	(-0.67)	(0.87)	(0.02)	(1.86)
HC	2.479	1.870	0.994	2.122**
	(1.88)	(0.56)	(1.24)	(2.10)
FIN	0.965	-6.505	0.342	0.279
	(1.21)	(-1.53)	(0.44)	(0.91)
FRA	0.419	-0.292	-0.149	0.891
	(0.27)	(-0.27)	(-0.40)	(1.39)
_cons	15.93	-25.24	-0.392	7.727
	(1.08)	(-0.73)	(-0.03)	(0.77)
Province fixed	yes	yes	yes	yes
Time fixed	yes	yes	yes	yes
N	70	30	60	110
R-sq	0.96	0.94	0.98	0.68
adj. R2	0.94	0.86	0.96	0.59

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion Of The Study

This paper focuses on two key points: digital inclusive finance and the level of urban and rural entrepreneurial behavior. On the basis of relevant theoretical combing and analysis, based on the digital inclusive finance indicators and entrepreneurial data of urban and rural enterprises of various provinces in China from 2011 to 2020, this paper uses the fixed-effect model to discuss the total and regional effects of digital inclusive finance on the entrepreneurial level of urban and rural areas in China, and draws the following conclusions: First, the coverage breadth and use depth of the general index and sub-index of digital inclusive finance development have significant positive promoting effects on entrepreneurship, but the coverage breadth has the greatest promoting effect. Second, digital inclusive finance has a significant role in promoting the level of entrepreneurship in urban areas, and a more significant role in promoting the eastern and central regions.

5.2. Policy Recommendations

Based on the above research conclusions, this article proposes the following suggestions:

Fully leverage the service advantages of digital inclusive finance. Digital inclusive finance is an important driving force for the level of entrepreneurial behavior in urban and rural areas. Therefore, the development and promotion of digital inclusive finance need to be further advanced, and its

advantages in terms of financial service coverage breadth and usage depth should be fully utilized. Starting from the coverage breadth, we should continuously improve the construction of the digital inclusive financial system. Accelerate the construction of infrastructure and promote the establishment of a blockchain service system that integrates the Internet, the Internet of Things, and other technologies, in order to further expand the coverage of digital inclusive financial services.

Second, the level of digital financial inclusion and entrepreneurial behavior shows significant regional heterogeneity in the development process of different regions. Therefore, on the one hand, it is necessary to adopt different development and governance measures according to the actual situation of different regions, and on the other hand, it is also necessary to strengthen the integration of entrepreneurial resources in different regions to promote the common economic development of various regions. In particular, disadvantaged groups such as poor rural areas and micro, small and medium-sized enterprises should build their own distinctive industries and services according to local resources, strengthen regional exchanges and assistance including capital and talents, combine digital inclusive finance with talent introduction plans and innovative technologies, narrow the development gap in various regions, and optimize entrepreneurial resources in various regions. Finally realize the goal of equal opportunities for entrepreneurship and coordinated development among regions.

Thirdly, actively promote and strive to create a cultural atmosphere of "mass entrepreneurship and innovation". On the one hand, enhance entrepreneurs' awareness of entrepreneurship through entrepreneurship education activities. Help the public break the stereotype that only wealthy individuals can start businesses and inspire entrepreneurs' enthusiasm for entrepreneurship. On the other hand, the government should provide policy support, lower the service threshold for digital inclusive finance, and provide preferential policies and tax support for related entrepreneurial projects, thereby reducing the financing difficulties of entrepreneurs, optimizing the business environment, and creating more employment opportunities. At the same time, local government departments at all levels and individuals with entrepreneurial aspirations can organize more entrepreneurial training and experience exchange activities to improve the overall human capital level of entrepreneurs and increase the possibility of successful entrepreneurship.

ACKNOWLEDGEMENTS

Supported by Graduate Student Innovation Program of Chongqing University of Technology (Grant No. gzlcx20233427).

REFERENCES

[1] He Guangwen and Liu Tian. Financial Support for Farmers' Entrepreneurship under the Background of Rural Revitalization [J]. Chongqing: Reform, 2019, (9): 73-82.

[2] Dong Minjie, Liang Yongmei, and Zhang Qizai. China's Industrial Capacity Utilization Rate: Industry Comparison, Regional Disparity, and Influencing Factors [J]. Economic Research Journal, 2015, 50(01): 84-98.

[3] Beck T, Fuchs M. Finance in Africa--Achievements and Challenges[J]. Policy Research Working Paper, 2010.

[4] Guo Feng, WANG Jingyi, Wang Fang, Kong Tao, Zhang Xun, Cheng Zhiyun. Measuring the development of digital inclusive finance in China: Index compilation and spatial characteristics [J], Economic Quarterly, 2019,19(4):1401-1418. (in Chinese)

[5] Ge Heping, Zhu Huiwen. Research on provincial differences and influencing factors of digital inclusive finance in China [J]. Shanghai: New Finance,2018,(2): 47-53.

[6] Schumpeter J.A. The Theory of Economic Development[M]. Cambridge: Harvard University Press, 1934.

[7] Liu Zhiyang, Zhao Chenfang, and Yang Jun. Chinese Entrepreneurship Studies: Discipline, Scholarship, and Discourse System [J]. Foreign Economics & Management, 2021, 43(12): 51-67.

[8] Xie Xuanli, Shen Yan, Zhang Haoxing, and Guo Feng. Can Digital Finance Promote Entrepreneurship? Evidence from China [J]. China Economic Quarterly, 2018(4): 1557-1580.

[9] Ren Biyun and Li Liuying. Does Digital Inclusive Finance Promote Rural Inclusive Growth? A Study Based on Survey Data from 2114 Rural Residents in Beijing-Tianjin-Hebei Region [J]. Modern Finance and Economics (Journal of Tianjin University of Finance and Economics), 2019, 39(4): 3-14.

[10] Xie Wenwu, Wang Tao, and Yu Jiagen. Does Digital Inclusive Finance Promote Rural Entrepreneurship? [J]. Financial Theory and Practice, 2020(07): 111-118.

[11] Zhang Bijun and Wu Wanting. Digital Inclusive Finance, Entrepreneurship, and Income Distribution: An Empirical Study from the Perspective of Urban-Rural Differences in China [J]. Financial Review, 2021, 13(02): 31-44+124.