

Housing Security System and Household Entrepreneurship: Evidence from China

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Abstract : With the advancement of the reform of China's housing security system, the impact is becoming increasingly profound. This paper explores the relationship between the housing security system and household entrepreneurship on the 2017 China Household Finance Survey (CHFS) and conducts a large number of robustness checks, including PSM and IV estimation. The results show that the assistance of the housing security system will significantly promote family entrepreneurship, increasing the probability of entrepreneurship by 2%. Its internal mechanism is mainly achieved by relaxing liquidity constraints and increasing household social capital. However, the risk preference effect has not existed. Heterogeneity analysis shows that the positive impact of the housing security system on family entrepreneurship is mainly reflected in areas with high housing prices and incomes, as well as households with long-term security and social or commercial insurance. Meanwhile, it also verifies that the positive externalities of the housing security system will also positively affect active entrepreneurial motivation, entrepreneurial intensity, and entrepreneurial innovation.

Keywords : the housing security system, household entrepreneurship, social capital, liquidity constraints, risk preference

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