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FACULTY OF BUSINESS ADMINISTRATION

**The Needs of Micro and Small Business Owners: An
Exploratory Study in China**

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THESIS DECLARATION

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This thesis is submitted in partial fulfillment of the requirements of the _____

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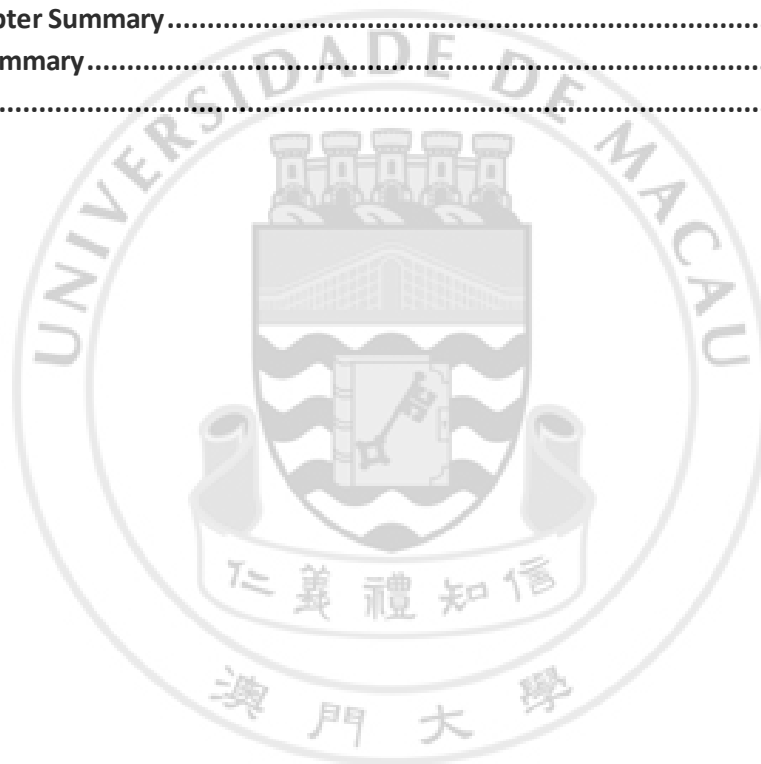
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Abstract

Microfinance, an effective means of poverty alleviation and financial development, has been accepted by more and more people all over the world. Thousands of microfinance projects and microfinance institutions are striving to extend those financial services into micro and small enterprises and poverty levels people. According to (CGAP, 2003) the effective roles in poverty alleviation and development, microfinance plays a great social function to help lots of people out of poverty, change their living conditions and improve their business.

More and more government organizations and institutions start to pay more attention to the development of microfinance services in China. However, the majority of current microfinance projects are focused on rural and undeveloped areas, neglecting the demands of micro and small enterprises in the urban areas. The urban micro and small enterprise owners also face the limitation of financial channels due to the lack of collaterals, formal financial statements and other objective bottlenecks.

The inadequate financial supplies make those urban micro and small enterprises hard to achieve sustainable development. This study revealed the current financial situation of small business owners in Taizhou city of Jiangsu province, and identified their needs and tendencies for microfinance products. The study provided insight on micro and small enterprises owner preference regarding product elements, such as loan amount, maturity, frequency, interest rate, and collateral. The findings contributed to understanding the needs of urban small business enterprises and the recommendations enhanced understanding of the microfinance services in urban areas. It also extended the literature on microfinance.

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