

ENTREPRENEURSHIP, SUPPORT OF THE ECONOMIC CHANGES IN CHINA

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Abstract:

Viewed as an extremely tempting and complex topic, entrepreneurship is still a young, emerging field of study with a low paradigmatic evolution which arises strong interest among researchers, practitioners and political deciders. The detailed examination of the multiple nature of entrepreneurship has revealed the manifestation of more analysis stages, each of these contributing to a deeper understanding of the field. The focus of the studies was directed mainly to the individual, corporations and nations. The research of entrepreneurship at an individual level focuses on the people's entrepreneurial skills, on their ability to take risks and other personal particularities. The analysis of the corporate level of entrepreneurship emphasizes the companies' potential to develop strategies to ensure their existence in the business field. At national level, entrepreneurship seen as a result of culture, research-development, access to financing and technology can be considered the "engine" of economic growth and poverty reduction. The present study wishes to combine all these aspects to argument the force of entrepreneurship in China, a country with an economy in transition, where, in the last three decades, an assumed economic development was registered. Thus, it is shown that at individual level, the Chinese entrepreneurship focuses on entrepreneurial education that is closely related to individuals' intentions. The corporate level is captured through the evolution of generations of entrepreneurs and their concepts regarding the development strategies of their companies. At national level, the development of entrepreneurship has completed on behalf of the Chinese government's efforts to ensure an economic friendly environment, a better life standard, a coherent education reform, a change of business attitude and the regional economic opening.

Key words: entrepreneurship, China, education, economic development, women entrepreneurs

JEL classification: O1, O4, O5

INTRODUCTION

The national economic transition may be a predictor of development of the entrepreneurial spirit. Although the consensus was reached that the entrepreneurial spirit contributes to the economic development by introducing innovations, consolidating the rivalry and creating competition (Wong, Ho, and Autio, 2005), the determinants of the development of the entrepreneurship in the transition countries, like China, are not yet clear.

The Chinese government worked in order to build a friendly environment for the entrepreneurs and the impact of the transition on the development of the entrepreneurship is of interest. Some studies investigated the institutional entrepreneurial environment and its cultural dimensions (Li & Materlay, 2006), but there are few investigations of the impact of the economic transition on the development of the entrepreneurship. The interest manifested by the decision makers to facilitate the economic growth in China is seen in the more and more clear role of the entrepreneurship in the economic life of this country. Generally seen as an important means of stimulating the development of the private sector, the entrepreneurship influences the direction of the economy from poverty to richness. By creating or developing the economic activities and identifying and exploiting new products, pocesses and markets (Baumol, 2002; OCDE, 2007), the entrepreneurs want to generate value. Recognizing its importance, people are willing to learn more about this concept. That is why the mechanisms of entrepreneurship attracted the permanent interest of the population and

specialists. Nevertheless, there is no single definition of the entrepreneurial spirit, but only a common idea that refers to initiative and risk.

1. THE PRIVATE ENTERPRISES IN CHINA

Before 1949 there were about 9 million private businesses (Liu, 2003) in China. After the proclamation of the People's Republic of China, the private sector in China was treated as „the tail of capitalism” which had to be cut (Zheng and Yang, 2009). Liu (2003) considers that after the period of socialist reconstruction 1953-1956, no private businesses would have worked. Still, in the vast lagging rural areas, where the control of the totalitarian state was quite weak, this tail of private economic activity was not cut but reasonably survived in private plots, in family sideline businesses and the bazaar trade, operating in a „subterranean” way. Thus, at the end of 1978, across the country there were around 150,000 private businesses (Liu, 2003). The presence of private capital goods and their exploitation by employment emphasizes that there is capitalism and the private sector is part of it. The private companies played the role of „filling the gaps” in the national economy, especially in distributing goods and consumption goods and in employment. The role and the effect of the private economic activity were recognized by law (1982), as a promoter of the recovery and development of the urban private economic activity.

The revival of the private economy in cities was possible as a consequence of the pressure generated by the unemployed young people in the urban area on the government. The young people employment became a heavy burden of the government, reason for which the government encouraged young people to self-employ. This policy was clearly stated in many documents issued by the government and the party in 1981, offering guidelines in order to solve some problems related to private companies (like: using the plots of land, supplying with materials, business management, etc.).

The second stage of China's economic reform, at the end of the 1980s and the beginning of the 1990s „set the stage for Chinese entrepreneurs to exploit the labour cost differences between the Western countries and China ” (Zhou, 2012). China became the world's largest low-cost manufacturer in the global market. The central government of China has begun to implement new policy initiatives to maintain economic growth and address the problems described above by helping SMEs go global. This was stated in 2011 by the National Development and Reform Commission, which wants to implement the „go global strategy” and to improve fiscal, taxation, financial and insurance policies to help the Chinese enterprises go global. (Zhou, 2012).

The Chinese entrepreneurial spirit has two important attributes: familism (Gao and Kotey, 2008), and the social capital known as „Guanxi” (Yang, 94; Zhang and Zhang, 2006). Humanism and hierarchy follow (Zapalska and Edwards, 2001; Sheh 2001). These are specific challenges and opportunities to the Chinese Small and Medium Enterprises. Guanxi is known as the most powerful force in the Chinese culture. It can be considered as „a special type of currency” (Zhou, 2012). Without proper Guanxi, it is very difficult to new ventures to go global. Although Guanxi plays a special role in business functioning in China, especially in building business networks (Kempster and Cope, 2010), there are controversies concerning the possibility to be, or not, viewed as a personal value dimension. In the Chinese context, many researchers treat guanxi as a socio-cultural factor (Gao and Kotey, 2008; Huang and Bin, 2006; Luo and Chen, 1997; Kirby and Fan, 1995)

2. THE GENERATIONS OF THE CHINESE ENTREPRENEURSHIP

In the development of China and implicitly of the entrepreneurial spirit, beginning with 1978 three stages can be identified (Zhang, 2013). Each stage corresponds to an institutional environment, a certain set of policies and, evidently, a generation of entrepreneurs.

The start of the entrepreneurial activities was given at the beginning of the 1980s with the reforms that endorsed „The four modernizations”: agriculture, industry, science- technology and

military. Thus the first generation of Chinese entrepreneurs emerged (Eesley, 2009). These entrepreneurs helped the transformation of China into a market economy that is more and more integrated in the global economy. Thus, in order to understand the Chinese firms, one has to understand the Chinese entrepreneurs. The previous research has been done on Chinese entrepreneurs both as individuals and as a group. Neither approach is fully satisfactory, since these entrepreneurs differ significantly in terms of their personal backgrounds, development paths and the business models. The criteria of classification include the nature of businesses and industries, as well as specific business management models developed by the respective generation of entrepreneurs. This generational comparison helps foresee the ways towards which the Chinese firms are developing.

FIRST GENERATION: MANUFACTURING SECTOR

China's First Generation of business leaders are more than 45 years old. At the beginning of the 1980s (at the time of China's opening to the outside), many of them were either university graduates or military personnel. After accumulating first - class technical or managerial experience, these people and their expertise emerged in the transition of the Chinese society towards a market economy. In the opinion of Teng and Xiang (2007), this generation was the first to experience China's new economic policies and gave the most prominent members of Chinese entrepreneurship: Liu Chuanzhi (Lenovo), Zhang Ruimin (Haier), Ren Zhengfei (Huawei) and Li Dongsheng (TCL).

With the courage to experiment and with strong personalities, these entrepreneurs made possible the successful transition from their planned economy to companies lead by the principles of the market economy, becoming symbols of the economic transformation of the time. The entrepreneurs of the First Generation lived and worked in important state -owned enterprises in China in a period in which it was hard to break away from the traditional ideology and systems, still they dared to adapt the style of doing business by experimenting the conditions of the market economy.

Thus the first group of firms in China was founded, which were truly based on the notion of market competition, achieving great success in China and beginning to explore international markets. The reason of their success can be attributed, according to Teng and Xiang (2007) to a vast domestic market which is rapidly developing nurtured by great growth opportunities for competitive enterprises, and to the transition characteristics (lack of market regulations, lack of transparency or „hidden rules”, the trade barriers against imports, the reduced home competition and relatively weak foreign competitors). At the same time one can bring forward that many multinational corporations didn't set up regional general headquarters in China, nor did they send their „elite” managers to China. These factors mitigated the competitive pressures on the first generation of Chinese entrepreneurs. The majority of the first generation entrepreneurs chose to focus on the traditional sectors of manufacturing, that can be divided in „mainstream”, „conventional”, „branch” (see table 1). The first generation took advantage of manufacturing opportunities at the global level.

Table 1 Orientations and opportunities of the entrepreneurs of the First Generation

	Mainstream	Conventional	Branch
Industry	Telecom	PC, Containers	Textile, shoes, sewing machines etc
Typical firm	Huawei	Lenovo	Younger_CAokang
Advantages and opportunities	1. Cost advantage 2. Worldwide industrial shift to developing countries 3. Large and fast growing Chinese market 4. Multinationals focussing on high value- added areas		
Weaknesses	Limited ability in competing against global leaders	1. Low cost manufacturing leads to low profit margin. 2. The OEM mode limits capabilities in areas such as branding, marketing, and R&D. 3. Inexperience in global management 4. Lack of capable professionals	
Challenges	1. Rising value of RMB (local currency) 2. Rising labor costs, labor shortage 3. Competitors with low cost labor (i.e., Vietnam, India, & Poland) 4. Difficulties in global operations		

Source: Taken according to Teng and Xiang, 2007, Three generations of chinese entrepreneurs: will the third generation be as successful?

The new entrepreneurship generated small salaries for workers and small profit margins. Consequently, these firms didn't contribute to the creation of a rich middle class in China.

SECOND GENERATION: THE SERVICE SECTOR

The second generation of Chinese entrepreneurs became active at the end of the 1990s. It can be named „30-40”, as most of them were in their thirties. Age is not a definitive criterion for the second generation of the Chinese entrepreneurs. According to Teng and Xiang (2007), among the representatives of the second generations are a series of personalities: Shen Nanpeng (Ctrip), Chen Tianqiao (Shenda), Jiang Nanchun (Focus Media), Ma Yun (Alibaba.com), and Li Hongyan (Baidu.com).

The emergence of the second generation of entrepreneurs is of great importance for the development of the Chinese economy and society. The effects were seen in the increases in the personal income of the population, and the service sector grew at a rapid pace. Consequently, China's industrial structure improved, the pressure to import was reduced and helped the balance international trade. At the same time „alleviated concern over China threats” (Teng and Xiang, 2007). But the most important thing related to the second generation of entrepreneurs is the new perspective of China's current technology- driven development model. The increase of employment and the development and expansion of the middle class in China is important.

Unlike the first generation, many of the „30- 40” did not start from the bottom and did not experience the constraints of the planned economy. Most were well educated and went overseas for advanced education. They started their businesses in a more transparent business environment and enjoyed more clarity on legal issues. Open to learning new business models from developed countries, the entrepreneurs of the Second Generation are skillful in dealing with the financial markets and capable to enter various relations in order to access the international private capital funds. Hence, their personal wealth has reached levels unmatched by the first generation (Teng and Xiang, 2007). While the first generation served as role models for society, the second generation is closer to “youth idols.” More independent financially, the second generation emphasizes the „previous experience”, (learning from the experiences of the predecessors and their business models, from families and their associations), being oriented to „self- satisfaction”- coming true of their own „dreams” and „objectives” (Chelliah and Lee, 2011). These entrepreneurs didn't keep as a

business model the traditional low-cost manufacturing, rather focus on the service sector, localize advanced business models from the developed countries in order to adapt them to local market conditions (ex. Shen Nanpeng, who co-founded Ctrip and Home Inns). The conclusion of the study of Chelliah and Lee, (2011) is that unlike the results of the first generation entrepreneurs, those of the second generation reflect a „greater dependency from the Guanxi connections”. These connections, they consider, are achieved in order to develop mainly personal business networks and not necessarily their use as support of foreign affairs. The difference is due to the bigger needs for financial back-up and consolidation of the entrepreneurship by creating personalized business networks.

The existence in China of the second generation of entrepreneurs generates a rivalry on the scene of the economic life: manufacture vs service. Anywhere in the world it is obvious that the emergence of the service sector challenges the traditional view of economic and social development which put a priority on manufacturing and technology development. The service sector is an indispensable part of any advanced economy. The service sector is critical in solving unemployment and stimulating consumption, supporting the medium and long term economic growth. Like in the US, where companies like General Motors, IBM, Hewlett Packard, were surpassed from the top positions by service providers like Wal-Mart, Starbucks, Google, in China, similarly, many firms founded by the second generation entrepreneurs are eclipsing the firms founded by the first generation. For example, „Focus Media, with a real value of US\$27.8 billion, and, by comparison, Lenovo, with over 20 years of history, has a market value of only US\$12 billion „(Teng and Xiang, 2007).

While the second-generation entrepreneurs are more active than their predecessors in global financing, and with the mindsets generally more open, their business success is still mostly within China. Their firms significantly lag behind global leaders in management capability, business model innovation, and human capital. These firms have not yet made great strides towards globalization, evidenced by their lack of cross-border acquisitions. As such, the second generation could be viewed as „a transitional generation not yet prepared to break significant ground in China’s globalization efforts.” (Teng and Xiang, 2007).

THE THIRD GENERATION: CONSOLIDATING THE GLOBAL RESOURCES

Despite considerable investments, the globalization effort has been rather disappointing, and has not made major progress in penetrating the U.S. and European markets. As a result, there are discussions about whether Chinese firms can become world-class enterprises. Indeed, Chinese firms have limited resources and capabilities, and lack the experience to compete in developed markets.

The rapid speed of globalization means that there is not much time left for local firms trying to go global. Given this backdrop, Chinese firms pursuing traditional approaches have little hope for success. Chinese entrepreneurs are searching for improved global strategies to enhance the global competitiveness of their firms. A new approach towards global competition has emerged.

The global ambitions of Chinese entrepreneurs may only materialize once these Chinese entrepreneurs learn to effectively integrate global resources. The essence of this strategy is to counter global competition with global resources. In today’s world, no nation can possibly possess the best resources in all areas. Thus, the strategy of using Chinese resources to compete against the whole world will be increasingly ineffective. The firms must mobilize local resources (such as low cost labor) global resources (such as advanced technologies). Chinese entrepreneurs may also develop a group of world-class firms in mainstream industries. Only then will the third generation of Chinese entrepreneurs emerge onto the stage (Teng and Xiang, 2007).

3. EDUCATION, ADVANTAGING FACTOR OF ENTREPRENEURSHIP

In the economic development of countries and regions, the academic institutions play a very important role (Paco, 2010), reason for which the responsible factors must plan the way in which education is done. The necessary abilities for a person to solve some problems are increased by the education he/she has achieved. The universities can stimulate the economic growth by cultivating the enterprising spirit and education of students who become entrepreneurs or employees of these entrepreneurs. Thus, the entrepreneurial gifts are not lost. Education is traditionally viewed as an investment for the future. As determinant factor for the entrepreneurial achievement, it can be easily influenced (Van der Sluis and Van Praag, 2004). Education develops the leadership capacity. That is why the firms lead by people who are university graduates have higher probabilities of growth than those run by people with a low – level of education, irrespective of the market situation (Kangasharju and Pekkala, 2002).

In order to start a new business the entrepreneur must have new ideas (Stam, 2008). Materializing the new idea and taking advantage of an opportunity is undoubtedly a challenge that any entrepreneur will have to overcome. Kirzner, (1973) emphasizes entrepreneurship as „ a profit opportunity previously unnoticed”. Consequently, the entrepreneur who sees a new opportunity is that who studies the ideas previously developed by other entrepreneurs „ combining them in order to produce a new process or output ” (Holcombe, 1998). For this reason, any new scientific information represents an important source of entrepreneurial opportunities. A first remark would be that the entrepreneurial activities may be viewed as opportunities as long as that who turns them to good account has access to more information, and particularly to knowledge that allows him/ her to reveal and filter them in order to find new ideas (Holcombe 1998; Acs et al 2009).

Although knowledge doesn't create entrepreneurial perspectives directly, one can consider that as it becomes more accessible, it may be absorbed easier by individuals or groups, others than those who generate them (Foray, 2004). Consequently, as initiators, the Universities and the research organizations may be recognized as knowledge generating sources for the entrepreneurial activities. Thus, education plays a more and more important role in the development of private enterprises in China, many new entrepreneurs starting their own businesses by a good use of their knowledge achieved in universities.

The attitude of the government and people towards education began to change when taking again the entrance examinations in universities in 1977, 10 years after the Cultural Revolution (Wang, 2008). Trying to attract advanced technologies and rebuild the country energetically, this open policy managed to confer Chinese people a broader perspective on the world. Education, academic education improved significantly by making remarkable progress and bringing into prominence many types of talents in various sectors of activity. The development of private economy in China benefited by the improvement of the levels of education and the increase of the knowledge sources during three stages (Dongtao, 2008). The early stage of transformation of the Chinese society (1978-1986) was characterized by enunciation and supporting education by the Chinese Government as a strategic objective, a battle instrument in the ideological change and social development, respectively. In the second stage (1987-1999), the access to education and technology was brought to the top position of the development plan of the Government, that generated „the social concept of a prosperous nation dependent on science and education” (Hui, 2010). In the third stage (2000 to the present), the role of education in China is that of „keystone for the triumph of the nation”, the Chinese considering that only education can guarantee the correctness in society. For them education refers not only to the development of a country and modernization of the economy, but also to the improvement of the living standard and the human progress (Hui, 2010). In 1986, in order to raise the education level in most parts of the country, the Chinese Government, at the initiative of the Ministry of Education of China, promulgated a law that established nine -year compulsory education. As a consequence, education made a great progress and the education structure improved and diversified being more comprehensive. The

educational system in China comprises: basic education, vocational and technical schools, higher education and adult education.

Through the strategies and policies in the education field, the Chinese Government seems to be a mechanism to maintain a high economic growth through qualification modernization. As a result of these political initiatives, was a sudden increase of the number of persons with a high level of education, in various fields, apparently without an analysis of the demand in the labour market and without defining the work demands of different kinds, that created syncopies of absorption and unemployment for associated activities (Li, Whalley, Zhang and Zhao, 2008). These educational policies lead to the considerable improvement of the access to higher education of the persons who came from the rural households. As a result, the difference of access between the rural and urban areas are gradually diminished. With the increase of the number of students, the higher education policies in China promoted the ten biggest universities, the so-called „elite” universities. These are the higher education institutions that receive the biggest fund allocations from the central and local administration. They have priority in the selection of students through the national admission examinations, having significant endowments and the best research resources in China. The focus of the policy is on raising a small number of Chinese universities to the world class status, strenghtening them and making them bigger.

The content of the entrepreneurial education of the Chinese universities is mainly made of entrepreneurship courses and practical activities in the enterpriser activity. In the configuration of the entrepreneurial education, the entrepreneurship courses „are limited to orientation in employment or career planning, lacking systematization and standardization,” Yanhong and Yibin, (2012) precise. They specify that only a few universities have more mature and regular courses, like Tsinghua University, Beijing University of Aeronautics and Astronautics, and Renmin University. Consequently, the current entrepreneurship education in the Chinese universities „is limited mainly to operating in different qualifications, that leads to the separation between the entrepreneurial education, speciality education and basic education, assuming that what is good for business is only skill in certain abilities or techniques” (Jiaxiao, 2011).

So, it is necessary that the Chinese universities reconfigure the entrepreneurial education content towards practical activities in order to integrate the entrepreneurial knowledge and abilities with entrepreneurship. Also, it is important to change the professor’s ideas concerning his/ her profession. He/ she „mustn’t be in the first place an instructor, but an adviser, a guide or a facilitator” whose responsibility is not simply teaching so that the students learn, but „teaching the students how to learn” (Yanhong and Yibin, 2012). Thus, the professor, as a co-ordinator, must guide the students so that they observe and think by themselves. At the same time, a greater attention is necessary to promote the quality of the professorial staff, attracting professors that have an entrepreneurial experience.

4. THE WOMEN ENTREPRENEURS IN CHINA

Entrepreneurship plays an important role in global economy, and within it the women entrepreneurs are more and more important (Deng, Alon, and Wang, 2011). In this context, the women entrepreneurs in China are the most active segment that contributes to the rapid growth and globalization of economy. Thus, according to All-China Women’s Federation (ACWF) at the level of 2011 China had over 29 million women entrepreneurs, about 25% of the national entrepreneur total, of which 41% private business owners or who carry on independent activities (Xiaosi, 2011). In China, as in most Asian cultures, women had a secondary role over the history. They had no financial independence, they were discriminated, being submitted to „the three obediences” (towards their father, their husband and their sons) for thousand years of feudal, semi-feudal and semi-colonial society (Taylor, 2005, Alon, Deng and Wang, 2011). Considered „accessories” by men, the Chinese women had no right to receive education, their dignity and the right to participate in social activities being denied, so much the more the right to do business (IOSC, 1994). As a

consequence, before the proclamation of the People's Republic of China, in 1949, women entrepreneurs hardly existed.

The laws of the socialist system facilitated a high level of participation of women, in political life as well as in the economic life (Li, 1998). The Chinese government eliminated the discrimination of women and pleaded for the gender equality through legal, administrative and educational means. The traditional opinions that women couldn't start a business were eventually discouraged. Assuring the equal opportunity was supported by the state that issued a series of „regulations and laws for the assurance of workplace safety of women” (Cooke, 2001). Two decades of economic, ideological, legal reform and experience training opened the full-time work access under gender equality conditions, and the way to entrepreneurship, also existing „a high degree of egalitarianism in the family roles” (Sheng, Stockman and Bonney, 1995). The principle of remuneration equality for equal work for men and women is a recognized principle. In China, workers that have the same technical skills, in the same industries and make similar types of work, benefit by the same salary, irrespective of gender.

The percentage of women employees in China is about 44%, that is bigger than the global average of 34.5% (Hu and Zhu, 2006). Women represent more than a half of all workers in the agriculture, forestry, zootechny, fishing and water conservation, cotton production. Of more than 100 million workers in the rural area, considers Zhe (2005), 40 million are women, and among these, 14 million women are self-employed in commerce and service activities. The women in rural areas in China work in the food, clothing, knitwear and other weaving products industry, toy and electronics industry, and traditional handicraft wares and as freelancers. They are an important driving force for the development of the enterprises, 50-60 % of the total value of outputs being generated by these (Zhe, 2005).

The number of women with higher education is growing: 42.4% of all college students are women, while 55.27% of all high school students are women (All-China Women's Federation 2002). The motivation of women entrepreneurs was strengthened by the Chinese government through a series of specific entrepreneurial policies, that include subsidies for professional training, guarantees for loans and also preferential treatment on taxation, offering favourable conditions (IOSC, 2005). In their researches, Tong and Chen (2004) synthesize the entrepreneurial motivations of Chinese women aiming at a better life, personal success and independence. They consider that due to the psychological need of security and the previous lack of incomes, in the motivational category for a better living, are situated the women entrepreneurs with a low-level of education.

The link between business performance and the motivations that make women become business owners can be outlined according to the push/pull framework which makes the difference between determined necessity (push) or the possibility to lead (pull). Women that are „pulled” in the entrepreneurship are much more liable to be oriented towards growth than women that are „pushed” in entrepreneurship by external circumstances (Fielden and Davidson 2005). There are opinions that consider that there are no factors that influence the activities of the women entrepreneurs.

Their choice to become entrepreneur can be rather a combination of the two pull/push factors (Hendrischke and Li, 2012). The new economic strategies of the Chinese state that gave an impetus to the industrial restructuration and the reform of enterprises, and the favourable legislation to female entrepreneurship doubled by the opportunities of growth in the private sector stimulated some women entrepreneurs to take advantage of the market gaps and thus break the traditional restrictions concerning them. The first tendencies lean towards the opportunities offered by the industry and agriculture, but the emergence of the economy based on knowledge and the information society reoriented women entrepreneurs towards the service sector, where they are very active and where there are small entry barriers and abundant development opportunities. The fields in which the rapid expansion of women entrepreneurs is seen are medicine, social services, consulting agencies, insurance, estate agencies and education, high-tech industry.

These women, between 25-44 years old, usually have a good education and are qualified in technology and marketing, being considered „a value force in the development of high-tech

industries ” (Shi, 2005). According to Deng, Wang and Alon, (2011), in a service business women have an advantage compared to their men counterparts due to their natural intuition, flexible personality and harmonious features. They also emphasize that many Chinese women entrepreneurs have special management skills, being capable to manage huge capitals and high level connections.

CONCLUSIONS

Entrepreneurship has had different forms in China. One of them was the ‘independent’ entrepreneurship supported by some subsistence businesses. The most interesting entrepreneurship form was created in the 80’s by taking over the management of some state companies by trained persons in China. This can open new investigating areas of entrepreneurship. A different form of entrepreneurship was born in the 90’s which supports the today Chinese economy. This is the privilege of the people who used their initiative and were educated abroad and returned to China to set up impressive businesses especially in IT.

Education plays an increasingly important role in the development of private companies in China. Thus, many new entrepreneurs have set up their own businesses on the basis of the knowledge acquired in universities.

The presence of women cannot be ignored in the context of the Chinese entrepreneurs. In order to motivate them, the Chinese government has elaborated specific entrepreneurial policy that includes subsidies for professional training, guaranties for small loans and a preferential tax treatment. In this way the Chinese women entrepreneurs represent the most active group that contributes to the rise and quick internationalizing of economy.

This paper contributes to the scientific literature concerning entrepreneurship in China against the background of the economic criteria of this country. Though highly documented, it is limited and does not cover all the entrepreneurial benefits of China, which is a good reason for us to continue a possible research in this direction.

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