Entrepreneurship and Entrepreneurship Education in China

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Introduction

Waves of Entrepreneurship in China

Entrepreneurship Education in China
Introduction
Whether GDP, Poverty Alleviation or Contribution degree to the world, China has made remarkable economic achievements ever since 1978 when China began to implement the new policy “domestic reform and opening to the outside world”.

- (1) China’s Entry into WTO in 2001 gave China new momentum and vitality;
- (2) China has become one of the most important engine for world economic growth since the financial crisis happened in 2008.
What is behind the economic miracle?
• “Invisible hand”
  - “Individuals' efforts to maximize their own gains in a free market benefits society, even if the ambitious have no benevolent intentions”.

Adam Smith, 1723-1790
Individual Entrepreneurship was greatly Motivated

- Amending the Constitution in 1988, “State permits the private economy to exist and develop within the limits prescribed by law.
- The private economy is the supplement to the socialist public economy.
- The state protects the legal rights and interests of the private economy, and exercises the guidance, supervision and management towards the private economy.”
Waves of Entrepreneurship in China
• What’s the definition of entrepreneurship in the context of China?
• Creation and management of the new enterprise, small businesses and family enterprise

---The Academy of Management
Historical Evolution of Entrepreneurial Waves

- In the 1980s: The first entrepreneurial wave
- In the 1990s: The Second entrepreneurial wave
- In the first 10 years of the 21st century: The Third entrepreneurial wave
The First Entrepreneurial Wave

10,000 households
Macro-entrepreneurship Policy

◆ More than 20 million educated youth back to the city and the urban new labor force, huge employment pressure, the unemployment rate was up to 5.4%

◆ In 1980, the central government proposed the employment guidelines of the ways and strategy of employed recommend, organized up employment voluntarily and self-employment, which impelled the entrepreneurial employment.
The Second Entrepreneurial Wave

10,000 households

Numbers of Private Enterprises
Growth Rate

Macro-entrepreneurship Policy

- The socialist market economy system was fixed in 1992
- Job policy from assignment-orientation to free choice.
The Third Entrepreneurial Wave

10,000 households

Numbers of Private Enterprises

Growth Rate

2000 2001 2002 2003 2004 2005 2006

%
Macro-entrepreneurship Policy

◆ The Asian financial crisis
◆ State-owned enterprises shake off poverty from 1998 to 2000
◆ China formally joins the WTO in 2001
◆ People's Republic of China small and medium enterprises Promotion Law in 2003
◆ The development of IT
◆ Encouraging to start up new businesses in free employment era
Characteristics of the three entrepreneurial waves

• (1) The main body and motivation of entrepreneurship are changed in different waves
Necessity Entrepreneurship

Growing desire: low / meet the survival and security

Industry Preference: retail and commerce-based

Funding Sources: family and friends

Entrepreneurs: marginal groups in society
Entrepreneurship

Growing desire: high / low attribution, respect and of self-realization

Industry Preference: mineral / real estate

Funding Sources: Bank loans and listing financing

Entrepreneurs: the officials typed by going into business
Opportunity Entrepreneurship

Growing desire: high / low attribution, respect and of self-realization

Industry Preference: Internet / IT -based

Funding Sources: Bank loans / VC

Entrepreneurs: Well-educated overseas returnees & science and technology entrepreneurs
(2) Each entrepreneurial wave almost happened the economic growth transition periods. Namely, the entrepreneurial cycle and the economic growth cycle had a higher match degree.
• Positive impact of the crisis: it takes years to see them (time-lag effect)

• “Wei Ji”

• Crisis = Danger ("Wei") + Opportunity ("Ji")
Entrepreneurial waves were closely related to the unemployment situation.
• (3) Each entrepreneurial activities climax emerged in the period of significant changes in macroeconomic policy
In the second 10 years of 21st century, will there be the fourth entrepreneurial wave?
ANSWER: YES!
• The fourth wave of entrepreneurship is coming.
Chinese Yong Entrepreneurs are willing to do business about internet-platform Application for Traditional Industries; and transfer its business model which is more suitable for internet market on the basis of sensitive business Consciousness.

At the beginning, Many Young Entrepreneurs Start their business by depending on Internet Platform, eg. Taobao, a famous e-commerce company.

E-business and internet game are the blue sea for Chinese Young Entrepreneurs to start their own business.

Source: 2012 Forbes
Sum-up

1. The transformation of the market economic system is the major source of generating entrepreneurial opportunities.

2. Winning a good external opportunities for entrepreneurs after China’s entry into WTO in 2001;

3. Successful entrepreneurs gradually transferred from the monopoly market structure based on good government relationship into the competitive structure based on the market rule, which means not only the optimization of the entrepreneurial environment, but also the coming of a new business era.
Types of entrepreneurial education in China

- Entrepreneurial education in school
- Social entrepreneurial training
- Entrepreneurial education in primary and middle school
- Entrepreneurial education in colleges
- SYB project
- Entrepreneurial city
Entrepreneurial education in primary and middle school

• Entrepreneurial education in primary and middle school was reflected in political courses mainly in China.
Entrepreneurship education in universities


- Extracurricular activities mainly in Business
- The first pilot of nine colleges
- KAB project
- Promotion stage

Advocated by the Ministry of Education to promote the entrepreneurship education system, entrepreneurship education is popularized.
Tsinghua University, the top university in the league, started the first ‘Business Plan’ competition in 1997, which coincided with the earliest entrepreneurship education attempts in China. This was followed up in 1999 with the first “Challenge Champion” Business Plan Competition at Tsinghua University - organised and sponsored by China Association for Science and Technology (CAST), Chinese Communist Youth League (CCYL), Ministry of Education (MOE) and All-China Students Federation (ACSF).
Universities opened the basic courses

Nine universities opened the entrepreneurship education in 2001, such as Tsinghua University, Chinese People's University, Wuhan University, Beijing University of Aeronautics and Astronautics.
In 2005, the ILO, in partnership with ACSF, launched the KAB programme in China, aiming to raise entrepreneurship awareness and improve entrepreneurial capacity and the competence of undergraduate students.
National ordinary college entrepreneurship education teaching essential requirement was promulgated by Ministry of Education in August, 2012.

The value of opening entrepreneurship education teaching in ordinary college are:

- **Strategic initiatives** of services to accelerate the transformation of economic development, constructing the innovation-oriented country and strong human resources country.
• **Important ways** to deepen the reform of higher education teaching, improve the quality of personnel training and promote the all-round development of college students.

• **Important measures** of fulfilling the job creation and promoting full employment of college graduates.
Entrepreneurial training

- SYB project
- National Entrepreneurial city
SYB (start your business), project, a training program developed by the ILO aim to meet the needs of cultivating micro (small) enterprises founders, was promoted in more than 80 countries around the world.

In 2001, the SYB training technology pilot project implemented by the Ministry of Labor and Social Security and the ILO was introduced in China.

its value are:

training the entrepreneurial awareness; measure the starting new business conditions; training the business plan; form a business plan combing the entrepreneurial ideas with the systematic knowledge.
National entrepreneurial city

• The entrepreneurial city was proposed by Ministry of human resources and social security in 2009 aiming to let entrepreneurship create more jobs.
The features of Entrepreneurial city:
- Excellent job creation
- Perfect entrepreneurial environment
- Numerous entrepreneurial activity
- Significant entrepreneurial ability
- Remarkable entrepreneurial contribution
Five indicators of creating entrepreneurial city:
1. The universal entrepreneurial activity index
2. The contribution rate of entrepreneurial activity on employment
3. The contribution rate of entrepreneurial activities of business growth
4. The index of entrepreneurial environment
5. The satisfaction rate of the entrepreneurial environment

Till 2012, there are 90 entrepreneurial cites in china.
Trends of entrepreneurial education in china

• Expanding the entrepreneurial education into primary and middle school
Improving entrepreneurial education in universities
• Strengthening the social entrepreneurial education
The rise of social entrepreneurship education
The value of social enterprise

- Social enterprise is a kind of innovation mode solving the social problems to reach some kind of social objectives through the operation of the business model.
- It plays a unique and important role in development needs of society and the environment, improvement public services and building a fair and inclusive social environment.
Position of social entrepreneurship education

To bring up the students’ social entrepreneurship and encourage them act in the sense of social responsibility and innovation capability, focus on training to help students:

- Awaken students' awareness of social entrepreneurship
- Popularize the knowledge on social entrepreneurship
- Enhance students' social entrepreneurial skills
- Be ready for social entrepreneurship
Case: British Embassy -- Skills for Social Entrepreneurs Project

- The British council was launched from 2009 to 2013 to carry out a large global project, which aims to make the folk organization practitioners, community leaders, young people and the existing or potential social entrepreneurs to acquire relevant skills, thus through the social enterprise way to satisfy the needs of society and strengthen the construction of community.
Harmony combining the moral with economic

- make the moral man have sense of economy
- let the economic man have sense of moral
Q&A
Thanks for your attention!
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