

Entrepreneurship in China

Canfei He · Jiangyong Lu · Haifeng Qian

Accepted: 10 December 2017 / Published online: 5 January 2018
© Springer Science+Business Media, LLC, part of Springer Nature 2018

Abstract China's economic transition has greatly unleashed entrepreneurship and private enterprise development since the 1980s. In this article, we review the recent literature on entrepreneurship in China and summarize 11 articles included in this China special issue. Our literature review shows that the unique institutional and cultural settings behind the Chinese economy have led to some distinct perspectives of studying entrepreneurship. The articles included in this special issue further advance the entrepreneurship research embedded in the Chinese context and shed lights on entrepreneurship policy in emerging economies. Most recently, China has recognized entrepreneurship as one of the key driving forces of sustained economic development and is accordingly making many efforts to encourage and facilitate entrepreneurial activity. Following this new development, it is imperative to study

China's national and regional entrepreneurship systems in future research.

Keywords Entrepreneurship · China · Institutions · Economic development

JEL classification L26 · M13 · O1 · O3

1 Introduction

The past three decades have witnessed remarkable entrepreneurship development in China. China's economic transition from a planned economy to a market economy began in 1978 when Reform and Opening-Up policies were introduced. The Chinese Constitution did not recognize the legitimacy of private enterprises until 1988, though individual household businesses (known as *getihu* in China) and collectively owned town-and-village enterprises (TVEs, known as *xiangzhenqiye* in China) had been flourishing before then (Li 2013). Since 1992, the private sector has experienced remarkable growth and surpassed the state-owned and collectively owned enterprises as the driver of the Chinese economy (He 2009). China's economic reform can largely be attributed to unleashing entrepreneurship by removing or lowering institutional barriers to market entry and private business development.

Along with the incremental institutional reform and economic transition, Chinese entrepreneurs have also been evolving. Yang and Li (2008) suggest three phases

C. He
College of Urban and Environmental Sciences, Peking University,
Beijing 100871, China
e-mail: hecanfei@pku.edu.cn

J. Lu
Guanghua School of Management, Peking University, R476,
Building #2, Beijing, China
e-mail: lujiangyong@gsm.pku.edu.cn

H. Qian (✉)
School of Urban and Regional Planning, The University of Iowa,
338 Jessup Hall, Iowa City, IA 52242, USA
e-mail: haifeng-qian@uiowa.edu

of entrepreneurship development in the transition process. At the beginning of the transition when market rules are underdeveloped (phase I), Chinese entrepreneurs focus on securing financial and other resources to start new firms. Informal institutions such as social networks, known as *guanxi* in China, are critically important to new venture performance. At the early stage of the transition when market rules are being established (phase II), entrepreneurs build competitive advantage for their firms via cost reduction. Personal networks still matter in securing input and other resources, but the strategy and management of companies increasingly gain value. At the late stage of the market transition when market rules are well in place (phase III), entrepreneurs recognize that innovation promotes long-term competitive advantage and therefore actively develop new products, services, or technology. Today, most sectors can be categorized in phase III, especially in the information and communications technology (ICT) industry. China has some of the most innovative ICT firms in the world, with notable examples such as Alibaba, Baidu, and Tencent. The maturity of entrepreneurship development also makes China the second largest producer of “unicorns”—startups that are valued at above one billion US dollars (Tse 2016).

Entrepreneurship development in China is entering a golden era. Since 2015, “mass entrepreneurship and innovation” has emerged as the new national economic development strategy, and Chinese central and local governments are devoting tremendous amounts of resources to startups, especially innovative ones. Although public support for private enterprises exists, preferential policies have traditionally leaned towards state-owned and foreign-owned enterprises. A new State Council document distributed in July 2017 requires various ministries to lead or support entrepreneurship and innovation initiatives (State Council of People’s Republic of China 2017).

Under this background, research on entrepreneurship in China is also gaining momentum. Before 2005, there was limited research regarding this topic published in mainstream management or entrepreneurship journals (Yang and Li 2008). This has changed in recent years. This special issue represents the newest efforts to understand entrepreneurship in China. It is a timely collection that we expect to significantly advance the frontier of China entrepreneurship studies. In this introduction to the special issue, we primarily review recent literature on entrepreneurship in China and discuss each article

included. We also argue that, under the new national economic development strategy that has taken entrepreneurship as the key focus, it is imperative to study the Chinese entrepreneurship systems in future.

2 Literature review: entrepreneurship in China

The multidisciplinary strand of literature on entrepreneurship in China has traditionally focused on the impact of the institutional context of China—a transition economy—on entrepreneurship at the individual, firm, regional, and national levels. As noted in the introduction, entrepreneurship in China has made great progress since the initiation of China’s Reform and Opening-Up policies. The institutional context for entrepreneurial activities has gradually transformed from one dominated by a command economy to an increasingly market-oriented economy, giving rise to an institutional landscape that differs from that of developed countries. There is a need to acknowledge the importance of China’s peculiar economic, social, political, and cultural context while reviewing this strand of literature.

2.1 Entrepreneurship in a transitional economy

China’s economic transition is characterized by the threefold process of marketization, globalization, and decentralization, resulting in a dynamic institutional context for entrepreneurial activities (He et al. 2016). Entrepreneurs in China thus face both more opportunities and more uncertainties than their counterparts in more developed economies. It has been confirmed that, when compared to the developed economies, entrepreneurship in China has been more dramatically affected by the institutional landscape (Lu and Tao 2010). Institutions, considered as the rules of the game in a society (North 1990), affect entrepreneurial behavior, and new ventures and startups must adjust their structures and operations to comply with institutional forces. China’s economic transition has lifted the constraints on entrepreneurship and provided an increasingly free and open business environment, leading to a boom of entrepreneurship (He et al. 2008, 2016). Recent studies have examined the role of China’s institutional arrangements in this process by focusing specifically on, for example, China’s excessive government regulations (Zhuang 2005), financial system and financial development (Elston et al. 2016; Hasan et al. 2015; Huang et al.

2016), property rights (Zhou 2014), ownership structure (Pang and Li 2011), institutional loopholes (Yang 2004), and the legal system (Fuller 2010).

Transitional economies often have underdeveloped formal institutions, along with some informal institutions as substitutes for the institutional voids (Puffer et al. 2010). Hence, attention should also be paid to the impact of informal institutions such as culture and social capital/networks, as in China entrepreneurial activities are often embedded in and co-shaped by formal and informal institutional arrangements (Puffer et al. 2010).

One of the most important dimensions of informal institutions is associated with China's culture, which plays a fundamental role in shaping value orientations and entrepreneurs' cognition (Holt 1997; Busenitz and Lau 2001; Mitchell et al. 2002; Zapalska and Edwards 2001). Psychological characteristics of entrepreneurs, such as their risk-taking propensity, are largely affected by the general cultural context and China's "Confucian values and ethics" in particular (Tan and Chow 2009; Zapalska and Edwards 2001). In some cases, the cultural context has co-shaped firm behavior, along with formal institutions, in some subtle but substantive ways (Ahlstrom and Bruton 2002; Bruton and Ahlstrom 2003).

Social capital is dependent on the strength of social networks and the amount of resources inherent in them (Batjargal and Liu 2004). In China, social capital is often used as a substitute for formal institutional support, providing an alternative way to access resources (Peng and Luo 2000). Social capital in China has been viewed as an indigenous social phenomenon known as *guanxi*. Some studies have sought to understand the ways in which social networks or *guanxi* influences investment decisions, firms' survival likelihood, financing source acquisition, business opportunities, and competitive advantage (Batjargal 2007; Batjargal and Liu 2004; Ellis 2011; Park and Luo 2001; Troilo and Zhang 2012; Wang 2016; Xin and Pearce 1996; Zhang 2015). In short, entrepreneurship must be perceived as being socially embedded in China's peculiar social networks and informal institutional context.

2.2 Entrepreneurs: decision makers with characteristics

Entrepreneurs' personal attributes such as demographic characteristics, cognitive ability, and behavior are also vital for firm performance. Many studies have shown

that entrepreneurs' age, gender, and educational background may affect their management decisions (Li et al. 2009b; Liu et al. 2013; Pistrui et al. 2001; Tan 2001; Wei and Ling 2015; Wright et al. 2008; Yin et al. 2015; Zhang 2017). For example, Liu et al. (2013) emphasize the relevance of entrepreneurs' gender difference, showing that female entrepreneurs are more likely to set up necessity entrepreneurship than opportunity entrepreneurship. Entrepreneurs' living or study experience in foreign countries (Wright et al. 2008), work experience (Li et al. 2009b), political connections (Wei and Ling 2015), and financial literacy (Yin et al. 2015) also matter. This strand of literature reports the following findings: experienced entrepreneurs outperform novices in developing networks and managing organizations, returnee entrepreneurs and CEOs with foreign experience tend to be more successful, and entrepreneurs with more financial academic knowledge are more likely to start new businesses. While exploring the role of entrepreneurs' personal attributes, these studies have also situated their analyses in China's institutional context. The theoretical perspectives employed in these studies include management theories, social cognition theories, and institutional theories.

2.3 Corporate entrepreneurship and firm performance

The constructs of corporate entrepreneurship or intrapreneurship (e.g., product innovation, venturing, and strategic renewal) have been examined to understand how entrepreneurship is also of vital importance to existing firms (An et al. 2017). Questions such as how corporate entrepreneurship affects firm performance are widely discussed. This strand of literature focuses on the ways in which corporate performance is shaped by corporate entrepreneurship (Li et al. 2006; Su et al. 2015) as well as other factors such as market orientation and inter-firm learning (An et al. 2017; Deshpandé and Farley 2000; Liu et al. 2002, 2003; Sin et al. 2000), organizational learning, innovation, and capability (Jiang and Zhao 2006; Yang et al. 2017; Yu et al. 2013). The interactions of these factors and their influence on corporate performance should be considered to better understand entrepreneurship at the firm level.

Firm strategy is another key topic in this strand of literature. Firm strategies also co-evolve with China's idiosyncratic institutional context. Firm strategic choice theories are used to explore the strategies adopted by Chinese enterprises (Boisot and Child 1999; Davies and

Walters 2004; Keister 2002; Lukas et al. 2001; Peng 2003; Luo et al. 1998; Tan and Tan 2005). The effectiveness of firm strategies is one of the key focuses in these studies. Specific strategies regarding organizational structure (Lin and Germain 2003), outside directors (Peng 2004), financial strategy (Keister 2004), customer orientation (Reid and Xu 2012), and strategic alliance (Hitt et al. 2004) have been examined.

2.4 Entrepreneurship and economic development

The relationship between entrepreneurship and economic development has been widely studied in China's institutional context, following the tradition of Schumpeterian creative destruction (1934). The rapid growth of private and semi-private enterprises is often seen as the driving force of China's economic miracle, as private entrepreneurship has contributed greatly to technology innovation, employment, and regional productivity (Chen and Feng 2000; Li et al. 2009a, 2012, 2015; Zhuang 2003). Furthermore, the shift in economic growth patterns is also dependent on entrepreneurship development (Zheng and Zeng 2009; Zhuang 2005). For example, the allocation of resources between productive activities and unproductive rent-seeking activities is closely associated with entrepreneurship (Zhuang 2007). Finally, the development of entrepreneurship could even determine the overall success of China's economic transition (McMillan and Woodruff 2002; Zhang and Sheng 2014).

Related to economic development, the uneven spatial distribution of entrepreneurship has attracted some scholarly attention as well. He et al. (2016), for example, analyze the spatial pattern of entrepreneurship in China, providing a comprehensive description of the geographical dynamics of entrepreneurship during 1998–2007. Factors such as industrial agglomeration and market structure should be scrutinized to understand regional variations in entrepreneurship in China (Guo et al. 2014). Guo et al. (2016) further recognize that localization economies facilitate entrepreneurship, while the effects of urbanization economies are mixed. This study also shows that the clustering of small firms tends to have a larger effect on entrepreneurship. Qian (2010) also investigates the geographic distribution of entrepreneurial activities in China and reports the contributions of knowledge factors such as human capital, patents, and high technology. Moreover, spatial econometrics is employed in the study of spatial spillover effects of

entrepreneurship. For example, Yang et al. (2014) examine the spatial spillovers of entrepreneurship at the provincial level using spatial panel models and report positive knowledge spillover effects between entrepreneurs in neighboring provinces.

Entrepreneurship studies in China are booming alongside the emergence and prosperity of China's entrepreneurial activities. This could be a fertile area for future research, in which we can not only test the applicability of theories, methodologies, and perspectives developed based on developed economies but also shed new light on extant entrepreneurship theoretical frameworks, thanks to China's unique institutional context as a transition economy.

3 The articles

The 11 articles included in this special issue offer new and promising insights into a deeper understanding of entrepreneurship in China. The contributors represent a diverse group of scholars from the fields of economics, management, geography, and public policy. Each article focuses on a specific aspect of Chinese entrepreneurship and employs a unique conceptual framework and methodology that can best answer its research questions.

The article by Moschella et al. (2018) links the persistence of the high growth of firms with some crucial dimensions of firm structure and performance. They argue that existing work tends to focus on the characteristics of high-growth firms, while the attention in this article is paid to the long-run capability of high-growth firms to replicate their high-growth performance over time. By using China's manufacturing data, they find that none of the considered firm attributes stands out as distinctive features of persistent high growth. The main findings challenge most theories on firm-industry dynamics, which typically consider idiosyncratic specificities of firms as the key drivers of their sustained growth. They thus cast doubt on the long-run contribution of high-growth firms and conclude that high growth may simply be seen as a random process. Along with this conclusion, they suggest that policy initiatives supporting high-growth firms may exert only short-run effects on the economy. A promising avenue for future research would be to identify the causal interpretations of their econometric results.

The next two articles are related to the clustering of firms. Zhu et al. (2018b) apply and extend Duranton and

Overman's model on localization and examine whether and how the level of entrepreneurship explains the presence, size, and strength of industrial clusters in China. They define an industrial cluster as a circular area with a high level of firm concentration over counterfactuals. This method allows them to delimit clusters and identify their location and size. They also propose an approach to measuring local entrepreneurial potential. Econometric results confirm that entrepreneurship contributes significantly to the cluster formation, size, and strength. The causality remains strong even when they control for the inertia in cluster development. Their findings are also consistent with the New Economic Geography (NEG) theory, which stresses that clusters benefit from access to seaports, agglomeration economies, and access to market. The results are robust to alternative measures of entrepreneurship and instrumental variables. Finally, they highlight the role of institutions, government policies, and legal systems.

Zhu et al. (2018a) investigate the local knowledge spillover effects from related industries on manufacturing firms in China under its special institutional settings. Built on the most recent Evolutionary Economic Geography (EEG) literature and using a comprehensive survey database of Chinese manufacturing firms, their regression analysis provides evidence that localized knowledge spillovers from technologically related industries do exist and contribute to firm growth, which is consistent with the empirical EEG literature in different geographical contexts. They further advance the literature by considering the Chinese institutional settings, such as firm ownership. They find that the spillover effects come from the clustering of related private-owned enterprises (POEs) but not related state-owned enterprises (SOEs) or related foreign-owned enterprises (FOEs), even though the latter two types of firms have long gained preferential policies from Chinese governments. This finding has important policy implications and calls for more public support of POEs. Moreover, they also find that the spillover effects are moderated by regional institutional factors associated with a transition economy, such as marketization, globalization, and decentralization.

The following two articles focus on individual factors associated with startup activities. The research by Chen and Hu (2018) highlights a previously undocumented observation regarding the heterogeneity of the association between entrepreneurship and homeownership. Analyses based on large individual

level microdata from China's Urban Household Survey (UHS) suggest that while owners of market housing do not differ much from renters in terms of the odds of entrepreneurial entry, owners of privatized public housing are associated with significantly less propensity for entrepreneurial engagement and owners of inherited housing are correlated with a much higher prevalence of entrepreneurship. In addition, the authors suggest that the associations between homeownership and entrepreneurial engagement vary with housing value. Previous research ignored the possible heterogeneity of the correlations between distinct types of homeownership and entrepreneurship, thus leading to inaccurate predictions as to how entrepreneurship may thrive along with the trends and contexts of the local housing market in China. The article fills this research gap.

The article by Lin and Wang (2018) addresses an important research question on business failures. It uses the entrepreneurial intention model as the theoretical framework and introduces the "time of re-venture," i.e., the interval between a prior business failure and serial entrepreneurship, as a measure of the re-venture speed of serial entrepreneurs. Based on a sample of 268 serial Chinese entrepreneurs, the authors test the relationship between a serial entrepreneur's age and re-venture speed and the moderating effects of failure loss and family support. The article contributes to the serial entrepreneurship theory by taking the age of entrepreneurs into the research on serial entrepreneurship. The authors show how the age of serial entrepreneurs affects their re-venture behavior under the moderating effects of the prior failure loss and family support. The results of this article enhance our understanding of the principles and mechanisms behind serial entrepreneurial behavior. The article also contributes to theories on business failure by studying the process of learning and recovery from failure.

Yang et al. (2018) takes the entrepreneurial effectuation perspective to test the relationship between entrepreneurial cognitive processes and entrepreneurial activities. Effectuation and causation are the two main cognitive streams of logic that entrepreneurs follow in their decision-making processes. Meanwhile, search and execution are two fundamental activities that firms conduct in their day-to-day operations. However, no research has examined the relationship between the two entrepreneurial cognitive processes or the two entrepreneurial activities. The article builds a connection

between entrepreneurial cognition and lean startup practices by empirically examining the relationship between entrepreneurial theories of effectuation and entrepreneurial practices—that is, search and execution—based on a sample of 160 Chinese firms. The authors find that firms conducting more search activities exhibit higher profitability. However, such a positive effect of search on profitability will disappear when the firm is older, at which point, more search will decrease the profitability performance.

The following three articles focus on some social aspects of entrepreneurship in China. Liu et al. (2018a) explore rural migrants' entrepreneurial formation and transition. As China initiates the national strategy of "mass entrepreneurship and innovation" to tap into the innovative potential and promote entrepreneurial development among the public, rural migrants in urban areas are considered as one of the targeted groups of this policy. They find that rural migrants in China are more likely to engage in entrepreneurial activities than their urban counterparts who live in cities and their rural counterparts who remain in the rural areas. Several factors contribute to the entrepreneurial activities of migrants. For instance, being a Communist Party member and having a low educational attainment seem to reduce the likelihood of rural migrants' entrepreneurial entry, whereas a broader social network encourages startup activities. One notable finding unique to rural migrants is the significant and positive role of community trust in their entrepreneurial career. Further analysis of migrant-owned businesses reveals their overrepresentation in the main-street industrial sectors (wholesale, retail, and food) but with comparable firm performance, indicating their positive economic contribution in cities. According to the authors, more specific policies and programs need to be designed to help China's migrant entrepreneurs. They also call for more research on the challenges the migrants face in their entrepreneurial activities and to evaluate the effectiveness of relevant supportive government policies.

Anthony Howell's article (Howell 2018) lies at the intersections of ethnicity, entrepreneurship, and finance in China. More than 100 million people belong to one of the 55 ethnic minority groups in China, albeit less than 10% of the Chinese population. Racial discrimination in accessing startup financing is well documented in the USA. Given the Chinese government's emphasis on harmony among different ethnic groups, it is imperative to see the differences between the Han majority and

minority groups in startup activity and entrepreneurs' financial access. Relying on a unique, large-scale household survey dataset, Howell finds that Han households are more likely to own an SME, especially when compared with Uyghur households. Moreover, Uyghur households with an SME have less access to both formal finance (i.e., loans from formal financial institutions like banks and credit unions) and informal finance (i.e., borrowing from family, friends, or informal financial institutions) than the Han majority. However, these findings cannot confirm discrimination against the Uyghur minority; it is likely that Uyghur households are less active in seeking external financing. Nevertheless, it rings the alarm that discrimination might exist. It is important to address disparities in accessing entrepreneurial finance, as Howell also reports that minority-operated businesses do not perform significantly worse than Han-operated businesses if granted the same level of financial access.

The article by Liu et al. (2018c) focuses on the relationship between religion and entrepreneurship in China. It is one of the first studies to examine whether and how having a Buddhist entrepreneur may impact new venture performance. They argue that entrepreneurs' association with Buddhism helps startups by building social and political capital, growing corporate social responsibility, and adopting a long-term business vision. Their empirical analysis based on a sample of 1032 young firms in China supports the positive relationship between having a Buddhist entrepreneur and young firms' performance measured by sales and profit. Perhaps more interestingly, they also find a positive mediating effect of risk taking: firms with Buddhist entrepreneurs are more likely to engage in risk-taking activity such as R&D and debt financing, which further contribute to their performance. This contrasts with other research reviewed by the authors that associates Western religions with risk aversion. Buddhist culture such as impermanence and equanimity appears to better tolerate risk. This research not only provides ample information on the religious characteristics of Chinese entrepreneurs but also advances our understanding on the relationship between different religions and entrepreneurship.

The last two articles in this issue study the geography of startups in China from the perspectives of tax incentives and financial development, respectively. Liu et al. (2018b) evaluate the effect of tax incentives on the entrepreneurial activities using China's Western

Regional Development Strategy (WRDS) as a policy experiment. This policy introduces a reduction of corporate income taxes for firms in western China since 2000 if they belong to certain sectors encouraged by the state. By constructing contiguous county pairs on the border of WRDS, they conduct a triple difference-in-difference estimation. The results show that counties that received the tax reduction and exemption policy have experienced a larger increase in the entry of new private firms after the implementation of the WRDS in 2000. In addition, there is a distance decay effect. Finally, they point out that the effects of tax incentives on attracting new entrants are larger in counties in targeted western areas with a strong local industrial base and favorable market conditions. In other words, such effects are dependent on local economic and institutional conditions.

The article by Pan and Yang (2018) describes the economic geography of entrepreneurial financing in China. They present the spatial distribution of startup activity measured by the number of firms listed in the National Equities Exchange and Quotations (NEEQ) across Chinese cities. NEEQ was launched in 2013 by the Chinese central government to support entrepreneurship, providing a platform where startups can list their shares. At the end of 2015, more than 5000 Chinese startups were included in NEEQ. Large, star cities, such as Beijing, Shanghai, and Shenzhen, benefit the most from this platform and record the highest numbers of NEEQ-listed firms. Pan and Yang also study the effect of regional financial development on startup activity in Chinese cities. Their multivariate analysis shows equity financing, credit financing, and venture capital are all positively associated with the regional stock of NEEQ-listed firms. Equity financing demonstrates a greater effect on startup activity than credit financing. The effects of these three indicators of financial development are even stronger for ICT startups.

4 Concluding remarks

As summarized in the previous section, the 11 articles included in this special issue advance China entrepreneurship studies from different perspectives. They cover a broad array of topics, including the long-run performance of Chinese high-growth firms, the clustering of Chinese entrepreneurship, the attributes and characteristics of Chinese entrepreneurs/serial entrepreneurs, the

application of the lean startup model in the Chinese context, the social/cultural dimensions of Chinese entrepreneurship, entrepreneurship policy, and entrepreneurial financing. These articles also shed lights on building a vibrant entrepreneurial economy in China, as discussed in their policy implication sections. It is our hope that this collection of research provides valuable input for both scholars and policy makers.

Entrepreneurship in China has been an interesting research area especially because of transitional China's exceptional institutional settings. It will continue to be a promising research area, even though the economic transition process from a command economy to a market economy is approaching its end. China's recent adoption of "mass entrepreneurship and innovation" as the key economic development strategy is unleashing entrepreneurial spirit and encouraging startup activity at unprecedented levels. Numerous policies, initiatives, and programs are being implemented at both national and subnational levels, providing golden opportunities for scholars to study national and regional entrepreneurship systems (Acs et al. 2014; Qian et al. 2013) and to evaluate the effectiveness of various entrepreneurship policies and practices. Research efforts towards these directions are imperative.

Acknowledgements The articles included in this special issue were presented in the International Workshop on Entrepreneurship in China held in Peking University on October 14–5, 2016, co-organized by Canfei He, Jiangyong Lu, and Haifeng Qian, who also serve as the guest editors of this special issue. The guest editors would like to thank Zoltan Acs, Editor-in-Chief of *Small Business Economics*, for his support of this special issue. He was also the keynote speaker of the workshop. Canfei He acknowledges the support by the National Science Fund for Distinguished Young Scholars from the National Natural Science Foundation of China (no. 41425001). Jiangyong Lu acknowledges the support by the National Natural Science Foundation of China (nos. 71472010 and 71525004).

References

- Acs, Z. J., Autio, E., & Szerb, L. (2014). National systems of entrepreneurship: measurement issues and policy implications. *Research Policy*, *43*(3), 476–494.
- Ahlstrom, D., & Bruton, G. D. (2002). An institutional perspective on the role culture in shaping strategic actions by technology-focused entrepreneurial firms in China. *Entrepreneurship Theory and Practice*, *26*(4), 53–70.
- An, W., Zhao, X., Cao, Z., Zhang, J., & Liu, H. (2017). How bricolage drives corporate entrepreneurship: the roles of

- opportunity identification and learning orientation. *Journal of Product Innovation Management*, 35, 49–65.
- Batjargal, B. (2007). Internet entrepreneurship: social capital, human capital, and performance of Internet ventures in China. *Research Policy*, 36(5), 605–618.
- Batjargal, B., & Liu, M. (2004). Entrepreneurs' access to private equity in China: the role of social capital. *Organization Science*, 15(2), 159–172.
- Boisot, M., & Child, J. (1999). Organizations as adaptive systems in complex environments: the case of China. *Organization Science*, 10(3), 237–252.
- Bruton, G. D., & Ahlstrom, D. (2003). An institutional view of China's venture capital industry: explaining the differences between China and the West. *Journal of Business Venturing*, 18(2), 233–259.
- Busenitz, L. W., & Lau, C. M. (2001). Growth intentions of entrepreneurs in a transitional economy: the People's Republic of China. *Entrepreneurship Theory and Practice*, 26(1), 5–21.
- Chen, B., & Feng, Y. (2000). Determinants of economic growth in China: private enterprise, education, and openness. *China Economic Review*, 11(1), 1–15.
- Chen, J., & Hu, M. (2018). What types of homeowners are more likely to be entrepreneurs? The evidence from China. *Small Business Economics*.
- Davies, H., & Walters, P. (2004). Emergent patterns of strategy, environment and performance in a transition economy. *Strategic Management Journal*, 25(4), 347–364.
- Deshpandé, R., & Farley, J. U. (2000). Market-focused organizational transformation in China. *Journal of Global Marketing*, 14(1–2), 7–35.
- Ellis, P. D. (2011). Social ties and international entrepreneurship: opportunities and constraints affecting firm internationalization. *Journal of International Business Studies*, 42(1), 99–127.
- Elston, J. A., Chen, S., & Weidinger, A. (2016). The role of informal capital on new venture formation and growth in China. *Small Business Economics*, 46(1), 79–91.
- Fuller, D. B. (2010). How law, politics and transnational networks affect technology entrepreneurship: explaining divergent venture capital investing strategies in China. *Asia Pacific Journal of Management*, 27(3), 445–459.
- Guo, Q., He, C., & Shi, J. (2014). The influence of agglomeration and market structure on urban entrepreneurship in China (in Chinese). *China Soft Science*, 2014(5), 107–117.
- Guo, Q., He, C., & Li, D. (2016). Entrepreneurship in China: the role of localisation and urbanisation economies. *Urban Studies*, 53(12), 2584–2606.
- Hasan, I., Kobeissi, N., Wang, H., & Zhou, M. (2015). Banking structure, marketization, and small business development: regional evidence from China. *Pacific Economic Review*, 20(3), 487–510.
- He, X. (2009). The development of entrepreneurship and private enterprise in the People's Republic of China and its relevance to transitional economies. *Journal of Developmental Entrepreneurship*, 14(1), 39–58.
- He, C., Wei, Y. D., & Xie, X. (2008). Globalization, institutional change, and industrial location: economic transition and industrial concentration in China. *Regional Studies*, 42(7), 923–945.
- He, C., Guo, Q., & Zhu, S. (2016). The development of entrepreneurship in China: a geographical and institutional perspectives. In E. Mack & H. Qian (Eds.), *Geographies of entrepreneurship* (pp. 84–100). Abingdon: Routledge.
- Hitt, M. A., Ahlstrom, D., Dacin, M. T., Levitas, E., & Svobodina, L. (2004). The institutional effects on strategic alliance partner selection in transition economies: China vs Russia. *Organization Science*, 15(2), 173–185.
- Holt, D. H. (1997). A comparative study of values among Chinese and US entrepreneurs: pragmatic convergence between contrasting cultures. *Journal of Business Venturing*, 12(6), 483–505.
- Howell, A. (2018). Ethnic entrepreneurship, initial financing, and business performance in China. *Small Business Economics*.
- Huang, W., Boateng, A., & Newman, A. (2016). Capital structure of Chinese listed SMEs: an agency theory perspective. *Small Business Economics*, 47(2), 535–550.
- Jiang, C., & Zhao, S. (2006). The relationship between social capital, company enterprise and company performance: the medium role of organizational learning—a case study of the new and developing enterprises in Jiangsu and Guangdong (in Chinese). *Management World*, 2006(10), 90–99.
- Keister, L. A. (2002). Adapting to radical change: strategy and environment in piece-rate adoption during China's transition. *Organization Science*, 13(5), 459–474.
- Keister, L. A. (2004). Capital structure in transition: the transformation of financial strategies in China's emerging economy. *Organization Science*, 15(2), 145–158.
- Li, H. (2013). History and development of entrepreneurship in China. In T. Zhang & R. R. Stough (Eds.), *Entrepreneurship and economic growth in China* (pp. 13–33). Singapore: World Scientific.
- Li, Y., Liu, Y., & Zhao, Y. (2006). The role of market and entrepreneurship orientation and internal control in the new product development activities of Chinese firms. *Industrial Marketing Management*, 35(3), 336–347.
- Li, H., Li, X., Yao, X., Zhang, H., & Zhang, J. (2009a). Examining the impact of business entrepreneurship and innovation entrepreneurship on economic growth in China (in Chinese). *Economic Research Journal*, 2009(10), 99–108.
- Li, S., Schulze, W., & Li, Z. (2009b). Plunging into the sea, again? A study of serial entrepreneurship in China. *Asia Pacific Journal of Management*, 26(4), 667–680.
- Li, H., Yang, Z., Yao, X., Zhang, H., & Zhang, J. (2012). Entrepreneurship, private economy and growth: evidence from China. *China Economic Review*, 23(4), 948–961.
- Li, Z., Ding, T., & Li, J. (2015). Entrepreneurship and economic development in China: evidence from a time-varying parameters stochastic volatility vector autoregressive model. *Technology Analysis & Strategic Management*, 27(6), 660–674.
- Lin, X., & Germain, R. (2003). Organizational structure, context, customer orientation, and performance: lessons from Chinese state-owned enterprises. *Strategic Management Journal*, 24(11), 1131–1151.
- Lin, S., & Wang, S. (2018). How does the age of serial entrepreneurs influence their re-venture speed after a business failure? *Small Business Economics*.
- Liu, S. S., Luo, X., & Shi, Y. Z. (2002). Integrating customer orientation, corporate entrepreneurship, and learning orientation in organizations-in-transition: an empirical study. *International Journal of Research in Marketing*, 19(4), 367–382.

- Liu, S. S., Luo, X., & Shi, Y. Z. (2003). Market-oriented organizations in an emerging economy: a study of missing links. *Journal of Business Research*, 56(6), 481–491.
- Liu, P., Li, L., & Wang, X. (2013). The sex difference in the spirits of entrepreneurs: a study based on the perspective of motive of starting a business (in Chinese). *Management World*, 2013(8), 126–135.
- Liu, C. Y., Ye, L., & Feng, B. (2018a). Migrant entrepreneurship in China: entrepreneurial transition and firm performance. *Small Business Economics*.
- Liu, Z., Wu, H., & Wu, J. (2018b). Location-based tax incentives and entrepreneurial activities: evidence from Western Regional Development Strategy in China. *Small Business Economics*.
- Liu, Z., Xu, Z., Zhou, Z., & Li, Y. (2018c). Buddhist entrepreneurs and new venture performance: the mediating role of entrepreneurial risk-taking. *Small Business Economics*.
- Lu, J., & Tao, Z. (2010). Determinants of entrepreneurial activities in China. *Journal of Business Venturing*, 25(3), 261–273.
- Lukas, B. A., Tan, J. J., & Hult, G. T. M. (2001). Strategic fit in transitional economies: the case of China's electronics industry. *Journal of Management*, 27(4), 409–429.
- Luo, Y., Tan, J. J., & Shenkar, O. (1998). Strategic responses to competitive pressure: the case of township and village enterprises in China. *Asia Pacific Journal of Management*, 15(1), 33–50.
- McMillan, J., & Woodruff, C. (2002). The central role of entrepreneurs in transition economies. *The Journal of Economic Perspectives*, 16(3), 153–170.
- Mitchell, R. K., Smith, J. B., Morse, E. A., Seawright, K. W., Peredo, A. M., & McKenzie, B. (2002). Are entrepreneurial cognitions universal? Assessing entrepreneurial cognitions across cultures. *Entrepreneurship Theory and Practice*, 26(4), 9–33.
- Moschella, D., Tamagni, F., & Yu, X. (2018). Persistent high-growth firms in China's manufacturing. *Small Business Economics*.
- North, D. C. (1990). *Institutions, institutional change and economic performance*. Cambridge University Press.
- Pan, F., & Yang, B. (2018). Financial development and the geographies of startup cities: evidence from China. *Small Business Economics*.
- Pang, C., & Li, Y. (2011). Chinese entrepreneurship in the context of institution transformation (in Chinese). *Chinese Journal of Management*, 8(10), 1438–1443.
- Park, S. H., & Luo, Y. (2001). Guanxi and organizational dynamics: organizational networking in Chinese firms. *Strategic Management Journal*, 22(5), 455–477.
- Peng, M. W. (2003). Institutional transitions and strategic choices. *Academy of Management Review*, 28(2), 275–296.
- Peng, M. W. (2004). Outside directors and firm performance during institutional transitions. *Strategic Management Journal*, 25(5), 453–471.
- Peng, M. W., & Luo, Y. (2000). Managerial ties and firm performance in a transition economy: the nature of a micro-macro link. *Academy of Management Journal*, 43(3), 486–501.
- Pistru, D., Huang, W., Oksoy, D., Jing, Z., & Welsch, H. (2001). Entrepreneurship in China: characteristics, attributes, and family forces shaping the emerging private sector. *Family Business Review*, 14(2), 141–152.
- Puffer, S. M., McCarthy, D. J., & Boisot, M. (2010). Entrepreneurship in Russia and China: the impact of formal institutional voids. *Entrepreneurship Theory and Practice*, 34(3), 441–467.
- Qian, H. (2010). Talent, creativity and regional economic performance: the case of China. *The Annals of Regional Science*, 45(1), 133–156.
- Qian, H., Acs, Z. J., & Stough, R. R. (2013). Regional systems of entrepreneurship: the nexus of human capital, knowledge and new firm formation. *Journal of Economic Geography*, 13(4), 559–587.
- Reid, G. C., & Xu, Z. (2012). Generalising Gibrat: using Chinese evidence founded on fieldwork. *Small Business Economics*, 39(4), 1017–1028.
- Sin, L. Y., Tse, A. C., Yau, O. H., Lee, J. S., Chow, R., & Lau, L. B. (2000). Market orientation and business performance: an empirical study in mainland China. *Journal of Global Marketing*, 14(3), 5–29.
- State Council of P.R. China. (2017). Opinions of the state council on enhancing the implementation of the innovation-driven development strategy to further promote the deep development of mass entrepreneurship and innovation (in Chinese). Retrieved from http://www.gov.cn/zhengce/content/2017-07/27/content_5213735.htm.
- Su, Z., Xie, E., & Wang, D. (2015). Entrepreneurial orientation, managerial networking, and new venture performance in China. *Journal of Small Business Management*, 53(1), 228–248.
- Tan, J. (2001). Innovation and risk-taking in a transitional economy: a comparative study of Chinese managers and entrepreneurs. *Journal of Business Venturing*, 16(4), 359–376.
- Tan, J., & Chow, I. H. S. (2009). Isolating cultural and national influence on value and ethics: a test of competing hypotheses. *Journal of Business Ethics*, 88, 197–210.
- Tan, J., & Tan, D. (2005). Environment–strategy co-evolution and co-alignment: a staged model of Chinese SOEs under transition. *Strategic Management Journal*, 26(2), 141–157.
- Troilo, M., & Zhang, J. (2012). Guanxi and entrepreneurship in urban China. *Journal of the Asia Pacific Economy*, 17(2), 315–331.
- Tse, E. (2016). The rise of entrepreneurship in China. *Forbes*. Retrieved from <https://www.forbes.com/sites/tseedward/2016/04/05/the-rise-of-entrepreneurship-in-china/#7678e1af3efc>.
- Wang, Y. (2016). Bringing the stages back in: social network ties and start-up firms' access to venture capital in China. *Strategic Entrepreneurship Journal*, 10(3), 300–317.
- Wei, L. Q., & Ling, Y. (2015). CEO characteristics and corporate entrepreneurship in transition economies: evidence from China. *Journal of Business Research*, 68(6), 1157–1165.
- Wright, M., Liu, X., Buck, T., & Filatotchev, I. (2008). Returnee entrepreneurs, science park location choice and performance: an analysis of high-technology SMEs in China. *Entrepreneurship Theory and Practice*, 32(1), 131–155.
- Xin, K. K., & Pearce, J. L. (1996). Guanxi: connections as substitutes for formal institutional support. *Academy of Management Journal*, 39(6), 1641–1658.
- Yang, K. (2004). Institutional holes and entrepreneurship in China. *The Sociological Review*, 52(3), 371–389.
- Yang, J. Y., & Li, J. (2008). The development of entrepreneurship in China. *Asia Pacific Journal of Management*, 25(2), 335–359.

- Yang, Y., Zhu, Q., & Da, Q. (2014). Study on the spatial spillovers of provincial entrepreneurship in China (in Chinese). *Chinese Journal of Management Science*, 22(11), 105–113.
- Yang, C., Bossink, B., & Peverelli, P. (2017). High-tech start-up firm survival originating from a combined use of internal resources. *Small Business Economics*, 1–26. <https://doi.org/10.1007/s11187-017-9858-6>.
- Yang, X., Sun, S. L., & Zhao, X. (2018). Search and execution: examining the entrepreneurial cognitions behind the lean startup model. *Small Business Economics*.
- Yin, Z., Song, Q., Wu, Y., & Peng, C. (2015). The financial knowledge, the decision making in starting a business, and the entrepreneurial motivation (in Chinese). *Management World*, 2015(1), 87–98.
- Yu, Y., Dong, X. Y., Shen, K. N., Khalifa, M., & Hao, J. X. (2013). Strategies, technologies, and organizational learning for developing organizational innovativeness in emerging economies. *Journal of Business Research*, 66(12), 2507–2514.
- Zapalska, A. M., & Edwards, W. (2001). Chinese entrepreneurship in a cultural and economic perspective. *Journal of Small Business Management*, 39(3), 286–292.
- Zhang, Y. (2015). The contingent value of social resources: entrepreneurs' use of debt-financing sources in Western China. *Journal of Business Venturing*, 30(3), 390–406.
- Zhang, C. (2017). Top manager characteristics, agglomeration economies and firm performance. *Small Business Economics*, 48(3), 543–558.
- Zhang, W., & Sheng, B. (2014). *The entrepreneur (in Chinese)*. Shanghai: Shanghai People's Publishing House.
- Zheng, J., & Zeng, S. (2009). The allocation of entrepreneurial abilities, R&D and the transformation of the economic growth model: a case of the Yangtze River Delta (in Chinese). *China Economic Quarterly*, 9(1), 73–94.
- Zhou, W. (2014). Regional institutional development, political connections, and entrepreneurial performance in China's transition economy. *Small Business Economics*, 43(1), 161–181.
- Zhu, S., He, C., & Luo, Q. (2018a). Good neighbors, bad neighbors: local knowledge spillovers, regional institutions and firm performance in China. *Small Business Economics*.
- Zhu, X., Liu, Y., He, M., Luo, D., & Wu, Y. (2018b). Entrepreneurship and industrial clusters: evidence from China Industrial Census. *Small Business Economics*.
- Zhuang, Z. (2003). South imitation, entrepreneurship and long run growth (in Chinese). *Economic Research Journal*, 2003(1), 62–70.
- Zhuang, Z. (2005). Entrepreneurship spirit, continuous technological innovation and the micro-mechanism of long-run economic growth (in Chinese). *The Journal of World Economy*, 2005(12), 32–43.
- Zhuang, Z. (2007). Innovation, allocation of entrepreneurial activities and long run economic growth (in Chinese). *Economic Research Journal*, 2007(8), 82–94.