

Thinking and Analysis on the Status Quo of China's Innovation and Entrepreneurship Activities

Yinjia Miao¹, Tingting Lei², Xiaoyu Wang¹

¹School of Financial Management, ChongQing College of Electronic Engineering, Chongqing 401331, China

²School of economics and management, Chongqing Normal University, Chongqing 400047, China

Abstract

In recent years, China's entrepreneurial activities are very active, "innovation" has become a high frequency of government high-level and representatives of the word, "maker" has become a popular word of the public, but in the upsurge of entrepreneurial activities there is a high rate of entrepreneurial failure. This study from sorting out the historical development of China's entrepreneurship to analyzing the status quo of China's innovation and entrepreneurship activities, and thinking and judging the status quo of entrepreneurship.

Keywords

Entrepreneurship; Young Entrepreneurs; A Failed.

1. The Historical Development of Entrepreneurship in China

Premier Li Keqiang put forward the call of "mass entrepreneurship and innovation" in September 2014, and a wave of innovation and entrepreneurship has sprung up across the country. "innovation" and "entrepreneurship" have become frequent words in government work in recent years, and "maker" has gradually come into the public's view, and people have a new view of innovation and entrepreneurship.

A review of China's 40 years of reform and opening-up shows that there have been four stages of entrepreneurship and three entrepreneurial upsurges. The first stage of China's entrepreneurship began in 1978 at the Third Plenary Session of the 11th Central Committee of the COMMUNIST Party of China. In this year, China shifted its focus to economic construction and began to implement the policy of reform and opening-up. After that, a large number of rural professional households and individual businesses started entrepreneurial activities, marking the opening of the first stage of China's entrepreneurship. In 1984, China further opened 14 coastal cities, the reform and opening up from point to surface in an all-round way, and began to recognize the existence and development of private enterprises, private enterprises have been rapid development, thus starting the second stage of entrepreneurship in China. During this period, people who were not satisfied with the current living situation turned to entrepreneurship one after another. "Underwater" business became a popular word at that time, which was the first entrepreneurial climax in the history of China's reform and opening up. The third stage of entrepreneurship began in 1992 when Deng Xiaoping made a speech during his southern tour. Deng's major remarks on reform and opening up further emancipated people's minds, and people's enthusiasm for entrepreneurship set off another "diving into the sea" upsurge, from which the second entrepreneurial upsurge began. At this stage, many well-known enterprises, such as New Oriental, Vanke, Greenland, Giant and Pacific, were established one after another and developed rapidly by virtue of the favorable environment of the country. The beginning of the fourth stage of Entrepreneurship in China was marked by the enactment

of the Law of the People's Republic of China on Sole Proprietorship Enterprises in 1999. During this period, the government issued various systems and laws to strongly support entrepreneurship, and a group of senior domestic intellectuals and overseas students started their own businesses. Such as Robin Li, Jack Ma, Liu Qiangdong, Ma Huateng and other people founded their own enterprises in this period, which began the third entrepreneurial climax.

The 40-year history of reform and opening-up is actually a history of innovation and entrepreneurship. A group of entrepreneurs has become an important guarantee for rapid economic development and social stability, and their entrepreneurial activities have also become an important force driving the progress of The Times. In the 2015 Government Work report, Premier Li Keqiang proposed for the first time to carry out "mass entrepreneurship and innovation" nationwide, which triggered a new round of entrepreneurship boom across the country. Perhaps 2015 has become the beginning year of the fifth stage of entrepreneurship in China.

2. China's Entrepreneurial Activities are Very Active, and Young Entrepreneurs have become the Main Body of Entrepreneurial Activities

On the one hand, China has active entrepreneurial activities and high entrepreneurial passion. Driven by the "mass entrepreneurship and innovation" boom, the number of startups and innovation platforms in China has exploded. According to data released by the Torch Center of the Ministry of Science and Technology, China has 7,952 entrepreneurship and innovation platforms, ranking first in the world. According to the 2017 China innovation business report, according to data from China's current state the number of the gen space is 1354, and 872 of the companies with national demonstration effect is, the creative industry park, the enterprise incubator development accelerator, etc., between 2016 and 2017, all countries a space number obtained is growing at an unprecedented speed. In addition, another Chinese entrepreneurial activity of enthusiasm and strong enthusiasm, on a global scale is obvious to all, the 2015 amway global entrepreneurship, the report said China's public entrepreneurial intention is very high, China's entrepreneurial index (79), India (81) not only higher than Asia, even higher than global entrepreneurship (59) and Asian business index (64). The 2016--2017 Report of The Global Entrepreneurship Monitor points out that China's entrepreneurial activity index is very high. The index of China's entrepreneurial activity is 15.53, much higher than That of Asia and Japan (3.83), and also higher than that of developed countries such as the United States (13.81), The United Kingdom (10.66), Germany (5.27) and Japan (3.83) among the world's large economies.

On the other hand, young entrepreneurs in China have become the main participants in innovation and entrepreneurship activities and an important part of the makers. Global entrepreneurship monitor for 2016-2017 years of Chinese entrepreneurial activity conducted a special investigation, the investigation results show that in China's entrepreneurial activity mainly young people, young entrepreneurs in the proportion is 41.67%, all the Chinese entrepreneurs most predominantly opportunity, entrepreneurial, and Chinese youth early entrepreneurial activity index is 18%, Its entrepreneurial activity is relatively active in the world. According to the data of the report, most young entrepreneurs in China are those born in the 1980s and 1990s, and their early entrepreneurship index is 21.34% and 14.32% respectively, which are the most active in the whole youth entrepreneurship activities.

3. Contradictions behind China's Entrepreneurial Boom

At present, China's relatively active entrepreneurial activities have become an important force to promote economic development, and some successful enterprises have now become an important part of the market economy, playing an irreplaceable role. However, we should also rationally realize that only a small part of entrepreneurs achieve success in the actual entrepreneurial activities, and more entrepreneurs are submerged in the active entrepreneurial wave, bearing the sorrow and disappointment brought by entrepreneurial failure. Therefore, the contradiction hidden behind China's entrepreneurial activities is the contradiction between low entrepreneurial success rate and entrepreneurial performance and high entrepreneurial activity. According to the survey of CHINA HRKEY, the average life span of small and medium-sized enterprises in CHINA is 2.5 years, while only 50% of the enterprises that start their own business for the first time can survive for 5 years and 30% can survive for more than 10 years. Overall, the probability of success of start-ups is less than 5%. Although college students have become an important part of innovation and entrepreneurship, their success rate of entrepreneurship is only 2.4 percent.

In addition, the 2017 China Innovation and Entrepreneurship Report made a detailed statistics on the death of entrepreneurial enterprises in 2017, and found that 150 enterprises died in the last four years. Therefore, how to improve the success rate of entrepreneurship and realize the sustainable development of entrepreneurial enterprises is always a difficult problem for entrepreneurs.

Although young entrepreneurs have become the main body of innovation and entrepreneurship activities in China, there is still a big gap between China and other countries in terms of education level and innovation level. According to the Global Entrepreneurship Monitor 2016-2017 report, only 24% of young entrepreneurs aged 18 to 24 and 34% of young entrepreneurs aged 25 to 34 in China have received a bachelor's degree, which is much lower than other countries in the world. In terms of entrepreneurship education, only 13% of young people have experienced entrepreneurship training, far lower than 32% in western developed countries. In terms of innovation capability, China's innovation index is obviously lower than that of developed countries such as Europe and the United States.

In addition, China's financial conditions, services, culture and other entrepreneurial environment need to be further improved. Although The number of entrepreneurship and innovation platforms in China currently ranks the first in the world, compared with silicon Valley in the United States, the huge number of entrepreneurship and innovation platforms cannot meet the needs of entrepreneurs in entrepreneurial training, financial support, entrepreneurial culture and other soft environment. For example, in China, entrepreneurs need financial support. Young entrepreneurs can only get 9 percent of start-up capital from financial institutions, far lower than the 23 percent in developed countries in Europe and the United States. Therefore, China's entrepreneurial environment has become an important factor affecting young entrepreneurs to engage in entrepreneurial activities.

4. Questions and Reflections

China's entrepreneurial activities are very active and entrepreneurial enthusiasm is very high, but the reality is that a large number of new ventures have a high failure rate, leading to the overall low performance level of Chinese new ventures. So what exactly affects the entrepreneurial performance of entrepreneurs? Why do some entrepreneurs succeed while others fail? What kind of entrepreneurial environment and social support do entrepreneurs need to improve their success rate? This needs to be after Environment, comprehend the

mechanism, impact path and impact degree of social support on entrepreneurial performance, and conduct in-depth research and analysis.

Acknowledgments

This research was supported by 2021 Chongqing higher vocational education teaching reform project, (No.z213062) and 2020 Chongqing College Students' innovation and entrepreneurship training program (No. 1540);research on College Students' entrepreneurial team project matching based on advantage feature recognition (No. xjsk202107),and the 14th five year plan of Chongqing educational science: the interactive mechanism between entrepreneurial mentors and entrepreneurs in the process of effective entrepreneurial guidance research (No. 2021-GX-451).

References

- [1] CAI Li, Yang Yaqian, Lu Shan, Yu Haijing. (2019). The impact of digital technology on entrepreneurial activity [J]. Studies in Science of Science, no.10, p1816-1824+1835.
- [2] Li Xun. (2018). Education, Employment, Entrepreneurship and Young Talent Training: Status and Development Trend [J]. China Youth Study.no.7, p.114-119.
- [3] BaoChunLei (2017). An investigation report on the status quo of Chinese Youth entrepreneurship - An investigation and analysis of entrepreneurship Policies and Services[J]. China Labor. no.8, p.55-60.
- [4] Xue Zhiqian (2017). The present situation, value and optimization of youth entrepreneurship support policy in China[J]China Youth Study. no.2, p.89+87.