Entrepreneurial Spirit for China in the New Era and Strategies for Cultivation

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Abstract: *What type of entrepreneurial spirit is needed for China's new era, and how can we unlock its innovation potential? Answers to these questions will unleash vital forces to drive China's high-quality economic development. After reviewing the theories, dimensions, features, and limitations of the entrepreneurial spirit in the Western context, we concluded that the entrepreneurial spirit in China's new era, which is characterized by patriotism, innovation, trustworthiness, adherence to the law, fulfillment of social responsibilities, and a global horizon, has overcome the limitations that come with self-interested entrepreneurship in the context of Western economics. This is a major step forward in the development of theories on entrepreneurial spirit. In the development context of the new era, this paper argues that the entrepreneurial spirit should become an important force at the individual level to implement the new development concept, foster the new development paradigm, and promote high-quality development in the new stage. This paper provides answers to the question of what type of entrepreneurial spirit China's new era requires. Finally, this paper presents basic strategies for cultivating entrepreneurial spirit in the context of China's new era, emphasizing the importance to promote the healthy growth of young entrepreneurs, ensure their business autonomy, develop a multi-tiered capital market, implement the factor market reforms, improve the business climate, and accelerate the digital transition.*

Keywords: *Context of China's new era, context of Western economics, entrepreneurial spirit, high-quality development, cultivation strategy*

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1. Introduction

China's shift from a planned economic system to a socialist market economy coincided with an increase in entrepreneurial spirit to a considerable degree (Hu and Shi, 2016; Wang, 2020). Over the past few decades, entrepreneurs have driven China's corporate innovation and competitiveness by establishing new businesses, contributing to socio-economic development, and cultivating an entrepreneurial spirit. China has been closing its high-tech gap with Western countries and has even surpassed some Western nations in certain fields. But as a result of China's technological ascent, the United States and some other Western countries have taken a containment stance, worsening China's external environment. Three factors weigh on China's economy, including tepid demand, supply shocks, and weakening expectations.

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With declining demographic dividends, the resource reset effect of labor migration and the stable return on capital from an unlimited supply of labor have shrunk, necessitating a shift in China's economic growth from factor input to innovation-driven growth (Cai, 2013). In this context, China must unlock its innovative potential, increase its innovation capacity, and stay competitive on the global stage (Gao et al., 2020).

In the domain of economic growth, entrepreneurs are the kings. Entrepreneurs use their outstanding organizational leadership to materialize innovation through "creative destruction" and the "new combination of production functions" to increase total factor productivity (TFP) (Urbano et al., 2019a). Xu (2019) further confirmed that the entrepreneurial spirit has an increasingly positive effect on China's industrial innovation potential. Notably, the entrepreneurial spirit is profoundly ingrained in the local cultural and institutional contexts. Different interpretations of the entrepreneurial spirit across regions and times have resulted in significant heterogeneity of entrepreneurial innovation and business ventures (Urbano et al., 2019b). This implies that the entrepreneurial spirit is inherently tied to a specific socio-economic context. Therefore, exploring its theoretical implications and characteristics within that context is crucial for nurturing and inspiring it, while optimizing the role of entrepreneurs.

Naturally, the following questions arise: What type of entrepreneurial spirit does China's new era require? How can we interpret the theoretical implications of entrepreneurial spirit in the context of China's new era? How can we foster such entrepreneurial spirit? Science-based answers to such questions will offer insights into China's pursuit of high-quality economic development.

2. Entrepreneurial Spirit in the Context of Western Economics

Richard Cantillon was the first scholar to incorporate entrepreneurship into the framework of economic research. Jean-Baptiste Say was the first to identify entrepreneurship as the fourth factor of production, alongside land, labor, and capital, and he illustrated the functions and roles of entrepreneurs. Thereafter academics of different schools have since conducted research from their own perspectives, proposing distinctive theories about entrepreneurship.

2.1 Theoretical Basis for Entrepreneurship in the Context of Western Economics

2.1.1 Adam Smith's free-market theory

Adam Smith proposed two key assumptions: "self-interest" and "economic man". The term "self-interest" refers to the fact that all persons in an economy act in their best interests, but the term "economic man" refers to the fact that both entrepreneurs and merchants seek to maximize profits. Adam Smith built on this foundation to establish the notion of the "invisible hand". Adam Smith was a supporter for laissez-faire economics. He opposed government interference, claiming that the government should act as a "night watchman". Division of labor, capital accumulation, and price setting occur naturally through self-interest and require no interference from the government. Adam Smith considered that market competition should determine whether a company's products could meet demand and fulfill their value of production. To sell their products profitably, entrepreneurs must compete with their peers, which forces each player to reduce production costs and innovate to increase labor productivity, offer a broader range of products to meet market needs at lower prices, and succeed in a market where the fittest will survive. Western entrepreneurs, guided by Adam Smith's ideals of "self-interest", "free market", and "competition", pursued innovation and business ventures that fueled the development of capitalist economies. Over time, the ideals of "self-interest", "free market", and "competition" have formed the bedrock of Western entrepreneurship.

2.1.2 Innovative theory of entrepreneurial spirit

Joseph Schumpeter's theory of entrepreneurship included the following arguments: (i) He

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reinterpreted the implications of innovation. According to him, innovation is the creation of a new production function that contains a previously unknown combination of production inputs and instances. This new combination includes five situations: (a) the introduction of a new good or a new quality of a good; (b) the introduction of a new method of production; (c) the opening of a new market; (d) the acquisition of new sources of raw materials or intermediate inputs; and (e) the establishment of new organizational forms (Schumpeter,1912). (ii) Entrepreneurs are the key drivers of economic growth. According to Joseph Schumpeter, in the absence of innovation, an economy will remain in a circulatory flow, with economic growth representing just quantitative change. Regardless of the accumulation of such a quantitative relationship, it will not result in "economic development" via a qualitative leap. Economic development will occur only when entrepreneurs materialize innovations that allow the economy to transcend its inert orbit of circulation, resulting in revolutionary destruction inside the economic structure. (iii) Entrepreneurship is a key engine of innovation. Unlike average merchants or speculators who are solely motivated by making money,entrepreneurs are motivated by the idealism of "self-realization", the desire to build a private kingdom, the passion to succeed, the joy of creation, and the strength of will that comprise the entrepreneurial spirit. Joseph Schumpeter established the theoretical basis for entrepreneurial innovation, which has become an integral part of the Western entrepreneurial spirit.

2.1.3 Theory of knowledge spillover from entrepreneurial spirit

In reality, investment in knowledge and human capital may not always lead to expected growth. The "European paradox" problem stems from a lack of entrepreneurial spirit, which serves as a link between new knowledge and economic progress. Economic growth can only be achieved when fresh knowledge is translated into economically relevant knowledge, and the entrepreneurial spirit is a crucial mechanism for this conversion to occur. The conversion of generic technology into economically useful knowledge is hampered by a "filter" that exists between them; entrepreneurs remove the impediment of knowledge "filter" by founding new enterprises, hence facilitating knowledge spillovers (Acs et al., 2012). Acs et al. (2012) believed that there were two paths for converting knowledge into economically valuable knowledge. The first approach involves R&D efforts carried out by incumbent firms, which result in inventions. The second method involves entrepreneurs starting new businesses that enable knowledge spillover, which manifests itself in innovations. Hence, the promotion of knowledge spillover is a theoretical implication of the Western entrepreneurial spirit.

2.2 Key Dimensions and Characteristics of the Entrepreneurial Spirit in the Context of Western Economics

2.2.1 Innovation spirit

The innovative drive of entrepreneurs was highly valued by the German school exemplified by Schumpeter (1912) and Baumol (1990). Schumpeter (1912) was the first scholar to systematically investigate entrepreneurs' innovation spirit, defining it as a "new combination of production factors" that includes the development of new products, the introduction of new production methods, the exploration of new markets, the acquisition of new raw material sources, and the creation of new organizational forms. The definition emphasizes the importance of invention as the core of the entrepreneurial spirit, as well as entrepreneurs' roles as a disruptive force in economic operations. Baumol (1990) extended Schumpeter's entrepreneurial innovation model. Entrepreneurs, as innovative individuals, he believed, could participate in non-productive activities to increase wealth and reputation, and entrepreneurial activities can be classified as productive or non-productive. In this way, Baumol contributed to the theory of entrepreneurial innovation.

2.2.2 Spirit of risk identification and assumption

The Chicago school, pioneered by Knight (1921) and Schultz (1975), highlighted risk resilience,

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the spirit of adventure, and the ability to recognize and respond to market equilibrium as basic traits of the entrepreneurial spirit. Knight (1921) held that entrepreneurs are able to transform uncertainty into predictable and calculable risks, viewing them as individuals who must make decisions and face the consequences in an unpredictable environment. Schultz (1975) observed that in the long run, the equilibrium of economic growth is transient and regional, whereas imbalance is a more frequent and widespread phenomenon. Individuals who "successfully deal with various imbalances in the economic system" by distributing substitutable resources were thus considered to exemplify the entrepreneurial spirit.

2.2.3 Spirit of identifying and profiting from market opportunities

The Austrian school, led by Mises (1949), Krizner (1973), and Leibenstein (1968), stressed entrepreneurs' ability to identify and capitalize on market opportunities. According to Mises (1949), market disequilibrium is unavoidable due to market flaws and the imperfect rationality of human behaviors, and the presence of disequilibrium creates opportunities for entrepreneurs to profit. Entrepreneurs are individuals who seize market opportunities. Krizner (1973) believed that entrepreneurial spirit arose from the appearance of market opportunities, and that a complete cycle of entrepreneurial activity includes the emergence, identification, development, and utilization of these opportunities. Unlike Schumpeter (1912), Krizner (1973) saw the perception of market opportunities and risks as a core aspect of entrepreneurial spirit. Leibenstein (1968) characterized entrepreneurial spirit as "gap filling" and "input completing". While the former refers to entrepreneurs filling market gaps with new items, the latter refers to entrepreneurs reducing firms' "X-inefficiencies" through resource allocation.

Despite Western scholars' varying understandings of the entrepreneurial spirit, they all began with the assumption of the rational man, believing that the entrepreneurial spirit consists of the main characteristics of finding opportunities, taking risks, innovating, and seeking profits. Entrepreneurs generate profits by identifying opportunities, taking risks, and innovating. This means that self-interest is central to the theoretical implications of the entrepreneurial spirit in Western economics.

2.3 Limitations of Entrepreneurial Spirit in the Context of Western Economics

Western entrepreneurs, motivated by self-interest, go to great lengths to reduce costs while intensifying worker exploitation by raising their surplus value ratio. Clearly, Western entrepreneurs are motivated to capture surplus value from the production and consumption processes. The consequences of such exploitation are twofold: it will exacerbate social inequality and clashes between classes while producing a relative surplus of social output and precipitating an economic crisis. In any case, it will have a negative impact on the growth of social productivity. Western entrepreneurs generally support the principle of free competition. However, free competition has unintended consequences, such as the "Marshall's Dilemma". Most of Western capitalist entrepreneurs have embraced the European and American centrism. They have used a containment strategy to stymie the development of emerging market economies and the spread of technologies. For example, the United States added iFlytek, among other companies, to the entity list[1]. The theory of entrepreneurial spirit based on self-interest in Western economics has significant drawbacks. Despite facing a torrent of sanctions from Western countries, Chinese high-tech companies such as Huawei have chosen to make their patents available to others after making technological breakthroughs rather than attempting to stifle less advanced enterprises[2].

[1] iFlytek responds to US blacklisting: Technological superiority overcomes sanctions, https://baijiahao.baidu.com.
[2] Media report: Huawei holds over 100,000 licensed patents globally, over 90% of which are invention patents, https://baijiahao.baidu.com.

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2.4 Commonalities of Entrepreneurial Spirit in Chinese and Western Economics Context

This study aims to reveal the theoretical implications and traits of entrepreneurship in China's new era by comparing the entrepreneurial spirit in Chinese and Western contexts. However, certain similarities remain between the two. First, consider the importance of innovation. In ancient times, Chinese merchants invented the abacus. Today, Huawei has created 5G communications technology, and many merchants have adopted live-streaming e-commerce via social media platforms such as Douyin, the Chinese version of TikTok, and Kuaishou. Second, a knack to detect market opportunities. The first successful electronic digital computer, ENIAC, was too clumsy, power-hungry, and expensive. To address these limitations, IBM unveiled the IBM5150, a new computer model that opened up a completely new market for personal computers (PC). Chinese entrepreneurs in ancient times (known as *Zhanggui*, or shopkeepers) made predictions and decided on actions and withdrawals to profit at the best opportunities. In his works *Biographies of Goods and Appreciation*, Sima Qian summarized the common characteristics by which business tycoons created wealth, such as contemplating the veins of vertebrae, pitching with time, and obtaining profits. In contemporary China, numerous excellent entrepreneurs have led their companies to expand into international markets and become world-class corporations, such as DJI and ZTE. Third, profit-seeking. Huizhou and Shanxi merchants gained vast wealth in Chinese history, but unlike their Western counterparts, Huizhou merchants made their fortune by putting quality and virtue ahead of self-interest.

Despite certain similarities between the entrepreneurial spirit in the context of China and Western economics, substantial distinctions remain, necessitating a closer look at the theoretical implications of entrepreneurship in the Chinese context.

3. Contemporary Chinese Entrepreneurial Spirit: Evolving Journey and Characteristics

Between 1978 and 2012, the Chinese entrepreneurial spirit underwent three stages of development: adventurous exploration, imitative innovation, and indigenous innovation. Since the dawn of the new era, the Chinese entrepreneurial spirit has been expressed via patriotism, diligence, adherence to the law, hard work, innovation, and the fulfillment of social responsibilities. The expanding implications of Chinese entrepreneurship have transcended the boundaries of the entrepreneurial spirit, which is defined by self-interest and profit maximization in the context of Western economics.

3.1 Entrepreneurial Spirit since Reform and Opening up in 1978

3.1.1 1978-1992: Entrepreneurial spirit characterized by adventurism

Since the late 1970s, numerous township and village enterprises (TVEs) emerged as state control over the private sector of the economy had eased. During this time, the majority of entrepreneurs were rural leaders who had lost their traditional power, such as village Party secretaries, as well as marginalized urban groups like retirees. Due to the harsh external environment, the majority of them were passively involved in entrepreneurship. One example is Wu Renbao. Under his guidance, Huaxi Village was changed from a poor rural village to one of the richest through industrial development. These entrepreneurs bravely challenged traditional systems, and the majority of their businesses were registered as public enterprises (Hu and Shi, 2016). In 1987, the policy guideline that "the State should regulate the market in order for market mechanisms to guide enterprises" emphasized the role of the market. In 1990, the Chinese government advocated "combining the market-based economy with the planned economy". This sparked China's first wave of mass-market entrepreneurial activity. For example, Zhang Ruimin and Liu Chuanzhi were two prominent entrepreneurs who founded world-famous enterprises such as Haier and Lenovo (formerly Legend) during this time period. Back then, market forces wielded growing influence over business activities, compelling entrepreneurs to remain acutely aware of business

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and political risks. The spirit of adventure, which was crucial for them to capitalize on market shortages embodied a salient characteristic of Chinese entrepreneurship.

3.1.2 1992-2002: Entrepreneurship characterized by imitative innovation

During his 1992 tour of South China, Deng Xiaoping made a series of important talks. In the same year, the Chinese government declared that the goal of reform was to develop a socialist market economy. As a result of major improvements in the policy climate for the private sector of the economy, second-generation entrepreneurs have emerged. Unlike their predecessors, the majority of second-generation entrepreneurs came from the elite class, such as officials and technical professionals, and founded their businesses on their own initiative. For instance, Chen Dongsheng et al. are known as the "92-school" entrepreneurs. Since the late 1990s, information technology, driven by the Internet, has transformed business paradigms. Robin Li founded Baidu, a Chinese search engine, and well-known Internet companies such as Tencent and Netease emerged and thrived during this time. The founders of these businesses were often well-educated and youthful. With a global vision, they were well acquainted with international norms, fearlessly embracing the challenges of international competition. In the wake of China's entry to the WTO in 2001, foreign-funded companies flooded the Chinese market, exposing Chinese companies to fiercer competition. During this time, Chinese entrepreneurs strived to close technological disparities with their foreign-funded peers. In 1997, Chinese decision-makers advocated for selective technology importation. Importing technologies and conducting imitative innovation was less expensive and took less time than indigenous R&D, allowing the country to capitalize on its late-mover advantage. In this backdrop, imitative innovation became the defining feature of China's entrepreneurial spirit at this stage.

3.1.3 2002-2012: Entrepreneurial spirit characterized by indigenous innovation

In 2002, the Chinese government began to highlight the importance of innovation for long-term development. In 2007, it advocated for "building an innovative country". After the previous era of imitative innovation, Chinese companies had made technological strides, but they remained locked in a cycle of investment and energy-intensive development, relying on foreign supplies of essential technology (Zhang and Zheng, 2017). With the advancement of its technological position, China continued to close gaps with other countries in terms of industrial technologies, and as the cost of imitative innovation rose, the transition to indigenous innovation became an imperative in China's industrial development (Sun and Song, 2013). In this context, the Chinese government has pinpointed enhancing domestic innovation capabilities and fostering an innovative nation as pivotal strategies aimed at bolstering China's global competitiveness. The rapid development of new-generation Internet technologies gave rise to high-tech and Internet companies such as Huawei (established by Ren Zhengfei) and Alibaba (founded by Jack Ma). During this time, the public awareness of indigenous innovation was deeply ingrained across the Chinese society, prompting entrepreneurs to redirect their focus away from mere importation and imitation, and towards basic scientific and technological research and development endeavors. Therefore, indigenous innovation became a salient feature of the Chinese entrepreneurial spirit.

3.2 Entrepreneurial Spirit in China's New Era

In July 2020, Xi Jinping, general secretary of the Communist Party of China Central Committee and Chinese president, articulated several aspirations for the entrepreneurial spirit, emphasizing patriotism, innovation, credibility, adherence to laws, social responsibility, and an international horizon. In light of these aspirations, we envision that the theoretical contours of entrepreneurial spirit in China's new era should encompass the following aspects:

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3.2.1 Patriotism is an essential quality of entrepreneurs

Entrepreneurs, whether as citizens or corporate representatives, must view business development through the lens of national rejuvenation, take the initiative to protect national security and development interests, and lead their businesses to contribute to key national strategies. "There are no borders when it comes to business marketing, but there is a motherland for entrepreneurs".[3] According to Marxist epistemology[4], patriotism, as a non-rational component, can foster the evolution of the entrepreneurial spirit and increase business competitiveness by motivating innovation and competition strategies. On the rational side, they should lead their workforce's patriotic behaviors to unify rational and non-rational dimensions. Chinese entrepreneurs, fueled by a patriotic drive to shoulder the responsibility of national rejuvenation, have dedicated themselves to indigenous innovation, striving to emancipate themselves from reliance on foreign essential technologies. They acquired crucial technologies, surpassed foreign capital constraints and monopolies, and founded many world-renowned brands, including Huawei and ZTE. Especially during the COVID-19 outbreak, quite a few Chinese entrepreneurs had tweaked production lines to make emergency products such as medical masks and goggles, demonstrating their patriotism. This illustrates that patriotism has become an integral aspect of the Chinese entrepreneurial ethos in the new era.

3.2.2 Innovation is the primary function of entrepreneurs

Entrepreneurs augment innovation potential by fostering knowledge spillover through resource allocation. Entrepreneurs launch new enterprises to break down knowledge "filters", facilitating knowledge spillovers and enhancing innovation capacities (Noseleit, 2013). Entrepreneurs have made significant profits through innovation, encouraging others to follow suit. This phenomenon fosters a virtuous "positive feedback loop where entrepreneurs inspire entrepreneurship from others", hence amplifying the knowledge spillover effect imbued by their entrepreneurial spirit (Zhang and Li, 2008). According to the report on the Chinese Entrepreneurship Survey System (2016), Chinese companies are witnessing a remarkable surge in innovation, as evidenced by the robust potential showcased in their corporate innovations, averaging an impressive index score of 64.68. The sub-indices reveal an outstanding entrepreneurial spirit (73.51), adept innovation management by executives (71.11), and the growth in organizational capabilities for corporate innovation (49.43). Furthermore, entrepreneurs have demonstrated an unwavering dedication to fostering innovation through substantial investments, underscored by an innovation investment score of 67.83.

3.2.3 Credibility and compliance with the law are the foundation of entrepreneurship

The socialist market economy requires credibility and adherence to the law. The contract spirit improves innovation performance through the sector selection effect of contract density and the firm entry effect (Xia and Liu, 2020). For businesses, credibility stands as the cornerstone of brand value and reputation, laying a solid foundation for sustained growth and prosperity. Entrepreneurs must also do business legally and pay their taxes. They ought to uphold a steadfast contract spirit with both suppliers and customers, engaging in honest and transparent dealings with the government. Entrepreneurs who are trustworthy and follow the law are more charismatic, helping to champion a strong corporate culture and enhance organizational cohesion. Dishonesty and breaking the law may yield short-term profits, but they will ultimately be denounced by peers and sanctioned by the government. No business will endure long if it fails to honor agreements or violate the law. Time-honored brands like Changsha JiuZhiTang, a key state enterprise of traditional Chinese medicine (TCM), had a reputation for honest and law-abiding Zhanggui, or shopkeepers. Credibility and adherence to the law have become the prerequisites of the

[3] Xi Jinping: speech at a symposium with entrepreneurs, https://www.gov.cn/xinwen/2020-07/21/content_5528791.htm.
[4] An Introduction to the Basic Principles of Marxism [M]. Beijing: Higher Education Press, 2023.

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Chinese entrepreneurial spirit, as they serve as the bedrock of sustainable business development.

3.2.4 Embracing social responsibilities: A key mission for today's entrepreneurs

Entrepreneurs should not only focus on the well-being of their own businesses but also consider the impact their operations have on society as a whole. A socially responsible business approach is appealing not only to investors, who may demand a lower short-term return in exchange for a better long-term outlook, but also to consumers and conducive to expanding the market and raising corporate value. Both aspects collectively contribute to forging a competitive edge for enterprises (Shi and Wang, 2023). Business sustainability is the foundation for fulfilling social responsibilities. Companies should contribute to society within their capabilities, while taking care to avoid incurring losses through their social activities. In recent years, Chinese entrepreneurs have fulfilled their social responsibilities in various ways while attaining sustainable business development. Since the introduction of poverty alleviation strategy, live-streaming platforms such as Douyin have set up poverty relief offices to assist hundreds of poor counties in lifting out of poverty. During the COVID-19 pandemic in 2020, Chinese entrepreneurs donated funds and supplies, offered volunteer services, and delivered telemedicine services using their personnel, technologies, and platforms, all of which helped to suppress the outbreak. As a result, social responsibility has emerged as a critical component of the Chinese entrepreneurial spirit.

3.2.5 A global horizon: An essential trait for entrepreneurs in the era of economic globalization

Corporate export behaviors give rise to an "export learning effect", which refers to the phenomenon that exports can drive corporate productivity growth (Du et al., 2012). Furthermore, the higher the R&D capital stock of the source countries embodied in the imported goods, the higher the TFP level of the importing entities (Liu and Yang, 2020). Entrepreneurs' exploration of overseas markets, as a type of innovation, may enhance productivity while encouraging the evolution of the entrepreneurial spirit. A new phase of technological revolution is already underway, causing significant changes in the global division of labor. Entrepreneurs are acutely aware of this trend and have hastened their global layout. Following in their footsteps, numerous high-tech businesses have achieved remarkable milestones in broadening global perspectives; these companies also share a dedication to innovation and a global outlook. In this new era, Chinese entrepreneurs must possess a global perspective.

4. The Essentials of the Entrepreneurial Spirit Needed in China for the New Era

In the new era, the new development stage has clarified China's historical position in economic development. The new development concept incorporates the guiding principles of China's modernization drive. China's choice of modernization path is compelled by the new development paradigm, in which high-quality development is the strategic goal. In the new era, therefore, China needs an entrepreneurial spirit that is grounded in the new development stage, embodies the new development philosophy, constructs a new development pattern, and drives high-quality growth as a vital micro-level force.

4.1 Entrepreneurial Spirit for the New Development Stage

In the new era, China's principal social contradiction has evolved into one "between the people's growing aspirations for a better life and unbalanced, inadequate development". In the 14th Five-Year Plan period, China has embarked on a new journey to comprehensively build a modern socialist country. In the new era, entrepreneurs grounded in the new development stage, must be keenly aware of the transformation of principal social contradiction and meet consumer demand at higher levels. They should comprehensively understand the new trends in the consumption demands of all groups in urban and rural areas, and strive to identify and fill market gaps. They must address people's growing demands

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for social management and public services. They should adopt the principle of serving the public interest and balancing business growth with social responsibility. Assuming social responsibilities can help businesses generate a positive reputation and image, which will in turn expand consumer demand and support high-quality corporate development. For example, Chen Deqi, an entrepreneur from Fujian Province, constructed a vineyard on a 6700-hectare barren land with an investment of one billion yuan on the eastern foothills of Helan Mountain. His blossoming vineyard has helped the locals lift out of poverty.[5]

4.2 Entrepreneurial Spirit for Implementing the New Development Concept in the New Era

The new development concept provides insight on how China might tackle its development issues in accordance with its national conditions. Hence, the entrepreneurial spirit ought to serve as a basic force for implementing the new development concept. First, entrepreneurs must understand the implications of the new development concept accurately. Specifically, China should focus its innovation on addressing the issue of development momentum, address unbalanced development through coordination, achieve harmony between man and nature through green development, bring internal and external development forces together through openness, and ensure fairness and justice through shared development. Entrepreneurs must grasp the new development concept and the fundamental linkages between all of its components. Second, entrepreneurs should match their business strategies with the new development concept. For instance, they are pushed to innovate by competition. They should coordinate their main and peripheral business lines. They should steer towards green development, which means avoiding pollution and reducing waste of energy and resources. To pursue open development and create synergy, companies should set up collaborative innovation platforms while learning from advanced international businesses. They should devote a portion of profit growth toward employee compensation and raise the shareholder return in order to deliver shared benefits. Third, entrepreneurs should practice the new development concept across the entire resource allocation process, as well as at each stage of production, distribution, exchange, and consumption. It is also critical for them to explore, practice, and promote the new development concept via the industrial linkage effect and the demonstration-competition effect.

4.3 Entrepreneurial Spirit for Fostering the New Development Paradigm in the New Era

Chinese entrepreneurs have actively participated in global economic circulations and integrated into the global value chain (GVC) division of labor system since China implemented its reform and opening up policies, particularly after entering the WTO in 2001. They have achieved rapid business development as a result of reduced factor costs and access to domestic and international markets and resources via the export-oriented strategy. However, there exist also some potential risks and defects in entrepreneurs' engagement in such international economic circulation, which exposes them to the impact of global market supply and demand instability as well as major economic security risks. In today's external environment characterized by rising protectionism and shrinking global markets, entrepreneurs must fully leverage the advantages of China's super-large domestic market. By ensuring smooth domestic circulation, they can add momentum to China's economic development, and join to drive global economic recovery. They must satisfy domestic demand while connecting domestic and international markets. They should learn to use international rules to protect their interests, increase risk resilience in the international market, and achieve high-quality development under the new development paradigm, with domestic circulation as the mainstay and domestic and international circulations reinforcing one another.

4.4 Entrepreneurial Spirit for High-Quality Development in the New Era

Innovation lies at the heart of entrepreneurial spirit, making it imperative for enterprises to adopt an

[5] Chen Deqi, founder of Ho-Lan Soul (Ningxia) International Winery, https://www.holansoul.com/news/media/351.html.

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innovation-driven strategy. First, they should constantly widen the scope of innovation. Entrepreneurs should focus on product and technology innovations while also improving business model, management and system innovation, embracing innovation and entrepreneurship as a lifetime pursuit. Second, they should improve product quality with a spirit of craftsmanship while maintaining product safety. Entrepreneurs should concentrate on improving their products and services, assuring quality, utility, and credibility. They may forge enduring business success by embracing a culture steeped in craftsmanship and a strategic mindset focused on triumphing through excellence. Third, entrepreneurs must strive to cultivate highly skilled talent, promote corporate branding with core competitiveness, reinforce backbone enterprises, and create model enterprises with world-class quality and brand value. Fourth, entrepreneurs must strive for excellence. They must have the confidence to break new ground with a risk-taking spirit, craft innovative goods and services that capitalize on emerging opportunities, win competition, and establish leading businesses with global influence. With improved social incentives, the general public has come to value competition, commercialization, and innovation. Entrepreneurs have gradually emerged as a driving force behind high-quality socio-economic development.

5. Strategies for Nurturing Entrepreneurial Spirit for China's New Era

In the new era, the government should cultivate the entrepreneurial spirit by prioritizing the six aspects: promoting the healthy growth of young entrepreneurs, safeguarding business autonomy for entrepreneurs, fostering a multi-tiered capital market, implementing factor market reforms, improving business environment, and accelerating the digital transition.

5.1 Healthy Growth of Young Entrepreneurs

The healthy development of young entrepreneurs is a necessary prerequisite for fostering the entrepreneurial spirit. First and foremost, young entrepreneurs' personal and property security should be protected by law. Relevant authorities must rely on evidence and uphold the principle of innocence until proven guilty in their handling of cases. Second, a social atmosphere tolerant of failure for young entrepreneurs should be cultivated for young entrepreneurs. Since young entrepreneurs lack experience, innovation failures and operational mistakes are inevitable. Therefore, as long as the mistakes made by young entrepreneurs have not result from disregarding directives, tolerance should be shown towards them. Finally, the exemplary role of exceptional entrepreneurs should be fully leveraged to explore the path for the growth of young entrepreneurs with Chinese characteristics. It is advised that young entrepreneurs receive further training and be encouraged to learn from role models and cases. They should be guided to respond rationally with market risks, undertake great initiatives and open up new markets. They should also be directed to resist excessive entertainment culture, cultivate a sense of professional pride, concentrate on their expertise, and embrace innovation and entrepreneurship as a lifelong pursuit.

5.2 Safeguarding the Business Autonomy of Entrepreneurs

No government agency or functionary may interfere with business operations. Enterprises should have the right to join or leave business associations or chambers of commerce. Research should be carried out to determine the viability of developing a national service platform to defend business rights and interests. Protect the legal rights and interests of entrepreneurs in innovation, determine indemnities against losses according to the market value of intellectual property rights, and improve rules for litigation evidence, evidence disclosure, and the prohibition of evidence spoliation. The reforms to "streamline the government, delegate power, and improve government services" should be expanded to further streamline items that require administrative approval for market access, and no extra market access constraints should be imposed on private companies. It is recommended that market access

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criteria be relaxed for private companies, that market access rules be reviewed on a regular basis, and that explicit and implicit barriers be gradually removed. The property rights of entrepreneurs should be legally protected. Steps should be taken to build long-term mechanisms that protect the property rights of all ownership types in law-enforcement, administration of justice, and observance of law. The research is conducted to build the mechanisms of compensation and relief indemnities against losses of enterprises' legal rights and interests due to adjustments in government planning and changes in policy. When entrepreneurs are requested assistance in investigations, discipline inspection and supervision agencies should ensure that their personal and property rights are respected.

5.3 Developing a Multi-Tiered Capital Market

Efforts should be made to establish a modern financial system based on inclusive finance, as well as to foster the healthy development of a multi-tiered capital market. It is important to reform and improve regulatory evaluation and internal incentives for financial institutions, to include support for the private sector as a metric for evaluating bank performance, and to improve the banking sector's services by addressing the reluctance and unwillingness to lend to private enterprises. The financial structure should be made more consistent with the economic structure by developing small and medium-sized financial institutions that serve small, medium, and micro private enterprises as their primary clients. Efforts should be made to improve financial market access, increase financing options for private businesses, and highlight the significance of financing conduits such as small-credit companies and risk investment. It is advised that banks improve their evaluation of and credit incentives for R&D investment, offer more credit loans as needed, take the initiative to contact firms about loan renewals, and lower overall financing costs for private enterprises and small and micro businesses. Stock issuance and refinancing mechanisms should be upgraded to increase review efficiency for private businesses. Angel and venture capital investments should be encouraged in order to foster entrepreneurial and innovative activities.

5.4 Continuing to Advance Market-Oriented Factor Marketization Reforms

The factor marketization is a top priority in the latest round of market-oriented reforms. The purpose of speeding market-oriented factor marketization reforms is to make significant progress in deepening reforms of market-oriented industrial land markets, guiding orderly labor flow, promoting market-based capital allocation, and establishing technology and data markets. The challenges of market-oriented factor price reforms lie in encouraging entrepreneurs to employ production factors and compete on a fair playing field while adhering to the law. Competition should spur innovation. Barriers to the free movement of factors should be removed in order to expand market-based allocation, pricing, and the flow of production factors, thereby laying the institutional groundwork for entrepreneurs' innovation potential.

5.5 Further Improving the Business Climate

The government is advised to strengthen the business climate in order to boost market dynamism and deal with economic downturns. The key to moving forward with a fresh wave of market-oriented reforms is to balance the government-market relationship, establish a new "close but clean" government-business relationship, and reduce entrepreneurs' tax burdens. Efforts should be made to further loosen access for private firms while implementing fair and consistent market oversight. It is suggested that a law-based and service-oriented government be established, the risk and cost for businesses engaging in non-productive activities be increased, and the energy of innovation and entrepreneurship unleashed. There should be greater tax relief and reductions in value-added tax (VAT) and other taxes. Small and micro enterprises, as well as technology start-ups, should be eligible for comprehensive tax breaks. Steps should be taken to regulate intermediary organizations and offer zero-fee business-related administrative services. "Revolving doors" should be removed to ensure that private firms have equal market access and competitive bidding, broadening the market scope of private firms.

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5.6 Accelerating the Digital Transition

The Report to the 19th National Congress of the Communist Party of China (CPC) calls for coordinated development in industrialization, informatization, urbanization, and agricultural modernization. Informatization, as one of the "new four modernizations" of the new era, has created unprecedented potential for innovation and entrepreneurship. Efforts should be made to give rise to a new situation in which enterprises are the primary investors in digital infrastructure, which is a critical vehicle for digital applications, hence increasing the knowledge spillover effect of entrepreneurship. Internet financing should be encouraged so that entrepreneurs have access to fundraising. Digital technology strategies should be updated to break new ground in cloud computing, big data, and other critical sectors, transforming the country from a mere follower to a leader in the global technology landscape. Entrepreneurs should be encouraged to invest more in digital technology R&D and human capital.

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