

# Study on Countermeasures to Stimulate and Protect Entrepreneurship

Taking Fujian as an Example\*

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**Abstract**—Outstanding entrepreneurs play an important role in economic and social development. As China's economic development has entered a new era, a high-quality development model calls for entrepreneurship. As a group with unique spiritual connotation among Chinese entrepreneurs, Fujian merchants with marine cultural genes are famous for their spirit of "only if you fight hard can you win". However, in recent years a series of famous enterprises in Fujian fell, which is worth reflecting. This paper summarizes the concept and connotation of entrepreneurship, argues the current spiritual deficiency of entrepreneurs in Fujian through specific case studies, and proposes countermeasures based on the policies of various regions in China, and hopes to further protect and stimulates the spirit of entrepreneurs in Fujian.

**Keywords**—entrepreneurship; Fujian; countermeasures

## I. INTRODUCTION

Enterprise is the microcosmic subject of market economy, but entrepreneurship is the "soul" of enterprise development. In September 2017, the CPC Central Committee and the State Council issued a document entitled Opinions on Creating a Healthy Environment for Entrepreneurs to Grow Up and Promote Outstanding Entrepreneurship to Better Play the Role of Entrepreneurs, affirming the important role of entrepreneurs in market economic activities, emphasizing creating a healthy environment for entrepreneurs to grow up and encouraging outstanding entrepreneurship. Obviously, it highly affirms entrepreneurship and highly values the environment in which entrepreneurs grow up. Therefore, it is of great theoretical value and practical significance. Especially in the new historical period, it is necessary to understand entrepreneurs and entrepreneurship and create a social and institutional environment to stimulate entrepreneurship.

After the baptism of market economy, a large number of outstanding Fujian enterprises and entrepreneurs stand out, and Fujian is the forefront of China's reform and opening up.

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In 2014, 30 to Fujian entrepreneur's reply, xi Jinping, general secretary of the encouraged the entrepreneurs, Fujian province, hope everyone in the nation's economic and social sustainable and healthy development play a bigger role, continue to carry forward the "risk universal condemnation against the mass of public opinion, No pain, No gain" the aggressive. Many enterprises in Fujian are in trouble, facing the complicated and changeable situation at home and abroad in recent years. Since 2018, we have often seen news of famous enterprises falling down in Fujian. Well-known enterprises are as follows: Fuguiniao, one of the top three casual shoe manufacturers in China, Xidelong (China) co., LTD. Listed in National Association of Securities Dealers Automated Quotations, Xiamen Haolaiwu kitchen-productions co., LTD., the top three kitchen furniture market share in China, Shanghai Chengfeng furniture co., LTD., the largest production of office furniture in China, Guanhai group, Fujian's largest private Marine and shipbuilding company, Laxiabeier clothing co., LTD. Has more than nine thousand stores. The result of the joint action of internal and external factors led to the failure of enterprise management, but Fujian famous enterprises need to reflect on their own problems, once adhere to "no pain no gain" Fujian entrepreneurs, still struggling?

## II. CONCEPT AND CONNOTATION OF ENTREPRENEURSHIP

Entrepreneurship is a semantically rich concept. Entrepreneur that means to discover, to perceive, to recognize and to capture, comes from the Latin verb in prehendo-endi-ensum. For many years, scholars at home-country and abroad have been studying entrepreneurship without interruption, but the definition of entrepreneurship has not been unified.

### A. Elaboration of Foreign Scholars on Entrepreneurship

In the 1830s, the economist Schumpeter believed that entrepreneurs could adapt to market challenges and constantly innovate. He systematically discussed the innovation function of entrepreneurs and elaborated that the essence of entrepreneurship was innovation [1]. In his book

*Competition and Entrepreneurship*, Kirzner [2] discusses entrepreneurs from the perspective of market transactions and defines entrepreneurs as those who have advantages that ordinary people do not have and can be sensitive to the opportunities for profit in the market. Knight, on the other hand, links uncertainty with the function of entrepreneurs, believing that entrepreneurs are people who make decisions in an uncertain environment and must bear all the consequences of their decisions. [3] Miller classified entrepreneurship into innovation, initiative and risk taking. [4] In innovation and entrepreneurship, Peter Drucker, the father of modern management, defined entrepreneurship as the spirit of social innovation and predicted that we need a society rich in entrepreneurship, and innovation and entrepreneurship are normal, stable and continuous needs. [5] To sum up, foreign scholars have three main viewpoints on entrepreneurship that listed as innovation — the essence of entrepreneurship, secondly entrepreneurs should be good at identifying market opportunities. Thirdly, entrepreneurs should take risks.

### *B. Domestic Scholars' Elaboration on Entrepreneurship*

Wang Linsheng believes that for those managers, entrepreneurship is the spiritual quality of managers' mood, way of thinking and values constantly cultivated in the face of fierce market competition and elimination pressure, as well as the quality of innovative ideas, pursuit of maximum benefits and courage to take risks. [6] On the basis of drawing on the views of foreign scholars, Wang Dingding and Gao Bo summarized entrepreneurship into three aspects. First, Schumpeter's "spirit of innovation"; second, weber's "spirit of dedication"; third, north's "spirit of cooperation"; new institutional economics. [7] [8] Cao Yan proposed that entrepreneurship should embody human-oriented consciousness, environmental resource consciousness, sustainable development consciousness and social responsibility consciousness, and reflect the requirements of The Times, and should internalize the consciousness of building a harmonious society into entrepreneurship. [9] Ding Donghong et al. believed that the three elements of entrepreneurship are as follows: innovation, risk taking (entrepreneurship) and opportunity identification. [10] Jia Kang and Cheng Yu believed that entrepreneurship can be expressed as the comprehensive ability of entrepreneurs in the market economic environment of fierce competition. It is an important and special intangible factor of production, and also a collection of special skills of entrepreneurs, including mind, talent and skills. [11] Tang Linkai believes that the traditional Confucian merchant spirit is the source of contemporary Chinese entrepreneurship, and the modern reconstruction of the traditional Confucian merchant spirit is necessary and possible, and it is an important part of the excellent traditional culture of the Chinese nation. [12] To sum up, domestic scholars also endowed entrepreneurship with richer connotations, involving morality, dedication, cooperation, social responsibility and cultural inheritance. In addition to learning from foreign scholars' expressions about innovation and risk taking, entrepreneurship has been enriched by Chinese scholars.

### *C. Fujian: the Connotation of Entrepreneurship*

Entrepreneurship is rooted in the historical and cultural environment. In order to define Fujian entrepreneurship, it is necessary to combine the traditional value system of Fujian with the actual situation of economic and social development, and not only refer to classical academic theories. In Fujian, Zhu Xi's "Neo-Confucianism" has a profound influence, whose main spirit is cultivation of morality, cultivation of character and love of love and patriotism. Influenced by this, Fujian entrepreneurs regard "serving the motherland and returning to China" as the first priority after their business success, and pursue "frugality, diligence, trustworthiness and righteousness", which makes their business activities have strong cultural connotation and solid social foundation. Fujian entrepreneurs have footprints all over the world and they have a typical atmosphere of Marine culture. However, Fujian province, as a big ocean province, is the starting point of the maritime silk road. There are more than 10 million overseas Chinese holding Fujian nationality and there are businessmen of Fujian nationality in more than 170 countries around the world, which is honored as one of the three overseas business groups. In China, Fujian merchants are also spread all over the country, "made in Fujian" and "made by Fujian" into thousands of households. "Risk universal condemnation against the mass of public opinion, No pain, No gain" become the Fujian - summary of entrepreneurship. [13]

In the new era, Fujian entrepreneurship should include the following six aspects:

1) *Innovation*: Innovation is the core of entrepreneurship. Innovation is the key factor that determines the survival and development of an enterprise. In the era of rapid changes in economy, politics and science and technology, it is necessary for entrepreneurs to make plans, whether technological innovation, product innovation, business model innovation or management innovation. If entrepreneurs want to improve the efficiency of resource allocation so as to obtain sustainable competitive advantages, only with the spirit of innovation can they make revolutionary and innovative allocation of production factors.

2) *Hard-work*: The macro environment of enterprise operation is full of uncertainty at the moment when the economy is facing transformation and transformation. Enterprises must work hard, strictly control the Chen Ben, constantly refine management, and even get ready to start up again. Therefore, hard work still has great value as a traditional virtue of Chinese entrepreneurs.

3) *Responsibility*: This is the fine tradition of Fujian entrepreneurs. When we combine personal ideal with national rejuvenation and national development, we must correctly deal with the relationship between national interests, national interests, enterprise interests and individual interests. Entrepreneurs know how to give selflessly for others, for society and for the country, even though everyone is chasing economic profits. The overseas

Chinese leader, Mr. Chen Jiageng, once expounded the principles of "selflessness" and "people first", and emphasized that they should be continued in the contemporary entrepreneurs of Fujian.

4) *Win-win cooperation*: In an economic environment that is more open, shared, ecologically shared and prosperous, entrepreneurs must abandon small but comprehensive thinking and participate in business cooperation with an open and trusting mind, and achieve win-win cooperation across geographical, cultural, online and offline differences. This can be understood as the enterprise if not alone, cannot fight alone.

5) *Excellence*: Craftsmanship spirit is to pursue excellence, continuous improvement and endless. President Xi Jinping advocates this spirit of excellence, stressing that it is the guarantee of innovation and the spiritual connotation that contemporary entrepreneurs should have. Only by injecting craftsman spirit into every link of the industrial chain can we realize the leap from "Chinese speed" to "Chinese quality" in the process of pursuing high-quality development.

6) *Honest and law-abiding*: Entrepreneurs should follow the rules of the market, comply with legal norms, abide by the spirit of contract, dare to venture and dare to experiment and the integration of rule consciousness, which is the cornerstone of entrepreneurship in the new era. Bold innovation and enterprising is necessary but needs to be carried out under the restriction of law and morality, and the essence of market economy is the economy of rule of law and honesty.

### III. CURRENT PROBLEMS OF ENTREPRENEURSHIP IN FUJIAN

Based on the development history of 12 enterprises in Fujian province, in-depth interviews and comprehensive studies were conducted. All of them have declared bankruptcy, entered liquidation procedures and closed a large number of stores since January 2018. In the study, it is believed that the decline of these enterprises is related to the lack of entrepreneurship and is facing challenges.

#### A. *Money Carries out Safety, Overindulgence*

Many entrepreneurs are conscientious and spare no effort in the period of starting a business, but after certain achievements, they are satisfied with an easy life and do not want to make progress, which explains that it is easier to start a business than to keep it. The typical thinking is that you've made enough money to spend your whole life, you don't need to continue to struggle, and you should enjoy it now. So, in the comfort of enterprises stagnating, the market, the gradual loss of talent, however, such as enterprises appear cliff fall, has been in a difficult point to recover. For the new generation of entrepreneurs or successors of family business, they are accustomed to ease and comfort, not to hard work pressure, born to enjoy a good material life. And some entrepreneurs will send their children abroad, but the succession problem has become a common pain point of

private enterprises in Fujian, because they are successful in school, but not willing to come back to take over.

#### B. *Blindly Pursuing Profits and Taking Risks*

In terms of investment, entrepreneurs are not satisfied with playing it safe and steady, but just want to rush into the industry of making fast money. Entrepreneurs measure their success and the success of their enterprises by the amount of money and blindly pursue profits. During the interview, it was found that many enterprises had participated in the investment of finance, mining and real estate, and some failed in the old and new businesses due to the neglect of the main business. Taking Fuguiniao for example, a generation of shoe kings took the asset bubble as an opportunity and threw themselves into it, because they gradually lost their way in the rapid development. Fuguiniao's legal representative represented 25 companies in hot industries such as mining and microfinance, but the company ended when the bubble receded. Because of its blind participation in financial business, Shanghaorenzhen has experienced the same difficulties. In Xiamen, Hefei, Taiyuan and other places, Shanghaorenzhen has been involved in lawsuits of private lending and default of financial institutions, and finally its assets have been frozen and its trademark has been lost.

#### C. *Lack of Innovation Persistence*

With drastic changes in the external environment, planning ahead is not well prepared, because many entrepreneurs lack the awareness of active innovation. Shengzhou vegetable oil co., LTD., for example, had a 65% market share in Xiamen. The loss of nine billion yuan, due to the impact of the country's three macro-control of edible oil (that is, the government price limit), the financial situation deteriorated, and eventually led to the bankruptcy and restructuring of the enterprise, the main reason is that it is conservative, into trouble. Observe other edible oil producers, when they face the same macro environment, have adopted futures and other ways to hedge.

Some entrepreneurs, aware of the changes caused by the external environment, are not willing to settle down to practice their internal skills and just want to follow the previous successful mode of rapid development. Enterprises are always unable to break the bottleneck of innovation, even if blindly expand the scale, buy technology, buy equipment, open new stores, although in a short term can develop rapidly. Such as Jinjiang sports clothing enterprises del and Hongxing g, for catering to the nodes of the outbreak of the domestic market to create brilliant record, however, the lack of product research and development of the sports clothing enterprises, always can't get rid of a fake feeling, eventually lost in the fierce competition, from the generation of labor to the construction of independent brands, dense open stores across the country.

#### D. *Lack of Integrity, Violation of Laws and Regulations*

Sacrifice for the economic interests of the environment, destroy the natural ecological conditions, entrepreneurs' lack of honesty, ignoring the laws and regulations of objective

existence, such as by other enterprises, default employee wages, cheat customers and consumers, so the neglect of social morality, the destruction of doing business, however, still some people violate the laws and regulations, bribing officials, tax evasion and illegal occupation of state-owned assets, etc. Take the representative cabinet enterprises in southern Fujian as an example. Xiamen Haolaiwu Company began to default on employees' wages in 2014, and finally filed for bankruptcy at the end of 2018. Due to multiple involvements in sales contract disputes and labor disputes, its corporate image was seriously damaged and its market sales declined.

#### *E. Lack of Faith and Patriotism*

Some entrepreneurs do not take it as their duty to rejuvenate China and realize the great rejuvenation of the Chinese nation. They lack deep patriotic feelings. Although they fulfill environmental responsibility, pay taxes and abide by the law, they also take an active part in philanthropy. Some entrepreneurs are not firm enough when the country and people need their money and help, and when they need to solve big problems. The influx of entrepreneurs in recent years reflects their lack of conviction and confidence in China's development. Some entrepreneurs have defects in their private morality, which causes a bad influence on the society and relaxes their requirements in their thinking.

### IV. MEASURES TO STIMULATE AND PROTECT ENTREPRENEURSHIP

The stimulation, cultivation and protection of entrepreneurship is a systematic project, which needs the joint shaping of government policies and social and cultural atmosphere. From the belief, sense of responsibility, feelings, incentives and other aspects of the lack of entrepreneurship. From the perspective of laws and policies, we should take into account both material and spiritual needs and give adequate protection to the existing entrepreneurship. Regulations have been issued across the country since 2017 to stimulate and protect entrepreneurship. In this study, the following Suggestions are made based on local policies and the actual situation in Fujian.

#### *A. Respecting and Protecting the Rights and Interests of Entrepreneurs*

At the legislative level, we will improve the mechanism for protecting entrepreneurs and protect them in accordance with the law, starting from the following aspects, including personal and property rights, independent management rights, rights and interests of innovation, and rights and interests of fair competition. To interpret the new changes and trends of laws and regulations for entrepreneurs, enhance the publicity of relevant laws and regulations at the level of legal publicity, and enhance their confidence in safeguarding their own interests with laws. At the level of law enforcement, a law studio should be established to establish a "green channel" for enterprises to protect their rights. It is necessary to learn from the practices of other provinces and cities, to protect their legal rights and interests in person and property, and understand the non-standard behavior of private enterprises.

In particular, in the process of performing their duties, the discipline inspection and supervision organs need the enterprise operators to assist in the investigation, and then according to the principle of statutory punishment, suspected crime from the handling, so as to reduce the pressure on entrepreneurs, light.

#### *B. It Plays the Role of Service-oriented Government*

We will work hard to build an image of being pro-business, pro-business and pro-business. In order to build a government at all levels, it is necessary to fully listen to the opinions and Suggestions of entrepreneurs, let them participate in the mechanism of relevant policy formulation, regularly communicate with private entrepreneurs and invite outstanding entrepreneurs to attend important meetings. In the process of market resource allocation, we should provide support for entrepreneurs' innovation and exploration, guide the direction of the government, regulate the market and, more importantly, provide good service guarantee. At the same time, to provide the basis for the enterprise's business decision, the government should timely disclose the information related to the enterprise's business, and absorb the third-party institutions to supervise the government information disclosure.

#### *C. Assisting Entrepreneurs*

In addition to business operations, entrepreneurs also have ordinary people's troubles, need to solve their worries, but also from the thought, life sincere care entrepreneurs, firm entrepreneur confidence, stable entrepreneur expectations. As the entrepreneurs said in the interview, the government only rewards talents, but good entrepreneurs are not rewarded. We should provide preferential policies for outstanding entrepreneurs in terms of purchasing talent houses, family work arrangements, and school choice for their children, and introduce preferential policies for outstanding entrepreneurs and talents. Relevant policies should be introduced to take care of it and stimulate the entrepreneurial passion of special groups. For example, the current entrepreneurship support projects in Fujian are more inclined to highly educated and skilled talents, while the small and micro enterprises started by entrepreneurs of disabled people and ex-servicemen lack special support policies.

#### *D. Encouraging Entrepreneurs*

Many entrepreneurs have achieved financial freedom. Incentives for entrepreneurs should start from the spiritual level. First of all, I will learn from the experience of Zhejiang province, establish advanced entrepreneur models with famous products and famous experts, build the brand image of "Fujian merchants", and dig and collect the elements of "entrepreneurship" from the typical figures of local entrepreneurs. Secondly, strengthen the publicity of excellent entrepreneurs and their enterprises, increase the sense of recognition of the value of entrepreneurs, and create a social atmosphere of respecting entrepreneurs in media publicity. In order to ignite the entrepreneurial drive for innovation and breakthroughs, we can establish fault-tolerant

mechanisms that allow trial and error and tolerate mistakes within the framework of laws, regulations and social ethics.

#### *E. Helping Entrepreneurs Grow*

We will select outstanding entrepreneurs from state-owned enterprises and private enterprises, strengthen training for them, and send them to universities, professional institutions and large enterprises for study and training, so as to enhance their abilities in innovation and development, decision-making and management, capital operation, market exploration and international competition. We will implement the entrepreneurship mentor program for young entrepreneurs and the growth program for new generation of private entrepreneurs, and organize start-up and growth entrepreneurs to study and visit large and medium-sized enterprises in the new area. Arrangement not only outstanding entrepreneur as potential mentors of responsible persons of enterprises, encourage college also employ outstanding entrepreneur as well as innovative undertaking teacher, leading to cultivate outstanding young entrepreneurs to speed up the growth, at the same time to encourage entrepreneurs to expand exchanges between, grow up together, make progress together in the process of communication. We can learn from the teaching staff of universities and the experience of Jiangsu, such as Xiamen University, Fuzhou University, Fujian Normal University and Fujian Medical University. Online training courses for entrepreneurs can be offered in Fujian, allowing them to study independently at any time and place in their spare time.

#### V. CONCLUSION

China's economic development has entered a critical period. To maintain the economic growth rate and increase economic vitality, entrepreneurship is indispensable. We should have a deep understanding of the thoughts and concerns of entrepreneurs and realize the incentive measures of both material and spirit. In terms of material, the legal income of entrepreneurs should be guaranteed; in terms of life, their worries of family issues should be solved; in terms of spirit, entrepreneurs should be given full respect. Furthermore, the government and universities should work together to improve capabilities of entrepreneurs.

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