

Understanding Chinese entrepreneurship from a historical perspective: what can we learn from our entrepreneurship heritage and how?

Introduction to the issue

Small and medium enterprises have been booming in China since the initiation of the Open Door Policy in 1978 (Shane, 2010). However, the Chinese have always been considered to be an entrepreneurial race, and Chinese entrepreneurialism is hardly a new phenomenon. It has been widely acknowledged that the transformation of Hong Kong and Taiwan from colonial outposts to global major manufacturing centres in the 1950s was fuelled by the arrivals of entrepreneurial individuals from the mainland during and in the aftermaths of the civil war in the late 1940s (Wong, 1988; Skoggard, 1996). Long before, adventurous Chinese have travelled and established businesses all across the world. A century ago, Chinese restaurants were already a familiar sight in major American and European cities such as San Francisco and Liverpool (Lee, 2001). Chinese businesses have scattered around Southeast and Central Asia along existing sea and land trade routes, looking for business opportunities for centuries (Mackie, 1992). However, the entrepreneurialism of the Chinese is not limited to the episodes of overseas adventures. Throughout the history, Chinese entrepreneurs had prospered in China both in time of prosperity and during war and crisis. Besides historical and factual records, entrepreneurship is something that is embedded in the Chinese culture, with entrepreneurs been widely portrayed as subjects of art and literature.

That said, whilst the recent explosion of Chinese entrepreneurship has been a subject of great interests to academics, journalists and policy makers alike, the earlier entrepreneurial episodes have received nowhere near as much attention from the mainstream entrepreneurship and management literature. A profession without memory can be said to be “a profession of mad people” (Smith, 2007). Learning about entrepreneurship history allows entrepreneurs to learn from both wisdom and mistakes in the past as well as to understand the challenges faced by their predecessors. It is therefore unsurprising that there is an increased recognition of the role of history in examining entrepreneurship and various management disciplines (Mason and Harvey, 2013; Clark and Rowlinson, 2004). It is our intention to continue with this “historic turn”, by examining the way in which Chinese entrepreneurs operate in a complete different time and context to the modern generation. We believe that by scrutinising the previous entrepreneurship experience of the Chinese, it would be possible to unveil significant insights that may be of benefit to the current wave of Chinese entrepreneurship.

In this special issue, we have gathered a collection of a rather diverse, some may also argue, “unconventional”, set of articles utilising both knowledge from disciplines as well as utilising very different methodological approaches. The idea of this special issue was initially discussed with Dr Victor Zheng from the Chinese University of Hong Kong and Dr Caleb Kwong from the University of Essex, back in 2013. Two more colleagues, Professor Wong Siu-lun from the University of Hong Kong and Cherry Cheung from the London South Bank University, soon came on board. We took the idea to Dr Jun Li, then the General Editor of the *Journal of Chinese Entrepreneurship*, and were encouraged to submit a draft proposal. The guest co-editors of this issue drafted several versions of the call-for-papers in consultation with the editors and other entrepreneurship researchers.

We decided to focus on the following themes: “stay within the family”, “Chinese aboard”, “entrepreneurship under special conditions”, “law and order”, “culture and Chinese entrepreneurialism” and “studying Chinese entrepreneurship in history”. As the proposal for the special issue developed, we submitted it to the renamed *Journal of Entrepreneurship in Emerging Economies*. We announced the call-for-papers in Summer 2014 and attracted a good number of interests. All the articles in this issue have gone through rounds of revision and resubmission. Our reviewers have also played a major part in shaping the contribution and direction of the articles. All the reviews are blinded, and we would like to thank the reviewers for their constructive feedback. For quality control, the allocations of reviewers for each of the research papers were conducted by an editor, including the General Editor, who was not involved in the paper. We would also like to thank Dr Jun Li, the General Editor, for the opportunity and his guidance. Finally, we thank our authors for their stimulating and engaging manuscripts.

Articles in the issue

The first three of the articles are consistent with the theme of “stay within the family”, which intends to attract articles examining the longitudinal accounts of Chinese family businesses, the way in which family network and resources have been utilised in businesses and the dynamics between first and subsequent generations. We have a paper from Dr Victor Zheng and Professor Wong Siu-Lun chronologising the business development of four generations of the Li & Fung Group, a well-known business started in China but moved to Hong Kong following the immigration of their founders and their families. It is an intriguing piece for those interested in family businesses, as it touched upon a number important issues, such as strategic alliance, succession planning, family and personal conflicts and merger and disintegration.

The paper by Cherry Cheung is consistent with the theme: “entrepreneurship under special conditions”. The paper examines the rise and fall of a family business in Hong Kong, the large portion of which is set in a more unique, rather unusual context of the Second World War. It discusses how the family business had to learn about the changes that happen and adapt quickly by recognising and exploiting new, often illegal, opportunities available. The family business prospered under such difficult and penurious environment against all odds, but demised just when the Hong Kong economy begin to take off after the war. It concludes whilst pre-existing knowledge, network and resources are essential to the development of ventures during the time of war, it is the ability to learn and to source new knowledge beyond the business’ comfort zone as the key of survival in a more munificent environment. Few studies in the entrepreneurship literature so far have examined entrepreneurial behaviours under war condition.

The third paper brings about the international aspect. To understand Chinese entrepreneurship, it is important that studies do not limit themselves to only examine those who engaged in entrepreneurial behaviours at home, but also expatriates who went aboard to set up their business ventures. These are arguably the most entrepreneurial entrepreneurs, as not only are they being adventurous with their business, but often their personal life also goes through a turbulence. The article by Dr Gordon Cheung and Professor Edmund Terence Gomez examines See Woo, a well-known grocery business in the UK specialising in Chinese and later East and South

East Asian food produces. The article fits perfectly with our theme of “Chinese aboard”, which intends to explore the early efforts of internationalisation of Chinese businesses as well as entrepreneurial individuals who started their businesses aboard. For Chinese in the UK, See Woo is almost a cultural establishment, supplying them not only with speciality foods and produces but also a spiritual experience in allowing the expatriate shoppers to stay close to their root.

As mentioned in the special issue call, our definition of entrepreneurship is not limited to those who had started a business, but also corporate intrapreneurs who applied entrepreneurship concepts within an organisational context. The case study by Qianqian Chai and her co-authors on the early history of the British colonial government in Hong Kong highlights some of the key issues facing multinational enterprises (MNEs) entering a country where few have entered before them. The challenge that the authors focus on is the human resource management issues, and the case highlights the difficulty that MNEs face in balancing the interests of parent country nationals and the local Chinese.

To further our earlier point about learning from history and respond to our theme “studying Chinese entrepreneurship in history”, the article by Cherry Cheung and Kwong Cheuk Yin examines the role of Chinese history in the context of a business classroom. The paper discusses the advantages and importance of studying history in the discipline of business and management and how such a case study can be conducted. They also conducted a survey to examine how management and business students respond to a historical pedagogical approach.

The final piece is a book review conducted by Caleb Kwong on the life story of Henry Fok, a well-known entrepreneur who started a business empire from almost nothing. The comparison between this and the paper by Cherry Cheung is indeed interesting. Both the paper and the book utilised an oral history approach over the same period, but the contrast between Henry Fok and the family in Cherry Cheung’s paper cannot be more extreme. The family in Cherry Cheung’s paper was highly successful during the war, but could not adapt to the peacetime environment. Henry Fok struggled throughout the war, but prospered during the post-war era. A good read of both the paper and the book would give us a much more rounded understanding of the different qualities required to succeed in the different times of war and peace.

Methodological issue in relation to researching on the history of Chinese entrepreneurship

We also intend for our special issue to make a methodological contribution. We intend to illustrate the different methodological approaches that authors can take when studying Chinese entrepreneurship from a historical perspective. Our special issue, therefore, contains a collection of articles that utilises very different methodological approaches. All of our articles utilise an in-depth case study focusing on one particular entrepreneurial venture. This is indeed an uncommon approach to take in the study of entrepreneurship, where multiple cases are normally deployed collectively.

The two research articles from Gordon Cheung on See Woo, Victor Zheng and Siu-Lun Wong on the Li and Fung Group, as well as the pedagogical paper by Cheung and Kwong, all illustrate how qualitative secondary resources can be used for historical research. These materials include archival data, newspapers, media reports and interviews, as well as internal documents. In contrast, the paper by Qianqian Chai and

her co-authors adopts a more quantitative approach, utilising data solely from one particular set of data from the government archive. The approach enables them to come up with some aggregate findings enabling further archival studies to further explore.

Conducting historical research can also rely on first-hand interview materials, most notably, through the use of oral history. The paper by Cherry Cheung, as well as the book on Henry Fok reviewed by Caleb Kwong, both utilised this specific approach. The advantage of this approach is that it enables the author to gain a longitudinal perspective, which in the case over a period of 50 years, from a consistent rather than diverse sources. Moreover, it is particularly useful in examining those whose voices are not usually heard from the sources that are available in public. In both cases, the research subject is the boat people, a group that has been marginalised in the mainstream societies, and limited information was available about them. Moreover, these studies were collected from a highly volatile period where limited information was stored. Although interviewing people is only possible for history that is within the more contemporary period, but not those from the more ancient history, one can rely on second-hand narratives from existing archives. Caution should be exercised as with any narrative sources with regard to their subjectivity, and that it is important to triangulate with other sources. In addition, memory and reliability can be an issue – in Cheung’s paper, one of the interviewees was in her 80s – although some suggest that with a good approach this can be addressed (Thompson, 2000).

Finally, the paper by Cherry Cheung and Kwong Cheuk Yin offers methodological contribution in relation to how a historical case study can be constructed. It critically categorises the pedagogical use of historical cases into different typologies, as well as a step-by-step guide as to how a historical case can be constructed for pedagogical purpose, following previous authors’ recommendations.

Notes on Editors

Qianqian (Fiona) Chai is a PhD candidate at the Essex Business School, University of Essex, UK. Her current research interest is the colonial history of multinational enterprises and public institutions in Hong Kong.

Cherry Wun Mei Cheung is currently a Senior Lecturer in Corporate & Business Law in the School of Business at London South Bank University. She is also a qualified solicitor specialising in business affairs. She graduated from the University of Bristol with a qualifying law degree and University College London with an LLM in International Business Law. Cherry’s research interests include the legal aspects of business and business, entrepreneurship and law pedagogies. She has published research articles in the *Academy of Management Learning and Education*, *Journal of General Management* and *Journal of Entrepreneurship in Emerging Economies*. Her current research is on the impact of universities’ religion affiliation on the development of an ethical and socially responsible curriculum.

Dr Gordon C.K. Cheung is a Senior Lecturer in International Relations of China and Director of the Centre for Contemporary Chinese Studies at Durham University. He is also the Editor-in-Chief of *East Asia: An International Quarterly*. He previously taught at The Chinese University of Hong Kong and served as Secretary of the Overseas Chinese Studies Foundation, Hong Kong. His research focuses are Chinese international political economy, Chinese business and development and Chinese diaspora. He held various visiting positions at the University of Tübingen, National University of

Singapore, Renmin University, University of Oxford and the Academic Sinica. He has authored four books and published many articles in leading academic journals.

Professor Edmund Terence Gomez is a Professor in the Department of Administrative Studies and Politics at the Faculty of Economics & Administration, University of Malaya. He has held appointments at the University of Leeds (UK) and Murdoch University (Australia) and served as a Visiting Professor at Kobe University, Japan, and the Universities of Michigan (Ann Arbor) and California (San Diego). Between 2005 and 2008, he served as a Research Coordinator at the United Nations Research Institute for Social Development, in Geneva, Switzerland. His publications include *Chinese Business in Malaysia: Accumulation, Accommodation, Ascendance* (University of Hawaii Press, 1999), *Chinese Enterprise, Transnationalism and Identity* (RoutledgeCurzon, 2004), *The State, Development and Identity in Multi-ethnic Countries: Ethnicity, Equity and the Nation* (Routledge, 2008), *The Chinese in Britain, 1800-Present: Economy, Transnationalism and Identity* (Palgrave-Macmillan, 2008) and *Belonging to the Nation: Generational Change, Identity and the Chinese Diaspora* (Routledge, 2015).

Dr Caleb Kwong is currently a Senior Lecturer and Research Director of the Management Science and Entrepreneurship Group, at Essex Business School, University of Essex. His research interests include entrepreneurship education, social entrepreneurship and ethnic entrepreneurship and has published in *Academy of Management Learning and Education*, *International Small Business Journal*, *Journal of Small Business Management* and *Regional Studies*. He is the editorial review board member of *Journal of Small Business Management*, *Journal of General Management* and *Journal of Entrepreneurship in Emerging Economies*. His latest research focuses on the challenges and barriers of business start-up among those who are diagnosed with autistic spectrum disorder.

Professor Siu-Lun Wong is currently an Emeritus Professor of Sociology, University of Hong Kong, and an Honorary Senior Research Fellow of HKIPAS, the Chinese University of Hong Kong. He is also the Council Chairman of Shee Yan University in Hong Kong. Wong received his DLitt from the Oxford University and joined the Department of Sociology of the University of Hong Kong in 1978. He became the Chair Professor in 1987 and then Head of the Department of Sociology, Director of the Centre of Asian Studies and Pro-Vice-Chancellor of the University in the subsequent years. His research interests include Chinese entrepreneurship, emigration phenomenon and diasporic network and social indicators and social development: Hong Kong and Macao. He published in *Sociology and Socialism in Contemporary China* (London: Routledge, 1979), *Emigrant Entrepreneurs: Shanghai Industrialists in Hong Kong* (Hong Kong: Oxford University Press, 1989) and *Chinese and Indian Diasporas: Comparative Perspectives* (Hong Kong: Centre of Asian Studies, 2004), and a number of books in Chinese and a number of papers in international journals.

Dr Victor Zheng is currently a Co-Director of the Centre of Social and Political Development Studies, HKIPAS, the Chinese University of Hong Kong. Dr Zheng received his PhD from the University of Hong Kong and joined the Centre of Asia Studies, HKU, in 2003 as a Research Assistant Professor. His research interests include Chinese family business: development and inheritance and social indicators and social development: Hong Kong and Macao. He published *Chinese Family Business and the Equal Inheritance System: Unravelling the Myth* (London and New York: Routledge, 2010), *Gambling Dynamism: The*

Macao Miracle, (Heidelberg: Springer, 2013) (as first author) and a number of books in Chinese and a number of papers in international journals.

Cherry Wun Mei Cheung

Faculty of Business, London South Bank University, London, UK

Victor Zheng

Centre of Social and Political Development Studies, HKIPAS,

Chinese University of Hong Kong, Hong Kong

Caleb Kwong

Essex Business School, University of Essex, Essex, United Kingdom, and

Siu-Lun Wong

HKIPAS, Chinese University of Hong Kong, Hong Kong

References

- Clark, P. and Rowlinson, M. (2004), "The treatment of history in organisation studies: towards an 'historic turn'?", *Business History*, Vol. 46 No. 3, pp. 331-352.
- Lee, A.W. (2001), *Picturing Chinatown: Art and Orientalism*, University of California Press, San Francisco, CA.
- Mackie, J.A. (1992), "Overseas Chinese entrepreneurship", *Asian-Pacific Economic Literature*, Vol. 6 No. 1, pp. 41-64.
- Mason, C. and Harvey, C. (2013), "Entrepreneurship: contexts, opportunities and processes", *Business History*, Vol. 55 No. 1, pp. 1-8.
- Shane, S. (2010), "If you want to see entrepreneurs, go to China", *Business Week*, 12 March.
- Skoggard, I.A. (1996), *The Indigenous Dynamic in Taiwan's Postwar Development: The Religious and Historical Roots of Entrepreneurship*, ME Sharpe.
- Smith, G.E. (2007), "Management history and historical context: potential benefits of its inclusion in the management curriculum", *Academy of Management Learning & Education*, Vol. 6 No. 4, pp. 522-533.
- Wong, S.L. (1988), *Emigrant Entrepreneurs: Shanghai Industrialists in Hong Kong*, Oxford University Press, Hong Kong.