

# Negotiating uncertainty and individual desires

*A case study of young Chinese entrepreneurs*

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# Abstract

The transition from a planned to a market-oriented economy has not only led to unprecedented economic growth for China but also brought about far-reaching changes in the lives of Chinese people. In prereform China labour was considered a national resource that should be allocated bureaucratically. Along with the reforms and the abolition of job assignments upon graduation, young Chinese have achieved more autonomy with regard to job choice, but at the same time, they are required to take more responsibility for their own lives. This thesis explores why young Chinese individuals decide to become entrepreneurs in today's China and how they view their own situation in a society undergoing broad economic and social changes. By applying the theoretical framework of the individualization theory, this thesis aims to provide insight into how career choices are made in a society where people cannot rely on the state to provide them with a social safety net. Moreover, this thesis aims to gain a better understanding of the changing relationship between the party-state and the individual.

Based on fieldwork conducted in Shanghai between September and December 2013, consisting of interviews and conversations with 30 young entrepreneurs and observations at entrepreneurship events, this thesis argues that young Chinese entrepreneurs are seeking not only to increase their life chances and social status; equally important is their desire to achieve self-fulfilment through entrepreneurship. Among my informants, starting up one's own business was a decision where individual needs and desires were balanced with family responsibilities. Moreover, my findings also show how changes in the labour market force young people to become active and rely on their own efforts. My informants depended on individually constructed networks instead of their family's network to develop their careers. Government announcements, academic articles and news reports provide a background for this study and are used to discuss the findings of the fieldwork. Finally, this thesis argues that starting up a business is a sign of both objective individualization, which young Chinese are compelled to do, and also subjective individualization, as they strive for independence and opportunities for realizing their own value.



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# Introduction

This thesis explores why young people choose to become entrepreneurs in today's China and how nascent entrepreneurs perceive their own situation in a society undergoing broad economic and social changes. The transition from a planned to a market-oriented economy has not only led to unprecedented economic growth for China but also brought about far-reaching changes in the lives of Chinese people, who are now required to find jobs on their own or create their own jobs. To guide the research questions, this thesis hypothesizes that young Chinese become entrepreneurs as a response to institutional changes whereby they are forced to assume more responsibility for their own lives.

In prereform China, labour was considered a national resource that should be allocated bureaucratically.<sup>1</sup> Since the early 1980s, the Chinese government has promoted development of a private sector and encouraged entrepreneurship in order to boost economic growth and alleviate unemployment. These are still areas of great concern to today's government and pointed out as key reasons for the current leadership's strengthened support of entrepreneurs. According to a national survey jointly conducted by Communication University of China and China Youth Association for Network Development in 2011, nearly 80 percent of Chinese university students express interest in entrepreneurship, and 26 percent are planning to become entrepreneurs.<sup>2</sup> If these numbers reflect attitudes towards entrepreneurship, it suggests that many young Chinese consider entrepreneurship a good career choice. However, recent announcements by the government express worries over the low number, merely 1 percent, of graduate students who actually take the steps to start their own business.<sup>3</sup> Chinese official statistics distinguish between individual/household businesses (*getijiuye/ getihu* 个体就业 / 个体户) and private enterprises (*siying qiye* 私营企业).<sup>4</sup> The former refers to low-scale businesses of fewer than eight employees, while the latter refers to businesses with eight or more employees.<sup>5</sup> This means that *siying qiye*, including privatized public enterprises, vary greatly in size and capital investment.<sup>6</sup> As my thesis considers young

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<sup>1</sup> (Bian 1994, p.51)

<sup>2</sup> (Tencent Education 2011)

<sup>3</sup> (Central People's Government 2014c)

<sup>4</sup> (China Statistical Yearbook 2011)

<sup>5</sup> (Bian and Zhang 2006, p.26)

<sup>6</sup> (Bian and Zhang 2006, p.26)

entrepreneurs who mainly are in the process of starting and expanding their own businesses, they do not necessarily fit the characterization of either low-scale businesses or bigger enterprises. Thus, I find the statistics of Global Entrepreneurship Monitor (GEM) more relevant for my study. According to the 2012/2013 reports by GEM, 14 percent of China's population between 18 and 64 years old are in the process of starting or are running a new business,<sup>7</sup> and young people between 18 and 34 constitute half of these new entrepreneurs.<sup>8</sup> This suggests that a significant number of young Chinese, but not necessarily university graduates, are choosing an entrepreneurial career.

This thesis is based on fieldwork conducted in Shanghai between September and December 2013, consisting of interviews with 30 entrepreneurs spanning in age from 20 to 36 years old. Besides interviews and conversations with nascent entrepreneurs, and a few who had operated their businesses for several years already, participant observation at entrepreneurship events and observations of the informant's activities on WeChat<sup>9</sup> were also part of the fieldwork.

The findings will be analysed in light of individualization theories, which argue that with the changes brought about by modernization, people have become disembedded from the bonds of family, traditions and social categories which used to prescribe how one should live. As people are compelled to take more responsibility for their own lives, they have also become more dependent on modern institutions, like the welfare state, education system and labour market.<sup>10</sup> According to Yunxiang Yan, the key features of the individualization process are also present in China, but a crucial difference from Western societies is that party policy, rather than a welfare system, is the main driver behind individualization.<sup>11</sup> By employing individualization theories, my case study will provide insights into the informants' perceptions of their own life situations. This will help us gain a better understanding of how career choices are made in a society where people are compelled to assume more responsibility for their own lives without the protection of a welfare system like Western societies have, to a larger extent, or the social safety net of the past. The thesis will also shed light on the social forces in Chinese society which drive these young people to become

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<sup>7</sup> (Amorós, Niels, and Global Entrepreneurship Research Association 2014, p.30)

<sup>8</sup> (Xavier et al. 2013, p.30)

<sup>9</sup> WeChat (微信) is a free text and voice messaging mobile application.

<sup>10</sup> (Howard 2007, p.2)

<sup>11</sup> (Yan 2010a, p.507)

entrepreneurs, as well as certain aspects of what entrepreneurs consider important for starting up an undertaking. Moreover, this study will provide insight into changing notions of what constitutes a good job. Finally, it will contribute to our understanding of the individualization process in China, which is characterized primarily by a shift in the relationship between the party-state and the individual.

Although the emergence of entrepreneurs and the private sector in China has attracted the attention of China scholars, and there exist a wide range of studies and approaches to the field, little research has been done so far on how young Chinese entrepreneurs in today's China view their own situation. Bruce Dickson and Björn Alpermann have both studied the political integration of entrepreneurs,<sup>12</sup> and other studies have examined the changing social backgrounds of Chinese entrepreneurs, as well as social perceptions of Chinese entrepreneurs.<sup>13</sup> However, the overwhelming majority of studies on private entrepreneurs have considered the institutional environment and the role of social connections (*guanxi* 关系) in business operation. Kelle Tsai, for instance, has done extensive research on informal financing mechanisms, arguing that despite the government's pronounced support for entrepreneurs since the 1980s, little has been done to facilitate business start-ups.<sup>14</sup> Ole Bruun studied the development of urban private households (*getihu*), focusing on their dependence on local cadres.<sup>15</sup> Gabriele Jacobs, Frank Belschak and Barbara Krug also considered the role of *guanxi* in business creation. Differentiating between familial and instrumental forms of *guanxi*, they argue that the latter is the dominant form in the new competitive environment.<sup>16</sup>

Such articles, along with news reports and government announcements, will provide a contextual background for this research. Given the significant focus on the role of social connections in business creation, the thesis will also include one chapter considering the informants' perceptions of *guanxi*. Because my research analyses entrepreneurship as a career choice, I will also draw on studies on career making in postreform China, particularly the research of Lisa Hoffman and Amy Hanser who both focus on how young professionals make job choices.<sup>17</sup>

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<sup>12</sup> (Dickson 2007; Alpermann 2006)

<sup>13</sup> (Chen, Li, and Matlay 2006; Hsu 2006; Gold 1990)

<sup>14</sup> (Tsai 2004)

<sup>15</sup> (Bruun 1993)

<sup>16</sup> (Jacobs, Belschak, and Krug 2004)

<sup>17</sup> (Hoffman 2010; Hanser 2002a)

## What is an entrepreneur?

The Chinese language has several words that may be translated into English as “entrepreneur”. This thesis will employ the term that is normally used by the Chinese government in its calls for supporting entrepreneurs, *chuangyezhe* (创业者). The term consists of the words *chuang* (创), “create” and *ye* (业), “profession/business”, followed by the verb suffix *zhe* (者), used to denote a person who does the verb activity. Literally translated, a *chuangyezhe* is a person who creates a business. At the 17th National Congress of the Communist Party, held in 2007, the Chinese Communist Party (CCP) proclaimed the need to create employment through entrepreneurship. *Chuangye* is here defined as creation of employment through starting up a project or a company, or through self-employment.<sup>18</sup> This largely corresponds with the literal translation. When using the word *entrepreneur* in this thesis, I therefore refer to a person who has opened, or is in the process of opening, some sort of business. Unless otherwise stated, *entrepreneur* refers to the Chinese term *chuangyezhe*.

Another common term for entrepreneurs is *qiyejia* (企业家). This label consists of the two words *qiye* (企业), “enterprise” and the noun suffix *jia* (家), used to denote a person who is a specialist in a certain field. Linguistically, *qiyejia* therefore carries connotations of success, which *chuangyezhe* does not. Some of the informants seemed to agree on this distinction between the two labels; one informant said, “I’m still not a *qiyejia*” (我还不是个企业家) when I asked about the difference between the two terms. A *chuangyezhe*, on the other hand, may be in the very first phase of business creation. This was exactly the case for many of my informants. However, a few of the informants who had been running their businesses for many years, and would be considered successful, still called themselves *chuangyezhe*. This indicates that *chuangyezhe* does not merely denote nascent entrepreneurs but covers a broader range of entrepreneurs than *qiyejia* does. This broad definition of *entrepreneur* is also reflected in the various types of projects in which my informants were engaged from online shops, restaurants and book cafés to developing mobile applications and medical equipment. *Qiyejia* is normally not used by the government in announcements or policies regarding support of entrepreneurship, nor did my informants themselves use it, and therefore I will not use this word in this thesis.

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<sup>18</sup> (Central People's government 2008) “创业是劳动者通过自主创办生产服务项目, 企业或从事个体经营实现市场就业的重要形式”

Still, *chuangyezhe* is a rather new term in Chinese language. Many of the academic articles referred to in the following are studies on the development of the private sector or the situation of private business operators in the past; these studies use the terms *getihu* and *siying qiye*. As I return to later, due to differences in meaning and especially connotations at the time of these studies, the specific Chinese terms will be pointed out if they are provided in the reference.

### **Who is *not* an entrepreneur?**

Often my informants distinguished between “being an entrepreneur” and “working for an employer”. Three terms were frequently used by the informants, both during interviews and in communication with others, when talking about working for a boss: *dagong* (打工), *shangban* (上班) and *guding de gongzuo* (固定的工作). These terms denote different work situations. *Dagong* is commonly used for private-sector employment at private/foreign enterprises, as well as informal employment.<sup>19</sup> *Gongzuo* has been used to describe work in the public sector;<sup>20</sup> thus, *guding de gongzuo* refers to formal employment in the public sector. The term *shangban* “go to work” also refers to a stable job. Online discussions on Douban<sup>21</sup>, however,<sup>22</sup> indicate that this term is used in a broader sense than *guding de gongzuo*, as it is here used to refer to work in foreign, private and state enterprises. (The meanings of these words have probably changed over the years due to changes in work and labor relations). In the context of talking about entrepreneurship, these words were used primarily to express the opposite of being an entrepreneur. The main distinction was made between working for a boss and being a boss, and therefore I will employ a broad translation of all three of these words: “wage employment”.

### **Short outline of thesis**

**Chapter 1** explains and discusses the methodology employed in this thesis. It will explain how the fieldwork was conducted, including how I recruited informants and carried out the interviews and observations, as well as the challenges involved in doing research on this topic in China. **Chapter 2** discusses the individualization thesis, the theoretical approach used to analyse the findings of the research. Since the individualization theory was developed to explain social changes in Western Europe, this chapter discusses how the theory can be

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<sup>19</sup> (Guang 2007, p.57)

<sup>20</sup> (Guang 2007, p.57)

<sup>21</sup> Douban (豆瓣) is a Chinese social networking service

<sup>22</sup> (Anonymous 2012)

applied to Chinese society. **Chapter 3** will provide a historical overview of the Chinese government's attitude towards entrepreneurs. It will also discuss how today's government is promoting entrepreneurship and will argue that the government's promotion of entrepreneurship can be interpreted as state-managed individualization. **Chapter 4** discusses the role of social connections, guanxi, and will argue that the informants establish networks by their own effort instead of relying on their family's network. Social connections are still considered necessary for business development, but lack of useful guanxi is not seen as a hindrance for deciding upon an entrepreneurial career. Rather, establishing a guanxi network is part of the process of becoming an entrepreneur. **Chapter 5** discusses the social forces which shape the informants' choices to start their own business. This chapter argues that the choice of starting one's own business is conditioned by gender and family background. Moreover, it argues, in contrast to other research on career choice, that a disadvantaged background is not perceived to limit one's chances of succeeding. **Chapter 6** focuses on the informants' quest for self-fulfilment through entrepreneurial activities. This chapter argues that a turn to a more individualistic form of ethics is evident in motivations to become an entrepreneur. Common to most of the informants is a wish to realize one's own value, though how this is achieved varies among the informants. This chapter also reflects the heterogeneous composition of the group I have been studying. **Chapter 7** is the conclusion of the thesis and argues that the decision to become an entrepreneur both reflects and contributes to societal processes of individualization.



# 1 Methodology

This study is based mainly on interviews with 30 Chinese entrepreneurs carried out over a three-month period in Shanghai from September to December 2013. Except for interviews and conversations with budding, and a few established, entrepreneurs, the data consisted of observations at entrepreneurship events as well as the informants' activities on WeChat. To support the discussion of my findings, I draw on academic articles within the field, news reports and the government's announcements regarding entrepreneurship. This chapter discusses the research methodology employed for this study. I start by discussing why I chose to do a case study before moving on to explain how I conducted the fieldwork. Lastly, I discuss the quality of the research, including reliability, validity and ethical concerns as well as strengths and limitations.

## 1.1 Qualitative research: A case study of Chinese entrepreneurs

The aim of this study is to examine *why* some Chinese individuals choose to set up their own business and *how* they view their own situation. These kinds of questions favour case studies because they deal with the links between context and phenomenon.<sup>23</sup> The economical and societal changes in China since the opening and reform initiated in the late 1970s have led to drastic changes in people's lives, and their choices and motivations to become entrepreneurs necessarily need to be analysed against this background. Robert Yin defines a case study as “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident”.<sup>24</sup> In my research, the phenomenon is “Chinese entrepreneurs” and the context is both the locality and the historical context—namely, “Shanghai 2013”. The aim of a case study is not statistical generalization, unlike scientific experiments, but rather to “expand and generalize theories”, as Yin says.<sup>25</sup> Through analysing Chinese entrepreneurs in light of China's modernization path, this research seeks to contribute to the understanding of the individualization processes in China. Put differently, I will show how this case relates to processes of modernization that to a great degree are managed by the party-state.

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<sup>23</sup> (Yin 2014, loc.452)

<sup>24</sup> (Yin 2014, loc.618)

<sup>25</sup> (Yin 2014, loc.573)

### 1.1.1 Locating informants

Chinese entrepreneurs could have been studied in any other city or village in China. Shanghai, as a hub for developing private business and with the recent opening of Shanghai Free Trade Zone, is, however, particularly relevant as a field site for this case study. Most of the informants had moved to Shanghai because they believed there were more opportunities there, and because they felt the city was the centre of China's economic development, which they aspired to be a part of. I also learned that the local government allocates many resources to the promotion of entrepreneurship, which made government-organized events a good way into the field. Moreover, I had been studying in Shanghai for one year, so I was quite familiar with the city and Fudan University, which I planned to take as my starting point.

Since the Chinese government encourages graduate students in particular to consider setting up their own enterprises, I initially set out to interview recent higher education graduates who had chosen an entrepreneurial career instead of looking for an employer. Therefore, my first plan for the fieldwork was to sign up for a course at Fudan University, seeking to get in contact with students who were in the process of starting their own enterprises. I was welcomed to join the entrepreneurship club at the university but soon discovered that they did not meet often. Lack of progress led me to seek other channels through which I could recruit informants.

Sina Weibo (新浪微博) became the turning point, where I found that the local government organized entrepreneurship events aimed at providing a meeting platform for entrepreneurs and investors.<sup>26</sup> I sent an e-mail explaining my research objective to the persons in charge of organizing the events and asked if I could attend the events. They responded immediately and welcomed me to join, and also asked me to pass on the event information if I knew any entrepreneurs. At these monthly organized events, of which I attended three, I got in contact with several entrepreneurs who were glad to be interviewed. These events provided also a good opportunity to observe how the local government promoted entrepreneurship. As I was the only foreigner, people were curious about my reason for attending these events. Many assumed that I had much knowledge about entrepreneurship and were eager to discuss their projects with a foreigner. For the same reason, I was also asked to offer my personal suggestions on how to improve the events. Sometimes I was taken for an investor, and very

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<sup>26</sup> Sina Weibo (新浪微博) is a Chinese microblogging platform

often, participants at these events considered me a useful connection, who could help them expand their business networks internationally. All these things made it quite easy to get in contact with people but also posed some ethical issues, as I will return to later in the chapter.

Another channel through which I started to recruit interviewees was a social networking service called Douban ([豆瓣](#)). In addition to being a site for sharing and discussing entertainment, Douban also serves as a platform for networking. Registered users are able to join groups according to their personal interests and alternatively can create new groups. I contacted users who had been active in the last few weeks in groups called “Shanghai entrepreneurs”, “Looking for entrepreneurship partners in Shanghai”, and so on. As expected, most of the users I contacted did not respond to my request. Still, I managed to recruit a few informants through this channel, who in turn introduced me to other informants. When I found out that the entrepreneurs I met, through all channels, typically had several years of work experience, I decided to adjust the sampling criteria. As Kevin O’Brien suggests, a fieldworker should be open to new ideas and research foci.<sup>27</sup> Additionally, given the limited time I had for fieldwork, I did not want to spend much time searching for graduate entrepreneurs when I had already met several other young entrepreneurs.<sup>28</sup> Although many of the informants were from rural China and the majority were young men with prior work experience, young Chinese entrepreneurs by no means constitute a homogeneous group, nor do my group of informants.<sup>29</sup> The shared characteristics of many of my informants may be due to the places where I recruited them. For instance, entrepreneurs who have lived their whole lives in Shanghai may already have the necessary networks; therefore, they do not attend events of which one of the main aims is networking. The same accounts for entrepreneurs with a more advantageous background in terms of financial resources.

All of the informants that I recruited, both through online entrepreneurship groups and through entrepreneurship events, spoke of themselves as entrepreneurs (*chuangyezhe*). At one point, when a friend of mine introduced me to a young man who had started an online Taobao shop,<sup>30</sup> I became aware of the fact that there are differences in understanding whether this group can count as entrepreneurs. He explained that Taobao belongs to someone else and

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<sup>27</sup> (O’Brien 2006, p.29)

<sup>28</sup> As mentioned in the introduction, according to government statements, the entrepreneur rate among graduates is low.

<sup>29</sup> See Appendix A

<sup>30</sup> Taobao ([淘宝网](#)) is a Chinese website for online shopping

is just a platform through which he could sell stuff; thus, he could not be considered an entrepreneur. During the interview, he kept reminding me of this by reformulating questions containing the word entrepreneur (创业者). However, as the other informants that ran Taobao shops clearly viewed themselves as entrepreneurs and the government also includes them in its definitions of entrepreneurs (they were mentioned in the newest preferential policies towards graduate entrepreneurs),<sup>31</sup> I decided to include online shop owners as well in my research. By recruiting informants from different channels, I also got to meet entrepreneurs who were at different levels of their entrepreneurial career. People I met at events and on the Internet typically were newly established entrepreneurs. Those I recruited through these informants had often been working as entrepreneurs for some years already, because the original informants wanted to introduce me to successful entrepreneurs. This led to a certain range of informants: the majority were in the process of starting up or had run their business for only a couple of years, but a few had been running a business for many years already. Informant quotations, unless otherwise stated, are from the former group. Owing to space limitations of this thesis and having 30 informants, I have chosen to emphasize some of the informants' narratives more than others. These informants are those that I got to meet several times during the fieldwork, thereby obtaining a deeper insight into how they perceived their own situation compared to the informants that I talked to for only a short time. As a result, some of the informants are quoted several times while others are not quoted at all. All of the informants are, however, included in general statements.

### **1.1.2 Interviews**

As the purpose of this study is to understand the world from the perspectives of young Chinese entrepreneurs, I chose interviewing as my main method.<sup>32</sup> Through Chinese news reports, TV, microblogging websites and government policies, I tried to become more familiar with Chinese perceptions of entrepreneurship. This preparation helped me to identify terms, concepts and central persons; for instance, I learned about Jack Ma (马云) who is the founder of Alibaba group, a group of Internet-based businesses (Including Alibaba.com, Tmall.com and Taobao). He is often mentioned in discussions on entrepreneurship and has also become famous in Western media. In addition, existing literature on entrepreneurship by Chinese and Western scholars was helpful when I started to develop the interview questions.

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<sup>31</sup> (Central People's government 2014b)

<sup>32</sup> (Kvale and Brinkmann 2009, p.27)

Interviewees were asked about career choice, goals, perceived personal strengths and limitations, family and friends' responses to their choice of becoming entrepreneurs, and networking. All interviews were conducted in Chinese and can be characterized as semistructured. I used an interview guide as framework for the interviews but also asked many follow-up questions. This method helped me both discover new things that I wanted to probe into and identify questions that seemed irrelevant. Therefore, in the beginning of the fieldwork, new questions were added while others were removed from the list of questions I had prepared.

Before the interviews, I informed the informants, in written form, about the purpose of the interview and that I would not disclose any information that could identify them or their project. All the names I refer to in this thesis are fictive. For the same reason, I have chosen not to say too much about the different projects, except for their general themes, especially, because I became aware of the fact that many of the informants knew each other, since those that attended events were eager to make new friends. These are details which surely would have enlivened the descriptions but are not necessary for the analysis.

I also told them that I preferred to tape-record the interviews but that I did not mind taking notes instead if they felt uncomfortable with having the interview recorded. A few of the informants expressed that a tape recorder would make them very nervous. Two informants preferred to have a casual chat on the topic instead. In these cases, I took notes immediately after the interviews. Two informants who had not agreed to let me tape-record the interviews changed their minds after we met. They understood how difficult it was for me to remember all the answers. Besides, my questions were rather “ordinary” (一般), as one of them noted. I did not ask what he meant by this, but it might be that he realized I was not going to “steal” any ideas or ask critical questions. Except for a few cases where the informants became very conscious of how they expressed themselves, most informants did not seem to mind the tape recorder. As I am a non-native speaker of Chinese, it was particularly helpful to have tape-recorded material to work with. Although it was a rather time-consuming process, I transcribed the interviews myself and discovered it was a good way to reflect upon the material. Parts that were unclear owing to background noise have not been included. When I had difficulties understanding what was said on the tape because of language problems, I asked the informants through WeChat to clarify what they meant. All interviews, spanning

from 40 minutes to 1.5 hours long, were conducted in public spaces, such as cafes or parks, depending on where the informants preferred to meet.

My status as a foreigner is likely to have had an impact on how the interviewees responded to my questions. They often answered questions in relation to my identity as a foreigner— for example, “China is not like the West”, “I don’t know how much you know about China, but. . .” or “Chinese people believe that. . .”. Apparently, a Chinese interviewer asking the same questions would not have gotten the same answers. Such answers also reflected that my being a foreigner contributed in a positive way. I could ask questions with “self-evident” answers and get the informants to explain things that they probably would not have had the patience to explain to a Chinese interviewer.<sup>33</sup>

Responses to my interview questions were diverse. Some claimed that attitudes towards entrepreneurship are self-evident, thus suggesting a different or broader approach to my research. One informant suggested that I should rather study determinants of success, because this was something he personally could benefit from. Other informants enjoyed talking about their own thoughts regarding career choice, expressing that they had never had a chance to talk about such things before. One woman explained that she was not ready to talk to her parents and friends about entrepreneurship, as they would try to dampen her enthusiasm (泼冷水). She felt surprised by her own interview answers and said that she had obtained new insights into her own situation. Especially in this case, the answers seemed to be constructed through the interaction between the interviewee and myself. As Steinar Kvale and Svend Brinkmann write, “The knowledge produced in a research interview is constituted by the interaction itself, in the specific situation created between an interviewer and an interviewee. With another interviewer, a different interaction may be created and a different knowledge produced”.<sup>34</sup>

Elin Sæther notes that sameness is another factor that may benefit the interview.<sup>35</sup> I did not actively attempt to construct sameness but soon learned that being the same age as many of my informants worked in my favour. Interviewees would respond to my questions with their own questions concerning my career choice, job opportunities and family’s expectations.

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<sup>33</sup> (Sæther 2006, p.51)

<sup>34</sup> (Kvale and Brinkmann 2009, p.32)

<sup>35</sup> (Sæther 2006, p.51)

Sharing my own experience led them to elaborate more on their answers. Although I followed an interview guide, I found that conversation often generated more in-depth answers. As Jody Miller and Barry Glassner claim, “The stories shared with us, and how they tell their stories, may be shaped not just by the rapport established, but also by the similarities and distances between us and those we interview”.<sup>36</sup> This is not to say that interviews are distorted by the influence of the interviewer, but it is important to recognize how different factors influence the answers as well as the direction of the interview.

There are, however, certain limitations to interviewing as a research method. David Silverman says that interviews provide not facts about why something happened but rather indirect representations of the interview subjects’ experiences.<sup>37</sup> This concern applies to my interviews, which sought to find out why young Chinese become entrepreneurs. However, I do not intend for this research to provide an exhaustive answer to this question. As Miller and Glassner say, “Research cannot provide a mirror reflection of the social world. . . . but may provide access to the meanings people attribute to their experiences and social worlds”.<sup>38</sup> Through interviews, conversations and observations, I obtained insights into how my informants perceived their own situation, which in turn may shed light on their actions.

### **1.1.3 Observation**

Observation is often said to be a highly subjective method because it is likely to be influenced by the observer’s attitude and perceptions.<sup>39</sup> Giampietro Gobo says that behaviours are more stable than opinions, hence arguing that observation is an important research method.<sup>40</sup> Observation at entrepreneurship events, often participatory, added a new dimension to my research for understanding the context, especially how the government promotes entrepreneurship. So did observation of the informants’ activities on WeChat (微信), a mobile communication tool which has become popular in recent years. Through observation of interaction, I gained some insights into how new networks were established and how my informants talked about entrepreneurship with their friends. Lastly, I got a better understanding of the terminology the informants used when talking about entrepreneurship.

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<sup>36</sup> (Miller and Glassner 2011, p.136)

<sup>37</sup> (Silverman 2011, p.167)

<sup>38</sup> (Miller and Glassner 2011, p.133)

<sup>39</sup> (Gobo 2011, p.28)

<sup>40</sup> (Gobo 2011, p.28)

## 1.2 Reliability and validity

Reliability often has to do with the issue of reproducibility, whether or not the findings can be reproduced if the exact same research is conducted again.<sup>41</sup> This poses certain challenges in qualitative research; for instance, not all types of observations are possible to repeat.

Silverman proposes other criteria for judging the reliability of qualitative research—namely, transparency and concrete descriptions.<sup>42</sup> In this chapter, I have tried to explain in detail the applied research methods, aiming to make the research as transparent as possible. Moreover, throughout the analysis, I will provide concrete examples of what was actually said. Clive Seale suggests “recording observations in terms that are as concrete as possible, including verbatim accounts of what people say, for example, rather than researchers’ reconstructions of the general sense of what a person said, which would allow researchers’ personal perspectives to influence the reporting”.<sup>43</sup> Through low-inference descriptions, I attempt to strengthen the reliability of this research. For the same reasons, I have also defined crucial concepts of the thesis in the introduction. Thus, it is clear from the start what is meant by an entrepreneur in this study.

The quality of research also depends on the validity of the findings. Martyn Hammersley defines validity as “the extent to which an account accurately represents the social phenomena to which it refers”.<sup>44</sup> During the fieldwork, I became aware of the fact that interviewees may, deliberately or not, choose to emphasize certain things while omitting other things. By combining different methods—interview, observation and supplementing these with secondary literature—I hope to obtain a more comprehensive understanding of the topic. Because people express themselves differently according to the situation and whom they are talking to, combination of different methods is used, not to test the reliability of the informants’ answers but to make better sense of them.<sup>45</sup> Several of the informants believed that I was a foreign investor, and some still did not seem to believe me when I said I was not. Perhaps this was because they thought the topic of my thesis was unusual. Consequently, I got the impression that a few of the informants always returned to talking about their project and their skills when I asked about things not directly related to the project.

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<sup>41</sup> (Silverman 2011, p.360)

<sup>42</sup> (Silverman 2011, p.360-361)

<sup>43</sup> (Clive Seale cited in Silverman 2011, p.361)

<sup>44</sup> (Hammersley in Silverman 2011, p.367)

<sup>45</sup> (Silverman 2011, p.370)



### 1.3 Ethical considerations

Before each interview, I repeated that I would not disclose any information about their identity or their project. To my surprise, this was the exact opposite of what many of the interviewees wanted. I was asked to mention their project in my thesis, if only a few sentences, as this meant publicity abroad. Despite these requests, I made a final decision not to reveal any information that could identify my informants. There are two main reasons for this decision; firstly, I cannot know for sure whether the informants understood my research project sufficiently to give informed consent to disclose their name and project.<sup>46</sup> Secondly, as this research is exploratory, it was impossible to give a comprehensive picture of how the thesis was going to look before all the interviews and analysis were done. Moreover, due to time constraints, I could not discuss with each interviewee how he or she would be presented in this thesis. What I find interesting is not necessarily the same as what they would have wanted to emphasize in a presentation of themselves. This was not an easy decision, especially because some expressed that by mentioning their project in my thesis, I would reciprocate the help they offered me. When I got the impression that the informants had their own agenda for partaking in my research,<sup>47</sup> I made it clear that I could not help them but would be glad to tell my friends about their project. Later I realized that I could not know how they understood my response, especially given the importance of *guanxi* (social connections) in China, which means that people often depend on their social connections to get things done. The informants might have believed such a comment was an expression of my commitment to help them in the further process.

### 1.4 Conclusion

This chapter has explained and discussed the methodological framework of the thesis. To obtain a better understanding of young Chinese entrepreneurs, I have done a qualitative case study consisting of interviews, conversations and observations and supplemented this with news reports, academic articles and government announcements. The main weakness of interviews as a research method—namely, that one cannot know whether the informants tell the truth—was made even more complicated by the topic of my research combined with my status as a foreigner. Because many of the informants hoped that I could help them, through providing either funding opportunities or publicity abroad, I got the impression that some of

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<sup>46</sup> (Silverman 2011, p.94)

<sup>47</sup> (Ryen 2011, p.430)

the informants mainly saw the interview as an opportunity to “promote” their project to a foreigner and chose to de-emphasize problems they had encountered. However, I do believe that by getting to know several of the informants and spending more time with them, I gained a deeper insight into how they perceived their own situation. Moreover, the empirical data collected for this thesis is an important contribution for understanding changes in career making among young Chinese entrepreneurs, especially given the limited qualitative studies conducted on this topic so far.

## 2 Theoretical framework

In this chapter, I discuss the main ideas of the individualization thesis and explain how these ideas may help us understand the life experiences and factors that influence career decisions among young Chinese. Ulrich Beck, Zygmunt Bauman, Anthony Giddens, Ulrich Beck and Elisabeth Beck-Gernsheim, Yunxiang Yan, and Mette Halskov Hansen and Rune Svarverud have all made valuable contributions to the discussion on individualization, which is part of the theory of reflexive modernity. I start by explaining the concept of reflexive modernity. Then I explain the individualization thesis before discussing its applicability to Chinese society and this case study.

### 2.1 Reflexive modernity

Beck distinguishes between first modernity and second modernity, explaining the latter, also called *reflexive modernity*, as the modernization of modernity. In this context, modernity refers to industrial society while reflexive modernity refers to risk society.<sup>48</sup> This is because the side effects of scientific and industrial modernization, as maintained by Beck, are a set of new risks and dangers which previous generations did not have to face.<sup>49</sup> According to Giddens, a key characteristic of the modern era as compared to premodern times is its radical dynamism, referring to the pace, scope and profoundness of social change.<sup>50</sup> This dynamism of modern social life is caused by three main factors: the *separation of time and space*, the *disembedding of social institutions* and *institutional reflexivity*.<sup>51</sup> Whereas in premodern times, time and space were linked through place, the invention of globally standardized time zone and date systems enabled people to organize actions together even though they were not connected to the same place. The separation of time and place is essential for the two forms of disembedding mechanisms, *symbolic tokens* and *expert systems*, which Giddens also refers to as *abstract systems*.<sup>52</sup> Money is an example of a symbolic token; it has a standard value and is therefore exchangeable across time and space. Expert systems refer to knowledge systems that transcend time and space, because expert knowledge has the power to influence

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<sup>48</sup> (Beck 1992, p.12-14)

<sup>49</sup> (Beck 1992, p.24)

<sup>50</sup> (Giddens 1991, p.16)

<sup>51</sup> (Giddens 1991, p.16-20)

<sup>52</sup> (Giddens 1991, p.16-18)

aspects of social life independent of its practitioners.<sup>53</sup> The *separation of time and space* and the *disembedding mechanisms* move social life away from the guiding principles of the premodern era. This is the backdrop for the reflexivity of modernity, which refers to the use of knowledge about different aspects of social life as a “constitutive element in its organization and transformation”.<sup>54</sup> Giddens explains that social sciences, for example, not only accumulate knowledge but also are constitutive of it, thus playing a crucial role in the reflexivity of modernity.<sup>55</sup> In accordance with this view, one could say that career counsellors and experts on entrepreneurship provide knowledge by which young entrepreneurs organize their lives. New knowledge is not incidental to what is happening but becomes part of the circumstances of the social life it analyses; this process has in turn resulted in the methodological principle of doubt.<sup>56</sup> The reflexivity of modernity therefore challenges the certainty of knowledge characteristic of the Enlightenment thought. In the 19<sup>th</sup> century, the Enlightenment served to challenge traditions, customs and religious world views. Today the understanding of science and technology in classical industrial society, as well as how one relates to work, leisure and family, is being challenged by new information. Beck calls this transition a “modernization of the principles of industrial society”, or the modernization of modernity.<sup>57</sup> People are set free from industrialism’s established forms of living and have to make their own decisions regarding how they want to live their lives. This is what Giddens means when he says that “the self becomes a reflexive project”.<sup>58</sup>

Because industrial and scientific development have led to a set of new risks previous generations did not have to deal with, Beck says that reflexive modernity is a risk society. Even though first modernity denotes industrial society, reflexive modernity is also a type of industrial society owing to the fact that the risks of reflexive modernity are caused by industrialism and science.<sup>59</sup> This is not to suggest that premodern ages were without risks but rather that risks at that time mainly derived from external threats, whereas today’s risks also include risks deriving from internal decisions, influenced by science and social circumstances.<sup>60</sup>

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<sup>53</sup> (Giddens 1991, p.16-17)

<sup>54</sup> (Giddens 1991, p.20)

<sup>55</sup> (Giddens 1991, p.20)

<sup>56</sup> (Giddens 1991, p.21)

<sup>57</sup> (Beck 1992, p.10)

<sup>58</sup> (Giddens 1991, p.32)

<sup>59</sup> (Beck 1992, 9-11)

<sup>60</sup> (Beck 1992, p.154)

## 2.2 Individualization

The individualization theory is based on this idea that the Western world has entered a new modernity phase. According to Beck, reflexive modernity has led to the individualization of society, characterized by a fundamental shift in the relationship between the individual and society, in which the individual is freed from earlier social categories and has become the main unit of social reproduction.<sup>61</sup> Therefore, the development of the individualization theory was originally intended to fill a gap within social sciences, whose analytical tools consisted mainly of collective categories such as class, nation and family.<sup>62</sup>

In contrast to the ideas of neoliberalism assuming that the individual is autonomous and self-sufficient, individualization, according to Beck, is to be understood as institutionalized individualism. This concept reflects the paradox that individuals are increasingly defined by new institutions which have taken the place of social groups.<sup>63</sup> According to the individualization thesis, modern society is organized around the individual and not the group; reforms and rights are directed at the individual, not the group.<sup>64</sup> That individuals are disembedded from cultural traditions and categories such as family, kinship and class does not mean that traditions, family and kinship have lost their importance but that new dependencies emerge in their place regarding, for instance, employment and education. Socially given biographies have been replaced by self-reflexive biographies, meaning that people are compelled to produce their own biographies.<sup>65</sup> In accordance with this, Bauman says that “‘individualization’ consists in transforming human ‘identity’ from a ‘given’ into a ‘task’—and charging the actors with the responsibility for performing that task and for the consequences of their performances”.<sup>66</sup> Unemployment, for example, is then explained as the misfortune of the individual, or the individual lacking some crucial skills. Therefore, Beck says that the do-it-yourself (DIY) biography is also a risk biography, where it is up to the individual to make the right decisions.<sup>67</sup> Opportunities and decisions that earlier were predefined by social categories are now individual choices, such as the choice of education

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<sup>61</sup> (Beck and Beck-Gernsheim 2002, loc.274)

<sup>62</sup> (Beck and Beck-Gernsheim 2002, loc.247)

<sup>63</sup> (Beck and Beck-Gernsheim 2002, loc.734)

<sup>64</sup> (Beck and Beck-Gernsheim 2002, loc.269)

<sup>65</sup> (Beck 1992, p.135)

<sup>66</sup> (Bauman 2002, loc.148)

<sup>67</sup> (Beck and Beck-Gernsheim 2002, loc.378)

and career as well as whether and whom to marry.<sup>68</sup> However, choices have to be made within the framework set by the state; thus, individualization also leads to standardization. To lead a life, one needs a job, so one becomes dependent on the labour market, educational institutions, consumption, welfare regulations and so on. Individualization refers to a society with “institutionally dependent individual situations”, where one ends up living a life of conformity.<sup>69</sup> In Bauman’s words, more freedom of choice does not mean that individualization in itself is a choice; rather, it is a fate that no one can avoid.<sup>70</sup> As confirmed by the data collected for this thesis, social structures still play an important role in shaping people’s lives. Informants coming from the lower level of society explained that they took control of their own lives through becoming entrepreneurs. Such career choices reflect what Beck suggests: that individuals are compelled “for the sake of their own material survival to make themselves the centre of their own planning and conduct of life”.<sup>71</sup>

### **2.3 Chinese individualization**

Ulrich Beck and Edgar Grande argue that there are multiple forms of modernity and that different historical transformations necessarily lead to different consequences.<sup>72</sup> They claim that East Asian modernization takes the form of “compressed modernization” because the first modernity process and the transition to second modernity happen almost simultaneously.<sup>73</sup> Along this line, Sang-Jin Han and Young-Hee Shim argue that the risk society in East Asia differs from that in Western Europe. Manufactured risks are the dominant type of risk in Western Europe, referring to climate change, terrorism and systemic economic risks. These are also present in China, but another kind of risk of particular significance to East Asian societies is the kind of risk that is produced by deficiencies in the rush-to strategy of development.<sup>74</sup> Contamination of food and corruption are examples of such risks caused by a different modernization process than what has been seen in Western European societies.

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<sup>68</sup> (Beck 1992, P.135)

<sup>69</sup> (Beck 1992, p.130)

<sup>70</sup> (Bauman 2002, loc.177)

<sup>71</sup> (Beck 1992, p.88)

<sup>72</sup> (Beck and Grande 2010, p.413)

<sup>73</sup> (Beck and Grande 2010, p.422)

<sup>74</sup> (Han and Shim 2010, p.471)

Yan argues that the four key features of the individualization process—(1) detraditionalization, (2) institutionalized disembedding and re-embedding of the individual, (3) compulsory pursuit of a life of one's own and the lack of genuine individuality, and (4) the biographical internalization of risks—are all, in various degrees, present in Chinese society.<sup>75</sup> The problem, he claims, is rather the premises of the thesis—specifically, that it is maintained as an antithesis to neoliberalism and classic individualism and, moreover, that the features are seen in connection with cultural democracy and the welfare state.<sup>76</sup> Whereas the welfare state has been a precondition for individualization in Western Europe, the Chinese state-managed market reforms starting in the 1970s have been the main factors causing Chinese individuals to break free from previous socialist institutions. When the safety net of state socialism was removed, people were compelled to assume more responsibility for their own lives.<sup>77</sup> At the same time, the new situation provided people with more freedom and choice in terms of how they wanted to organize their own lives. Chinese graduates had to learn how to apply for jobs instead of being assigned a job upon graduation. My fieldwork data demonstrates how young Chinese, having to make their own biographies, also need to construct their own networks to facilitate business creation, rather than relying on the network of their family. Regional mobility and a competitive labour market are factors reinforcing the need to rely on individual agency and effort, which in turn alters family relations.

According to Yan, owing to the lack of the safety net of the past, as well as the welfare protection of European societies, the disembedding process and the DIY biography in the Chinese context are largely about improving living standards and social status. In contrast, the disembedding process in Western Europe is characterized by individual identity construction.<sup>78</sup> He argues that this aspect of the individualization process is where the two regions differ the most.<sup>79</sup> However, my findings show that career making to several of the informants was not merely about increasing life chances and social status; equally important was self-fulfilment through entrepreneurship. For instance, as I return to in my analysis, several of my informants chose to pursue an entrepreneurial career at the expense of job stability, which used to be, and still is, the ideal for many Chinese.

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<sup>75</sup> (Yan 2010a, p.506-507)

<sup>76</sup> (Yan 2010a, p.507)

<sup>77</sup> (Beck and Beck-Gernsheim 2010, p.xix)

<sup>78</sup> (Yan 2009, p.288)

<sup>79</sup> (Yan 2009, p.288)

### 2.3.1 The dual self

Chinese society is said to traditionally have been a collectivist society, meaning that collective interests were placed above the interests of the individual. Francis Hsu, for instance, suggested that Chinese individuals lived under their ancestors' shadow, because their role was always defined in relation to kin, such as to perpetuate the kin group.<sup>80</sup> Therefore, there was no individual identity; the individual existed only in connection with the collective.<sup>81</sup> According to Confucian ethics, the individual should strive for self-improvement to achieve the collective goals of the family and the kin group. Yan argues that after the revolution of 1949 and the founding of the People's Republic under Mao's leadership, the primary collective was no longer the kin group but the party-state.<sup>82</sup> Individuals were forced to break away from traditions and social categories, like family and local community, and were re-embedded in rural collectives and urban work units under the strict leadership of the party-state. It may therefore be argued that this was the first stage of China's individualization process.<sup>83</sup> The party-state started the formation of the new socialist person and socialist society through the new rural collectives and urban work units. Still, individual interests had to be subordinated to collective interests, which now had turned to the realization of communism in China.<sup>84</sup>

Svarverud examined the relationship between the individual and the collective as it appeared in works by Chinese intellectuals such as Liang Qichao, an important intellectual in the beginning of the 20<sup>th</sup> century. Liang Qichao argued for the need to recreate the Chinese individual to create a new China; an individual should have a "small self" focusing on personal interest and a "great self" focusing on the interest of the nation.<sup>85</sup> Because the freedom and the interests of the individual were defined in relation to his or her contribution to society or the nation, Svarverud argues that Liang Qichao promoted a type of altruistic individualism, an important part of the individualization thesis, according to Beck and Beck-Gernsheim.<sup>86</sup> Assessing the value of the individual by his or her contribution to a group was a

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<sup>80</sup> (Hsu in Yan 2009, p.278)

<sup>81</sup> (Yan 2010a, p.493)

<sup>82</sup> (Yan 2013, p.269)

<sup>83</sup> (Yan 2010a, p.509)

<sup>84</sup> (Yan 2013, p.269)

<sup>85</sup> (Svarverud 2010, p.201)

<sup>86</sup> (Svarverud 2010, p.194)



thought also adopted by Mao, but in a totally different form, through party discipline.<sup>87</sup> Yan maintains that this Chinese understanding of the individual as the duality between the individual and the social group, instead of as an autonomous entity, is the key to understanding the Chinese self.<sup>88</sup>

The individualization process in post-Mao China took the form of market economy and privatization. With the implementation of market-oriented reforms and the rise of a private sector in the 1980s, the Chinese leadership called on Chinese individuals to work harder and to take more responsibility for their own lives and for the nation by, for instance, creating jobs through entrepreneurial activities. Slogans like “Let some get rich first” legitimized the pursuit of personal wealth and represented the shift from the making of the self-sacrificing socialist person to the making of the post-socialist consumer.

The Chinese term for entrepreneurship also reflects an increasing emphasis on the individual as compared to the collective. Private entrepreneurs during the 1980s, when the Chinese government first allowed private start-ups, were labelled *getihu* (个体户), or individual household. Although to call a person’s social and economic status a “household” with the prefix “individual” did not make sense, the label was not disputed at the time.<sup>89</sup> Additionally, *getihu* carried negative connotations because most private entrepreneurs at that time were people who did not find opportunities for employment in state-owned enterprises.<sup>90</sup> Terms for entrepreneurs emerging from the 1990s onward, such as *qiyeyejia* (企业家) and *chuangyezhe* (创业者), which both are singular and denote a person, were more individualistic. Linguistically, both labels carry positive or neutral connotations. My impression from the fieldwork is that socially both labels carry positive connotations. This impression may be biased since I talked mainly to people who were entrepreneurs or interested in becoming entrepreneurs. Surveys on occupational prestige have showed that Chinese private entrepreneurs have not gained social respect.<sup>91</sup> However, when I asked how other people reacted to their career decisions, none of my informants spoke of negative perceptions of entrepreneurs. Instead, they spoke about friends who envied their courage and

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<sup>87</sup> (Yan 2010b, p.25)

<sup>88</sup> (Yan 2010a, p.507)

<sup>89</sup> (Yan 2009, p.281)

<sup>90</sup> (Yan 2009, p.281)

<sup>91</sup> (Carrillo 2008, p.110)

did not dare to take the chance themselves. When I asked, “How did your friends react when you told them that you had decided to start your own firm?”, one informant responded, “They thought it was very cool, because everyone knows how difficult it is, so if you succeed, people will think you are very cool and successful”. The rise of the private sector ended the party-state’s monopoly over resource allocation and life opportunities,<sup>92</sup> giving rise to individual career making, but it did not end the party-state’s control over the individualization process.

Ulrich Beck and Elizabeth Beck-Gernsheim note that there is a close connection between the state and individualization in both Europe and China but that these connections are highly different.<sup>93</sup> In Western Europe, it manifests as institutionally linked rights achieved during the first modernity. In comparison, Chinese individuals are still struggling to gain individual rights, and the growing importance of the individual is limited mainly to the fields of economy and private lifestyles.<sup>94</sup> This reflects the fact that individualization is encouraged in order to allow the country to reach its economic goals. Simultaneously, individualization is constrained when it may come to challenge the party-state or in other ways threaten the “harmony of society”. Therefore, Yan argues that the individualization process in China is managed by the party-state through, for instance, issuing attractive policies or rewards to make people do what the party-state wants them to do.<sup>95</sup> One example is private entrepreneurs, whose venture creation is encouraged and supported through policies but who are punished if they “organize sub-political communities or engage in self-politics on a larger scale”.<sup>96</sup> As Beck and Grande express, “The government attempts to restrict the individualization that it needs, by linking it to officially celebrated national and family values”.<sup>97</sup> The events I attended during the fieldwork always stressed the important role played by entrepreneurs in the economic and societal development of the nation. Entrepreneurship is heavily encouraged but typically linked to the political goals of national rejuvenation, reflecting the continuing belief in the individual being subordinated to a bigger collective, whether it is the ancestors, the family or the nation-state. Therefore, individualization in China is first of all about the changing relationship between the

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<sup>92</sup> (Yan 2010a, p.496)

<sup>93</sup> (Beck and Beck-Gernsheim 2010, p.xvii)

<sup>94</sup> (Beck and Beck-Gernsheim 2010, p.xix)

<sup>95</sup> (Yan 2009, p.290)

<sup>96</sup> (Delman and Yin 2008)

<sup>97</sup> (Beck and Grande 2010, p.421)

individual and the party-state rather than the individual-society relationship as in Western Europe.

### **2.3.2 Individualism**

Although some of my informants also emphasized the contribution they made to national development, this was not their primary motive for venturing into entrepreneurship. Xiaoying Wang argues that the collectivist and communist values promoted by the government do not correspond with the “new socio-economic reality” in which people are compelled to strive for their own interests in order to survive.<sup>98</sup> Chinese individuals are now living in a society where they are forced to take control of their own lives and where success has come to be defined by material wealth. Yan argues that this has led to a shift from a collective-oriented ethic to an individual-oriented ethic.<sup>99</sup> This thesis will show that the collective may now instead serve as a resource for Chinese individuals, as demonstrated by several scholars.<sup>100</sup>

While individualism has been one of the main values of individualization in Western Europe, several scholars have noted that individualism remains underdeveloped in East Asia.<sup>101</sup> Under Mao, the CCP viewed Western individualism, understood as selfishness, lack of concern for others and hedonism, as being in opposition to socialist collectivism. Along with the reform and opening of the country, Western individualism, still understood as utilitarian individualism, was welcomed because it was believed to be a crucial part of modernization in the West.<sup>102</sup> Yan claims that the notion of individualism in China is incomplete because it was introduced with the instrumental aim of strengthening the nation and because the individual is still considered a means to a greater end—namely, modernization and economic growth.<sup>103</sup> Consequently, central aspects of Western individualism are lacking in the Chinese discourse, such as inalienable rights for the individual. Showing how the village youth of his research avoided fulfilling family responsibilities and pursued individual interests at the expense of family, Yan argues that the understanding of individualism as egotism, selfishness that places self-interest over the group, has contributed in producing an “uncivil

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<sup>98</sup> (Wang 2002, p.4)

<sup>99</sup> (Yan 2013, p.265)

<sup>100</sup> (See: Rolandsen 2008; Liu 2008)

<sup>101</sup> (See: Suzuki et al. 2010; Yan 2009)

<sup>102</sup> (Yan 2010b, P.27)

<sup>103</sup> (Yan 2010b, p.29)

individual”.<sup>104</sup> Mette Halskov Hansen and Cuiming Pang, on the other hand, showed that young Chinese villagers value individual choice, but not at the expense of family harmony. Their informants expressed a great sense of responsibility towards their parents. Both studies, however, show that individual identity is still defined in relation to a collective, in these cases the family.<sup>105</sup> Similarly, my informants considered the economic security of their family when deciding on a career, but at the same time, the decision to start one’s own business was highly individualistic, with motivations ranging from seeking social recognition or freedom to creating something on one’s own. This suggests that career making among young Chinese entrepreneurs is a domain for self-expression and identity construction. Moreover, the majority of my informants expressed a great degree of self-reliance through, for instance, constructing their own business networks and relying on their personal savings from previous jobs.

## **2.4 Conclusion**

This chapter has showed how the individualization thesis, initially developed to explain societal changes in Western Europe, can be applied to Chinese society. Because the main premises of individualization in Western Europe—namely, a culturally embedded democracy and a welfare state—are not present in China, the thesis needs to be reconsidered in light of the distinctiveness of the Chinese modernization path. The post-Mao economic reforms and privatization have led to profound changes in the relationship between the individual and the party-state, allowing the pursuit of alternative life patterns. Chinese individuals are now allowed or even forced,<sup>106</sup> to choose their own life path. Using the individualization thesis as an analytical framework to analyse the decision to become an entrepreneur provides insight into how individual life situations have been altered as a result of institutional changes in the postreform era and how these changes and social forces affect career choices. The emergence of a labour market and a private sector has, through emphasizing individual choice and achievements, been an important force when it comes to increasing the importance of the individual. Although individuals have been liberated from the bonds of social categories which used to determine life patterns, new institutions and social structures have replaced these. This means that the pursuit of a life of one’s own is not independent of social institutions and structures.

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<sup>104</sup> (Yan 2010b, p.2)

<sup>105</sup> (Hansen and Pang 2010, p.61)

<sup>106</sup> (Beck and Beck-Gernsheim 2010, p.xix)

### 3 The government's promotion of entrepreneurship

Just a few decades ago, private entrepreneurship was prohibited in China. Since the early 1980s, the Chinese government has gone from restricting private business to actively promoting it as a way of addressing unemployment and increasing economic growth.<sup>107</sup> Increasing enrolment rates in universities have been accompanied by higher unemployment rates among young people.<sup>108</sup> One reason for this is young graduates' higher expectations with regard to jobs. Like Hoffman's and Hanser's informants, the young entrepreneurs I interviewed also expressed that it is not difficult to find a job but to find a *satisfying* job.<sup>109</sup> Despite much focus on reducing unemployment among young people through entrepreneurship, the calls to start businesses are no longer directed only at students but at people in general.<sup>110</sup> This chapter bases its argument on the state-managed individualization thesis put forth by Yan, which argues that the individualization process in China is characterized not only by institutional changes, such as the marketization of education, which we also find in the West. More important, according to Yan, is the strategy of "railroading with self-interests".<sup>111</sup> This means that the party-state, through preferential policies or rewards, lets individuals freely choose the path preferred by the party-state and manage their own life without crossing the boundaries set by the party-state.<sup>112</sup>

Firstly, through a historical overview of the government's attitude towards labour and private entrepreneurs, this chapter will provide a context for further analysis. Secondly, this chapter argues that the development towards active promotion of entrepreneurs reflects the CCP's attempt to manage an individualization process where individuals have no choice but to depend on themselves for survival. This form of individualization differs from the one we see in the West, where the market has been the main actor in the individualization process.<sup>113</sup> Moreover, promotion of entrepreneurship, exemplified by the support of TMT

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<sup>107</sup> (Sabin 1994)

<sup>108</sup> (The World Bank and Development Research Center of the State Council 2014, p.241)

<sup>109</sup> (Hanser 2002a, p.194)

<sup>110</sup> (Central People's Government 2014a)

<sup>111</sup> (Yan 2009, p.289)

<sup>112</sup> (Yan 2009, p.290)

<sup>113</sup> (Yan 2009, p. xxxi)

(telecommunications, media and technology) projects in Shanghai, is a concrete example of how the government attempts to wed individual goals with those of the nation.

### **3.1 Historical overview: from restricted to active promotion of entrepreneurship**

From 1956 until 1978, labour was considered a national resource, not a commodity, and was therefore allocated bureaucratically.<sup>114</sup> This means that there was no labour market or private sector.<sup>115</sup> People in urban China were assigned jobs by the state upon graduation, and they most often stayed there during their entire work life. Because the work unit (*danwei* 单位) provided lifelong security through provision of housing, medical care, food, kindergartens and much more, it was referred to as the “iron rice bowl”. The assignment system was dependent on the *hukou* system, a national population register that tied people to their birthplace and restricted relocation, especially to urban places. In the late 1970s, the post-Mao leadership identified the “iron rice bowl” as a hindrance for national development because guaranteed job security led to low productivity and passivity.<sup>116</sup> Deng Xiaoping argued that “we do have talented people, the problem is how to organize them properly”,<sup>117</sup> and in 1986, the labour contract system was implemented. From then on, people had to sign time-specific contracts with the work units, marking the end of the “iron rice bowl” of lifelong employment and welfare benefits.<sup>118</sup>

The post-Mao leaders gradually started to encourage private businesses in order to address economic and social problems. Unemployment had become a serious problem because the state could not manage to provide jobs to everyone. Besides, private entrepreneurs could supply goods and services that the state and collective sectors did not offer.<sup>119</sup> Opening China’s economy to foreign investment was also an important strategy of the new economic goals that affected the decision to legitimize private businesses.<sup>120</sup> However, after many years of the government criticizing private business as a “tail of capitalism”, the new policies were

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<sup>114</sup> (Bian 1994, p.52-54)

<sup>115</sup> (Dickson 2007, p.831)

<sup>116</sup> (Bian 1994, p.57)

<sup>117</sup> (Deng cited in Hoffman 2010, p. 136)

<sup>118</sup> (Davis 1999, p.22)

<sup>119</sup> (Gold 1990, p.162)

<sup>120</sup> (Sabin 1994, p.947)

met with criticism of the exploitative nature of private economy.<sup>121</sup> The State Council attempted to end the debate by declaring that the individual economy should from then on complement the public economy.<sup>122</sup> During the first years, the private sector in urban China was restricted to individually owned enterprises (*getihu*), which were not allowed to employ more than seven workers.<sup>123</sup> Eight years later, the CCP decided to loosen these restrictions by granting formal legal status to larger private enterprises, termed *siying qiye* (私营企业). Although not being legalized before 1988, many larger enterprises had registered as individual enterprises or as public collectives by, for instance, paying a fee to a state or collective unit in exchange for its stamp on the registration form.<sup>124</sup> Still, after 1988, private enterprises continued to register as state units in order to obtain financial privileges or avoid discrimination.<sup>125</sup> In addition, private entrepreneurs feared that policies would change, because many cadres still believed that private enterprises were incompatible with a socialist economy.<sup>126</sup> After the student demonstrations at Tiananmen Square in Beijing in 1989, private entrepreneurs were accused of sympathizing with the demonstrators, and as a consequence, were no longer allowed to join the CCP.<sup>127</sup> During the following years, many private enterprises, in order to protect themselves, registered as collective enterprises. These were known as “red hat collectives”, privately owned but registered as state-owned collective enterprises.<sup>128</sup> Owing to such common practices of registering as state-owned enterprises, it is reasonable to believe that private sector grew faster than what has been reported.

Deng Xiaoping’s famous “southern tour” in 1992, where he expressed the necessity of speeding up economic reforms despite conservative currents in Beijing, is often said to have been the turning point, which allowed the private sector to experience massive growth.<sup>129</sup> The CCP expressed further support for the private sector by announcing that the private sector was an “important component of socialist market economy”, not merely supplemental.<sup>130</sup> About the same time, reforms in the assignment system were initiated, proclaiming that

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<sup>121</sup> (Gold 1990, p.164)

<sup>122</sup> (Sabin 1994, p.959)

<sup>123</sup> (Dickson 2007, p.833)

<sup>124</sup> (Young 1991, p. 118)

<sup>125</sup> (Young 1991, p.118)

<sup>126</sup> (Young 1991, p.118)

<sup>127</sup> (Dickson 2007, p.832)

<sup>128</sup> (Dickson 2007, p.832)

<sup>129</sup> (Dickson 2007, p.832)

<sup>130</sup> (Dickson 2007, p.832)

“unified state assignments of jobs” (统包统分) was no longer a guarantee.<sup>131</sup> From then on, “mutual choice” (双向选择) was the new practice for labour allocation, emphasizing that graduate students and employers, rather than the state, should choose where to work and whom to employ.<sup>132</sup> Private enterprises, growing by 32 percent every year after 1992,<sup>133</sup> eventually constituted a legitimate and increasingly popular job choice for Chinese youth, who now had to market their skills to potential employers.

In 2001, entrepreneurs were again allowed to join the CCP.<sup>134</sup> Dickson argues that there are two reasons for this: firstly, to seek co-operation between entrepreneurs and the state since the private sector is important for continued economic growth and job creation, and secondly, to prevent private entrepreneurs from organizing against the party.<sup>135</sup> At the 16<sup>th</sup> Party Congress, which took place in 2002, the party’s constitution was altered to claim that the CCP represented the interest of not only workers and farmers but also “the new advanced productive forces”. This new element of the CCP’s ideology, termed “the three represents”, by Jiang Zemin, justified the involvement of private entrepreneurs in the party.<sup>136</sup>

The development of a labour market, and in particular the private sector, has been the engine of China’s rapid economic development. Through freeing itself from the earlier responsibilities of providing jobs and welfare benefits, the party-state has concentrated its efforts on economic goals. Chinese Individuals in turn have to assume more responsibility for their own lives and consequentially national development. Yan therefore argues that the individualization process in China is a strategy whose goal is modernization.<sup>137</sup>

### **3.2 Today’s government: entrepreneurship and the Chinese Dream**

That entrepreneurs are believed to play a key role in accomplishing the goals set forth by the new leadership is also confirmed by the new open economic policies presented at the third plenum of the 18th Party Congress held, in November 2013. The CCP announced its intention to deepen economic reforms by building “a new open economic system”, which

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<sup>131</sup> (Central Committee of the CCP 1993)

<sup>132</sup> (Central Committee of the CCP 1993)

<sup>133</sup> (Dickson 2007, p.832)

<sup>134</sup> (Dickson 2007, p.827)

<sup>135</sup> (Dickson 2007, p.827)

<sup>136</sup> (Dickson 2007, p.833)

<sup>137</sup> (Yan 2010a, p.509)



will ensure that the market plays a "decisive role" in resource allocation, no longer merely a "fundamental role".<sup>138</sup> The system is intended to ease access to investments and construct more free trade zones. Shanghai Free Trade Zone (FTZ), launched in September 2013, symbolized the new economic direction taken by the new leadership. By cancelling capital registration requirements and easing controls over foreign investments, Shanghai FTZ is supposed to make it more attractive to become a private entrepreneur.<sup>139</sup>

Much focus has been devoted to promoting private business start-ups and fostering entrepreneurial spirits among graduate students. Favourable policies towards graduate students who choose to start their own businesses upon graduation were announced in 2008 and 2011, including subsidies for entrepreneurship courses, tax exemptions and small-sum guaranteed loans.<sup>140</sup> In May 2014, the central government once again released a series of incentives to support start-ups. Among the measures were requiring colleges to offer entrepreneurship classes, encouraging investor agencies to provide funding to graduate students and supporting start-ups on e-commerce platforms.<sup>141</sup> At Shanghai Global Entrepreneurship Week 2013, President Xi Jinping stressed the importance of young entrepreneurs in stimulating social and economic development through innovation and job creation. He called for young people to see their dreams as closely tied to the development of the nation's development, emphasizing the importance of being innovative and serving society. This message was reinforced in the theme of the event "The Chinese Dream and the Entrepreneurial Dream".<sup>142</sup> Xi Jinping has on several occasions expressed his vision for the nation's future as having a twofold goal, which he has come to term the *Chinese Dream*—namely, retrieving national pride and for each Chinese individual to achieve a good life. Linking private entrepreneurship with the Chinese Dream reflects the promotion of a kind of individualism tightly connected to the well-being of the nation. As Yan argues, the individual becomes a means in the quest for modernization, where he or she is intended to rise by responding to preferential policies or encouragement rather than by pursuing rights.<sup>143</sup> Encouraging people to start their own businesses can be seen as the continuation of the rise of the individual for the sake of the modernization of the nation-state.

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<sup>138</sup> (Wu 2013)

<sup>139</sup> (Xinhuanet 2013)

<sup>140</sup> (Central People's government 2013)

<sup>141</sup> (Central People's government 2014b)

<sup>142</sup> (Marich 2013)

<sup>143</sup> (Yan 2009, p.xxxi)

### 3.2.1 Entrepreneurship promotion through media

Another signal of the Chinese government's attempts to boost entrepreneurship is the persistent focus on entrepreneurs and success stories in the state-dominated media. One of my informants made me aware of one such TV programme when I asked what inspired her to become an entrepreneur. In the TV programme *Zhifujing* ("Experiences of getting rich" 致富经), she had heard of a man who had become rich through raising pigs. She claimed that when she saw that even ordinary people (普通人) managed to succeed as entrepreneurs, she also wanted to try. According to CCTV, *Zhifujing* aims to analyse how ordinary people have become affluent. The main focus is on people who run businesses related to agriculture, because, as the program presentation explains, these are easy-to-understand stories that have happened to people around us. Through these narratives, people will realize that becoming rich is not as hard as they imagine.<sup>144</sup> By claiming that "wealth is everywhere, realize dreams through actions" (财富无处不在, 行动成就梦想),<sup>145</sup> the programme claims that people are responsible for grasping the right opportunities. CCTV started broadcasting *Zhifujing* in 2001, and it has since been broadcast five days a week. *Zhifujing* focuses on how the individual can achieve a better life in terms of material wealth, economic security and self-realization through private entrepreneurship.

By contrast, Susan Young writes that one of the main aims of media and the government's entrepreneurship campaigns in the early 1980s was to improve the image of entrepreneurs. Some articles stated that entrepreneurs made daily life much more convenient because they provided commodities and services previously provided only by certain work units.<sup>146</sup> Other campaigns, by focusing on businesspeople who had made donations to charity (for example donations to flood victims), tried to show how socialist and commercial values were combined.<sup>147</sup> The main point was to convince people that entrepreneurs were not greedy and actually contributed to the collective good. David Bray argues that in the wake of mass job terminations in the state sector from 1994 onwards, a measure taken to reduce the financial burdens of SOEs (state-owned enterprises), the government, through media campaigns, tried to change the "traditional employment mentality" characterized by reliance on the state.

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<sup>144</sup> (CNTV 2014)

<sup>145</sup> (CNTV 2014)

<sup>146</sup> (Young 1991, p.126)

<sup>147</sup> (Young 1991, p.126; Sabin 1994, p.961)

Those that managed to create employment opportunities for themselves were portrayed as the new model workers.<sup>148</sup>

### **3.3 Shanghai: promotion of TMT entrepreneurship**

Along with the requirement to encourage entrepreneurship as an occupation choice put forth by the CCP at the 17<sup>th</sup> National Congress (2008), local governments have been called on to provide better entrepreneurial environments. One of the cities that have implemented measures to promote entrepreneurship is Shanghai. Among the measures taken is the establishment of entrepreneurship parks and sites for cultivation and training of entrepreneurs.<sup>149</sup> The local government also runs a website aimed at offering entrepreneurship information related to policies, consultation services, upcoming events and training courses.<sup>150</sup> I first became familiar with this site and the entrepreneurship events it organizes through the Chinese microblogging service Sina Weibo (新浪微博), when using the search terms “Shanghai” (上海) and “entrepreneurs” (创业者). Here it stated, “in accordance with the government’s encouragement of entrepreneurship, society’s support of entrepreneurship and people’s entrepreneurial spirits, Shanghai’s municipal government has started to arrange monthly public entrepreneurship events”. The Website further stated that it is “inviting government agencies, media, universities, entrepreneurship teams, investors and others to jointly establish a public co-operation in order to solve entrepreneurship problems, employment problems, financing problems and investment challenges”. The events are first and foremost aimed at providing a free public meeting platform for entrepreneurship teams and investor agencies.<sup>151</sup> It also announced that since the events started one year ago, 80 projects out of 600 had been selected to be publicly showcased to investors.

One could register for the upcoming event by sending an e-mail with full name, university/work unit and phone number to the provided e-mail address. Once I had registered, I received a request to join a group on WeChat, where I was welcomed to chat with the organizers and the other attendees. The organizers kept adding new attendees to the group and announced that through this channel they were preparing for the event (提前预热我们的活动). Every day new notices on the event popped up in this group, saying, for instance,

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<sup>148</sup> (Bray 2005, p.179)

<sup>149</sup> (Central People's government 2008)

<sup>150</sup> (Shanghai's public service and information network for entrepreneurship 2014)

<sup>151</sup> (Shanghai's public service platform for entrepreneurship 2013)

“The programme of this week’s event is going to be excellent; we sincerely hope to help you, and therefore we have invited several investors and potential customers”. The events were promoted as meeting platforms, a place to connect with investors, professors and customers but also other entrepreneurs. In this regard, the WeChat group also served to facilitate network building.

A big blue sign, reading “public practice base for entrepreneurs”, hanging over the main road indicated that I had arrived at the right address. The area gathered governmental, semigovernmental and nongovernmental agencies/organizations with the same aim; to boost entrepreneurial spirit and innovation among Chinese people. Walking up the small road, named “Innovation Road” (创新路), leading up to the nearest building, I noticed one other person who was also heading towards the same building, and she said that she was sent there by her company to observe what kinds of projects were popular. The government had obviously set aside a huge sum to develop this area, though it was still not as busy as probably intended. Inside the building, I was met with a big sign in the hall: “Dream space”. In accordance with the CCP’s rhetoric, much focus was devoted to linking entrepreneurship with the realization of dreams.

Another indication of this was the song “I Want to Fly Even Higher” (我想飞的更高) by the famous artist Wang Feng, which filled the room at the start of the event. After registration, we were encouraged to mingle (交流) with the other attendees. Then the host presented the day’s schedule, announcing that we were first going to hear two lectures, the first by an entrepreneur and the second by a professor, before five TMT start-ups presented their ideas. After each presentation, the host would select investors to give feedback on the projects before investors and entrepreneurs once again were encouraged by the host to exchange business cards. Clearly, much focus was on the opportunity to make new connections. Also in the following events, TMT projects were prioritized; consequently, most of the attendees were engaged in TMT projects. Whether such a consistent focus on TMT projects proportionally reflects the teams that applied to present or whether it was a conscious choice by the organizers is not known. At least, the event organizers did not seem to limit attendees to such projects, either in their call for applicants or in the event presentations. However, I got the impression that the investors were more interested in TMT projects than other types of projects. For instance, on one occasion, after a leisure project was presented,

the host asked one of the investors to offer an assessment of the project and asked whether he would consider investing in it. The investor responded that although it was a good project, he was more interested in TMT projects. If this is a general tendency, which it is argued to be in some news reports,<sup>152</sup> then it is not surprising that the organizers of the events selected such teams to present their ideas, since the aim of the events after all is, through providing a meeting platform for entrepreneurs and investors, to solve some of the capital problems facing entrepreneurs. Obviously, the government does not support only TMT start-ups, but at the events I attended, this was the primary focus. Zhaohui Hong confirms my impression, saying that the government's support of development of high-tech ventures has reduced the bureaucratic obstacles for this group and made it easier for them to obtain administrative approval for their entrepreneurial undertakings.<sup>153</sup> Additionally, developing domestic technology (i.e., information technology), and decreasing China's dependency on foreign technology is one of the central goals of China's long-term (2006-2020) program for science and technology. Consequently, this is a field in which the party-state has vested interest.<sup>154</sup>

### **3.3.1 The informant's responses to the government's support**

When asking the informants whom I met through other channels why they did not attend the events organized by the government, one woman who was planning to open her own café, said that she was of the impression that these events were aimed at other types of projects, because investors were not interested in her kind of project. What she needed was not to get in contact with investors but guidance on other aspects, like marketing (营销) and how to run a shop/store (运营). Another informant, who planned to open a bookstore or a café, for the same reason said that she instead planned to go to another kind of event, organized by a coffee chain. Most of the informants who attended the events said it was a good platform for making new connections and getting publicity for one's project but that it was almost impossible to get investors to invest. When asked if they were enjoying the preferential treatment of the government, only one informant responded affirmatively. His team developed software programs intended to replace foreign software programs. Another team I interviewed said that to gain the government's support, one had to develop projects that benefitted society, like their own project, which was a social media platform for private businesses. Therefore, they appeared optimistic about to their chances of gaining support.

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<sup>152</sup> (Anonymous 2007)

<sup>153</sup> (Hong 2004, p.9)

<sup>154</sup> (Serger and Breidne 2007, p.145)

The informants who were planning to open a store of some kind often said that the projects they had started were not innovative enough to obtain this kind of support. One informant said that there was no need to apply for the government's support if one was not especially talented. Other said that such preferential policies were aimed at university graduates, not people with work experience. A 30-year-old informant working on developing medical equipment said, "When the government provides a field with favourable policies, it means that they will intervene a lot (他们的干预很多), so I try to avoid these things. In fact, they support my field, but they also place restrictions on it". From these responses, we can see that the informants felt that the government favoured certain types of projects and that this impression led them to seek support through other channels.

### **3.4 Conclusion**

This chapter has provided a historical overview of the Chinese government's attitude towards the private sector. Young Chinese are not assigned jobs upon graduation anymore; instead, they are encouraged to cope with the challenges that meet them in a competitive economy by engaging in entrepreneurship. Thus, entrepreneurship is promoted as the solution to financial insecurity, and, by extension, as the key to a good life. Through preferential policies, the party-state attempts to inspire more people to choose an entrepreneurial career, as this will alleviate unemployment, boost economic growth and make individuals assume more responsibility for their own lives and for national development. The strengthened promotion of entrepreneurship from 1978 up until today is one indication of the party-state's attempt at building a new socialist person,<sup>155</sup> who is self-reliant, seeks material wealth and identifies with the party-state.

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<sup>155</sup> (Yan 2009, p.xxxi)

## 4 The role of social connections

Personal and interpersonal connections, in the form of *guanxi*, are believed to play an important role in business activities in China. According to Thomas Gold, Doug Guthrie and David Wank, *guanxi* ties may be based on ascribed commonalities like kinship and native place or on gained characteristics like going to the same school or doing business together.<sup>156</sup> Whether they naturally occur or are produced for instrumental goals, they have to be cultivated and maintained.<sup>157</sup> The arguments of this chapter are based on the concept of person-centred *guanxi* networks put forth by Yunxiang Yan.<sup>158</sup> The individual, rather than the group, has become the core of networks, meaning that an individual's network is based on his or her own agency and choices.<sup>159</sup> I begin by discussing how my informants talked about *guanxi* in relation to business creation. Then, I look into how and why new social connections could fill roles if the family network were to prove insufficient. Lastly I consider the informants' decisions to pursue entrepreneurial careers despite their parents' strong opposition to this career path. This chapter argues that Chinese entrepreneurs rely on individually constructed networks instead of their family's networks to develop their careers. Rather than indicating a decreasing importance of family relations, this shows that the parent-child relationship is changing along with social changes brought by modernization.

### 4.1 Individually constructed networks

Mayfair Yang contends that "once *guanxi* is recognized between two people, each can ask a favor of the other with the expectation that the debt incurred will be repaid sometime in the future"; thus, reciprocity and indebtedness are central elements in *guanxi* relations.<sup>160</sup> She traces the roots of *guanxi* to China's ancient traditions,<sup>161</sup> while Douglas Guthrie claims that it is the weak institutional structure of contemporary Chinese society that encourages people to rely on their connections.<sup>162</sup> He argues that the market economy and the emerging rational legal system are diminishing the importance of *guanxi*.<sup>163</sup> Panikkos Poutziouris et al. and

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<sup>156</sup> (Gold, Guthrie, and Wank 2002, p.5)

<sup>157</sup> (Gold, Guthrie, and Wank 2002, p.5)

<sup>158</sup> (Yan 2009, p.104)

<sup>159</sup> (Yan 1996, p.108)

<sup>160</sup> (Yang 1994, p.1-2)

<sup>161</sup> (Yang 1994, p.229)

<sup>162</sup> (Guthrie 1998, p.256)

<sup>163</sup> (Guthrie 1998, p.282)

David Pistrui et al. argue that families and familial networks are the main sources of support in terms of capital, labour and ideas as well as psychological support.<sup>164</sup> The predominance of family businesses has therefore been viewed in light of the need to overcome institutional constraints.<sup>165</sup> Alina M. Zapalska and Will Edwards argue that Chinese culture and its emphasis on family relations is an important factor in the prevalence of family businesses.<sup>166</sup> By contrast, in her study of Harbin entrepreneurs in the 1990s, Carolyn Hsu found that entrepreneurs avoided starting businesses with family members. She reasoned that it involved too much risk for an entire family to depend on a small business. Therefore, her informants were more inclined to *jump into the sea* (下海) with friends, while family members were kept safe in the state sector. The illustrative term *jump into the sea* was used to label those who left the safety of the state sector and entered the danger of the market.<sup>167</sup> Jacobs et al. argue that the individual's family network no longer plays a facilitating role in business creation, owing to the limited range of skills within one family.<sup>168</sup> This is not to say that guanxi is not an important part of business activities but rather that owing to the individual's insufficient networks, "networking becomes a business activity".<sup>169</sup>

When I asked my informants, "What do you need to start a business?" almost all of them pointed out guanxi as a crucial source for an entrepreneur. The importance of guanxi was further confirmed by comments such as "At that time I did not have any connections" and "My parents did not approve of my choice to start my own business, because of my lack of connections". More importantly, these comments reflect confidence in oneself being able to establish the required connections. Yan shows how networks have become more person centred rather than group centred.<sup>170</sup> His study of gift exchange, an important means by which to construct and maintain guanxi relations, in a Chinese village demonstrated how individuals tended to establish guanxi relationships with friends, colleagues and fellow villagers themselves, rather than to rely on guanxi inherited from their parents.<sup>171</sup> These kinds of relationships were based on individual efforts, as the individuals themselves had to choose whom to establish relationship with, where to get in contact with the right people and how to

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<sup>164</sup> (Poutziouris, Wang, and Chan 2002, p.391; Pistrui et al. 2001, p.150)

<sup>165</sup> (Liao and Sohmen 2001, p.31)

<sup>166</sup> (Zapalska and Edwards 2001, p.289)

<sup>167</sup> (Hsu 2007, loc. 2393)

<sup>168</sup> (Jacobs, Belschak, and Krug 2004, loc. 4287)

<sup>169</sup> (Jacobs, Belschak, and Krug 2004, loc.4394)

<sup>170</sup> (Yan 2009, p. 91)

<sup>171</sup> (Yan 1996, p.116)



maintain such relationships. As Beck argues, social ties have also become reflexive, “so that they have to be established, maintained and constantly renewed by individuals”.<sup>172</sup>

Several of my informants explained that they had chosen to work a couple of years in order to expand their social networks (扩展人脉). Former co-workers could, for instance, offer advice about a certain kind of business or access to the market. When asked about social connections, the informants emphasized the importance of building useful connections through one’s career. None of my informants mentioned connections with cadres. Hong argues that heavy reliance on connections to government officials is increasingly seen as inappropriate and illegal.<sup>173</sup> Thus, it may be for this reason that my informants either avoided talking about such connections or did not want to rely on this kind of help. Chen Wei, a 24-year-old informant who was partner in a team selling health products, expressed that a person’s network in this industry illuminated that person’s abilities:

If you appear professional when you talk to people, they will consider establishing a connection with you. Whether people will co-operate with you depends not on who your father or godfather is but on who you are and your abilities.

His remark firstly indicates that guanxi has to be individually constructed, secondly that in this sense, guanxi carries positive connotations, namely because it is not part of your background but part of your “enterprising self”, as suggested by Amy Hanser.<sup>174</sup> For the same reason, my informants considered individually constructed networks as a product of their abilities. Chen Wei clearly wanted to distinguish himself from the practice of relying on the network of family. In fact, none of my informants mentioned family connections as important for business creation, though a few did admit that their parents had helped them with start-up capital. One informant who had received financial support from his parents said,

Even though my parents had very little money, they still helped me. Parents don’t consider your project, they just want to help you, so their help is limited. But if other people provide you with start-up capital, it’s because they think you have a good project, and they will help you come up with new ideas and solutions. Therefore, I would rather receive other people’s money than my parents’. Parents can only give you love.

However, most of my informants said that they relied on personal savings from previous jobs. Hanser argued that the young jobseekers she interviewed considered using their family’s

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<sup>172</sup> (Beck and Beck-Gernsheim 2002, loc.943)

<sup>173</sup> (Hong 2004, p.32)

<sup>174</sup> (Hanser 2002a, p.193)

network to be unprofessional and to signify a lack of ability on the part of the “guanxi-user”.<sup>175</sup> This may also be the case for my informants, but in many cases, their choice not to rely on their parents also obviously had to do with the fact that their parents could not provide them with the connections they needed. Regional mobility is one factor in this regard, as the majority of my informants had moved to Shanghai, seeking better opportunities. Perhaps even more important seemed to be the need for connections within the line of businesses they were engaged in. Chen Zhang, for instance, had a bachelor’s degree in IT. At the time of our interview, he was pursuing a master’s degree in business administration at one of Shanghai’s top universities and had started an IT company. He attached much importance to the connections he had gained through his previous related jobs, saying that to succeed, “you *have to have* connections within this industry” (你必须在这个行业有关系).<sup>176</sup> Similarly, Xu Shun claimed that “when you have guanxi, you can, by the help of other people’s power, reach your goal quicker”. I followed up by asking, “Do you have guanxi?”. He responded: “In Shanghai. . . . my social connections are quite good because I have been here for many years and through my career I have established connections with persons who can help me towards my goal. For a person’s growth, this is absolutely necessary”. Both informants point to the significance of work experience to accumulate the necessary business connections for an entrepreneurial career.

With the emergence of a labour market, new demands are being imposed on individuals. As Beck argues, individuals are forced to design themselves as individuals.<sup>177</sup> Young Chinese seeking to adapt to the labour market are disembedded from traditional life patterns and local communities because they, in many cases, have to seek work and pursue education not close to home. An effect of the disembedding process experienced by my informants is that, in contrast to earlier private entrepreneurs, they have to construct professional networks by their own efforts. This is a fact that to Chen Zhang seemed to be a given, as he explained to me the obvious reason why I had met very few graduate student entrepreneurs: “Not many graduate students start their own business upon graduation because they have neither capital nor connections”. He believed that these were resources one had to obtain oneself. This relates to what Hanser calls “job specificity”: individuals now pursue jobs that suit their skills,

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<sup>175</sup> (Hanser 2002b, p.157)

<sup>176</sup> The informants' own emphasis

<sup>177</sup> (Beck and Beck-Gernsheim 2002, loc.392)

differing from the pre-reform employment situation where people were more concerned with the work unit and its position in the bureaucratic hierarchy.<sup>178</sup>

My informants claimed that their biggest challenge was to find people who had skills or experience from the industry they were engaged in and who could join their entrepreneurship team (创业团队). When Li Jian told me that he was looking for a business partner (合伙人), I asked, "What do you consider important when seeking a business partner?" He answered, "His/her skills. Many people look for someone with a good moral character, but I don't think this is important. The aim of starting a business is earning money". Wen Xi, the founder of a graphic design firm, said,

We are looking for a partner with very strong technical skills to help us do this project. I think the skills of our two previous partners were not good, because they made this software program with many user problems. . . . To find potential partners, we try to expand our network by attending networking events (交流会) and product events.

Although his previous partners were very good friends of his, he acknowledged that their skills did not benefit the performance of the team. He said that one of his friends had gotten a new job and would return to the project when he had improved his skills. Xu Shun, who was opening a restaurant, told me that since the last time we had met, "We have invited one more person to join our team. He has lots of experience from this industry; moreover, he has money. He is a good choice". Similarly, Chen Zhang was eager to tell me the news about his team: "We have recently gotten a new CEO on our team. He has been working many years in a well-esteemed foreign company—actually, he was one of the managers—and now he has joined our team to do marketing". Zhou Ke said that his main challenge at the moment was "to find the talented people that I need. That I don't need this person doesn't mean that he is not talented, but I need to find those that suit my project". As we can see, the informants had high requirements for potential partners, and decisions about partners were not easily taken. As Jacobs et al. argue, "Entrepreneurs choose their partners for the resources they control and the contribution they can make in the operation of the firms rather than for sentimental reasons".<sup>179</sup> Moreover, they argue that family and sentimental ties are not suitable for business creation in an increasingly competitive economy.<sup>180</sup> However, as they

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<sup>178</sup> (Hanser 2002b, p.152)

<sup>179</sup> (Jacobs, Belschak, and Krug 2004, loc.4324)

<sup>180</sup> (Jacobs, Belschak, and Krug 2004, loc.4387)

also point out, sentimental ties cannot be totally excluded, as suggested by the fact that several of my informants had established firms with their friends. In the case of my informants, it seemed that friends played a facilitating role in business creation but that family did not.

## **4.2 Friend circles as a resource**

Entrepreneurship events were one of the arenas through which my informants sought to establish new social connections. “When I had a job, I was always looking for entrepreneurship opportunities, so I attended entrepreneurship events every week to get new friends. One day I was introduced to this project by a new friend, and I decided to join the team”, one informant said. At the events, he tried to talk to as many persons as possible and tell them about his entrepreneurship plans. Other informants used social media for the same purpose, posting a short paragraph about entrepreneurial ideas to find people with certain qualifications who could join the project.

To some, the events served as places where they could meet potential entrepreneurship partners. Others again claimed that the main reason for attending events was to get in contact with potential investors, yet others appreciated the chance to present their project to a bigger audience. To the question “How did you profit from attending events?” 32-year-old Rong Xuan answered, “The aim of going to this event is to make our project known to more people”, smiling as he showed me the pile of business cards he had collected the day before. On his mobile phone, he showed me a video clip of his partner talking to the other teams to prove how many new connections they had got. An entrepreneurship team of four young men, who had created a social platform aimed at entrepreneurs, claimed that they had benefitted greatly from the event because they had talked to one of the hosts. They had exchanged business cards with her, and later it turned out that the host had mentioned their project to a friend of hers working in a big American software company, who in turn had introduced them to a man in a highly esteemed German company. During the events, people seemed more interested in exchanging business cards with each other than actually listening to project presentations.

This suggests that “valuable connections” referred not only to people with authority or persons who could provide access to powerful people or the market. People who could give

advice or information were also considered beneficial connections; thus, the informants seemed eager to make new friends who were in the same situation as they. Hanser argues that job specificity is one of the reasons why her informants tended to rely more on their peers, as well as formal job-seeking methods, than on their family and its network when searching for jobs.<sup>181</sup> This also seems to apply to budding entrepreneurs who rely on fellow entrepreneur friends for useful information on practical matters, as well as news within certain fields of businesses.

Xu Shun, a 26-year-old man whom I met at a government-organized event, claimed that the fact that he had met Wang Jian, a 36-year-old woman who was at the same stage of her entrepreneurial career as he, was the main profit from the event. While he was preparing to open a restaurant, she had set out to open a little store selling groceries. This meant that they were encountering many of the same challenges and could exchange views as to how they should deal with practical matters. When Xu Shun found a suitable place for his restaurant, he suggested Wang Jian should check out the same area. Shortly after, she opened her store next to his restaurant, and occasionally they have lunch together in his restaurant and discuss each other's projects. However, Xu Shun and a few of the other informants expressed that they were dissatisfied with the government's events, owing to the absence of government officials who could offer more concrete help regarding business start-ups as well as the slim chances of gaining the attention of investors. "I could have done it better myself", Xu Shun claimed. A few weeks later, he told me that he was assisting another entrepreneur who was organizing her own events with the aim of creating a big "friend circle" (朋友圈) of entrepreneurs. Xu Shun's friend explained that at these events they helped each other: "If someone has a problem, we will all try to find a solution to this problem, for instance, qualified personnel, courses, capital and so on".

Zhou Ke, a 21-year-old man whom I met at the Global Entrepreneurship Week, had also created a friend circle. The members in his group exchanged suggestions and advice on WeChat on how to come up with a good project, how to succeed and what sorts of businesses were promising at the moment. Other messages contained information on upcoming events. In the pictures Zhou Ke posted in the group on WeChat, I noticed that Xu Shun was participating in the events he organized, while Zhou Ke was participating in the group Xu

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<sup>181</sup> (Hanser 2002b, p.152)

Shun was organizing together with his friend. Furthermore, despite the great number of attendees at every event, many of the informants seemed to know each other from other occasions. This indicates that they had established rather wide networks of peers and were eager to establish new connections with people in the same situation.

Besides providing each other with information and help, these friend circles also gathered to have fun, like barbequing and playing games. Several of the informants pointed out that they preferred to hang out with other entrepreneurs. It appeared that entrepreneur friends had become their main friend group. A 34-year-old woman commented, "I have nothing to talk about with my wage employee friends anymore. Now most of my friends are entrepreneurs; that's because I have also changed". When she was working as a teacher, she had very few friends, but now she was meeting new people all the time, she said. A 36-year-old man who had been running his own company for about ten years stated the same, saying, "Before I started my own company, almost none of my friends were entrepreneurs, but now most of my friends are". I asked, "Did you inspire them to become entrepreneurs?". He responded, "No, I got new friends". Another informant tried to explain why he did not like to spend time with his friends who were civil servants:

I think it is hard to communicate with them, because their daily lives are governed by routines, they have gotten used to stable jobs with okay salary. I like talking about my ideas, but I don't get any response from them. They'll just say okay (他们说哦这样的, 没什么回应). So sometimes I feel we don't get along (合不来). But if I tell my idea to another person with entrepreneurial ideas, he will say "wow, that's a good idea!"

Friend circles among entrepreneurs can therefore also be perceived as a means to obtain social support and a sense of belonging. Several scholars have showed how individualization leads to a disintegration of social categories, which in turn leads individuals to re-embed in new collectives.<sup>182</sup> Unn Målfrid Rolandsen, for instance, argued that volunteering may be interpreted as a new form of collective, that offers members an opportunity to be part of a meaningful social group.<sup>183</sup> To my informants, fellow entrepreneurs obviously served as an important collective, outside of the family, whom they could seek help from and share experiences and thoughts with. Rather than seeking to be part of a collective through entrepreneurial activities, most often they constructed and joined these collectives as a response to the lack of support, help and understanding they experienced as nascent

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<sup>182</sup> (See: Rolandsen 2008; Delman and Yin 2008)

<sup>183</sup> (Rolandsen 2008, p.151)

entrepreneurs. Zhang Jiang, a 22-year-old graduate student, the only informant who expressed sentimental reasons for becoming an entrepreneur, was an exception:

I joined this project mainly because of sentimental reasons, to help my friends; they are very good friends of mine. And I also like this project a lot. We think it's meaningful to do this together, because many people lose contact with their university friends, so this is also a way of keeping in touch.

To Zhang Jiang, who had moved from a distant region to pursue higher education in Shanghai, his university friends and their entrepreneur project also provided a collective he could rely on for support while waiting for a dream job.

### **4.3 Career decisions and parent's advice**

As we have seen, my informants did not consider a limited social network an obstacle to deciding on an entrepreneurial career. However, lack of connections was frequently brought up by their parents and friends in an attempt to prevent them from setting up a business. When asked, "How did your parents react when you told them about your plans?" Xu Shun said,

In the beginning, they didn't support me, because they thought I didn't have enough experience, connections or capital, so they didn't believe I was going to succeed. At that time, they wanted me to marry, so they didn't want me to take such a big risk. But I know what kind of life I want to live in the future. Only I know; my parents don't know and my friends don't know.

Many of my informants decided to become entrepreneurs without their parents' support. This finding contradicts with previous studies of parental influences on career choice. In their study on students in hotel and tourism management and their unwillingness to enter that industry upon graduation, Simon Chak-Keu Wong and Gloria Liu argue that this can be explained by the lack of parental support to pursue a career in this field.<sup>184</sup> According to a survey conducted by Guilai Liu and Xiaopei Cui on parents' attitude towards their child's entrepreneurial intentions, 52.3 percent of the parents were not supportive. More interestingly, the same survey showed that among those individuals whose parents did not support their entrepreneurial plans, only 9 percent of the women decided to start up a business, but 30,6 percent of the men did. The majority of the respondents claimed that it was important to listen to one's parents' opinion when choosing a career and not disturb the family harmony.<sup>185</sup> Liu and Cui therefore suggest that parents' opinions are important when

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<sup>184</sup> (Wong and Liu 2010, p.92)

<sup>185</sup> (Liu and Cui 2013, p.127)

choosing an entrepreneurial career. This did not seem to apply to my informants, although many also spoke of friends who did not become entrepreneurs because their parents wanted them to find a stable job. In her study on career choice among Chinese managers, Amy Lai Yu Wong argues that the respondents indicated that they were influenced by parents' expectations regarding decisions about higher education but not actual career choice. She argues that responding positively to parents' encouragement to pursue higher education is an expression of children's filial piety.<sup>186</sup> To my informants, following their own opinion did not indicate that family-relations were of decreasing importance or that they did not care about "the family harmony". Chen Wei explained: "I am an adult now. I have my own goals and ambitions. I don't think they should interfere in these, and so I have told them. I can't say that they are not supporting me, but they don't support me either". Later in the interview, he seemed very sad, saying that he had always loved his parents very much and hoped that he at least would gain his parents' approval. Nearly all of the informants considered their parents' well-being in future plans. When asked how his parents had reacted to his decision to become an entrepreneur, Feng Hua, a 26 year-old informant who had quit his job in a state-run enterprise to start an online shop, said,

When I resigned from the work unit (*shiyè dānwèi* 事业单位), my parents did not understand; they were unable to understand because they thought it was a good work unit. The salary was high; I didn't have to worry about anything. The company provided everything, all kinds of insurance, all kinds of subsidies. They think that was very good, but I don't think so, because that's not the kind of life I want. They got angry and still don't understand, but they have to accept it because I choose my own path. I think if I am able to balance the relationship between family and my own career .... (能够平衡家庭和自己事业的关系). Anyway, starting up a business is very tiresome in the first stage, but at the latter stage, it will get much better; besides, my parents are in good health.

Feng Hua and his parents had clearly different understandings of what constitutes a good job, and he believed the advice of his parents was out of date and irrelevant. Thus, in this case it may be, as Martin Whyte argues, that the rapid economic growth since 1978 has increased the chances that young people think that the experiences of their parents are inapplicable to their own situation.<sup>187</sup> Earlier state-run enterprises provided security in the form of lifetime employment, access to health care, housing and retirement benefits; hence, a state-sector job was considered a stable job. Even though this is not the situation with today's state-sector jobs, a job in the state sector is still perceived to be a much safer choice compared to starting one's own business. Many of the other informants echoed Feng Hua's answer, saying that

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<sup>186</sup> (Wong 2007, p.1222)

<sup>187</sup> (Whyte 2003, p.14)



their parents had wanted them to find a stable job (稳定的工作). However, although Feng Hua went against their advice, his parents' were still a consideration when he decided to leave the work unit. As Hansen and Pang wrote, new demands and opportunities brought by a rapidly modernizing society promote individualism and a focus on individual choice. Nevertheless, their informants attached much importance to family relations; therefore, they argue that the Chinese family collective has changed but not lost its importance, owing largely to the lack of common welfare.<sup>188</sup> The apparant insignificance of parents' advice with regard to career choice among my informants, must be interpreted in similar terms. My informants clearly wanted to make individual decisions despite their parents' opinions pointing in another direction. Still, the family appears to be an important collective to the informants. Wu Qiang's answer to the abovementioned question serves as a good example:

They certainly fiercely opposed it. Chinese parents are all like that. "If you have a stable job, why would you become an entrepreneur?" But they are okay now because they have seen my results. Actually, parents don't oppose their children becoming entrepreneurs; they are just worried, that's all. They always worry".

I asked, "How did you explain your decision?" He responded, "I told them that I do it for them. As a wage employee, I wouldn't be able to give them a better life." According to Wu Qiang, his parents opposed his decision to pursue entrepreneurship because they did not want him to bear more hardships, not because they did not understand the new demands and opportunities. Ni Ling, a 27-year-old woman whom I got in contact with through the Internet, revealed that she had not told her parents about her plans yet: "They are all right. In the beginning, I will not tell them too much. They hope that I can find a stable job, but they are actually very open-minded, but before I have succeeded, they will worry a lot". She was very happy to finally get a chance to talk to someone in person about her plans; she wanted to discuss with me the pros and cons of the two alternatives she had in mind, opening a flower store or a breakfast café. Until then, she had discussed her plans only with other members of the Internet site Douban and with her boyfriend.

However, a few of the informants said that their parents supported their choice, among them Li Jian, a Phd student, who said,

My whole family, including my wife and my parents, support me. I'm relying on my family's entire savings now. It's a big risk. Ever since I was a child, I have achieved good grades at school. Therefore

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<sup>188</sup> (Hansen and Pang 2010, p.49)

my parents don't worry about me; they know I will make the right decisions. They respect my choice. Because they don't understand, they will not interfere with my decisions.

He further explained that since he was the only person from his village who had achieved higher education, his family could not give him career advice. For the same reasons, Chen Zhang said that his parents approved of his choice. Because they were from rural China and lacked education, they did not understand and therefore did not oppose his choice. These narratives illustrate how the dissolving of traditional patterns requires the individual to construct new networks. Lack of support, resources and others' understanding of their projects were all significant factors in this regard.

#### **4.4 Conclusion**

In this chapter, I have argued that my informants attached much importance to individually constructed networks. Entrepreneurship events and online forums both served as places for network construction. Disembedding from traditional life patterns and social communities, enforced by institutional changes, has caused the need for young entrepreneurs to rely on individually constructed social connections. Fellow entrepreneur friends took on a role that often could not be filled by the family and its network—namely, as providers of entrepreneurship-related information and relevant ideas as well as emotional support. As opposed to family ties, these relationships have to be made and maintained, and thus depend on the individual's choice and agency.<sup>189</sup> The diminishing role of parents and their advice in relation to business creation and career choice does not, however indicate a decreasing importance of family relations. Rather, these changes illustrate how changes in the labour market affect family relations as well as the need to rely on individual choice and action in order to construct new networks.

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<sup>189</sup> (Yan 2009, p.91)

# 5 Taking control of my life

Along with the reforms and the abolition of job assignments upon graduation, young Chinese have achieved more autonomy with regard to job choice, but at the same time, they are required to take more responsibility for their own lives. Crucial for the individualization theory is that choices are not freely taken but remain structured to a certain degree. Furlong and Cartmel argue that "although social structures such as class and gender continue to shape life chances, these structures tend to become increasingly obscure as collectivist traditions weaken and individualist values intensify".<sup>190</sup> This chapter discusses the extent to which an informant's decision to become an entrepreneur is formed by structural influences in society. I particularly look into how gender notions and socioeconomic background are embedded in the choice to become an entrepreneur among my informants. I also discuss the informants' perceptions of their chances of succeeding. This chapter argues that entrepreneurship is a means by which the informants seek to build up a financial safety net and increase their overall life quality. For the male entrepreneurs, starting their own business was also a way by which they tried to improve their self-worth, which is increasingly linked to economic capital. Moreover, the informants expressed a strong belief in self-efficacy, where external influences are downplayed and personal characteristics are pointed out as the most crucial for success.

## 5.1 Entrepreneurship: negotiating uncertainty

The dismantling of the safety net provided by urban work units and the commodification of necessities such as housing, education and medical care in the prereform era meant that money assumed increasing importance in the lives of Chinese families. The individualization process in China has therefore led to increased socioeconomic differentiation,<sup>191</sup> forcing the Chinese individual to "create his own rice bowl".<sup>192</sup> Hoffman writes that many young couples in the 1990s managed the risks of commodification by entering two sectors of the economy, a strategy referred to as "one household, two systems". Usually the wife stayed in the state sector while the husband entered private business.<sup>193</sup> Another strategy was for couples with a baby to move in with one set of grandparents to ensure they had child care when they needed to focus on jobs or studies. Alternatively, if the couple did not have relatives nearby, it could

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<sup>190</sup> (Furlong and Cartmel 1997, p. 2)

<sup>191</sup> (Yan 2009, p.289)

<sup>192</sup> (Bray 2005, p.179)

<sup>193</sup> (Hoffman 2010, p.125)

mean that the child had to grow up with grandparents living far away.<sup>194</sup> Chinese parents in turn have also become increasingly dependent on their children for old age care. Fong writes that the child has become a retirement plan in the postreform era: the Chinese government promotes the notion of filial duty because it lets the state concentrate its resources on economic growth rather than social security.<sup>195</sup> Children's duty to support elderly parents has even been implemented in laws.<sup>196</sup> In my interviews, it became clear that the decision to become an entrepreneur was for many of the informants, almost all of whom said that they were from poor families, a way of negotiating the risks of privatization. Wu Qiang explained why he decided to become an entrepreneur:

I want my family to live a better life; I am just assuming my responsibility (承担责任嘛). That's why I started to think about becoming an entrepreneur, because wage employment doesn't solve any problems (打工解决不了任何问题). It doesn't solve the basic problems. Let's say I make 10 thousand or 20 thousand per month; then my family will still have enough to eat. But that is probably not a very high salary when I am 50 or 60 years old. In China, old-age pension is strictly controlled. Maybe in some years, old-age pension is not paid anymore. So if you don't find a way to provide security for yourself and your family, it's very risky. Many people think that becoming an entrepreneur entails much risk, but actually wage employment is much riskier. Many people don't think about the future; they are okay as long as they have enough money now.

His comment reflects what is at the core of the individualization thesis—namely, that individuals not only are permitted to become active and organize their own life choices but are demanded to do so.<sup>197</sup> The standard biography, which in China was sanctioned by the state, has been replaced by the do-it-yourself biography, where both opportunities and burdens have become individual responsibilities.<sup>198</sup> Moreover, Wu Qiang's comment is illustrative of the risks young Chinese at the lower levels of society have to negotiate when choosing jobs. As Yan argues, the lack of institutional protection and support from the state compels Chinese individuals to rely on family and personal networks for support.<sup>199</sup>

Another informant, 22-year-old Zhou Ke from Shanghai, defined entrepreneurship thus: "To change yourself, entrepreneurship is a tool. Whether you want to change your current financial situation or your family's situation, it's the most effective tool". Many of the other informants expressed similar aims when asked, "Is there anything you want to change by

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<sup>194</sup> (Hoffman 2010, p.130)

<sup>195</sup> (Fong 2004, p.128)

<sup>196</sup> (Fong 2004, p.129)

<sup>197</sup> (Beck and Beck-Gernsheim 2002, loc.400)

<sup>198</sup> (Beck and Beck-Gernsheim 2002, loc.378)

<sup>199</sup> (Yan 2009, p.288)

becoming an entrepreneur?” One informant responded: “I want to change everything about the present situation”; another informant said, “My life situation and earn money”. Others answered that they wanted to change their income.

Nevertheless, none of the entrepreneurs talked explicitly about entrepreneurship as a choice they had made out of necessity. Instead they elaborated on how wage employment put restrictions (被约束) on their self-development and did not allow them to manage their own time. Entrepreneurship was pictured as the ideal career choice by almost all of my informants. Wu Di said that the thought of having to work from nine to five every day from age 20 to 60 was terrifying, explaining that the best thing about being an entrepreneur is freedom (自由) from the restrictions of others:

I'll tell you something funny: I just graduated, so many of my classmates are looking for jobs. And sometimes when I am free, I will ask them, “When are we going out?”. They'll say, “Today I have to work until eight thirty, so I don't have time”. They envy me because I can manage my own schedule. But the main difference is, as a wage employee, other persons require you to do the job, so your motivation (原动力) is not your own, but as an entrepreneur, everything you do is for yourself.

Similarly Chen Bin, a 27 year-old woman, said “As a wage employee, I'm only obeying other people; I'm not powerful enough” (现在我打工只是听别人的话, 我不够强大).

Another informant said:

Wage employment is a means to make a living, but it is not the meaning of life. The meaning of life is to seek a kind of freedom. . . . You have to devote yourself to what you like to do; then life becomes meaningful. . . . It's not that wage employment is not good; in the beginning you have to work for a boss because you have to study and get some work experience.

While some of the entrepreneurs (getihu) Gold interviewed in 1985 were also seeking freedom and aspired to manage their own time, none of his informants saw private business as a long-term career prospect. A man Gold met said he did it because he did not have guanxi to get a better job, and he did it as long as he did not have any other jobs.<sup>200</sup> At that time, most people were still assigned jobs, which means that it was the state's responsibility to provide social integration.<sup>201</sup> Those that worked outside were seen as exceptions. To my informants, by contrast, wage employment was for various reasons regarded a secondary choice. Besides realizing one's own value, wanting to become a boss, flexibility and control over personal time and space, as well as a desire for family security, were factors that made

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<sup>200</sup> (Gold 1990, p.124)

<sup>201</sup> (Gold 1990, p.124)

entrepreneurship an attractive choice. These are all recurring factors in recent surveys on motivations to become entrepreneur.<sup>202</sup> Zhangyun Chuan et al., for instance, found that the majority of their respondents chose to become entrepreneurs because they wanted to be their own boss and because they aspired for more flexibility in life.<sup>203</sup>

Wu Di expressed that he first and foremost pursued money and time (我首先追求的是有钱有闲). Further, he said, “Through a five-to-ten-year period of hard work, I hope to be able to solve all the financial problems of the latter half of my life so that I can do whatever I want to do and travel wherever I want to”. (把我后半生财富问题全部解决了. 我想干嘛就干嘛, 想去哪里就去哪里). Other informants downplayed the importance of money in their decisions to become entrepreneurs, but at the same time, they talked about owning a home and a car as basic material needs that they could not afford on their previous salary. Similarly Wu Qiang, quoted above, explained:

I want my parents to eat good food and wear fine clothes, to live a quality life, so that they can travel abroad, buy what they want to buy without having to look at the price. This is what I hope to give them. Although I didn't have this kind of life when I grew up, I think these are the basics that I should guarantee my family. That's why I moved to Shanghai, got a job and then became an entrepreneur.

This points to a reality where individual well-being and self-worth are increasingly linked to consumption and middle-class living.<sup>204</sup> The Chinese leadership has, with the implementation of economic reforms that shifted its focus from the working class to creators of wealth and consumers with purchasing power, contributed to intensifying consumption among Chinese people. In her study of leisure in Quanzhou, Rolandsen wrote that consumption and leisure activities have become an important aspect of everyday life for Chinese people, regardless of income,<sup>205</sup> as these are considered necessary to obtain or maintain the desired middle-class<sup>206</sup> standard of living.<sup>207</sup> While many of my informants engaged in entrepreneurship sought to obtain middle-class status, her middle-class informants engaged in self-study activities, like reading books, as a means to “recharge” their qualifications.<sup>208</sup> It appears that along with

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<sup>202</sup> (Chuan et al. 2011; Pistrui et al. 2001)

<sup>203</sup> (Chuan et al. 2011, p.29)

<sup>204</sup> (Zhang 2012, p.1)

<sup>205</sup> (Rolandsen 2011, p.143)

<sup>206</sup> Definitions of the Chinese middle class(es) vary according to the criteria set (income, cultural capital, self-definition).

<sup>207</sup> (Rolandsen 2011, p.186)

<sup>208</sup> (Rolandsen 2011, p.186)

increasing consumption and “changed standards of what constitute a good life” and how one should live, the “rice bowl” is harder to fill.<sup>209</sup> In the case of my informants, this proves particularly salient for young men, who are striving to live up to a Chinese manhood ideal that is increasingly linked to material wealth.

## **5.2 Self-worth, material wealth and male entrepreneurs**

At the entrepreneurship events organized by the local government, there was a striking predominance of young men. Of the few women I talked to there, one was sent there to collect information on behalf of her employer. One factor that may have contributed to the preponderance of young men was the main focus on TMT-projects at these events. However, it does seem to be a tendency in today’s China that more men start their own businesses. According to the government, men constituted 73 percent of the country’s entrepreneurs in 2009, while women made up 27 percent.<sup>210</sup> Some informants clearly believed that the challenges of entrepreneurship were more suitable for men, like one informant who expressed that he needed more challenges than his previous job offered, just because he was a man (因为男孩子嘛, 那份工作没有挑战性), or another who said that the company he used to work for was a perfect place for women due to the relaxed working environment. Gender was clearly incorporated in career decisions. Hoffman demonstrated a similar tendency among young professionals, who expressed that some jobs were more suitable for men or women.<sup>211</sup> While state work units like schools, banks and libraries were considered good places for women, owing to the good environment and the fact that they did not have to go on business trips or stay out at night, business was considered a proper profession for men, as they were expected to make money.<sup>212</sup> Research by Liu and Cui showed that parents of women were much less likely to accept that their child chose an entrepreneurial career. Parents interviewed explained that “the best choice for girls is to find a stable job” and that “for boys to start up their own business has certain benefits”, which suggests that such gendered ideals may be reinforced by the expectations of parents.<sup>213</sup>

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<sup>209</sup> (Liu 2008, p.199)

<sup>210</sup> (Central People’s Government 2009)

<sup>211</sup> (Hoffman 2010, p.139)

<sup>212</sup> (Hoffman 2010, p.126-127)

<sup>213</sup> (Liu and Cui 2013, p.126)

Many of the male entrepreneurs' narratives in my research revealed that they had started their own businesses because of economic concerns. To the question "Why did you want to become an entrepreneur?" a 27-year-old informant responded:

I first started to think about becoming an entrepreneur while I was studying. At that time economic factors pushed me. Because I'm from the countryside, I needed to improve my financial situation relatively quickly. In normal wage employment, you have to work perhaps 20 years before you have what you should have, an apartment and a car (普通的上班方式你可能 20 年后才有该有的车房). As an entrepreneur, you will be able to solve these problems within a shorter period of time.

Being able to purchase an apartment seemed especially important for those that had not married yet, as it would make them more attractive to potential spouses or keep a girlfriend from leaving. One informant said that he believed it was quite common for entrepreneurs like him to be under great pressure from their mothers-in-laws on this matter. Twenty-six-year-old Yu Qi who had opened his own Taobao shop said that his ex-girlfriend broke up with him because of his financial constraints. This impelled him to open an online shop to add to his monthly income. His parents' biggest worry was that he had not married yet, and they had started to lower their requirements for a future daughter-in-law: she did not have to be young and pretty. Another 27-year-old man worried a lot about not being able to provide his girlfriend with a home, further stating that "everyone wants to buy a house nowadays, but it is impossible to bear this financial burden with an average work salary". Consequently, choosing to set up one's own business seemed to be a choice conditioned by gender and financial situation.

Expectations of getting married constitute a great worry for many young Chinese today. As confirmed by my male informants, property possession lies at the core of their financial worries, as this also influences chances of getting married. According to a survey referred to by *The Economist*, three-quarters of Chinese women consider a man's ability to provide a home when choosing a husband.<sup>214</sup> A woman interviewed in the same article had married her college boyfriend but claimed that if she was introduced to a man at the time of the survey, at the age of 28, she would not agree to marry him if he could not afford to buy an apartment.<sup>215</sup> Commodities as important elements of marriage are nothing new in China, but the nature of the commodities and betrothal gifts has changed over time. While the 1970s' "marriage-related consumption" consisted of commodities like sewing machines, watches and bicycles,

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<sup>214</sup> (The Economist 2013)

<sup>215</sup> (The Economist 2013)



popular products in the 1980s were colour televisions, refrigerators, pianos and other types of furniture.<sup>216</sup> Since the 1990s, cars and houses have been the most wanted commodities,<sup>217</sup> a development which must be viewed against the background of the marketization of housing and labour. In high-socialist China, urban housing was a welfare item provided by the work unit, usually distributed through the husband's work unit, and the women often moved in with the husband's family.<sup>218</sup> According to my informants, housing was still a man's responsibility and appeared to be closely connected to his self-worth. As Hoffman writes, finding a way to purchase private property reflects on a man's self and masculinity.<sup>219</sup> Zhang argues that the shift to a market economy has reinforced the thought that men's self-worth is manifested in material wealth.<sup>220</sup> Further, she suggests that along with the increasing importance of the nuclear family, homeownership has become the prime symbol of an independent lifestyle and success and an expression of middle-class aspirations.<sup>221</sup>

Several of my informants attempted to demonstrate the difficulties of buying a house in today's China by comparing Norwegian and Chinese apartment prices as well as average income. They also explained how many more years they would have had to work as a wage employee, compared to as an entrepreneur, before they could have entered the housing market. Often the houses or apartments they aspired for signalled that they had high ambitions for upward mobility, such as one informant who on several occasions discussed various areas' villa prices (别墅) with the taxi driver, his friends and me. In a message exchange I observed in a WeChat group, one of my informants wrote that he had visited a friend's villa the day before. Attached were pictures of a relatively luxurious home. Another group member asked what his friend was doing for a living, whereupon the informant jokingly responded: "He is a wage employee, do you believe it?", (打工, 你相信吗). Apparently, the informants believed it was less likely that wage employment would enable them to buy the house they aspired for. To others, wage employment provided a fairly good salary, which was the case for the three informants that had started their entrepreneurial careers after they had married and had a child. They had already "solved the problems" of purchasing an apartment and said that they had good, secure jobs to fall back on. Having

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<sup>216</sup> (Ocko 1991, p.321)

<sup>217</sup> (Zhang 2012, p.163)

<sup>218</sup> (Hoffman 2010, p.135)

<sup>219</sup> (Hoffman 2010, p.135)

<sup>220</sup> (Zhang 2012, p.165)

<sup>221</sup> (Zhang 2012, p.164)

managed to improve their economic situation through other jobs, entrepreneurship was now primarily viewed as a means to achieve self-fulfilment, indicating that entrepreneurial motivations may change over time.

### 5.3 Personal characteristics and family background

Entrepreneurial success has often been ascribed to personal traits and experience.<sup>222</sup> The success of China's entrepreneurs has also been explained by their personal attributes, hard work, self-reliance and eagerness to pursue opportunity.<sup>223</sup> They have often been described as self-made men and women.<sup>224</sup> Thus, it was not totally unexpected that my informants pointed out personal characteristics as the most crucial elements for starting up a business. To the question "What does one need to start one's own business?" common answers were: bravery (勇气), a sense of responsibility (责任感), an ability to control risks (风险控制的能力) and an ability to make judgments (判断力). In the narratives of the young entrepreneurs, success and failure were ascribed to individual characteristics, a view reinforced by informants who explained previous business failures in terms of insufficient skills or the time was not being ripe. One of the teams interviewed claimed that many entrepreneurs fail because they blindly start up their businesses (盲目得出来). They explained how much effort they had put into preparing their project, moreover emphasizing their willingness to work hard when explaining why they were going to succeed. Others again listed the abundant obstacles they had to overcome as entrepreneurs, but in the end, these could all be conquered through abilities of control and risk estimation. Similarly, Hansen and Pang showed how the village youth they interviewed tended to take full responsibility for failure and success in work and education, even though they did not have many options.<sup>225</sup> According to the individualization thesis, people in an individualized society tend to assume responsibility for both success and failure, meaning that they are condemned to activity.<sup>226</sup>

However, several scholars have considered how external factors like social networks tend to influence entrepreneurial chances in China. Hong distinguishes between different groups of entrepreneurs according to when they occurred in the Chinese economy. He writes that the

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<sup>222</sup> (Lee and Tsang 2001, p. 584)

<sup>223</sup> (Goodman and Zang 2008, p.10)

<sup>224</sup> (Hong 2004, p.26; Chen 2002, p.413)

<sup>225</sup> (Hansen and Pang 2010, p.50)

<sup>226</sup> (Beck and Beck-Gernsheim 2002, loc.754)

first group of entrepreneurs (getihu) that occurred after the reform acted as self-made because they did not have close connections to government or power holders.<sup>227</sup> Further, he claims that subsequent groups of Chinese entrepreneurs have been characterized by their extensive use of connections with power holders with regard to, for instance, accumulation of capital.<sup>228</sup> One exception, he argues, is what he calls “intellectual businessmen”, referring mainly to private entrepreneurs engaged in the high-tech industry, as they tend to rely more on their projects to attract venture capital than to connections with power holders.<sup>229</sup> Yingxing Lin’s research, on the other hand, showed that the majority of entrepreneurs engaged in the same industry came from families working with government management or were technology professionals. Lin argues that this must be viewed in connection with the resources these entrepreneurs are in possession of, in terms of both administrative resources and cultural capital.<sup>230</sup>

Other studies have showed that entrepreneurs themselves believe capital and guanxi are the most important prerequisites for starting a business.<sup>231</sup> Lisa Hoffman says that some characteristics of the “quality” employee have become associated with urban populations, showing how family background also influences hiring processes.<sup>232</sup> According to the employers she interviewed, there are certain things an employee cannot change, like family background.<sup>233</sup> With the naturalization of certain criteria, like the ability to reason and way of speaking, claiming that these are related to one’s upbringing, possibilities for self-development become restricted.<sup>234</sup> The young professionals she talked to, despite high aspirations and good qualifications, acknowledged the constraints they faced in the labour market owing to disadvantaged family backgrounds.<sup>235</sup> Interestingly, my research found something else: family background was not perceived as a crucial element for success. Many even denied that their family background was of any importance. One informant seemed a bit annoyed when I asked if an advantageous family background was essential to succeed: “Money is not everything. Did you see the movie about Steve Jobs? In the beginning he was

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<sup>227</sup> (Hong 2004, p.27)

<sup>228</sup> (Hong 2004, p.28)

<sup>229</sup> (Hong 2004, p.31)

<sup>230</sup> (Lin 2009, p.30)

<sup>231</sup> (Su 2013, p.143)

<sup>232</sup> (Hoffman 2010, p.105)

<sup>233</sup> (Hoffman 2010, p.111-113)

<sup>234</sup> (Hoffman 2010, p.113)

<sup>235</sup> (Hoffman 2010, p.118)

working in his garage. He was very talented and had the desire to succeed. If you have this, you can persuade other people to invest in your project”. Another informant elaborated:

No matter what you do, success depends not merely on a good plan but on a person’s skills, sense of responsibility, background, capital and so on. We don’t have a good background, but all these things we can achieve through our own efforts. An affluent person will also fail if he doesn’t know how to manage his money. A person who knows how to manage money will become affluent in the future. That’s why I study finance management.

These comments reflect confidence that one can deal with the challenges entrepreneurs face, and are representative of the degree of self-efficacy I noted among my informants. Some even pointed out what is commonly considered a disadvantaged background, coming from a rural poor family, as an advantage. They explained that in contrast to their richer peers, they were persevering (坚持) and used to eating bitterness (吃苦), factors they believed to be crucial for success in entrepreneurship. Adding that most had higher education, they had what it takes to succeed. One informant explained: “A rich person I know wanted to become an entrepreneur, but he wasn’t willing to eat bitterness, so he decided to invest in our project instead. We have the ability to eat bitterness. We are seven men in one small office. And we don’t even use the air-conditioner.” Such remarks reinforce the impression that the performance of a venture was mainly ascribed to individual characteristics.

Despite being aware of external factors that shape their chances of succeeding, individual efforts were the decisive factors in the end. Through work and education, my informants dealt with challenges caused by societal structures—for instance, socioeconomic background—on an individual level. Consequently, the informants displayed a strong belief in meritocracy, where talent and hard work will get you to the top. Zhou Ke, for instance, expressed that what is crucial is how you deal with the obstacle, not the obstacle itself:

A friend of mine was also studying English (at a private school), but because he didn’t have money, he quit. I don’t have money either, but I am still studying. You see two identical reasons but two different paths; one is studying and the other is not. I told him, “Because I don’t have money, I am studying English, because I believe this skill will help my career”.

Zhou Ke, as well as most of my other informants, explained his choice to become an entrepreneur in terms of deciding to take control of his own fate (改变自己的命运). Fengshu Liu identified a similar form of self-efficacy among higher-educated urban only-children who believed that as long as they worked hard enough—in their case, this meant entering

postgraduate studies—they would be able to maintain their advantaged position in society.<sup>236</sup> According to the individualization thesis, individuals cannot decide to take control of their own fate but are forced to do so. As Bauman says, “Modernity replaces determination of social standing with compulsive and obligatory self-determination.”<sup>237</sup> For Liu’s informants, improving their qualifications through postgraduate studies was a choice they could not afford not to make, as it was regarded necessary for the kind of life they aspired for.<sup>238</sup> The same applies to my informants, who were striving to achieve security and a better life in terms of material standards. Rather, expressions such as “deciding to take control of one’s fate” reflect that my informants believed not in fate but in individual skills and choice. This suggestion is reinforced by the fact that many of my informants indicated that as a wage employee one’s fate was in the hand of someone else. As entrepreneurs, only their individual skills determined how far they could reach. Along this line, one of Liu’s informants said: “Fate is what you earn through struggle. It is something that can be changed through struggle”. These comments reflect that the individual him-/herself assumes responsibility for his/her own life situation, seeing both failure and success as individually determined. Furlong and Cartmel argue that this has to do with the fact that when individuals are freed from traditional life patterns and have a greater range of opportunities to choose from, this is likely to produce the impression that one’s own path is unique and that risks have to be overcome by individuals.<sup>239</sup>

## 5.4 Conclusion

My informants’ choice to become an entrepreneur necessarily need to be analysed against the social reality in which their lives are embedded. This chapter has showed how aspirations of homeownership, which are linked to changing notions of gender, strongly shape their decision to start their own business. Most of my informants were from lower levels of society and expressed that if they were to realize dreams of homeownership and a higher material standard of living, referred to as basic needs, they had to make this change of career. As a result, to become an entrepreneur was not as free a choice for all of the informants as it may appear. In the postreform era, Chinese people are free to choose what kind of jobs they want; nevertheless, the findings of this case study show that socioeconomic status and gender

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<sup>236</sup> (Liu 2008, p. 201)

<sup>237</sup> (Bauman 2002, loc.161)

<sup>238</sup> (Liu 2008, p.200)

<sup>239</sup> (Furlong and Cartmel 1997, p.7)

restrict these choices. To be able to live the life they wanted, many of the informants saw no other options than to start their own business. Another finding of this chapter is that family background was not regarded as important for success. All of the elements they pointed out as crucial for entrepreneurial success were ascribed to individual characteristics and skills, even capital and *guanxi*, which were emphasized as the main prerequisites for business creation. This belief strengthens the thesis of the “epistemological fallacy” put forth by Furlong and Cartmel, which suggests that life chances remain structured, but solutions are sought on an individual rather than a collective level.<sup>240</sup> At the same time, entrepreneurship was described in terms of freeing oneself from the restrictions of a boss and thus a superior choice to wage employment. Though entrepreneurship for many of my informants was a choice they had to take, it also meant opportunities for better living, in terms of material comfort, opportunities non-existent a few decades ago. As such, entrepreneurship symbolizes greater opportunities for achieving a middle-class living, which has come to be the norm in today’s China.

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<sup>240</sup> (Furlong and Cartmel 1997, p.4)

# 6 Entrepreneurship as a means to self-fulfilment

Yan argues that along with the individualization of Chinese society and the rise of the individual, there has been a shift from a collective-oriented ethic to an individual-oriented ethic.<sup>241</sup> In traditional and socialist Chinese societies, a socially recognized person was primarily defined by his or her relationships to other people and collectives. Self-worth was largely subjugated to the interests and needs of the collective.<sup>242</sup> Whereas the individual earlier worked hard on behalf of the collective, like family, kinship, community or the state, the individual is now first and foremost striving to achieve individual goals.<sup>243</sup> This chapter focuses on how Chinese entrepreneurs seek to realize their own self-worth through entrepreneurship. To put my informants' narratives into context, I start with a brief account of social perceptions of entrepreneurs in the postreform era. Then I move on to discuss the informants' desires for self-fulfilment in relation to collective goals. I will also discuss how my informants viewed stability and what they considered important when deciding on a career.

## 6.1 From money *versus* dignity to money *and* dignity

When the Chinese government first opened up for private businesses in the late 1970s, the move was mainly intended as a measure to deal with the increasing unemployment situation. The private sector was therefore strictly limited and was meant as a last resort for youth for whom the government had not managed to allocate a job, socially idle persons and retired persons.<sup>244</sup> In addition, some persons in low-paying jobs would start businesses to add to the family economy. Despite the government's growing support of the private sector to increase efficiency and stimulate the market economy, private entrepreneurs were met with social prejudice for a long time. The concept of individual economy broke with the collective values of the past 30 years.<sup>245</sup> Susan Young writes that political campaigns had instilled the idea of "state first, collective second, and individual nowhere"; hence, "the bigger and more public

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<sup>241</sup> (Yan 2013, p.265)

<sup>242</sup> (Zhang 2012, p.163)

<sup>243</sup> (Yan 2013, p.268)

<sup>244</sup> (Gold 1990, p.171)

<sup>245</sup> (Young 1991, p.118)

an enterprise was, the better and more socialist".<sup>246</sup> Gold writes that the young entrepreneurs he interviewed up until 1982 had low self-confidence, as engaging in entrepreneurship signalled that they had not managed to get into higher education or did not have the abilities required to secure a job.<sup>247</sup> The fact that entrepreneurship was also promoted as a way ex-prisoners could re-enter society added to the negative connotations it carried.<sup>248</sup> Prejudices against entrepreneurs were further reinforced by the fact that the majority of private business owners were engaged in petty commerce, since this generated a belief that they cheated people and did not contribute to society.<sup>249</sup> However, many entrepreneurs managed to get rich through such businesses, and even illiterate women selling cigarettes in the street could earn more than high-ranking officials.<sup>250</sup> As entrepreneurship was associated with criminality and an inferior social status, choosing this career path in the first years after reform was a choice between money and dignity. Although state employees were motivated by higher social position and respectability, they had become the poorest people in society.<sup>251</sup> On the other hand, material wealth earned by entrepreneurs could not be converted into higher social status. Carolyn Hsu argues that the inferior status of entrepreneurs was also reflected in the outside/inside dichotomy, where everyone working outside the state sector was considered outside the formal order.<sup>252</sup>

Gold argues that the social stigma of entrepreneurship began to change in the mid-1980s, when some university students, attracted by better incomes, more favourable working conditions and a chance to utilize their own skills, began to choose entrepreneurial careers over secure jobs in the state sector.<sup>253</sup> Beginning in 1987, entire households started to venture into private employment, and the private sector gradually became no longer seen as a last resort. Personal wealth and self-development became legitimate pursuits and constituted the new image of successful people, replacing the self-sacrificing individual.<sup>254</sup> William Jankowiak found that by the mid-1990s, businesspeople were respected, and argues that money had become a means for assessing an individual's social standing and an occupation's

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<sup>246</sup> (Young 1991, p.121)

<sup>247</sup> (Gold 1990, p.171)

<sup>248</sup> (Gold 1990, p.171)

<sup>249</sup> (Young 1991, p.121)

<sup>250</sup> (Bruun 2008, p.31)

<sup>251</sup> (Bruun 2008, p.40)

<sup>252</sup> (Hsu 2006, p. 32)

<sup>253</sup> (Gold 1990, p. 173)

<sup>254</sup> (Yan 2013, p.271)



social worth.<sup>255</sup> Carrillo, however, claims that the increasing gap between rich and poor has aroused suspicion as to how the new rich, especially entrepreneurs, have accumulated their wealth. She refers to a survey conducted by *China Youth Daily* in 2007 that found that 70 percent of respondents believed that rich people were immoral and that to be respected, they had to express a sense of social responsibility.<sup>256</sup> None of my informants expressed that entrepreneurs were not respected; instead, many hoped to gain respect through an entrepreneurial career.

Hong argues that the increasing acceptance of entrepreneurs is linked with a new commercial culture that celebrates profit and individualism, in contrast to the traditional Confucian moral, which valued collective interests over individual interest.<sup>257</sup> Work is viewed no longer as a national resource to be allocated bureaucratically<sup>258</sup> but as a domain for individual self-development and autonomy.<sup>259</sup> Nearly all of my informants pointed to self-development and realizing their personal values as important factors for choosing to set up their own business. Money, though often downplayed, was a consideration for all of the informants, and an integral part of an individual's self-development. It was sometimes explained as the main factor when they first started to consider an entrepreneurial career, but later on, self-realization or doing something that they enjoyed more than their previous jobs gained more weight than obtaining material wealth. Several of the informants expressed that the ultimate evidence of having realized one's own value was that one had gained other people's recognition.

## **6.2 Personal gains of working for the collective**

Several scholars have demonstrated how today's young Chinese combine patriotic sentiments with notions of self-development and individual desires.<sup>260</sup> Hoffman argues that the career pursuits of individual professionals expressed both a "self-enterprising ethos" and a wish to develop themselves to help China progress.<sup>261</sup> According to Arthur Kleinman et al., this indicates that Chinese youth have accepted the official discourse that one's individual

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<sup>255</sup> (Jankowiak 2004, p. 193)

<sup>256</sup> (Carrillo 2008, p.110)

<sup>257</sup> (Hong 2004, p.24)

<sup>258</sup> (Bian 1994, p. 51)

<sup>259</sup> (Hanser 2002a, p.194)

<sup>260</sup> (Hoffman 2010; Gries 2004)

<sup>261</sup> (Hoffman 2010, p.10)

identity is defined by patriotism.<sup>262</sup> The findings of my research suggest that my informants first and foremost viewed engagement with social problems and national development as beneficial for individual self-development, because through such projects they could earn other people's recognition (获得别人的认可). Xu Shun explained why he planned to open a restaurant focused on healthy and safe food: "Being an entrepreneur, one also has to show consideration for other people. I believe only entrepreneurs who do this will gain the recognition of society and other people". During the fieldwork, we met several times, and on a number of occasions, he brought up his concern about food safety and pollution and how his project aimed to make Chinese people become healthy (获得健康). At the same time, he kept looking for new trends in society, and a few months later, he told me that he had grasped another opportunity. Now he was talking more about the vast market opportunities for leisure activities in China. His focus had shifted from societal concerns to a more explicit focus on market opportunities. This is not to say that his commitment to food safety was not genuine, but his concern for China's development was embedded in his self-development project. Through projects that benefit the nation, some of the informants were seeking to earn respect. This finding is reinforced by Carrillo's argument that private entrepreneurs need to show a certain degree of social responsibility to gain social status.<sup>263</sup> Besides, such projects are necessarily also a response to new market opportunities. Except for technology-related projects, food safety and healthfulness were by far the most popular concepts for projects among my informants.

In line with this finding, Liu Fengshu found that young people wanted party membership not because of their loyalty to the party, but because they considered party membership beneficial for personal development in present China.<sup>264</sup> The individualization process is characterized by disembedding from social constraints, including traditions and social groups such as family, kinship and community. Yan argues that the importance of traditions and collectives has changed, as they now may serve as resources for the individual.<sup>265</sup> In his study of Chinese villagers, he found that there has been a change in priority from ancestors and the

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<sup>262</sup> (Kleinman et al. 2011, p.9)

<sup>263</sup> (Carrillo 2008, p.110)

<sup>264</sup> (Liu 2008, p. 204)

<sup>265</sup> (Yan 2010b, p.4)

collective interest of the kin group to the individual and his or her interests. Kinship was evoked and respected only when it was beneficial for the individual villagers.<sup>266</sup>

The primacy of the individual's interest versus the collective was clearly evident in Xu Shun's answer on how to succeed as an entrepreneur: "The key to success is to make your own dream become everybody's dream" (你要把自己的梦变成大家的梦, 才能成功). Although such an approach to the market may be necessary for entrepreneurs to succeed, such expressions are new in China. This is not only because the private sector in China did not develop before the 1980s, but also because he explicitly places individual goals and desires over collective goals. Moreover, his comment also demonstrates how some of the informants adopted the official rhetoric, but in their own way. The government encourages people to pursue individual dreams within the framework of developing the nation. Hence, the individual's dream is intended to serve as a tool to achieve the dream of the nation, not the other way around. While Hoffman noted that her informants harboured patriotic considerations in their career goals,<sup>267</sup> Xu Shun expressed concern for the nation as long as it benefitted his individual goal.

That young entrepreneurs are mainly motivated by individualistic factors is also confirmed by a survey among student entrepreneurs which showed that the majority aimed to realize their own value, become a boss and earn more money, while only 4,3 percent aimed to make a contribution to the country or society.<sup>268</sup> Several of my informants also expressed that they were working to achieve collective goals of societal development mainly because this benefitted their personal goals; as one informant stated, "Making a difference in society constitutes the highest level of self-realization". In her work on volunteering among Chinese youth, Rolandsen argues that the increasing participation in volunteer work should not be reduced to the pursuit of personal benefits but also may be interpreted as a response to the collective experience of social fragmentation and social inequality.<sup>269</sup> She concludes that her informants were motivated by the opportunity to be part of a collective where they also could do something for society. Some of my informant's narratives also could be interpreted in similar terms, such as that of Wu Qiang, a leader of an entrepreneurship team, who said that

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<sup>266</sup> (Yan 2009, p.xxvi)

<sup>267</sup> (Hoffman 2010, p.97)

<sup>268</sup> (Chuan et al. 2011, p.29)

<sup>269</sup> (Rolandsen 2008, p.158)

because he had started from a very low level himself, he wanted to help other people in the same situation. However, later in the interview, he explained that to realize your own value, it was not sufficient to merely improve your own life; you had to help other people realize a better life as well. The most important consideration was how many persons you had helped (最重要的是你帮助多少人).

Additionally, these remarks suggest a belief in an individual's value being reflected in his or her contribution to society. Jankowiak, in his research on occupational prestige, argued that whether an occupation is beneficial for the nation's well-being has become an important factor when assessing an occupation's value.<sup>270</sup> In her research of Harbin entrepreneurs in 1997-2001, Hsu argued that people distinguished between three categories of entrepreneurs—namely, *getihu* referring mainly to peddlers; true entrepreneurs or businesspeople, who had offices; and cadres, who were the leaders of privatized state enterprises.<sup>271</sup> She found that only those labelled “true entrepreneurs” were respected, because they had higher levels of quality, suggesting the emergence of *suzhi*<sup>272</sup> discourse.<sup>273</sup> *Getihu*, on the other hand, lacked education and thus did not have *suzhi* and did not contribute to China's development.<sup>274</sup> Consequently, Hsu argues that the “true entrepreneurs” earned respect based on their contribution to the collective.<sup>275</sup> Several of my informants stressed that they started a company not just for the sake of money but to make a difference. One informant remarked that I should be aware of the fact that many entrepreneurs would claim that they wanted to do something for society only because they felt this was the correct answer. He did not believe that some aspired to make a contribution to society when they could not afford to live a good life themselves. According to this informant, material wealth alone is not enough to earn social recognition.

### 6.3 Self-development over stability

Hanser's study of young professionals demonstrated that many tended to shift jobs regularly to gain new experience and moreover that they often saw job stability as an obstacle to

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<sup>270</sup> (Jankowiak 2004, p. 199)

<sup>271</sup> (Hsu 2006, p. 8-9)

<sup>272</sup> Suzhi can be translated as human quality

<sup>273</sup> (Hsu 2006, p. 20)

<sup>274</sup> (Hsu 2006, p. 28)

<sup>275</sup> (Hsu 2006, p. 35)

reaching their full potential.<sup>276</sup> This was a view supported by my informants. It was not difficult to find a job, but to find a *satisfying* job where one could develop oneself. For the same reasons, many were not willing to work in the public sector. As one informant answered, when I asked if he would accept a job offer from a public enterprise: “I have had a chance to work in the public sector, but I don’t want to, it doesn’t suit me. It is too easy. When things are too easy, you will feel there are no challenges, and your abilities will gradually drop”. Having experience in entrepreneurship, on the other hand, was believed to make one much more attractive in the labour market. As an entrepreneur, one learns how to think and act as a boss, not simply performing some specific tasks like employees do. One informant said:

I have nothing to lose. If I fail, I’ll just go back to my previous job. In China we believe that an entrepreneur who has failed has learned a lot; he will sum up his experience and find out why he didn’t make it. The next time, he won’t make the same mistakes. That’s why many companies are inclined to hire people with entrepreneurial experiences.

According to Beck, the individualization process forces people to become active, creative and faster in order to survive.<sup>277</sup> The felt need for self-development is therefore often linked to the need to become more competitive in the market economy.<sup>278</sup> Then it becomes much clearer why several of the informants claimed that they enjoyed the uncertainty involved in the entrepreneurship process. Uncertainty meant that they had to keep developing themselves; if not, they would lose out. Stability would make their abilities stagnate, and many informants expressed that they needed more challenges than their previous or current job could offer them. In their research on job satisfaction in urban China, Nielsen and Smyth claim that younger and higher-educated persons are less concerned about job stability, as they are much better off with marketization.<sup>279</sup> However, my study concurs with Hanser’s findings that young Chinese individuals are less concerned about stability because fiercer competition in a rapidly modernizing society requires them to work harder to achieve the life they aspire for.<sup>280</sup>

By contrast, 36-year-old Wang Jian who held a master’s degree in finance and had been working in the same industry for the last 10 years felt there was too much pressure at work,

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<sup>276</sup> (Hanser 2002a, p.195)

<sup>277</sup> (Beck and Beck-Gernsheim 2002, loc.743)

<sup>278</sup> (Yan 2010a, p.502; Hoffman 2010, p. 85)

<sup>279</sup> (Nielsen and Smyth 2008, p.1933)

<sup>280</sup> (Hanser 2002a, p.195-196)

and she was therefore seeking a less stressful job. Entrepreneurship was also a means by which some individuals attempted to reduce stress or do something they loved to do (想做自己热爱的东西). Almost all of the informants who explained reasons like these for venturing into entrepreneurship were women. They were often unsatisfied with previous jobs for other reasons than men, who complained about low salary and a lack of challenges and opportunities for self-development.

#### **6.4 To create something on your own**

Several of the male informants, especially those engaged in TMT product creation, claimed that they were striving to gain influence (想有影响力). A team I interviewed said that they hoped to become as big and influential as Alibaba<sup>281</sup> or Facebook. Attracted primarily not by economic profits but by the potential to change how people live their lives, Chen Zhang, a 29-year-old informant, said that such achievements reflected on his own abilities. This again would earn him recognition, and he would feel a sense of accomplishment (成就感).

Together with two acquaintances, he had developed a social media platform aimed at small and medium-sized enterprises. He explained that this product had the potential to make an impact on all sorts of industries because they all use social media tools in their daily operations. After two years of market research and perfection of the product, his team was now ready to start promoting the product. That he defined success as his ability to stand out among others became even more apparent when he revealed that he had received an offer from Alibaba, about the same time as he decided to join the team. He rejected the offer because he would rather be an entrepreneur, explaining that working for a company like Alibaba would certainly make him very attractive on the labour market but that, still, to become the person he wanted to be, he had to keep develop himself through the means of entrepreneurship. Chen Zhang's case does seem extraordinary, firstly because he, like many of the other informants, pointed out Jack Ma, (as previously mentioned, the founder of Alibaba group) as an entrepreneurial role model. Second, according to a recent survey on China's ideal employers, Alibaba ranks among the most popular workplaces.<sup>282</sup> Chen Zhang explained his decision saying:

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<sup>281</sup> Alibaba is a group of e-commerce businesses founded by Jack Ma. The three main sites are: Taobao, Tmall and Alibaba.com.

<sup>282</sup> (Universum 2014)

At Alibaba I would have been a product manager, perhaps by now you would have seen one of my products, but I'd rather start my own business. If I had accepted that offer, I would certainly have learned a lot. Actually my position wouldn't have been very high, and to get a promotion is not easy, because all your colleagues are also very talented (非常优秀). But I could have stayed there for a few years. Working for such a great big company, your experience is not the same as others'. At the time you leave, your starting point is much higher. Although I received this good offer, I chose to become an entrepreneur, because there was no right or wrong decision.

While most informants seemed to support the findings of Hoffman's and Hanser's studies<sup>283</sup> that maintain that young professionals emphasize the potential for self-development and utilizing their skills when deciding upon a job, this was not sufficient for Chen Zhang. Apparently, he considered the job he was offered to be quite good, but the potential to stand out seemed to be better for an entrepreneur. I followed up by asking how his friends reacted when he told them that he turned down this good offer:

They did not say anything in particular; my friends can also work for Alibaba if they want to. If I want to work for Alibaba now, I can also do that. It is all about what you want to do (只是愿不愿意去而已). After all, with our work experience and abilities, gaining entrance into such companies is not a problem.

According to Chen Zhang, he and his friends did not have a hard time getting the best jobs in the market. Their choosing an entrepreneurial career over these jobs, may suggest that there are some young people who value more the opportunity to create something on their own, which they also can gain recognition from, more than a good job with potential for developing one's skills and a stable income. Li Jian, a 30-year-old PhD student in medicine, to a certain degree confirmed this:

As a job it is definitely very good (作为一份工作来说, 他绝对是一份非常好的工作); I work only three days a week while my colleagues work six days a week. But this job is too far away from my goal. I admit that doctors are among the best paid in China, but there are few opportunities for being innovative. When you are a doctor, your development depends on the entire medical environment. I don't dislike that place, because it has given me a lot. It gave me stability for a few years, so I could marry and have a child. But the job doesn't suit me. However, if I choose to end my entrepreneurial career, I still hope I can come back to this job.

Though Li Jian revealed that he missed opportunities for development in his current job, he also said that he would return to it if he chose to end his entrepreneurial project. This may indicate that he was dissatisfied with the opportunities within the industry he was working in, and that he believed there to be no better jobs for him on the market. Thus, starting up his own business appeared to be his only choice. Chen Zhang's case in this sense proves more extraordinary, as he chose an entrepreneurial career over a job he considered to offer great

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<sup>283</sup> (Hoffman 2010, p.84; Hanser 2002a, p.196)

potential for development. Both, however, chose instability over stability and jobs most young Chinese can only dream of, in order to create something on their own.

Desires of becoming influential, gaining recognition, creating something on their own and in other ways realizing one's own value are all personal desires, which stand in stark contrast to the prereform work mentality, where personal desires had to be subjugated to the interests of the collective. In Maoist China, skills were obtained not for the development of individuals' careers "but for the improved performance of the organization or the fulfilment of political objectives of the central or local party leaders".<sup>284</sup> However, despite public expectations of putting collective interests above individual ones, government distribution of jobs and educational opportunities during high socialism were also, to a certain degree, characterized by competition. At that time, virtocratic criteria of commitment to the political ideology were the dominant criteria of job distribution; still, students learned to be highly calculative when engaging in self-criticism and evaluating one another's political performance.<sup>285</sup> With the market reforms of the 1980s, meritocracy was again re-established as the dominant assessment system of admissions to higher education.<sup>286</sup> Nan Lin and Yanjie Bian argued that political virtue and educational achievements were regarded as two different paths to upward mobility.<sup>287</sup> Hanser argues that political criteria have been eliminated from most hiring processes and that this has generated a strengthened focus on individuals' abilities to compete in an increasingly competitive environment.<sup>288</sup> The emergence of a labour market and a private sector have required and enabled young people to perceive work not merely as their contribution to society or China's economic development but as a field for self-development and autonomy.<sup>289</sup>

Notions of self-development were present in the accounts of all my informants, though to a lesser extent in some. This reflects the diversity among my informants. A comment by a young man who expressed dissatisfaction over his current salary serves as a good example of another type of attitude towards entrepreneurship. When asked if he would stay in his job as a mechanic if the pay were higher, he answered, "Sure, I think many people can change their

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<sup>284</sup> (Davis 1990, p.89)

<sup>285</sup> (Shirk in Hanser 2002a, p.192)

<sup>286</sup> (Bian 1994, p.77)

<sup>287</sup> (Lin and Bian 1991, p.683)

<sup>288</sup> (Hanser 2002a, p.192)

<sup>289</sup> (Hanser 2002a, p.190)



interests for money” (可以啊, 很多人都为了钱可以改变自己的兴趣). While the entrepreneurs at the bottom of the social ladder strive mainly to achieve material wealth, Chen Zhang aimed to see how big his potential was (我要看我的潜力多大) and how far it would take him.

## **6.5 Conclusion**

This chapter has showed that entrepreneurship in China has changed from being a last resort for people that could not get jobs in the public sector to becoming the main occupational choice for some young individuals seeking to realize their own value. Through discussing one of the main motives for becoming an entrepreneur among my informants, the opportunity to realize one's own value, this chapter has showed that the decision to become an entrepreneur is highly individualistic. Working to achieve collective goals was often motivated by individual profits, which indicates that the collective may now serve as a resource for the individual. Entrepreneurship was also considered a means by which one made oneself more attractive in the labour market. Another finding of this chapter is that some informants attached more importance to creating something on their own than to job stability, high salary and potential for development. Thus, choosing an entrepreneurial career is for some people not only about improving their life chances or developing personal skills to improve their marketability in a competitive labour market, but also about choosing a career that satisfies individual needs of self-fulfilment.

## 7 Conclusion

The concluding remarks of this thesis will assess the validity of the hypothesis put forth in the introduction: Today's young Chinese choose to become entrepreneurs as a response to institutional changes, whereby they are forced to assume more responsibility for their own lives. This will also help me answer the research questions: Why do young people choose to become entrepreneurs in today's China? How do nascent entrepreneurs perceive their own situation in a society undergoing broad economic and social changes?

By analysing the promotion of entrepreneurial activities as part of China's state-managed individualization process, we see primarily a changing relationship between the individual and the party-state, which calls on individuals to assume more responsibility for their own lives as well as for the nation through creating employment opportunities and contributing to economic growth. The social security of lifetime employment during high socialism before the 1980s has been replaced by expectations of individual initiative and self-reliance. Individuals in the postreform era are free to choose the career they want, but as Giddens says "We have no choice but to choose".<sup>290</sup> This thesis has showed that in many cases, the career choice in itself is not as free as it appears, especially if one wants to realize security and an improved way of living, increasingly defined in terms of middle-class living. Thus, individual choices have been strengthened, but collective structures like family background still continue to shape life chances. Nevertheless, several of my informants denied that their background had any influence on their chances of succeeding, reflecting that solutions are sought on an individual rather than a collective level.<sup>291</sup>

The current leadership has adopted a rhetoric that blends national development with individual development, hoping that young people will see their careers as a contribution to China's development. A few of my informants did mention entrepreneurs' role in this context, but I did not find that patriotism was embedded in my informants' career choice. By contrast, Lisa Hoffman explains that young professionals have incorporated consideration for national development in their career making. This is not to say that my informants were not patriotic,

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<sup>290</sup> (Giddens 1991, p.81)

<sup>291</sup> (Furlong and Cartmel 1997, p.4)

but based on the interviews, it did not seem that this was a concern they had when actually choosing to become an entrepreneur or settling on a project. Rather, projects that benefited society were explained by some of the informants as a way by which they hoped to gain respect and acknowledgement. Working to achieve collective goals of societal development was therefore a strategy in their self-development project, in which one aim was to achieve recognition.

This finding supports the argument put forth by Yan that along with the individualization of society, which forces people to become active and calculative in order to not fail, there has also been a shift from a collective-oriented ethic to an individual-oriented ethic, leading to individual interests being placed over collective interests.<sup>292</sup> However, taking a look at another collective, namely the family, the situation looks a bit different. My informants often went against their parents' advice when deciding to become entrepreneurs, but this did not indicate that they put individual interests over their family's interests. Decisions were taken individually, but both the individuals' and their family's interests were taken into consideration. Some informants said that through starting a business, they would be able to provide their parents with a better life in their old age, and at the same time, entrepreneurship allowed for personal development in contrast to wage employment, which was believed to restrict personal development. Informants choosing to become entrepreneurs despite having fairly well-paid jobs expressed considerations for family by, for instance setting a time limit for success. When Li Jian, for instance, was asked what he expected to be doing in five years' time, he answered, "In five years I have to make a decision because I already have a family and a child. In five years my child will start school, and I need my salary to cover these expenses. I cannot keep on like this [implying unstable salary]". Feng Hua expressed that his parents' health was a consideration when he chose to become an entrepreneur. Starting up one's own business was a decision where individual needs and desires were balanced with family responsibilities. Individual desires did not override the needs of the collective when it came to the family collective. As Hansen and Pang write, the family collective has changed but remains important, mostly due to the lack of a welfare system.<sup>293</sup>

Another indication of the changing family relationship caused by the individualization process is that my informants had to rely on individually constructed networks in business

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<sup>292</sup> (Yan 2013, p.265)

<sup>293</sup> (Hansen and Pang 2010, p.49)

creation rather than the family's network. This thesis argues that regional mobility and education were factors reinforcing the informants' need to establish their own networks. For instance, my informants stressed the significance of having connections within the industry they were engaged in; hence, they considered work experience essential for nascent entrepreneurs like themselves. Many of the informants talked of social connections as reflective of individual progress and abilities, like one informant, who emphasized the new connections his team had made at entrepreneurship events when talking about the team's great progress over the last year. Others had created big friend circles of budding entrepreneurs who helped each other with practical matters, discussed each other's projects and socialized online and offline. Given that many of my informants' parents were peasants living in other regions, while the entrepreneurs themselves often had pursued higher education, it is not surprising that the informants needed to seek start-up support elsewhere. This finding shows how disembedding from traditions as well as family and social communities, key features of individualization, impel young entrepreneurs to become active and rely on their own efforts.

This thesis has shown that the government's promotion of entrepreneurship is part of the state-managed individualization process that aims to make Chinese individuals more self-reliant. At the same time, the informants seemed to appreciate the opportunities of an entrepreneurial career. Choosing an entrepreneurial career was a strategy by which the informants attempted to deal with uncertainties, but it also provided an opportunity to realize a higher quality of life as well as one's personal value (实现自我价值). Starting up a business is therefore a sign of both objective individualization, as the informants are compelled to do so, and also subjective individualization, as they strive to liberate themselves from previous dissatisfying work conditions, develop personal skills and seek recognition. As a 32-year-old informant said, "Through entrepreneurship I'm able to express my personality (创业能体现出自己的个性)". An entrepreneurial career was the preferred career among my informants and explained in terms of individualistic factors.

For many, self-development is admittedly primarily about increasing one's marketability in the labour market, yet for others it is about self-fulfilment. Therefore, the research data confirms my hypothesis that today's young Chinese choose to become entrepreneurs as a response to institutional changes, whereby they are forced to assume more responsibility for

their own lives, but also adds an important factor: entrepreneurial career decisions, to a large degree, are shaped by individual desires and are part of the individual's identity construction.

This may suggest an increasing individualization of career making, also in the subjective domain, and that individual career making both reflects and contributes to societal processes of individualization. Scholarly research by Lisa Hoffman and Amy Hanser showed that Chinese individuals select jobs based on individualistic criteria, such as the potential to develop one's skills and realize personal value. Both of these studies were conducted in the mid-1990s, which may be a reason why these findings were analysed mainly in terms of adapting to the new labour market and improving individual career prospects.<sup>294</sup> My research, on the other hand, showed that some young entrepreneurs also valued factors not necessarily tied to improvement of life chances and social status, such as the chance to create something on one's own, the chance to have an impact on society, freedom to manage one's own time and work autonomy. Several of my informants even left stable jobs with a high income, some also with good potential for development in those jobs. Choosing to leave such jobs indicates that other factors than a stable income and development of skills were important to them. Still, most of my informants admitted that an entrepreneurial experience would benefit career prospects and that over time one's income would be higher compared to their previous jobs; one informant said, "I'm not seeking material wealth but personal progress, but at the same time I know that my income won't be less than before". This suggests that choosing an entrepreneurial career was not an either-or choice for my informants in contrast to what seemed to be the case for Liu's informants, who chose postgraduate subjects based on socioeconomic returns rather than individual interests.<sup>295</sup>

This thesis therefore concludes that young entrepreneurs are not interested merely in climbing the social ladder and the career ladder, but are also interested in finding a job that satisfies other individual needs. Several surveys on motivational factors affecting entrepreneurial decisions support this finding.<sup>296</sup> However, more research needs to be done to confirm the findings of my thesis.

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<sup>294</sup> (Hanser 2002a, p.193; Hoffman 2010, p.85)

<sup>295</sup> (Liu 2008, p.202)

<sup>296</sup> (Chuan et al. 2011; Pistrui et al. 2001)

# Appendix A: Informants

*These informants are quoted by name in the text:*

Informant	Gender	Age (years)	Educational level	Work experience (Years)	Origin	Project type	Time since start-up (years)
<b>Li Jian</b>	M	30	PhD	3	Rural	Medical	< 1
<b>Chen Zhang</b>	M	30	Master's	7	Rural	TMT	3
<b>Zhou Ke</b>	M	22	High school	3	Urban (Shanghai)	TMT	<1
<b>Feng Hua</b>	M	26	Master's	2	Rural	Taobao	<1
<b>Wang Jian</b>	F	36	Master's	10	Urban	Shop	<1
<b>Ni Ling</b>	F	27	Master's	2	Rural	Shop/Café	<1
<b>Wu Di</b>	M	21	Bachelor's	4 (part- time)	Urban (Shanghai)	Sales	<1
<b>Chen Wei</b>	M	24	Bachelor's	1	Urban (Shanghai)	Sales	<1
<b>Rong Xuan</b>	M	32	PhD	3	Rural	TMT	5
<b>Wen Xi</b>	M	27	Bachelor's	3	Urban	TMT	1,5
<b>Yu Qi</b>	M	26	Bachelor's	4	Rural	Taobao	<1
<b>Wu Qiang</b>	M	25	Bachelor's	2	Rural	Sales	1
<b>Zhang Jiang</b>	M	22	Bachelor's	<1	Rural	TMT	1
<b>Xu Shun</b>	M	26	Bachelor's	5	Rural	Restaurant	1
<b>Chen Bin</b>	F	27	Bachelor's	1	Urban	Café	<1

< = Less than

Urban (Include cities, suburbs and towns)

TMT (Technology, media and telecommunications)

*These informants are not quoted by name in the text:*

<b>Informant</b>	<b>Gender</b>	<b>Age (years)</b>	<b>Educational level</b>	<b>Work experience (Years)</b>	<b>Origin</b>	<b>Project type</b>	<b>Time since start-up (years)</b>
<b>Zhi Ze</b>	M	28	Bachelor's	7	Rural	Leisure	1
<b>Xiao Yu</b>	F	34	Master's	2	Rural	TMT	5
<b>Yuan Hang</b>	M	30	Bachelor's	4	Urban	Café	2
<b>Jing Su</b>	F	34	Master's	7	Rural	TMT	3
<b>Bao Zhi</b>	M	36	Master's	6	Rural	TMT	3
<b>Yu Feng</b>	M	25	Master's	3	Urban	TMT	1
<b>Qi Zheng</b>	M	36	Bachelor's	14	Rural	TMT	2
<b>An Gao</b>	M	36	Middle school	3	Rural	Leisure	10
<b>Dan Hong</b>	F	30	Master's	4	Urban	Café	<1
<b>Bo Chan</b>	M	27	Bachelor's	3	Rural	Education	<1
<b>Wen Wu</b>	M	31	Bachelor's	7	Rural	TMT	2
<b>Hong Tao</b>	M	32	Bachelor's	4	Urban (Shanghai)	Leisure	2
<b>Jian Bai</b>	M	35	High school	2	Urban	TMT	12
<b>Ming Jian</b>	M	26	Bachelor's	2	Rural	TMT	2
<b>Li Cheng</b>	M	30	Bachelor's	6	Rural	TMT	2
<b>Zheng Hao</b>	M	28	Bachelor's	4	Rural	TMT	2

## Appendix B: Interview guide

1. How old are you?  
你多大?
2. Where do you come from?  
你来自哪里?
3. Can you tell me a bit about your family background? What are your parents doing for a living?  
能不能说一下你家庭背景? 你父母做什么样的工作?
4. What is your major?  
你的专业是什么?
5. When did you graduate?  
什么时候毕业?
6. Have you had other jobs after you graduated? How many years of work experience do you have?  
毕业以后有没有去打工 / 上班? 你有几年的工作经验?
7. How is the labour market at the moment?  
目前的就业市场怎么样?
8. Why did you choose to leave your previous job?  
你为什么选择离开那份工作?
9. Why did you want to become an entrepreneur?  
你为什么要选择创业?
10. What is an entrepreneur?  
什么叫创业者?
11. When did you start thinking of becoming an entrepreneur and why?  
你什么时候开始想到选择创业这条路? 为什么?
12. Who is your entrepreneurial role model? Why?  
谁是你创业的榜样? 他哪一点值得学习?
13. What do you think young Chinese entrepreneurs have in common?  
你觉得中国青年创业者有什么共同点?
14. How many of your friends are entrepreneurs?  
你朋友中有几个创业者



15. What will a career as an entrepreneur give you? What is the biggest difference between being a wage employee and an entrepreneur?  
创业生涯会给你带来什么？和打工 / 上班比最大的区别是什么？
16. Can you tell me a bit about your project? Why did you choose this industry?  
能不能说一下你的项目？为什么选择这个行业呢？
17. When did you start this project? Are you a first-time entrepreneur?  
你什么时候开始这个项目？这是你第一次创业吗？
18. How did you come up with this project?  
你是怎么想出来这个项目的？
19. (If he/she is part of an entrepreneurship team) Can you tell me about your entrepreneurship team? How did you meet each other?  
可以说一下你的团队吗？你们几个是怎么认识的？
20. What does one need to start one's own business?  
创业需要什么？
21. What are your main challenges at the moment? How will you overcome these difficulties?  
你目前最主要的挑战是什么？你怎么去克服这些困难？
22. Can you estimate the success rate for your project? Please explain.  
你能否估计你的成功率？请解释一下原因。
23. What is the difference between those who succeed and those who fail?  
成功者和失败者有什么不同？
24. Are social connections (guanxi) important? Why?  
关系重要吗？为什么？
25. Does family background influence one's chances of succeeding?  
你觉得家庭背景对创业成功有影响吗？
26. In your opinion, what is a good job? Why?  
对于你来说什么样的工作才是一份好工作？为什么？
27. Do you want to change anything by becoming an entrepreneur?  
你想通过创业改变什么吗？
28. Where do you see yourself in five years?  
你五年后干吗？
29. What kind of life do you want to live in the future?  
你以后想过什么样的生活？

30. How would you define success?  
你对成功的定义是什么？
31. How do other people view entrepreneurs? How did your parents and friends react when you told them that you wanted to become an entrepreneur?  
别人怎么看待创业者？ 当你告诉你父母 / 朋友你要创业时他们是什么反应？
32. What do you know about the preferential policies towards entrepreneurs?  
关于创业者的优惠政策你了解多少？
33. How do you profit from attending entrepreneurship events?  
参加创业活动主要的收获是什么？

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