The Role of Culture, History and Institutional Policies on Entrepreneurial Development: The Case of China as an Emerging Economy

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Abstract
The purpose of this paper is to examine the role of culture, history and institutional policies on Chinese entrepreneurial development. We have employed the documentary research approach in highlighting the concept of entrepreneurial development in relation to Chinese history, culture and institutional policies and this forms the basis of our deductions and conclusion. The results uncovered indicate that historical events and cultural values are important in determining the size and shape of entrepreneurship. In addition, institutional policies if properly utilized can act as a buffer in this relationship.

Keywords- Culture, History, Entrepreneurship Development, Emerging Economy.

Introduction
The shocking emergence of China as a giant in the global manufacturing and exporting sector coupled with its current status as a superpower in the economic and financial enclaves of the world has drawn the attention of economic and developmental analysts both in the academic sector, government units and industries. As admitted by IMF (2016) China is now the world's second largest economy and the world's largest exporter. Most observers have attributed this growth primarily to large, state-owned companies. However, Zhou (2012) differs on this by pointing that China's 42 million small and medium enterprises (SMEs) have played a very important role in the growth of its economy in 2009 alone, SMEs contributed to 58.5% of GDP, 50% of tax revenues, 68% of exports, and 75% of new employment. This view was supported by a report from China National Bureau of Statistics which indicated that in 1978, the state sector accounted for over 90% of the country's GDP but by 2005, this had fallen to less than half of this figure. In addition, Wu (2006) maintained that understanding the

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entrepreneurship in China's context is the key to interpreting China's economic miracle. He did this by pointing that one of the important features of China's economic transformation, among other things, is the growth of the non-state or private sector.

The growing significance of small and medium-sized enterprises (SMEs) in China's economy is hard to ignore in that Chinese and foreign experts have estimated that SMEs are now responsible for about 60% of China's industrial output and employ about 75% of the workforce in China's cities and towns. Private business is the fastest-growing sector of China's economy, expanding at an annual rate of 20 percent, far above the 9.5 percent average growth of the national economy over the past two decades (China Bureau of Statistics, 2014). The private sector employs millions of people laid off from failing state factories and contributes an increasing proportion of taxes to government revenue.

According to the Global Entrepreneurship Monitor (2014) nearly 25% of the adult populations are entrepreneurs, twice as many as in the United States working with limited resources and against intense competition, which has been a source of motivation for them to channel their creativity and naturally given potentials for the enhancement of the country's unprecedented growth. As argued by Zhang, Zhang, Rozelle, & Boucher (2006) since the late 1990s, China's entrepreneurs have been the key driver of growth. They are the creators of the de novo firms that are forming a dynamic and innovative private sector an essential force in any developing country.

The submission by Erskine (2003) indicates that the cultural value being held by an individual determines his entrepreneurial spirit and willingness to risk and experience failure which is vital to innovation. Thus, we find it an area worthy of research to have a clearer understanding of the vital links that exists between the practice of entrepreneurship and the predominant cultural values in the Chinese society. In other words, how is the cultural orientation among its Citizens related to their entrepreneurial development? Similarly, since the concept of past history, (defined in this study as the notable historical events that characterizes a country) has been identified by Easley (2009) as having a link with both present and future entrepreneurial development, we argue and present a case that these two factors (culture, history) are determinants of entrepreneurship development and that institutional policies would act as a moderator in this relationship.

The paper is basically divided into five sections: the first section introduces and discusses the subject matter of the paper, the second section focuses on the evolvement of Chinese entrepreneurship practices and the role of their past history and national culture. It goes further to present institutional policies as a moderating variable and also presents a theoretical background to support some ideas that were raised. The third section discusses the
methodology and research approach adopted while fourth and fifth sections focused on the discussion, conclusion and recommendations respectively.

Literature Review

**History, Institutional Policies and Chinese Entrepreneurship Development**

According to Liao & Sohmen (2001) entrepreneurship is the process that takes place, causing changes in the economic system through innovations brought about by individuals who generate or respond to economic opportunities that create value for both these individuals and the society. They went on to differentiate between entrepreneurial management, which they claim may take place in the context of large established organizations, and entrepreneurship in terms of starting and running one's own business, with a higher degree of risk and independence. There is a large consensus that every Chinese person wants to be his own boss. For instance a report from Fortune Magazine indicated that Private business is the fastest-growing sector of China's economy, expanding at an annual rate of 20 percent. Further it is indicated that the private sector employs millions of people laid off from failing state factories and contributes an increasing proportion of taxes to government revenue.

In the late 1970s and early 1980s China forced through a series of liberalizing reforms that could be characterized as aimed at building social capital. By social capital, we mean creating an enabling environment which will aid in the productive use of available infrastructure, and educated workforce. This social capital as observed by Liao & Sohmen (2001) includes productive incentive structures, robust and efficient legal systems with predictable enforcement, financial systems that allocate capital productively, limited political and elite interference in the wealth-creation process, limited rent seeking, clarity and ease in the ability to create businesses, or otherwise create economic value for society.

Thus, by eliminating laws that severely constrained the ability of Chinese to behave productively; these reforms unleashed an explosion of economic activity that generated tremendous wealth creation. It became legal, for example, for Chinese to produce and sell as individuals, not just through the state-controlled collectives or organizations. In addition, a limited number of farmers were allowed to keep anything they produced above some quota which resulted into motivation on the part of the farmers and this led to a double yield in agricultural products. With the introduction of China for Modernizations in 1978, the new premier, Deng Xiaoping soon extended the popular reforms to households, so that small businesses could supply much-needed local goods; these reforms created an impetus for the rapid development of township and village enterprises (TVE), many of which were, in actuality, private companies owned by local governments (Huang, 2008).
Culture, Institutional Policies and Chinese Entrepreneurship Development

According to Paul and Steve (1998) culture is the sum total of a way of life, including such things as expected behaviour, beliefs, values, language, and living practices shared by members of a society. As posited by Murimbika & Urban (2013) enduring national characteristics which can be termed as a product of national culture have been predicted to have an impact on the level of entrepreneurship activity. In their view, if the practice of entrepreneurship is not given an appropriate recognition in the culture of a particular country, then not only will this be translated to criminality and corruption, but also, will make other forms of economic encouragements ineffective. As emphasized by Reynolds, Bygrave et al (2002) substantial variation exists in entrepreneurial activity between countries, with cultural and social norms emphasized as the major strength and weakness of entrepreneurial support structures. As observed by Hofstede (2000) there is a consensus among a growing body of literature that national culture influences a variety of economic/management behaviour (Hofstede, 1980) including that of entrepreneurial practices (McGrath, Mac-Millan & Scheinberg, 1992).

The Chinese culture is one of the oldest and most complex cultures in the world. Moreso, this culture has been influenced by China's long history and by its diverse ethnic groups whose customs and traditions could vary greatly between towns, cities and provinces. Despite all of its regional diversity, the Chinese culture is dominated by the Confucian value system (Lam, Paltie & Shannon, 1994). According to Guo (2009) Confucianism is a Chinese ethical and philosophical system that focuses on human morality and good deeds and has been the ethical and philosophical system in China since its foundation by Confucius 2000 years ago. It is a complex system of moral, social behaviour, political, philosophical and quasi-religious thought that has had tremendous influence on the culture and history of China (Guo, 2009). It exhorts all people to strive for being a perfect gentleman and be humaneness to all people. According to Luo & Chen (1996) Confucianism is embedded in people's behavior and business culture in China in that many Chinese business people attach great importance to cultivating, maintaining, and developing personal relationship (guanxi) before doing business.

In the opinion of Staatz (2011) in order to have a better understanding of the historical roots of what has affected China entrepreneurship, it is imperative to consider its philosophical and practical foundations. In their opinion one of these is Confucianism which has been at the core of Chinese beliefs and lifestyle for millennia. As argued by Charles (2007) while Confucius was not directing his advice to business organizations; his core teachings manifest themselves today in the business managerial practices of the Chinese. In contrary to the position of Weber (1964) who admitted that Confucianism, which is the cultural cornerstone in all Chinese communities worldwide, is fundamentally hostile to entrepreneurship as a result of its
emphasis on learning for careers in government bureaucracies, condemnation of pure profit-seeking as well as advocates for group orientation. In addition to conformity and respect for authority, the submission by Liao & Sohmen (2001) posits that “following the success of the East Asian countries, though, largely driven by a diaspora of overseas Chinese entrepreneurs, opinions are beginning to shift in support of Confucian values of persistence, diligence, thrift, and the family as key supporting factors for entrepreneurial development”. In the same vein, Shen (2013) observed that a Confucian culture could effectively guide entrepreneurs to find a balance between yi and li, and promote the development of economy and society. In addition, Young & Corzine (2004) stressed that Confucian values and ideals have appeared to be linked to business and management in different aspects while the submission by Rudnicki (1998) posits that Confucian sages of Ancient China behaved as businessmen because they were frequently engaged in political, military, or administrative activities, and tried to seek position, power as well as property at proper times. Thus, these divergent views have attracted the interest of researchers with the aim of unravelling the true nature of the relationship between the two constructs. In this particular study, the core values of Confucianism are highlighted with a view to examine the nature of their influence on the concept of entrepreneurship development in China.

Collectivism/Individualism

According to House, Javidan, Hanges, & Dorfman (2002) group collectivism measures the degree to which individuals express pride, loyalty and cohesiveness in their groups and families. In relation to the ability to innovate, which is one of the major indices for entrepreneurial achievement, Barnett (1953) postulates a positive correlation between the individualism of a society and its innovative potentials. He contended that when compared to the collectivist society, individualistic society values more freedom, which is necessary for creativity. Further, Shane (2002) share similar opinion by admitting that the psychological characteristics of independence, achievement, and nonconformity, all of which have been found to encourage innovation, are more common in individualistic societies.

Divergently, Hayton et al. (2002) argued that the empirical evidence for such relationship is weak and contradictory. For instance McGrath and Mac-Milla (1992) surveyed over 700 entrepreneurs in nine countries and found that regardless of difference in individualistic/collective orientation, they had some common traits, such as being innovative, proactive, and aggressive. Similarly, Thomas and Mueller (2000) inquired into people's perceptions of entrepreneurs' four traits: innovativeness, locus of control, risk-taking propensity, and energy level across different cultures. In consistent with the earlier findings by McGrath & McMillen, no cultural difference exists with regards to perceptions of entrepreneurs' innovativeness.

By looking at entrepreneurship from a broader perspective, some authors have argued that a
collectivist orientation is negatively related to entrepreneurship practices. For instance, Hayton et al. (2002) posits that the act of venturing into entrepreneurship is an activity of enterprising individuals who are individually and not collectively rewarded. Similarly, Shane et al. (1995) posits that entrepreneurship involves taking personal and not collective risk to achieve success which implies that seasoned entrepreneurs are expected to act alone without the influence of group or family members. However, Zhao et al. (2010) reasoned and pointed that collectivism helps entrepreneurship because collectivistic societies provide more social support and resources either at the government level, or group level. They insisted that families in collectivist societies tend to be more helpful in providing the needed resources for one's entrepreneurial endeavours in addition to the needed social security in the event that things do not work out, which in turn, aids in entrepreneurial engagement through the self efficacy that is required of a potential entrepreneur to venture into new start-up. At the firm level, it is argued that collectivist orientations fosters commitment and sacrifice amongst employees and thus reduces turnover and churn rate. In addition, Zhao, Frese, & Giardini (2010) maintains that in high collectivistic societies, people depend heavily on their special personal relationships, and social networks, for instance Guanxi in the context of China, which paves the way for the much needed connections and interpersonal relationship that is crucial for entrepreneurial success. From this, it is our contention that the collective orientation of China might have aided in its entrepreneurship development through a combination of various firm level, societal level and institutional level policies. The reason for this contention can be traced to two major reasons: 1) at the firm level and societal level, the needed unity and cooperation (Guanxi) that is needed to achieve a desirable development in entrepreneurial practices in the face of entrepreneurship averse collectivist orientation is enjoyed by most Chinese. 2) At the institutional policies level, we place emphasis on the paramount role that national policy framework play in making provisions for entrepreneurial supported infrastructures. For instance it has been pointed that the Chinese thrive in this regard due to the availability of those modern infrastructures that could aid in entrepreneurial development (Tan, 2005)

High Power Distance
As argued by Wu (2012) High-power distance cultures prefer centralized hierarchical structure whereas low-power distance culture prefers decentralized hierarchical structure. According to Shane (2002) the greater a society stresses a social hierarchy, the less the innate inventiveness, that society tends to be. Also, Paul & Steve (1998) concurred that as innovation is change and hierarchies tend to minimize change, hence the two elements are mutually exclusive. In a related view by Hayton et al. (2002) entrepreneurial activity should be higher in low power distance countries. By consolidating on this, Zhao et al. (2010) stressed that since the concept of inequality is mainly emphasized in high power distance societies, it is difficult for potential entrepreneurs of low power groups to have access to the resources, skills and business information that is needed to take advantage of profitable business opportunities.
which in turn reduces the number of high growth and high innovation entrepreneurs in such societies (Kirzner, 1997). The implication of this is that the majority of lower classed Chinese might fail to achieve a high success in entrepreneurial ventures as a result of emphasis on power distance.

Contrastingly, Hayton & Cacciotti (2014) presents their own view and insist that high power distance can have a positive impact on entrepreneurial behaviour in that since the construct is associated with respect for power and position, coupled with the fact that the only way perceived by most societies as a means of securing these is to become an entrepreneur, people are thus, motivated to become entrepreneurs with the intention of securing honour and power in the society. By drawing inference from this, it can be pointed that since China is a largely high power distance society which has respect and honour for people in important position, and with the realization that success in entrepreneurship might serve as a platform through which an honourable position can be attained, such realization might have not just served as a source of motivation for many ambitious Chinese to become an entrepreneur but also, to achieve great success in this career line.

Thrift/long Term Orientation
Thrift is another core value associated with Confucianism. It emphasizes saving, self restraint and frugality as posited by Wu (2012), this value system still has heavy impacts on modern Chinese minds. He pointed that modesty and self restraint were highly praised virtues in traditional China hence one can attribute this to the reason why the personal saving of Chinese keep breaking world record. In relation to entrepreneurial activity, it is reasonable to assume that the ability of an individual to restrain himself from spending on unproductive venture by saving for long term prospects might positively impact his entrepreneurial activities. For instance, to exploit a promising entrepreneurial opportunity, an appropriate financial capability is required. Hence, if a potential entrepreneur who is currently engaged in the public sector, can save over a period, his ability to engage in future private enterprise set-up will tend to increase with the amount of his savings. Similarly, an individual that is currently engaged in entrepreneurial venture will have a better means of expanding his venture through modest spending and ability to save hence we conclude that thrift, as a main component of the Confucian value system, in conjunction with an institutional framework, which makes sure that the whole Chinese financial sectors is government owned, thereby ensuring absolute security of deposits has fostered an improvement in savings (Zhao and Pira, 2003) thereby contributing to the development of entrepreneurship in Chinese society.

Harmony
Kinman (2010) posited that a harmonious society is a society that is democratic and ruled by law, fair and just, trustworthy and fraternal, full of vitality, stable and orderly, and maintains
harmony between man and nature. This concept of harmony which was introduced by President Hu Jintao in 2005, and has since then, been enshrined in the country's institutional policy framework, as a vision for the country's future socio-economic development has its root in the Chinese ancient Confucianism. According to Wu (2012) Harmony focuses on rules and regulations. He noted that everyone in the network has to obey the rules to keep relationships in order. Here, superiors enjoy fixed priority. Change and chaos are seen as unwelcome factors which may destroy the harmony and order. In addition, openness to change and innovation, willingness to take risk, comfort-ability with ambiguity and chaos, which are paramount to innovation and entrepreneurship development, are discouraged. However, the act of confrontation is substituted for cooperation which as suggested by Wu (2012) brings success and wealth. He further argued that only with harmony, concord, peace, concerted effort, and moderation can things succeed in cooperation, union, integration, and fusion, which in turn results in wealth, efficiency, and power.

The pronouncement by Huang (2008) also affirmed that the promotion of harmony that can defeat the enemy without waging conflict and that in today's act of management, is that as the key to business success. Here, our conclusion is that while a harmonious society might be such that militate against the creative and inventive capability of its citizens, the concept can also be said to be inevitable in general business management. For instance it can aid in unity and cooperation among relevant stakeholders: suppliers, producers, customers, and the within the organizational settings, a harmonious society will prevent confrontation between the management and employees which can lead to absence of industrial unrest.

**Uncertainty Avoidance**
Knight (1921) argued that Entrepreneurs have to recognize opportunities in the face of uncertainty. Hofstede (1980) also positioned that people in high uncertainty avoidant countries are threatened by new and unpredictable future situations. While previous studies for instance Yanling and Qing (2009) partly supports the notion that Chinese cultural values have a negative effect on low uncertainty avoidance, Ying (2000) also compared the 71 core Chinese cultural values with Hofstede's four cultural dimensions and argued that those core values reflects high uncertainty avoidance. In other words, Confucianism is deemed to promote high uncertainty behaviour. This is equally supported by (House, Javidan, Hanges, & Dorfman 2002) who agreed that members of an uncertainty avoidance cultures tend to avoid uncertainty by compliance on social norms, rituals, and bureaucratic practices to alleviate the unpredictability of future events all of which are major characteristics of Confucianism. According to Hayton et al. (2002) they also indulge in formalized interaction, documentation and planning, as well as resistance to risk, change and new product development which may suggest that high uncertainty avoidant countries have little support for entrepreneurship. By reasoning along this line, we propose that the value of uncertainty avoidance which has been
highlighted as a component of Confucianism is an attribute which can pose a limitation to the development of entrepreneurship in China.

Nonetheless, the recent study by Wennekers, Thurik, Van Stel, & Noorderhaven (2007) uncovered that uncertainty avoidance is positively related to the prevalence of business ownership across countries. Reason given for this being that entrepreneurial employees are discriminated against by the formal structure of organizations in uncertainty avoidance societies and are therefore pushed into entrepreneurship practices. In addition to this, Zhao et al. (2010) reasoned and concluded that high uncertainty avoidance implies long-term planning, environmental scanning, the prediction of future developments, and contingencies formulation which addresses the uncertainties associated with business venturing. For instance, a high uncertainty entrepreneur might make more accurate forecast, reduce business loss and indulge in intense research and development program which will aid in emergence of qualitative products.

**Familism**

Wu & Tseng (1985) stressed that familism is an essential feature of Chinese culture. By familism, Lau (1982) pointed that family interests are placed above those of individuals, of society, and of other groups within it, as argued by Wang (2012), this cultural value has manifested itself in Chinese society by subduing the autonomy need of individuals. In addition, he reflected that such manifestation can be seen in the predominance of family managed businesses in typical Chinese societies. Under familism, less emphasis is placed on children's expression of opinions, independence, self-mastery, creativity, and all-round personal development (Ho, 1986). According to Wang (2012) under this cultural orientation, children are discouraged from being proactive and must rely on laid down rules and procedure in the family. Hence, since proactively has been described by McGrath & MacMilla (1992) as one of the key attribute of entrepreneurs, then one can conclude that the concept of familism in this context impedes on entrepreneurship. Also, it may result in nepotism whereby unqualified human talents are made to occupy positions as a result of their membership of family whereas talented people are out of favour. In addition to all these is management succession problem which has been posited by the Economist (2011) as repeatedly accompanied by family battles that jeopardizes the sustainable development of the business.

Divergently, it is equally reasonable to argue that familism would help in the promotion of entrepreneurship as a result of its emphasis on the management and ownership of business by the family. For instance the financial and material resource for business start up is expected to be provided by the family thereby lessening burden of making such provision by an independent individual. Second, since the ownership of entrepreneurial venture belongs to the family, while family members equally constitutes the labor force in the venture, this
arrangement eliminates the risk of employing untrustworthy partners while equally ensuring commitment and dedication among employees in the firm. In addition, family members are likely to be more interested in the future growth of the organization as against placing emphasis on short term financial benefits (Wang, 2012). Thus, all these must have equally contributed to the growth and development of the enterprise in China.

Theoretical Background

Three lines of theoretical orientations: 1) national culture - personal values- entrepreneurial behaviour” model which is largely rooted in psychological literature and assumes that culture, which is also a product of history has a direct manifestation in the behaviour of people belonging to a specific culture (Hofstede, 1980). 2) The culture- institutional theory which assumes that culture, as informal institution, is the basis of formal institution (North, 2005) and 3) Williamson (2000) four level of social analysis theory which posits that factors such as culture, religion, risk tendencies, institutions, policies are to be considered when meting out justice to factors that may lead to international differences in the entrepreneurial process and outcome of start-up (Begley & Tan, 2001), shall serve as the theoretical background for this study.

In the former, it is assumed that culture exerts influence on the personal values of individuals and their behaviors which imply that national culture can support or impede entrepreneurial behaviour at the individual level (Hayton et al, 2002). In other words, culture indicates the degree to which a society considers entrepreneurial behaviors such as risk-taking, growth-orientation, innovativeness, opportunity recognition and exploitation to be desirable (Zhao, Li & Rauch, 2010). Under this theory, five dimension of culture were identified by Hofstede (2001) these five dimensions are uncertainty avoidance, individualism, masculinity, power distance and long term orientation. Cultures that promote uncertainty avoidance favors orderliness in their organizations, institutions and personal relations, and will always prefer well-anticipated events as against the people in low uncertainty avoidance cultures who are more likely to exhibit less cautiousness, and indulge more in risky business activities thereby leading to more entrepreneurial activities (Yeboah, 2014). According to Hofstede (2001) individualistic cultures lay emphases on self-centeredness and mostly focus on individual goals all of which fosters the needed creativity for entrepreneurship activities. Also, the individuals in highly masculine societies are assertive and behave in an ostentatious manner and they set high performance standards and act vigorously to achieve these standards (Yeboah, 2014). He added that cultures with a low masculinity exhibit contrasting tendencies by placing emphases on social relationships, cordial organizational climates and job security thereby serving as a limit to their entrepreneurial exploit. Moreso, for the individuals in high power distance culture, Kreiser et al (2001) pointed that they have the tendency to exhibit an unequal distribution of power, strong hierarchies and control mechanisms which impedes
their ability for creativity and innovation while a culture high in long term orientation take a more pragmatic approach, encourage thrift and saving as a way to prepare for the future (Hofstede, 2001).

The culture institutional theory assumes that culture acts as a determinant of formal institutions to some degree in a long run, and vice versa. Hence, countries whose culture is entrepreneurship supportive is likely to formulate institutional policies such as free and competitive market, clear private property protection, open and innovative education system and so on, which, in turn, will produce more entrepreneurial activities, while nations, whose institutional policies are formulated to promote entrepreneurial activities will have an entrepreneurship supported business environment, which will henceforth serve as a source of motivation for citizens to engage in entrepreneurial activities and consequently, a national cultural orientation that is entrepreneurial driven.

Lastly Williamson (2000) four interconnected level of social analysis theory is an attempt at providing a conceptual framework to classify the various perspectives on why different countries wind up with different economic outcomes and industrial structures. The first level, which was classified as social embeddedness level concentrate on the influence of culture and religion by decrying that these two are major determinant of national entrepreneurial outcome. The second level, which was termed the institutional environment, maintains that

**Moderator Variable**

**Fig 1:** Framework showing the proposed relationship between (cultural values, historical background) on one side, and entrepreneurial development on the other side with institutional policies serving as a framework.

**Source:** Author (based on the Review of Literature).
Methodology/Approach
Based on the subject in focus in this study and the nature of data available, we employed the use of documentary research approach in highlighting the concept of entrepreneurial development in China taking into consideration, its historical background and cultural values. Specifically, we generated qualitative data from entrepreneurship literature while equally making inference from relevant theories to form the basis of our deductions and conclusion.

Discussion/Conclusion
The study examined the contribution of cultural values and history in the development of entrepreneurship in China. It was uncovered that after the Cultural Revolution which proceeds years of communist rule, entrepreneurship activities among Chinese both home and abroad has witnessed a tremendous upsurge and evolutionary changes. Three schools of thought regarding the contribution of Confucianism (which constitutes the core of Chinese cultural value system) were identified from the review of literature: pro-Confucianism, anti-Confucianism and contingency school of thought.

First the anti-Confucianism school of thought insists that the core value of Confucianism is fundamentally hostile to entrepreneurial practices and that it is responsible for Chinese backwardness most especially before the Cultural Revolution. It went further to emphasize that such attributes of Confucianism as collectivism, high power distance, high uncertainty and being absolutely dependent on the family and social groups impedes on creativity, innovation and entrepreneurship breakthrough. In addition it emphasized that since Confucianism is associated with traditionalism which in turn kill the entrepreneurial potential of a society, then, Confucianism has negatively contributed to Chinese entrepreneurship.

The second school of thought pointed that rather than positioning Confucianism as an impediment to the entrepreneurship process in China, the development of modern enterprise in the country can be traced to its national value system which is rooted in Confucianism. It reasoned that a collectivist culture can promote social network, necessary family and financial supports which will result in a reduction of fear of risk associated with start-up and hence an increase in the number of entrepreneurship ventures. It further emphasized that since morality and honesty are core attributes of Confucianism while at the same time, ensuring transparency and trust among business partners, hence such is likely to result in a significant business breakthrough for them. Also, a high power distance culture might encourage its citizens to indulge in entrepreneurship practices due to his perception that this route offers the ladder to higher social status and position while thrift will encourage long term orientation and the financial saving that is necessary for business start-up.

The third school of thought, described in this study as the contingent school of thought posits that depending on the situation, the values enshrined in Confucianism can impact positively or
negatively on entrepreneurial practices. Put in another way, based on the social, political, economic and technological circumstance, Confucianism will tend to promote or impede on entrepreneurship. For instance regardless of the assumed negative effect of Confucianism on entrepreneurship, the heavy spending by Chinese government to boost technology and industrialization in recent times have given Chinese people access to new product development, and an increase in entrepreneurship practices. In addition, the liberalization of the Chinese market by the government, which has ensured the influx of western culture have positively impacted on the mindset of Chinese men and women, including their love for money and other material possessions. Seeing the great window being offered by entrepreneurship as a means of achieving these feats, they have consequently refocused their mental energies on those values of Confucianism which they perceives can aid in the development of entrepreneurial practices. Thus, modern day Chinese enterprises have been able to combine traditional Confucian values with modern day management principles to achieve entrepreneurial success. This is in line with the contribution by Shen & Yuan (2013) who identified Confucian entrepreneurs by stating that Confucius' disciple CiDuanmu (520456BC), YuanshanJing (18411903) and Ka-shingLi (1928) are known as Confucian entrepreneurs, with good education applying their knowledge as well as moral precepts to managing business and exploring opportunities and challenges in the commercial field. Overall, it is our conclusion that the value of Confucianism which has previously been perceived as an impediment to Chinese entrepreneurship development is becoming increasingly popular as a tool for modern days breakthrough in entrepreneurial practices.

Generally, we conclude that entrepreneurship is part dependence: historical events and cultural values are important in determining the shape and size of entrepreneurship. However, the role of formal institutional policies cannot be ignored in this regard in that it can serve as a buffer in the relationship.

**Implications**

The findings of this study is in support of the social psychological theory which posits that culture, which is a product of history, has a direct manifestation in the behavior of people within a specific location by influencing the personal values of these people and their behaviors including those geared towards entrepreneurial ventures. Hence, nations, whose principal objective is to enhance the entrepreneurship output of its citizens can, achieve this feat by focusing on national re-orientation geared towards attitudinal change among its citizens. For instance if the culture that supports and lead to entrepreneurship breakthrough such as risk taking, diligence, perseverance, honesty, innovativeness, opportunity recognition and prudence is inculcated into individuals, such might likely be translated into a national culture and an increase in entrepreneurial output.

Second, our findings also lay credence to the institutional theory by North (2005) which assumes that culture, as informal institution, is the basis of formal institution, and vice versa.
This implies that the former has an effect on the later to some degree in a long run, and vice versa. For instance the institutional reforms that characterized the post Cultural Revolution in China aided significantly in re-defining and re-interpreting the cultural values that is embedded in ancient Chinese Confucianism. With the provision of necessary infrastructures and favorable policies (market liberalization) that could aid in entrepreneurial development, the majority of Chinese that were previously involved in the non-lucrative former sector of the government were propelled to utilize their erstwhile innate entrepreneurial supported cultural value in propelling China to a status of entrepreneurial excellence. Put in another way, nation can foster the act of entrepreneurial practices among its citizens by directing its institutional policies towards the enhancement of the social, economic and legal framework which have been highlighted as promoters of entrepreneurship activities.

Third, the effectiveness of societal culture and history in promoting the act of entrepreneurship is dependent on the peculiar circumstance of such society. For instance if the history and national culture of a nation is not in supportive of entrepreneurship practices, such situation can be influenced by manipulating the relevant social, political, economic and technological policies to effect necessary changes vice versa.

Suggestion for further Study
The study relied on qualitative data from secondary sources and thus falls short of evidences that are empirically proven. Hence, further study must be conducted in an empirical atmosphere to verify these findings

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