

Chinese Returnee Entrepreneurs: The Essential Human Capital for a Chinese Innovative State

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Abstract: Do Chinese entrepreneurs, who have gained academic and/or professional experience abroad, develop different commercial or technology strategies compared to their competitors? Are they a real enrichment to the Chinese industrial sector? Within a single country - China- we can distinguish two different populations of biotech enterprises: one set up and led by returnees (the majority of whom have been to the USA), the other by "mainland" Chinese entrepreneurs. Returnees are defined as "migrant entrepreneurs" who have left their country of origin for a certain period to then return to it. They have been exposed to an occidental culture (mainly North American and European) and have benefited from an enrichment of their human capital by means of research visits or research fellowships at the best universities worldwide. In our study we compare the technological and product positioning of the two populations of enterprises. We distinguish between the enterprises positioned in mature market segments (who exploit already existing commercial opportunities) and those positioned in emerging market segments, which explore new opportunities. For the present paper we collected data on the Chinese biotech sector. We studied 19 returnees' societies and 23 "mainland Chinese" societies. Based on this sample, we test the influence of the head manager status (returnee/ or not) on the intensity of their companies' innovative behaviour. The results show that the firms managed by returnees are more strongly positioned in emerging markets compared to the firms that are managed by mainland Chinese. We conclude that returnees in the Chinese biotech sector contribute to the diversification of the markets on which the Chinese industry is positioned and to its technological catching-up towards US standards.

Keywords: innovativeness / human capital / china / entrepreneurship / biotechnology / international mobility
