



# **Entrepreneurship Development India and China**



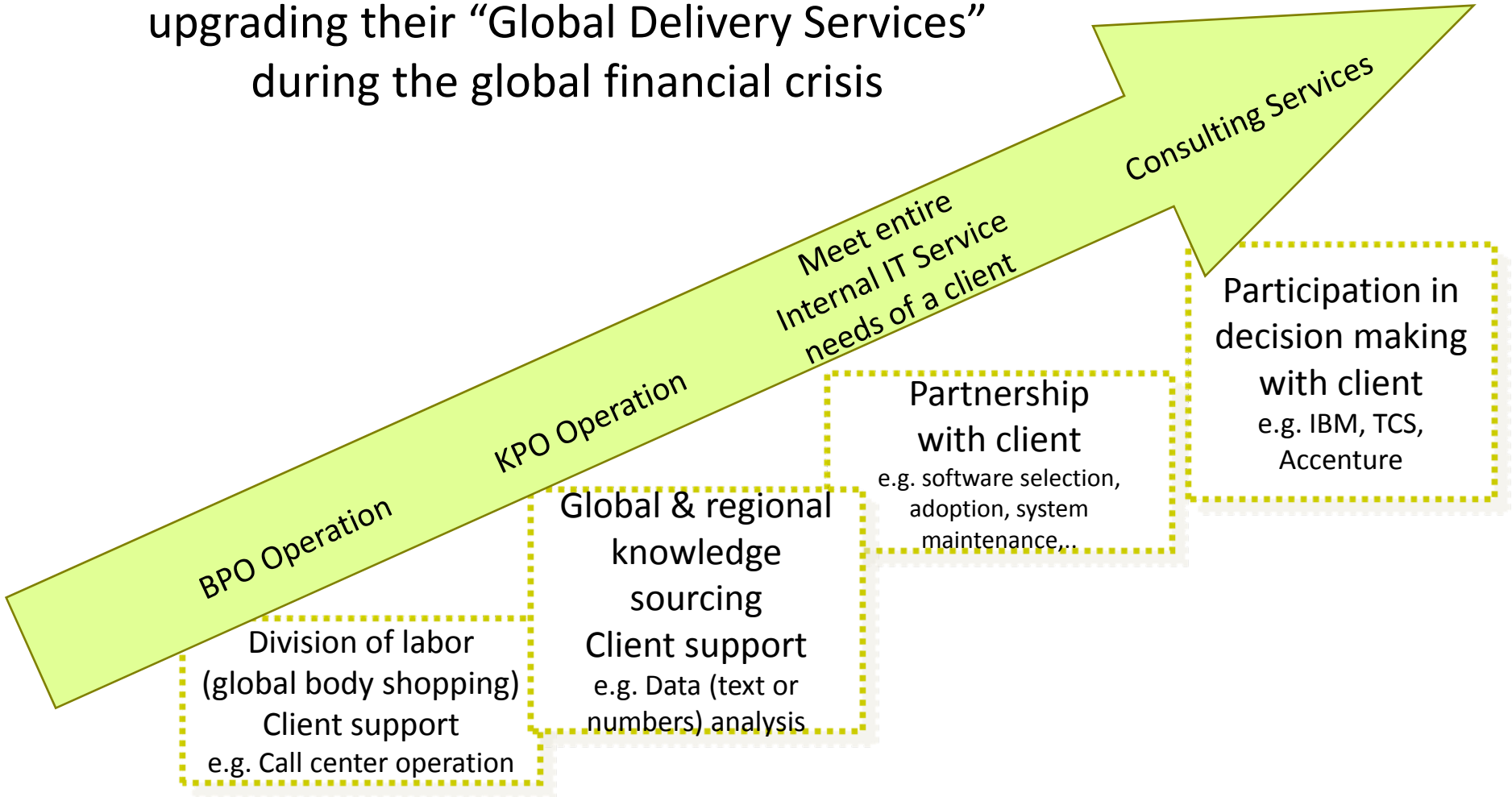
**Xiaohong He, Ph.D.**

**Professor of International Business**

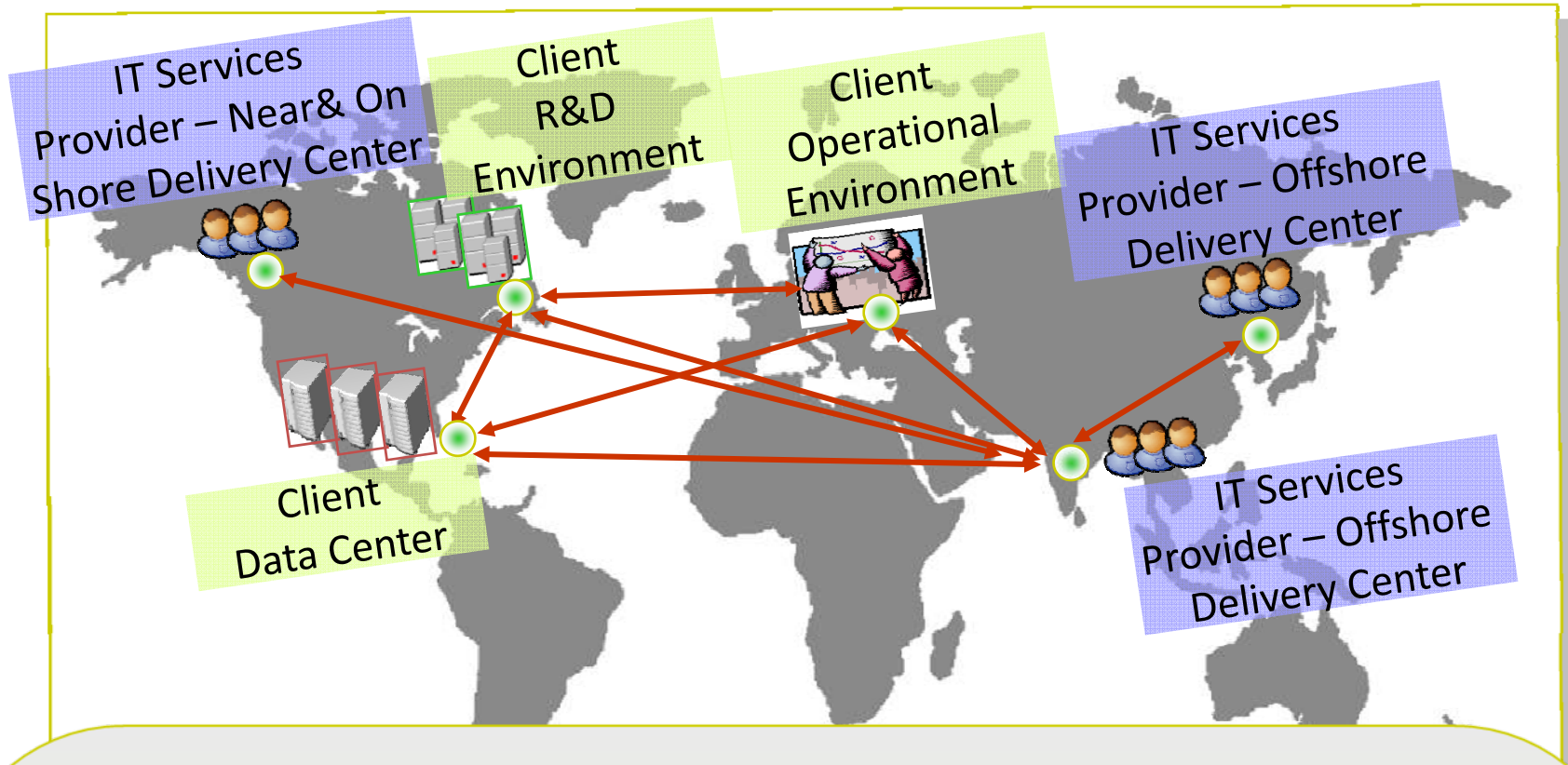
**School of Business**

**Quinnipiac University**

India – “born global” entrepreneurs  
in Bangalore and Hyderabad IT clusters are actively  
upgrading their “Global Delivery Services”  
during the global financial crisis



# Model of Global Service Delivery



- Multi-shore delivery locations
- Focus on Cost, Efficiency & Quality
- Service support up grading

Today, India accounts for  
2/3<sup>rd</sup> of Global IT Sourcing





## Issues:

- Can India develop led by its IT industry?
- How can entrepreneurship bring the scalable benefit to a large group of people in countries like India & China?





# Inspiring Development

- Social entrepreneurial venture capital development by India IT entrepreneurs
- Social entrepreneurship with innovation, efficiency, speed, quality, and sustainability

# Entrepreneurial approach to fight poverty & illiteracy

**India: literacy rate:  
65% (female 54%)**





# Deshpande Foundation

“Social Entrepreneurial VC Group”







# Akshaya Patra

Aim: Unlimited food for education

Vision: No child shall be deprived of education because of hunger.



# Case: Akshaya Patra Hubli operation

- Every year, 2.5 million children die in India, accounting for one in five deaths in the world. More than half of these deaths could be prevented if children were well nourished.
- The operation provides 180,000 school children at 40 miles radius with nutritious lunch at a cost of Rs 6 per meal (market price Rs 15-20 )
- 425 people operation (including 25 managerial staff)

# Akshaya Patra Kitchen at Hubli





# ISO 22000:2005 Certification

## Provide 180000 lunches per day at Hubli



The total number of deaths among children under five has declined below ten million, to 9.7 million (2006)



# China: Grass root entrepreneurship which led millions for a better life

- Datang sock manufacturing cluster(大唐袜业)  
A world class socks capital born from a rural village
- Huaxi Village (华西村)  
An entrepreneurial village with a capitalistic approach but a socialistic mindset



# Datang Sock Industry (大唐袜业)







# The World Socks' Capital

- 1988 Two villages with about 800 population and covers 1.3 km<sup>2</sup>
- 2007 Become the biggest world sock manufacturing cluster which is made of 130 villages with about 10,000 households and 53.8 km<sup>2</sup>,
  - 9,050 firms (120 firms with sales larger than ¥5m)
  - Employ 220,000 (¥1500-1800/mo.)
  - Produce 15b pairs/year, 70% export to 100+ countries
  - Vertical integration, 121,163 sock waving machines (55,473 digital & computerized)
  - Top 8-10 national brands and 3 MNCs



**Ms. Hong Dong-ying**  
**From a village school teacher**  
**to the president of Dania**  
**Corporation and Chairwoman**  
**of the biggest World Socks**  
**Association**





A entrepreneurial village with a capitalistic approach but a socialistic mindset Entrepreneurial village

天下第一村





# An entrepreneurial village

- 1980s A village of 80 households and 0.98 km<sup>2</sup> land
- 2008 A conglomerate covers five industries of agriculture, industry (steel & textile, financial), commerce (Huaxi brands of soy sauce, wine, shirt, department store complex), construction, & tourism.
- Expand to 20 villages with 35,000 population and 35km<sup>2</sup>
- Though there is no billionaire, but everyone in the village is rich



One person became rich is not rich till the entire village becomes rich.  
One village became rich is not rich till the entire country becomes rich.

By Wu Renbao (the village party secretary)





## An entrepreneurial dream for everyone!

- Each household in Huaxi village has savings ranging from min. ¥1m+ (**\$150,000**) to max. ¥10m (earned from three sources-- according to what you contributed, what you entitled, and investment earnings)
- Each household has ranging from **one house & one car** to **one house & three cars**
- “Socialism— defined as a happy life for everyone in the village”
  - Wealthy: carpet upstairs and hard floor downstairs with running water and no umbrella needed in raining days.
  - Happy: harmony within a family, with neighbors, with village cadres and other villagers .
  - Healthy: nutritious food, take good care of elders and children collectively, variety entertainments after work.



Covered corridor



# Entertainment







## Huaxin Agricultural operation









# Industry

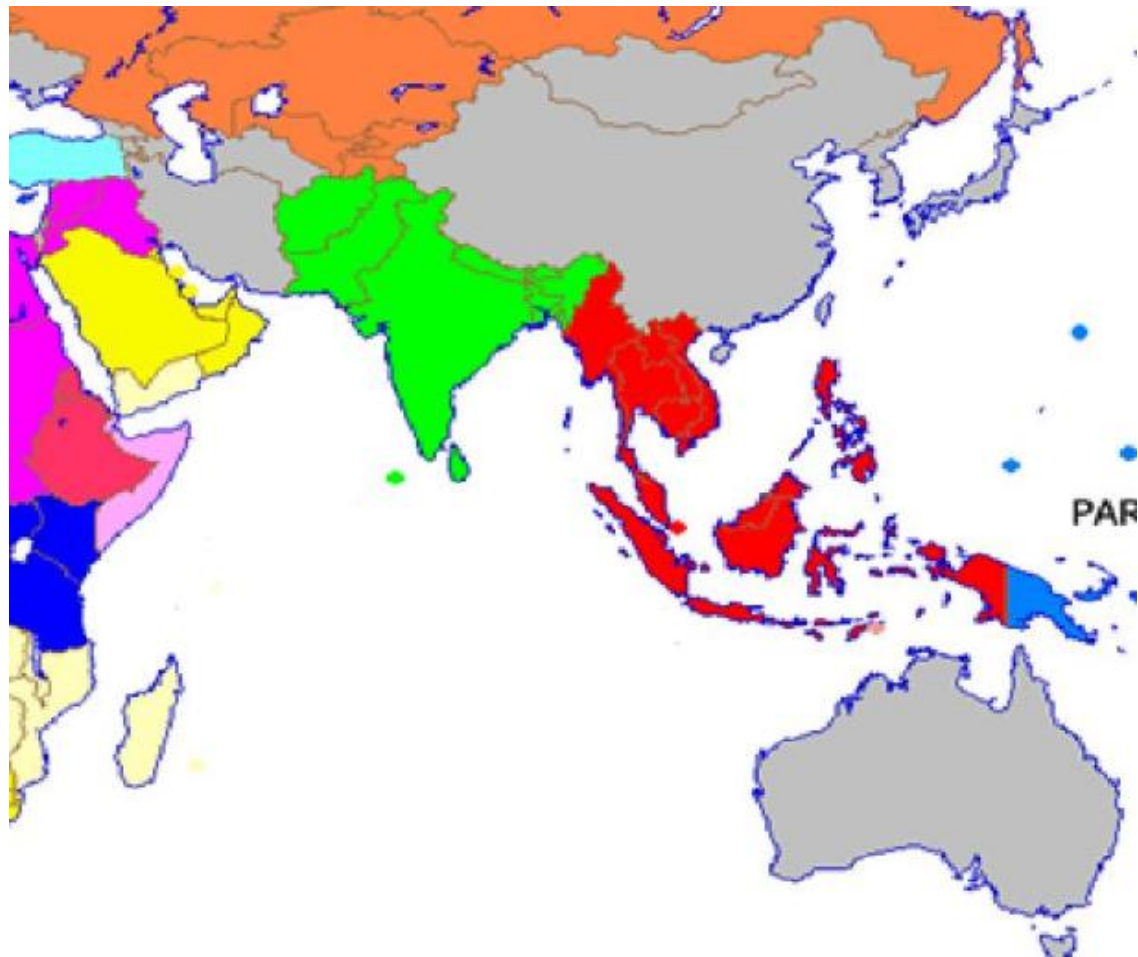






**2001 the first village to  
receive ISO 14001  
International Environment  
Quality System**

# Questions?







# The World Socks' Capital

- 1988 A small town of two villages with about 800 population, 1.3 km<sup>2</sup>, GDP ¥100m
- 2007 Become the biggest world sock manufacturing cluster which is made of 130 villages with about 10,000 households, 53.8 km<sup>2</sup>, GDP ¥32.8 b (328 times in 20 years)
  - 9,050 firms (120 firms with sales larger than ¥5m)
  - Employ 220,000 (¥1500-1800/mo.)
  - Produce 15b pairs/year, sell to 100+ countries, 1/3 world market
  - Vertical integration, 121,163 sock waving machines (55,473 digital & computerized)
  - Top 8-10 national brands and 3 MNCs