

# Foreword

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Entrepreneurship and talent are hot topics these days. Entrepreneurs play a major role in job creation, technology transfer, and the fostering of human talent. Governments at various levels, from the central to the local, need them to promote new products, improve the country or the city's economic structure and strengthen the economy overall. Most important, in today's global competition for status and power, where economic creativity and development have replaced military weaponry as a driver of global influence, developing and developed states alike are seeking to create the proper environments or 'hot house' for entrepreneurial development.

But why does entrepreneurship thrive in some localities but not in others? What are the key components that create the type of environment in which entrepreneurial talent can best thrive? Countries around the world want to build their own Silicon Valley, which seems to have developed an ideal environment that attracts and develops entrepreneurial firms, who then themselves form networks that reach out and create firms back in their home countries. But why do some places – particularly in East Asia, such as mainland China, Korea or Taiwan, or countries such as India and Israel – succeed where others have failed? What about the entrepreneurial environment in countries in Europe, such as Italy, France and Germany? Can these countries replicate the success in the US, Taiwan and Mainland China? And what can China learn from them?

The external environment may not be the only reason such firms succeed. An entrepreneurial firm's internal management structure, the role it assigns to family members, or the proper mix of homegrown and international talent, can all influence the firm's success. My own work in China and India has shown that entrepreneurs today who have studied overseas utilize technology from abroad to enhance their firm's comparative advantage back home. Similarly, external relations within their home country, such as the links to suppliers, universities and research institutes, multinational corporations or global networks are important explanations of firm success. These links may also be an important reason for entrepreneurs to

again go abroad and move their firms to third countries where they find the right talent for further evolution.

These are critical questions for scholars, government officials, urban planners, practitioners and perhaps for the entrepreneurs themselves. Their careers may depend on finding the right answers and their city's future may depend on them being able to create a conducive environment that can attract entrepreneurs and talent.

And answering these questions is the goal of the editors of this volume. This volume finds its strength in the background of its two editors. Huiyao Wang is one of the very top specialists in the world on China's reverse migration. I have known Dr. Wang for ten years and have watched how he has developed a treasure trove of research materials on returned talent to China. This book is just one more piece in the larger mosaic of his contributions to the study of returnees. As a talented management scholar and researcher, Dr. Yipeng Liu has also begun to carve out a niche for himself in the study of returned entrepreneurs and management science.

Together they have put together a team of writers who address China's experience and its implications for the world and for China's development, as well as the world's experience in developing entrepreneurship and its implications for China's efforts. The editors also seek to explain the criteria of Chinese firms that have decided to go overseas, the role of networks in this process and even the role of diasporic communities in helping young Chinese study abroad. As a scholar of overseas entrepreneurs, I am very thankful for their efforts.

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