Footloose and Fancy-Free: Sojourning Entrepreneurs in China

Abstract

Currently, China presents business opportunities for foreign entrepreneurs. Based on a number of cases, we argue that these ‘sojourning entrepreneurs’ can be characterized as goal driven and looking for worldwide business opportunities, who have the ability to establish and operate new business ventures in a foreign country which is characterized by a high psychic distance and is not necessarily as developed as the home country. They have the ability to overcome the liability of foreignness, without integrating in the host society, and without becoming part of the local culture and the ability to engage both networks in the home country and in the host country to further the entrepreneurial venture in the host country. Their behavior is further characterized by temporality. None of the entrepreneurs view the venture as their life’s work or seek to continue managing the venture over a long period of time. Moreover, all of them consider themselves as foreigners and have no intention to settle permanently in China. It is argued that the sojourning entrepreneurs are likely to hail from small countries that invest in high tech industries such as Israel.

By encouraging sojourning entrepreneurs to establish their businesses in China, while maintaining their business contacts and relationships in their home countries, new technology hubs are established, which eventually create more technology based activities and opportunities for local entrepreneurs as well as for well-established international companies. This phenomenon in turn, will allow China to catch up and become technologically advanced, creating new, innovative products and services which can, subsequently be exported to other countries.