

Research on Sino-Thai Incubator Corporation in the Background of B&R

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Abstract: The article mainly uses qualitative research methods to sort out the policies of the Thai government to foster and promote international investment in new Venture and Entrepreneurship. Based on the theory of international trade investment, the paper puts forward the suggestion of international cooperation construction of incubator.

1. Introduction

B&R strategy has brought new development opportunities to China and countries along the routes. The connotation will be the unity of the market, capital, talents, resources and so on. It will bring new opportunities for the development of both sides.

As a main member of ASEAN, Thailand has become the bridge which can help china and ASEAN to have a good communication. This paper studies the current situation of Thai entrepreneurship, and find out the lack of VC and entrepreneurship culture, the disadvantage of research in entrepreneurship. The development for the education of entrepreneurship is also in a low speed. As the foundation of entrepreneurship, the incubator construction, is not mature. The current situation of entrepreneurship in Thailand provides a new opportunity for china to launch international entrepreneurship cooperation, especially, in the incubator.

2. Incubator Development in China and Thailand

Incubator as the integration of social resources, guidance of entrepreneurial behavior, improving innovation ability, hatching new enterprise service providers, is the main service platform for entrepreneurial resource, which is also a main infrastructure for improving regional or national innovation ability and the new enterprise incubation. For a regional or national economic development, whether can effectively organize marketing resources, guide the entrepreneurs to seize new business opportunities, has become a sign of era leadership for the region or country.

Since the establishment of China's first incubator in 1987, by 2018, China had 11,808 incubators of all kinds, ranking first in the country (MOST, 2012). According to the research of Zhenfeng Ge (Ge, 2018) that the development of Chinese incubator showed a turning point in 2015, after 10 years of development from 2006 to 2015, for the first time there has been a decline in Numbers. Meanwhile, business model iterations of the incubator are starting to accelerate, And began to focus on resource integration and incubation activities in the vertical domain, and the trend of networking and industrialization was clearer. At the same time, competition has intensified in China's incubator investment market and a number of incubators have failed. The supply of incubators has already been overdone, and It is urgent to seek new space for market development.

In recent years, in order to better meet the needs of various types of new business incubation, Chinese incubator investment has begun to break into market segments. It is an irreversible trend that the incubator is driven from government policy tools to market driven by government. AS competition intensifies, the incubation cycle of the incubator is growing faster, and faster (Sean & David, 2004).

Thailand free economic policies for many years, steady economic growth. Social and economic development has provided a favorable market environment for the establishment of new enterprises in Thailand. From the perspective of regional and regional economic cooperation, Thailand is an important window for Chinese enterprises to enter the ASEAN market. (Shepherd & Wilson, 2008)

The study found that low trade barriers (including tariffs) are the advantages of ASEAN integration, and the level of trade facilitation between countries has a positive effect on the development of trade and commerce. (Kong & Dong, 2015) The conclusion of the measurement of trade facilitation in One Belt And One Road countries is that trade facilitation has the greatest effect on international trade (Chen, 2011). This paper points out that the main obstacle to the integration of SINO-ASEAN service trade through empirical analysis is the restriction of service trade which is one of the obstacles to the integration of China and ASEAN. Under the CAFTA framework, Chinese investors can enter the ASEAN market with lower costs by opening new enterprises in Thailand. And they also can use local resources and policies effectively to find new opportunities for entrepreneurship.

SEMs play an important role in Thai society, contributing over 99% of GDP and solving 78 percent of the country's employment (OECD, 2016). The truth is that entrepreneurial activity is more active in Thailand, but the vast majority of Thais believe that entrepreneurs are businessmen and they really don't emphasize the intrinsic meaning of entrepreneurial behavior. And the government does not offer strong support policies for entrepreneurs, also does not concern business infrastructure. For example, the low support and the construction in the incubators makes the low specialization in entrepreneurial field. On the other hand, the Thai government has given foreign investors more preferential policies to attract foreign investors to participate in its industrial upgrading and transformation. For example, taxes on foreign-invested enterprises are limited to 20 percent or less.

3. The mode of Incubator cooperation & construction

As the important part of promote the development of entrepreneurship in a region, incubators gather resource that including information, innovation, technology and talent together, which is a prerequisite for the development of the cultivation of new enterprises. The incubator in international cooperation framework can be the base for the new enterprises to enter the other market and can also build seamless connection with local resource. The next step of Chinese incubator development is to broaden the access of incubation resources, strengthen international cooperation and form a strong incubation network.

However, Thailand is still in the initial stage of incubator construction, and it cause the lack of experience in building large incubators in this country. In addition, Thailand's commercial resources and the supporting policies for foreign investors can meet the needs of the next development of Chinese incubator. These have formed the basis for the cooperation between China and Thailand incubators, and also the premise for the two sides to jointly foster new enterprises with international vision. In fact, the difference between the development of Chinese and Thai incubators doesn't lie in the incubation resources and market characteristics, but in the intergenerational difference of incubation development, which means the incubation period is different. According to transnational direct investment theory, any industry can take advantage of this intergenerational difference to carry out industrial transfer or industrial cooperation, and form an extremely poor industrial structure distribution. Therefore, under the CAFTA framework, it is the most convenient cooperation mode in the construction of the incubator. The cooperative principle model of Sion-Thai incubator is shown in Fig. 1.

China as an incubator technology, the main output has the advantage of soft resources such as incubator professional operators, VC or other funds, patent technology and high-quality seed enterprises. The Thai as an incubator construction, they should make good use of the local advantages. Thailand should mainly provide basic incubation resources such as place, property, legal services, policy interpretation, etc. The two sides jointly inject their own advantage resources into the cooperative incubator to form an interconnected incubation resource pool and build a new Incubator-complex for the main body. The main advantage of the new Incubation-complex is to provide a platform for international cooperation between Chinese and Thai new enterprises and promote the exchange of technology, information, capital and personnel. At the same time, the function of education, business model research and policy consultation are also charged.

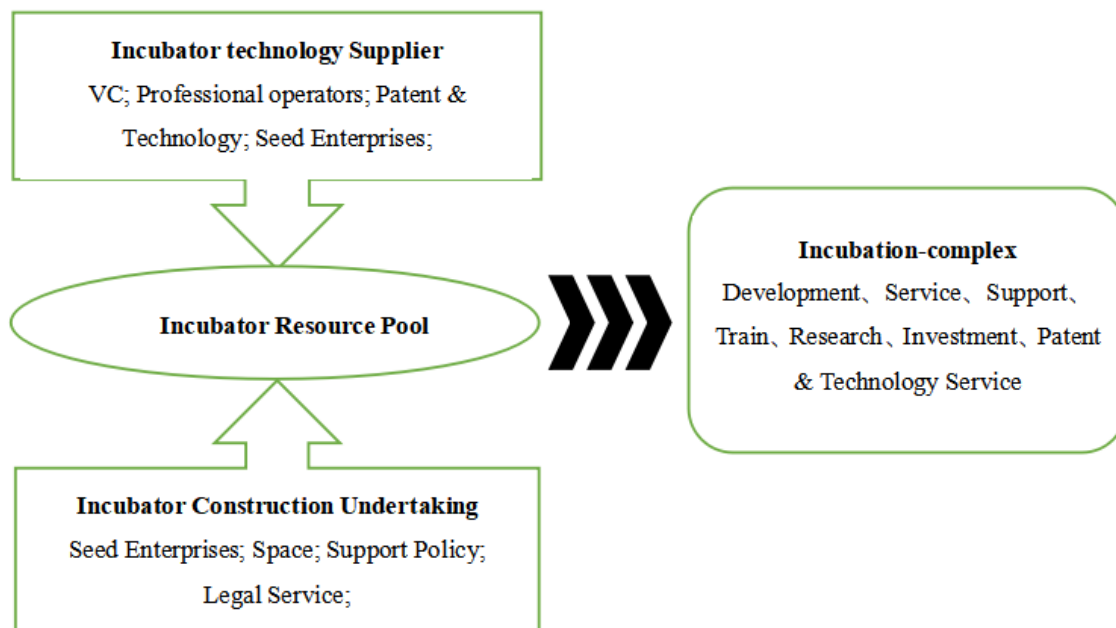


Figure1 The Model Map of Sino-Thai Incubator Cooperation Principle

4. The suggestion of Sino-Thai incubator cooperation

Due to the disparity between the two countries in economy and population, China and Thailand incubator management experience, entrepreneurial activity scale, the number of investment funds, entrepreneurship education level which makes the inequalities in resources, that is, from high density elements of China to the low-density flow in Thailand.

In order to promote the development of bilateral entrepreneurial activities, the activities have to be stepped up and complementarity. The cooperation between China and Thailand incubator should also work together. The recommendations of this study are as follows:

Firstly, try to build incubators through a variety of models. In addition, China can export incubator resources to Thailand. Thai also can make the investment institutions be opened to participate in the construction of Chinese incubators. And jointly undertake the cultivation of international incubator operation talents.

Secondly, the transnational incubation network is formed through the group company model. Set up a head investment fund company, China and Thailand build the incubators construction together, which can make the incubation resources, technology transfer, personnel exchange platform in the same company, and incubation value also can have formed in the enterprise internal circulation.

Thirdly, establish discrepant incubation network with the different policies, resources and technologies of the two countries. Because the different level of development in the incubator, the characteristics of incubation resources are different. At present, the new enterprises established by Thai incubators face a relatively monotonous market environment, while the Chinese market environment is more complex. Therefore, it can form the ladder incubation mode of “Thai basic cultivating-China advance incubating”. That is to improve the development gradient of the new enterprise and help the new enterprises to form the transnational market network as soon as possible.

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