Entrepreneurial environment and economic development

• Singapore case:
  – One success story without much bottom-up entrepreneurship
  – Top down government management
  – Industrial policy
  – FDI model (=Importing foreign entrepreneurship)
  – But even for Singapore: Rethinking of the new growth model (Biopolis)
  – A new competitive environment due to the rise of China and India
  – Is Singapore model replicable?
Entrepreneurial environment and economic development

• Indonesia case:
  – Hoped to emulate Singapore through an FDI development model
  – But too big to copy the Singapore model
  – Also the country lacks the quality of the government and strong enforcement power
    • A lot of corruption
    • Ethnic diversity
    • Low level of human capital
  – The new strategy is to emphasize entrepreneurial development
    • Government of Bojonegoro project
Entrepreneurial environment and economic development

• Vietnam case:
  – Also hoped to emulate Singapore through an FDI development model but too big for that
  – But many obstacles for entrepreneurial development:
    • Absence of rule of law
    • Financing constraints
    • Lack of information and transparency
  – Many coping mechanisms
    • Completely trust-based
    • Dealing with insiders and known and very familiar counterparties
    • Local transactions
  – Okay for “replicative,” subsistence entrepreneurship but probably not for science-based frontier entrepreneurship
Entrepreneurial environment and economic development

• Case on Google in China
  – Is this a political move or an infant industry policy to protect Badu?
  – Is there a conflict between “frontier” internet entrepreneurship and political controls?
  – Is internet special that it requires “Western” institutions to flourish?
Entrepreneurial environment and economic development

• Case on India’s patent law
  – How do you balance between protection of domestic entrepreneurs and need for competition to increase efficiency?
  – Curtailed foreign competition through the 1970 law and foreign exchange control act
  – But promoted domestic competition by allowing private-sector entry
    • A long left-tail of small firms: 50,000
    • But a few grew big, such as Ranbaxy and Biocon (a G-lab client)
  – India’s pharmaceutical sector is an ENTREPRENEURIAL success story
    • Contrast with China: SOEs plus MNCs
Entrepreneurial environment and economic development

• How do you think YOUR project will affect the country?
THE G-LAB IMPACT

- **Some of the G-Lab success stories**
  - **Biocon**
    - An early client of G-lab: 2002-3
    - Recommended to build a separate clinical research division
    - Today “Biocon is a research-driven, global healthcare company ...”
    - One of the most successful **R&D** pharmaceutical firms in India
  - **IDEAS**
    - A G-lab project in 2006-7
    - Helped United in Diversity (UID) launch a very successful education program, IDEAS Indonesia
  - **I+Med**
    - A G-lab project in 2008-9
    - Devised an international expansion plan for this biotech firm in Thailand
    - Grew from $1.9 million IN 2008 to $4 million in 2010
Preparing for wows

• How will you affect the entrepreneur?

• How will the entrepreneur affect you?

• How do you anticipate both?