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ORGANIZING FOR ENTERPRISE IN CHINA: WHAT CAN WE LEARN FROM THE CHINESE MICRO, SMALL, AND MEDIUM ENTERPRISE DEVELOPMENT EXPERIENCE

**Wang Yizhe., master's student, Yasheva G., DSc in economics, prof.,
Salauyova V., senior lecturer**

*Vitebsk State Technological University,
Vitebsk, Republic of Belarus*

China is a social market economy that has grown quickly, if unevenly, over the past decade. This growth has largely come about from small enterprise, in particular Township and Village Enterprises, which are micro, small-, and medium-sized enterprises (MSME), owned by local communities and partly controlled by local government.

The conditions for this economic growth are quite different from the normative western model of economic development, notably the absence of private ownership or property rights. Decentralized marketization, i.e., the local freedom to establish prices and use resources, and a strong culture of Guanxi, intricate networks of mutual obligations, and cultural norms closely associated with entrepreneurship are key features that allow ambiguous local power holders to harness enterprise to fit with local conditions.

A number of propositions are constructed from the evidence, from which those concerned with economic development in both developed and developing economies might learn. These propositions are concerned with local empowerment, entrepreneurial behavior of all public and private stakeholders, freedom from formal regulatory frameworks, conditions of ambiguity, bottom-up and grounded development, low significance of privatization and intellectual property and therefore the challenge to western benchmark criteria in development programmes.

In a future where ideas and concepts can be spread rapidly, a deeper understanding and application of the diverse bases of small-business development can improve global economic development.

REFERENCE

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