



**GEC**



**IN ACTION**

Sharing  
a Culture  
of Intellectual  
Social  
Responsibility

中国“和”式创新：可持续性发展的基石

**China's Embracing Innovation: Cornerstone  
in the Delivery of Sustainable Development**

Dr Richard Li-Hua

Professor of Strategic Management and Leadership

Founder of Camot Innovation Academy Cambridge

**GEA**

*We Navigate.*



China Association for  
Management of Technology



- What has happened?
- The challenges
- China's legacy
- The birth of China's Embracing Innovation
- What is it?
- The significance

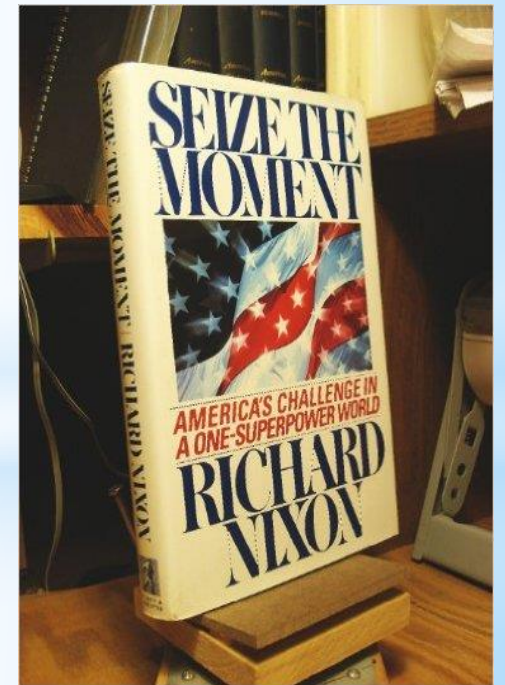
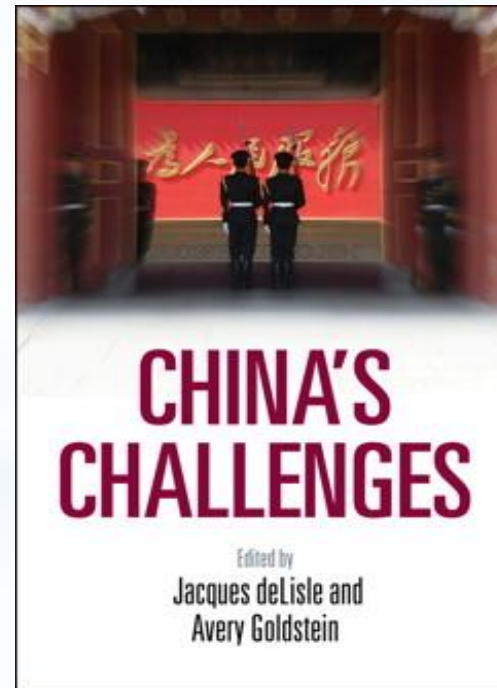


# What Has Happened?

- In the past 35 years, the world has changed dramatically especially between West and East
- China's economic reform and opening to the outside world in 1978, the collapse of the former Soviet Union in 1991, and the burst of financial bubbles in Wall Street in 2008, all these have been combined with 35 years of great rejuvenation of the Chinese nation
- These big events changed the world and subverted people's thinking with huge impact on people's judgment
- The 21st century is an era of contending, an era of large reflection and re-thinking, and an era which calls for big idea, wisdom and big strategy
- What is it?

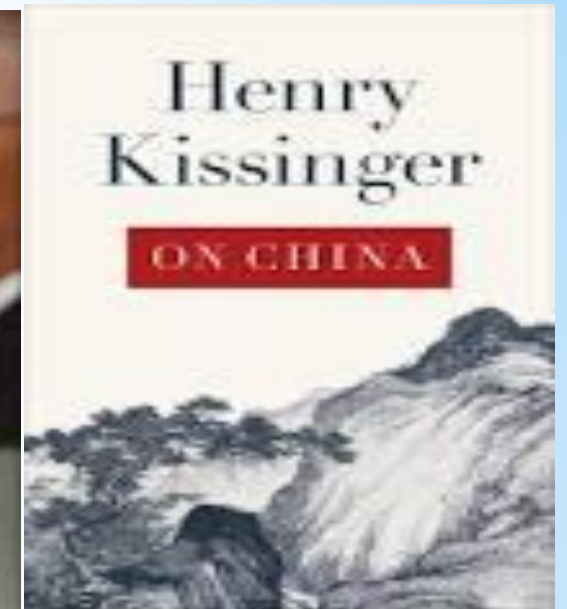
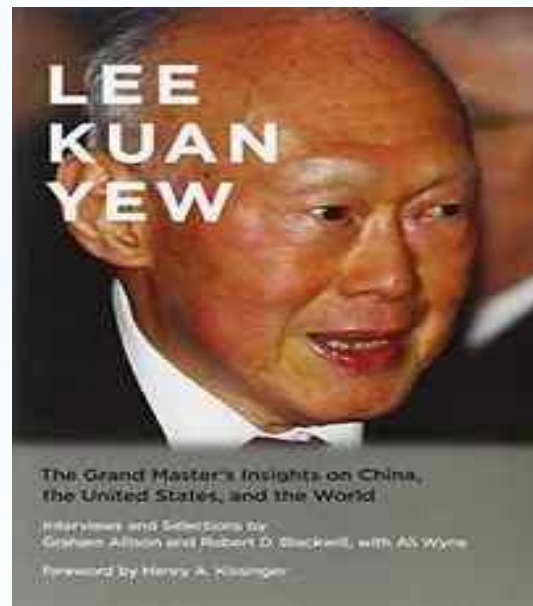
# The Challenges

- ❑ China is facing – Highlights by Beijing Mayor, Wang Anshun
- ❑ America is facing – Highlights by Hank Paulson
- ❑ UK is facing – Brexit: Leave or Remain in the EU
- ❑ My observation at what challenges are raised at CKGBS China Economics Symposium in London on 8<sup>th</sup> June, 2016





# China's Legacy



- What did Dr Henry Kissinger say?
- What did Lee Kuan Yew say
- It is China's great leader, Deng Xiaoping who made it
- What does my book – Competitiveness of Chinese Firms – WEST MEETS EAST says
- However, China's model is an innovative model

# The Birth of China's Embracing Innovation

## 中国“和”式创新的诞生

The unique historical background and context

- In the late seventies of last century, China entered into a special historical period of development

It is closely related to the gist of China's ancient philosophy

- Embracing contradiction
- It can not be separated from the essence of China's ancient philosophy and wisdom

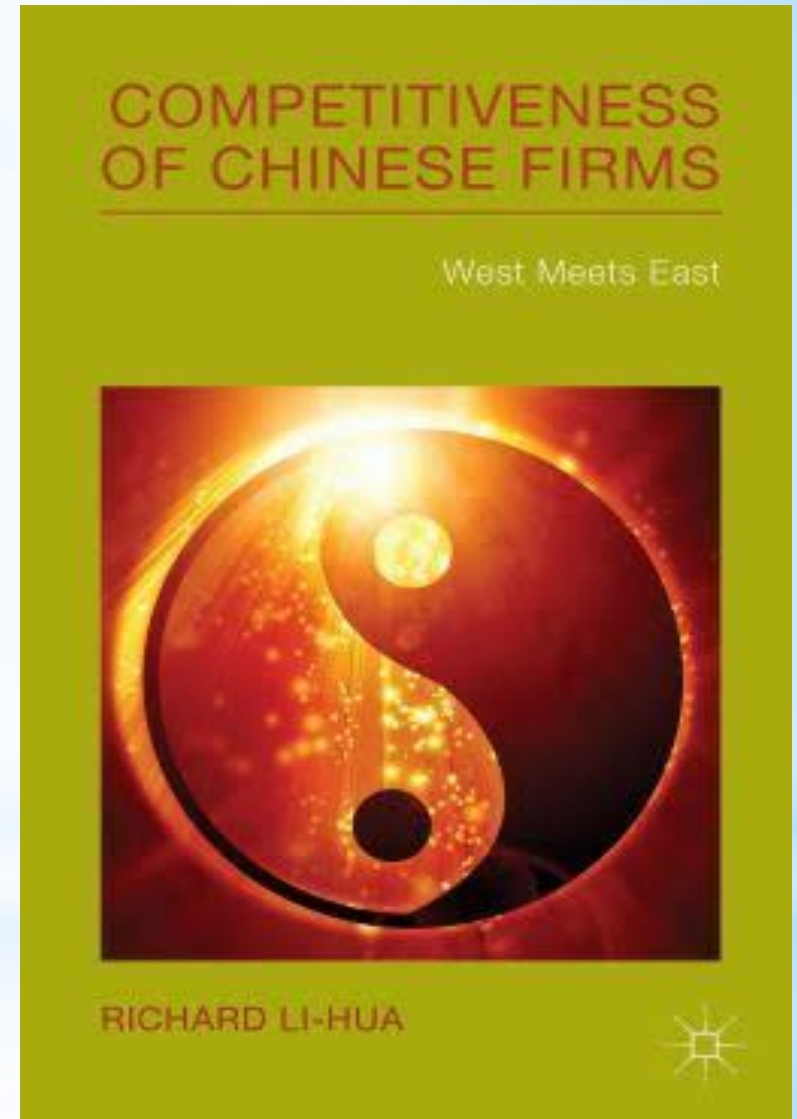
# Embracing Contradiction 拥抱矛盾

Northern Song Dynasty philosopher Zhang Zai summarized the law of dialectics into four sentences: “有象斯有对,对必反其为;有反斯有仇,仇必和而解。” This means

- everything opposite phenomenon has two aspects, opposite the direction of movement of both inevitable contrast;
- being contrary has to phase hatred;
- hatred is relative to struggle; and
- the result of struggle will inevitably be attributed to reconciliation.

# Disagreement with the Conventional View

- ❑ “Chinese culture or history or tradition inhibits innovation”.
- ❑ The essential ingredients of the ancient Chinese philosophies “embracing contradiction” stimulates innovation.





# What Is It?

The essence of the embracing innovation is:

- ❑ Embracing contradictions;
- ❑ Heading with the times;
- ❑ Seeking common ground while maintaining differences;
- ❑ Creating harmony and tolerance.

“和”式创新的精髓即：拥抱矛盾，与时俱进，求同存异，和谐包容。

# The Three Integrations

- ❑ An integration of planning economy with marketing economy;
- ❑ An integration of Western management with Eastern philosophy;
- ❑ An integration of prescriptive strategies with and emergent strategies.

# Two Levels of Innovation

- ❑ It is more reflected in the superstructure and the ideological field. It contains two levels:
- ❑ First, it refers concept and philosophy innovation, which is designed as a top guide to break the shackles of the spirit and help inspire people's thinking and problem-solving and issues of ideology and mentality in the superstructure;
- ❑ Second, it refers to innovation of technology and management – technology-transfer-based innovation which delivers sustainable economic development and helps to build a solid economic foundation;
- ❑ The two levels of “embracing innovation” are complementary to each other, which makes the “embracing innovation” become a soul of national progress, an inexhaustible power of the national prosperity

# The Interesting Relationship

- ❑ “Contradiction” and “innovation” appear to be unrelated to each other and independent of each other but the two concepts are closely linked
- ❑ Competency enhancing innovation verse competency destroying innovation
- ❑ Continuous innovation verse disruptive innovation



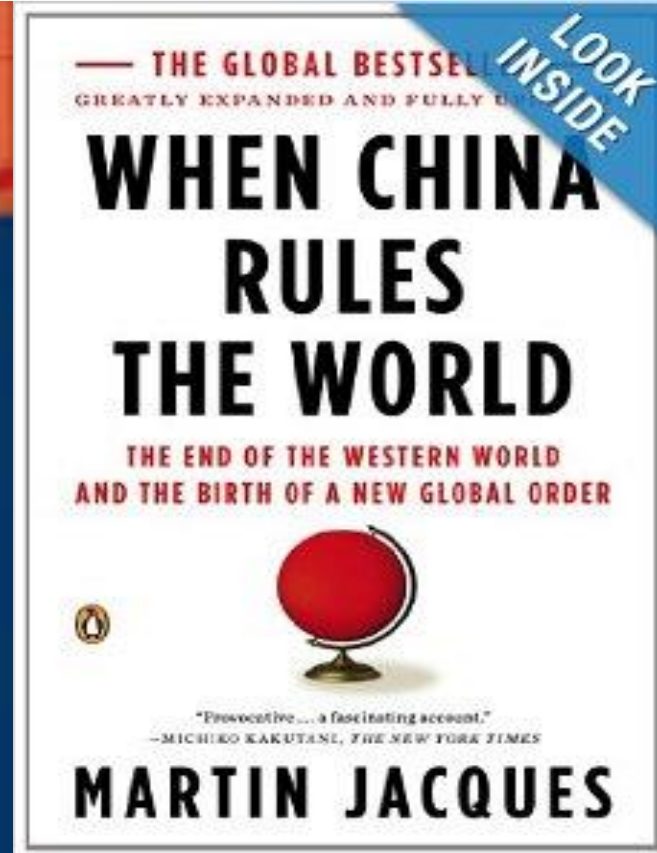
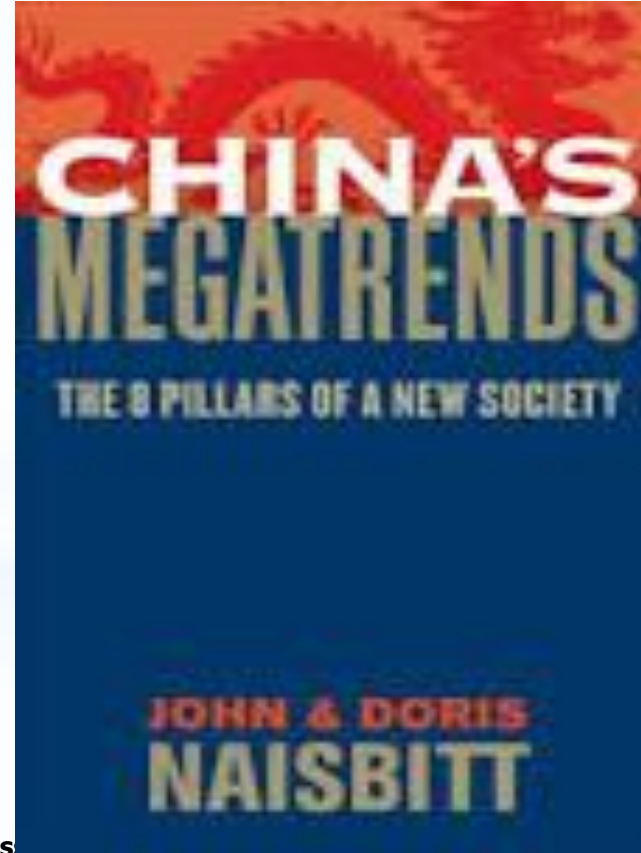
# The Significance

- ❑ It has close relation with China's legacy and the success of Chinese enterprises
- ❑ China's embracing innovation has made what is China today
- ❑ China's embracing innovation ensures China's trajectory for years to come which has repercussion far beyond China's border-addressing the challenges presented previously
- ❑ It is the cornerstone of the delivery of sustainable development
- ❑ China's model is not un-replicable

# Global Impact of China's Embracing Innovation

- ❑ 21<sup>st</sup> century is an era which calls for big idea, wisdom and strategy
- ❑ Redefining competitiveness
- ❑ Re-think traditional management
- ❑ Re-think Western management
- ❑ Embracing contradiction
- ❑ From West Leads East to West

Meets East



# Thank You

