

local and external knowledge combined; neither local nor external resources can be overlooked. Cross-regional cooperation in the traditional sense emphasizes the optimal allocation of material factors to promote economic growth. Although the role of technological factors is valued, it emphasizes the importance of technology in driving economic growth in an exogenous way. Cross-regional innovation cooperation states that intellectual capital formed by knowledge spill-over and human capital flow will directly impact the cost of new knowledge capital in a region, thus making technology an endogenous driver of regional economic growth. Facilitating cross-regional innovation cooperation will greatly improve a city's ability to acquire external knowledge resources and establish new knowledge networks so as to improve the city's economic momentum and economic growth potential.

Shanghai, China: Inheritance and Innovation of Century-old Brands in Shanghai's Huangpu District¹⁸

Case background

The core premise of SDG 8 – promoting inclusive and sustainable economic growth, employment and decent work for all, is essential for sustainable development. SDG 8.2, in particular, emphasizes the importance of achieving higher levels of economic productivity through diversification, technological upgrading and innovation including through a focus on high-value added and labour-intensive sectors. SDG 8.3 promotes development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourages the formalization and growth of micro, small and medium sized enterprises including through access to financial services. Since 2015 in an aim to better reach these targets, the government has released new policies that explore innovation and entrepreneurship. On

11 June 2015, the state council issued *Opinions on Implementing Several Policy Measures to Vigorously Promote Mass Entrepreneurship and Innovation* (GF [2015] No. 32). This noted the need for mass entrepreneurship and innovation as a driver for development, a strategy to enrich people, promote fairness and increase domestic prosperity. This is a significant approach to promoting economic restructuring in which a new engine is introduced to drive momentum for development along an innovation-driven development path, and a major initiative to stabilize growth, expand employment and stimulate the wisdom and creativity of hundreds of millions of people to promote vertical social mobility, equity and justice.

China has a population of more than 1.3 billion and a labour force of over 900 million. Every year there are large numbers of college graduates, rural migrant workers, urban residents and retired military personnel out of work hence the potential to transform human resources into human capital is vast. National overall employment is under pressure and structural contradictions are prominent. Mass entrepreneurship and innovation via transforming government functions, and the development of a service-oriented government



Source: Photo provided by the Shanghai Huangpu District Employment Promotion Centre

Figure 3.18 The Old Brands, New Vitality innovation and entrepreneurship campaign

¹⁸ Many thanks to the Huangpu District Human Resources and the Social Security Bureau, the Shanghai Huangpu District Employment Promotion Centre, Tongji University, the Shanghai Society of Sustainability, the Shanghai Public Welfare Entrepreneurship Base, the Shanghai New World Co., Ltd., Yuyuan Inc., the Hengyuanxiang Group, the Shanghai Huaihai Commercial (Group) Co., Ltd., the Shanghai Yimin Commercial Group Co., Ltd., Laofengxiang Company Limited and other relevant departments and old brands for supporting the development of this case.

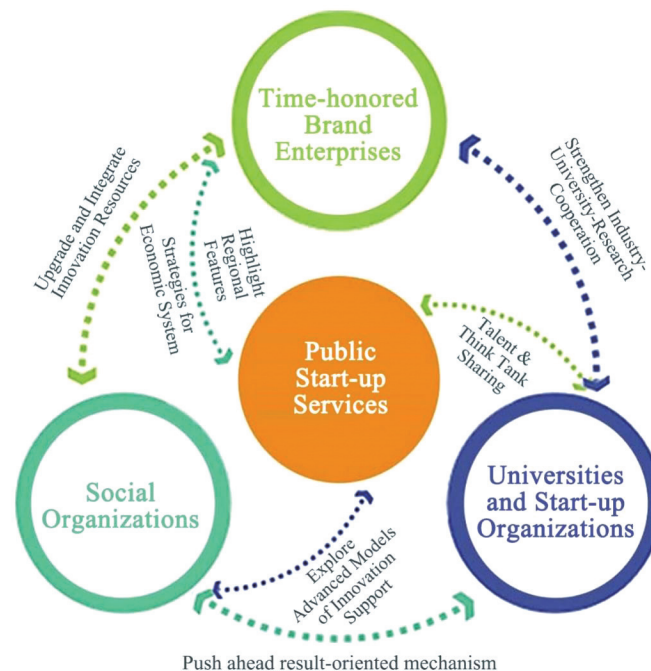
to create a fair entrepreneurial environment and restructure income distribution have become highly necessary throughout the country. As an international metropolis with a population of 25 million, Shanghai lies at the heart of China's international economic, financial, trade, shipping and technology innovation centres. The Huangpu district, Shanghai's central urban area, has acted as a political and business hub since the establishment of the city with booming economic, financial and trade activities. And with the precipitation of history it contains many 'century-old' brands. The city is now looking at solutions to stimulate the innovative vitality of traditional brands, providing them with new visions in the context of mass entrepreneurship and innovation to ensure they can drive and influence more new entrepreneurs, increase employment and better innovate the entrepreneurial ecology of the area. Through years of exploration and practice, the Huangpu district has accumulated valuable experience in this regard.

Implementation process

On 20 May 2017, the Old Brands, New Vitality innovation and entrepreneurship campaign was launched in the Huangpu district, aiming to stimulate

the vitality and power of enterprises, talent and resources. In addition, it aimed to facilitate high-quality development of the economy and society promoting innovation and entrepreneurship. Over several iterations, the influence and service scope of this campaign has grown, and in the past five years many recognized brands have joined in, releasing hundreds of innovation needs. Some teams are from the districts in Shanghai while others are from the Yangtze River Delta or other regions of China. The campaign has generated nearly 1,000 solutions, forming a new innovation and entrepreneurship ecosystem in the district, see Figure 3.18. Within the ecosystem, resources from public companies, renowned enterprises, social service institutions, universities and entrepreneurial organizations interact establishing a distinctive 'double cycle' model of internal and external innovation, improving employment through entrepreneurship and attracting new talent, activities and projects to Huangpu to stimulate the construction of an entrepreneurial urban district and community as shown in Figure 3.19.

According to the Shanghai Special Action Plan to Encourage Entrepreneurship for Employment Promotion (2018—2022) issued by the General Office



Source: Photo provided by the Shanghai Huangpu District Employment Promotion Centre

Figure 3.19 The four components supporting the innovation and entrepreneurship ecosystem in the Huangpu district

of Shanghai Municipal People's Government on 25 June 2018, Shanghai has promoted the Old Brands, New Vitality innovation and entrepreneurship campaign to make local traditional brands more competitive and help them play a leading role in promoting employment. Based on the actual needs of entrepreneurial enterprises, Shanghai has capitalized on policies to establish a cross-regional entrepreneurship service platform and a collaborative innovation network. The process of the Old Brands, New Vitality innovation and entrepreneurship campaign is explained in three steps.

1. Establish specific goals for the revitalization of old brands

In the past five years, the Huangpu district has not only devised specific goals for the revitalization of time-honoured brands, but also optimized and upgraded goals in changing contexts. The initiative set a number of core goals for the first round of the campaign:

- **New Partner:** the Huangpu district aims to attract and cultivate talent needed for the innovative development of old brands and search for entrepreneurial partners who can develop old brands by releasing demands and sharing resources
- **New Skill:** the Huangpu district aims to promote the teaching and learning of new skills for development by providing diversified modes of training and practices to support the development of talent with high technical skills for the industry
- **New Mission:** the Huangpu district aims to improve the entrepreneurial competence of young people and foster their innovative ideas to vitalize old brands by establishing employment and entrepreneurship bases, and practical training bases for the young, setting up venture capital as support
- **New Mode:** the Huangpu district aims to introduce new marketing approaches, new promotional channels and new packaging to expand the influence of old brands
- **New Vision:** the Huangpu district aims to demonstrate the long history and cultural charm of old brands by holding themed forums for old brands and establishing interaction platforms between the younger generations and old brands

A number of goals have also been established for the second round of the campaign:

- **New Partner+:** the Huangpu district aims to establish a characteristic one-stop innovation and entrepreneurship resource centre for old brands by introducing talent and techniques and integrating brand new demands in innovation for old brands, entrepreneurship policies, entrepreneurship activities and innovative strengths within Shanghai and the Yangtze River Delta
- **New Skill+:** the Huangpu district aims to cultivate talent and make them more competitive by offering practical support for improving young people's entrepreneurial abilities and old brands' transformational capacity by focusing on new skills and innovation and entrepreneurship capacities
- **New Mission+:** the Huangpu district aims to promote collaboration and complete the public entrepreneurship bases of old brands. Old brands are encouraged to play a leading role in the collaboration to guide young people in entrepreneurship
- **New Mode+:** the Huangpu district aims to attract talent and creative strengths. The district promotes an in-depth integration of old brands' innovations and the industry-university-research cooperation and introduces more comprehensive innovative resources to facilitate external transformations and encourage and support the internal innovations of old brands
- **New Vision+:** the Huangpu district aims to promote cooperation and sharing. The district establishes platforms for communication between old brands and between these brands and young talent who engage in entrepreneurship, and encourages cooperation to make innovative ideas practical, bringing vitality for regional development

2. Encourage entrepreneurship-driven employment through special actions and initiatives

Within Huangpu there has been a clear value to advocate mass entrepreneurship and innovation, and to further cultivate and optimize it into an entrepreneurial urban district. Optimization of the entrepreneurial environment, stimulating entrepreneurial vitality, integrating resources and supporting more young people in launching start-up businesses in Huangpu, was also key in the district. To achieve this, the Human Resources and Social Security Bureau, the Finance Bureau and the Education Bureau of Huangpu district jointly formulated implementation guidelines to facilitate new entrepreneurship.¹⁹ The guidelines cover a series of subsidies: ① Subsidies in lump sums for first-time start-ups; ② Rent for entrepreneurship space (stations); ③ Interest for small-sum guaranteed loans; ④ Social insurance premiums; ⑤ Special subsidies for encouraging entrepreneurship and those for employment, entrepreneurship and probation; ⑥ Subsidies for purchasing entrepreneurial services and entrepreneurial guidance expert service, and those non-profitable entrepreneurship parks and nurseries; and ⑦ Subsidies dedicated for the Old Brands, New Vitality innovation and entrepreneurship campaign. These measures aim to encourage local

distinguished enterprises to actively participate in the campaign, and award certificates to enterprises, groups and individuals that have made outstanding performances or contributions to the plan. To support development, a subsidy of RMB 50,000 to RMB 100,000 is available for enterprises whose innovative solutions are adopted and realized. Upon passing the annual performance evaluation, key enterprises identified as public entrepreneurship training bases, can be provided an annual operational expense subsidy of USD 27,500 ~ 70,000 (RMB 200,000 ~ 500,000) based on grading to utilize entrepreneurial resources and organizations including their own premises, equipment and technology. On this basis, the Huangpu district is also exploring the need for an announcement mechanism for traditional brands, establishing technology and skills cooperation with related universities and secondary vocational schools. It integrates strategies to promote innovation and entrepreneurship, whilst building the innovation and entrepreneurship public benefit platform for traditional brands to strengthen the connection between the regional economy and entrepreneurship, employment, talent, skills and other specific initiatives so as to inject new blood to such brands and achieve entrepreneurship-driven employment (see Figure 3.20).



Source: Photo provided by the Shanghai Huangpu District Employment Promotion Centre

Figure 3.20 The Huangpu district Old Brands, New Vitality innovation challenge

19 Huangpu District People's Government. Opinions on Encouraging Entrepreneurship for Employment Promotion in Huangpu District (Valid by December 31, 2022).

3. Unify actions and launch three Old Brands, New Vitality innovation camps

The Huangpu district provides different types of innovation camps for entrepreneurs at different stages such as those for start-ups as well as those in growth phases with accelerated operation. The start-up camp fuses innovative ideas to enhance entrepreneurial capabilities and is dedicated to serving students at both the Huangpu Innovation College and additional colleges/universities as well as secondary vocational colleges and entrepreneurs through visits to distinguished brands, lectures and other training.

The growth camp leverages practical training platforms to propel growth among entrepreneurs, and relies on public entrepreneurship training from distinguished brands to provide broader practical training, a more diversified and practical experience, and richer training resources. The acceleration camp enhances demand and enables innovation cooperation. It contains a series of modules including

those on: ① Old brands' demand publicity; ② Project evaluation and screening; ③ Industry training and on-site visits to release the innovation demands of old brands; ④ Organizing directional industry training for old brands; ⑤ Customizing demand matching for old brands; and ⑥ Contributing to the cooperation between old brand enterprises and entrepreneurial organizations. Following the onset of COVID-19 in 2020 under the guidance of the Human Resources and Social Security Bureau of Huangpu district, the Huangpu district Employment Promotion Centre restarted the Old Brands, New Vitality campaign (see Figure 3.21), in an attempt to grasp prevention and control of the epidemic and limit the issues of small and medium-sized enterprises. They organized the Innovation Acceleration Camp for Huangpu Old Brands 2020 to boost the innovation of old brands and provide more opportunities for small and medium-sized enterprises to cooperate with time-honoured companies, in which a firm balance was found between epidemic control and support for small and medium-sized enterprises.



Source: Photo provided by the Shanghai Huangpu District Employment Promotion Centre

Figure 3.21 Young entrepreneurs involved in the Old Brands, New Vitality innovation and entrepreneurship campaign

Reference experiences

1. Promote interconnected mechanisms to stimulate creative ideas for time-honoured brands

Shanghai's time-honoured brands are representative of excellent national brands and traditional business culture, embodying the craftsmanship and culture of the nation. In light of a broad consumer base, they possess significant economic and cultural value. With a high concentration in the Huangpu district, the district undertakes major responsibilities to ensure the effective revitalization of these key enterprises. The establishment of a platform for dialogue with young people; matching the needs of time-honoured enterprises to youth entrepreneurship; expanding the social brand effect of time-honoured enterprises; developing teams of mentors from time-honoured enterprises; and establishing public entrepreneurship training bases named after old brands have all been highly significant. Importantly, these initiatives are interlocked with the corresponding mechanism design which ensures innovative ideas can be implemented at pace.

2. Enhance the quality of public services to accelerate the incubation and empowerment of old brands

The Huangpu district accommodates nearly half of the oldest brands in Shanghai. To provide higher-quality public innovation services in addition to the public practical training base for old brands, the district has built a series of bases including those for business incubation demonstration, entrepreneurial apprenticeships and public practical training in addition to investment service platforms and other types of entrepreneurial carriers and service institutions. By the end of 2020, the district had developed 14 business incubation demonstration bases which are now working with over 1,200 businesses and have generated over 10,000 jobs. Serving the need for public entrepreneurial services, the business incubation demonstration bases, practical training bases for old brands, and other entrepreneurial service institutions are increasingly important as a means to gather talent and drive entrepreneurship-based employment. These institutions release their respective functions and accurately serve entrepreneurial groups at different stages of their development, and promote the transformation and implementation of entrepreneurial

results. They serve to jointly construct an ecosystem in Huangpu that incubates and empowers old brands through innovation.

3. Focus on the double cycle of innovation and entrepreneurship to iterate Huangpu brands

In 2020, in Huangpu's new three-year plan, the district released the 'five new goals' for the Old Brands, New Vitality innovation and entrepreneurship campaign: new partners, skills, missions, models and vision. To achieve these new goals, Huangpu leverages scientific research and evaluation to introduce and cultivate talent, lead and coordinate, gather intelligence to form momentum and share for co-construction. The campaign not only boosted the innovation 'inner cycle' of old brands but more importantly created an 'inner cycle' mode for the overall innovation and entrepreneurship effectiveness of the region. The well-established innovation double-cycle mode adopts the unique characteristics of Huangpu to innovate the entrepreneurship across all processes and fields of regional development, and effectively advance the quality, efficiency and impetus of the public entrepreneurial service system, therefore ensuring that century-old brands are passed down in innovation.

Policy Suggestions

Create Business Environments that Encourage the Agglomeration of Enterprises and Capital

Cities, as the core of business activity, are increasingly important in terms of inter-city cooperation. This requires a better urban environment suitable for enterprise development to promote long-term economic growth. New legislation and regulatory mechanisms that understand the business environment can simplify the process of incorporation to bring about an influx of new business, investment and capital. To improve economic prosperity, the government should introduce business procedures, reduce red tape, ensure consistency in policy making, create an approachable government image and nurture