

# One-person companies are booming in China thanks to AI and supportive policies.

The one-person company (OPC) model is thriving in China thanks to AI and government incentives.

In China, a new business trend is emerging strongly: the '**one-person company**' (OPC). This is a business model run by a single individual, leveraging technology – especially AI and automation – to replace a large team of employees as in the past. In practice, this concept is also understood more flexibly, encompassing even micro-teams of just two or three people running a business together.

The rapid development of AI has transformed the way businesses operate. Tasks that once required multiple departments, such as marketing, customer service, or product development, can now be significantly supported by automated tools.

As a result, individuals can still build and operate a small but highly effective business, opening up entrepreneurial opportunities for more people.



## **The government plays the role of a 'launching pad'.**

Unlike the AI development model in Silicon Valley – where venture capital plays a dominant role – in China, the driving force comes from the public sector.

The government not only provides funding but also proactively builds data infrastructure, while simultaneously becoming the 'first customer' of domestic AI products. This approach helps create an initial market and accelerates business growth.

Xinhua News Agency reported that the OPC model is being promoted in many localities through strong support policies.

Support packages vary widely, from providing free workspace to preferential loans or technology cost assistance. For example, Suzhou – a major technology hub – aims to build dozens of 'OPC communities' and nurture around 1,000 such businesses by 2028.

In Shanghai, the Pudong district is ready to subsidize computing costs for startups with amounts up to hundreds of thousands of yuan. Meanwhile, Wuhan has implemented special loan packages and even pledged support if businesses face risks.

This approach is not new. China has previously applied a similar model in many industries such as e-commerce and electric vehicles: combining central government direction with policy competition among local governments.

According to Lin Zhang, a digital economy research expert, China can be likened to a "giant Silicon Valley" as the entire system drives technological innovation.

## **Leveraging surplus infrastructure from the 'AI craze'**

Despite receiving many incentives, the one-person company model still faces numerous challenges. Many investors believe that the majority of OPCs are unlikely to grow into large-scale businesses or sustain themselves in the long term.

Currently, most support is delivered through incubators, which not only provide space but also help connect startups with partners, customers, and the surrounding ecosystem.

Another perspective suggests that promoting OPC (Operations-Oriented Computing) also helps localities address the problem of excess infrastructure. In recent years, there has been a massive wave of investment in data centers in China, leading to overcapacity. Attracting small startups is seen as a way to repurpose these resources.

## **New startup trends amidst a wave of layoffs.**

Despite remaining uncertainties, these support policies are attracting considerable interest, particularly from tech workers seeking new career paths after recent layoffs.

One example is Ma Ruipeng (41 years old), who left his programming job after nearly 20 years to start his own business with an AI project that helps users create mobile applications.

Currently, he is still managing on his own savings as he hasn't yet accessed funding. However, he remains optimistic that AI is not a threat, but an opportunity to adapt and grow.

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