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The Development of Social Entrepreneurship in China

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Abstract

The concept of Social Enterprise is a brand new term in China, not only new to public citizens but also scholars or nonprofit sectors' professionals are not familiar with this "fresh" term. However, social enterprise is standing an important role in today's society, using business strategies to solve social problems. The analysis will be done through literature review, secondary data analysis, and program evaluation. The author will identify some gap areas and opportunities to guide social entrepreneurship talents in next steps; areas will be covered including education, aging problem, environment issues, and financial solutions. China has to draw a customized route for social enterprise, possible social enterprise business models and recommendations will provide at the end of the report, which can be referenced in particular situation of China.

Key words: China, Social Enterprise, Opportunity, Entrepreneurs, Challenge, Social Value, Social Sector

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Introduction

This capstone project focused on reviewing China's social enterprise development, based on history of social development in China and current situation of social enterprises in China to draw a possible blueprint of China's social enterprise in future with challenges and opportunities. Social enterprise usually emerge in developed countries, The concept of Social enterprise is a brand new term in China, not only new to public citizens, but also scholars or nonprofit sectors' workers are not familiar with this "fresh" term. Based on interviewing with social sector's experts in China. The goal of this project is aim to 1) provide a concrete guide for public on the process of how to become social enterprise step by step in China's specific situation. 2) Giving pressure to government in order to shift government power and responsibility to social sector, either policy change or public funding support to social sector.

The project report also aims to provide insights of today's social enterprise of China relation with business sector, academic institution, social media platform and government department. Based on analyzing emerging social enterprises in China, challenges and opportunities they may face in future will be provided. Since it is just the starting point for Chinese social enterprise sector, there is a long way to go, some challenges including lacking of financial support, lacking of professional business skills, lacking of government encouragement, and lacking of innovation. At the end of the report, author will present some gap areas and opportunities need social enterprises to help for people who are interested in working at social sectors in China, including

education, aging problem, environment issues, and financial solutions. China has to draw a customized route for social enterprise, possible social enterprise business models will provide at the end, which can be referenced in specific situation of China.

The purpose of this paper seeks to address the next step of social enterprises (SEs) in China by exploring the background history, current situations to analysis the specific area need SE to fill the gap. The analysis is based in secondary data findings and primary evidence on studying of different cases in China. Background of Social Sector Development in China will be provided as the beginning, since it is essential to understand how does the history change and develop, therefore understanding the society's situation will help us to analyze the future. Looking at the positive Development of China's Social Enterprise through 4 sectors from 2004 to 2016. Literature Review on successful cases in China's social enterprise, including successful factors can be applied in future social enterprise, and improvements can put to make better. Bases on interviews and surveys to analysis the opportunities and challenges of the today's social enterprise's situation. Possible areas need effort from social enterprise will be provided for people who interested in devoting their effort in social entrepreneurship in China, based on analysis the data of Chinese people's philanthropy donation interests records and also issues in todays' society can not be solved by either government or business sector.

Literature Review

Background of Social Sector Development in China

China is a very unique society, after 1949, in around 30 years, the communist party of china start having the theory of State owned enterprise (SOE), which means all the private business were under government control, either central government or local government. Even social sectors were run by the government at that period, this structure is quite simple, and it works pretty well at that time. However, at the end of the 1970s' because of the Chinese economic reform led by Deng Xiaoping with the permission for entrepreneurs to start business, everything has been changed, business sector as the second sector started growing and separating from government, but still belong to government scrutiny. After 1990s', social sector begins emerging in China's society, there are public fundraising and also in mid 1990s' private nonprofit organization starting appearing (Chen et al., 2006). The emergence of the social sector was aggravated by the government's move to scale back the social services program as it was shifting to a market-driven from a centrally planned economy. The establishment of the diverse nongovernmental organization by the government was an approach designed to ease the transition and signified the emergence of the sector in the country (Smith and Smith, 2016). Many of the nonprofit organizations were in the form of a hybrid, for they consisted of a government agency, in addition to an ngo. The set up of this type of nonprofit organization was to address social issues, for instance, youth education, women's rights and elderly care (Chen et al., 2006). The above

developments represented the first wave of nonprofit activity in Chinese. During the first wave period, the cost of issues such as higher education and medical care, for example, had risen beyond what many individuals could afford by that time. Consequently, other social issues, for instance, rural unemployment, HIV/AIDS and also pollution put a lot of pressure on the existing public services during that period, which led to the emergence of the second wave of nonprofits (Chen et al., 2006) The second wave of nonprofit incorporated aspects such as the increasing number of the grassroots non-governmental organizations. Some of the groups as presented by (Chen et al., 2006) were more than five years old and had full-time employees that made a lot of difference in the Chinese society. Initially, particularly during the first wave, the government due to the fear of politically destabilizing remote regions heavily scrutinized the grassroots nonprofits.

In China, there has no official definition for social enterprise, instead there are three categories in China's social sector, including social organization, foundation, and private not profit driven business. (SELF, 2013) Social organization can have membership, such as women association or youth association. Foundations have both public foundation and private foundation, Public foundations are organized by government and they can do fundraising, however, private foundations require the founder have a endowment before set up a foundation. The third category is called private not profit driven business (SELF, 2013), which sounds close to social enterprise, but it is much more broader than general social enterprise. Organizations like private school, private owned hospital, or even private owned research centers are all belong to

the third category. But all of those social sectors have to be registered as commercial organizations, which means they have to pay tax. Even though, during the second wave as the government continued inspecting the nonprofits, it, on the other hand, offered a lot of support for most of these organizations. For example, at the end of 2004 (Chen et al., 2006; Huang, C. (2013), the Ministry of Civil Affairs came up with a new structure that recognized the activities of organizations such as, finance China and provided to the organization benefits such as exemptions from stamp duty and tax deductions. Consequently, officials proposed a broad philanthropy law that will come up with a certification process for the nonprofit organization.

Looking at the Development of China's Social Enterprise through 4 sectors

Business Sector

- On July 16th 2006, Alashan SEE Ecological Association is the first NGO focusing on ecological environment protection in China funded in 2004 by around 100 entrepreneurs, the project is about protection and reducing sandstorm in Alashan (n.d. 2017). There are many top business entrepreneurs participate in this association, such as Wang Shi, who is a very well know real estate businessman, who owns the largest residential real estate developer in China. As Wang Shi really involved in social entrepreneurship activities, his company Vanke Group is also committed to the charity cause. Vanke not only make donation to the "hope Primary Schools" program in China, but also encouraging employees make donation to Indian Ocean tsunami on global level.

- LGT brought the concept of Venture Philanthropy and successful example to China. (n.d., 2017)

Academic Institution

- In 2009, China Social Entrepreneur Foundation cooperated with Peking University launched an online social entrepreneurship related class, which is the first time the concept of social enterprise join in higher education curriculum (Meng Zhao, 2012).
- In the summer of 2007, the first international Social Entrepreneurship Forum was held in Hangzhou, China, the forum was hosted by Skoll Center for Social Entrepreneurship, the Entrepreneurs School of Asia and Academy of science in Hangzhou, China (Meng Zhao, 2012).

Government Department

- In 2007, an incubator named EnPai in Chinese, Non-Profit Incubator (NPI) in English start serving for NGOs and social enterprises helping those organizations on free to subsidized space, and professional business skill training. In 2016, “the largest social innovation park in China” created by Shanghai Ministry of Civil Affairs is operated by NPI. In literature review section, author will highlight the challenges and opportunities of NPI (Wenjing Yan, 2014).
- In 2009, NPI worked with Shanghai Ministry of Civil Affairs held the first local area’s Venture Philanthropy Competition. it is a remarkable event, because it is

the first time the civil society activity supported by Chinese government (Wenjing Yan, 2014).

Social Media Platform

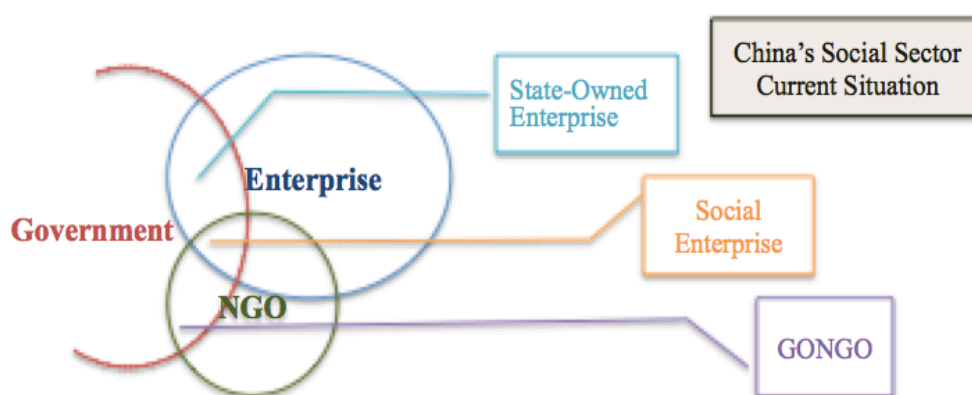
- In 2004, a book written by David Bornstein, *How to Change the World: Social Entrepreneurs and the Power of New Ideas* has been translated to Chinese version. The book tells stories of social enterprises around the world, such as America, Brazil, and Hungary. British Council on Social Enterprise in China has stated that social enterprise movement in China is a new phenomenon emerged around 2004 with the publication of the Chinese version's *How to Change the World: Social Entrepreneurs and the Power of New Ideas* has been translated to Chinese version (Debbi Brock, n.d.)
- In 2005, two scholars published articles about social enterprise standing an important role in America's economy, introduced The Natural Conservancy to Chinese public. Emphasized on social enterprise play a positive role on society development, environment protection, and community support. They also highlight social enterprises are helping local government decreasing the unemployment rate (Meng Zhao, 2012).
- There are many Journals and reports has been published during 2007-2010, such as "Social Enterprise Overview: A UK and China Perspective", "Social Enterprise" (China-UK, n.d.).

International Organizations

- In 2009, The British Council help social entrepreneurs by providing skill training program and award program in order to encourage more people participate in working at social sector (China-UK, n.d.).
- Global Social Venture Competition (GSVC) launched the competition in china, after 2 years' cooperation, China become one of the regional partner of GSVC (2014).

The social sector in China can be illustrated by the following graph. As we all know China is a very unique society, it been called one circle, which means the government is controlling everything, and every sectors are related to the government as well. We have enterprise within the government, the term is SOE, state owned enterprise, we have NGO with in the government as well. There are three categories of in social sector. As the social organizations, they can have membership; they are more like associations, such as women association or youth association. The second category is foundation, we have public foundation belong to government, and we have private foundation, founded by individuals or families, but it is still controlled by government. The third category is a little bit hard to understand, it is called private not profit driven business. It sounds like the idea of social enterprise, but the definition is much more broader than the general social enterprise. Because in China, private hospital and private schools will be counted in this category, even it is a research center, also been counted as the third category (SELF, 2013). Till today, China doesn't

have a definition for social enterprise, but we can see there are growing enterprises focusing on solving social issues. The first China Social Enterprise Award has been held in Beijing in June 2017, it will be the milestone of the social enterprise in China.



In the following paragraphs, successful social enterprises' cases will be provided, they are driven by different mission in different areas. The reason why they growing healthily and strongly in China is mainly because of they saw the needs of the society, and they are building a good relationship with government.

Case Analysis

Case 1: Fuping Development Institute

Fuping Development Institute (FDI) was founded in 2002. In order to solving poverty alleviation, at the beginning time, they are serving lower income women by providing

free professional training class. Today, they become more stronger and diverse services are provided by them. Services including Microfinance, Early education, Eco Agriculture, Vocational Training & Community Service, and Research & Supporting social innovations. More than 20,000 families in Beijing are trained and provided with jobs by FDI (Fuping, n.d.).

Lesson learned:

1. Transformational Change Society

- They provide insurance for its domestic service workers in order to dispel the worries of domestic service workers. And many other domestic service companies also purchase insurances for their workers.
- Protecting domestic workers' rights by advocating holidays for worker. Before 2002, there are no payment rules for domestic workers, and they don't have holidays as well. However, FDI not only secure the right of four days' holiday for workers, but also workers working in national holidays, they need to be paid double amount of salary.

2. Cooperation

- In order to help more people, FDI cooperated with various rural areas' local government. Such as Poverty Alleviation Office of Anhui Province, and Poverty Alleviation Office in Gansu (Fuping, n.d.).

3. Professional Team

- Based on 3 weeks' free training, almost everyone can find a job to do in Beijing.

4. They found the market needs

- Beijing is a big city, Young generation people spend most of their time on working at office, however, their children and elders need to be taken care. So hiring housekeeping workers to help them in daytime. FDI is right on time to help and fill the gap.

Case 2: Care for All Kids (CAD)

According to the introduction from Jiayi Wang, CAD was founded in 2016 by two Chinese young ladies in Kenya. The problem in Kenya is there are more and more rural-urban migrants coming to major towns for earning more money and financially opportunities. Privileged families' children go to private school, and rural-urban migrants go to not formal school. Therefore CAD provides teaching training programs to local teachers, in order to help a group of "slum" families' children who study at none formal school can receive the same quality education as students in private school, which has high quality teacher. The problem of those public schools not only does only have enough space for students, but also most of teachers are untrained.

CAD also did a survey, they asked local people, including students, parents and educators, the result shows that most of people response that they want a certificate to teach. With a certificate means they are professional and they can have more opportunities to find a better job, it is not only a benefit for students, but also there has a

big advantage for teachers. So the founders followed the local government's curriculum started various kind of teacher training programs. Such as they started the first program is a 5-day pilot ECDE (Early Childhood Development Education) with a cheaper and affordable price for teacher, they program will cover two-years' formal college training to help teachers to pass the national teacher examination and own the certificate to teach professional with the registration of Teacher Service Commission (TSC) (Ideation, n.d.).

Lesson learned:

- According to the interview, there are more than half of the teachers from high school and middle school are unqualified teachers, they are untrained and not professional at all.
- Because both founders' background is major in education, they take the advantage of their strong points. They used their experience and knowledge on community needs.
- Personal stories to attract funders. Because two young ladies are only around 20 years' old, they spend their best time in life with people who need help. The living circumstances in Kenya are different than their hometown, they need to learn the culture, the language in order to communicate effectively with local people. One of girl name is XiaoYi, and she stayed in Kenya for one year long.
- Global community mindset. It is great to see people on earth can see the issue in other countries and they are willing to put effort to help each others. It has been

advertised in many newspaper and media globally. Such as Huff Post titled “A New Generation Of Chinese Social Entrepreneurs Is Emerging In Africa” (Eric Olander & Cobus van Staden, 2016) ; Dhahabu Kenya titled “African Tech Talents Build App for 130,000 Untrained Teachers in Kenya” (Amadala et al., 2017); and China Daily mentioned that “Cheaper, effective way to train teachers from slum schools” (Anon, 2017). There are many Chinese social media broadcasting their program, the help from the media not only raise the awareness from public, but also people will know more about what they are working on, it is the one of the best way to attract donors and supporters.

- In order to get along with local people and funder closely, they tell people they are volunteers instead of funders. Because “people will treated funders not part of team”. In order to gain trust from people, they need to talk with them to see the needs and eager from conversation.

Case 3: Hetong Senior Citizen Welfare Association

Hetong is the first social enterprise providing nursing home for elderly people in Tianjin, China founded in 1995, but registered as a company. Chan Kin Man mentioned in An Overview of Social Enterprise Development in China and Hong Kong that Hetong is also the earliest social enterprises established in China (Yuwen Li, 2016)

Hetong developed a complete system for elderly care, including Welfare Association for the Elderly, the Elderly Public Welfare Foundation. Hetong also own seven retirement homes and healthcare training schools for elderly in different cities (Xiaoming Yu, 2011),

The founder is Fang Jiake, he learned traditional Chinese medical

The situation in China is higher class people, they can go to nursing home owned by government, however, low income family's elder will go to general nursing home.

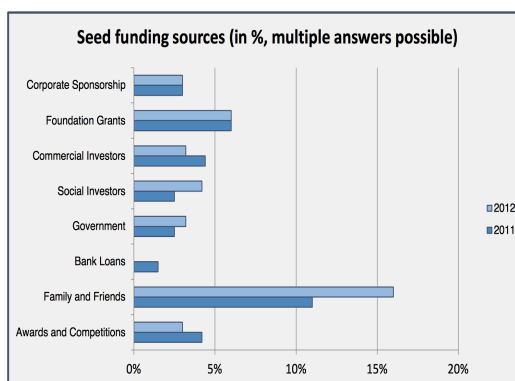
Lesson learned

- Hetong applied nonprofit organization model into social enterprise. Although Hetong was registered as a company, however, it doesn't have shareholders and no dividends. All funds are donated from public and used for supporting the programs directly. Donations are coming from various sectors, including government, business enterprises, education institutions, communities, and residential districts. More than 5000 volunteers are registered in the Hetong Volunteer Union, volunteers support all the services and activities, and most of executives are unpaid.
- Learn from other developed countries, make a combination of current situation in China and those knowledge. The founder mentioned that "The German pattern is the one which we follow. And we form the significant service pattern of Hetong." use the diaper pants instead of napkins,
- The funder not only provide high quality life for elderly people, but also protect their dignity. Their service motto is "Substitute for the children to display filial piety towards theirs parents, and share the government's cares and burdens (n.d.).
- Building good relationship with government. On Hetong's official website, they states that " We have to rely on the government, the Party, the society and other organizations to accumulate experience". One section on Hetong's official website

is “Policy”, most of them are government policy news. Such as Suggestions from The State Council about accelerating development of aged serving industry.

Challenges of social sector in China may face

According to the interview with Joana Huang, who is the co-founder of Kenya informal Sector Teacher Training Project. She mentioned that the major funding is from families and friends. And also based on the research results from China Social Enterprise Report 2012, it shows that there are more than 77% of social enterprises are depending on families and friends instead of bank loans (2012). I believe funding is the biggest challenge they are facing, including many other related factors. Such as lacking the knowledge of impact investment, lacking self-awareness and self-identity, the market is not mature enough, having difficulty on balancing profit and impact.



Lacking the knowledge of impact investment is one of the biggest challenges social enterprise will meet. Impact investment is a new word coming from western country, and more and more western countries investor pay attention on Chinese market and introducing the concept and strategy of impact investment to China, those international investors also working with local investors, in order to develop the

development of market. However, because of the culture differences, understanding of local market, and limitation on rules, the development of those international investors are very limited and been controlled as well.

The development of impact investment needs verification from the market. China's social enterprise is no more than 10 years; impact investment is staying in an early stage, which shows there will be a strong development potential in future. China's economic is growing very fast as we can see in those 30 years (Randall Morck & Bernard Yeung, 2008), and there are many areas can be filled by social sector. Such as aging issues, environment, agriculture are still waiting for discovering. There are many hidden opportunities in China's society. However, because of social enterprises are still in early stage, most of them are not old enough to be verified that they are strong enough to be copied or any success model people can follow. On the other side, people already saw the profit from the traditional business model, compare a mature model of traditional business to new model of social enterprise, most investors has been attracted to traditional business. According to the interview, Zhi mentioned that if you mentioned impact investment to venture Capitalists, they will fell nervous and scare, which represents that the main trend of investing market is still traced by profit.

The other obstacle is the limitation of system. According to the description of Mr. Dangyu Guo, China has five policies, first one is investor will not have the property right, they can not receive dividends, not qualified for bank loan, no affiliated agency, no tax deduction. Therefore, the five rules are limiting the enthusiasm of investors.

Most of the social entrepreneurs are young generations, and some are from nonprofit sector. One of challenges of social enterprise in China is that most of social enterprises in China are startups, the size of the enterprise are small, but the running cost is pretty high, the team are very young. Such as an environment database enterprise in Shanghai, there were only two western designers, they don't have a lot experiences on running an organization (Yu Minggui & Pan Hongbo, 2008). However, they need to not only spend a lot of money on the development of website, and maintenance of the website, but also it is time consuming. Most of social entrepreneurs training programs are nonprofit background, tech background, but they are not familiar with business running.

It is difficult to balance profit and impact. Although all of the social entrepreneurs agree that they are driven by solving social problems instead of earning profit, however, during the real life, they mixed profit and impact together, without a clear vision and mind. Some of entrepreneurs mentioned that the concept of impact investment is not as attractive as it sounds. Because the impact investment will remind them they need to take the responsibility of losing rate of return. The fact is that if mission drives them on solving social issue as the priority, they possibly have to endure loss of profit. Mr. Guo also mentioned that most of investors are only very interested in larger sized organizations and programs instead of startups. As Derwall mentioned, investor are still driven by profit, instead of impact (2011). As we can tell, China's economic growing pretty fast and profit driven the main trend of today's society. It is necessary to educate public the importance of social enterprise and the concept of impact investment.

Social entrepreneurs lack of self identify. One interesting to see from the interview is that, Mr. Zhi Cheng is a successful businessman in China; I was originally looking for his perspective on China's social enterprise. However, he told me he is preparing for a new enterprise, which sounds like the concept of enterprise. He told me what he do is helping individual entrepreneurs by providing affordable offices and business training to them. I believe that the concept he mentioned is like the model of incubator. However, he is totally have no idea what is social enterprise, and he even didn't recognized that his new company is running like social enterprise' model. I feel that there are group of people in China doing enterprises, what they feel is that they are doing good things for society, and they are solving problems like solving environment issues through a new method. Although the title of social enterprise is not the key, it is necessary to raise the awareness of social enterprise, in order to build a strong network, people will know each other, and have a chance to work together in order to build a better society. Although there are more and more investor, it is still limited, there are many challenges for Impact Investment Investors. Various kinds of Forums of social enterprises or impact investment investor conference has been held every year in different forms.

Leadership and management is standing an essential role in any sectors, not matter it is for profit, or nonprofit. Leadership skill building is also necessary. Based on the interview with Zhi, he mentioned most of the people who are doing social enterprise; they are from nonprofits, instead of management. The enterprise organization lack of leaders to lead those people. According to the research, I found there are 54.2% of

social enterprises in China have no Board of Directors in place. It is a serious issue for an organization, having a leader will improve the efficiency.

SWOT Analysis

S	W
<ol style="list-style-type: none"> 1. Most of social entrepreneurs are well educated. 2. More than 50% of social entrepreneurs have overseas' study or work experience background. 3. Female leadership becomes stronger and stronger. 4. International programs are helping. 5. Chinese government is working with small groups of social enterprises. 6. The Millennial Generation has a strong interest in social entrepreneurship than older generations. 	<ol style="list-style-type: none"> 7. Lacking of legislation for social enterprises. 8. Both public society and professionals is not familiar with the concept of Social Enterprise. 9. Social entrepreneurs lack of professional business skills. 10. Lacking of financial supporting fund. 11. Lacking of innovation. 12. Talents recruitments need to be improved.
O	T
<ol style="list-style-type: none"> 1. A wide range of social issues can be addressed. 2. Providing social entrepreneurship courses selection into higher education courses. 3. Attracting more funding towards social impact investment. 4. Young generation has strong sense of evolvement and great enthusiasm for social enterprise. 5. Social entrepreneurs can work together globally. 6. Government will perfect the system. 	<ol style="list-style-type: none"> 7. Government restrictions on social enterprise. 8. If there will be one unethical issues happened in a social enterprise, social enterprise sector will be influenced. 9. Lack of funding resources.

Future Social Enterprises Areas (Recommendations)

Key words: Social sector, Government policies, Funders, Education

Guo believes education is the key main stream to communicate newest information in the world; start social entrepreneurship class in higher education is both applicable and scalable. Young generations will leaders of China in near future. From the global perspective, if a person has both business skill and driven by social mission, they will make the country stronger and competitive. Higher education has the responsibility to provide new advanced knowledge to students. Higher education is not a place will provide knowledge and skills, but also it is a place to build a citizen who will take the responsibility to build a better society. Social entrepreneurship class will provide this opportunity and platform to lead young generations to this stage. Higher education is suitable for younger generation 's social entrepreneurship's development. Because nonprofits are becoming active in campuses, which build a strong foundation for social entrepreneurship. Also, colleges are working with enterprises, nonprofits, and academic research centers, the opportunity will build strong connection among different sectors' leaders. No matter which major the student in, either business or engineer, it is meaningful to build the concept of social entrepreneurship into students' mind.

Following are the most ten important social enterprises research centers around the world.

Center for the Advancement of Social Entrepreneurship

Global Social Enterprises Research Centers

Program	University	School	Website	Country
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<u>Center for the Advancement of Social Entrepreneurship</u>	Duke University	The Fuqua School of Business	https://centers.fuqua.duke.edu/case/	US
<u>The Tamer Center for Social Enterprise</u>	Columbia University	Columbia Business School	https://www8.gsb.columbia.edu/socialenterprise/	US
<u>Program on Social Enterprise</u>	Yale University	Yale School of Management	http://som.yale.edu/faculty-research-centers/centers-initiatives/program-on-social-enterprise	US
<u>Center for Social Innovation</u>	Stanford University	Stanford Business School	https://www.gsb.stanford.edu/faculty-research/centers-initiatives/csi	US
<u>HBS Social Enterprise Initiative</u>	Harvard University	Harvard Business School	http://www.hbs.edu/socialenterprise/about/Pages/default.aspx	US
<u>Skoll Center for Social Entrepreneurship</u>	Oxford University	Saïd Business School	https://www.sbs.ox.ac.uk/faculty-research/skoll	UK
<u>Asia Center for Social Entrepreneurship & Philanthropy</u>	National university of Singapore	School of Business	https://bschool.nus.edu.sg/acsep	Singapore

Although they are all about Social Enterprise, they have different areas to focus on. Areas including divination of the Social Enterprise, how to solve social issues

through social enterprise, environment issues, poverty problem, education issues, social responsibility, and social enterprise strategy. The most popular topics are enterprise responsibility and enterprise strategy. I would suggest higher education institutions check those websites and find a suitable plan for the social enterprise in their field. Other areas also need to be improved including leadership skills training, raising the self-awareness of social entrepreneurs, high motivation. I believe innovative ideas and business background could be built in higher education's curriculum.

We all understand the importance of funding; funding is like blood in a social enterprise, which keep it alive and energetic. However, compare with traditional enterprises, social enterprise usually hard to find investors to develop their scale, and they usually take rounds of financing in order to get enough fund to operate their business. Mr. Guo mentioned that the ability to ask for bank loan will be the top key elements on how well the enterprise to become success. Social enterprise is different from traditional business, it have to be flexible and be innovative. However, how could a social enterprise get bank loan in China. There are two key elements, one the performance of the social enterprise have to be positive influence on society, and they are very transparency on the financing. Second, the quality of the service is saleable and trustable. Some investor platform already appearing in China, social entrepreneurs can check their information online listed in following table.

Social Investment Platform

Institution	Website	Areas
More Love Foundation	http://www.morelove.org.cn	Poverty, Education, Elder, Art& Culture
Dunhe Foundation	http://www.dunhefoundation.org	Nonprofit, studies of Chinese ancient civilization, Philanthropy
Institute for Environment and Development	http://www.ied.cn	Environment, Energy, Youth Education
LGT Venture Philanthropy	https://www.britishcouncil.cn/programmes/society/social-investment-platform/partners-lgt	Agricultures, Education, Medical, Technology

Since most of social enterprise are just start, it is best time to reach out to other organizations and sectors to **build positive relationship** with other organizations will provide the opportunity to have a larger impact and influence. Social sector have to cooperate with other sectors, in order to expand larger scale impact. I believe that is social sector work with other sectors together, they will have a chance to mix the mainstream business model into social sector. Each side has their own advantages, learning and working together will build each social enterprise stronger. Also, as the example of NPI, which is a very successful case of social enterprise working with **government**. Because they are building a good relationship with government by solving

local issues, government not only provide spaces for NPI to operate, but also provide funding to help NPI. From NPI's website, we can tell, there is a section about government policies, which has been updated every month on government's policies or decision on social sector. They follow the trend of government, and they listen the call on from government, in order to achieve win-win situation. Like Jessica Chen said, *"Sometimes they even say we are too close to the government. But I should say this: you have to maintain a good relationship with the government to make things go smoothly."* **Media** is the window for public to see the world and society. Not everyone has a chance to see the truth by themselves, so they will watch TV, read news, listen video in order to get new information. Therefore I encourage media and researchers to post more and more positive guiding report on social enterprise cases to acknowledge public the advantages and benefits of social enterprise.

Conclusion

Social enterprise is not only new to China, but also it is a young sector in global level. From 2004 to 2016, the term of Social Enterprise may still sounds unfamiliar with Chinese citizens, but the awareness of doing goods and solving issues for society have been approved by public. Academic institution start providing social entrepreneurship classes to higher education institutions, business leaders believe social enterprise is the future of business, and some business leaders add supporting social entrepreneurs into companies' cooperation social responsibility (CSR). More and more charity organization rises in China, government department supporting social entrepreneurship competition

by funding and providing low priced physical spaces. International social enterprise journals and research article has been translated to Chinese editions published by magazines and social media. Based on analyzing several typical social enterprises in China, author hopes the cases can reflect the current situation of social enterprises in China, and new social entrepreneurs can inspired by successful cases. Although it is just beginning step of social enterprise in China, there is a long way to walk, challenges to take, we see opportunities in different areas, including elder problem, environment issues, education improvement, and immigrant's worker healthcare. I strongly believe that social enterprise will lead the trend of solving social issues in future instead of nonprofits, because the special circumstances in china. Corporation with other social enterprises and even other sectors will have a chance to have much bigger impact and get an influential result. Recommendations for social enterprises including training more talents with business background, who have innovation ideas and leadership skill. Funding standing an essential role in social sector, attracting investment from business entrepreneurship, high tech talents, and incubators. In order to raise the awareness of social enterprise, start advocacy and provide social entrepreneurship class in universities. Positive voices will have strong influential on public, it is the responsibility of media and researchers to publish more positive sides and successful cases of social enterprises in China. Developing social enterprise is not only the social sector will take the responsibility, but also other sectors have to work together to build a better society.

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