

# Social Entrepreneurship in China: Trends and Strategic Implications

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## Abstract

*The global environment has opened up opportunities for social enterprises to expand their concepts to international venues. An international expansion, however, exposes the enterprise to uncharted challenges and opportunities. This article revisits the definition of social entrepreneurship, offers an international paradigm, and reviews challenges and opportunities of expansion into China. A review of past and recent literature on the subject is offered, along with strategies for the success of international social enterprises seeking to expand their operations in China.*

**Key words:** *international, social entrepreneurship, entrepreneurship, China*

**JEL Classification:** *F2, F23, M1, M19*

## Introduction

Globalization has facilitated international business expansions and the replication of entrepreneurial ventures across countries and continents. Greenberg and Baron (1997) pointed out that market integration has spurred the business activities across countries thereby allowing the acceleration of capital flows and increasing economic and political interdependencies. This landscape was primarily shaped by (1) lower transportation and communication costs arising from sprouting technologies, (2) trade liberalization across several fronts, and (3) more aggressive business endeavors in developed and developing countries leading to export expansions and cross-border foreign direct investments. This trend has resulted to business expansion worldwide (Greenberg and Baron, 1997).

The growing inter-connectedness of individuals and nations characterizes globalization. Friedman (2000) defines globalization as the inexorable integration of markets, nation-states and technologies to a degree never witnessed before. It has enabled individuals to reach out to others in the world in a farther, faster, deeper and cheaper manner.

Alongside international business expansions are increases in socially directed endeavors. Bornstein (2004) noted that internationalization of public service organizations is taking place in an unprecedented scale, growingly diverse, comprised of dynamic inter-organizational alliances, and are implementing innovative solutions to social problems.

While China is booming in urban locations, poverty and related social issues exist in rural locations. There are several opportunities for social entrepreneurs to replicate their projects in emerging locations such as China. This article explores the various definitions and concepts of social entrepreneurship, discusses the existing challenges and opportunities of business expansion in China, and offers strategies for success.

## Social Entrepreneurship Expansion Defined

Academic literature has defined and contextualized the concept of social entrepreneurship. The author takes the definition further by tying together defined concepts along with venture expansion in foreign locations.

Social entrepreneurship has been associated with several attributes:

*Proactive.* Thompson et al (2000) view social entrepreneurs as individuals who see and identify an unmet need in a society and mobilize manpower, financial, and other resources to make a social impact.

*Risk-takers.* In an earlier definition, Theobald (1987) describes these individuals as risk-takers who possess skills and abilities to deliver new concepts and ideas into a wider framework of society.

*Mission-oriented.* Brinckerhoff (2000:12) defines the concept of social entrepreneurship in the context of a pre-defined mission, non-profit endeavor, organization-centric, and stewardship of financial resources.

*Focused on societal reform.* Other authors perceive social entrepreneurship as heavily anchored on social responsibility. For instance, Dees (1998) highlighted the relevance of social goals and objectives while implementing the operational strategies. Finn (2004) noted that social enterprises are founded by individuals who have converged business acumen and social conscience. Puttnam (2004) views these individuals as process-doers that act outside of the traditional methodologies of business, governance and philanthropy and focus on social transformation.

*Policy reform catalysts.* Banuri & Najam (2002) observed several cases where civic-oriented entrepreneurs were instrumental in positive policy changes. In an earlier study, Charlton & May (1995) noted the key role of societal actors as catalyst for policy reform and enhancement.

*Innovative and adaptive spirit.* Dees et al. (2001) expanded the role of social entrepreneurs to include being precursors of change through the creation of social value, innovation, and parsimonious adaptation, while Banuri, Najam, & Spanger-Siegfried (2003) indicated the strong desire to build social capital through concept enhancement, introduction of new methodologies technologies, and management systems.

*Entrepreneurial methodologies.* Fowler, A (2000) stressed the tendency to incorporate a value-added component and the need to generate an operational surplus among social entrepreneurs. Pomerantz (2003) noted the business centered approach and the strategic utilization of alliances and partners, while Overholt et al (2004) observed a propensity to utilize skills relating to efficient resource mobilization, orientation towards results, operational efficiencies, and the use of effective managerial approaches. Eikenberry & Kluver (2004) pointed out the emerging trend towards heightened market sensitivity and revenue generating activities among social entrepreneurs.

*International Orientation.* Boyles (1997) highlighted the emergence of internationally-directed civic-oriented actors that are functioning as non-institutional bodies and are transforming the global agenda. Keck & Sikkink (1998) alluded to the fact that although social venture activities typically comprise domestic residents where a project is situated, there are instances where foreign citizens have played an active role. Davis (2002) noted the expanding growth and approaches in global governance initiated by socially inspired citizens. The conveniences brought about by the ease of global communication, the Internet, and new technologies have broadened the scope of social entrepreneurship to encompass activities in international locations.

By integrating these definitions, social entrepreneurship expansion is defined as a dynamic process undertaken by individuals who are proactive, risk-taking, and mission-oriented leaders who decide to replicate a socially-driven venture to a new location in order to catalyze societal and policy reform, through entrepreneurial methodologies that are anchored in innovation and an adaptive spirit.

## **Opportunities for Social Entrepreneurship Implementation in China**

There are several opportunities for social entrepreneurship in China. Social issues have gravitated to the center of the Communist Party agenda (Guiheux, 2006). Currently, there are several issues in China that need attention: over 150 million transient, surplus rural workers are taking on any part-time, low-paying jobs they can get hold of, air pollution, soil erosion, water table decline, human trafficking, drug use and abuse among others (CIA World Factbook, 2007).

As an emerging nation, China is seeking to define a balance between the good of the private enterprise and public good. The prevalent mindset is to aspire to build a generally well-off society with a GDP per capita of about \$900 by 2020 (Guiheux, 2006).

Social entrepreneurs who have been successful in implementing their ventures in other parts of the world can find countless opportunities where they can make an impact in China.

Literature suggests that several organizations are currently exploring international initiatives. Cateora and Graham (1999:2) declared that with the increasing globalization of markets, firms are becoming unavoidably enmeshed with foreign customers, competitors and suppliers outside of the domestic environment. Friedman (2000) alluded to the “democratization of information” in a global environment that has facilitated the flow of information due to communication and technological efficiencies. The contemporary business landscape has allowed the ease of transfer of ideas and concepts to other parts of the world.

Welch and Luostarinen (1988) view internationalization as a process where a firm becomes growingly involved in various international operations. In a more integrated environment, enterprises become more exposed to modalities in which they can expand operational activities. Cummins et al. (2000) noted the increasing number of firms engaged in international pursuits, while Jolly et al. (1992) observed the emergence of “born global” high technology firms that have spanned a global reach in a short period of time.

As international mergers and acquisitions in the business frontier have blossomed in recent years, so have avenues for cross-border social entrepreneurship. Fowler (2000) indicated that in the case of non-governmental development organizations (NGDO's) societal contributions are beyond an international turning point. Bornstein (2004) highlighted the unprecedented growth of internationally-directed public service organizations.

Prahalad & Hart (2002) pointed out that in the corporate world there has been a shift in the level of market interest from the traditional five percent richest market segment to a broader segment comprising of the poorest forty percent that are primarily situated in emerging locations. Many companies are starting to realize that the domestic success of developed concepts, products, and services have attractive markets in other parts of the world and can be replicated elsewhere.

Along with business expansions, the number of internationalizing social programs is also growing. Davis (2002) cited the Yearbook of International Organizations report showing the existence of over 25,000 citizen-sector organizations from a mere 6,000 in 1990. This suggests an expanding interest for social entrepreneurship beyond the confines of a domestic location.

Notable examples of successful international concept expansions in socially-directed initiatives include Grameen Banking by Muhammad Yunus and the Ashoka venture fund by Bill Drayton. Grameen Banking started by providing micro-credit to the poorest sector in society in

Bangladesh, and the concept has expanded to several countries. (The Times, 1998). The Ashoka organization currently provides support to social entrepreneurs in 48 countries that are bound to make an impact on their communities (Ashoka, 2004).

In the case of China, many small businesses are making contributions to the society as a result of job creation, tax payments, and charitable contributions (Nanfang, 2004). Within this landscape, there are also opportunities to implement business models that make profitability and social responsiveness converge. For instance, a well-run waste management company in China, responds to pollution issues in the country while earning profits.

Fowler (2000) qualified the existence of two models for social entrepreneurship: 1) integrated – through the intersection of profit generating activities and social causes, and 2) re-interpretation – through creative expansion by lowering costs and spreading outcomes. Non-profit and for profit organizational hybrids are in existence (Davis, 1997). These models are currently being utilized in international social entrepreneurship expansions.

Social entrepreneurs possess the ability to make a favorable impact within the business and economic environment. In an earlier study, Hirschman (1958) observed the critical role decentralized actors play in a state's economic development. Foley & Edwards (1995) pointed out the essential role of philanthropically oriented private enterprises in a society's democratic health. Socially-directed initiatives can have an impact in both the domestic and international environments.

While the inherent benefit provided by socially-directed activities has not changed over the years, the modalities of implementation have evolved. Davis (2002) observed the emergence of venture philanthropy where wealthy entrepreneurs have implemented venture capitalism approaches to spur and support social change. Paquet (1997) cited the growing experimentation of new systems, processes, structures, and organizational alignments. The changing methodologies in social entrepreneurship are organizational responses to the evolving nature of the internationalizing contemporary business landscape. For instance, Leadbeater & Goss (1998) noted that as a result of the pressure to enhance service deliveries, executives in the public sector are forced to undertake strategic measures that are in step with the new demands of the society.

In the practice of contemporary international social entrepreneurship, there is a need to be anchored in entrepreneurial thinking and venture sustainability. Thompson et al (2000) identified the relevance of vision formulation, leadership ability, and consideration of the long-term impact of the venture. Mort et al (2003) pointed out to the need for value creation alongside efficiencies in management and decision-making, while Overholt et al (2004) alluded to the integration of entrepreneurial thinking and action, concretization of goals and aspirations, and venture continuity.

As many international organizations have been drawn into China in recent years, some may be drawn into simultaneously capturing profit and socially responsive opportunities. Much can be done to address the social issues in China.

## **Challenges in Social Entrepreneurship Implementation in China**

Social entrepreneurship expansions face implementation challenges across borders. This is certainly true in the case of an emerging country such as China. Cox and Healey (1998) observed that socially-directed projects of development agencies originating in Europe have a sustainability rate of only about fifteen percent.

In the case of China, government intervention through policies or tax regulations can cause a diverse set of problems (Lau et al, 1999).

If social entrepreneurs undertaking expansion encounter implementation difficulties in their country of origin, the challenges may be compounded in foreign locations. A primary concern is inadequacy of support. Theobald (1987) observed the lack of societal support for the efforts of social entrepreneurs. In China, numerous challenges exist in growing small businesses (Ahlstrom et al, 2000).

Additionally, social entrepreneurs need to balance the business demands of the country of origin with those in new locations. Banuri & Najam (2002) point out that it is often difficult to expand a social enterprise to a global scale due to the need to stay focused on the primary endeavor while expansion takes place. Conflicting agenda and strategic resource allocation can be a serious obstacle. Tyson (2004) stressed that inadequate financial support curtails the efficiency of expansion on social entrepreneurship activities. In China, entrepreneurs' lack of credit access and insufficient technical expertise were cited as challenges to business growth (Krug, 2004; Chow & Fung, 1996).

Banuri & Najam (2002) cited the need to be cognizant of the dynamics of the new environment and tailor-fit approaches to suit the unique needs of the location. Sensitivity to local requirements is necessary in policy selection and social intervention (Adleman & Morris, 1997). Exercising a flexible approach in the conceptualization and implementation of the project is of importance. In China, operational disparities and misunderstanding may take place due to: piracy and legal challenges, language barriers, technical disparities, quality standards, and lack of compatibility with Western culture (Leung, 2003). Beamish et al. (2000:134) recommend the establishment of measures directed at organizational control through extensive communication when expanding internationally.

There are innate obstacles for social entrepreneurs in international locations. Karakaya & Stahl (1991) point out to the existence of entry barriers for firms expanding into new locations that are not necessarily based on competitive forces. The Bridges.org website (2002) cited four factors affecting entrepreneurial activity in developing countries as infrastructure, legal and regulatory framework, financial support, and social structure. Porter (2000) alluded to the hazards of incongruity of the firm's strategy and locational attributes. Puttnam (2004) stressed the importance of gaining knowledge of the local environment, while Fowler (2000) recommended the use of socio-economic analysis.

Social entrepreneurs expanding in international locations face diverse and inconsistent levels of support from the local government. Leadbeater & Goss (1998) cited the operational inefficiencies in public service delivery that continue to exist across borders due to budgetary constraints, slow learning and application of best practices, and an overemphasis on outputs rather than socially beneficial outcomes. The implementation of laws, policies, and guidelines is uneven across foreign locations. Blanco, et al (2002) noted that in certain locations the integration of the concept of sustained development among domestic companies was a response to international requirements rather than local pressures. Banuri & Najam (2002) observed that in certain countries domestic enterprises have to further enhance awareness of the long-term impact of sound environmental business practices and technological efficiencies. In the case of South Africa, Bond (2006) pointed out that certain sectors have been privileged during the post-apartheid transition and economic inequality continues to exist.

The issue of establishing trust is critical to internationalizing social entrepreneurs. Suchman (1995) highlighted the value of legitimacy and its alignment with the social norms and value systems. Puttnam (2004) cited the importance of establishing credibility early in foreign locations. This is true in the case of China.

International social entrepreneurs need to channel significant effort and resources in network building. Uzzi (1997) pointed out to the critical role that networks play in business growth and longevity. Jenssen & Koenig (2002) expounded on the key role of social networks as a result of the support they provide in resource acquisition and expansion. Due to China's *guanxi*

culture, business people with better social ties tend to have more efficient business operations (Xin & Pearce, 1996).

Davis (2002) cautioned against the misalignment between the concept and the underlying structural support in a new location. There is a need to rally for the support of the citizenry by heightening an understanding of the social benefits of the endeavor, creating value, and an alignment with a global cause (Fowler, 2000). In an earlier study, Edelman (1964) pointed out the value of strategically framing the problem, challenges, and its implications in order to gain public awareness and support.

Language can also be a barrier for social entrepreneurs. Kotler and Armstrong (1999:596) alluded to the language challenges foreign nationals face when pursuing developmental initiatives in foreign locations. Lussier (1996:147) pointed out to the detrimental effects of misreading of nonverbal cues in international locations. In the case of China, several languages are spoken : Standard Chinese (Mandarin), Yue (Cantonese), Wu (Shanghainese), Minbei (Fuzhou), Minnan (Hokkien-Taiwanese), Xiang, Gan, Hakka dialects, and several other minority languages (CIA World Factbook, 2007).

In essence, while there are attractive opportunities for social entrepreneurship expansion in locations such as China, challenges do exist. It is imperative for social entrepreneurs to be aware of these potential challenges before hand and implement strategic measures to address them.

Social entrepreneurship expansions would likely accelerate and have a deep impact on countries in years to come. Edwards (1999) stressed the key role of international civic cooperation in the 21<sup>st</sup> century.

## Analysis, Discussion, and Conclusion

The gathered literature point out to the opportunities and challenges relating to social entrepreneurship expansions in a location such as China. Table 1 presents a synthesis of the gathered research.

**Table 1.** Potential Opportunities and Challenges for Social Entrepreneurship Expansion in China

| Potential Opportunities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Potential Challenges                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>○ Global environment eases the flow of idea transfers and cross-border communication</li> <li>○ Successful precedents</li> <li>○ Deep need in the country</li> <li>○ Convenience in the formulation of cross-cultural collaborations and partnerships</li> <li>○ Several cases demonstrating internationalization of social entrepreneurship</li> <li>○ Empowerment to make social enhancement and economic impact in foreign communities</li> <li>○ Wide open area for the creative and innovative utilization of social entrepreneurship approaches</li> <li>○ Evolving dynamics of structures and systems</li> <li>○ New modalities for the practice of entrepreneurial skills and international business enhancements</li> </ul> | <ul style="list-style-type: none"> <li>○ Lack of societal support</li> <li>○ Need for a balanced and strategic expansion</li> <li>○ Need for careful planning and several program implementation considerations</li> <li>○ Financial and resource challenges</li> <li>○ Require flexibility and adaptability</li> <li>○ Need for locational awareness (ie, socio-cultural, legal, political, social, business, economic)</li> <li>○ Need to strengthen communication and international coordination</li> <li>○ Inconsistency in government support</li> <li>○ Disparity in operational frameworks in international locations</li> <li>○ Potential challenge in infrastructure</li> <li>○ Need to establish trust and legitimacy</li> <li>○ Creation of a dynamic and effective support network</li> <li>○ Challenges in language and cultural understanding</li> </ul> |

Organizational complication may escalate as a social enterprise undertakes an international expansion. Aldrich & Whetten (1987) indicated the complexity of factors that impact organizational management.

As shown in Table 1, while there are several opportunities to expand social entrepreneurship in a location like China, serious challenges exist.

The author notes that although several factors are outside a firm’s control, a number of the challenges are controllable and may be addressed by implementing a strategic organizational response. Table 2 qualifies the uncontrollable and controllable factors that a social enterprise may face when expanding into China.

**Table 2.** The Interplay of Potential Controllable and Uncontrollable Factors Facing a Social Entrepreneurship Venture Expanding into China

| Uncontrollable/Partially Uncontrollable                                                                                                                                                                                                          | Controllable/Partially Controllable                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>○ Lack of societal support</li> <li>○ Financial challenges</li> <li>○ Inconsistency in government support</li> <li>○ Disparity in operational framework</li> <li>○ Challenge in infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>○ Balanced and strategic expansion</li> <li>○ Flexibility and adaptability</li> <li>○ Need for careful planning and consideration of program implementation factors</li> <li>○ Locational awareness</li> <li>○ Strengthen communication and international communication</li> <li>○ Establishment of trust and legitimacy</li> <li>○ Creation of dynamic and effective support network</li> <li>○ Challenges in language and cultural understanding</li> </ul> |

The uncontrollable and partially uncontrollable factors refer to the factors that would shape a social entrepreneurship venture’s expansion into China. As shown in Table 2, these factors may not be entirely within the control of an internationalizing social enterprise; however, the factors remain manageable to a certain extent. For instance, a firm may implement the following approaches as a response : 1) lack of societal support - can be managed by the clear articulation of the issues to relevant and influencing parties, 2) financial challenges – can be addressed by embarking in an aggressive international financial campaign, 3) inconsistency in government support – may be addressed through a policy reform campaign and the involvement of the government in project implementation, 4) disparity in operational framework – may be managed through the utilization of management adaptation and flexibility, 5) challenge in infrastructure – can be resolved through innovation and the application of creative practices. Though these factors inhibit operational efficiencies, all are manageable to a certain extent.

The controllable and partially controllable factors included in Table 2, refer to factors that a social enterprise faces, that are directly within its control. Social entrepreneurs are in the position to manage these factors within its organizational framework. In implementing practices such as : 1) balanced and coordinated international expansion, 2) flexibility of structure and management, 3) research of the new environment, 4) enhancing cross-border communication and activity coordination, 5) providing attention to credibility-building, 6) building an effective support network, and 7) preparing and training organizational members for language and cultural misunderstandings, the social enterprise is in a better position to succeed in an international location.

In managing a social entrepreneurship venture, there is a need to constantly find the converging point of profit generation and social contribution. In venture expansions, social entrepreneurs stand to benefit from a clear vision of their desired contribution to the global society. There is a strong need to blend and balance the “push” forces of profit generation, and the “pull” forces of social contribution. Furthermore, an understanding of the challenges that exist and planning for a strategic navigation through the identified difficulties is essential.

## Strategies for Social Entrepreneurship Expansion in China

In transferring the social entrepreneurship concept from one location to another, practitioners need to be fully cognizant of the challenges and opportunities that exist. Furthermore, a well-conceived and applied combination of effective international expansion approaches may prove beneficial. The author recommends ten (10) viable strategies for expansion into China.

**Formulate a clear international vision.** Social entrepreneurs undertaking an expansion into China need to develop a coherent and integrated strategy. The strategic integration of approaches becomes possible with a clear vision. In the pursuit of a unified approach a social enterprise may optimize the use of its resources. Thompson et al (2000) highlighted the importance vision formulation.

**Objective assessment of firm's strength and weaknesses.** Assessments and understanding of firm competencies are important considerations for social entrepreneurship expansions. A firm's key competence may be of significant value in one location and would provide ease in implementation. For instance, Fillis (2000) noted that small firms tend to integrate and expand their marketing and entrepreneurship practices as they start to internationalize. Understanding its core competencies and precise value offering to China, would allow the firm to make a more significant impact.

**Knowledge of the new environment(s).** In implementing social entrepreneurship programs in China, there is a need to fully understand the intrinsic causes of the issues, the dynamics of the location (socio-cultural, political, legal, infrastructure, business, and economic), as well as the availability of support networks. A thorough research and understanding of the new location will aid the planning of effective business development approaches, and will provide insights on the management of challenges and location barriers. Puttnam (2004) highlighted the benefit of understanding the market and socio-cultural dynamics of a new location. For instance, in China a business enterprise needs to establish close ties with the government (21<sup>st</sup> Century Economic Herald, 2003 : 1,2). A keen market understanding of China could help in the formulation of more efficient strategies.

**Selective leveraging of social issues.** The practice of "social leveraging" or transferring the management of social issues in one location to another venue where it is needed or desired deserves special merit. In pursuing this strategy, practitioners need to be observant of the parallelisms and differences that exist between the home environment and the target locations. Though social issues in China may be similar to those of the country of origin, the root causes may differ, necessitating adjustments in the modes of implementation. Furthermore, if a social entrepreneurship venture has the capacity to address several issues, focusing on the most relevant and most applicable to China in the target location would likely lead to heightened efficiency.

**Focus on niche locations.** The expansion of social entrepreneurship ventures can be limited due to constraints in time and resources. It is essential for social entrepreneurs to focus on niche locations where a more significant impact may be made. For instance, since China is a large country prioritizing on high impact social issues and locations would be a good way forward. Madsen & Servais (1997) noted that small firms gain an advantage by operating in niche markets utilizing a unique portfolio of competencies.

**Plan strategically.** Strategic planning is an important consideration for social entrepreneurship venture expansion. Norvell et. al. (1988) attributed poor international performance to lack of planning, haphazard implementation, and inadequate risk assessment. Anderson & Gatignon (1986) pointed out the need to consider the interplay of factors relating to degree of control, costs, and risks in an international entry. For rural projects in China, certain issues have to be under consideration, namely: location remoteness, poor infrastructure, low education level, lack of qualified laborers and management personnel (Fan, Chen & Kirby, 96).

**Establish networks and build credibility early.** Once an appropriate location is determined, there is a need for practitioners to build a strong presence in the new environment. Uzzi (1997) highlighted the merits of efficient support networks, while Puttnam (2004) cited the value of credibility building. In China, the key to entrepreneurial success lies in one's ability to form alliances with those that hold influence in financial, human capital, and other forms of resources (Krug, 2004). Pomerantz (2003) indicated that the future of social entrepreneurship is anchored in the efficiency of networks and alliances.

**Heighten awareness of the issue and highlight the urgency.** Elevating the social cause to a level of crisis and urgency facilitates the gathering of early support. Waddock & Post (1991) pointed out that a crisis perspective increases the level of relevance of social issues. This approach may help practitioners address complacency in societal and government support in the new location.

**Form a dynamic and well-motivated team.** As in any business enterprise, the recruitment of an action-oriented team contributes to remarkable results. A team's sharing of values and commitment to the endeavor can facilitate and expedite the implementation of the organization's agenda. Herbst (2004) interviewed social entrepreneurs Aleta Margolis, Amy Barzach, David Erickson, Kevin Long, Matthew Johnson, and Van Jones to identify viable field approaches for practitioners. The responses pointed out to the following findings : 1) there is a need to precisely identify and understand ones social passion ; 2) formulation of a vision is essential ; 3) success is anchored on a practitioner's ability to gather support from effective teams, mentors, allies, and strategic partners ; 4) a collaborative environment needs to be nurtured ; 5) flexibility and openness to the experience of others ; 6) proactive attitude brings results ; and 7) focus on areas where a most significant impact can be made. In the case of China, cultural considerations such as preference for formal and hierarchy-oriented organizations and centralized power and communication mode are noteworthy (Ross, 1999).

**Use sound business management practices.** Social entrepreneurs undertaking expansion in China would be well served by staying anchored on sound business management practices. In a 2000 survey, Chinese entrepreneurs cited the need for better credit access, eliminating corruption, and fiscal reforms as business priorities in the country ( Zhang, Ming, & Liang, 2003). Pomerantz (2003) recommended the utilization of methodologies pertaining to revenue generation without losing focus on organizational mission, while Mort et al (2003) suggested the use of value creation and strategic management and decision-making. Thompson et al (2000) proposed performance measures, awareness generation, training and development, collaborative engagements. Brinckerhoff (2000) stressed the importance of financial issues as a result of its implication on the achievement of the planned mission. In addition, management adjustments are required in response to the local culture, governance, laws, business and economic environment, as well as infrastructure.

In a global environment, there are opportunities for social entrepreneurs to expand the social entrepreneurship ventures to locations such as China. In an article by Chan (2005), it was pointed out that the Chinese government is encouraging business enterprises to act in a civic manner (qiye gongmin) and socially responsive (shehui zeren). While several factors may affect efficient implementation of socially directed ventures in China, these factors may be addressed by the development of a clear global vision, a thorough organizational assessment and understanding of intricacies of the country, and in strategic planning and management.

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## Antreprenoriatul social în China: tendințe și implicații strategice

### Rezumat

*Mediul global a deschis oportunități antreprenoriatului social, permițând extinderea conceptelor sale și în locații internaționale. O expansiune internațională, totuși, expune întreprinderea la provocări și oportunități neprevăzute. Acest articol pune în discuție definiția antreprenoriatului social, oferă o paradigmă internațională și prezintă provocările și oportunitățile de expansiune în China. Se insistă asupra literaturii de specialitate trecute și recente, dar și asupra strategiilor necesare încununării de succes a întreprinderilor sociale internaționale care încearcă să își extindă operațiunile în China.*