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Growth sustainability in China has become problematic on account of:

a) Relative neglect of environmental and labor welfare issues and the dash for growth;

b) Economic discontinuities such as recessions and earthquakes that interrupt progress;

c) Failing to make good use of the unofficial society to bridge the Technology gap and;

d) A poverty rate of 16% of the population with an income of less than $1.25 per day that does not bring feelings of inclusion in progress.

Research studies of this kind help highlight neglected sectors of Chinese society, calibrate social and political reforms, and enable them to participate in the mainstream of economic life by means of assigning a proactive role to Social Enterprise (SE), rather than merely bob in its backwash. Not much attention is given to the human downside to the dynamics of China's growth, nor to the crucial issue of bringing into the mainstream those at the bottom of the income pyramid by means of non-ideological entrepreneurial skills.

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Entrepreneurship is the "engine" of economic development. This is a platitude that is nonetheless a truism with ample empirical evidence. Notably however, both the literature and the truism more often than not, relate to for-profit business enterprises, schemes, and programs and seldom to non-profits and social transformation outfits such as the *Bhoodan* (land gift) movement of Vinoba Bhave[i] or the School for the Blind founded by Jeeyar Education Trust of Sri Chinna Jeeyar Swami[ii] in India. There is a real need for a paradigm shift from the customary business model or concept, to the social genre. There is just as much scope for innovation and enterprise in the social domain and the business model lends itself for application in the non-profit realm even on a self-sustaining basis.

The best characteristic of social entrepreneurship is that profit is not the defining feature even when such a mission and venture is undertaken by corporate entrepreneurship. The internet has been successfully used to create social entrepreneurship and social groups for the greater good. As such there are no Y2K, housing or financial bubbles to be concerned over. This is because some of these issues were to a large extent caused by the profit motive. The statistic that 70% of new business will fail in the first five years does not apply to not-for-profits units.

In the founding and management of for-profit family firms, authors Carsrud and Brannback (2007)[iii] care about four different kinds of risks: a) Strategic, relating to change in markets, new competition and new technology b) Operational, arising out of lack of adequate oversight and control systems in an organization c) Financial, that concern probability of a change in financial parameters on which the new unit is based, usually interest rates, exchange rates and general input price inflation and d) Economic circumstances such as unforeseeable discontinuities of recessions, tsunamis and earthquakes and such others. Because there is no criterion of profit-making, the four risks listed above, while being relevant even for non-profits, nonetheless tend to be less intimidating, and may not always threaten the new non-profit unit's survival and continuity. Risk management does not take on such a grim dimension, nor does it have overwhelming implications. World Bank (2004) studies show that the cost of establishing a business could be anywhere between $0 like in Denmark, to $4565 like in Italy[iv]. It is regularly close to negligible in the case of non-profits especially when volunteers steer the unit although there could be exceptions. Interestingly, and illustratively, when United Way suffered serious misappropriation of funds in 1992 and 2004 , it did not hold up unlike in the case of Enron in 2001.

AMELIORATION OF THE TRAGEDY OF THE COMMONS

Social entrepreneurship has come to receive grudging recognition and several social entrepreneurship foundations have come to exist. Instead of reinventing themselves for every growth need or exigency, Governments and others have come to understand and welcome the importance of social advance and development not infrequently through unpaid service. Definite steps have been taken to promote them. Good examples are the Red Cross, American Peace Corps, AmeriCorps, Kennedy Serve America Act, National Forest

Service, Teach America and hundreds of others around the world, many of which involve innovation and entrepreneurship. There are scores of altruistic service organizations, but regrettably their contributions may not figure in the GDP, one of the problematic issues being accurate market valuation of a hospital, power station, road, school or a built with unpaid assistance. One could even propose solving issues relating to the 'tragedy of the commons' through social enterprise. Notional value of such a piece or article or item could perhaps be approximated and included in national accounts, but no attempt has been made to do so. As a result, when it comes to GDP reckoning, non-profit voluntary service units suffer the same status, more or less of a housewife's services to the family. This is not to deny that there could be conspicuous contributions that may inexplicably get incorporated in GDP accounts. Dollar for dollar, at least in some cases, non-profits could be contributing to more capital formation than for-profit units too. Significantly, since profitability is not the foremost criterion to judge success amongst non-profits, there will be no question of market failures arising out of such a shift. At the same time, the objective of promotion of enterprise or institutionalization is achieved, albeit in the community, public or social (CPS) sectors. Thus, social entrepreneurship commends itself for a more robust study in the realm of welfare economics. For the sake of convenience, this paper would like to integrate all three into a single CPS sector.

Whether in China or elsewhere, in the nascent stages of economic development, governments tend to undertake numerous functions both crucial such as national security and currency management, as well as marginal such as beekeeping, farming, horticulture and pisciculture. Each such function could, no doubt be of considerable (generally positive) externality consequence in its own right. However, provision of drinking water could be more urgent and worthwhile than establishing Byzantine, (and often corrupt) bureaucracies in any other. Privatization together with basic and free civil, mechanical, electronic, digital and bio-engineering instruction and training of people, on a massive scale, could free governments from humdrum and dispensable tasks of this kind, and help focus on more essential tasks of governance. But even here, choices in favor of the private entrepreneur appear to be diminishing. In a recent study, the Shenzhen Academy of Social Sciences and the Chinese University of Hong Kong concluded that there is a "precipitous drop in the fraction of the population involved in starting new businesses, from 22% in 2004 to 5% in 2009."[v] This fact would seem to enhance the essentiality of social endeavors to bridge the gaps in enterprise. Schumpeter's creative destruction is also another factor to favor social enterprise that innovates to solve social, economic and technology issues without destruction, and yet be the driving force for growth even in China like shown below.

BOOTSTRAP SOCIAL ENTREPRENEURSHIP

More consequentially for economic development, governments could sponsor social entrepreneurship, help generate jobs, increase incomes and contribute to fashioning a more

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equitable distribution of incomes. Such bootstrap entrepreneurship is a neat blessing with hardly any gestation, and serves more like a good tide that raises all boats.

Governments can promote social entrepreneurship by a) publicizing opportunities to serve b) mandating for development in the non-profit sector societal areas such as education, public health, welfare, and alternative energy sources, c) promoting voluntary institutions by way of non-resident citizens' tax free remittances, and d) privatization of vast swaths of marginal or nonessential government functions. Social entrepreneurs would also be greatly encouraged by e) removing all hurdles, including prohibiting petty officials demanding bribes and otherwise creating procedural hurdles lest a successful social unit would belittle the significance of a government unit. These five steps would expedite private enterprise in the social sphere especially in a highly entrepreneurial society like China where "private business is the fastest-growing sector of China's economy, expanding at an annual rate of 20 percent, far above the 9.5 percent average growth of the national economy over the past two decades."[vi] Studied in the light of the Shenzhen study above it can be inferred that while existing businesses tend to expand and increase their stronghold on the market, there is a dearth of new entrepreneurs.

Thus, there is good reason for shifting the entrepreneurial emphasis from the business to the social sphere. It is prudent to buttress training in business and technical areas even by way of hand holding, as well as in the form of providing business incubation. Such assistance and encouragement would swell the population of entrepreneurs.

ENTREPRENEURS IN EDUCATION

The education and training thus made available more or less voluntarily, or on the basis of cost pass through schemes, often at almost no cost to society or on the basis of fee for service arrangements, provides the seedbed of societal innovation and entrepreneurship. Interestingly, the program services ratio, for the most part are in the ninety+ percent range. Bootstrap entrepreneurship of this kind, often the very best of altruism, like leprosy care, hardly draw anyone's attention like a gleaming new hospital building. But their accomplishments are disproportionate not just in relation to for-profit units, but also so in relation to the financial investment in them. Monetary incentives do not always provide the personal motivation for technical and organizational innovation and enterprise for all people. Gandhi, Schweitzer, Mother Theresa were not exceptions. In China given enough wiggle room, social , however, social entrepreneurial spirit will become vibrant and seeks more freedom to do good.

GRAMEEN BANK MODEL

For the most part there are no road maps for social entrepreneurship. Nor are there Small Business Administration (SBA), Small Business Development Centers (SBDC), Small Business Institutes (SBI), Small Business Investment Companies (SBIC) and Chambers of

Commerce or any other guidance providers for non-profits comparable to business entrepreneurship. There are, however, schools in Britain for social entrepreneurs. It is possible that the originators of a social project tend to be idealistic and normally have low tolerance for encircling misery, be it in the form of ignorance, physical and mental handicaps, poor health conditions, environmental degradation, sheer waste of talent and skills, or physical resources. For example take an electrical engineer who looks at the rapidly flowing stream on a hill slope in a remote area that has not yet been electrified. The spontaneous reaction is to come up with a hydroelectric power plant that would put that stream to good use, make electricity available to the villagers and bring modern amenities including education and entertainment to that area.

While there are ample social schemes and innovation of this kind, there is no shiny new object like a iphone popping up to be marketed with fanfare and flourish. There are egregious exceptions such as the Pigmy Bank in Karnataka State, India or the *Grameen Bank* which won a Nobel Prize for Muhammad Yunus, its founder. Otherwise, there is hardly adequate publicity and very often the social entrepreneurs, in particular citizens rather corporate units, come up against resistance of one kind or other to projects. Under such circumstances of problems in recognition and valuation of their contributions, how can social entrepreneurs establish that their role in economic development is not trivial? Fortunately in terms of both social and cost effectiveness, there is many a social project that as appealing as any.

There are acceptable methods to capture social value created by nonprofits and this endnote mentions one source of information.[vii] There are numerous examples of social enterprises in free and open societies contributing significantly to social upward mobility of sections of the community that slip through the cracks and do not get to share in overall macro prosperity. There is lack of adequate knowledge of social enterprises and their contribution in conformist countries such as China.

SCOPE FOR SE IN CHINA

16 PERCENT LEFT BEHIND

What is self-evident is that China is perhaps the most dynamic economy of its magnitude in the world today, growing inexorably, on an average, at double digit rates over the past two decades. Thanks to this factor, no other country has achieved more of the eight Millennium Development Goals (MDGs) for 2015 better than China.[viii] China's PPP (purchasing power parity) based gross domestic product (GDP) has not only overtaken Japan's which is the world's second largest, but may overtake even USA's as early as 2025, (if not earlier) when US GDP could be listing at around $ 22 t. and China's racing around $23 t. This becomes apparent if empirical growth data of the two economies are extrapolated into the future.[ix] However there is no guarantee this will definitely occur, given numerous

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discontinuities and resource constraints such as inadequacy of even drinking water let alone fossil fuels and other energy sources.

The progress so far is no doubt breathtaking. However, what is not so manifest is that there are sections of China's massive population of 1.3 billion that have missed the development boat. According to the World Bank, China reduced its poverty rate from 60 percent in 1990 to 16 percent in 2008, and the absolute number of extremely poor fell from 683 million to 208 million. This 208 million are poor by World Bank benchmark of $1.25 per day (on PPP basis) and account for about 16 percent of the population. It is prudent to remember that with inflation and continuing prosperity and higher standards of living, even those at a higher income level may skid down to the bottom of the income pyramid. Such an adverse phenomenon is both possible and it is ongoing. Over these decades the economic status of labor barely got better. Prasad and Rajan[x] refer to the growing political and economic tension on account of China's move towards a market-oriented economy. This move has created job and income uncertainty and also increasing inequality between urban and rural areas. The Gini coefficient, a measure of the disparities in income and wealth paradoxically stands at a high of 41.5 for China with a statist political order compared to 36.8 for India a free economy.[xi] Social enterprise could handle challenges of this kind and ameliorate the economic and social condition of this underprivileged segment of the population.

Fig. 1 traces the approximate historical transition to social enterprise from the time of the Long March. It is no doubt a projected transition, and yet the sheer logic for SE comes through considering the blistering rate of China's economic growth with an egregious downside to it.

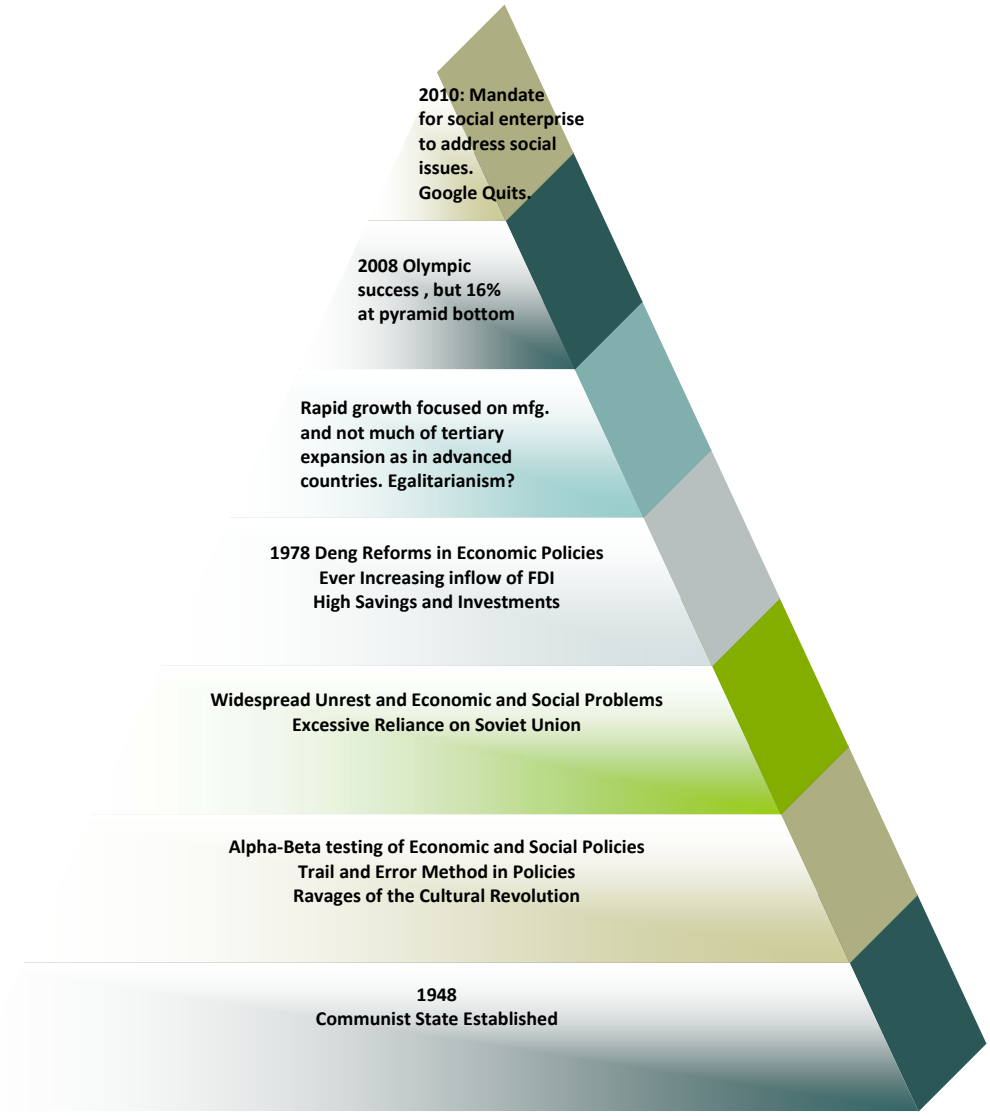

FIGURE 1 - TRANSITIONAL STAGES IN THE EMERGENCE OF CHINESE ECONOMY
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JOB CUT OUT FOR SOCIAL ENTERPRISE

Secondly, the spate of protests, unrest, suicides and strikes such as at the Honda factory in Zhongshan and at Foxconn in Shenzhen has prompted Chinese Premier Wen Jiaobao to plead for people's democratic rights, and political reforms. Obviously, economic development under an authoritarian rule has not meant Fukuyama's end of history, with everyone enjoying the fruits of progress and being happy. With reference to the factory model of Chinese development, President Hu Jintao has called for "transforming the growth pattern."[xii] Thus there are political, social, structural or environmental issues that cannot always be successfully addressed by official agencies or institutions most of the time under the gaze of the authoritarian Communist Party. For instance, unlike in other countries, China restricts mobility of population with both disincentives and other authoritarian ways. Labor thus cannot move freely from a surplus area to a deficit one, blocking away the escape routes from poverty. Thus, there are hardly any institutional champions for such underprivileged sections of China. Eventually with the help of social entrepreneurs they should be able to be in the mainstream of progress, not merely bob in its backwash. Narrow private interests often override broader public interests. This possibility increases as China democratizes gradually. Social consciousness resulting in in SE would help avoid this.

After the integration of Hong Kong with mainland China and with a view to make such integration somewhat less uninviting to Taiwan, there is more talk of "one country, two systems" that could usher eventually political reforms enabling the beginning of an indigenized Singapore pattern of political system in China. Here nongovernmental (NGO) agencies and social entrepreneurs have their job cut out for them. Also, NGOs could be more objective in ameliorating working conditions and welfare status of labor.

Under the best of plans for equity or economic justice some people slip through the cracks. Ultimately, they do not make it to the growth boat and are left behind. In a different context the late C.K Prahalad underlined the need to serve those at the bottom of the economic pyramid by utilizing new business models and products at relatively lower prices.[xiii] Such a reorientation of businesses would not only serve those left behind, but would also prove beneficial to business both directly and indirectly. In fact it would serve to promote such a model for the long run survival of business and of the vulnerable sections of the society itself. Corporations too can be socially entrepreneurial, the motive driving such an activity being corporate social responsibility (CSR). Government could encourage social activity for the larger social good. CSR was promoted as an antecedent for "entrepreneurial discretion"[xiv]

In India social entrepreneurship (SE) employing business skills has come up with 'frugal engineering' to cater to the market at the bottom of the pyramid. Tata's Nano in India is an example of such engineering. Much more so is *jugaad.* India's informal business sector has come up with *jugaad*, an indigenous truck put together like a salad from junk auto parts and an irrigation pump serving as an engine.[xv] Lenovo is busy coming up with a frugal computer for the Chinese market. Much earlier, the setting up of backyard furnaces in

China's rural areas to meet local requirements of pig iron was a neat idea but shabbily implemented. These are an attempt to involve those at the bottom of the pyramid in economic progress.

FRUGAL ENGINEERING FOR THOSE AT BOTTOM OF INCOME PYRAMID

SE either by Chinese business or volunteers can craft innovative solutions to societal problems of poor quality governance, ubiquitous pollution, reliance on conventional energy sources, unawareness of public health issues such as smoking and sanitation, shortfalls and shortcomings in technical education and innovation, and related issues. To give just one example, if Grameen Banking is introduced in China, it can make a sizeable difference to the problem of shadow lending which is the effort of small banks and lending organizations trying to meet the needs of micro borrowers. The Chinese Government knows that small lenders are more efficient at catering to the people at the bottom of the income pyramid.[xvi] The Government definitely has a role in promoting CSR in areas such as business integrity, model working environment for labor, sustainable ecological systems preserving the environment, energy economy and efficiency, value creation through innovation, promoting non-Communist party or non-governmental think tanks, the rights and duties of future generations, promoting studies of multidimensional inequality and poverty and exclusion.

Many examples of successful SE are available such as lessening malpractices through transaction governance capacity or e-service in the state of Andhra in India, housing for the poor by CEMEX, selling health through bath soap by Hindusthan Lever, Jaipur Foot for cheap prosthetics, Aravind Eye Care system, ICICI Bank's rural financing innovation and many others. Each of them could be adapted to specific situations in China. A more recent example is the extraction of biodiesel from a shrub called jatropha which is now being grown more extensively under the supervision of Indian and British firms such as D1-BP Fuel Crops. Bio-Energy firm Roshini has plans to plant one billion of another biofuel plant, the Indian birch all over in India, and neighboring countries to help ease the fuel energy problem. Biofuel can substitute mineral fuels in equipment such as generators, pumps, fuel tractors, trucks or trains.[xvii]

There is another important reason for SE: While per capita GDP is a good measure of social well-being, it is by no means a definitive measure. This is because well-being in a nuanced perspective is multidimensional and it has more to do with comfort level, the ease with which a person lives in a given economic, political and social environment without much of a hassle and struggle especially for the essentials of food, clothing, shelter, education and health. In this framework possibly SE can better deliver such comfort than other institutions.

DISCONTENT DUE TO DISPARITIES

China started permitting private enterprise, both domestic and foreign, to carry on business without much of constraints effective 1978. From then on, it could be reckoned, China became a transitional economy. When the state and/or its agencies manage the economy

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pervasively, one of the expectations of such central planning and governance is that they would press on for balanced development of regions and all segments of the society. More tangibly, however, in such economies, as privatization picks up pace and there is increasing reliance on the market system, new economic and social issues may begin to emerge such as: regional and sectoral economic inequality and disparities in living standards stimulating discontent. They become evident in health outcomes and educational attainments, threats to cultural diversity, environmental decay, and related crisis. Also, what is faced universally including in China is the "tragedy of the commons" in which people act just in their own self-interest and neglect the common good. Widespread examples are over-fishing, overgrazing, over-utilizing public resources and services and so forth. Drinking water pollution because of untreated industrial sewage being let off into rivers is another one. China has 20% of world's population, but only 7% of drinking water, and polluting even that would mean aggravating shortage and restraining growth. There are scores of such externalities causing serious social and health problems.

In such a milieu it is possible to envisage voluntary effort in public education, cultivation of the arts, sponsoring greenery, reducing carbon footprints, promotion of industrial innovation, Good Samaritan citizenship, civilian mutual help and many others. This is the rationale for the promotion of SE by not just business, but by all others in China to advance the cause of safer economic and social transformation. While the main business of business is ensuring an attractive return on investment (ROI), which is the main incentive to stay in business, SE offers the best hope to correct such short-sighted views and become more requisite and constructive units in China, as elsewhere.

Privatization in transitional economies, *prima facie,* seems to decrease egalitarianism. This is because the upper echelons of society tend to benefit from privatization thanks to their possession of the wherewithal of capital and technical training. Private initiative that results in SE is hard to come by on account of crowding out by public institutions or state owned enterprises (SOE) and their agendas. Second, years of enfeeblement of private resourcefulness and ingenuity have ushered in China what could be described as long periods of incubation of business units by the state. Compared to other countries, there is relatively more hand-holding by government and more governance, an incidence that could go against the grain of SE. One of the factors needed for the emergence and sustenance of SE is self-governance. In order to encourage such personal or business participation in social rehabilitation or construction, the Government should persuade business and individuals to explore opportunities in SE and resolve the numerous societal issues.

SE NOT A NEW CONCEPT IN CHINA

Chinese business and people are not unfamiliar with voluntarism. Before listing some of the more outstanding examples of such altruism, a brief background to this is appropriate. Dependence on the government or outside agency for solving local issues could be deemed to be going against the grain of Chinese character. The Chinese proverb "It is better to be a chicken's head than a phoenix's tail" is often quoted to attest that the Chinese would like to

be their own masters, rather than be at the behest of an outsider. This could be one of the reasons why China all by itself coped with the exigencies created by the earthquakes of 2007 and 2010.

As the diagram in Figure 1 shows, private enterprise flourished before Mao Zedong established the socialist state in 1948. Initially, under influence of the Soviet Union, there was excessive central planning, leaving little scope for the private sector. There was the disaster of the Great Leap Forward (1958-60). This was a regime of trial and error methods and was current till 1965. The capricious ways aggravated inequalities and disparities in living standards.

Between 1949 and 1978 when Deng Xiaoping launched reforms under the appellation of "Four Modernizations," private entrepreneurial activity had no mandate although it was not suppressed. During this two-decade period it somehow survived, indulging in rent-seeking opportunities in real estate, the underground economy and wherever the economy was inefficient. Such inefficiency abounded thanks to events such as the Cultural Revolution (1966-67). The *danwei* system of life time care of employees or the "Iron Rice Bowl" of a powerful safety net was some kind of a moral hazard against the enterprising spirit. Subsequently, as part of the decollectivization process, the Government permitted Town and Village Enterprises (TVE) to come up and undertake agriculture and small scale activities.[xviii] TVE resuscitated Chinese free enterprise while State Owned Enterprises (SOE) complete with *danwei* and life time employment, housing and other perks discouraged the venture spirit.

BETTER BE CHICKEN HEAD THAN A PHOENIX TAIL

Thanks to the rapid growth of the Chinese economy, the technology parks and technical education, the exceptionally large inflow of foreign direct investment and the demonstration effect of such investment, private enterprises in China have taken off and the advantages of being a chicken head rather than a phoenix tail are being appreciated. It is a moot point if volunteer organizations, social safety net units and non-government institutions had a greater role to play in China's social and economic advance, there would have been a lesser number of persons untouched by the dramatic changes in China over the past three decades. The instant response to such an assertion is that, at least in theory in a typically centrally planned economy such as China, the state strives for balanced development of all geographical areas and social segments. Hardly any segment would be left behind. As such, the very rationale for voluntary organizations is questionable. It is also possible that in as vast a society as China, NGO or charity organizations, without proper steering and direction by a central authority, are likely to duplicate the efforts of the government and may waste scarce resources. Secondly, one would believe that the Chinese state would suspect the very motive of voluntary organizations unless set up by cadres in communist party itself. Some of the depredations of rapid growth already mentioned prove that central planning has not taken care of the after effects of growth and so the misgivings about SE are uncalled for.

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Social entrepreneurship and investment in China could play a critical role China's social and economic growth and help it to take off as a mature economy sooner than otherwise. Perhaps on account of hubris, there has been a sharp decrease in entrepreneurship as reflected in the fraction of the population that is starting new businesses.[xix] It is difficult to say if this is a generally adverse trend for business, or hopefully, as noted earlier, such population is increasingly taking to starting nonprofits and socially relevant entities like in education.

Despite the relatively awesome role assigned to the State in all walks of life, China very much has a civil society with a high degree of civic consciousness.[xx] Such an awareness combined with a nationalistic aspiration to work for the common good has a great potential. In recent years there have been outstanding examples of such civic consciousness and social responsibility both on the part of non-SOE corporations as well as by individuals. The earthquake of 2006 in Sichuan province is the one often mentioned. Supported by many companies, thousands of volunteers contributed to the rehabilitation effort.[xxi] There are several accounts of social entrepreneurship and one such relates to the twin book case in which if a copy of the book for children was sold in an urban area, the backpacking volunteer would donate a copy with an identical code to a child in the rural area. The urban and rural kids could then communicate and connect with each other by letters. In 2007 about 2000 books were sold benefiting about 1000 children.[xxii] It is not the scale of the operations, but the spirit with which it is rendered that is significant. Then there is the case of a well to do motor cycle seller who has organized twenty volunteers in Guangxi province to look after children and clean the homes of the elderly.[xxiii] There is also an increasing focus on corporate social responsibility (CSR) because of its bearing on sustainability of China's growth. Even the Government has come to expect CSR from corporations though initially it had reservations.[xxiv] Chinese companies such as Dachangjiang, Huawei, Haier, Lenore, and others that are investing abroad comply with CSR just like foreign corporations in China do.

INTERNET A POWERFUL FORCE FOR CHANGE

SE is at times difficult because of natural misgivings about private activity in a place where government is omnipresent. The recent case of Google pulling out of China due to the insistence of China that Google make available lists of all internet users and other interferences is now retold in all the media. In this case, the internet stands at the opposite end of libertarian Wide World Web. It is but natural for the Chinese government to control all aspects of all activities and suspect not just foreigners, but even Chinese themselves of anti-government activities.[xxv] The Chinese blog more often on the internet than Americans do. Not for just emailing, but it is being used in China for all others such as e-commerce, education, music, news and others. More generally, the internet is emerging as an institutional nonprofit at least in respect to the outcomes of certain internet activist cases. One such is reported by John Pomfret about how women are defending themselves from lecherous males, or how many computer internet users protested the mandatory installation of pornography-blocking software that would also block politically sensitive material too.

Astonishingly, the pros and cons of this case were discussed openly on the *People's Daily* website, a paper run by the Communist Party of China. This signals that the internet, and its users, as an institution or as an open medium of communication, is able to weigh in on the powers that be in China, a positive sign.[xxvi] The internet could also be a force to mitigate the problem of counterfeit reproduction of CDS, DVDs, software, and not to speak of watches and other goods. According to the European Commission, businesses in China account for over 54% of counterfeit intellectual property.[xxvii]

Yet another social initiative is the case of Li Dan, a graduate student of astrophysics at the Chinese Academy of Science, who has been serving the cause of AIDs patients in China. He founded the Donzhen Nalan Cultural Transmission Center in Beijing to care for AIDs orphans. Li founded a school for AIDS orphans in Shangqiu, Henan in 2003, but was shut down in 2004 for want of a state license. He won the 2006 Reebok Human Rights Award. His attempts to restart the school have not been successful. Li's emergence as a human rights activist has led to his blacklisting by China and it has become difficult for him to pursue his goal.[xxviii] China has since lifted the ban on entry of HIV positive persons to China.

SE AT WORK

SE is most needed in the area of education. Despite increasing allocation of resources such as 4% of China's GDP, and spectacular increases in allocation such as 22% over the previous year, some 7.5% of children in the age group of 6-7 years have no access to primary education.[xxix] The reference site lists over a dozen SE units in the field of education operating in China, with details of the nature of their activities and contributions. SE is well and active in China and a visit to China Social Entrepreneur Foundation will bring this home. The English version lists all the SE work of the Foundation as distinct from the Poverty Alleviation plan of the organization. [xxx]

Non-government organizations (NGO) are sprouting in most developing countries including in China to do good such as promotion of good governance, education and hygiene, and fairness in business practices. One such is the Beijing based NGO, China-Africa Bridge, set up by Hafsat Abiola to ensure that benefits from trade and investment flow to the communities and not to individuals alone. She is against unethical dealings in oil and other resource areas. She would like Chinese enterprise to pass on technical skills to Africa just as China would expect from foreign investors in China.[xxxi] There is also the encouraging case of Chen Shu-chu, a vendor of vegetables in a stall in Taitung County, Taiwan. He has donated NT $10 million (US $320,000) for various causes such a children's fund, a library and an orphanage.[xxxii] This should be replicable on the mainland too.

TERTIUM QUID

Wrapping up, this paper has made out a case for greater social entrepreneurship in China for the strategic reason that the Government or the corporations, state or private cannot meet all of China's needs such as ensuring sustained growth, extending quality education to

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those at the bottom of the income pyramid, spawning innovation, pollution control, quality improvements, extending democracy, and so forth. SE would not just shift the Chinese growth paradigm for the better, but would also make sure that no one is left behind unless someone by choice wants to live the life style of a Henry David Thoreau. This would also help reduce citizens' excessive interaction with local governments for everything from drinking water to working conditions.

It is not a happy augury that, as noted earlier, the innate optimism and entrepreneurial outlook of some sections of the Chinese population are going down. A rewarding outcome to all concerned of such a wider mandate for SE is that the great transformation that China has pulled off so successfully will become more sustainable with SE rather than without. *Danwei* or the Iron Rice Bowl will then be accessible to all with no exceptions. There could be more egalitarianism and power-sharing with individuals. The cost of economic growth in terms of the environmental cost would be far less. And under such a state growth could be more self-sustaining. If extended a wider mandate SE would usher in a more inclusive growth paradigm. If such a trend would stipulate more unrestricted open discussions, that may well be worth the new openness that has been accepted under the "one country, two systems" after the merger of Hong Kong with China. China's economic growth would then be more inclusive and also more vibrant. Social enterprise would provide a social safety net for a segment of the population that may miss growth but will never be an existentialist threat to the Chinese state.

END NOTES

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