SOCIAL ENTERPRISE WORKING WITH INTERNAL MIGRANT CHILDREN IN CHINA: VALUES, CHALLENGES AND CONSTRAINTS

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ABSTRACT

This is an exploratory research study which examines the role of social enterprise in delivering services to children who migrate within China. Under the current Hukou policy framework, migrant children face a variety of challenges due to differences in the level and accessibility of welfare support available for migrant people and migrant children. Social enterprise, as one form of non-institutional welfare service provision, has become an increasingly important vehicle for addressing a variety of social problems. However, very little empirical research has been conducted regarding the contributions and constraints of these social enterprises, especially social enterprises working with internal migrant children in China.

In this study, an ethnographic approach was employed to examine the nature of social enterprises working with migrant children. Two community-based social enterprises which aimed to promote social inclusion and improve unmet child well-being by providing community centre services were intensively studied. The researcher was immersed in each social enterprise for six weeks. Data from these observations were triangulated with data from interviews, focus group meetings and document analysis.

The key finding of this thesis is twofold. First, it developed a multi-layered social enterprise ecosystem to explain the operation of social enterprises by looking at the macro-, meso- and micro-level environments and at the stakeholders who operate within the different layers. This framework highlights the constraints of the institutional context in China and the powerlessness of the researched community-based social enterprises to respond to the uncertain policy environment. The researched social enterprises had limited ability to respond to the substantial challenges of migrant children, but even so they each made a great contribution to migrant children's subjective well-being. Second, the findings highlight the crucial role of the co-production process during the identification of needs and the development of an appropriate service. By looking at their daily practice, it was also possible to discuss the 'need-driven' mission drift, which had not been considered in previous studies. The conclusion of this study is that the social enterprise approach is an emerging mechanism for supporting migrant children but that social enterprises have great space for improving their operations.

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DECLARATION

I declare that this thesis is a presentation of original work and I am the sole author. This work has not previously been presented for an award at this, or any other, University. All sources are acknowledged as References.

CHAPTER 1: INTRODUCTION

1.1 Background and research gap

China's rapid urbanisation and industrialisation process has gained much attention in the light of its speed and the high numbers of urban citizens. The modern industrialisation process began with the implementation of a national policy named '*The strategy for giving development priority to heavy industry*' in 1949, the year of the establishment of the People's Republic of China. At that time, only 10.64% of the population (57.65 million people) were living in urban areas (National Bureau of Statistics of China, 2015). In the last 60 years, the urbanisation and industrialisation processes have experienced ups and downs along with the changing socio-economic context and policies. By the end of 2015, the National Bureau of Statistics of China (NBSC) (2015) stated that the urban population had grown to 56.1%, with around 771 million people permanently living in urban areas, especially the intensively inhabited areas of East China and the coastal cities.

The rapid expansion of urban areas and the growth in the numbers of urban citizens led to an increase in the economy, the upgrading of agriculture (Wu, 2011) and a surplus of rural labour which has been attributed to the upgrading of agricultural technology. Some scholars have also argued that the rapid urbanisation and industrialisation have also stimulated changes in the industrial structure as there is greater demand for industrial products and for the service sector's products or services (Qiu, 2003; Chen *et al.*, 2012). This led to an increase in non-agricultural activities and the decline of agriculture activities. The changing industrial structure attracted huge numbers of people, especially workers from the surplus rural labour force who chose to work in non-agricultural areas where they could earn a better income (Ye and Murray, 2005). During this period of migration, parents increasingly chose to take their children with them when they headed to the urban cities, rather than leave them with their grandparents and relatives living in the rural areas. These 'migrant children' totalled as many as 35.81 million (Women's Federation, 2013).

As these increasing numbers of people chose to migrate to the urban areas, many challenges faced the host cities because of the limited public service resources. For example, there were growing pressures on the employment market, on public transportation, educational opportunities and health-care resources, and the environment began to deteriorate (UNDP, 2013; Song and Zhao, 2012). To address these negative impacts on social governance, the Chinese central government developed the *hukou* policy in 1958 to restrict and regulate population migration. Although the *hukou* policy has been

reformed many times and has gone through several stages of loosening and tightening processes to meet different political purposes, it is still one of the most important vehicles for the central government to control migration and to distribute social welfare.

Under the *hukou* policy and fourteen further supplementary policies, migrant people cannot receive the same social benefits as the residents who live in the host cities. Therefore, those policies reinforced the dual socio-economic structure in China and had a significant impact on migrant people's routine life in terms of their housing, education and other social security benefits. There has been hardship amongst migrants such as reduced life chances, poorer access to education, the absence of housing benefits, unmatched or unmet social insurance choice, and an absence of general social welfare (Long, 2011; Li, 2013; Tao, 2010).

Migrant children, as the continually increasing group of people in the migration process, have encountered a variety of difficulties in terms of their family and school education, socialisation, and physical and psychological health conditions under the institutional framework of social welfare provision. First, in terms of migrant children's family education, previous studies have found that migrant children were likely to experience child poverty, negative parenting style and parents' limited educating ability compared with urban children (Wang, 2012; Yang *et al*., 2012; Chen and Pan, 2008; Wei *et al*., 2012). For their school education, migrant children are considered to have reduced state-school education opportunities in host cities as a result of the *hukou* policy restrictions, therefore, large numbers of them (varying between provinces) are forced to attend the migrant schools which are generally thought to have poorer educational facilities and teaching quality (Xiong, 2012; Xin, 2012). Other research findings have shown that migrant children have poor academic performance compared with urban children (China Youth and Research Centre, 2007; Zhang *et al*., 2011). Second, migrant children have also been heavily socially marginalised and excluded, lacking sufficient social network support between school, family and peer groups (Zhang, 2007; Zhou, 2007; Shi and Lu, 2008). Third, the poor socialisation process implies that migrant children's psychological health level is lower than that of urban children (Lin *et al*., 2009; Han and Wu, 2010; Liu, 2009; Zhu, 2008; Hu, 2002; Fang *et al*., 2008). Specifically, migrant children have been found to experience more social discrimination and deprivation than local urban children.

Policy and institutional restrictions have pushed migrants to make these choices on housing, education opportunities and other life choices. The majority of migrant people choose to

live in poorly developed communities, known as urban villages,[1] which typically have insufficient public services. Another typical characteristic of these urban villages is that they have small local populations and so are overwhelmed by the migrant people coming to live in them. The urban villages are 'independent' or 'isolated' from mainstream urban society as they have essential living services including restaurants, supermarkets, pharmacies and schools in these communities. Migrant children living with their family in the urban villages are therefore isolated from their urban peer groups in terms of space and social connections.

In summary, the migrants have been suffering from a lack of formal education opportunities, no access to proper housing and housing benefits, limited public spaces, and expensive child-care services, and the proximal cause of the difficulties of migrant children is the level and accessibility of the welfare support available for them.

There have been many attempts to address these difficulties through both institutional welfare provision and non-institutional welfare provision approaches. From the institutional welfare provision perspective, the welfare policy framework designed for migrant children is considered as a 'residual' welfare policy (Zhou, 2014), which means that the state has a limited role in delivering social welfare to these groups of people, as the main task of the host government is to provide for the local residents. The policy framework intended to cover the minimum needs for migrant children's standard of living consists of three key areas: compulsory education, health (mainly free vaccination) and child protection. There have been many needs or demands that cannot be met by the central policy framework, such as the subjective well-being of migrant children. This is where non-institutional activities can step in.

Social enterprises as an emerging non-institutional welfare service provision have tried to address these problems by providing community services (mainly after-school services), school education, interest groups and other services. Although there is no agreed, internationally accepted definition of social enterprise, the basic logic of social enterprises is to achieve social aims through a business approach (Kerlin, 2006; Borzaga and Defourny, 2001, Dart, 2004). In the UK, the term 'social enterprise' refers to "a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit

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[1] Urban village (also known as 'villages in the city') means "a community of interest for urbanized villagers, a migrant settlement with low-rent housing". The urban village is characterized overall by "narrow roads, face-to-face buildings, a thin strip of sky, and inner streets packed with shops, grocery stores and service outlets" (Liu *et al*., 2010:135-136).

for shareholders and owners" (DTI, 2002:7). However, despite social enterprise being one of the new policy responses to the welfare of migrant children, the subject has been under-researched in the context of China. There have been no academic studies examining how social enterprises deliver public services to migrant children in China. This is evident from searches of Chinese journal databases as well as of international journal databases. Instead, social enterprise-related research in Chinese academia has been dominated by efforts to introduce or compare the emergence of social enterprise with western countries, and to outline the definition, characters, contributions and models of social enterprise. Whilst early research provided a grounded theoretical discussion, few researchers have shed light on the performance of social enterprises, especially their day-to-day practical activities in the domestic context of China. Furthermore, despite there being an estimated 35.81 million migrant children in China (Women's Federation, 2013), accounting for 12.8% of all children in China, there has been no applied research to date on the impact which social enterprises that work with migrant children can and do have. This is the research gap that this study is intended to fill.

1.2 Research aims and questions

The aim of this study is to explore and understand the role of social enterprises in delivering services to children who migrate within China. Specifically this subject will be explored through the following three questions:

1. How do social enterprises develop and deliver support to migrant children in China?

2. What social impact do social enterprises have?

3. How does the context in which social enterprises operate affect the nature of the service provision?

1.3 Methodological approach

An ethnographic approach was adopted in this study to explore how social enterprises work with internal migrant children in practice, and to understand how and why social enterprises work in that way to meet the needs of those migrant children. Two social enterprises were selected as case studies which operated in different institutional environments, both providing community-based services to migrant children including after-school services, weekend clubs, school education assistance and other outreach activities.

Multiple data collection methods were chosen to generate rich and holistic evidence for analysis. Participant observation as one of the key data collection methods was conducted in both social enterprises. The researcher acted as a full-time volunteer (working 6-7 days per week) and immersed herself in each of the social enterprises for six weeks in order to explore what the selected social enterprises actually did during their daily operation. By so doing, the researcher was able to observe the interactions between social enterprise officers and migrant children, migrant parents, volunteers and other visitors. Semi-structured interviews were conducted among groups of participants (five with social enterprise officers, seventeen with migrant parents, and four with local authority officers) in order to understand the different perspectives on the operation of the selected social enterprises. Focus group meetings were conducted with nineteen migrant children (7-13 years old) in these two social enterprises, in order to hear and understand the attitudes and thoughts of these 'direct' service users. This involvement of the voices of migrant children is also one of the key contributions of this study. Perspectives are of crucial importance in this study as it was designed to explore how the social enterprises worked in practice and how their services were perceived by different people. Documents were collected from the fieldwork as an additional resource to help to demonstrate the validity of other sources of data, and these documents included mission statements, annual reports, donation records, events reports, previous evaluation reports, regulations and feedback from volunteers. Some government documents were also collected during the literature review stage and the fieldwork stage.

The data collection process as a whole was conducted following the inductive logic, which is to generate theories rather than to test hypotheses. The chosen research design and data collection methods enabled the researcher to generate rich qualitative data and each source of data was triangulated with other sources to ensure the reliability of the evidence.

1.4 Structure of the thesis

The thesis has eleven chapters. The next three chapters present a review of the background and rationale of this study to identify the research gaps. Chapter 2 describes the background to the emergence of migrant children. The processes of industrialisation, urbanisation and migration created great opportunities for more rural dwellers to choose to migrate to urban areas for better living chances. Chapter 3 offers an explanation of the policy framework provided for migrant children, especially the *hukou* policy and its impacts on migrant children and migrant families. Chapter 4 conceptualises social enterprises both in the international context and in the Chinese context in order to fully

understand the theoretical development of social enterprises. Chapter 5 outlines the research design and the methods used to collect data.

The results begin with Chapter 6, which outlines the contexts of the two researched social enterprises including their aims, missions, fundraising plans, staffing and skills. Some key challenges which appeared in their daily operation are identified at the end of this chapter. Chapter 7 explores the perspectives of migrant parents on the services which they have received, and offers suggestions for social enterprises to address them. Chapter 8 explores the thoughts of migrant children on the received services. Migrant children's lives are outlined at the beginning of this chapter. Chapter 9 presents the perspectives of local authorities in order to understand their attitudes to the researched social enterprises as well as to broader social enterprises. Their attitudes towards migrant people and migrant children are examined in this chapter.

Chapter 10 presents a discussion of the key themes summarised from the findings presented in the previous four chapters. These key themes include how the social enterprises constructed the needs of migrant children and the development of services. This is followed by a discussion of the Social Enterprise Ecosystem developed from this study to understand the players and relationships which that occupy the macro-, meso- and micro-operation systems of social enterprises. Chapter 11 is the conclusion chapter. The answers to the key research questions are presented and the contribution of this study to both theoretical knowledge and practical knowledge is discussed. The limitations of this study are discussed and suggestions for possible future work in this field are presented at the end of the chapter.

CHAPTER 2: INDUSTRIALISATION, URBANISATION AND INTERNAL MIGRATION IN CHINA

2.1 Introduction

Over the last thirty years in China, the sweeping trend of globalisation and the 'Reform and Opening Up' policy introduced in 1978 brought great economic development as industries have expanded, with new employment opportunities being created in urban China. The economic model has evolved from a planned economy to a market-oriented economy. The increasing availability of work in the construction, manufacturing and service sectors in China's urban areas and the large income gap between non-agricultural and agricultural work have combined to encourage surplus workers from rural areas to head into cities, seeking better employment opportunities and sources of income for their family (Ye and Murray, 2005; Rozelle *et al.*, 1999). China's large-scale migration and rapid urbanisation have been unprecedented on the global scale. Nearly half a billion people have moved to the urban areas over the last thirty years (National Bureau of Statistics of China, 2015).

The purpose of this chapter is to explore the general socio-economic background of this huge internal migration in China. In order to give a general picture of the short history and development of urbanisation of China, this chapter first briefly outlines the industrialisation process in China. Then the rapid urbanisation of China and its positives as well as governance challenges is reviewed and discussed. Following this, the Chinese rural-urban migration flow is mapped and the theoretical explanation behind this massive internal migration is addressed.

2.2 Industrialisation

Many economists argue that the industrial structures are different in different stages of industrialisation regarding the urban-rural relationship and the industry-agriculture relationship (Chenery and Taylor, 1968; Ren, 2005). During the early stage of industrialisation, it is expected that agriculture should support industry through 'price scissors' and in fact many socialist countries have employed such strategies during their early industrialisation stage, including China and the Soviet Union (Ren, 2005; Sah and Stiglitz, 1987). In contrast, during the middle and late industrialisation stages, industry should support the development of agriculture in return and urban cities should support rural areas.

China established a basic industrial system in 1957 (the 1st Five-Year Plan:[2] 1953-1957) through the implementation of the strategy of '*giving the development priority to heavy industry*'. With the adjustment of the economic strategy after 1978, the industrial structure changed and more focus was put on the service sector. Based on the industrialisation stages model proposed by Song and Zhao (2012), China was identified as being in the middle- and even late-industrialisation stage (*see* Table 2.1, the data on China are in the right-hand column).

Table 2.1 Indicators for identifying industrialisation stage

Indicators	Pre-industrialisation	Industrialisation stage			Post-industrialisation	2010 China
		Earlier stage	**Middle stage**	**Late stage**		
Industrial structure	A > I [a]	A > 20% A < I	A < 20% I > S [b]	A < 10% I > S	A < 10% I < S	A = 10.1% I > S
Employment in industry	> 60%	45%-60%	30%-40%	10%-30%	< 10%	30.2%
Manufacturing industry growth/ Total Products growth [c]	< 20%	20-40%	40%-50%	50%-60%	> 60%	59%

a. A = Agriculture Growth/Total GDP Growth; I = Industry Growth/Total GDP Growth

b. S = Service sector Growth/Total GDP Growth

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c. Total Products growth refers to the sum of the products growth from agriculture and industry

* Source: The author, calculated from the National Bureau of Statistics of China (2012); Song and Zhao (2012*)*

Ding and Han (2009) argued that since 2002, when China was in the middle industrialisation stage, the central government turned to pursue a 'balanced development' model rather than simply seeking industrialisation. The central government began to be aware of the benefits of rural areas, the peasants and agriculture (known as the 'Three Nong' in China) in 2004. Many policies and subsidies for 'Three Nong' have been introduced since the publication of '*Comments on policies related to increasing the income of rural residents*' (State Council, 2004), which for the first time put the 'rural residents' income issue' at a significant place in the central government's policies. For instance, to encourage the development of agriculture, central government cancelled the Agriculture Tax on 1 January 2006 (10th Standing Committee of the National People's Congress) and increased the premier crops subsidies and agricultural machines subsidies on 1 January 2007. To improve the living conditions of rural residents, policies came out regarding 'rural area nine-year compulsory education' in 2007, which was the first time that rural residents could receive in full the free nine-year compulsory education (since 1986, the local government had paid most of the tuition fees for urban residents' compulsory education, varying in different regions.)

After this series of policies, the living quality of rural residents improved significantly. Table 2.2 shows the increasing income of rural residents from 1978 to 2012. It shows that the income of rural residents underwent sharp growth after 1978, and the growth speed has increased since 2004.

Table 2.2. Rural residents' annual income: 1978-2015
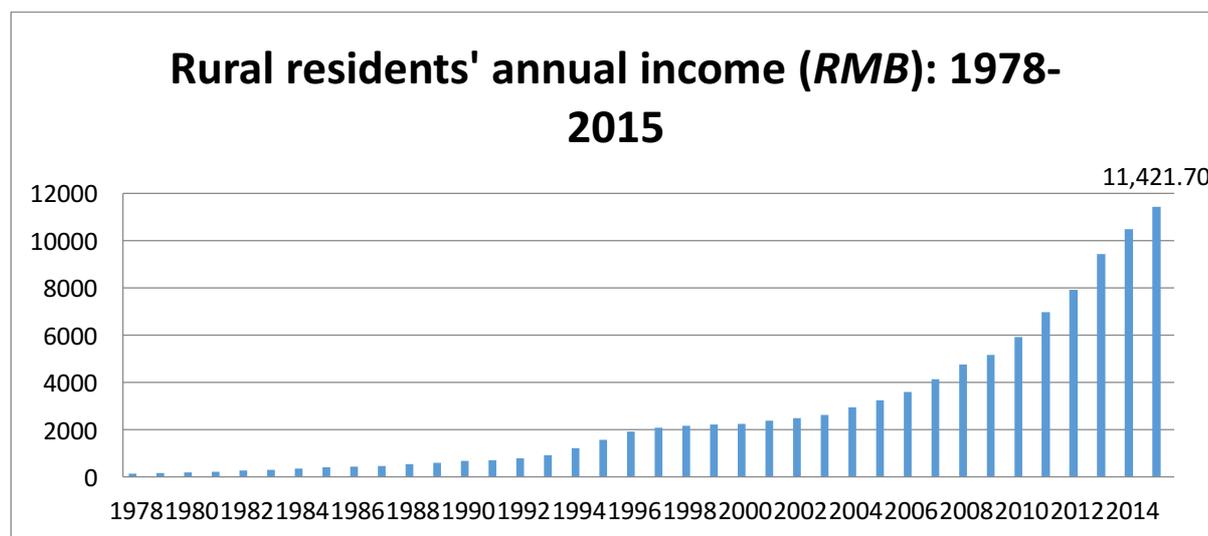
Source: NBSC (2016).

2.3 Urbanisation

2.3.1 Urbanisation in general

From an economic perspective, increases in the urban population make-up are usually considered to be a natural by-product of modernisation and industrialisation (Bradshaw and Fraser 1989). According to the United Nations Department of Economic and Social Affairs, Population Division (2014), in today's increasingly globalised and modernised world, about 54% of the world's total population was living in urban areas by 2015. If current trends hold, the urban share of the world's population is expected to reach 66.4% by 2050, in which about a 90% increase will be contributed by Asia and Africa. It is noteworthy that there is no common agreed global definition of 'urban'; the definition often used by national statistical offices probably cannot maintain its consistency over time (United Nations Centre for Human Settlements, 1996). It has therefore been difficult to estimate the urban population due to the complexity of the urban growth process. The estimated and projected sizes of the urban population are based on the concept of urban agglomeration (United Nations, Department of Economic and Social Affairs, Population Division, 2014).

According to classic economic thinking, urban growth positively enhances the total output of society and thus increases economic growth (Berliner, 1977; Bradshaw and Fraser, 1989). In addition, the United Nations Centre for Human Settlements (1996) stated that increasing urbanisation and better urban settings actually contribute to the achievement of scientific, technological and human cultural prosperity. Moreover, urban dwellers will

enjoy higher incomes than their rural counterparts, better health care and better education opportunities (Beall *et al*, 2010; Montgomery *et al.*, 2003).

Urbanisation is expected to be sustainable with respect to social development, economic development and environmental protection (UN-DESA, 2014). Despite those positive concerns, the increasingly large urban populations are faced by many challenges. According to the United Nations (2014), not all dwellers can equally share the wealth brought by increasing urbanisation; at the global level, there are 1.2 billion people still living in extreme poverty (on $1.25 or less per day) and 842 million humans fight hunger every day. The growth of urban areas has increased land, water and air pollution (United Nations, Centre for Human Habit, 1996). Integrated policies are expected to concentrate on promoting a more balanced, equal distribution of welfare in an urbanizing world.

2.3.2 Urbanisation in China

China's rapid urbanisation has gained much attention in terms of its speed and large-scale rural-urban migration. Nearly half a billion people have moved to urban areas within the last thirty years. At the beginning of the 1980s (also the beginning of the Reform and Opening-up policy), the urban population was only 0.19 billion (urbanisation rate: 17.92%) but the urban population had exceeded the rural population for the first time with an urbanisation rate at 51.27% by 2011 (NBSC, 2011), which means that China has transformed from Rural China to Urban China (Zhang, 2014). In 2013, the urban population had increased to 53.73% of the total population (around 0.7 billion people) (National Bureau of Statistics of China, 1978, 2013). In China, the term 'urban population' refers to the "total population of districts under the jurisdiction of a city with district establishment, the population of street committees under the jurisdiction of a city without district establishment, the population of resident-committees of towns under the jurisdiction of a city without district establishment, and the population of resident-committees of towns under the jurisdiction of a county" (NBSC, 2002).

Some researchers, however, have argued that the urbanisation rate in China should be calculated on the basis of people's *hukou* registration places; if this is done, the urban population was 35.72% of the total population by 2013 (NBSC, 2013). Chan (2009) argued that migrant workers do not fully belong to the urban population. On the one hand, they have not fully integrated into urban life and have not received the same benefits as the true urban population. On the other hand, a large proportion of migrant workers continue to work in jobs involved in agriculture and still possess their contracted land and homestead (this will be discussed in more detail in section 2.3.3), which makes them more like a

"semi-urbanised population" (Wang, 2006). The complex nature of China's urban systems and the *hukou* system make the urban analysis more challenging.

According to Northam (1979)'s analysis of urbanisation process, China followed a flat 'S shape' and can be divided into three stages during urbanisation: initial stage (urbanisation rate under 30%), acceleration stage (urbanisation rate: 30%-70%), and terminal stage (urbanisation rate over 70%). According to Northam's curve, China has been in the acceleration stage since 1996 with its urbanisation rate reaching 30.48% (NBSC, 2012). In *China's National Human Development Report* (United Nations Development Programme, 2013), the first two stages of Northam's Curve were divided into three stages (*see* Figure 2.1) exploring the evolution of urbanisation in more detail.

Figure 2.1. Three stages of China's urbanisation
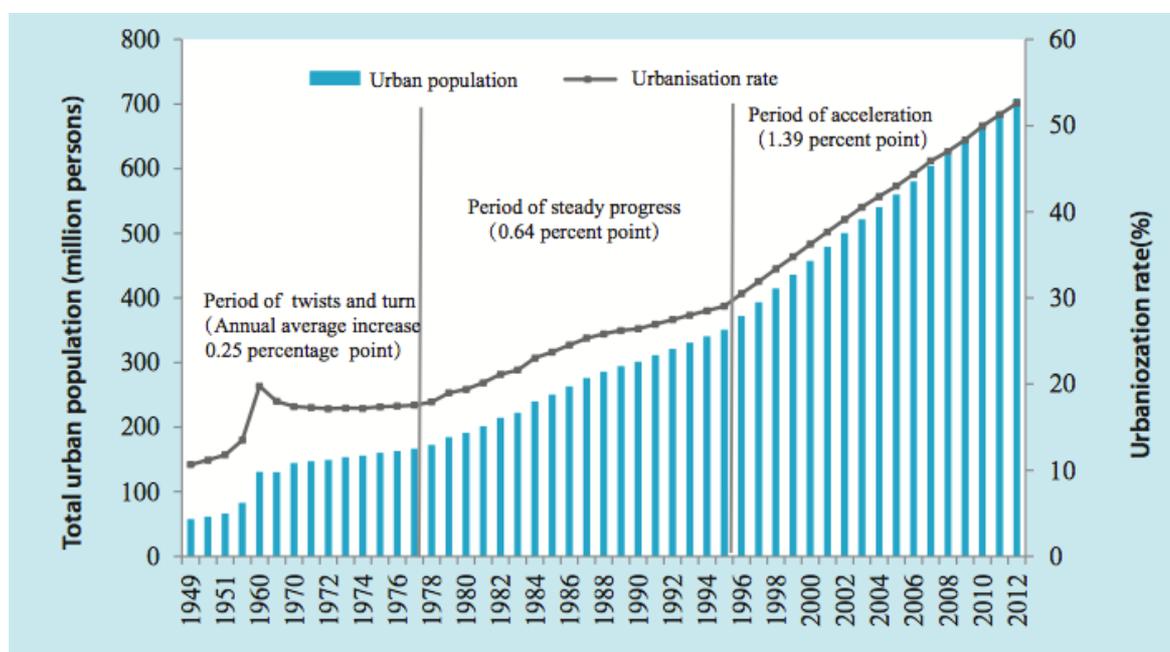
■ *Source*：United Nations Development Programme, 2013: 16

The first stage was 1949-1977 when China was experiencing many social and political changes, and many policies and important events had a great impact on the urbanisation process. During that period, the urbanisation rate grew from 10.64% to 17.55% with annual average growth of 0.25%. After the establishment of the People's Republic of China (PRC hereafter) in 1949, under the policy of '*Giving the development priority to heavy industry*' (*see* Chapter 3.2), industrialisation steadily increased. At the same time, many people moved to urban areas to work and thus the urbanisation rate also underwent a steady increase.

It is noteworthy that there was a 'twist-and-turn' period after 1958 when the urbanisation rate underwent a sharp increase followed by a decrease. This was due to the many important events and policies in that period, including the '*Great Leap Forward and People's Commune Activity (1958-1960)*', the '*Three Years of Great Chinese Famine (1958-1962)*' and the '*Cultural Revolution (1966-1976)*' (*see* section 3.2.2 for more details). The Great Leap Forward and People's Commune Activity was an attempt to encourage vast numbers of Chinese people to get involved in industrialisation with the aim of completing China's industrialisation in a very short time and exceeding most western countries in respect of the national economic situation, which some have argued proved to be a rash policy and against the economic and social development rules (Xie, 1995). During this period, the urban population underwent a sharp increase peaking at 19.75% in 1960. Since then, urbanisation had decreased steadily. During the period of the Cultural Revolution (1966-1976), nearly 17 million young people were sent back to the very poor rural areas "working as very poor farmers to re-educate them in socialism" (Yu, 2000). During this period, universities and other higher education institutions were all forced to close, which badly affected the development of the Chinese economy and the process of urbanisation (*ibid.*).

The second stage was 1978-1995, when the urbanisation rate increased from 17.92% to 29.04%. With the settlement of the Reform and Opening-up policy and the loosening of the Huji policy (*see* Chapter 3.2 for more details), increasing numbers of rural residents moved to urban areas. During this period, the urban population increased by 179 million people (NBSC, 1978, 1995). The policy direction during this period was to "control the scale of the big cities and encourage the development of small cities and towns" as highlighted in the (State Urban Planning Conference, 1978. More new industrial projects were established in medium-sized and small cities at that time. During this period, 'Township and Village Enterprises (TVEs),[3] developed rapidly after the publication of 'Comments on setting up a collective enterprise' (State Council, 1984), in which the central government encouraged rural residents or collective organisations to set up TVEs.

The third stage was from 1996 to 2012, when a period of accelerated urbanisation occurred in which the urban population increased by 338 million over sixteen years.

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[3] TVE: this refers to enterprises established in small towns or villages, invested in by individual rural residents or rural collective organisations, with the main purpose of supporting the agricultural economy (China TVES Law, 1997).

However, this fast process of urbanisation was not balanced in China; it varied between provinces and regions. Figure 2.2 shows that the urbanisation level is higher in the east of China and lower in the centre and the west. According to the '*2013 Chinese Migrant Workers Investigation Report*' published by the National Bureau of Statistics of the PRC (NBSC, 2013), there were about 40.17 million cross-province migrant workers from the middle of China and 89.9% of them chose to move to the eastern area. The regional differences in the urbanisation rate can to some degree be explained by the migrant workers' moving trend.

Figure 2.2 The urbanisation rate in mainland China (the data only cover 32 provinces and provincial-level municipalities and do not include Hong Kong, Macao or Taiwan)
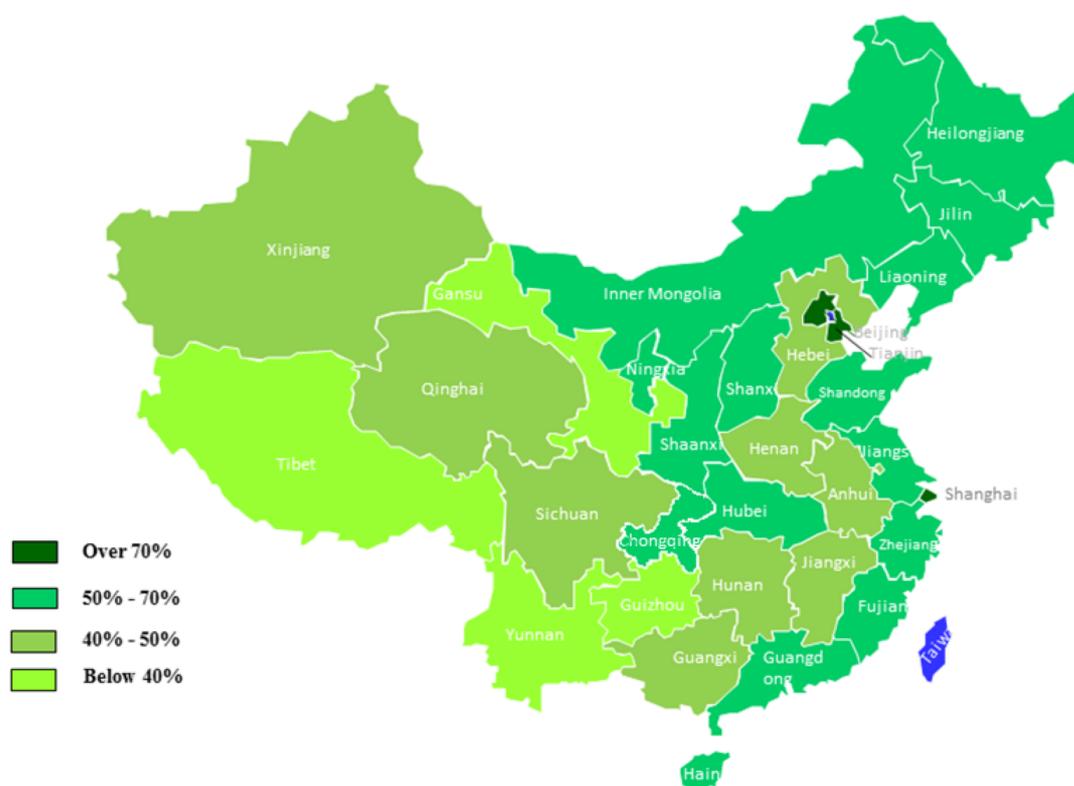
Source: The author's adaption of data from the National Bureau of Statistics of China (2012).

2.3.3 The impact of urbanisation in China

Although the scale of China's urbanisation is unprecedented globally, the issues confronting all levels of government in managing this growth are not unique. Many researchers have discussed the positive impacts of urbanisation on agricultural evolution as well as on the industrialisation process (Qiu, 2003; Zhang, 2014; Qian and Lu, 2009). The urbanisation process is also the process of agricultural modernisation. Wu (2011) argued that urbanisation and industrialisation could bring more technical and financial support to agriculture generally as well as to peasants. It could boost the upgrading of agricultural equipment and increase the level of mechanisation, thus it could increase agricultural productivity and release surplus rural labour. In reverse, with more redundant rural workers getting involved in non-agricultural activities, more people could then transform to join the urban population (Ding and Han, 2009; Li, 2003). Moreover, Li (2003) argued that workers from rural areas could earn a higher income from non-agricultural work and thus could improve the financial situation of their families.

On the other hand, some have argued that the urbanisation process might lead to the adjustment of the structure of agricultural production. Wu (2011) argued that, with the development of urbanisation and the improvement of living standards, there would be more demand for greater quality of agricultural products such as more organic food, more food types or more demands for gardening for relaxation.

Apart from the influences on the agricultural sector as well as on rural residents, rapid urbanisation contributes a lot to stimulating greater domestic consumption. Qiu (2003) argued that along with increasing urban populations, it would enlarge the demand for industrial products and the service sector, which would accelerate the industrialisation process (Chen *et al*., 2012).

However, with the development of many urban cities, people became aware that the rapid urbanisation process is always confronted by many challenges to the economy, to society and to the environment (UNDP, 2013). Not all Chinese citizens can share the benefits from economic growth equally, and the social and economic inequality is even worse between different regions (west/east regions), between different cities (large/small cities) and between urban cities and rural villages. Conflicts between rural residents and local government in terms of contracted land issues and conflicts between migrant workers and local urban residents have brought big challenges to social governance (Duan, 2008; Qiu, 2003; Song and Zhao, 2012; Qian and Lu, 2012; Ding and Han, 2007).

The current land policy (for agricultural residents) in China is the 'Household-Responsibility System' or the 'Household Contract Responsibility System', referring to the opportunity for households to make contracts with collective organisations for thirty years[4] (State Council, 1982). Under this system, households do not have ownership of the arable land but have to take the responsibility for production from the land on their own. The continuing expansion of urban land has directly caused a decrease in *per capita* arable land. The *per capita* arable land was 0.1 hectare in 2001 but had decreased sharply to 0.06 hectare per person by 2012 (NBSC, 2012) whereas the world arable land per person was 0.20 hectare. The reduction was not only because of the transformation to urban use land, but also because there was abandoned arable land (temporally out of cultivation but still contracted land) or roughly cultivated arable land. Ding and Han (2009) argued that as more peasants migrated to urban areas, there was more and more abandoned arable land. Qian and Lu (2012) stated that due to the tiny pieces of arable land per person in China, there is usually great difficulty in operating large-scale machinery, and thus both productivity and the expected income are low. Hu (2006) added that even though they have migrated to urban areas, only very few rural migrants choose to give up their contracted land, primarily because they regard the contracted land as their 'pension' or 'unemployment insurance'. As a result, many of them would rather roughly cultivate the arable land instead of giving up or transferring their contracted right to it.

During the transformation of arable land to urban building land, many conflicts happened between the local governments and the rural peasants (Duan, 2008; Qiu, 2003; Song and Zhao, 2012; Qian and Lu, 2012; Ding and Han, 2007). The most common reason for this was that the local governments paid very low one-off compensation to peasants when expropriating their contracted land. All the arable land in China belongs to the state and the only buyer of contracted arable land is the state, which sets the price of the land. In other words, the state has a monopoly on the arable land market and many local governments buy back arable land from peasants at a very low price and sell it to construction developers at a relatively high price (Hu and Zhu, 2006). Liu (2013) commented that in some places, the income from arable land transformation represents more than 80% of total fiscal revenue. Tan *et al*. (2011) investigated land compensation in Yingtan (a city in Jiangxi) and found that the benefit lost to peasants (because of low compensation compared with the true value of the land) on arable land transformation was as large as 1.3 billion *rmb.* It is therefore unsurprising that there are many conflicts between 'no-farm farmers' and local government.

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[4] In China, every rural resident has contract land (for thirty years initially and then renewable thereafter) rather than ownership of the land as all the agricultural land belongs to the State.

There are also many challenges to public governance which emerge in the process of urbanisation. For instance, although local governments deprive the peasants of their contracted land, which means depriving them of their pensions and unemployment insurance, the peasants are not added to any urban residents' insurance system. This means that those peasants do not fully qualify as either urban dwellers or the rural population and therefore cannot get the full state benefit. There are other public governance challenges, such as the fact that public resources become limited when confronted by the expansion of the urban population. For instance, there are growing pressures on the employment market, on public transportation and on health-care resources (UNDP, 2013); there are also insufficient education resources for migrant children and city transport is getting worse (Qiu, 2003; Song and Zhao, 2012).

Moreover, environmental problems are inevitable during urbanisation. For instance, the smog which appears in Beijing and in many other places in China is a typical case of air pollution in China. All these negative issues challenge city governance.

2.4 Internal migration

2.4.1 The patterns of internal migration

According to classic economic theory, urban growth positively enhances the total output of society and thus increases economic growth (Berliner, 1977). Therefore, a nation must experience large-scale migration to urban areas before it can become a modem (industrial) society (Bradshaw and Fraser, 1989). In China, over the last three decades, industrialisation has undergone rapid growth and the urbanisation rate has more than doubled compared with the beginning of the Reform and Opening-up period. A great number of employment opportunities were created in the manufacturing and service sectors, so many rural dwellers headed into the urban areas to find work and then settled there. This group of people, named 'outgoing migrant worker' (*waichu nongmingong)*, was the major concern in this study. However, as the different migration type influenced the policy arrangement especially the state benefit distribution, identifying the scope of migrant people and migrant workers is significant for understanding the public policy design in host cities.

The concept of *migrant people (liudong renkou)* is unique to China as it is related to the household registration system (*hukou*). The 2010 Sixth China National Census Communiqué distinguished two scopes of migrant people from wider and narrow sides. The wider type of migrant people consisted of people who lived in places other than the

towns (townships or streets) of their household registration where they had left for over 6 months. There were approximately 260 million migrant people according to this criterion. This wider type of migrant people including people who migrant both within the same city and cross cities. The narrow identification of migrant people only highlighted those migrants who migrated to other cities for more than six months. This narrower identification of migrant people is the major concern for most of Chinese academics (Zhang and Yang, 2013) and there were approximately 220 million people belonged to this group (National Bureau of Statistic of China, 2011). The notion of 'migrant people' used in this study refers to this narrow definition, if there is no specific explanation. Apart from the notion of 'migrant people', 'peasant workers' (*nongmin gong*) was another widely used terminology among Chinese academics describing those rural residents who going out for working chances. However, there is not yet an agreed definition of '*peasant worker'*. Xia (2007) identified peasant workers as those who have lived in the town/sub-district for a long time, worked in the industrial or service sector for their regular income but have a rural *hukou* (as rural residents). Lu *et al*. (2005) regarded peasant workers as those who have been registered in a rural area but who have worked in a town or in the non-agricultural sector for a long time. This group of people embodies the clash between increasing industrialisation and the traditional Huji policy, a registration policy in China which will be discussed later. According to the definition used by the State Council (2006), 'peasant workers' refers to workers who are rural residents, have contract land and work in the non-agricultural sector. In 2012, the National Bureau of Statistic of China specified the peasant workers (*nongmin gong*) as those who were registered as rural residents, but worked in non-agriculture sectors either at their registered local town (local rural workers) or beyond their local town (outgoing peasant workers). The outgoing peasant workers (*waichu nongmingong*) are widely known as 'migrant workers' in the most Chinese and international studies. The notion of 'migrant worker' used in this thesis is then refers to the outgoing peasant workers, which were approximately 153 million people, according to the 2010 Sixth National Census results (NBSC, 2012).

Although the definitions vary, they are basically focused on migrant workers' occupation, identification, labour relationship and territorial scope. Migrant workers have already formed the major component of the urban labour market which supports rapid economic growth. In 2006, migrant workers accounted for 46.7% of all employment in urban areas (Garnaut and Song, 2013).

2.4.2 The migration incentives

As discussed above, the migrant workers (*waichu nongmingong*) studied in this thesis compose the majority of the migrant people. However, there were some other types of migrant people beyond the migrant workers for many incentives.

There is no one single theory which can explain the migration process perfectly and it is also hard to identify the decision to migrate as only for better life-chances; a variety of push and pull factors interact to influence migration decisions. The migration process will play a pivotal role in the rest of the migrant's life and also bring changes in both the sending and the hosting societies (Castles and Miller, 2009). This section provides a theoretical framework for understanding the internal rural-urban migration in China.

Neo-classical economic theory remains probably the most influential theory and has played a pivotal role in explaining internal and international migration choices so far (Arango, 2000). The neo-classical approach relies on a rational choice of human behaviour to maximize individual profit by comparing the relative costs and benefits of remaining at home or moving (Castles and Miller, 2009). On a broad level, it assumes that the migration is a result of an unequal global supply-and-demand labour market (O'Reilly, 2012): labour will move from the poorer, lower-waged, crowded and least developed areas to the richer, high-waged and more sparsely populated areas. However, neo-economic theory is weak for explaining or predicting actual movement as it treats the migration choice as simply the result of individual migrants' decisions and assumes that they have full information about their options and can make rational choices. Instead, however, they do not and they are subject to many restraints (especially when facing employers and political barriers) (Richmand, 1993).

The *New economics of labour migration* approach developed from *neo-classical theory* and emphasises that migration choices are not made solely by individuals, but by families, households and even communities (Stark, 1991). This approach argues that one or more family members migrate not only because of the income differences between two areas, but also for diversifying their income sources and reducing family exposure to risk. Zhu (2008) argued that the new economic approach is more suitable for explaining the internal migration in China and some Southeast Asian countries because it heavily emphasises family values. The new economics approach is similar to the neo-classical approach in that it focuses on the supply side of migration, that is, the factors which push people to seek better incomes. However, it is not sufficient as an explanation.

It is essential to introduce a wide range of factors into economic research. One attempt to do this is the *Dual labour market theory*, which is on the demand side of the labour market. This approach brings into play many institutional factors as well as many 'human capital' factors to explain the segmentation of the labour market (Piore, 1979). The dual labour market theory assumes that in the developed world, the structure of the labour market is segmented into a primary labour market which demands high-skilled, high-paid and highly-secure workers similarly in the financial, management and research areas. At the other end is the secondary labour market, with fewer skill requirements, lower-paid work and a less secure working environment. The dual labour market theory argues that the secondary labour market is avoided by locals and attracts cheap, temporary labour from abroad (O'Reilly, 2012). This approach helps to shed light on the importance of the pull side of the labour market and also begins to explain some outcomes of migration status, such as the tendency for migrant workers to be located in low-waged, low-social-status often temporary jobs (Massey *et al.*, 1999).

Migration is not simply a one-off movement but an on-going process with many factors (O'Reilly, 2012). *Migration network theory* explains how migrants settle and benefit from their migration chain. Once migration networks are established, migrants mainly follow the pioneers and also rely on their relatives and friends already in the target area of migration. This social-tie network aids settlement and enables community formation (Castles and Miller, 2009). Migrant groups help others in seeking shelter, jobs and coping with personal difficulties after migrating. They even develop their own social and economic infrastructure (such as associations and shops) and other services (Castles and Miller, 2009). De Haas (2010) claimed that this theory is good at explaining the internal dynamics of migration systems and the reasons why migrants inhabit a region.

The 2010 Sixth National Census divided nine migration incentives among total 260 million migrant people: employment in industry and business (45.12%), migration with family (14.17%), study or training (11.42%), moving home (9.3%), marriage (4.83%), living with friends or relatives (4.21%), job transfer (3.85%), *Hukou* (0.72%), and others (6.39%). The migrant workers highlighted in this study are almost exclusively in the "employment in industry and business" category. This refers to self-employment or self-sought employment out of state plan (Chan, 1999). For the rest of categories, for instance in the category of "study and training", some migrants were graduates such as *beipiao* (graduates from universities in Beijing and then worked in Beijing after graduation), rather rural peasants going out for better living chances.

2.4.3 The rural-urban income gap

In the context of Chinese rural-urban migration, there is no single theory that can explain all migrants' habitats and decisions. Furthermore, internal migration is distinct from international migration. The increasing rural-urban income gap (*see* Table 2.3) has attracted more surplus labour to migrate to the cities for better life-chances, which is consistent with the neo-classical economic theory. As Table 2.3 shows, the income of urban residents was more than three times that of rural residents in 2011.

Table2. 3 Comparing the urban rural income gap: 1978-2015 (Unit: ¥)

	1978	1984	1988	1995	1998	2008	2011	2015
Urban residents PDI[a] per year	343.4	652.1	1180.2	4283.0	5425.1	13785.8	21809.8	3119 4.8
Rural residents net income per year	133.6	355.3	544.9	1577.7	2162.0	4140.4	6977.3	1142 1.7
Income ratio[b]	2.57	1.84	2.17	2.71	2.51	3.33	3.13	2.73
Urban household Engle ratio: %[c]	57.5	58.0	51.4	50.1	44.7	37.9	36.3	29.7
Rural household Engle ratio: %	67.7	59.2	54	58.6	53.4	43.7	40.4	33.0

* PDI: personal disposable income

* Income ratio: urban residents PDI/rural residents net income

*Engel ratio (one kind of poverty index): Food consumption/Total household consumption

Source: Computed from National Bureau of Statistics of China (2011) and National Bureau of Statistics of China normally using the two indexes (PDI and net income) to describe the average income among two kinds of resident.

The currency ratio between GBP and CNY is roughly 1:10

2.5 Conclusion

This chapter has outlined the general social and economic development process of China in respect to its industrialization, rapid urbanisation and huge internal migration. China had completed building its industrial foundation by 1957 and entered the middle-late industrialization stage with a greater proportion of the employment in the services sectors. Economic growth in industrial and non-agricultural sectors is recognised as the initial engine of urbanisation. The rapid urbanisation in China has attracted more than a half of all Chinese residents to move towards urban areas. Rapid urbanisation and the expansion of metropolitan regions have generated great success for China's economic growth, enabling the country to rank as the second-biggest economy in the world (World Bank, 2013).

At the same time, it has brought about many governance challenges in the social, economic and environmental protection domains. The enlarging income gap between urban and rural residents, the conflicts between farmers and local government, as well as the limited numbers of public services providers in the expanding urban cities have combined to make governance even more challenging and difficult. Limited natural resources and increasingly bad air and water pollution, along with other environmental concerns, have all encouraged the pursuit of integrated policies to achieve the sustainable development of society.

As the analysis presented in this chapter has shown, the rapid urbanisation and huge internal migration in China have given rise to many challenges for many large cities, especially in terms of the governance of the metropolitan cities. The following chapter will explore the constraining policies employed to regulate the urban population and internal migration in China.

CHAPTER 3: MIGRANT CHILDREN AND POLICY

3.1 Introduction

As noted in the previous chapter, industrialisation and rapid urbanisation in China generated numerous employment opportunities in non-agricultural sectors. Additionally, the large income gap between non-agricultural work and agricultural work encouraged more rural residents to migrate into the urban cities year by year.

At the beginning of their new urban life, migrant parents normally left their children at home with their grandparents and other relatives. However, problems developed with children being left behind in the rural areas (and being looked after by grandparents or relatives). For instance, Liang (2012) showed that grandparents with low education could not provide proper guidance for these left-behind children in terms of their studies. In addition, Zhao *et al* (2013) found that the long-term separation from their parents had a negative impact on the parent/child relationship. Therefore more and more parents decided to take their children with them as they headed to urban China (Wang, 2007; Li, 2012). This group of children are 'migrant children' and their parents are 'migrant workers'.

On the basis of the definition of a migrant worker, migrant children can be simply defined as the children of migrant workers (Xiong, 2012). According to the Interim Measure of School Education for Temporary Migrant Children issued by the State Education Committee in 1998, 'migrant children' refers to children aged from six to fourteen years (or from seven to fifteen years in some definitions) who have temporarily lived as migrants for more than half a year with their parents or guardians. Many scholars (for example, Shen, 2006; Xiong, 2009; Li *et al*., 2004) have defined the age of migrant children as between six and fourteen years or seven and fifteen years, but other researchers have suggested that many pre-school-age children have lived with their parents for a long time, even since their birth, and they should be considered as migrant children (Qi, 2009; Gu, 2012; Wang and Feng, 2011). According to the 5th Chinese National Census, 'migrant children' were considered as young people less than eighteen years of age who have lived in a town/sub-district for more than half a year and whose household registration (*Hukou*) is in another town/sub-district.

Based on the above definitions, this study defines migrant children as young people aged from birth to seventeen years who have lived as migrants for more than half a year with their parents or guardians. According to the 2010 China Population Census, there were approximately 260 million migrant workers and 35.81 million migrant children (birth to seventeen years old) in China in 2010, which comprised a huge and significant group of people in many cities. The Women's Federation (2013) stated that the number of migrant children had grown by 41.37% compared with 2005. The number of migrant children will continue to increase in the next few years. In addition, there is no significant difference in gender and the majority of migrant children have lived in the middle and east of China for an average 3.74 years.

With the increase of large amount of migrant people and migrant children, there are limited natural resources and public services in many urban cities. The central government and local government have employed many polices to control and constrain the huge internal migration.

One most important and fundamental policy is the Huji policy, which refers to household registration policies. It consists of a series of political-economic policies and laws operating through the *hukou* system. It has become one of the typical institutions representing the 'identity' of Chinese residents (Jiang, 2002). As well as the main Huji policy, there have been several supplementary policies introduced to support and elaborate this regulation since 1958, such as housing policy, education policy, employment policy and health policy, totalling fourteen supplementary policies in all (Guo and Liu, 1990). By defining and controlling personal identity, habitation rights and personal development choices, a system with a typical hierarchical character and favouring the rights of urban residents has been shaped.

The purpose of this chapter is to highlight these policies and their impact on migrant children. This chapter will address the establishment and reform process of Huji policy and other supplementary policies. The characteristics and functions of Huji policies in each period and how they have influenced the internal migration process will be discussed. This chapter then considers how these policies impact on migrant families, especially migrant children, with reference to social conditions, educational support and social and emotional development.

3.2 Huji policy evolution

Old Huji policy has been a principle social administration policy throughout the history of ancient China, which can be dated from the Western Zhou Dynasty (1046BC-771BC). It consisted of a registration system and an administration system and was the legal foundation for past governors to levy taxes, recruit an army and administer society in previous ages. The old Huji policy was clearly regional based and characterised by hierarchy, heredity, social security and population statistics (Li, 2003). Although the Huji policy has changed considerably during thousands of years, its principal characteristics still remain.

The modern Huji policy has existed for more than fifty years and has been reformed and changed many times since its establishment. During the centralised planned economy period (1949-1979), Huji policy was developed and finally settled as a formal regulation in China. The principal policy and also the symbol of the settlement of the modern dual (urban and rural) Huji system was the publication of the '*People's Republic of China hukou Registration Regulation*' issued by the Standing Committee of the National People's Congress in 1958. During the past fifty years, it has changed considerably, but it has become one of the obstacles to the urbanisation and modernisation of China. During the past fifty years, Huji policy has undergone an establishment period, a reinforcement period and a relaxation period. From 1949-1957, Huji policy was established in tense international and domestic political and economic circumstances. During that period, people were still free to settle in different regions; this was the preparation period for modern Huji policy. From 1958 to 1978, Huji policy was reinforced and established as the legal means of controlling internal migration. More interest and welfare benefits were attached to Huji policy in these two decades. From 1979 until 2014, Huji policy has been weakened and more reforming policies have been introduced; however the core characteristics still remain.

3.2.1 1949-1957: Huji policy preparation stage

The People's Republic China (PRC) was created on 1 October 1949 against the background of the confrontation between socialism and capitalism. The new Communist Party of China (CPC) needed strong international support to ensure stability and to protect its political power. As the CPC shared a similar faith and ideology with Communist Party of the former Soviet Union, it allied itself to the former Soviet Union (Lin, 2002; Li, 2003). The new government had more incentives to imitate some 'successful' policy experiences

from the Soviet Union in order to reconstruct the whole country. The former Soviet Union acted as the 'big brother' to the socialist camp, and its planned economic institution and priority given to developing heavy industry survived from the 1929-1933 economic crisis (Li, 2003).

In addition to the international political factors, steadying the new government and regulating the messy socio-economic situation was another important reason for the CPC to employ this industrialisation strategy. The new Chinese government faced a serious economic situation after the Second World War. During the Japanese invasion of China (1937-1945), millions of factories and shops were destroyed and financial markets were disordered, gravely affecting inflation, and hundreds of millions of dollars were lost during that period. For instance, according to Zheng (2002), in Shanghai's Suzhou and Nanjing districts (prosperous and developed areas), more than two thousand factories were burned, leaving 150,000 people unemployed (Lu, 2002), 50% of industrial equipment was damaged around Shanghai and nearly one billion dollars were lost during the occupation. All in all, after the Second World War, the whole socio-economic situation in China was complex and problematic. There was insufficient money and it was difficult for the CPC to protect and stabilize the new government and the new social order. For these reasons, it decided to collect every resource together to reconstruct urban areas and to develop industry, especially heavy industry, after 1953.

The centralised planned economy and Huji policy were treated as the basic supporting institutions for developing heavy industry. Wang and Cai (2008) commented that as industry is resource-intensive, it was less possible to gather resources through the free market at that time. So a highly centralised institution was used to collect and distribute national resources. Lin (2002) stated that the core policies of the planned economy included the nationalisation of the vast majority of resources, national control and distribution of the state-owned resources, and a compulsory savings plan. It can be seen from these policies that the new government intended to control resources as much as possible and allocate them into urban and industrial construction. Cai (2010) explained that although heavy industry is highly resource-intensive, it can provide limited employment opportunities, so the government decided to control labour migration to urban areas. To achieve all these targets and to make the most of the limited resources, there was considerable demand for establishing a population control system, which was the Huji policy.

Between 1949 and 1957, the main aim of the Huji policy was to provide geographic data about the whole population and to register residents instead of restricting population migration. According to the first Constitution of new China published in September 1954, citizens still had the right to choose where they lived. The first regulation related to *hukou* issues was published in July 1951; this was the *'Urban hukou administration regulation'*. The aim of this regulation was to register urban residents in terms of their birth, death and movements in/out and thus provide population statistics for social administration and national defence (Liu, 1992; Li, 2003; Lin, 2002; Peng, 2007). Lu (2002) also stated that one of the aims was to establish an urban social order and reconstruct the urban economy. This was the first Huji document related to the administration of urban residents and also to the whole population since the creation of the PRC.

A second landmark policy was introduced on 9 June 1955 by the State Council; this was the *'Instruction for establishing a permanent residents' registration system'*. This was the first national region-based document (not only for urban residents) related to residents' registration and it required that every citizen had to be registered according to their place of birth (their *hukou* place) (Xu, 2000; Lu, 2002; Li, 2003; Lin, 2002; Peng, 2007). The Ministry of Public Security was responsible for registering residents' births, deaths and movements in and out and any changes to their *hukou* as a consequence of marriage, separation, adoption and other similar circumstances. The Ministry of Civil Affairs was in charge of the overall process. Later that same year, in November 1955, the State Council published a document to define 'urban area' and 'rural area' (Lu, 2002). Even so, there was no document defining urban residents' *hukou* and rural residents' *hukou* until 1958.

Eventually, in the First National *hukou* Conference held in 1956, three functions of the *hukou* system were identified: proof of a citizen's identity, the collection of demographic statistics for economic, cultural and national defence requirements and the identification of anti-social members and criminals for the sake of social stability (Xu, 2000; Peng, 2007; Lu, 2002). So far, there had been no legal document which prevented people from migrating between rural and urban areas; the Huji system was only for basic residents' registration and social administration.

3.2.2 1958-1978 Huji policy reinforcement stage

During 1958-1978, several milestones happened and it was the most difficult and complex period in the modern history of China. China experienced the *'Great Leap Forward and People's Commune Activity (1958-1960)'*, the *'Three Years of Great Chinese Famine (1958-1962)'* and the *'Cultural Revolution (1966-1976)'*, which brought catastrophic

damage to the new China (Li, 2003; Xie, 1995). Additionally this period was the strictest time for restricting the migration of rural residents to urban areas. The changes to the Huji policy were closely related to the political factors and political environment at that time.

On 9 January 1958, the sign of the establishment of a rural-urban dual Huji system was the publication of the '*People's Republic of China hukou Registration Regulation*' issued by the Standing Committee of the National People's Congress. This regulation set down the first definition of the differences between urban residents' *hukou* and rural residents' *hukou* and for the first time defined the restrictions on rural-urban migration: "… unless rural residents hold an employment offer from urban labour units, an offer from a school, or the certification for allowing movement-in from the resettlement urban city …" (Peng, 2007: 59; Xu, 2000: 82; Li, 2003: 15). This regulation clarified the urban and rural Huji policy legitimacy and established it as a legal regulation to restrict rural residents' movements to urban areas.

Even though the restriction on rural-urban migration had been legislated, large numbers of rural residents still continued to move to urban areas due to the open and free labour market so there were still many eligible residents at that time. On the other hand, the Great Leap Forward and People's Commune Activity called for as many labourers as possible to work in the heavy industries such as steel-making (Wang, 2003). Therefore numerous employment opportunities were created and some famers even abandoned crops to respond to the call from the CPC. The Chinese government acted contradictorily at that time. In order to control this disorderly migration into urban areas, the central government issued several supplementary policies. The '*State monopoly for purchase and marketing*' policy and '*Planned labour market in urban areas*' were the most significant policies to support the regulation. The State monopoly for purchasing and marketing policy (issued in late 1958) refers to fact that the state distributed essential living consumables (such as food, oil, sugar, meat, soup and even clothes) to urban residents by means of a ticket/voucher system, and the unit for every item was fixed for everyone (Xu, 2000; Shao, 2010). This meant that there was no free market in the urban areas and that rural residents could not buy anything without these urban residents' unique ticket/vouchers. At the same time, food and supplements for rural residents were provided by the people's commune (state-owned) in local villages. Most of the food items were collected from farmers; they handed their harvest in to the state and the state then redistributed the produce among urban residents and rural residents. It is relevant to mention that at that time farmers were not allowed to store any foods except for seeds and animal fodder (Shao, 2010). This is thought to have been one of the main causes of the Three Years of Great Chinese Famine (1958-1962).

Another important decision of the central government was to introduce the '*Planned labour market in urban areas*' strategy which meant that the state controlled the labour market and employment quotas in firms, associations and state offices because there was no sole-trader or private economy at that time and every economic or non-economic unit was state-owned (Xu, 2000). In 1959, a policy of '*Notification to immediately stop recruiting new employees and part-time workers*' was issued by the central government (Lu, 2002); so the state had separated urban and rural residents by controlling employment opportunities and living resources.

The first anti-urbanisation activities (movement from urban to rural areas) happened in June 1961 under the policy of '*Nine ways to reduce urban residents and supplementary food ticket/vouchers*'. This policy required that urban residents should be reduced by twenty million within three years and by at least ten million during 1961 (Shang, 2009). Therefore millions of urban residents were compelled to move into rural areas under an administrative order. This anti-urbanisation activity was a direct result of the great Chinese famine from 1958-1962 (Li, 2003; Lu, 2002). NBSC (1983) showed that the food (grain) yield decreased from two hundred million tonnes (1958) to 1.7 hundred million tonnes (1959) and continuing to decrease to 1.44 hundred million tone in 1960. Thus the state had limited food to supply urban residents and millions of people died in this great famine (NBSC, 1995).

Eventually, a significant document related to the Huji system was the revised Constitution issued in 1975. One clause: '*The Chinese people have the right to inhabit and migrate*' was deleted, which meant that migration was no longer protected by law. All in all, the planned economy and dual Huji policy were strengthened during 1958-1978. An urban-rural dual socio-economic structure was also established and reinforced during this time. The situation did not change until the implementation of the Reform and Open-up policy and the holding of the Third Plenary Session of the 11th Central Committee of the Communist Party in 1979.

3.2.3 1979-now the relaxation of Huji policies

After US President Nixon's visit to China in 1972, China defrosted its relationship with capitalist countries; by the 1990s, China had established national friendship with the majority of countries in the world. China witnessed the rise of South Korea, Hong Kong and many developing countries which were employing a free market economy and also witnessed the decline of the former Soviet Union and East European countries which were employing a planned economy approach. This greatly encouraged the Chinese government

to change the economic strategy into a more open and free one (Li, 2003). The opening of '*The Third Plenary Session of the 11th Central Committee of the Communist Party*' in 1978 was the one of the most significant milestones in Chinese history and represented the start of the Reform and Open-up period in the country. One of the important topics of this conference was an attempt to transfer the planned economy into a free market economy and allow several ownerships to co-exist (not only state-ownership). The establishment of a free market economy provided a loosened environment for Huji policy reform.

The impact of globalisation and related changes such as China's access to the World Trade Organization (WTO) had a noticeable impact the economic structure and labour market in China, and pushed the reform of the Huji policy. One important impact on China's economic structure was a reduction of the agricultural sector and the development of many non-agricultural industries (such as the automobile and electronics sectors) (Ianchovichina and Martin, 2004; Sicular and Zhao, 2004; Garnaut and Song, 2007). Membership of the WTO meant that China was committed to reducing the tariff on some agricultural products, which meant the removal of the protection of domestic farm products and more imported farm products. At the same time some manufacturing sectors benefited from China's membership of the WTO because it created and expanded more employment opportunities, such as in the automobile industry (Hai, 2003).

Therefore numerous farmers left their farm jobs in order to seek jobs in the non-agricultural sectors (Ianchovichina and Martin, 2004; Sicular and Zhao, 2004; Chen and Ravallion, 2004). Sicular and Zhao (2004) estimated that six million people left their farm jobs in pursuit of a better income in industrial and service jobs. However the *hukou* system has remained one of the biggest stumbling blocks in China's economic development because it has restricted the labour market distribution. Sicular and Zhao (2004) predicted that the abolition of *hukou* system would generally raise farm wages and allow some 28 million people to migrate to non-agricultural jobs for better living opportunities. In summary, globalisation and trade liberalization pushed the Chinese government to reform the regulations on labour mobility – the *hukou* system.

In 1980, a document entitled '*Regulation for resolving technical labourers' rural dependence by transferring them into urban residents*' was issued jointly by the Public Security Department, the Food Department and the National Human Resources Department; it was the start of the reform of the Huji system, named the '*nongzhuanfei* policy' (rural residents transferring to urban residents). The document regulated that the proportion of *nongzhuanfei* should be less than 1.5% of local urban residents, mainly

aiming to attract well-educated people to use urban residents' *hukou* (Chan and Zhang, 1999).

In 1984, a more radical and remarkable Huji policy reform was the introduction of the '*Notification of rural residents to become small-town residents*' by State Council. This policy allowed farmers to transfer to small-town residents under conditions of "migrating to the small town as a sole trader or having been employed labour, having fixed household and financial ability" (State Council, 1984: 141). The only distinctive difference from local residents was that they had to supply their own food instead of enjoying the food and living consumables distributed by the local government. Instead, those farmers could buy expensive groceries (Xu, 2000; Peng, 2007; Lu, 2002). In this situation, local authorities could issue them with a special *hukou* entitlement called a '*Self-supply food hukou*'. The transferred residents would share the same rights and obligations as the local urban residents. According to Zhang (1994), more than 50 million farmers (rural residents) transferred into a Self-supply food *hukou*. After 1991, the Self-supply food *hukou* gradually transformed into a normal 'non-farm *hukou*'.

In 1985, the implementation of a resident's identity card was another crucial reform of Huji policy. The identity card now represented a single person instead of a whole household. This broke the hereditary characteristic of the *hukou* to some degree (Lu, 2002). In the 1990s, the different benefits attached to the Huji policy made the urban *hukou* more attractive and it became a source of finance for local authorities. The practice arose of selling urban *hukou* for prices ranging from four thousand CNY(four hundred GBP) to tens of thousands of CNY among local governments, and some local governments even made this a main local source of their income. Li (2003) stated that the incomes from selling urban *hukou* were approximately 20 billion CNY in 1992.

After 1993, central government emphasised small-town[5] Huji reform rather than seeking to reform the whole *hukou* system. Many central and local documents were introduced during the following decade. Many provinces tried to reform the local small-town *hukou* policy and the main point for them was to relax the urban *hukou* entry requirements. In 2001, fourteen provinces (including Jiangsu, Guangdong and Zhejiang) even replaced the urban *hukou* and the rural *hukou* with a resident's *hukou*, and replaced the 'approved quotas' policy with an 'entry requirements' policy (Li, 2003). However, the welfare and benefits attached to the former *hukou* types remained unchanged. In other words, this policy only changed the titles of *hukou* types rather than the fundamental concept (Wang and Cai,

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[5] Small town: permanent urban residents number less than two million.

2008). Another noticeable Huji policy reform was the '*Guidance on migrant workers transforming to local residents through a points-based system*' issued by Guangdong provincial government in 2010. According to this policy, migrant workers in Guangdong province could obtain a local resident's *hukou* if they could meet 60 points regarding their employment, housing, tax and other factors (Guangdong General Office, 2016). Additionally, the transformed migrant workers enjoyed the same benefits and other policies as local residents. This was an 'ice-break' policy in breaking down the barriers between local residents and migrant workers in China (Yang and Gu, 2011).

At the time of this study, the Huji policy was still undergoing adjustments and changes among different regions and provinces. Generally, there are still two types of *hukou*, rural *hukou* and urban *hukou*, although in some provinces all *hukou* types have been replaced by a resident's *hukou*. Welfare benefits and policies differ between different *hukou* types and this will be discussed in the next sections. To increase the urbanisation rate, the current reforms of Huji policy have mainly concentrated on the small-town *hukou*, which has meant encouraging people to transform into the urban *hukou* of small towns rather of big cities or mega cities. However, the attractiveness of the small-town urban *hukou* is much less than the attractiveness of big cities (where permanent urban residents number more than one million) and mega cities (where permanent urban residents number more than five million) (Wang and Cai, 2008). This is because being a small-town urban resident has only minor differences from being a small-town rural resident. All the welfare benefits attached to the small-town urban *hukou* are distributed commercially, which means that residents have to buy social insurance mostly by themselves. However, the benefits (including housing, education and employment) attached to a big city and mega-city (such as Beijing and Shanghai) *hukou* are much better. Take health insurance for instance: Beijing urban residents (unemployed residents) have to pay 600 CNY per year into a personal health insurance account and the local authority will pay a 460 CNY subsidy each year and the replacement rate is 60% However, a Jining urban resident (a small town) will pay 210 CNY a year and the local authority will pay 60 CNY into the personal account and the replacement rate is 50-55%. Therefore the urban *hukou* in big cities and mega cities still attracts many Chinese people.

On 30 July 2014, the State Council released the most significant Huji reform regulation, the '*Implementation opinions for promoting the reform of the* Huji *system' (Guowuyuan guanyu jinyibu tuijin huji zhidu gaige de yijian)*, highlighting a few key reform points. The regulation abolished the urban-rural dual *hukou* system by cancelling the urban *hukou* and the rural *hukou* and replacing them with a resident's *hukou* at the national level; it also

introduced a Resident's Permit regulation (which only applied in some mega cities, formal regulation did not come until 2016), indicating that people could apply for a resident's permit if they had lived in a city for six months and could meet a series of other requirements. People who got a resident's *hukou* or resident's permit could receive the same state benefits as local residents. However, the regulation also highlighted the difficulties and requirements for migrant people who wanted to apply for a resident's *hukou* or permit among cities of different levels (based on population size). The basic principle was to relax entirely resident's *hukou* registration in small towns (with fewer than 0.5 million people), gradually easing restrictions in medium-sized cities (0.5-one million), retaining substantial restrictions in large metropolitan areas (one to five million) and strictly controlling the *hukou* permission in mega-cities (over five million people).

Take Beijing Hukou administration policy as an example for mega cities Hukou reform process. In 2016, Beijing Municipal Government release the 'Implementation suggestions on further step for promoting the reform of Huji system by Beijing municipal government' (*Beijingshi renmin zhengfu guanyu jinyibu tuijin Huji zhidu gaige de shishi yijian*), as the differential hukou reform policy implemented in local cities. The 2016 Implementation Suggestion required the Beijing Hukou registration reform follow the principle of "control the total amount, adjust the population structure (accept more highly-skilled talents to transfer to Beijing Hukou residents), and be moderately strict". Specifically, this reform introduced the point-based system to make the Hukou transfer more transparent and fair. For those non-hukou migrant workers who want to transfer to Beijing Hukou holders, they were only eligible to apply for Beijing Hukou unless they are 1) Beijing Residents Permit Holder; 2) Not exceeding the mandatory retirement age; 3) had continuously paid social insurance for at least seven years; and 4) No criminal records (Beijing Municipal Government, 2016). The municipal government would calculate the points in terms of applicants' education, working period, housing, age, employment status, awards, innovation ability, tax paying, and criminal records to make the decision on their applications. Especially asked the applicants should have stable employment and housing condition (self-purchase or rented house).

Take Zhengzhou, with approximately four million permanent residents living in the urban area, for an example of large city Hukou reform. The Zhengzhou Municipal Government release the Hukou reform policy (*Zhengzhoushi renmin zhengfu guanyu jinyibu tuijin Huji zhidu gaige de shishi yijian*) in 2017 also highlighting the requirement of stable employment status and housing condition. Yet it had looser requirement for applicants who want to transfer Zhengzhou Hukou. The migrant worker can apply for the Zhengzhou

Hukou if they had continuously paid for the social insurance for at least two years (compared seven years with Beijing policy). Apart from this, the migrant workers also can apply for the Zhengzhou Hukou if they can purchase the own properties in Zhengzhou. The 2017 Zhengzhou Hukou reform policy additionally introduce seven approaches for rural residents (*nongye zhuanyirenkou*) who would like to transfer to Zhengzhou residents Hukou, such as living and working in Zhengzhou for at least five years.

This new trend of Hukou system reform policies was only a guidance document and did not force all the local governments to make the transformation at the same time under a single requirement. Although the key aim of this Huji policy reform was to ensure and protect the citizenship of people who had lived in the city for a long time but did not receive an equal state benefit, the differences still existed for a short period, especially for migrants who lived in large and mega cities. This regulation was intended to achieve the *hukou* transformation of 100 million rural labour workers by 2020.

For the sake of consistency, this study has continued to use the terms 'urban *hukou*' and 'rural *hukou*' rather than 'resident's *hukou*' and 'non-resident's *hukou*' as the Huji reform is still in progress and may need more adjustments and more time. Whilst this policy abolished the terms urban *hukou* and rural *hukou*, the actual benefit differences still exist between people who have a resident's *hukou* and those who do not.

3.3 Social conditions of migrant families

3.3.1 The duality of the socio-economic structure

The process of changing Huji policy has always been accompanied by the need to meet political and economic demands. In the early years of the PRC, Huji policy acted as an effective way to ensure the development of heavy industry and the reconstruction of social order. During the Great Leap Forward and the Cultural Revolution' period, Huji policy was established and reinforced to complete the 'wrong' industrialization strategy (abandoning urbanisation). After the Reform and Opening-up, Huji policy was reformed to meet the demands of the free market economy. The impacts of Huji policy were also dual. On the one hand, it maintained social stability at the beginning of the new China. On the other hand, Huji policy seriously damaged the interests of rural residents because of the differentiated welfare distribution policy. In addition, it reinforced the urban-rural dual socio-economic structure and favoured urban residents.

Specifically, according to the *hukou* system, urban residents and rural residents were strictly categorized into two separate registration systems and territories. In this way, rural residents were compelled to stay in the rural areas and remain tied to their collective or contract land to produce agricultural products, thus guaranteeing the source of food. During the planned economy period, central government implemented several different policies for urban and rural residents. Zhong (2013) stated that the state equally distributed means of production, livelihood and social welfare (such as food, fuel, housing and employment opportunities) to all the urban residents whilst the rural residents had to be self-sufficient in terms of these benefits. In detail, Guo and Liu (1990) summarised that the urban-rural dual socio-economic structure was reflected in fourteen supplementary policies: *hukou* policy, food supplement policy, fuel and energy supplement policy, housing policy, means of production supplement policy, education policy, employment policy, health policy, pension system, labour protection policy, human capital policy, military service policy, marriage policy and childbirth policy. For instance, central government sponsored education in urban area but rural residents had to raise funding from private sources (Guo and Liu, 1990). By applying these policies, the state could control the outcome from agriculture as well as meeting the basic living requirements of urban residents. Therefore the urban-rural dual socio-economic structure was in operation for more than fifty years and resulted in a distinct income gap between urban and rural residents (Li and Liang, 2007).

Nowadays, the urban-rural dual socio-economic structure has changed along with the changes in the economic institution. After the introduction of the Reform and Opening-up policy, the economic institution in China changed from a planned economy to a market economy, which meant that the state cancelled the monopoly on most business activities and also cancelled many equal distributions among urban residents. However, the urban-rural socio-economic structure still exists and is visible in three major aspects: public investment differences, employment differences and social welfare differences (Wen, 2001; Lu, 2009; Li and Liang, 2007; Yang, 2001; Bai and Li, 2008). Not surprisingly, all the policies favour urban residents.

In detail, the investment in urban areas and rural areas is unbalanced and significantly favours urban areas (Yang, 2001; Li and Liang, 2007; Wen, 2001; Lu and Chen, 2004; Ye, 2001). Lu and Chen (2004) argued that central government evaluates the performance of local governments normally through the increase in Gross Domestic Product (GDP). Thus the local governments tend to invest more in non-agricultural industries in pursuit of higher GDP returns. In addition, investment has also been revealed to be unbalanced in public

infrastructure construction (Yang, 2001; Li and Liang, 2007; Ye, 2001). Yang (2001) argued that urban cities as the social economic centres always attract more investment in terms of public welfare (such as traffic controls, culture, public parks, sports centres and so on) than rural areas.

Second, the employment difference between the two domains is reflected in the inequality of employment policy for those migrating to urban areas. Research has shown that migrant workers are not treated the same in the labour market compared with urban workers in terms of job opportunity, payment and labour protection (Bai and Li, 2008; Wang *et al*., 2013). For instance, Wang (2005) found that the opportunity for migrant workers to be employed in state-owned institutions, which have much better welfare benefits than private sector institutions, was 55% lower than for urban residents. Similarly, Yang (2001) and Wang *et al.* (2013) showed that most migrant workers were engaged in jobs with a "dirty and heavy workload". Furthermore, employment inequality is reflected in the payment difference between urban residents and rural migrant workers. Meng and Zhang (2001) found that the payment of migrant workers was only 61% of urban residents' pay even though their working hours were longer (eleven hours more per week) compared with urban workers (Chinese Labour Statistic Yearbook, 2005). Wang *et al.* (2013) argued that the difference in payment and salaries was only part of the income difference and that the difference in terms of work-related benefits aggravated the income gap.

Third, the social welfare difference is another significant characteristic of the urban-rural dual socio-economic structure which has existed for several decades. Migrant workers and rural residents still have a separate welfare system to that of urban residents. Hu (2007) claimed that the per capita expenditure on social security (mainly social insurance) for urban residents was ten times more than the per capita expenditure on rural residents. This imbalance will be discussed later in this chapter.

Overall, the differences in many aspects between the urban and rural domains are because of the different *hukou* types. This imbalanced structure directly results in the distinct income gap between the different residents.

3.3.2 Housing

China has been in the accelerated urbanisation stage with more than twenty million rural residents heading to the urban cities annually. Although migrant workers have made a significant contribution to increasing the urban economy, they have not received equal benefits to those who live there (Long, 2011). Many researchers have found that migrant

workers generally live in small-sized houses in poor conditions (Guo, 2013; Long, 2011; Wang *et al*., 2010; Zhao, 2003). The National Bureau of Statistics of China (2012) investigated nearly 200,000 migrant workers in 31 provinces and found that nearly half of them were living in the houses arranged by their employers and that only 0.6% of them had bought their own houses. Figure 3.1 presents the different housing types of the investigated migrant workers. It is noteworthy that 13.8% of the migrant workers chose to live in their rural house. Those migrant workers are usually working in the nearest towns rather than being long-distance migrants. For instance, some of them might work in the local TVEs.

Figure 3.1 Housing types of migrant workers

Migrant workers' housing types: 2012

- Company domitory
- Self-rented house
- self-purchased house
- Back home
- others
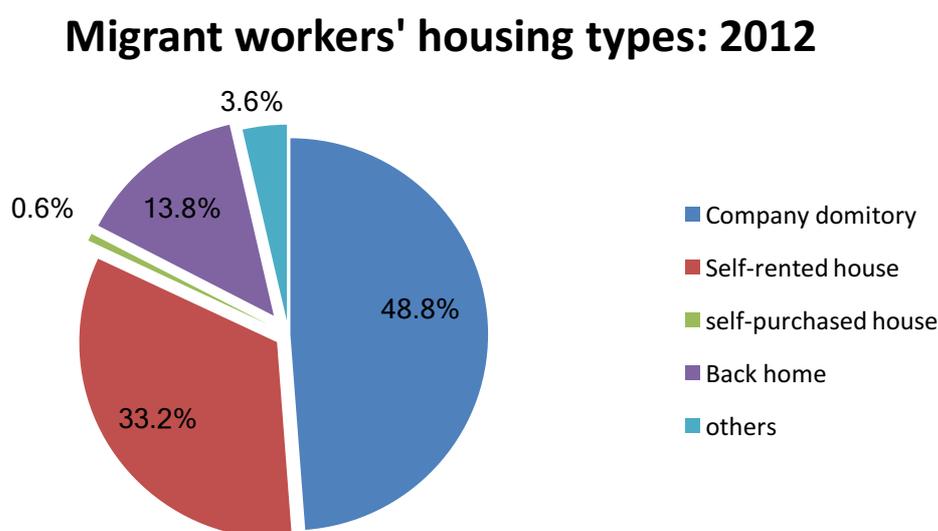
Source: NBSC (2013)

The NBSC (2012) also showed that 49.5% of migrant workers were living in a company dormitory free, whilst 41.3 % of migrant workers had to pay rent without any subsidies from their employers. Ma and Chen (2008) investigated 725 migrant workers in Hangzhou and found that the places where they lived were related to their job types. People who were working in the manufacturing sector were more likely to live free in a company dormitory provided by their employers, but people who were engaged in service-sector jobs were more likely to live in rented houses, mostly located in suburban areas, at their own cost.

Chen and Xu (2013) investigated 272 migrant workers in Zhengzhou and found that nearly two thirds of them were living in very small spaces under $10m^2$ per capita, which is much lower than urban residents ($26.08m^2$). Even worse, the company dormitories arranged by employers are often unfurnished, and some residents cannot get access to the toilets but have to use public toilets instead. Jia and Liu (2007) found that the majority of migrant

workers were living in poor communities with limited public services and with more anti-social behaviour, such as in basements.

There are a series of housing support policies for urban residents: 'low-rent house' (for renting), 'economically affordable house' (for purchasing), and 'housing funds'. Low-rent housing benefits urban *hukou* residents through housing subsidies, or by providing a council house for renting, or by reducing the rent (State Council, 2007). The requirements for applying for a low-rent house vary in different cities but share similar principles. For instance, the requirements for acquiring a Beijing low-rent house are: 1) applicants must have the urban *hukou*; 2) applicants must be identified as a low-income family or lowest-income family; and 3) their current living space per capita is lower than 7.5m^2 (Beijing Development Committee, 2007). There is no requirement for how many years applicants should have held a Beijing *hukou*, but the majority of cities have set such restrictions, such as five years or six years.

An 'economically affordable house' refers to houses which are constructed by local governments and provided to low-income families at a price below the market price (State Council, 2007). Take the requirements for a Beijing Economically Affordable House, for example; 1) applicants must be over eighteen years of age and have had an urban *hukou* for at least three years; 2) applicants should be identified as a low-income family or lowest-income family; and 3) their current per capita living space is lower than 10m^2 (Beijing Development Committee, 2007).

'Housing Fund' refers to the savings fund which is contributed to by employers and individuals for the purpose of building, purchasing and/or refurbishing self-owned houses (State Council, 2002). This fund is designed for employees rather than only urban *hukou* residents. In 2007, the Ministry of Construction for the first time included migrant workers as eligible Housing Fund applicants.

Under the housing support system, it is easy to see that most of the policies were designed only for urban *hukou* residents rather than people who live in the urban areas. The *hukou* system always comes as the first restriction faced by migrant workers to have real citizenship (Chen and Xu, 2013; Wang, 2006). Apart from the *hukou* system, there are some other reasons why they cannot get access to proper housing. Chen and Xu (2013) argued that the low incomes of migrant workers and their high motility also influenced their housing conditions. Lv *et al*. (2008) argued that bringing migrant workers into the urban housing support system would definitely increase the financial burden on local government. There is little motivation for policy makers to promote any significant

progress, and policies are always inclined favour the interests of urban residents (Lu and Chen, 2004).

It is clear from this discussion that the *hukou* registration system was introduced in the newly created PRC in 1949 in order to control population movement. It divided the rural and urban areas of China into two very different and isolated areas because the residents had to register separately. The rural residents could not become urban residents unless they joined the army or entered university. This kind of policy has now become an obstacle to social mobility and urbanisation. One's registration area not only represents one's birthplace, but also determines the benefits one can received from the state. For instance, urban residents can receive medical insurance, life employment, subsidies and social security pensions from the state whereas rural peasants have none or few of these advantages (Solinger, 1999; Goodburn, 2009; Su, 2006; Gu, 2010). The social welfare system, which was designed on the basis of the *hukou* system, has become the most severe obstacle for migrant children and their families. Migrant workers from rural areas have no access to urban goods and services such as state education, health-care and housing simply because they were registered in rural areas (Liu, 2005; Gao, 2011; Su, 2006; Yang, 2004).

3.3.3 Social security policy

The social security system consists of three aspects: the social insurance system, social assistance and social welfare (Wang, 2011). Urban residents are covered by all three systems and can receive the corresponding subsidies. For example, under the social insurance system, urban residents can apply for a pension, unemployment insurance, health-care insurance, maternity insurance and work-related injury insurance. Rural residents, however, only have rural pension insurance and health-care insurance, both of which are mainly paid for by themselves (PRC Social Insurance Law, 2011). Due to the high requirements for eligibility for urban social insurance, migrant workers cannot be properly insured by the urban residents' social security system. At the same time, the rural social security system is not suitable for them as they work in an urban area (Zhang, 2013). The difficulties that migrant workers are faced with in terms of social security are the low rate of social insurance, an imperfect social assistance system and the absence of social welfare.

First, the social insurance rate is extremely low compared with that for urban residents (Tao, 2010; Zhang, 2013). According to the Ministry of Labour and Social Security (2010), the health-care insurance rate is only 32.8% whilst for an urban resident it is as high as 90%. In addition, Tao (2010) argued that most urban residents have bought the full social

insurance package (pension, unemployment insurance, health-care insurance, maternity insurance and work-related injury insurance, or the first three of them) whilst 85% of migrants can only buy one or two of them. The reason for the low insurance rate is the defective design of the social insurance system (Li, 2013, Yang, 2004). Migrant workers are entitled to buy social insurance on voluntary basis and they pay the personal element (for example, 8% in the pension system) with the employer paying the rest (20%). However, as migrant workers typically change their work places regularly, when they leave the previous workplace they can only take the personal account with them, rather than both elements. That is one of the reasons why many migrant workers refuse to buy any social insurance (Li, 2013; Tao, 2013). Another reason is the high personal payment element of the social insurance and the low replacement rate (Yang, 2004; Tao, 2010). As previously discussed, migrant workers have lower incomes compared with urban workers and thus they normally have less motivation to buy all of the insurances because it would be a huge burden for them. Li (2013) argued that 41.4% of migrant worker leave the pension system because of the difficulties in payment.

Second, the imperfect social assistance system. Social assistance policy mainly refers to a subsistence allowance in China. Urban areas and rural areas have different requirements and different standards for applying for them (Urban Residents Subsistence Allowance Regulation, 1997; Rural Residents Subsistence Allowance Regulation, 2007). In this situation, migrant workers cannot apply for the urban subsistence allowance even when they have been unemployed for a long time (the unemployment insurance rate is low at the same time) and have difficulties in living. Overall, it is a structural problem which has resulted from the *hukou* system (Ji and Jing, 2013; Tao, 2010). However, this kind of policy system does have a rationale because rural residents are entitled to have contract land whilst urban residents have nothing but wages and insurances (Yang, 2004).

Third, the absence of social welfare services. Ji and Jing (2013) showed that 60% of migrant workers had not received any social welfare services in the previous three years. The remaining 40% claimed that the only social welfare service that they had received was the work-related safety service. Li (2013) argued that migrant workers cannot get access to many important welfare services such as education welfare, housing welfare and so on. Take housing welfare, for example; the low-rent housing policy (for rent) and economically affordable housing (for purchase) are the main parts of the housing services provided to urban low-income families by the government. However, migrant workers cannot apply for either of them as they are rural residents. Thus the majority of migrant

workers choose to live in a poor community with poor housing, and some even choose to live in basements (Shi and Lu, 2008; Wang, 2012; Yang *et al*., 2012).

3.4 The education of migrant children

3.4.1 Education policy development

The most significant impact of the *hukou* system on migrant families is the education policy. According to the Compulsory Education Law published in 2006, every child at an appropriate age (from six to fifteen years) has to attend nine years of compulsory education in China. The compulsory education services provided by state schools are free to local residents. The current education policy was published in 2006 and it shows the intention of the central government to solve education inequality as it states that "local government should provide the same opportunity to migrant children as to local residents". This was the first time that this problem had been addressed by law (Compulsory Education Law, 2006). Specifically, there have been several milestone-like policies during the last fifteen years. In 1998, the central government for the first time allowed migrant children to attend the local state school as long as they paid an extra fee (State Education Committee, 1998). The principle of the current education policy is inherited from a policy published in 2001, which is that "the compulsory education services mainly rely on the local government and local state school" (State Council, 2001). In 2003, the central government decided to cancel the extra fees paid by migrant children, which showed the great efforts made by the central government to achieve equality. However, the extra fee still exists in some places (Duan and Liang, 2005).

Every local government has the right to set regulations in terms of practical issues related to taking in migrant children. According to the Beijing Education Committee (2013), migrant children can access the nine-year education in Beijing if they can provide several documents, which vary from district to district. For instance, the Tongzhou district will accept migrant children only if their parents can provide these five documents: marriage certificate, temporary residential permit, trading licence, social insurance paid certificate and labour contract. However, most migrant children who have completed the nine-year compulsory education in Beijing still have no right to attend a high school or take university entrance examinations in Beijing. The Beijing Education Committee. (2013) insisted that migrant children can only take the junior and high technical-school entrance examinations rather than normal state high-school entrance examinations.

Under current education policy, the main two responsible authorities, host government and state school, have their own difficulties and troubles when dealing with this situation. The host governments are, as the direct policy practitioners, restricted by central government and local interests. As stated in the Compulsory Education Law (2006), the "… host government should sponsor state schools according to the number of actual enrolling children". Thus host governments have to face enormous financial pressure to take in migrant children. For instance, Xiong (2012) argued that the host government in Guangdong has to invest 4.6 billion CNY every year to support migrant children migrating to Guangdong, which is a huge financial pressure for a host government. Thus, the host governments lack the motivation to accept more migrant children. They often set up different criteria to restrict the entry of migrant children to state schools.

State schools, as the final destination of the nine-year education policy, have to face considerable pressure not only from local and central government, but also from financial difficulties. In 2008, the State Council cancelled the extra fees paid by migrant families, which made the financial situation of state schools much worse than before (Li and Zeng, 2012; Xiong, 2012). The grants and sponsorships from the host government were too limited to afford the expenditure on enrolled migrant children (Zhang and Zhou, 2012). In addition, state schools also face complaints and pressure from other groups of stakeholders, such as local parents. Xiong (2012) found that some local parents did not want their children to be classmates with migrant children, as they thought that migrant children might have negative impacts on their children in relation to habits and manners. In addition, state schools are often faced with management problems with migrant children (Xiong, 2012; Gao, 2011). Migrant children often have great mobility, which means often transferring to another school during the same term. These migrant children are regarded as having a negative impact on every-day school management. Zhou (2007) argued that state schools have done their best to provide quotas for migrant children, but they have to consider their education quality and examination pass rate in order to maintain their reputation.

3.4.2 School education

There are three main approaches for migrant children to receive compulsory education: state school, licensed migrant school and unlicensed migrant school (China Youth and Research Centre, 2007; Xiong, 2012; Yun and Wang, 2011; Yan, 2008). For example, according to a study by the China Migrant Children Education Research and Data Construction Group (2010), there were 500 thousand migrant children in Beijing and 62%

of them were studying in state schools, whereas there were 26% of migrant children studying in illegal migrant schools at the same time. As explained in the discussion of education policy above, migrant children in Beijing cannot enter a state school unless they can provide five documents (which vary between districts) and pay high levels of a sponsor fee to state schools (cancelled in 2003 but still existing, as will be discussed later), which are a huge burden on them (Lai, 2012; Li, 2009; Shi and Yang, 2012; Wang, 2007). Duan and Liang (2005) found that migrant children had to pay more than £80 on average per year (some had to pay up to £2700 a year) unlike urban children, if they choose to enter a state school. Thus some migrant children have to enter migrant schools, which are only open to migrant children and are much cheaper than going to a state school. However, this kind of school typically lacks facilities and education quality. Xin (2012) found that the teachers in private schools have low qualifications and only 47.7% of teachers had undergraduate qualifications in one particular private school in Beijing, whilst more than 90% of teachers have undergraduate and master's degrees in state schools.

Studies have found that migrant children have poor academic performance compared with urban children (China Youth and Research Centre, 2007; Yan, 2008; Zhang *et al.*, 2011). According to the findings of a study in Beijing conducted by Zhang *et al.* (2011), 66.06% of the migrant children were in the middle level or below during their courses. Furthermore, Huang and Xu (2006) found that 79.6% of migrant children had transferred to other schools and they explained that this is one important reason why they have poor academic performances compared with local children. The China Youth and Research Centre (2007) compared different intake approaches in terms of the school performance and found that the migrant children in a state school are more likely to be involved in the seminars and discussions during class than in a licensed or unlicensed migrant school. The findings also showed that the migrant children stayed in the state school and that those in a licensed migrant school had better relationships with their school teachers but lower satisfaction with their teacher compared with local children (Zhao, 2012).

3.4.3 Parental support with education

Family is the starting point for most children's learning and family education always plays a significant role in children's later life (Chen and Pan, 2008). However, most migrant children cannot receive the same family education that urban children do. Researchers have found that migrant parents are different from urban parents in terms of income, parenting style, education level and material resources (Wang, 2012; Yang *et al.*, 2012; Chen and Pan, 2008; Wei *et al.*, 2012). These differences have been proved to have

different impacts on the children's education within the household (Wang, 2012; Chen *et al*, 2012). First, researchers have found that migrant families have limited household income compared with local families and that therefore migrant children can only get very limited access to educational resources such as books and computers and somewhere to study. Wang (2012) found that 55.4% of migrant families in Baotou (a city in the middle of China) had less than £200 income per month, which was much lower than local families (£558 per month). Yang *et al*. (2012: 99) found that 80% of migrant families in Mengzi (a city in south-west China) had less than £120 income per month and about 89.5% of migrant parents said that they "never bought books and study-related items for their children". According to a study by Chen and Pan (2008) in Zhejiang (which is one of the richest provinces on the east coast of China), 44.3% of migrant families did not have any collection of books. Limited household income not only has a direct negative impact on the educational resources that migrant children can access, but also influences their housing conditions and study area conditions. Migrant families normally live in a private rented house with little space. According to the findings of a study by the China Youth Research Centre in 2007 in Beijing, 42.4% of migrant families lived in a one-bedroom property whereas the same percentage in urban families was only 13%. This shows that migrant children are less likely to have a study room than urban children. In addition, about 30.5% of migrant children claimed that it is difficult to concentrate on study within the household. Overall, the disadvantages of the financial situation of migrant families have negative impacts on their living conditions and study conditions within the household.

Second, the low educational level of migrant parents has impacts on their education philosophy and educating ability. The China Youth Research Centre (2007) found that about 48% and 22% of migrant fathers had completed junior secondary school and primary school respectively. However, the situation among urban families was quite different as 56.3% of fathers had completed their senior secondary school or above. The low educational level of migrant parents has less possibility of them being able to guide their children's study properly (Yang *et al*., 2012; Wang, 2012). Yang *et al*. (2012) reported that about 67.8% of migrant parents had never helped or guided their children's homework.

Third, researchers have found that the parenting style of migrant parents is harsh and radical (Wang, 2012, Shen, 2006; Chen and Pan, 2008). Yang *et al*.'s (2012) findings in Mengzi showed that 89.4% of parents only cared about the module results rather than the other aspects of school education (such as learning good manners and personal communication). Furthermore, Yang *et al*. (2012) also found that 84.6% of migrant parents tended to apply control and punishment to regulate their children and only 5.4% of parents

were likely to adopt a democratic way of communicating with their children. Zeng (2009) compared differences in parenting style using an EMBU[6] (*Egna Minnen Beträffande Uppfostran*) self-completion questionnaire between migrant parents and non-migrant parents and found that migrant fathers showed significantly lower grades (44.27/50.46, p<0.00) than non-migrant fathers on the 'emotional warmth' scale, whereas migrant mother showed significant lower grades (47.54/53.58, p<0.00) in 'emotional warmth' but significant higher grades on the 'rejection' scale than non-migrant mothers. Several studies (Yang *et al*., 2012; Chen and Pan, 2008; Shen, 2006; Wang, 2012) have explained that the most significant factor for this negative parenting style is the low education level of the parents. Migrant parents have limited educational ability and proper ideas. In addition, some studies have shown that migrant parents lack effective communication with their children and with school-teachers. Liu and Feng (2014) reported that nearly half of the migrant parents in their study spent only fifteen minutes on communicating (talking) with their children and 30.3% had never had any contact with the school-teachers, which is assumed to have negative impacts on their children's development.

3.5 Children's social and emotional development

3.5.1 Socialisation

As increasing numbers of children head into urban areas, their adaptation to the new urban life should be noted. Bronfenbrenner (1979) identified that children's development is the result of the interactions between individuals and the contexts in which they live, specifically ecological systems such as parents, school, peer group and community. Shi and Lu (2008) identified the problems which arise during migrant children's socialisation process in three systems: household, school and peer group. First, Shi and Lu (2008) argued that the disadvantaged financial situation of migrant families and their poor living conditions mean that migrant children live in a financially insufficient household, which is not helpful for their mental or physical health. Similar findings were made by Zhang and Feng (2003), who showed that the poor communication between parents and migrant children might lead to negative and avoiding behaviours of migrant children, which will have a bad impact on their socialization process.

Second, in regard to the socialisation in the school system, as discussed before, many migrant children have to enter a migrant school because of the high entry requirements of state schools. However, the poor facilities and poor educational quality in migrant schools

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[6] EMBU: refers to *Egna Minnen Beträffande Uppfostran*; a parenting behaviour questionnaire.

cannot provide migrant children with a proper environment to enable their appropriate socialisation (Zhang and Feng, 2012). Chen (2007) also suggested that even when migrant children have the opportunity to study in the state school, they might have a perception of inequality, discrimination or marginalisation. As a result of such negative self-cognition, it is easy for them to display disruptive behaviour (Lin *et al.*, 2009).

Additionally, the peer group, especially the group norms and values, always plays a significant role in constructing the perception of self-identity and affiliation (Feng, 2007). The main peer groups of migrant children consist of two parts: local (urban) children and other migrant children. Shi and Lu (2008) argued that staying with other migrant children might have positive impacts on children's socialisation as they share similar family backgrounds, social status, life styles and so on. It is helpful for migrant children to build a sense of belonging to this peer group, which is good for the construction of self-confidence (Zheng, 2003). However, Yuan *et al*. (2013) suggested that this kind of peer group can also have negative impacts as this is a marginalized group of children. They have been excluded from the mainstream children group, which might increase the possibility of being discriminated against.

In summary, research has shown the negative factors in the process of socialisation of migrant children and concluded that migrant workers and migrant children have been marginalised and excluded (Zhang, 2007; Zhou, 2007; Shi and Lu, 2008). Some scholars have investigated the social support of migrant children and pointed out that it is weak in terms of social capital (Song, 2004) and that they are kind of people who are "surviving in the cracks" (Xie, 2008).

3.5.2 Psychological health

Research has shown that the psychological health level of migrant children is lower than that of urban children (Lin *et al.*, 2009; Zhu, 2008; Hu, 2002). Specifically, the migrant children in state schools have better psychological health than those in migrant schools (Yuan *et al.*, 2009).

Previous studies have predominantly focused on the social cognition, mood and social adaptation processes to illustrate the psychological health of migrant children. First, research has found that migrant children normally report higher perceptions of discrimination, relative deprivation and personal identity crisis (Liu, 2008, Zheng and Yu, 2009; Bai and Xu, 2009; Xiong and Ye, 2011). Lei (2004) found that 80% of migrant children refused to have a similar life to that of their parents as they thought that that kind

of life would be discriminated against. Some researchers have found that migrant children in migrant schools had experienced more perception of discrimination (Lin *et al*., 2009; Li *et al*., 2008). They explained that the discrimination comes not only from the internal school domain, but also from the whole society as the 'migrant school' is a kind of discrimination from the public domain. The perception of relative deprivation normally arises from comparison with a chosen reference group, non-migrant children (Guo, 2001). In this situation, migrant children often feel a greater perception of inequality and imbalance compared with urban children. Lei (2004) found that 49% of migrant children in Beijing felt deprived as they could not enter a state school as the urban children did.

As to the emotional and mood health of migrant children, they have been found have a strong sense of aloneness and self-abasement (Sun *et al*., 2007; He, 2009). Sun *et al*. (2007) carried out a study in Chongqing and found that a significant part of migrant children had labelled themselves 'useless' and 'lower than others' because of the disadvantage of the family's financial situation.

The social adaptation of migrant children is similar to the socialisation discussed above and, by and large, migrant children do not adapt and integrate to urban life very well (Wang, 2007). Hu (2009) found that the levels of social anxiety among migrant children were significant higher than among urban children and those living in rural areas. Similarly, many previous studies have shown that migrant children often suffer more study pressures and learning anxiety, and have poorer academic performance than urban children (Lin *et al*., 2009). However, there are some studies which have found the contrary. Zhu (2008) argued that migrant children work harder and have better academic performance than local students. However, there has been little research on children's subjective sense of well-being.

3.6 Conclusion

This chapter has reviewed the evolution of the Huji policy and its implications for the lives of migrant families and migrant children. The *hukou* system not only represents different living territories but also differences in the social welfare received. This fundamental policy and the dual urban-rural structure have systematically separated Chinese residents into two distinct groups. Although the Huji policy keeps changing and is constantly being reformed, it still favours urban residents or local residents and has had the greatest impact on those who have migrated to and lived in these areas. The migrant workers living in urban areas without an urban/local *hukou* cannot be considered as 'real' residents as they

cannot receive the proper public services in the same way as local residents. Under the current Huji policy framework, migrant children often attend migrant schools which are labelled poor quality, and live in poor housing conditions.

However, this cannot simply and solely be blamed on the current constraining policies; the competition for limited public services and the growing urban population could be the main reasons behind this situation. With these factors in mind, the following chapter is going to introduce another approach to providing support and meeting children's needs: social enterprise.

CHAPTER 4: CONCEPTUALISING SOCIAL ENTERPRISE

4.1. Introduction

As described in Chapters 2 and 3, migrant children are confronted by many difficulties in terms of social conditions, education, socialisation and other aspects of life. Although the central and local governments in China have introduced policies to reduce the benefit gaps and inequalities, they cannot solve all the problems and meet all the demands. The inequality still remains. Educational inequality is only one of challenges confronted by migrant children, but it reflects the limited ability of public institutions to provide public services, especially services to the migrant population. Multiple solutions are required in this area rather than relying so much on the services which the state supplies.

Since the late 1970s, welfare states have been compelled to reduce expenditure on public services because of increased economic pressures. At the same time, market mechanisms have in many ways failed to meet social objectives (Defourny, 2001). The third-sector economy, or 'non-profit' organisations, has attracted increasing attention from policy-makers and the public domain around the world, not only because it employs a different approach to social change and sustainable business, but also because it has delivered the services previously mainly undertaken by government or public institutions to meet the growing social need, such as addressing unemployment issues (Borzaga and Defourny, 2001; Ridley-Duff and Bull, 2011). The UK has acted as a pioneer in social entrepreneurship for more than twenty years. It was aimed at empowering citizens, communities and local government. It attempted to reframe the role of government and encourage more third-sector organisations (mutual organisations, co-operatives, charities and social enterprises) to be involved in the running of public services.

The term 'social enterprise' as representing a typical organisation of social innovation had not aroused intensive interest among policy-makers and practitioners until the last two decades (Peattie and Morley, 2008; Defourny and Nyssens, 2006). Take the definition of social enterprise in the UK for an introductory understanding: "a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners" (DTI, 2002: 7). Social enterprises have operated successfully in many developed countries and have undergone considerable growth in recent years

(Borzaga and Defourny, 2001). However, as a new form of social innovation organisation, the term 'social enterprise' was not introduced to China until there was a translation of an OECD draft report published in 2002 (Ding, 2007; Wang and Zhu, 2009). There is no agreed definition of social enterprise in China, and the development of social enterprise is also just at the beginning.

The aim of this chapter is therefore to provide an overview of the conceptualisation of social enterprise in the international literature as well as in the Chinese domain. Following an analysis of the diverse theoretical contexts of social enterprise in terms of its emergence, definition, contribution, legal framework and so on, attention will be paid to social enterprise in practice, such as its governance and financial issues, which is an area rarely discussed in Chinese academia. Then a review of the development of social enterprise in China will be presented and finally how social enterprises work with migrant children will be discussed.

4.2. The theoretical context of social enterprise

4.2.1 Historical roots and the emergence of social enterprise

A number of authors have suggested that the origin of social economy and the social enterprise practice in the UK and Europe can be traced back to the nineteenth-century and the Rochdale Pioneers (the originators of cooperatives), founded in 1844, who are normally seen as symbolizing the start of the growth in numbers of social enterprises (Pearce, 2003; Amin *et al*., 2002; Moulaert and Ailenei, 2005; Shu, 2011). In the US, Etzioni (1973) described the space for social entrepreneurship as a "third alternative" between state and market-place with the power to reform society. The term 'social entrepreneurship'[7] was popularised at ARNOVA (Association for Research on Nonprofit Organization and Voluntary Action) in the US by Bill Drayton (Ridley-Duff and Bull, 2011; Shu, 2010). The term 'social enterprise' was first used by Dholakia and Dholakia (1975) to distinguish marketing activities in state and cooperative enterprises from private-sector approaches.

Kerlin (2010) reviewed the global emergence (seven regions: the US, Western Europe, East-Central Europe, Japan, Argentina, Zimbabwe/Zambia, and Southeast Asia) of social enterprises and suggested that the general theme was weak state social programmes or funding. Take the UK, for example; since the 1980s under the Thatcher government, the

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[7] Social entrepreneurship: "Innovative and effective activities that focus strategically on resolving social market failure and creating new opportunities to add social value systemically by using a range of resources and organisational formats to maximise social impact and bring about change". (Nicholls, 2006: 23)

welfare state model was shifting from a Keynesian welfare state to a competition state based on neo-liberalism (Cerny and Evans, 2004). The effects of this were less intervention by government, reduction of public expenditure, privatization and reliance on a free market. The introduction of private-sector management methods into welfare provision in the late 1970s left gaps in services which needed to be filled. This stimulated social enterprise as an alternative way of delivering public services (Doherty *et al*, 2009; Gunn and Durkin, 2010).

Gunn and Durkin (2009) summarised the initiatives behind the emergence of social enterprise as the weakness of the market-place, of cultural stimulation and of funding arrangements. Market mechanisms had failed to meet the social needs sufficiently and thus civil society organisations began to address the unmet needs. In addition, in the last few decades there has been a rise of an 'enterprise culture' with an emphasis on individual responsibility. Increasing attention on corporate social responsibility and the intangible assets which it can produce also motivated entrepreneurs to focus more clearly on the social and environmental impact. Funding opportunities for third-sector organisations – community groups, voluntary and not-for-profit organisations – have started to move from straightforward grant-giving to contracts and competitive tendering and the need to work out market-based revenue streams (Bull, 2008). There has been a push for third-sector organisations to become more entrepreneurial and to move in the direction of blending values and adapting business principles to address social missions (Gunn and Durkin, 2010).

4.2.2 Social enterprise and the definition discourse

Generally, a social enterprise is considered as an organisation which uses a business approach to pursue social objectives (Kerlin, 2006; Borzaga and Defourny, 2001). However, there is no single agreed definition which clearly defines social enterprise. It means different things to different people and its interpretation varies across the globe (Kerlin, 2006; Dart, 2004). Such debates are inevitable, not only because many parties are competing to influence the definitions which are used on the ground, but also because it takes time for a social movement to learn which forms and activities work sufficiently well in practice to warrant institutional support. Many scholars (for example, Dees, 1998; Westall, 2001) have argued that the complex nature of social enterprises and the variance in their definition make any generalisations regarding social enterprises challenging. Despite growing interest in social enterprises, the lack of a universal definition is argued by some to lead to a slippage of key terms and also clearly remains under-researched

compared with conventional businesses, charities and the wider social economy (Bull and Crompton, 2005; Doherty, 2009).

Therefore a clear and unambiguous understanding of what social enterprises are is needed because there is great need to differentiate social enterprises from other systems by establishing their unique selling point and also highlighting the differences between specific models of social enterprise (Pearce, 2003; Jones, 2007). Young (2008) suggested that social enterprise is considered to be a "new approach" which is distinct from conventional business and traditional non-profit (voluntary) activity. It combines diverse elements of the social purpose, enterprise orientation and financial-performance standards of business. By reviewing the diverse well-published definitions of social enterprise, two main approaches can be identified at the international level: the US approach and the EU approach (Galera and Borzaga, 2009). Furthermore, much of the literature analysing the EU approach often tries to subdivide the UK definition and the mainland Europe definition (Peattie and Morley, 2008; Doherty, 2009; Defourny and Borzaga, 2001; Gunn and Durkin, 2009; Galera and Borzaga, 2009).

In the US, the term 'social enterprise' is closely associated with entrepreneurship culture, where the focus is on revenue generation and the individual entrepreneur far more than on the collective or community (Chell, 2007, Kerlin, 2006). This is also recognised as the idea of an 'earned-income school', referring to non-profit organisations adopting business activities to support their social mission (Dees and Anderson, 2006). According to Galera and Borzaga (2009: 214), social enterprise in the US refers to "an organization running commercial activities, not necessarily linked to the social mission, with the goal of collecting incomes to fund a social activity". Kerlin (2006) made a distinction in the definition of social enterprise in the US between academic circles and practitioner circles. In US academic circles, social enterprise falls along a continuum formed from "profit-oriented businesses engaged in socially beneficial activities (corporate philanthropies or corporate social responsibility) to dual-purpose businesses that mediate profit goals with social objectives (hybrids) to non-profit organisations engaged in mission-supporting commercial activity (social purpose organizations)" (Kerlin, 2006: 248). On the other hand, many non-profit organisations which qualify as social enterprises remain focused on revenue generation. For example, the Social Enterprise Alliance, the champion for social enterprise in the US, more narrowly defines it as "Any earned-income business or strategy undertaken by a non-profit organisation to generate revenue in support of its charitable mission" (Kerlin, 2006: 248). To sum up, social enterprise in the US generally means any type of non-profit organisation involved in an earned-income strategy.

In Europe, the participatory nature is seen as being as important as trading (Doherty *et al.*, 2009). The term 'social enterprise' is characterised by its community objectives, a collective and participatory nature, and stakeholder democracy (Galera and Borzaga, 2009; Nyssens, 2006; Peattie and Morley, 2008). The term 'social enterprise' describes private autonomous institutions which are engaged in the supply of services and goods with a merit or general-interest nature in a stable and continuous way (Galera and Borzaga, 2009; Gunn and Durkin, 2010). The term 'social enterprise' was first introduced in Italy in the late 1980s and was used at the European level in the middle of 1990s, especially in research works published by the European Research Network, EMES, which was founded in 1996 (Defourny and Nyssens, 2008). According to the EMES approach, the defining characteristics of the social enterprise 'ideal types' comprise nine criteria in three distinct dimensions (Defourny and Nyssens, 2012: 12-15). This approach developed by the EMES focuses on the identification of indicators rather than a synthetic definition:

Economic and entrepreneurial dimensions:

(1) A continuous activity producing goods and/or selling services;

(2) A significant level of economic risk;

(3) A minimum amount of paid work

Social dimensions:

(4) An explicit aim to benefit the community;

(5) An initiative launched by a group of citizens or society organisations;

(6) Limited profit distribution

Participatory governance dimensions:

(7) A high degree of autonomy;

(8) A decision-making power not based on capital ownership;

(9) A participatory nature, which involves various parties affected by the activity.

In the UK, according to Hulgard and Spear (2006), the concept of social enterprise embraces ideas from both Europe and the US. The most widely-used definition in the UK is from the UK Government's Department of Trade and Industry (DTI): "… a business with primarily social objectives whose surpluses are principally reinvested for that purpose

in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners" (DTI, 2002: 7). Peattie and Morley (2008) summarised two key characteristics for social enterprise in the UK: *trading organisations* which pursue *social aims*. There are no strict indicators regarding ownership of social enterprise and the democratic nature of the concept is emphasised in the EMES criteria. This definition highlights the fact that the primary intention of social enterprises is social benefits and that there is a clear focus on trading as a business and generating a surplus, thus differentiating social enterprise from other organisations in the charity sector (Doherty *et al.*, 2009; Gunn and Durkin, 2010). Ridley-Duff and Bull (2011) indicated that the UK government's loose definition, compared with the EMES criteria, has drawn a great many people and organisations into the debate. Self-employed social organisations, trading charities, voluntary organisations (whether participatory democratic or not in the decision-making progress) as well as a range of cooperatives could be recognised as social enterprises.

After this review of the international perspectives on the definition of social enterprise, one common characteristic is *creating an enterprise culture to achieve social aims* (Doherty *et al.*, 2009; Peattie and Morley, 2008). Strictly speaking, however, in order to explain their advantages in delivering general interest services as an alternative way (differentiating them from public services and voluntary services), scholars have suggested that social enterprises should have four features in common: 1) the social goal pursued; 2) involvement in business activities; 3) profit distribution constraint; and 4) ownership rights and control power held by stakeholders other than investors (Galera and Borzaga, 2009; Xia, 2009; Pan, 2011). In practice, the standards and regulations vary among European countries.

The primary goal of all general social enterprises is social mission. However, the social mission is also different between countries. One group of countries narrows down the social mission to specific areas of interests. For example, the main purpose of Finnish law is to encourage any kind of enterprise to employ disabled people and long-term unemployed persons (Work Integration Social Enterprise) (Pättiniemi, 2007). Another group of countries focuses on broader social values. According to the legislation on Community Interest Companies in the UK, the main purpose of social enterprise is to promote entrepreneurship in the field of the social economy.

Social enterprises adopt business methods. This means that they trade, buy and sell productions or services, all of which are 'real' business activities (Price, 2009). They also have to compete within a marketplace and their primary income should come from

commercial activities instead of donations and grants (Peattie and Morley, 2008). However, the regulation about the proportion of commercial income varies between countries. For instance, some countries are clear-cut on the income of a social enterprise. Italy requires that more than 70% of the income of a social enterprise should come from commercial activities but the UK set the percentage at 50% (Cafaggi and Iamiceli, 2008). However, although no reference in the UK indicates a particular percentage of commercial income of a social enterprise, it is widely accepted that a significant proportion (usually 50%) of the total income must be market-based for the enterprise to qualify as a social enterprise (Defourny and Nyssens, 2008). Smallbone and Lyon (2005) criticised the idea of setting a proportion of business activity income. They argued that early stage social enterprises, or charities increasing their trading activities, often have less than 50% traded income. They should neither be excluded from being defined as social enterprises, nor refused sector-specific support. The valuable point of involving business activities is that social enterprises use trading relationships to transform (social) power and change the pattern of (economic) wealth distribution.

Social enterprises should be not-for-profit organisations. The exclusion of profit-maximisation is a key criterion for identifying a social enterprise. The non-profit distribution constraint can be either total or partial (for example, with the possibility of distributing profits up to a certain percentage over the risk capital provided by members) and the partial distribution constraint is more consistent with the entrepreneurial nature of social enterprises (Galera and Borzaga, 2009) as it does not undermine the capacity of this mechanism for protecting users and motivating workers' engagement. In addition, it might attract investors who are interested in sustaining the economic growth of the enterprise. In practice, many countries have set up regulations to limit profit distribution. Italy, Spain, Poland and Portugal are forbidden to distribute any profit to shareholders and owners. The UK regulates that no more than 50% of profit can go to the shareholders (Cafaggi and Iamiceli, 2008). However, there is no constraint on profit distribution in Finnish law, which is an abnormal type of social enterprise among European countries (Galera and Borzaga, 2009).

The assignment of ownership rights and control power to stakeholders other than investors coupled with an open and participatory governance model. The participatory nature of social enterprise has already been discussed in the light of the EMES approach, which argues that the representation and the involvement of multiple stakeholders in decision-making are crucial for identifying social enterprises (Defourny and Nyssen, 2012). Participation stimulates stakeholders to express their intentions and preferences, thus

facilitating communication and coordination among various interest groups (Ben-Ner and Gui, 2003). Italy, Greece, France and Belgium adopt this kind of democratic model (Cafaggi and Iamiceli, 2008). However, social enterprises in the US benefit from the ordinary governance structure, which means that there is no specific provision in regard to ownership rights, democracy and different rights for different stakeholders, which is more flexible and easier for attracting investment (Cafaggi and Iamiceli, 2008, Wang, 2012).

Figure 4.1 illustrates some key features of social enterprise, and the variation between countries in their use and purposes.

Figure 4.1. Key features of social enterprise among European countries.

Country	Legal forms used	Profit distribution	Governance	Entrepreneurial model	Definition of social aim
Belgium Law of April 13, 1995	Limited company, Limited liability cooperative society, Private limited liability society	Redistribution of profits is possible, but limited	Participatory nature		Activities that are aimed at pursuing a social goal. What constitutes a social goal results from constitutive elements foreseen by the legislation
Italy Law No. 118 of June 13, 2005	Associations, Foundations, Co-operatives, For-profit enterprises	Direct and indirect distribution of profits prohibited	Participatory nature	Collective	Production or exchanges of services in the sectors of social and health assistance, education and training, environmental protection, social tourism, cultural services or work integration of disadvantaged persons independently from the field of activity of the enterprise
Finland Law No. 1351/ 2003	All enterprises regardless of their legal form and ownership structure	Distribution of profits allowed with no constraints	Participatory governance not envisaged	Not relevant	Social enterprises have to employ at least 30 percent of people with disabilities and long-term unemployed
UK CIC regulations 2005	Enterprises regulated by Companies Act of 1985	Partial distribution of profits allowed	Participatory nature	Collective and individual	Wide range of activities that correspond to the needs of communities. Social definition assessed by the regulator
EMES definition	All legal forms admitted	Partial distribution of profits allowed	Participatory nature	Collective	Wide range of activities aimed at pursuing an explicit social goal

Source: Galera and Borzaga, (2009): 224.

Despite the essential features of social enterprise, Pearce (2003) also suggested that accountability should be considered as one of the tests for qualifying as a social enterprise. He proposed that there should be regular social audits with the intention of reporting on social and environmental performance and impacts.

In conclusion, there are not yet any clear, universal, commonly-accepted definition or accepted universal characteristics of social enterprises. Some have argued that trying to define social enterprises precisely is somewhat pointless, or that it is more useful to talk in terms of 'ideal types' rather than to seek clear-cut definitions (Defourny, 2006). The only clearly defining (rather than typical or desirable) characteristics are: the primacy of social aims and the primary activity involving trading goods and services (Doherty *et al*., 2009; Peattie and Morley, 2008). In the long term, social enterprise will be defined not by theorists but by social practices and institutions which are associated with, and labelled as, social enterprises (Ridley-Duff and Bull, 2011).

4.2.3 Locating social enterprise in different perspectives

Social enterprises as an alternative type of organisation which is aiming to pursue social objectives have a unique role in society. However, what is the relationship between social enterprise and the third-sector economy/civil society/social economy? What is the difference between social enterprise and voluntary organisations/non-profit organisations/for-profit organisations? This section will present answers to these questions in the light of four different perspectives: 1) social enterprise is located within the third sector (Defouny, 2001; Defouny and Nyssens, 2006; Pearce, 2003); 2) social enterprise is located between the traditional public sector and the traditional commercial sector (spectrum theory) (Dees, 2008; Alter, 2007); 3) social enterprise can be found in every sector (cross-sector theory) (Leadbeater, 1997; Seanor and Meaton, 2008; Ridley-Duff, 2008); and 4) social enterprise is seen as an activity rather than a true organisation (Ridley-Duff, 2008).

Social enterprise is inside the third sector

Civil society, although there is no agreed definition of it, raises a perspective in which it combines social democratic language with the value of mutual support and civic responsibility (Giddens, 1998). Parton (2003) described civil society as a combination of informal and self-help groups and leisure networks, which contributes to the development of social capital. The term 'third sector' shares a similar ideology with civil society; Ridley-Duff and Bull (2011) suggested that a useful way to define the third sector is that it

"comprises organisations where 'shares' (of social wealth) are allocated to people in proportion to their needs and activities rather than property (private) or political (public) rights" (Ridley-Duff and Bull, 2011: 17).

The term 'social economy' is only a recent phenomenon in the UK literature, previously being recognised as the third sector, the voluntary and/or non-profit sectors (Amin *et al.*, 2002; Dart, 2004). Social enterprises are described as the enterprising wedge of the social economy (Pearce, 2003; Laville and Nyssens, 2001). There is an earlier argument from Defourny (2001) and Nyssens (2006) that social enterprise is embedded *within* the third sector at the boundary area between cooperatives and non-profit organisations (*see* Figure 4.2).

Figure 4.2. Social enterprise at the crossroads of non-profit and cooperative economies
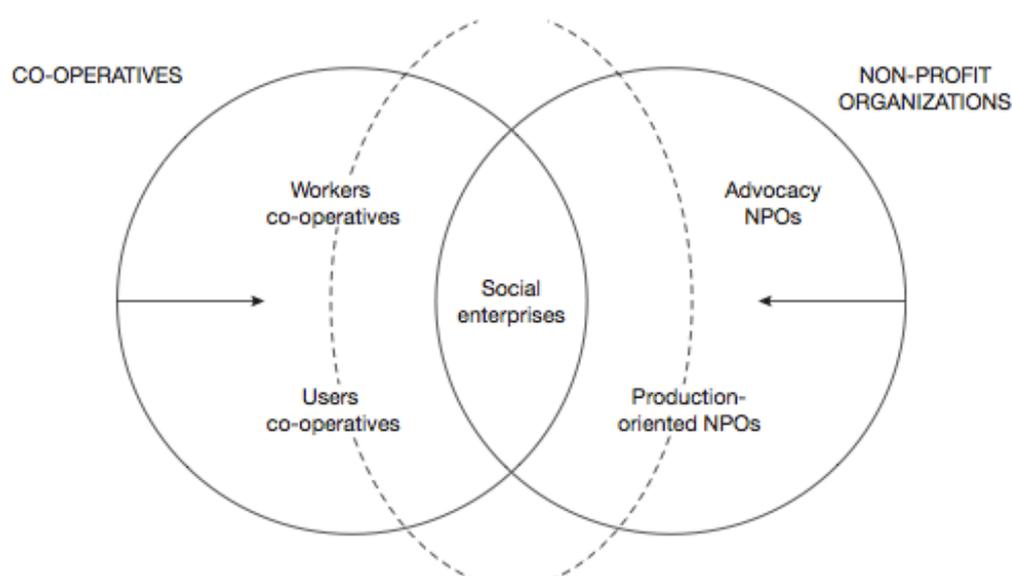
Source: Defourny and Nyssens, 2006: 8

There is a similar argument in Pearce's (2003) economy system diagram: social enterprise sits inside the third-sector economy (especially part of social economy) and between private-sector organisations and voluntary organisations (*see* Figure 4.3). According to Pearce's diagram, social enterprises are part of the wider social economy and also part of a market-driven economy. This indicates that third-sector organisations which do not produce any goods or services for household or business use are excluded from the definition of the social economy. Pearce's model also shows the diversity and complexity of the social economy. It indicates that social enterprise consists of social firms, social businesses, fair-trade companies and cooperatives.

Figure 4.3. Three systems of economy: Pearce's Diagram
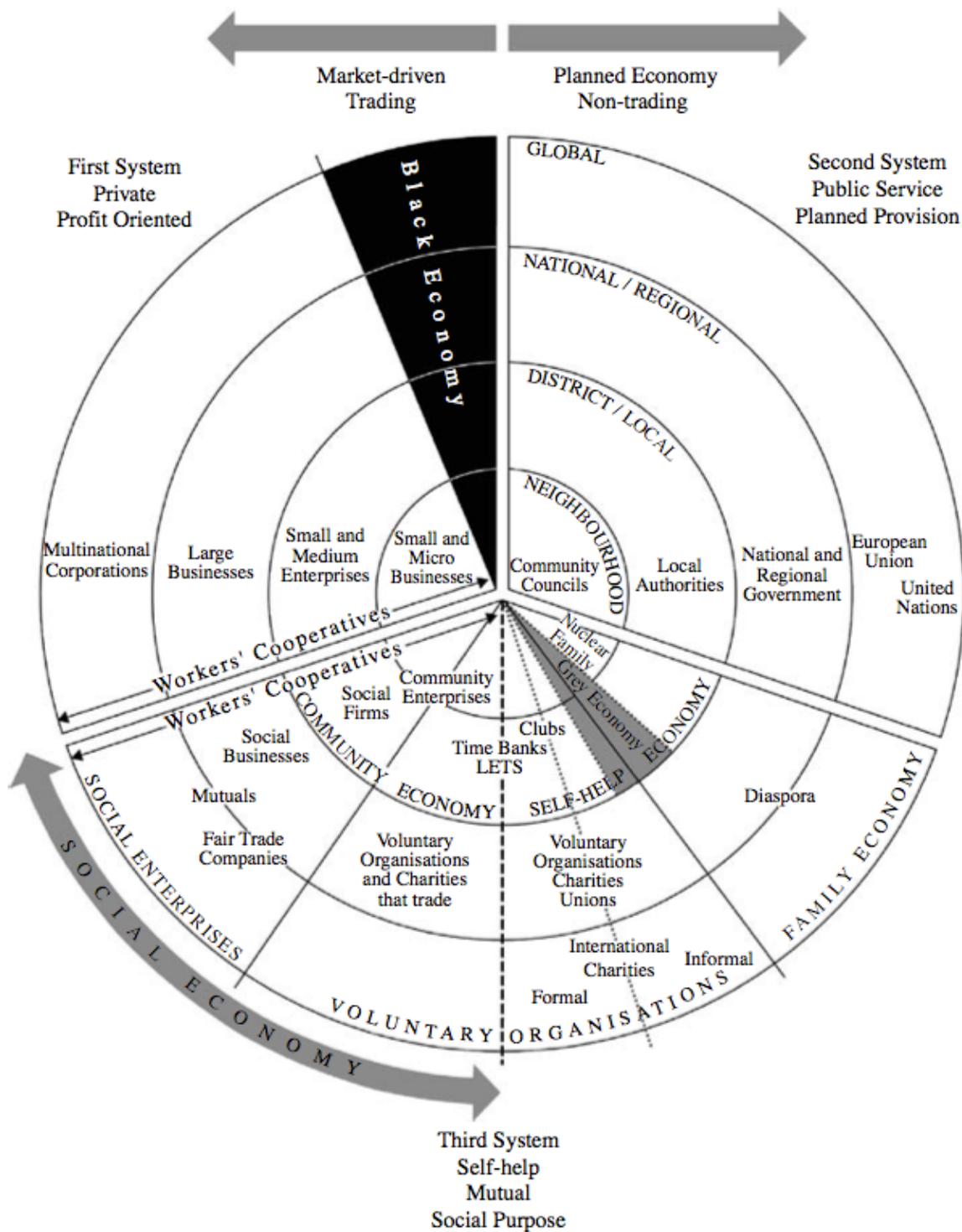
Source: Pearce, 2003: 25

Social enterprises are often described as double-bottom-line organisations which practise both altruistic (social) and commercial (economic) disciplines (Thompson and Doherty, 2006). Another view of social enterprise is influenced by the acknowledgement in the US of social entrepreneurship and the non-profit sector (Westall, 2001). In this case, social enterprise does not belong either to the public sector or to the private sector; it sits between them (Dees, 1998). Dees (1998) argued that a social enterprise is a hybrid organisation which exists between the public and private sectors and has characteristics that reflect both. He introduced the 'Social Enterprise Spectrum' (_see_ Figure 4.4) to illustrate the position of social enterprise in terms of key-stakeholders, missions and beneficiaries.

Figure 4.4 Dees's Social Enterprise Spectrum

		Purely Philanthropic	← →	**Purely commercial**
Mission, methods, and goals		Appeal to goodwill Mission driven Social value	Mixed motives Mission and market driven Social and economic value	Appeal to self-interest Market driven Economic value
Key stakeholders	Beneficiaries	Pay nothing	Subsidized rates or mix of full payers and those who pay nothing	Market-rate prices
	Capital	Donations and grants	Below market capital, or mix of donations and market-rate capital	Market-rate capital
	Workforces	Volunteers	Below-market wages, or mix of volunteers and fully-paid staff	Market-rate compensation
	Suppliers	Make in-kind donation	Special discounts, or mix of in-kind and full-price donations	Market-rate prices

Source: Dees, 1998: 60

Alter (2007) revised Dees's spectrum into a 'sustainability spectrum' which describes six gradations between 'traditional non-profit' and 'traditional for-profit' enterprises (*see* Figure 4.5). As a hybrid, a social enterprise is driven by two strong forces. First, the nature of the desired social change often benefits from an innovative, entrepreneurial or enterprise-based solution. Second, the sustainability of the organisation and its services requires diversification of its funding stream, often including the creation of earned income.

Figure 4.5 Sustainability Equilibrium
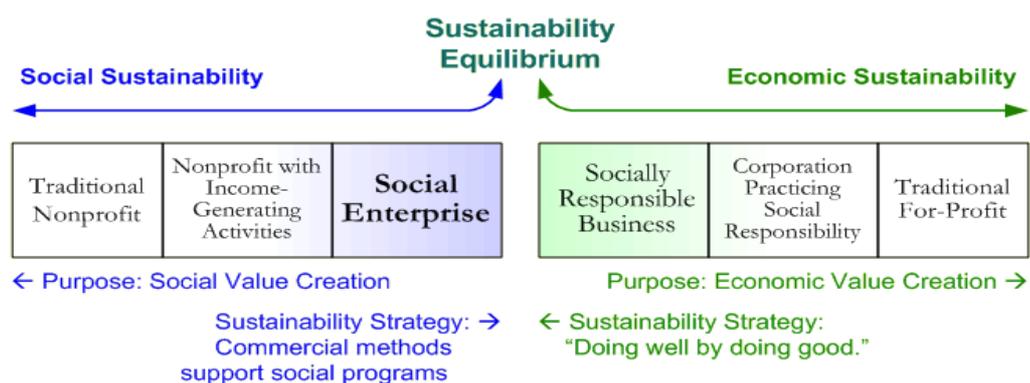
Source: Alter, 2007: 15

By addressing the hybrid nature and dual value creation of social enterprise, Alter classified three types of social enterprises based on their missions and business integration: *embedded social enterprises*, *integrated social enterprises* and *external social enterprises*. *Embedded social enterprises* refer to those whose "social program and business actives are one and the same". The business or enterprise activities are embedded within the operations of such social enterprises and central to their missions. The dual value financial benefits and social benefits are achieved simultaneously. Alter argues that this type of social enterprises is usually adopted by nonprofits to protect against mission drift. *Integrated social enterprises* are those whose "social programs overlap with business activities". Synergies exist between the social programs and business activities, adding financial and social value to one another. Sometimes their business activities are merely related to their mission may or may not be the same one. *External social enterprise'*s social programs are "distinct from business activities". Their business activities are external to the operation of the organisation, only acting as funding centre to support their social program.

In practice, there is a debate regarding whether nonprofit organisations with trading activities or socially responsible businesses are social enterprises. UK policy papers and academic studies sometimes use a minimum of 50% income from trading as a benchmark

for distinguishing between charities which use trading to supplement income and social enterprises which use trade to pursue their social purpose (Smallbone and Lyon, 2005).

Social enterprise can be found in many sectors

In this case, the cross-sector model of social enterprise is seen as a way of bridging sectors by integrating the skills and abilities of statutory providers, private businesses and voluntary organisations (Ridley-Duff and Bull, 2008). It is regarded as developing in all sectors and can take many forms: charity trading, social firms, social responsibility projects, public/private partnerships, cooperatives, mutual societies and employee-owned businesses.

In order to locate participant organisations in the diagram, Seanor and Meaton (2008) suggested that social enterprises are located at the crossover points between the three worlds and argued that social enterprises can benefit from this ambiguity by managing their uncertain identity and tapping into several streams of support and funding.

Moreover, Ridley-Duff and Bull (2011) integrated the cross-sector model and Seanor and Meaton's fieldwork into a composite theory: the triangle of activity, with four types of social enterprise: the non-profit model; the CSR model; the more-than-profit model; and the multi-stakeholder model (the ideal type) (*see* Figure 4.6).

Figure 4.6: A composite theory: the triangle of social enterprise
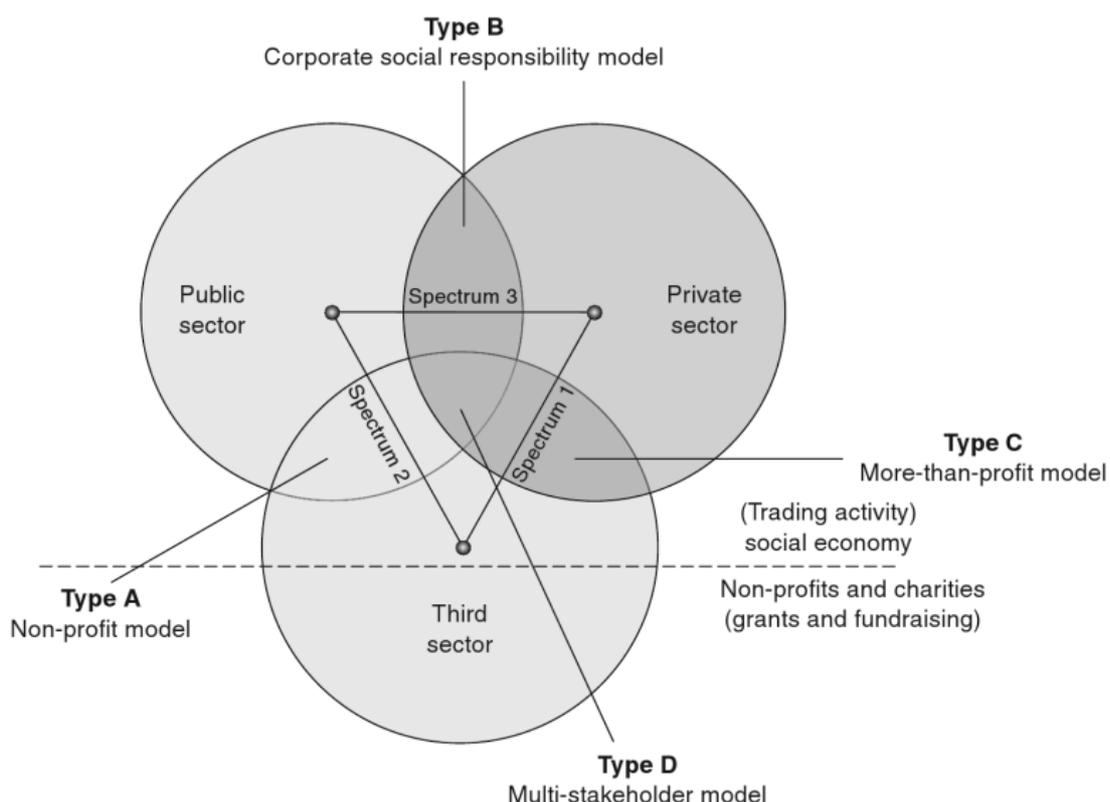
Source: Ridley-Duff. and Bull, (2011), *Understanding Social Enterprise: Theory and Practice*, Sage: p.75

Social enterprise as an activity

Another perspective views social enterprise as an activity rather than an organisational form or embryonic socio-economic system (Morgan, 2008). This argument is close to the acknowledgement of social entrepreneurship in the US context. It emphasises economic activity as a means of sustaining and developing relationships, rather than for the sake of completing tasks and missions (Ridley-Duff and Bull, 20011). Morgan (2008: 2) argued that:

> *Social enterprise is not, in my view, a type of organisation, it is a type of activity, where a trading venture is undertaken primarily with a social aim: such as running a community bus, or providing employment for people with special needs. Social enterprise activities can be undertaken in any of the three sectors.*

Ridley-Duff and Bull (2011) explained that a possible reason for seeing social enterprise as an activity is that it suits those who want to use a social enterprise for 'project management'. This means that social enterprise trading entities can be set up to achieve public, charitable and corporate social responsibility.

In conclusion, after summarising the four perspectives regarding the position of social enterprise, Ridley-Duff and Bull (2011) believed that the cross-sector analysis and concept of social enterprise is the most useful for future debates. They believed that the cross-sector nature addresses the theoretical weakness of a two-dimensional spectrum, however, neither spectrum theory nor cross-sector perspective theory have an in-depth insight at the practice level. 'Social enterprise' can cover a range of organisational types which vary in terms of size, legal structure, activity, geographic scope, income sources, motivations, level of profit orientation, ownership and structure (Doherty *et al*., 2009). Over the long term, it is more reasonable to define social enterprise by its practice rather than by a simple theory. Of course, it will require long-term observation to verify which perspective of the position of social enterprise is the more suitable.

4.2.4 Legal framework of social enterprise

Internationally, social enterprises are different not only in regional development, but also in the bodies of knowledge which receive recognition and institutional legitimacy (Dart, 2004; Ridley-Duff and Bull, 2011). Take the UK view of social enterprise as an example:

according to a report by the UK Department for Business Innovation and Skills (2011), social enterprises can take a variety of legal forms and the process for establishing one will depend on which legal form is chosen. Social enterprises in the UK can be registered in unincorporated or incorporated forms.

If a social enterprise remains unincorporated, as a sole trader or a partnership, its profits will be taxed as income of the individual(s) involved. Thus it has to follow the self-assessment requirement to calculate the income tax and national insurance contribution applicable to any profits taken out of the business. If a social enterprise chooses to register in the incorporated forms which have a separate legal personality and limited liability for investor(s), the choices are, for example, general limited companies, Community Interests Companies (CICs) and Limited Liability Partnerships (LLPs) (Department for Business Innovation and Skills, 2011). According to the legal frameworks in which a social enterprise can register, there are some organisational forms which a social enterprise can take: social firms, intermediate labour market companies, development trusts, cooperatives, employee-owned companies, community enterprises, housing associations, football supporters' trusts, leisure trusts' charities with trading arms and credit unions. These organisational forms demonstrate the innovative nature and richness of the social-enterprise sector (Department for Business Innovation and Skills, 2011).

In recent decades, the numbers of social enterprises have been increasing at an incredible rate. They rose from 15,000 to 70,000 from 2005 to 2012 (2012 Small Business Survey, 2013).

4.2.5 Social enterprise and public services

It is not hard to see that social enterprises play a significant role in delivering services in the third-sector economy in the UK. The recent growth in the social-enterprise sector across industrialised countries has been well documented (Salamon *et al*., 2003; Peattie and Morley, 2008; Gao, 2012). Social enterprises constitute an organisational form which is able to perform well in the production of personal and collective services which cannot be efficiently produced by for-profit or public organisations. Salamon *et al*. (2003) argued that the emergence and development of civil society enables people to acknowledge that third-sector organisations are vehicles for making a difference to societies affected by a perceived state or market failure.

Initially, social enterprises provide goods and services which neither the market nor the public sector are willing and/or able to provide. They can optimise the supply mechanism

and thus respond to a shortage in the provision of public goods (Gao, 2012, Doherty *et al.*, 2009). Gao (2012) claimed that social enterprises can perceive practical needs through the market mechanism and thus improve the rationality of public service provision. Price (2009) also argued that social enterprises have a positive impact on mainstream business. They inspire conventional commercial entrepreneurs to look at corporate social responsibility and the intangible resources which it can bring. If a social business is getting more sales, then its competitors will surely follow.

Second, social enterprises can make up for third-sector failures or so-called 'voluntary failure' (shortage of grants, high level of dependency and lack of autonomy) because of their flexible business processes (Salamon, 1987; Weisbrod, 1977; Hansmann, 1986). Price (2009) argued that social enterprise is a wealth creation activity; it is making money rather than spending it as happens in voluntary sector organisations; social enterprise can provide an income stream which is steady and less dependent on the whim of funders. Lin *et al*. (2010) claimed that social enterprise obtains more resources and opportunities by integrating private and non-private resources. Xu and Gao (2012) commented that social enterprises are able to make a profit and so get rid of a high dependency on government grants. In addition, Gao (2012) argued that social enterprises can improve organisational efficiency by using business management methods.

Third, social enterprise can be an efficient way of tackling social problems. Nicholls (2006) argued that social entrepreneurship has emerged as a global phenomenon providing new market models for solving community problems. In some countries where social enterprises have been explicitly recognised for the work they do in tackling employment and social issues, they play a very significant role (Doherty *et al*., 2009). Smallbone *et al*. (2001) identified different contributions depending on different types of social enterprise: to develop the skills of disadvantaged people and empower people; to facilitate the social and economic development of communities by, for example, creating and managing workspace, or providing low-cost loans (credit unions); to enhance civic involvement through the extensive use of volunteer labour; and more generally to act as a mechanism for facilitating development in disadvantaged communities.

Above all, social enterprises are seen by many researchers as dynamic organisations with the potential to play a significant role in providing public services. Social enterprises have made a significant contribution across the world in many respects; health and social care, housing, children's services, transport, food and farming, and environmental services and leisure (Westall and Chalkley, 2007).

4.2.6 Social Enterprise Ecosystem

As discussed above, one of the aims of this study is to understand how the context affects the nature of the operation of a social enterprise. A discussion of the social enterprise ecosystem would be helpful for understanding the various contexts. However, there has been only limited discussion of the ecosystem of social enterprises. Some commentators have stressed the importance of external environmental impacts, including policy support, institutional environment, market and non-market conditions, in shaping the performance of social enterprises in the context of European countries (Bloom and Dees, 2008; Roy *et al*., 2015; European Commission, 2014; 2016).

Bloom and Dees (2008) borrowed insights from the field of ecology to help social entrepreneurs to create long-lasting social change. They identified factors which might have influenced their intended social impacts by considering *players* and *environmental conditions* (*see* Figure 4.7)*.*

Figure 4.7: Cultivating a social enterprise ecosystem

Players
- Resource providers
- Competitors
- Complementary organisations and allies
- Beneficiaries and customers
- Opponents and problem makers
- Affected influential bystanders

Environmental conditions
- Politics and administrative structures
- Economics and markets
- Geography and infrastructures
- Culture and social fabric

Source: adapted from Bloom and Dees (2008: 49-51*)*

They argued that not only can the context and environmental factors shape the performance of social enterprises, but that social entrepreneurs can also respond to and even 'shape' the external environment to scale up the organisation's impacts on the environment and the local community. In this current study, this ecosystem will be used as a reference for exploring how social enterprises perform given such environmental settings and how the players who occupy these settings interact to achieve better social changes, working with migrant children in this study.

4.3 Conceptualising Social Enterprise in China

During the last decade, many debates and early attempts in practice among researchers and practitioners have focused on exploring Chinese social enterprise. The term 'social enterprise' was introduced to China in 2002 through an OECD report, initiating the concept of social enterprise for the first time (Ding, 2007; Wang and Zhu, 2009). In general, most scholars in China agree on a broader and looser definition of social enterprise as "a hybrid organisation using business techniques to pursue social business and social missions" (Xia, 2009; Pan, 2011; Cai *et al.*, 2012; Ding, 2007).

4.3.1. The emergence of social enterprise in China

Similar to the initiatives behind the emergence of social enterprise in western countries and the rest of the world, Chinese social enterprises or quasi-social enterprises came to the stage in the context of reduced public expenditure alongside a wave of new public management (Ding, 2007). However, the concept has some unique forces in the Chinese social and political economic context. Yu (2011) and Wang and Zhu (2009) summarised the rise of social enterprises in China by suggesting that they had emerged in the context of market reforms, driven by synergistic efforts from multiple sectors: the privatisation and decentralisation of the state sector; the growing interests in corporate social responsibility and venture philanthropy emerging in the market sector; the desire for the marketisation of non-profit-sector organisations to reduce financial dependency and to seek more commercial sources of revenue; and the promotion and support of international agencies and academic scholars.

Initially, in the state sector, Yu (2011) and Ding (2007) stated that the emergence of social enterprise occurred in the context of the transformation from a planned economy to a market-based economy. During this transition, the central government encouraged multi-ownership engaging in the market economy rather than solely state-ownership or community ownership. The Chinese government began to transfer its central role towards 'service-oriented government' by decentralising more powers to local authorities and encouraging people, communities and multi-stakeholders to participate in providing public services (Wang and Zhu, 2009). Defourny and Kim (2011) pointed out that in East Asia, the trend of public policy is towards a culture of building a contract and partnership with non-profit organisations, which opens great opportunities to the new generation of social enterprises and other third-sector organisations. An example is the care service for the elderly provider *Hetong*, first established in Tianjin, which is a civilian-run, non-profit

organisation which has been identified as a social enterprise by many researchers (Wang and Zhu, 2011). The local governments in Beijing and Sichuan have built trusting relationships with the organisation and have authorized the operation of some care services for the elderly institutions to *Hetong* (Wang and Zhu, 2009).

It should be noted that research into social enterprise in China has experienced a sharply increasing pace since 2013. A search using the search engine CNKI[8] with the keywords, abstract or title search for 'social enterprise' generated 710 papers, of which 401 were published in or after 2013, more than the sum of published papers on the same topic in the last decade. Those early writings before 2013 provided intensive and comprehensive analysis of the deep roots of social enterprise in the context of China. However, some new institutional conditions need to be provided to understand this new trend.

In terms of the political environment, new policies which are designed to mobilise the private sector and the third sector into the public service area have been developed since 2013, creating more participating spaces and opportunities for social enterprises (although those policy guides were not specially designed for social enterprises). After Xi Jinping took power in March 2013, a trend of 'comprehensively deepening reform' (*quanmian shenhua gaige*) was emphasised and was raised at *The third plenary session of the 18th CPC Central Committee*. According to the '*Decisions on several significant issues for comprehensively deepening reform by the CPC*' (2013), published by this committee, the key task of the central government is to promote reforms in areas such as the economy, financial systems, culture and technology, and the environment. Of these, economic reform is the key area, with the aim of coordinating the relationship between the state and the market and thus mobilizing market dynamics. Simplifying administration and transferring power to a lower governmental level is one of the key actions in this reform. Under this policy, the central government would not have control any more of those issues which 'should not or could not be controlled',[9] thus delivering more power to sectors other than the state, and creating more space for market domains. Moreover, since 2013 a few supplementary actions and policy guides have been set in motion, such as the reintroduction of Public-Private Partnership programmes, and the wider promotion of the government purchasing public services. However, those new frontier institutional conditions were not completely new, but followed a continuing process of changes since the 1980s. The current rise of new social enterprises and other third-sector organisations

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[8] The most influential and also the largest literature database in China's academia.
[9] According to the *Decision*, this means that those issues that should be the concern of the market place rather than the government, such as the red tape involved in many investment projects.

follows the path dependency of previous policy streams stated by Yu (2011) and other scholars.

Second, the trend of marketisation in the non-profit sector also fuelled the growth of social enterprise in China. Since the government has changed the relationship with non-profit organisations from directly funding them to contracting or buying services from them, some of them have faced a shortage of financial support. Thus they began to diversify their income generation strategy by operating in business-like way, or contracting with local authorities or by co-operation with for-profit businesses (Yu *et al*., 2011). In addition, Wang and Zhu (2009) acknowledged the great efforts of non-profit organisations to promote social enterprise and social innovation activities in China by organizing many forums, study trips, training programmes and similar initiatives. For example, the only and extremely influential training programme for social entrepreneurs (Skills for Social Entrepreneurs) in China was jointly launched by the '*You Change China Social Entrepreneur Foundation*', the '*Naradar Foundation*' and the Cultural and Education Section of the British Embassy, which has trained more than a thousand social entrepreneurs and non-profit practitioners in China since 2009.

Third, there has been a rise of corporate social responsibility (CSR) in commercial business among the market sector (Yu, 2011; Defourny and Kim, 2011). The concept of CSR has attracted increasing interest in the public domain. Many regulations and policies on CSR address the responsibility of commercial companies, which has promoted co-operation between for-profit organisations and non-profit organisations, and an increasing number of foundations have been set up by for-profit enterprises. These foundations are important funding resources for social enterprises (Yu *et al*., 2011).

Fourth, benefiting from the assistance from international institutions and partnerships. As discussed above, the training programme for social entrepreneurs could not have been achieved without assistance from the Cultural and Education Section of the British Embassy. Wang (2012) even said "the introduction of social enterprise in China is principally owing to the great efforts of the British Council". In 2009, the British Council started to promote the idea of social enterprise mainly by providing several training programmes and workshops for social entrepreneurs. This programme also provided nearly £900,000 to social innovation programmes through competitions. In 2013, the British Council along with the China Social Enterprise and Investment Forum promoted a 'Social Enterprise Programme-social investment platform' with the intention of providing financial support for outstanding social enterprise practices, but this programme ended in

China in March 2016 (see website of British Council, 2016). Many other international social investment organisations are engaging in the social enterprise movement in China, for example, the Smiling World Accelerator Programme founded by LGT Venture Philanthropy (established by the royal family of Liechtenstein), which seeks to support early-stage social enterprises and social innovation programmes and provide consultancy services to selected recipients (LGT, 2014). This international assistance has had a great influence on the growth of social enterprise in China.

4.3.2 Defining and locating Chinese social enterprises

Definition and characters of social enterprise

Most researchers agree on a broader definition of social enterprise in China: "using a business approach to achieve social objectives, the market surplus should be reinvested for social value" as discussed earlier. But a narrower definition can be found in Wang (2012), who identified five dimensions to qualify as a social enterprise: 1) the objective of the organisation should be social mission-driven; 2) the largest income stream should come from business activities; 3) most of the surplus should be reinvested into the organisation and to achieve its social objective; 4) following the 'asset-lock' principle, which means that assets should be transferred to other social enterprises or non-profit organisations when they are written off; and 5) a multi-stakeholder participatory nature which involves the persons affected by the activity. According to this ideal-type definition, there are very few organisations which can qualify as a 'real' social enterprise (Deng, 2009).

In accordance with these broader and narrow definitions, the characteristics of social enterprises vary in different views. There are four primary characteristics of social enterprise agreed on by Chinese researchers (Gao, 2012; Lin *et al*., 2011; Yu, 2008; Pan, 2011): 1) social objectives; 2) achieved through a business approach; 3) limited profit distribution; and 4) social innovation which is distinctive as a way of providing public services. Huang and Yu (2011) also suggested that a social enterprise should follow the asset-lock principle. Yu (2008) suggested that social enterprises should address the benefit of people and their happiness.

Some characteristics need more consideration in the Chinese context in comparison with the nine characteristics identified by the EMES. For example, autonomy in a Chinese social enterprise is not feasible. According to the policy (State Council 251, 1998) in China, civilian-run, non-profit organisations, as the most common legal forms of social enterprise

in China, are registered and supervised by the government (the Ministry of Civil Affairs). It is therefore hard to maintain a high degree of autonomy in reality.

The two debates in China

The concept of social enterprise is still in an emerging phase even in western countries. There are many debates focusing on its definition and qualifications and even on whether there should be a definition for social enterprise (Pearce, 2003). Similar debates can be found among Chinese researchers and practitioners. They have not achieved a single and agreed definition of social enterprise in the Chinese context and debates on it are inevitable: first, the 'blurred' nature of social enterprise (do social enterprises belong to the non-profit sector or the for-profit sector?). Second, can social enterprises diversify their income generation strategy, such as donations, funding and government subsidies, or should they largely rely on the surplus from market-based activities (Yu, 2011; Defourny and Kim, 2011; Hu, 2011; Shu, 2011)?

As for the nature of social enterprise or its position in the economic system, there are also different schools of thought and thus they have different arguments on the definition of social enterprise and its income-generation strategy. Two schools of argument among Chinese academics are illustrated in Figure 4.8.

Figure 4.8 Two debates in Chinese academia
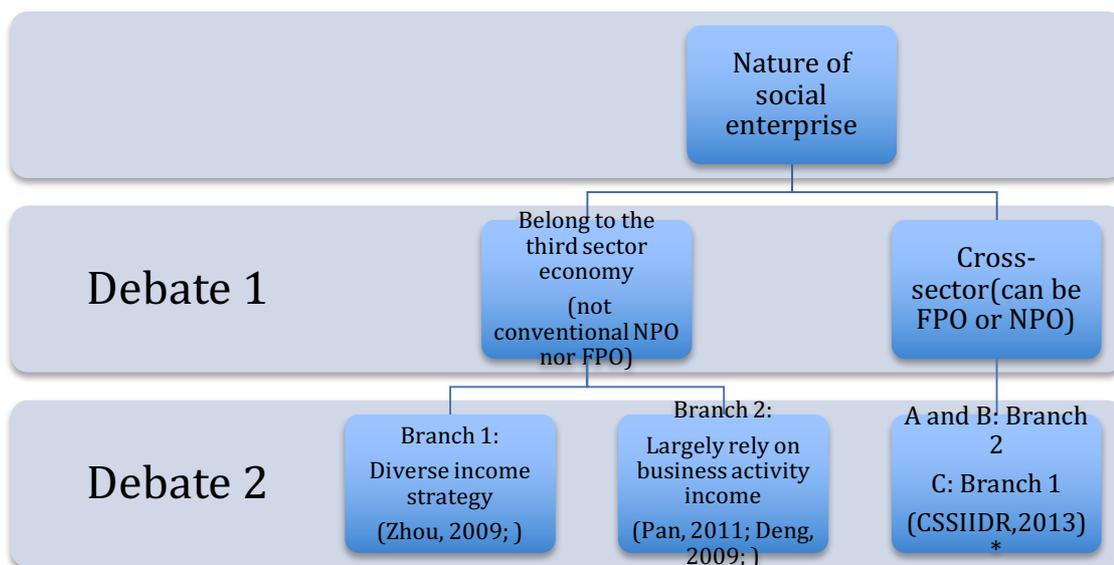
*: A and B refer to the Type A and Type B summarised in Table 4.1.

   C refers to Type C in Table 4.1.

As Table 4.7 shows, one school of thought maintains that social enterprises should belong to the broader third-sector economy/non-profit sector organisation, but differentiates between conventional non-profit organisations and conventional for-profit organisations, but that they have both social and business characteristics (Pan, 2011; Shu, 2011). Shu (2011) also identified social enterprise as a new form of non-profit organisation which just uses the business approach as one source of income instead of being entirely profit-driven. This school of thought fits with the 'earned income school' as discussed above, and is consistent with the view shown in Pearce's diagram (*see* Figure 4.3). This school of thought argues that social enterprises are not conventional voluntary organisations, nor are they trading voluntary organisations; they are a unique and new form of organisation in the third-sector economy.

Subsequently, for the second debate in this first view, many researchers of this school argue that the income generation of a social enterprise should be diverse, and that business income generation can be seen as one of several income streams (Shu, 2011). Zhou (2009) argued that "the income strategy for social enterprise could be from either business activity, or funding, or a combination of the two". Whilst some researchers argue that the income of social enterprises should come largely from the market surplus rather than funding and donations, Deng (2009) maintained that this is a distinctive characteristic of conventional non-profit organisations.

The second school of thought on the nature of social enterprise is consistent with the thinking of cross-sector researchers (Leadbeater, 1997; Ridly-Duff, 2011). They argue that social enterprise can be found in any sector of the economy and in many types. A China Social Impact and Social Impact Investment Development Report (2013) identified a broad definition of social enterprise and mapped three different types of social enterprise based on this definition, as shown in Table 4.1.

Table 4.1. Three types of social enterprise in China

	Type A: Broader	Type B: Narrow	Type C: Special
Definition	A company which seeks to create a culture of social enterprise	A company which treats the social good as its primary goal and the surplus will be reinvested for that purpose	Civilian-run non-profit organisations which trade in the market place.
Legal form	Company	Company	Social organisation
Operation model	Business activity	Business activity	Business activity Funding and Donations
Principal Object	Social object Business object	Social object	Social object
Profit distribution	No constraints	More than 50% reinvested for the social good	No distribution
Supervision agency	Industrial and Commercial Bureau	Industrial and Commercial Bureau and Bureau of Civil Affairs	Bureau of Civil Affairs
Tax relief	No	Yes	Yes
Qualification	Social impact, Financial sustainability	Social impact, Profit distribution	Business income
Social Value	Promoting a culture of social enterprise and promoting social investment	Assisting the government in providing public services	Sustaining special typology in China

Source : China Social Impact and Social Impact Investment Development Report (2013: 7)

Table 4.1 shows that the income generation strategy in the cross-sector view varies and depends on different types of social enterprise. The first two types of social enterprise should ensure that their income comes primarily from business activity, whilst type C social enterprises favour a diverse strategy.

4.3.3 Legal forms of social enterprise in China

Social enterprise in China is in its infancy. Many social organisations (including non-government organisations and non-profit organisations) are still exploring how to act as social enterprises. There is no specific law to define and regulate social enterprises in China, so it would be difficult to define them as qualified social enterprises. However, they have engaged in similar social activities for nearly fifty years in China (Ding, 2007). Most researchers agree that social enterprises can be registered as four types of legal form (Yu, 2007; Yu, 2011; Yu and Ding, 2011; Wang and Zhu, 2009; Hu, 2011; Defourny and Kim, 2011; Ding, 2007; Shu, 2011): civilian-run non-profit organisations, social welfare enterprises, co-operative organisations; and community service centres (*see* Table 4.2). Yu (2011) showed that the characteristics (ownership, tax exemption, profit distribution and governance model) of social enterprise vary among the different types of legal form (*see* Table 4.2).

Table 4.2 Different forms of social enterprise in China

	Social objectives	Income generation	Profit distribution	Ownership	Supervision agency	Governance structure	Tax exemption
Civilian-run non-profit organisations	Multiple social benefits (education, health-care, social care and so on)	Diverse income strategy	No distribution	Investor-dominated	Civil Affair Bureau	Governmental agencies supervision	Partial tax exemption
Famers' special co-operatives	Assisting farmers and the agricultural economy by providing skills, integrating market resources and increasing farmers' income	Business activities	Distribute among members (farmers)	Member-oriented collective ownership	Trade and Industry Bureau	Participatory governance (higher degree of autonomy)	Exempt from tax in regard to agricultural products
Social welfare organisations	Increasing disabled people's employment	Business income (largely)	Not mentioned (designed personally)	State-owned/collective owned	Civil Affair Bureau	Governmental agencies supervision	Tax exemption proportion depending on the percentage of disabled people employed
Community service centres	Providing services facilitating community (health-care, social care, cultural communication and so on.)	Diverse income strategy (funding largely)	No distribution	Community owned	Civil Affair Bureau	Governmental agencies supervision	Not mentioned
Commercial businesses	Multiple social benefits	Diverse income (business income largely)	No restriction	Shareholder owned	Trade and Industry Bureau	Shareholder governed	No tax exemption

The first type is civilian-run, non-profit organisations. Yu (2007) argued that this form is the closest to the meaning of social enterprise in western countries. According to Shu (2011), this form of organisation has four basic features: 1) it is non-profit driven; 2) it is engaged in providing social services; 3) it is run by civilians, enterprises or any other social powers rather than by the government or government agencies; and 4) it is based on non-state-owned assets. These organisations engage in fields such as education, health-care, science and technology, sport and a variety of social services. However, these organisations are supervised by government institutions and thus the government retains control over them, which is different from social enterprises in western countries (Defourny and Kim, 2011). Therefore the ownership of civilian-run, non-profit organisations is blurred and closer to 'quasi-state owned' (Yu *et al*., 2011). Some of the civilian-run, non-profit organisations can have access to tax exemption, such as civilian-run educational organisations. But there is no restriction on their profit distribution proportion.

The second type is social welfare enterprises. Social welfare enterprises are special organisations which aim to resolve the unemployment of disabled people. This kind of welfare organisation first appeared in the 1960s in China and has undergone several reforms. These welfare organisations are required to employ at least 35% of their workforce as disabled people and in exchange they can obtain many types of tax exemption (income tax, business tax and value-added tax) depending on the proportion of employed disabled people, and they can also receive government subsidies. For example, in the 1960s, social welfare organisations could obtain a full refund of value-added tax and business income tax if more than 50% of their employees were disabled (Zou, 2007). However, after the 1990 enterprise reform, very few of the social welfare enterprises could obtain tax exemption (only those which were established by the government) and the ownership of a social welfare enterprise could only be the local government (Shu, 2011). This reform had a dramatically negative effect on the development of social welfare enterprises, and the numbers shrank dramatically after the mid-1990s (Ministry of Civil Affairs, 2006; Ding, 2007). In 2012, there were 20,232 social welfare organisations and they employed 0.59 million disabled people. Their profit had decreased by 15.5% compared with 2011 (Ministry of Civil Affairs, 2012).

The third type is co-operative organisations, especially Famers' Specialised Co-operatives (FSC, regulated by law in 2006). Co-operative organisations are not a unique mode of social enterprise in China. Defourny and Nyssens (2008) argued that co-operatives were a

common approach to social enterprise across Europe and have served broader communities and focused on general interests. In China, the co-operative organisations mainly exist in the agricultural sector and help farmers to alleviate poverty and gain skills. They provide technological and economic information to farmers and help them in every stage of agricultural production and overall they maximise the general interests of farmers (Yao, 2011). FSCs often combine different types of stakeholder in their membership. They can be exempted from farm-produce tax and agriculture-related income tax (Yu, 2011). Their profits can only be distributed between their members, that is farmers, and reinvested in the growth of the FSC. FSCs are similar to co-operatives in European countries. There were about a million FSCs in China in January 2014.

The fourth type is community service centres. Along with community care in developed countries, the community service centre is a kind of welfare community organisation in China. It aims to provide various kinds of public service (such as local stores, activity centres for the elderly and local health-care points) in the local community to satisfy people's basic demands. The local governments buy these public services from the community service centres and thus provide many employment opportunities in the communities. At the end of 2012, there were more than fifteen thousand community service centres in China which provided 1.08 million jobs to society (Ministry of Civil Affairs, 2012).

Defourny and Kim (2011) investigated different models of social enterprise in East Asia and summarised five models: 1) trading non-profit organisations (civilian-run, non-profit organisations); 2) working integrated social enterprises (social welfare organisations); 3) non-profit cooperative enterprises (FSCs); 4) community development enterprises (community service centres, FSCs); and 5) social enterprises stemming from non-profit/for-profit partnerships (private foundations). This final model is an interesting form of social enterprise in that it is established either by a private company or by a non-profit organisation. For example, a private company can establish a private foundation for pursuing social objectives, or a non-profit organisation (normally a foundation) could set up an enterprise and the profit from it is reinvested in the foundation. This type of social enterprise is either a benefit for the private company in terms of enhancing its reputation and public image, or it could contribute to other non-profit organisations which are facing fiscal difficulties. This type of social enterprise has, however, not been recognised by many Chinese researchers and practitioners.

4.3.4 The critical challenges to social enterprise in China

Social enterprise as an emerging approach to providing public services has made some contributions in many sectors, such as health, social care and environmental protection (Gao, 2012; Yu *et al*., 2011; Sun and Liu, 2009). However, social enterprise has also faced several problems.

First, the definition is not clear and there is a lack of public awareness. As discussed above, there is no agreement on the definition of social enterprise in China. Most enterprises and the public mistake this term for corporate social responsibility. Some scholars have argued that the term 'social enterprise' is difficult for the general public to understand because they think that 'philanthropic' cannot combine with 'profit' very well (Pan, 2011). The government did not make much effort to get the concept of social enterprise noticed until April 2013, when at the Boao Forum for Asia Annual Conference, the first report on an overview of social enterprise China was presented and attracted a great deal of attention (CSESIIDR, 2013).

Second, there is a lack of government and policy support. In western Europe, most social enterprises operate under the legal form of either a non-profit association or a cooperative. For instance, the newest organisational form for social enterprise in Europe is the Community Interest Company (CIC), which was introduced in the UK in 2005. However, no special law or regulation was introduced for social enterprise in China (Wang and Zhu, 2011; Yu *et al*., 2011). Therefore, a social enterprise cannot act as a unique entity in business or social activities. The ownership, profit distribution, tax exemption and governance structure are not clear and depend on which legal form the organisation was initially registered as. For example, if a social enterprise is registered as a social welfare enterprise, then it can have some tax exemption but a private non-profit organisation cannot. Therefore, there is an urgent need in academic and practical areas for a specific law to be established for social enterprises to regulate and support them.

Third, there is a lack of training for social entrepreneurship and social enterprise support networks. Most European countries and the US have similar support networks to promote social enterprise and exchange ideas between different sectors. For example, the Community Action Network created in 1998 in the UK is a membership association for social entrepreneurs. It has stated: "We focus on the practical delivery of the social entrepreneurial approach, whilst continuing to stimulate government, public and private sector thinking, both on the method and the importance of this approach for social

regeneration" (Kerlin, 2006: 258). There are also many academic institutions which offer training and support for social entrepreneurs (or prospective entrepreneurs) in the UK. For example, the Skoll Centre for Social Entrepreneurship, the Saïd Business School at Oxford University and the School for Social Entrepreneurs. However, no training or education for social entrepreneurs has been introduced in any university or college in China. Although seminars and workshops (CSESIIDR, 2013) have been opened for current social entrepreneurs, this kind of training is unsystematic. It is commonly known that the social entrepreneur is vital for the success of an enterprise (Peattie and Morley, 2008) but the necessary innovative ideas and skills can be very difficult to obtain through a short training programme.

Finally, the main areas of social enterprise are engaged in reducing unemployment, providing social care and alleviating poverty (Yu *et al*., 2011; CSESIIDR, 2013). However, few social enterprises have concentrated on the core social problems (for instance, education and health treatment equality) or on social equality (Ding, 2007; Yu *et al*., 2011). The ability of social enterprises in terms of providing public services should be strengthened in the future.

In short, social enterprise is at the early stage in China and there are many political and societal problems that need to be settled in the future. It is worth noting that core and sensitive problems, such as welfare inequality, cannot be solved solely through the innovative ideas and dynamics of social enterprise. These complicated problems need more support from official policies and from government. There are still many disadvantages of social enterprise in terms of its impact and sustainable development. Therefore, cooperation between the public, private and third sectors and international assistance will play a significant role in the development of social enterprises in China.

4.4 Social enterprises working with migrant children in China

There have been many practitioners engaged in promoting the welfare of and equality for migrant children in China. Several schools (for example, the Qianqian Tree and the Dandelion School) provide school education to those migrant children who cannot enter public schools (although whether these migrant schools can be defined as social enterprises needs further consideration and verification). Some enterprises (such as *Be Better*) seek to promote the social and financial ability of migrant children by providing courses on social communication, emotional management, financial management (pocket money management), leadership and similar topics. There are several community centres

providing after-school services and summer/winter vacation care services for both local families and migrant families. They are non-profit organisations and aim to strengthen the social inclusion in the local community. Overall, there are many (on the face of it) social enterprises which are finding their way in providing all kinds of services to migrant children and have played a vital role for migrant families as well as local communities, although their contribution is poorly understood within the academic domain.

Considering the various difficulties confronting migrant children, policy responses can be found from both institutional and non-institutional domains. In the institutional domain, the current policy framework provided for supporting migrant children is seen as a 'residual' framework (Zhou, 2014). The central government has acted to ensure the well-being of migrant children with regard to their nine years of compulsory education, health quality and child protection. For example, the central government strongly encouraged local governments to increase the student capacity of state schools and to offer more places for migrant children, and demanded that state schools cancel the extra sponsor fee charged to migrant children (Ministry of Education, 1998; State Council, 2008). However, these policies face regional differences and conflicts of interests which create difficulties during the policy-delivery process. Host governments have different financial situations and they have to deal with the central/local government relationship in this process, which makes the policy-delivery process complex. In addition, some researchers have argued that the current policy framework is only focused on the normative needs of migrant children rather than further child-development needs including early-years job training services, social engagement and participation.

From the non-institutional welfare provision perspective, third-sector organisations have made crucial efforts to promote migrant children's rights and to support their urban social life. A report has been published by one of the most influential non-profit organisations working with migrant children in China, the New Citizen Programme in 2016, which lists the 103 non-profit organisations which are supporting migrant children and their major working areas. The majority of these non-profit organisations work with migrant children by providing school education (7%), community education (45%), family education (3%), volunteer provision organisations (5%), grant-making foundations (19%), general support (5%), and other services or products (16%) (*see* Figure 4.9). Those non-institutional welfare provisions, especially by traditional charity organisations, are seen as the principal forces to support and improve migrant children's welfare in conditions where state action cannot step in. However, they have also been blamed for their high dependence on funding,

low autonomy, insufficiency, particularism, paternalism and amateurism (Lin *et al.*, 2010; Xu and Gao, 2012; Price, 2009; Salamon, 1987), all characterised as 'voluntary failures' in many literatures (Salamon, 1987; Weisbrod, 1977; Hansmann, 1986).

Figure 4.9 Non-profit organisations working with migrant children

NPOs working areas with migrant children
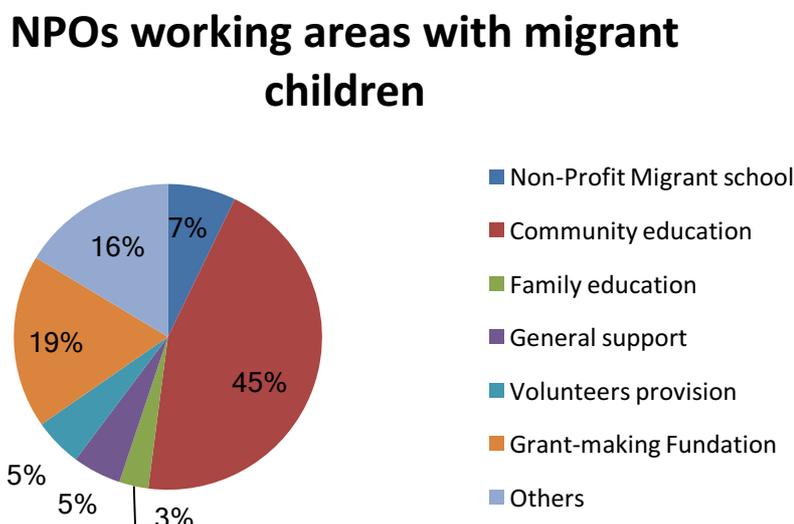
Source: adapted from the New Citizen Programme (2016)

4.5 Gap in the knowledge

There has been little empirical research on social enterprises in China. Most scholarly work on social enterprises, in general, has taken the form of discussions on defining and identifying the distinctive characteristics (introducing western countries' practices) of social enterprises and investigating the early approaches to their management and operations (Shu, 2011; Yu, 2013), but these have not been based on empirical evidence. For instance, Zheng (2013) examined the feasibility of social enterprises in providing care services for the elderly. He argued the need for social enterprises to intervene in the elderly-care domain and clarify the potential of social enterprises in this area, and he concluded that efforts should be put into training social entrepreneurs, communicating with and learning experiences from other countries and integrating resources from the public sector. However, he provided no evidence to support his argument. Some researchers have taken one particular social enterprise as a case study and examined its operation and management based on the data collected from social media. Very few case studies have paid much attention to social outcomes and on how the social objectives have been achieved. For instance, Peng and Li (2012) described the business model of *Canyou*, a social enterprise engaged in providing employment opportunities to disadvantaged people;

they introduced its objectives, income strategy, services provided, management strategy, marketing and profit distribution strategy and concluded that the business model had played the most vital role in the survival and development of *Canyou*. However, there was no data on its performance and no concluding discussion of its nature. There have been other empirical studies which have explored the role of social enterprises in reducing unemployment, eliminating poverty, care of the elderly and similar issues, although they have been mostly master's-level dissertations using interviews, document analysis or even second-hand data.

There has been no previous empirical research on how social enterprises deliver public services to internal migrant children in China. I have been unable to find any academic publications reporting empirical research on how social enterprises deliver public services to migrant children in China, despite an extensive search of international and Chinese journal databases. Few researchers have shed light on the performance of social enterprises and other practical contexts, especially the role of social enterprises in delivering services to children who migrate within China. In order to address these gaps in the research, the aim of this current study is to explore the research questions outlined earlier (*see* Chapter 1):

1. How do social enterprises develop and deliver support to migrant children in China?

2. What social impact do social enterprises have?

3. How does the context in which social enterprises operate affect the nature of the service provision?

All these questions are still under-researched. The aim of this study is to address the key gaps in the Chinese theoretical literature and practical area regarding social enterprises working with migrant children and their families. This study will contribute to the evidence base in two ways. First, it will help to address the general lack of empirical research on social enterprise in China. Second, it will be the first empirical study of social enterprises specifically for migrant children in China. It is hoped that this study will shed light on the theory construction in the Chinese literature in the area of social enterprise and portray the ability of social enterprises to deliver services to internal migrant children in China. It is also expected to give policy-makers a new insight into improving the situation of this group of children and to examine the institutional environment of social enterprise in

China. In addition, it is hoped that this study will make a methodological contribution through the use of the ethnographic approach.

4.6 Conclusion

As noted in the introduction to this chapter, there is great need to diversify the public-service provision strategy in China. This chapter has reviewed the emergence and the development of social enterprise around the world. Gunn and Durkin (2009) summarised the initiatives behind the emergence of social enterprise as stemming from the weakness of the market place, of cultural stimulation and of funding arrangements. The concept of 'social enterprise' continues to mean different things to different people and there is no clear and universally agreed understanding of its multiple nature (Galera and Borzaga, 2009; Smallbone *et al*., 2001; Nyssens, 2006). In the US, the term 'social enterprise' is closely associated with entrepreneurship culture, where the focus is on revenue generation and the individual entrepreneur far more than on the collective or community (Chell, 2007, Kerlin, 2006) whereas in Europe, the participatory nature is seen as being as important as trading (Doherty *et al*., 2009). Different views on its definitions also reflect the different characteristics of social enterprises and there are several commonly agreed characteristics in some European countries, such as pursuing social benefit, employing a business approach, profit distribution and a participatory nature (Galera and Borzaga, 2009; Defouny and Nyssens, 2008; Cafaggi and Iamiceli, 2008). Different perspectives on social enterprise's relationship with traditional business organisations and traditional non-profit organisations have been discussed in this chapter (Defouny, 2001; Defouny and Nyssens, 2006; Pearce, 2003; Dees, 2008; Alter, 2007; Leadbeater, 1997; Seanor and Meaton, 2008; Ridley-Duff, 2008; Morgan, 2008). As well as the definitional differences, there are also differences in its legal forms (Galera and Borzaga, 2009). To sum up, social enterprise has been developing for more than twenty years in western countries and has made significant contributions in many areas (Borzaga and Defourny, 2001).

Social enterprise in China, however, is still in its infancy. Debates and discussions still focus on its complex nature and on understanding its development in western countries. There are no agreed definition or characteristics of it and there are some regional differences with the characteristics identified by European countries, such as maintaining high autonomy. Many researchers have agreed that social enterprises can be registered as four types of legal form (Yu, 2007; Yu, 2011; Yu and Ding, 2011; Shi and Xu, 2011; Wang and Zhu, 2009; Hu, 2011; Defourny and Kim, 2011; Ding, 2007; Shu, 2011):

civilian-run non-profit organisations, social welfare enterprises, co-operative organisations; and community service centres.

However, although social enterprise practitioners have been competing with conventional businesses in many areas in China, such as health care, alleviating poverty and unemployment, and environmental protection, little empirical evidence has been found from the academic domain on its efficiency and its performance. There is also little evidence about the performance of social enterprises working with migrant children. Since it is estimated that there are 35.81 million migrant children in China (Women's Federation, 2013), they are confronted with a variety of difficulties in terms of education, health, living conditions and household problems during their urban life. However, there is little evidence from which to understand the contributions and challenges confronting the social enterprises which work with them. The next chapter will outline the ways in which empirical data were collected in this study to answer those questions.

CHAPTER 5: METHODOLOGY

5.1 Introduction

As explained in Chapters 1 and 4, existing empirical research into the operation of social enterprises, particularly those working with migrant children, is limited. The literature which does exist in China is still in its infancy and typically outlines the definitions, characters or legal forms of social enterprise. Few researchers have shed light on the performance of social enterprises working with migrant children and little empirical data has been collected for in-depth analysis of the differences in the domestic institutional context and its impact on the regulation of social enterprises. As discussed in Chapter 4, the aim of this study is to examine the role of two specific social enterprises which were delivering services to children who migrate within China. Addressing this key question requires sub-questions and the operationalisation (Rose, 1982) of the following questions:

Table 5.1 Construction of research questions

Key research question	What is the role of social enterprises in delivering welfare services to children who migrate within China
Sub-questions	1. **How** do social enterprises develop and deliver support to migrant children in China? 2. **What** social impact do social enterprises have? 3. **How** does the context in which social enterprises operate affect the nature of the service provision?
Operational questions	1. **How** do social enterprises understand the needs of migrant children? 2. **What** do they intend to achieve? 3. **What** do they actually do to achieve those outcomes? 4. **What** do parents and children think of the services they receive? 5. **What** is the view of local authorities on the role which social enterprises play in delivering educational services? 6. **How** do contextual factors influence the performance of social enterprises? 7. Finally, **what** are the challenges confronting social enterprises which provide services to children who migrate within China?

To address the 'what' and 'how' questions logically and clearly, this study draws on a qualitative approach which enables the exploration of experiences, opinions and ideas of service providers, service users and other groups of stakeholders in this process. To understand the overall picture of the topic, a case study approach was adopted. According to Yin (2009:10), this approach allows for the study of contemporary sets of events and phenomena not yet thoroughly researched. An ethnographic approach was therefore adopted to investigate 'what happens' in the natural setting of the two social enterprises under study. Several data collection methods, including observation, interviews and focus group meetings, were applied to understand the opinions of those experiencing the services and those involved in service delivery. Built on the understanding of general social enterprise practices in China and worldwide, this study also reviews the policy context of social enterprise and policies linked to migrant children in China. The policy reviews discussed in Chapters 2, 3 and 4 provide an overview of the policy context for this study and context analysis allows an understanding of 'how' those contextual factors influence the operation of social enterprises and migrant children's well-being.

First, this chapter offers a discussion of the ontological and epistemological assumption underpinning this study, which considers the nature of social entities and how knowledge can be generated. In addition, the rationale of choosing a qualitative research strategy is also highlighted. The chapter then moves on to a discussion of the case-study design and the sampling process. An important consideration in this regard was to ensure that the cases and all groups of participants were chosen appropriately. Third, this chapter outlines the way that research data were collected and triangulated. Issues of validity, reliability, ethical considerations and reflexivity in the fieldwork are also considered. Finally, a brief explanation of the data analysis strategy and the writing process is given.

5.2 Theoretical approach

Methods of social research are closely tied to different visions of how social reality and knowledge should be studied. Before embarking on empirical research, several questions need to be considered: what is the social reality? what knowledge do we have to research the social reality and how it should be researched? how do theory and knowledge influence the way in which social research is carried out? (Bryman, 2012; Matthews and Ross, 2010). The researcher's ontological and epistemological assumptions inform the choice of research methods.

To begin to think about the relationship between theory and research, it is first necessary to clarify what is the nature of social reality and what constitutes it. This is the central issue of ontology. Ontology is "the science of what is, of the kinds and structures of objects, properties, events, processes and relations in every area of reality" (Smith, 2003: 155). There are two main ontological positions underpinning social research: objectivism and constructivism. Ontology is concerned with whether social phenomena can and should be considered as objective entities which have a reality external to social actors, or whether they can and should be considered as social constructions built up from the perceptions and actions of social actors, and these are the standpoints of objectivism and constructivism. Objectivist ontological approaches suggest that "social phenomena and their meanings have an existence that is independent of social actors. It implies that social phenomena and categories that we use in everyday discourse have an existence that is independent or separate from actors" (Bryman, 2012: 33). Objectivism derives from the approach often taken by natural scientists and is "one version of basic realism" (Lakoff, 1987: 158). It assumes that the real world is external to the knower and it determines the social structure so that it can be modelled. Second, the human mind is merely the processor of symbols which represent the reality; it is only the mirror of nature. Third, human thought is governed by external reality and is independent of human experiences. Fourth, the meaning of the reality is independent and external to the understander/human thoughts. And finally, social reality is tangible and objective (Jonassen, 1991: 9).

The constructivist approach assumes that the social entity and social phenomena are complicated and not easily understood (Silverman, 2010). It emphasises that social phenomena and social entities are the outcomes of social actors continually constructing or interpreting interactions between social phenomena and participants (Jonassen, 1991: 9; Robson, 2011).

In view of these different understandings of social reality, the next concern is the question of how social reality can and should be studied. That is the central concern of epistemology. Epistemology is a theory of knowledge; it presents "a view and a justification for what can be regarded as knowledge – what can be known and what criteria such knowledge must satisfy in order to be called knowledge rather than beliefs" (Blaikie, 1993: 6-7). A particular concern is whether social phenomena should be known through objective principles, or should be known through human interpretation and understanding, this refers to different positions of epistemology: positivism and interpretivism. On the one hand, positivism advocates the application of the methods of the natural sciences to the study of

social reality. The research should therefore be value-free and independent of objective social reality. However, there is a long-standing debate on whether it is appropriate for the social sciences to use the same approach as the natural sciences. On the other hand, interpretivists are more likely to collect qualitative data to uncover and to understand social realities as they prioritise human interpretation and understanding of social phenomena, and knowledge is generated from this (Blaikie, 1993).

The term 'theory' is used in a variety of ways depending on the epistemological position adopted in research. A theory is "a set of ideas or related concepts which can be used to explain and understand an event, situation and social phenomena" (Matthews and Ross, 2010: 32).

Deductive theory represents one position in which research is conducted with reference to hypotheses and ideas inferred from the existing theory (Bryman, 2012). Up to this point, theory guides and influences the collection and analysis of data in research. Researchers are expected to produce evidence to test or refute theories. One typical character of theory is the ability of explanation. However, the theory is no more than an explanation of a specific topic. A further point to bear in mind is the conditions under which particular processes and patterns of social life are likely to occur. Some researchers therefore prefer the alternative approach of inductive theory. Inductive theory is something which is generated from research findings (Bryman, 2012). Researchers seek to generate theoretical propositions on social phenomena from data collected, rather than testing pre-existing theories.

5.2.1 Theoretical position

The aim of this study is to explore the role of social enterprises in delivering services to migrant children, drawing on the perspectives of staff, service users and local government officers. Understanding the opinions and views of those experiencing or involved in the services is of central importance to this study. The fundamental theoretical positions underpinning this study, therefore, are a constructivist and an interpretivist epistemological approach (standpoints which are common among qualitative researchers). However, as discussed below, this study also integrated features of objectivism and positivism in order to collect some factual information and to understand the context.

Drawing on an objectivist ontological approach, I collected background data and information during the fieldwork such as the regional context, geographic information

about the researched social enterprises, daily service provision programmes, and demographic information about migrant parents and migrant children, which are 'objective entities' external to social actors. Positivist epistemology asserts that knowledge of a social phenomenon is based on what can be observed and recorded rather than subjective understandings and attitudes (Matthews and Ross, 2010). It is useful to understand how social enterprises develop and deliver support to migrant children by observing their daily actions. The positivist epistemology is also appropriate for exploring the basic descriptive context for the views of respondents.

Nevertheless, the aim of this study is not only to describe 'what the social enterprises do', but also how groups of people perceive this process and understand the role of social enterprise in supporting migrant children and how those people experienced and interpreted their interactions with social enterprises.

As explained above, the main ontological and epistemological perspective taken in this study was constructivist and interpretivist. A constructivist ontology focuses on the subjective meanings of individuals' experiences and in this case enabled me to address individuals' experiences and how they (parents and migrant children) understood and perceived the social impacts on them from their own perspectives. An interpretivist epistemology emphasises the importance of individuals' views and experiences, in this case experiences and services received from a social enterprise. I was also able to explain the context in which the selected social enterprises operated and how those contextual factors affected the nature of the service provision by collecting qualitative data and interpreting interactions rather than simply 'describing' contexts or 'testing' their relationships.

Building on this interpretivist epistemological position, a largely inductive approach to generating theory was taken in a situation where relatively little theory or propositions were already known about the role of social enterprises working with migrant children in the context of China, as this enabled me to build my own theory. However, the inductive process is likely to entail a modicum of deduction in this study. On the basis of knowing the background of social enterprises in delivering service to migrant children in China, I developed research questions which guided the data collection design. A deductive approach was therefore used to explore the context and the service-delivery process whilst an inductive approach emphasised understanding the attitudes and perceptions of service users.

5.2.2 Qualitative research strategies

In this study, a qualitative research strategy was applied to uncover the complex picture of the service-provision process of social enterprises, particularly those working with migrant children, involving the perspectives and attitudes of different stakeholders experiencing or receiving support from two specific social enterprises. A qualitative research strategy enabled the investigation of the topic from the perspective of migrant children, migrant parents, local authority officers and social enterprise officers. Qualitative research strategies tend to be concerned with 'words' rather than 'numbers', using these to generate theories rather than to test them, and being concerned with the meanings and interpretations of social phenomena. A qualitative research strategy is therefore expected to generate rich and in-depth detailed information (Silverman, 2010). Bryman (2012) summarised that qualitative strategies predominantly emphasise an inductive approach to generating theories on the ways in which people interpret their social world and suggested that social reality is in a constant state of change as a result of individuals' actions.

Using a qualitative strategy in this study made it possible to explore and understand views on two social enterprises' service provision from variety of respondents. However, qualitative research has been criticised in several respects. Mason (2002) commented that qualitative research is too subjective, difficult to replicate, limited in generalisation, and lacks transparency. Generally, the critiques have concerned the theoretical position of the qualitative strategy, which is constructivist, interpretivist and inductive.

Despite these criticisms, given that the main concern of this study is the perceptions of a variety of stakeholders in social enterprises on their services, qualitative data collection was an appropriate way of helping to understand different attitudes and views. Furthermore, given the fact that social enterprises working with social problems have only developed in recent years, there is no official definition of social enterprise, and identifying 'qualified' social enterprises is still work in progress. Therefore, the large amount of quantitative research needed to reveal the nature of social enterprises in this case would have been virtually impossible.

5.3 Case study approach

5.3.1 Case study design

Following the logic of constructivist ontology and interpretivist epistemology, a case study design was adopted. This study investigated two social enterprises which supported the

welfare of migrant children by providing a variety of similar services including after-school services, outdoor activities and weekend interest clubs.

Social enterprises working with different people with different aims may have been influenced or shaped by the context in which they operate. For example, *hukou* policy may have influenced social enterprises working with migrant children when they were designing their services and markets, and the ways in which the geographic and social context influenced the way the social enterprises interacted with the local community was also considered in this study.

Given this, I spent six weeks in each social enterprise acting as full-time volunteer member of staff, which enabled me to understand the contexts, interactions and social activities alongside the collection of data. A broad range of data was collected including contextual data about local policies and the geographic and social contexts. Through an intensive examination of the local context of the two social enterprises, the case study design enabled me to explore how the context in which the social enterprises operated affected the nature of their service provision.

Yin (2009) pointed out that case study is particularly helpful in the generation of an intensive, detailed examination of the context. Robson (1993: 146) defined case study as "a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence". This definition emphasises three important points of case studies: empirical investigation, particular context and multiple sources of evidence. In relation to the question of context, Miles and Huberman (1984:27) suggested that in some circumstances the term 'site' might be preferable because it reminds us that a case always occurs within a specified social and physical setting: we cannot study individual cases devoid of their context in a way that a quantitative researcher often does. In addition, the diverse range of methods for data collection used in this study provided robust evidence for understanding the context. For example, data collected from the participant observation of daily operations were triangulated with data collected from interviews with migrant parents and migrant children.

This study comprised two case studies to investigate the role of social enterprises in supporting migrant children. Multiple case studies can provide richer information on units than using a single case. The evidence from multiple case studies is more compelling and more rigorous (Yin, 2009). It mitigates the critiques of the findings of single-case study which might result from unique surroundings. Multiple case studies, however, can provide

comparable evidence, allowing comparison to be made between two cases. Multiple case studies follow a replication design, which is more helpful for generating analytical conclusions than solely relying on a single-case study (Yin, 2009).

However, Yin (2009) also raised four criticisms against the case study method: 1) their lack of rigour; 2) they provide little basis for scientific generalisation; 3) they take too long and result in massive, unreadable documents; and 4) they lack comparative advantages compared with other research methods. The crucial question here is how well the researcher generates theory out of findings, namely generalisability, which is a question for all qualitative research. Case studies have often been criticised in that the findings of a single case or multiple case studies cannot be generalised to a broader context or to other cases. However, case study researchers (for example, Yin, 2009) have argued that generalisability is the purpose neither of this study design nor of other qualitative research methods. Yin (2009) argued that case studies are generalisable to theoretical propositions but not to populations beyond the case. The purpose of case studies is to expand analytical generation or "theoretical generation" (Mitchell, 1983) instead of statistical generation. This point of view is also consistent with the inductive approach; the generalisable inference is little more than the outcome of this study and from a particular context.

5.3.2 Sampling

In general, the sampling strategy used in most qualitative research is non-probability sampling, which is distinct from the sampling approaches taken in most quantitative research (Matthew and Rose, 2010). Purposive sampling is a typical non-probability sampling technique, guided by time and resources, the purpose of which is to select appropriate cases/units in a strategic way and 'with purpose'. Matthew and Rose (2010: 167) pointed out that purposive sampling is "generally associated with small, in-depth studies with research designs that are based on gathering of qualitative data and focus on the exploration and interpretation of experiences and perceptions". This sampling approach is widely used in case study research design. When using a purposive sampling approach to select cases and participants, the most significant point for the researcher is to set up selection criteria on the basis of the study's research questions, which should be grounded in the theoretical apparatus used in particular research (Silverman, 2010; Robson, 1993). In particular, some demographic data, such as age, gender and employment status, should be taken into consideration when researchers wish to undertake comparison studies.

In general, sample size in qualitative research is difficult to specify, as Onwuegbuzie and Collins (2007) advised that the sample size should neither be too small nor too large. A small size sample, such as fewer than ten interviews, might make it difficult to produce intensive qualitative data and to achieve theoretical saturation, whereas too large a sample might produce overwhelming amounts of qualitative data which are difficult to analyse effectively (Warren, 2002; Gerson and Horowitz, 2002). Sample size is typically small in qualitative studies, in comparison with probability samples, as this approach to sampling does not attempt to generalise to or claim to be representative of a larger population. In addition, collecting qualitative data is very time- and resource-consuming, so few researchers have the resources to include a large number of cases.

Bryman (2012) suggested that the sampling of cases and then participants is a common strategy in qualitative research. In general multiple case study design, the researcher must first select contexts and then participants within the selected cases. Sometimes the researcher needs first to select a geographic area. This current study followed this strategy to identify the cases for analysis.

5.3.3 Selection of social enterprises

The purpose of the sampling here was to choose social enterprises which supported and provided welfare services to migrant children in China. The procedure of the selection of cases was divided into two steps: I first chose cities and then I chose social enterprises within those cities. The reasons for only choosing one social enterprise in each city, which are referred to as cities A and B in this study, were twofold. First, there are two typical types of migration within China: cross-provincial migration and within-provincial migration.[10] City A is a representative city for hosting large amounts of 'cross-provincial' migration whilst city B is a representative city for hosting large amounts of 'within provincial' migration. City A is a municipal city (provincial-level city in the administrative system in China). City A is one of the biggest modern mega-cities in China and had attracted over eight million non-*hukou* cross-provincial migrant people by 2015, accounting for nearly one third of the total permanent residents in city A (NBSC, 2015). Most of the migrants moved from northern of China, especially from Hebei, Henan, and Shandong province (City A Municipal Bureau of Statistic, 2015). Employment in the industry and business (*wugongjingshang*) were they key drivers (73.9%) for people who choose to migrate to city A. City B is a provincial capital city in the middle of China with

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[10] Cross-provincial migration: migrants come from other provinces in China.
Within-provincial migration: migrants come from the same province.

around three million migrant people living in this city. It is the key city belonging to the Central Plains Economic Zone (*zhongyuan jingjiqu*). Additionally, exploring how the local context can affect the nature of the service provision in a social enterprise is one research question to be addressed in this study.

Second, Bryman (2012) stated that time and monetary resources should be taken into account when selecting samples. Due to the long-term ethnographic approach adopted in each of the social enterprises, limited time and resources dictated the selection of only two cases at this stage of research.

The next step was to choose appropriate social enterprises as cases after identifying the cities in which they operated. As outlined in Chapter 4, there was no agreed definition of 'social enterprise' in China during the time of the fieldwork. I therefore applied a broad definition which has previously been used in China. Specifically, the targeted social enterprises in this study were identified according to three criteria: 1) the social enterprise should pursue a social good; 2) the social enterprise should use a business approach, which means that a specific element of its income had to be obtained from business activities; and 3) the 'profit' should have a limited proportion for distribution between stakeholders and the large remainder should be reinvested into social benefits. I did not set out strict proportions of business income and profit distribution. As demonstrated in the previous literature (Ding, 2007; Pan, 2011), social enterprise in China is relatively new, so the criteria and definition should serve as guidance to scale them instead of restricting their development, therefore the looser definition was preferred in this study.

Two social enterprises, the Rose Centre (located in city A) and the Lily Library (located in city B) were then selected on account of their particular features as conceptualised above, which enabled a detailed exploration and understanding of the role of this particular type of organisation in delivering services to migrant children. In addition to the criteria discussed above, the intention in this study was to recruit two cases which shared as many similarities as possible, given the need to generate comparable evidences and analytical conclusions. Table 5.2 shows the key features of the two chosen social enterprises. In particular, the Rose Centre and the Lily Library were both social goods-oriented organisations conducting business activities to generate additional income. Both of them shared many similarities, such as providing similar services to similar users (migrant children) of a similar age group, so they did constitute a comparable pair.

Table 5.2 Key features of the chosen social enterprises

	Rose Centre	**Lily Library**
Site	City A	City B
Founding year	2010	2011
Service users	Migrant women and migrant children	Migrant children
Service users' age	7-13	7-13
Aims	Empowering migrant women and expanding the well-being of migrant children	Improving the out-of-school well-being of migrant children
Business activities	Second-hand goods shop	Opticians
Services delivered	After-school activities, weekend interest club, summer/winter school	After-school activities, weekend interest club, summer/winter school

Another reason for choosing these two particular social enterprises was a result of practical constraints during the fieldwork phase. I spent a substantial amount of time contacting all the organisations listed in the report referred to above by telephone and email with a letter briefly introducing the purpose, the intended participants and the contents of this study. After receiving their responses, I was then engaged with verifying their eligibility of being a social enterprise, especially checking whether they generated any business income and how they distributed their 'profit'. Eventually, the Rose Centre and the Lily Library were chosen based on both theoretical and convenience considerations.

5.3.4 Selection and recruitment of participants

The purpose of this study is to explore the role of social enterprises in delivering services to migrant children and the perspectives of staff, service users and local government officers. Multiple groups of participants were therefore involved for investigating the service-provision process and its impacts on migrant children and their families.

Considering the specific characteristics of migrant children, focus-group methods were applied to the children rather than in-depth interviews, and this will be explained more fully in the following sections of this chapter. Table 5.3 illustrates the detailed sampling framework.

Table 5.3 Sampling framework

		Rose Centre	Lily Library
Interview Participants	Social enterprise officers	3	2
	Local authority officers	2	2
	Migrant parents	9 (Migrant for 3-10 years)	8 (Migrant for 8-20 years)
Focus group participants	Migrant children	8 (one focus group) (aged 9-12ys)	11 (one focus group) (aged 7-13ys)

To better explore the service delivery process and outcomes, social enterprises leaders and officers were chosen as the first group of participants. There were five paid full-time staff (including the founder) in the Rose Centre and three paid full-time staff (including the founders) in the Lily Library. The participants were chosen following the principles of purposive sampling, by their job titles and job descriptions among a limited pool of paid full-time employees. The founders of both social enterprises were definitely chosen as they are 'good informants' (Robson, 2011) and would have a better understanding of the operation of their social enterprises. The other participants were chosen on the basis that they were responsible for business activities or for working with migrant children

programmes. All the participants had been working in their organisation for more than three years, which provided them with a comprehensive understanding of their daily work and heightened their perceptions about running social enterprises. The social enterprise staff members were recruited during the participatory observation stage (see details in 5.4.1). The social enterprise leaders could act as gate-keepers for identifying the subsequent groups of people.

Parents of migrant children who had been receiving community services from the two social enterprises for more than three months were identified during the fieldwork. Parents were chosen because one aim of this study was to explore their attitudes and perceptions of the received services and their involvement in service delivery. Parent participants were identified at the early stage of observation when I had had an opportunity to build trust relationships with parents as well as their children. In both cases, I consulted social enterprise officers first in order to acquire preliminary information about parents and children in regard to their length of involvement with the social enterprise, and their working time. Staff in the Rose Centre provided a list of eight parents who regularly attended the services provided for parents from the Rose Centre (four of them agreed to be involved in the study). During the fieldwork, recruiting parents was easier in the Rose Centre than in the Lily Library as the Rose Centre was in continual contact with parents because it provided services to mothers as well as to children. In the Rose Centre, I talked with those parents about this study and asked for voluntary participants directly. When I was in the Lily Library, I had to make contact with parents through their children who regularly attended the Lily Library. Sometimes this strategy did not work at all as some children refused to introduce me to their parents because they thought that I would say something bad about their behaviour in the Lily Library to their parents. However, there was no other recruitment option for me as the Lily Library did not have any contact information for parents. I tried to contact fifteen parents in the Rose Centre and nineteen parents in the Lily Library for interviews and eventually, seventeen parents in total were recruited based on their eligibility and, more importantly, by convenience.

The migrant children acting as the direct service users were identified as the key participants for understanding their attitudes towards the received services. The focus-group method was used to collect their perspectives as they were generally considered too young to be involved in in-depth interviews (Stewart and Shamdasani, 2014). A number of criteria were considered before sample recruitment, such as their age, length of involvement with this social enterprise, and gender. Children who were of primary school

age and who had regularly attended the social enterprises for more than three month were identified as the target participants. During the earlier stage of observation, those children were able to become familiar with me through informal interactions such as chats, playing games and other activities. I briefly explaining the way that a focus group works and asked for volunteer participants during their daily interactions. [11] After obtaining verbal agreement to participate from the migrant children, verbal consent from their parents was also obtained. It should be noted that the interviewed parents were not paired with migrant children who attended the focus group meetings. They were chosen by convenience in regard to various criteria. Besides, comparing and contrasting the experiences of paired parents and children was not the key aim of this study. Eventually, eight children were involved in the focus group conducted in the Rose Centre and eleven children were involved in the Lily Library.

Local authority officers were identified as key participants for two reasons. First, as one research question is to explore how the local context influences the nature of the service provision, local authority officers could therefore provide contextual information and their attitudes towards the social enterprise's operation, their role played in its operation, and their interaction with the social enterprise. Second, as local authority officers are the front line practitioners of policies, it was of great interest to this study to learn how they delivered the relevant policies to migrant children and also to social enterprises.

The process of recruiting local authority officers was the most difficult part of the whole fieldwork. Making contact with local authority officers who worked in city A was full of difficulties and unanticipated hurdles. Some specific clauses or operational guidance on ethical considerations which are widely adopted in the UK research context do not fit with the Chinese context. Rather than using the 'official route'[12] (Liu, 2005) to achieve access to potential participants who were working in the local authorities, the 'informal network', suggested by Dr Liu was used, or 'a reliable affiliation' to approach such participants.

As Liu (2005) highlighted in her fieldwork on redundant women in China, government officials in China would be cautious and highly aware of western-trained researchers or even all 'outsider'. Without the expected 'legitimacy' or 'connection', students or researchers find it very difficult to access participants. The Rose Centre officers preferred

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[11] I explained to the target migrant children about the focus group as follows: 'Would like to attend a fun activity with other children? We are going to play games and talk about your views on the Rose Centre/Lily Library. It will be fun and it won't take long'.

[12] The 'official route' refers to the way most used and acknowledged in western-educated countries, which is to get access to participants by email, telephone or any other official introductions following the informed consent ethical codes.

not to be identified during my interviews with people working in the local government, which meant that I could not use the position of being a volunteer or researcher in the Rose Centre in order to get access to local authority officers. I tried more than five times to approach potential participants in city A during the first stage of the fieldwork. However, I was refused for different reasons, such as: 'The social enterprise is not our business and I had never heard of that type of organisation', 'I know what social enterprise is, however there is no official policy or legal framework set up for it. I prefer not to say anything about social enterprise before I clearly know the attitudes of my higher authorities', or 'How could you come directly to a government office asking for an interview? This is not the social norm!', or 'We prefer not to be involved in your research as you are studying in the UK. We kindly remind you, it is difficult for you using such identification (being an independent western-trained researcher) to interview someone if they do not know you at all'. And some of them just simply refused without any explanation. I had no choice but to fly back to China twice to collect the interview data from local authority officers working in city A. And finally, the data collection in city A was completed through the use of an 'informal network' (Liu, 2005). I asked for help from a lecturer whom I had met at a conference hosted in Helsinki in 2014. Her husband had accompanied her to the conference and worked for the government in city A. The second interviewee was a friend of a professor whom I knew in city A, so I asked his help in acting as an intermediary for making contact with my potential participants. By using the informal network strategy, two potential participants working in city A were identified and both eventually agreed to participate in this study. One worked in the local authority as an expert in social enterprises and broader social organisation-related policies. The other participant worked in a state-level authority as a senior director whose area of expertise was the welfare of children, including migrant children, in China. She also had rich experience of working with third-sector organisations which supported the well-being of children. These two participants were chosen because of their potential to be good informants for understanding the research questions, and more importantly in consideration of the practical difficulties which I had encountered.

Besides using an informal network as recommended by Dr Liu, I also employed another way of approaching participants: finding an affiliation which they might know. After several failures in approaching participants in city A in the first stage of the fieldwork, I changed the strategy when I was approaching local authority officers in city B. I got permission from the Lily Library to introduce myself to local authority officers as someone undertaking an internship at the Lily Library. Eventually, this attempt turned out to be

effective in approaching people who worked in the local government as they knew and had worked with the Lily Library before. I benefited from their existing relationships, which reduced the suspicions of these government officers. Two local authority officers were recruited for interview for understanding their perspectives on the Lily Library and on social organisations in general. Both of them worked in the area of children's welfare including migrant children, and knew the operation of the Lily Library. A formal information letter explaining the purpose, participants, contents and other key details of this study was provided to them before the interviews.

In summary, due to the small numbers involved, I was obliged to use convenience sampling for this study, especially when choosing parents and local authority officers as participants. Although there were only seventeen parent participants, all of them were familiar with either the Rose Centre or the Lily Library as they had been involved on average with one of these two centres for more than one year. Parents from the Rose Centre not only sent their children there, but also attended activities, such as parents' clubs, when they had the time, which enabled me to understand the service provision holistically and to see how those parents were involved in the process. Only four local authority officers were eventually recruited, which is not a good sized sample for generating theoretical propositions. However, they were all good informants specializing either in child welfare or in social enterprise, or in both areas. They were expected to offer their perspectives on and suggestions for the operation of a social enterprise.

5.3.5 Operationalisation

Table 5.4 sets out the research questions which were addressed in this study and the associated sources of data. This table enables the reader to understand how the research questions were developed into more specific questions and the sources of data which were drawn on to answer those questions.

Table 5.4 Chart linking research questions and methods

Research Question: What is the role of social enterprises in delivering support to children who migrate within China?			
Sub-questions	**Operational questions**	**Issues to explore**	**Source of evidence**
How do social enterprises develop and deliver support to migrant children in China?	How do social enterprises understand the needs of migrant children?	○ How were problems defined by different people? ○ What are the needs of the migrant children? ○ Why do parents/children choose such services? ○ What are the rationales for social enterprises providing such services?	➢ Semi-structured interview with parents/social enterprise staff/ local authorities ➢ Focus groups with migrant children ➢ Documents ➢ Participant observation
	What do social enterprises want to achieve?	○ What aims do social enterprises want to achieve in the views of different stakeholders? ○ Do their views of aims or missions match each other?	➢ Semi-structured interview with parents/social enterprise staff/ local authorities ➢ Documents
	What do they actually do to achieve these desired outcomes	○ What services do they provide to beneficiaries? ○ Is service delivery consistent with the aims? ○ How can social enterprises identify and recruit their beneficiaries? ○ What kinds of resource do they have in service provision?	➢ Participant observation ➢ Semi-structured interview with parents/social enterprise staff/ ➢ Focus groups with migrant children ➢ Documents
What social impacts have social enterprises achieved?	What do parents and children think of the services which they have received?	o What impacts do they think they have on migrant children and migrant families? o What do they think about the overall service provision? Does it meet their needs? o What services are most valuable/less valuable?	➢ Participant observation ➢ Semi-structured interview with parents/social enterprise staff/ ➢ Focus groups with migrant

		○ What suggestions do they have for social enterprises?	children Documents
	What is the view of local authorities on the role which social enterprises play in delivering services to migrant children?	○ What do they recognize as a social enterprise? ○ What do they think about the social impact made by social enterprises (in supporting migrant children)? ○ What suggestions do they have for growing social enterprises?	➢ semi-structured interview with local authority officers
How does the context in which social enterprises operate affect the nature of the service provision?	Under what conditions are these services delivered?	○ policy context ○ socio-economic context ○ population characteristics (demographic data) ○ other contextual factors	➢ semi-structured interview with local authority officers/ social enterprise staff ➢ policies review
	What resources or skills have promoted the outcomes achieved?	○ are there any organisational resources helping social enterprises to achieve their aims: funding, human capital? ○ any policies to support service delivery ○ stakeholders' participation: services users; service providers; local government involvement ○ other activities	➢ Participant observation ➢ Semi-structured interview with parents/social enterprise staff ➢ Focus groups with migrant children ➢ Documents

	What challenges have restricted the outcomes achieved?	○ Are adequate resources being used to deliver the programme? ○ Is service delivery staffing and funding sufficient to ensure appropriate standards? ○ Are there any restrictive policies? ○ other activities	➢ Participant observation ➢ Semi-structured interview with parents/social enterprise staff ➢ Focus groups with migrant children ➢ Documents

5.4 Data collection methods

5.4.1 Ethnography/Participant observation

Constructivist qualitative research studies typically emphasize participant observation and interviewing for data generation as the researcher seeks to understand a phenomenon from the perspective of those experiencing it. Participant observation as the commonly used type of observation is originally rooted in the work of social anthropology and is associated with Chicago School of social research (Robson, 1993; May, 2001). It was defined as "the process in which an investigator establishes a many-sided and relatively long-term relationship with a human association in its natural setting, for the purpose of developing a scientific understanding of that association" (Lofland and Lofland, 1984: 12). Although I was only immersed in each social enterprise for six weeks, which cannot be confidently identified as a 'long-term relationship', I worked long hours during the fieldwork, generating rich observation data in order to be able to understand their operation.

In this study, I acted as a full-time volunteer staff member by participating in community life, engaging in variety of activities and writing proposals and reports. In the Rose Centre, I worked between 9:00-18:00 six days a week and I worked between 15:00-19:30 seven days per week in the Lily Library (the Lily Library only opened during this time period). Being a full-time volunteer employee enabled me to gain an in-depth understanding of the day-to-day features of both social enterprises. I was able to watch the interactions between different groups of people (staff, parents, migrant children, volunteers, visitors) in naturally occurring settings. May (2001) commented that participant observation draws attention to understanding the settings around the observer, and how and why people behave in that context, which are absent from other forms of data collection methods such as interviews. The collected evidence reflects what they actually do rather than what they say they have done. In addition to the observation, I also asked informal questions of parents, children, staff, volunteers and even visitors. For example, I asked what they thought about this activity/centre? Why did you do that? What do you think about the work of local authorities? An ethnographer also collects documents, images and other artefacts. In other words, I collected whatever sources of data were available to throw light on the 'thick descriptions' (Geertz, 1973) of both social enterprises.

There were no fixed questions prepared before the observation; however, the key task of the observation was to understand what was going on in this social enterprise and why? Detailed field notes were taken during the fieldwork describing objective entities of each

social enterprise, people's appearance, verbal behaviour and interactions, physical behaviour and gestures, personal space, human traffic in and out, and people who stood out. In the view of the Chicago School, participant observation makes no firm assumptions about what is important in this setting and the questions are not fixed in advance (May, 2002). It is therefore very flexible in the way that it enables understanding the activities and the people in this context. The observer is open to new insights and further flexible methods (interviews, documents) were used to increase my achievement of the aim of this study.

I used participant observation, which means that I adopted an overt role and actively participated in the same everyday work and daily life[13] as other social enterprise staff members. I became a member of the observed group which I was attempting to understand (Robson, 1993). Therefore there was a major issue concerning the degree of my involvement in the field which I was researching. It is impossible for a social researcher to be totally objective in social inquiry, however, given that the observation site was two social enterprises, that the observation period was only six weeks, and that the focus of the inquiry was to understand their service delivery to migrant children and as such was a policy-driven piece of research rather than anything more sensitive, the risk of me 'going native' or becoming involved in 'over rapport' was minimised (O'Reilly, 2009).

It should be noted that my role as a researcher was fully overt to the other social enterprise staff members, which means they knew exactly why I was there and what I was doing during the fieldwork. But in the view of parents, children, volunteers and anyone else who visited the social enterprises, I was largely known as an intern or a volunteer, although I did explain my situation clearly to anyone who was interested in my sudden appearance. They showed less interest and suspicion about me after only a few days of starting in both social enterprises, especially in the Rose Centre which had more visitors every day. Therefore, the social enterprise staff members were the key groups of people for me to watch both their 'front-of-house behaviour' and their 'backstage behaviour' (Goffman, 1990). My presence might have led to people behaving artificially, or adopting "front behaviour" (Goffman, 1990), which has always been criticised, along with the validity and reliability of the ethnographic approach. May (2011) suggested that an intimate relationship between the researcher and researched people can affect the behaviour of people. In other words, a good personal relationship can enable a researcher to better

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[13] It was interesting to see that the working place of the social enterprise founders was also their living place in both cases. They lived in a separate room of the whole office site.

understand the actions and meanings which the observed people undertake as well as making it easier to get to their 'backstage behaviour' (Goffman, 1990). Considering the relatively non-sensitive nature of the key inquiry of this study and the anonymity promised to social enterprise staff members, they had little concern about the research itself, rather they had more concern about what kind of person the researcher was (Hammersley and Atkinson, 2007). I used a few strategies to actively gain adequate access to the social enterprise staff and then to reduce their potential suspicion of me. At first, my identity of being a 'student' had already made them trust that my true aim was to explore their service delivery rather than any ulterior motive. Second, I shared with them a great deal of information and knowledge about social enterprise in general and how social enterprises operate in the UK, which was exactly what they wanted to know in practice. The establishing of a relationship of mutuality was more efficient and effective than simply building field relations (Hudson, 2004; Beynon, 1983). In addition, I showed professional ability by completing work tasks efficiently and qualitatively. I drafted a 'Guideline for a Loyalty Points-based Membership System' in the second afternoon of my fieldwork in the Rose Centre, which greatly increased my credentials (Bryman, 2012) with the founder. Third, I never asked any attitude-related questions, and I avoided putting potentially sensitive questions to staff members in the early days. Instead, I generally asked them very ordinary, normal and objective questions about the daily running of the organisation during the early stage of my involvement. I did perceive that both of the social enterprise founders and some of the staff members held less-trusting attitudes towards local government, but instead of showing any explicit attitude or any bias in this regard, I maintained neutral ground on this issue and focused on exploring 'why' they thought in that way. Hammersley and Atkinson (2007) suggested that this pure sociability is useful for building trust and valuable for establishing a researcher's identity as normal and regular. After all these efforts made in the ethnographic period, I was able to build closer personal relationships with the social enterprise staff in both social enterprises, and at the same time was able to explore more of their backstage behaviour.

The ethnographic approach has some drawbacks. First, this approach is criticised because it is time-consuming compared with other research methods. Second, it has a similar disadvantage to many other qualitative research methods in that the observer may have bias during participant observation (Robson, 1993); also, it might not be representative and might not be able to be repeated in other contexts. Third, considering the large corpus and unstructured data generated through this approach, different data analysis methods can be required to cope with them (Flick, 2006).

Ethnography as a research strategy often reaches the idea of simultaneously combining several data collection methods to maintain the quality of the study (Denzin, 1989). This current study triangulated observation data with formal interviewing, document analysis and focus groups involving different participants to increase the expressiveness of the data gathered (Flick, 2006).

5.4.2 Interviewing

I conducted several groups of semi-structured in-depth interviews with social enterprise staff members, local authority officers and migrant parents in order to understand their perspectives on the role of social enterprises in supporting the well-being of migrant children. A range of interview structures was designed accordingly. The key questions which were explored with the different participants are shown in Table 5.5.

Table 5.5 Key enquiries from different participants

Participants	Key enquiries
Social enterprise staff	• Why do you provide such services? What do you want to achieve? • What do you think you have achieved? • Any there any enablers/challenges in running this social enterprise?
Migrant parents	• Why did you choose such services? What do you and your children need from this social enterprise? • What services have you received from social enterprises? • What do you think about the services provided by social enterprises?
Local authority officers	• What do you think about the impact of the *hukou* policy on migrant children? • What do you think of the role which social enterprises play in providing such services to migrant children? • What achievements/challenges do you think they have had?

Interviewing is the most commonly employed method for collecting qualitative data in the disciplines of social research (Potter and Hepburn, 2005). It was chosen for this current study because it could yield rich insights into people's experiences, opinions, values, attitudes and feelings from different perspectives. May (2001) stated that a semi-structured interview allows people to answer more on their own terms than structured interviews. Also, semi-structured interviews provide an interview guideline for the interviewer, which facilitates the process to take place fluently (Bryman, 2012). In addition, it is possible to modify plans in order to go into greater depth and this might produce unexpected answers during interviewing. Finally, this method makes it easier to compare people, sites and views.

However, there are some criticisms about the validity of interview methods. Silverman (1985: 165) argued that "interview data report not on an external reality displayed in the respondent's utterances but on the internal reality constructed as both parties contrive to produce the appearances of a recognisable interview". From the epistemological consideration, an interview is the interpreting and understanding of the actor's construction of social reality. In addition, the reported data is also the researcher's interpretation of the interview data, and both of these aspects produce a subjective understanding of a particular phenomenon. Therefore, the interview method and the data generated from it have been highly criticised by positivists, who suggest that research should be objective and value-free. Open-ended questions, which are straightforward, clear and non-leading, were used in this current study when interviewing the participants.

5.4.3 Focus groups

Considering the age range of the researched children (7-13 years), the focus group method was employed with them instead of in-depth interviews in order to investigate their perceptions of the services provided by social enterprises. Table 5.3 showed the sampling framework and highlighted that one focus group was conducted in each social enterprise involving migrant children who had been receiving the services provided by that social enterprise for more than three months. Both focus groups were conducted at the social enterprise office sites and lasted between one and one-and-a-half hours. The focus group discussions were audio-taped. The ethical implications of this and the obtaining of consent are explained below.

The reasons why the focus group data-collection method was chosen are threefold. First, focus groups can concentrate on the discussion of a specific theme with the help of the

facilitator (Morgan, 1998). Matthew and Ross (2003) stated that this approach is particularly useful for gathering participants' experiences, perceptions, attitudes and understandings of the research topic. In particular, focus groups can help children by reducing the pressure on individuals which exists in one-to-one interviews. During the conduct of a focus group meeting, I was able to listen to and reflect on what the children said and how they interacted in the group discussion.

Second, a focus group has the potential to create a safe peer group environment and replicate the settings with which children are familiar from their classroom work. Such environments also weaken the leading role of the researcher in a one-to-one interview, which is also good for children to share their experiences (Levine and Zimmerman, 1996). Mitchell (1999: 36) suggested that children in a focus group can express a high level of consensus about their lives, are able to "complete each other's sentences, quickly agree(d) about the status of diverse individuals and elaborate(d) common ways of understanding the issue". Third, a focus group can generate more fruitful views of children than an individual interview. Peer group dynamics play an important role in a focus group discussion. Hill *et al*. (1996) suggested that children may be encouraged to give their own opinions when they hear others doing so and their memories or feelings can be awoken by the contributions of other participants (as cited in Greene and Hogan, 2013: 238).

The success and the quality of group discussion are highly influenced by the skills and experiences of the facilitator. Of these, the skills used to engage children's interests and concentration during the discussion are critical. At the beginning of the discussion it is important to get the children to feel familiar with each other and comfortable, for example by using ice-breakers to help the children to feel relaxed (Greene and Hogan, 2013). I employed a short and simple ice-breaker game at the beginning of each focus group meeting to help the children to become familiar with each other and to engage their attention, although some of them had known each other already by attending the same centre. Two 'Sticker and Selection' games were employed using different colours of stickers to select their most favourite and least favourite activities which they had attended in the social enterprises. I then encouraged them to explain why they had chosen those particular activities. Eventually, the '*Thermorate game*'[14] (*see* Appendix 1) was used to

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[14] *Thermorate*: the researcher draws a huge thermometer on the board with red and blue colours at the two poles, representing the attitudes and perceptions on the overall services. The red pole represented that they were generally happy with the services that they received and the blue pole signified that they were less happy with what they had received. The migrant children were asked to stick their notes on the thermometers accordingly and then write down why they had put it in that positions. The higher they stuck the notes meant the happier they were with the social enterprise and *vice versa* (*see* Chapter 8 for the results).

rate the overall services provided by the social enterprise which they attended. By employing such activities and games as well as questions which were intermediated, I was able to maintain their interest and concentration in participating in the conversation (Hill *et al*., 1996).

Some limitations with focus groups were encountered in this study. As with previous research conducted using this method, the data were audio-recorded rather than video-recorded, and it was difficult to distinguish who said what during the discussion when transcribing and analysing the data. Second, as Puchta and Potter (2004) stated, the skills of the facilitator play a key role in conducting a successful focus group meeting, and this varies from person to person. Considering that the participants were children aged between 7 and 13, it was difficult to control the discussion, especially when they were excited about playing games, which also made the transcribing even harder. Third, was although no single child dominated the discussion, some of them were too shy to share their attitudes on the social enterprise and what it meant for them. I noticed this quickly and had to pick such children out by name in order to encourage them to speak out their views. The final issue was time factor, given that there were eleven children who attended the focus group conducted in the Lily Library and the whole discussion lasted as long as almost one-and-a-half hours, which was difficult for children to sit with concentration. In addition, this long period did not generate many details and information about individual children due to the group size.

5.4.4 Documentary analysis

Documents are generally understood as "standardised artefacts" and documentary analysis is commonly referred to as "content analysis" (Robson, 1993: 272), which differs from the techniques (interviewing and focus group discussion) which have been considered so far in that it is non-reactive. In this study, social enterprise documents both in the public domain and in other domains were collected to act as supplements to other sources of data to map out the context of each social enterprise. There was no structured plan regarding what documents should be collected or what should not be before the fieldwork. I collected whatever documents were available to me including mission statements, annual reports, donation records, attendance records,[15] previous evaluation reports, volunteers' feedback, and social media. As one source of data, these documents enabled me to uncover what the

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[15] Attendance record: Children who came to the Lily Library had to sign in every day.

social enterprises said that they intended to achieve and their daily operations, and this could be triangulated with other sources of data.

Using documents can be very important for researchers who conduct case studies within organisations. On the one hand, documents can form a fruitful addition to other forms of data, providing the contexts of their production. Flick (2014) suggested that documents can be an instructive addition to interviews or observations and can be very useful for triangulation. Matthew and Ross (2010) stated that documents can provide the context of data already collected for research from different sources. That is, acting as a source of data, documents are useful in helping to demonstrate the validity of other sources of data. Macdonald (2001) emphasised that documentary research should be triangulated in three ways, data triangulation, cross-method triangulation and investigator triangulation (Denzin, 1970), in order to achieve both external and internal validity.

It is clear that documents can reveal the picture and the routines of an organisation, uncovering the 'reality' of that organisation. However, some researchers have argued that documents merely represent a specific version of 'realities' constructed for specific purposes. Macdonald (2001), for example, argued that documents which are intended to be read as objective statements of facts are also socially constructed. Flick (2014) emphasised that when using documents, several things should be always taken into account: who has produced this document, for what purpose and for whom? Documents should be viewed as "communicative devices" (Flick, 2014: 355) produced, used and reused for specific practical purposes, rather than as simply reflecting reality. In this study, some documents, such as mission statements, annual reports and donation records, were obtained from the public domain including the organisations' websites and communicative blogs. Other documents were obtained from social enterprise staff, such as project evaluation reports. It is possible that the documents collected from staff presented a particular view because the social enterprise officers only provided such documents which they perceived as appropriate for outsiders.

5.5 Ethical consideration

Ethical issues arise at a variety of stages and methods in social research. Qualitative research methods are often used to explore personal experiences and perceptions, There were several ethical issues to be considered in this study.

5.5.1 Harm, anonymity and confidentiality

It is generally unacceptable if the proposed research is likely to harm participants, either physically or psychologically. Researchers should balance the relationship between exploring the research topic and respecting participants' willingness to be involved (Bryman, 2012). There was no intention in this study to encroach upon personal sensitive issues, rather it focused on the participants' views of the received services and their interactions with the social enterprises. No sensitive or critical questions (*see* Appendix 4: interviewing/focus group guidelines) were asked of participants, be they parents, social enterprise staff, local authority officers or migrant children.

Even so, there might be potential risks of harm for some participants, especially for parents. Ethical challenges could be generated in regard to how much information the parents chose to share. In this study, parents sometimes remembered some upsetting experiences during the interview, which might have hurt their feelings. In such cases, although no request to do so was put to me, I decided to turn off the recording and I assured them of their confidentiality rather than terminating the interview.

For social enterprise staff and local authority officers, there might be potential risks of harm to their career security (British Sociological Association, 2002). The difficulties which I encountered in recruiting local authority officers for the fieldwork has already been discussed, and one of their major concerns was the unexpected consequences of being involved in a research study conducted by a western-trained student. To reduce their worries regarding career insecurity, I anonymised the city, their names, their institutions, and their working title so that they could not be identified by others. Verbal consent to participate was obtained from all the local authority officers, which mitigated the risk to their career security.

For all the participants, I assured them that their personal details such as names, job titles and addresses would not be revealed to anyone outside this study, unless individual participants chose to be revealed and be identifiable. Their words were quoted from publications, reports, web pages and other research outputs but their personal details were replaced by confidential codes which could not be identified by other people. During the transcribing process, I ensured that the transcripts did not contain participants' personal details, and did not transcribe any data, especially personal experiences, which were clearly outside the interest of this study. All the interview participants (social enterprise

staff, local authority officers and parents) acknowledged their understanding of these principles before becoming involved in this study by signing an Informed Consent Form.

In order to prevent any invasion of children's privacy during the focus group discussion, I told all the children at the beginning of each focus group discussion that they should not disclose any part of the group discussion to non-participants or to staff in the social enterprise. I also assured them of their confidentiality. In the focus group meetings with the children, intense group discussion might also give rise to stress or distress in an individual child. I therefore paid considerable attention to maintaining a friendly and safe discussion environment.

When conducting participatory observation, I took some visual images, for example, photographs, videos and field notes. I asked permission from staff, children and parents in order to make sure that they agreed to me using any of the collected visual images in any written format including publications, reports, web pages and other research outputs. I blurred all areas of photographs which showed recognisable personal portraits or any information which could be identified when applied in this study.

To protect the participants' personal information from being accessed by anyone but themselves, and to prevent them from being recognised by others, I employed several strategies. All the collected data, including interview records, transcripts, field notes, visual images and videos, were stored in a locked drawer in the ReCSS (Research Centre for Social Science, office site). Sound recordings and electronic data were stored in the University of York server and protected by password. All the materials were anonymised as soon as I finished the data collection.

5.5.2 Informed consent

Follow the principle of obtaining informed consent, participants should be given as much information as possible about the research so that they can make a decision about whether or not they will participate in a study (Bryman, 2012). In this current study, informed consent to participate was obtained from the various groups, social enterprise staff, parents, local authority officers and migrant children, as well as for different methodological approaches, such as interview, focus group and participant observation.

All the interviewees (social enterprise staff, local authority officers and parents) were provided with a written, formal Informed Consent Form (translated into Chinese) which fully explained the purposes and methods of the research, what would happen in the study,

whether the interview would be taped and what potential risks and benefits were involved (*see* Appendix 2). I also explained verbally the issue of informed consent to the interviewees before each interview and highlighted the key principles which they had consented to during the research including their participation being voluntary, anonymous and confidential. The only one thing which they were not informed about was in regard to the small gifts which I had prepared for all participants. In Chinese culture, it is generally recommended to take a small gift when visiting someone for the first time. However, to offer gifts in this case might have influenced the participants' initial judgement on whether to participate or not), so I did not mention in advance the small gifts (worth around £1-£3 each) which I intended to give to the participants (parents, social enterprise staff, local authority officers and migrant children) after the data collection process to express my appreciation of their help (Barbour, 2007: 80).

Hill (1998) argued that involving children in focus group discussions gives rise to ethical issues which are not confronted by researchers using other research methods. In this study, the informed consent of the children was obtained both from the children's own affirmative agreement and permission was obtained from their parents or legal guardians (Greig and Taylor, 1999). I provided an Informed Consent Form to the children before conducting each focus group. Considering the different levels of reading and understanding ability of the children involved, I read it and explained it to the children verbally. The children were given the opportunity to ask questions or to withdraw from the research freely. I took the opportunity to explain anything that was not clear. As Harcourt and Conroy (2004) suggested, children can give verbal consent or express their consent through drawings and making marks. The children were asked to raise their hands if they were happy to continue with the study and I named each one who raised a hand and video-taped the process as a further check. Parental consent was obtained in this case by telephone or in person. I explained the nature of this study, what would happen during the research, what risks/benefits and alternatives were associated with this study, and what rights their children would have during the research (for example, being free to withdraw from the research at any time) to their parents or legal guardians. If consent was gained from the relevant adult but the child clearly withheld assent or showed distress, the wishes of the child prevailed (Greig and Taylor, 1999). Eventually, parents and children all agreed to participate in this study after being clearly informed about all the implications.

It was explained in the section on the recruitment of local authority officers that there is a basic social norm about how to contact government officers in China, which is to employ a

personal connection network or have an affiliation of some kind. However, Liu (2005) also stressed the potential ethical risk regarding obtaining written informed consent. The government in general is always cautious about western-trained researchers and considers the potential consequences of participating in such research studies. Although I explained and highlighted the ethical precautions, including the guarantee of anonymity, before obtaining their consent, I did not ask them to sign a consent form. Liu (2005) suggested that it might frighten participants if their names are written down and are going to be stored. Bearing in mind the potential risk to their career security, only one participant signed the consent form and that was on account of a personal relationship with me. During the process of obtaining their consent, the key task for me was to ensure that the participants were voluntarily participating rather than agreeing to do so under pressure from an acquaintance acting as the intermediary in this study. The role of the intermediary was mainly to make a connection rather than being a 'recruiter'. Therefore, the point was not who performed the connection role, no matter whether friends, relatives or interested stakeholders, as long as I took account of the participants' willingness throughout the whole research process. Consent by a participant should be understand as an *ongoing process* rather than an *event* or a *signed for* occurrence.

5.6 Data analysis and writing up

The main difficulty of this study was that it generated a large corpus of non-standardised qualitative data, including data derived from interviews, focus groups, participant observations and documents, which were not all straightforward to analyse. The analysis process was grounded in the data, rather than guided by existing theories. The data analysis process began with the transcriptions and translations. All the formal semi-structured interviews (with social enterprise staff, parents and local authority officers) and the focus group data, were transcribed into Chinese. Due to the limited time and the richness of the transcripts and field notes, I only translated into English the quotations used in this thesis, rather than all the qualitative data. To ensure reliability, I asked someone who spoke Chinese and was studying at the Queen's University of Belfast randomly to check the accuracy of the translation and the results turned out to be 'reliable'.

I employed the general qualitative data analysis method of thematic analysis to interpret all the evidences collected in the field. To systematically organise all forms of collected data I uploaded all the transcripts and field notes to the Computer-Assisted Qualitative Data Analysis Software, NVivo. The NVivo analysis was used mainly to replace manual coding

work and to manage the large corpus of qualitative data. The way in which I analysed and interpreted the data followed the principle of thematic analysis. The process began with data familiarisation: I read and re-read all the transcripts and field notes, generating an initial list of themes and key phrases from the first data familiarisation (Clarke *et al*, 2015), making notes when something interested me to remind me of the potential analytical codes or insights (Clarke *et al*, 2015). For example, I listed several insights and keywords while reading a social enterprise officer's transcripts and field notes: "less supportive environment for staff training and learning", "mismatched aims" and similar comments. For every individual child (a child of interviewed parents), I created an separate note to build their 'story', and to summarise narratives to help me to remember key findings.

The initial coding was generated from the interview guides provided for the different groups of participants. Further coding work was accomplished by establishing nodes line-by-line in every single transcript (Charmaz, 2006). The nodes, both descriptive and theoretical, emerged from what people said and what could be summarized from their thoughts.

Given the four groups of participants, I coded the transcripts according to the different groups. This was useful for analysing the nodes and generating themes within a single group. By doing this, I was able to compile a story about how they perceived the social enterprise as a whole. However, some perspectives were double-coded. The fact that the different groups of people had their own perspectives on a single issue made their views interesting to interpret. All the perspectives on a single topic were put under the same parent node, such as their perspectives on 'motivations for attending the social enterprise', 'impact on migrant children', 'attitudes towards the overall service' and so on. Using NVivo analysis, I was able to compare perspectives between the different groups very easily. This facility was of great importance for this study as the different perspectives were crucial for understanding the services provided by the two social enterprises.

The whole process was active and dynamic. I did not aim simply to *describe* what was happening in both social enterprises, but to *explain* and *understand* why it was happening in such a way. Bearing the research questions and the 'big map' in mind rather than getting too attached to details and themes, I employed an iterative cycle of coding and reviewing themes in order to be able to offer analytical results and arguments rather than mere descriptions.

5.7 Reflexivity, reliability and validity

The quality of qualitative research had been widely discussed in regard to several criteria including reliability, validity, generalisability and reflexivity (for example, Mason, 2002; Blaikie, 2000; Maynard, 1995). The measures of reliability, validity and generalisability, which are generally widely applied in quantitative research, have been claimed to be irrelevant or problematic in terms of being able to judge the trustworthiness or quality of qualitative research (Denzin and Lincoln, 2000; Robson, 2002; Lincoln and Guba, 1985). Mason (2002), however, argued that the broad idea behind this "scientific criteriology is not necessarily problematic unless the criteria are applied directly to qualitative research. I chose to follow this older terminology to explain the quality of this qualitative research.

During a qualitative inquiry, the relationship between knower and known has been a subject of debate. The constructivist approach enabled me to collect, interpret, analyse and present data on my own, which left space for me to be challenged as a source of reflection or a re-examiner (Coffey, 2002). This increased my awareness of reflexivity, which is based on the assumption that a researcher cannot be totally neutral, objective and value- or theory/knowledge-free in generating data (Creswell, 2009; Seale, 1999). Mason (2002) suggested that the researcher should use 'active reflexivity' by asking 'difficult questions' to maintain the quality in qualitative research.

The past experiences, gender and political, social and economic background of a researcher can influence subsequent findings (Coffey, 2002). Being a researcher in social policy and social work areas opens up the possibility of taking a particular standpoint for pursuing social justice and equality. During my visit to the Lily Library, I felt uncomfortable with some of the behaviour and arguments of the founder. The founder spent a considerable amount of time generating business income rather than working with migrant children, leaving the children's work to shrink year after year. To challenge this standpoint and provide a more objective understanding of the participants' behaviour, I was guided by a critical perspective, which was to understand it in a broader context regarding the limited available resources, and to consider the societal structure rather than blaming personal behaviour. To ensure the authenticity of my interpretation and analysis, I selected the quotations carefully so as to "balance presentation of all perspectives, values, and beliefs related to the inquiry" (Given, 2008: 118).

This issue stands at the opposite position to going native, which is another trap that an ethnographer might fall into, as the longer a researcher stays with participants, the harder it is to be value-free.

My personal standpoint is that I have a sense of sympathy for those bottom-up social enterprises. During the research process, I appreciated the efforts of both social enterprises in terms of their treatment of migrant women and migrant children in a time of a lack of resources, support and public awareness. Despite this, I was mindful of the dangers of becoming too close to the participants and ensured that the formal interviews and focus groups were conducted in a professional manner whereby the participants were enabled to share their experiences and views of the two social enterprises. Furthermore, triangulation by combining methods was used in this study to "ensure the rigor and usefulness of a qualitative study" (Creswell and Miller, 2000; Silverman, 2010). This study involved a number of sources of data including observation, interviewing, focus groups and document analysis, and involved different groups of perspectives to collaborate over and illuminate the research questions (Rossman and Wilson, 1994). Methodological triangulation has been suggested by some researchers to improve and strengthen the reliability and validly of qualitative research or even other settings (Patton, 2002).

Generalisability is widely discussed in many quantitative research studies; it means that the results or data can be applied to or replicated in other settings rather than solely the particular one being researched (Mason, 2002). Whilst population generalisability is not possible for the findings of qualitative studies such as this one, it is nevertheless possible to make claims for "theoretical generalisation" (Mitchell, 1983). Although this study was conducted in two specific settings in a specific area, as discussed in Chapter 10, it enabled the generation of a Social Enterprise Ecosystem based on the holistic and detailed analysis of the two cases. It is anticipated that this revised Social Enterprise Ecosystem model can be applied to broader contexts outside the two specific case study sites. Furthermore, although the ability of this form of generalisation is limited by the extent of similarities of differences (Mason, 2002), at least it can provide lessons for other researchers to understand how it might work in other settings.

Other tactics were also employed to improve the quality. For example, as described above, I asked critical and impartial friends to check the translation and transcripts for any potential mistakes, as Gibbs (2007) recommended. My "prolonged engagement" in the field also ensured the validity of this ethnographic approach (Creswell and Miller, 2000). The above techniques were used in this study to make sure that the methods used were as

reliable and accurate as possible, although there were still some limitations, and these will be discussed in Chapter 11.

5.8 Conclusion

This chapter has outlined the research process and justified the reasons for selecting the research strategies and associated data-collection methods. The chapter started with an explanation of the broader philosophical thinking underpinning the chosen qualitative approach and case study design. A constructivist ontological approach and interpretivist epistemological approach enabled me to investigate different perspectives on the role of social enterprises in delivering services to children who migrate within China.

Then this chapter described how two specific social enterprises were selected and how different groups of participants were selected and accessed through purposive sampling and convenience sampling. The difficulties encountered by the researcher during the fieldwork revealed that finding a personal network or an affiliation or acquaintance or any other type of 'gatekeeper' in China would be of great benefit for both Chinese and non-Chinese researchers when they try to get access to appropriate participants. The multiple data collection methods, comprising the ethnographic approach, interviewing, focus groups and document analysis, were discussed in terms of their strengths and limitations for exploring the research questions. The flexible methods were triangulated with each other generating thick description of the social enterprises' operations and different people's perspectives. The ethical considerations during the whole methodological procedure were then discussed.

The data analysis process, the reflexivity of the fieldwork, the validity and the reliability of this study process were discussed at the end of this chapter. The following chapter will address the development and delivery of services provided by the two selected social enterprises, and will describe the operational context of both social enterprises.

CHAPTER 6: THE DEVELOPMENT AND DELIVERY OF SERVICES AND THE OPERATION OF THE SOCIAL ENTERPRISES

6.1 Introduction

As explained in the previous chapters, the Rose Centre and the Lily Library were selected from social enterprises providing community-based services to migrant children. This chapter draws on the researcher's participant observation and on the perspectives of the staff at the two centres to shape the operation of both social enterprises and to explore how they developed their services and delivered them to the beneficiaries.

This chapter explores the operational context of both social enterprises in detail, what services they provided to migrant children and other beneficiaries, how they developed their services and how they perceived the users' needs. Other key constructs in their operation will also be explored, such as their financial resources especially their business activities, human resources, and other organisational resources. This exploration draws on the analysis of the interviews with social enterprise staff members to understand their perceptions of their daily work and the rationale underpinning them, and how they worked with different stakeholders. The main aim of this chapter is to explore the operation of the two social enterprises and this will build the general demographic and geographic contexts for the following chapters.

6.2 Two centres and community contexts

At the time of writing, there was no legal definition of 'social enterprise' in China. Unlike many charity organisations or other non-profit organisations registered as a 'civilian-run non-profit enterprise' by the Civil Affairs Bureau, both Centres were registered and supervised by the Industrial and Commercial Bureau (Company House) in China as 'partnership enterprises'. They could not receive any tax exemption from the government under this legal framework.

6.2.1 The Rose Centre

The Rose Centre was founded as a community service centre by four migrant women (two working women and two undergraduate students) in January 2010 in city A. The Rose Centre was located within a large migrant community in a suburban area of city A. This community had only 2000 residents with local *hukou* status but over 40,000 migrant people

without a local *hukou*. Some of the migrants living in this community ran self-employed businesses working 12-18 hours each day. People living in this community came from different places in China and many of them had been there for more than five years, according to informal chats with them.

The Rose Centre was located in a rented courtyard house (one storey) with ten rooms in total (*see* Photo 6.1). It had an office, a children's library, an activity room with books (also used as the dining room for staff), an activity room with table-tennis equipment, a computer room, a storage room for storing donated items, a kitchen, a charity shop, and two bedrooms for accommodating staff. There were also two garages nearby which were used to store second-hand clothes. The Rose Centre had five full-time staff members in total, all of whom had migrated from other places in China and this centre was supported by over 200 volunteers every year. It opened every day except for all day on Mondays and for Thursday mornings when the staff had a weekly meeting. Most of its total income was from different foundations and around a quarter of its total income was from the charity shop.

Photo 6.1 The courtyard of the Rose Centre *(photograph by the author)*

Table 6.1 Weekly routine work timetable of the Rose Centre (in March and April, 2015)

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
9.30-12.00	Off			Staff meeting	Volunteer meeting (flexible time)	- Dancing course - (migrant women) - '1 to 1 company' (children)	- Drama workshop (migrant women) - Singing club (children) - '1 to 1 company' (children)
13.00-16.00	Off		Rose Handcraft (migrant women)			'1 to 1 company' (children)	- Drama workshop - '1 to 1 company' (children)
16.00-19.00	Off	After-school club	After-school club	After-school club (with volunteers)	After-school club (with volunteers)	After-school club	After-school club

Over the years, the Rose Centre had provided a wide range of services to meet the needs of migrants including migrant women, migrant children and migrant families as well as the wider migrant community, aiming to build a trusting relationship with the local community. Programmes were changed to respond to the changing community demands during these years. Table 6.1 shows the weekly routine work of the Rose Centre developed from the observation (see above).

Services for migrant women

The Rose Centre aimed to give migrant women an opportunity to express their views and experiences. As migrant women themselves, the founders of the Rose Centre considered that this group of people was unnoticed and unprotected by the public. The original idea for establishing the Rose Centre derived from the personal experiences of one of the founders. She was a front-line worker in the south of China during the early 2000s. One of her co-workers, an eighteen-year-old girl, had been seriously hurt in a machine accident and had lost four fingers eventually. This founder was deeply shocked by this young woman's silent cry of despair: what should I do since I was so young with such a horrible injury! The founder then decided to do something to support these voiceless migrant women.

Rose Art was founded in 2010 as a performance team. They believed that performances could be an efficient way to reflect migrant women's needs and experiences to the public. Rose Art tried to perform migrant women's own narratives and experiences through singing and drama so as to advocate migrant women's rights and gender equality. They performed to migrant people and to wider audiences occasionally when there was a public festival, especially on International Worker's Day (1 May) or when they received invitations from universities or other organisations. However, all the Rose Art members were migrant people without any performance experience. The team members had also changed a lot over the years because of their high mobility. Migrant people moved a lot as they pursued changing job opportunities. There were about ten regular team members including two school-aged migrant children (who only performed when they had the time).

In the first six months of 2015, they had received three performing invitations from three top-rated universities in city A. Rose Art members only gathered together when there were rehearsals for performances, and there was no regular meeting between members. However, the Rose Centre had a free dancing course every Saturday morning from 9.30 to11.00 and a free drama course every Sunday from 10.00 to 16.00. Both courses were open not only

for Rose Art members but also for any migrant workers who had an interest in learning to dance and to perform drama. The Rose Centre also recruited potential members for Rose Art through both courses. There was no requirement to register or to sign in for either of the courses. People could flexibly attend any course according to their own timetable, since migrant workers do not always have a fixed day off. The dance course was not a regular programme of the Rose Centre, it only opened when the Centre had volunteer dance teachers. At the time of the participant observation, the dance teachers were two second-year undergraduates who originally came from Tibet and they taught Tibetan dance for four months (normally equal to one school term in China). There were around four to five people (including one member of staff) attending this dance course every week and the participants were not always the same. The drama course had been open for more than a year and the volunteer teacher was from one of the top drama universities in China. He taught the women how to express themselves through performance, aiming to build their self-confidence during the learning process. Staff also collected migrants' stories during the discussion section and used the stories in future Rose Art performances. There were six to seven people attending this course weekly, including one or two males.

Rose Handcraft was launched in 2010 and designed for migrant women who had no or little experience of handcraft. They invited some experienced handcraft volunteers to teach the women (most of them were housewives) who had the interest and the time to do handcrafts. The aim of the programme was to increase migrant women's skills and self-confidence. The handcrafts were sold on Rose Art's performance days or through their online shop (an under-developed App at that time) and the profits were distributed between migrant women and the Rose Centre. However, they had not settled a profit distribution standard. The Rose Handcraft team provided free courses on every Wednesday afternoon around 13.00-16.00 without registration in advance, and normally there were about three people attending this course weekly.

Services for migrant children

Migrant children had been one of the key groups of beneficiaries since the Centre opened in 2010. Interviews with social enterprise officers indicated that the initial reason why the Rose Centre worked with migrant children was to gain access to migrant women and then build trusting relationships with them by working with their children. Over time, working with children had become a significant part of the Rose Centre's routine services and it had provided a range of activities to hundreds of migrant children since it opened.

An After-school Club was a daily service provided to migrant children. The Rose Centre offered space and staff to help migrant children with their homework. Children could also play table-tennis, chess or read after they finished their homework. Volunteers (five to seven undergraduates) went to the Centre and stayed with the children every Thursday and Friday afternoon for two hours. They led many activities with the children, ranging from playing games to watching movies and supervising their homework. The social enterprise officers told me that there were some children who had been receiving the service for more than three years and that they had a strong affinity with the Rose Centre. No local children went to this centre although the staff were also happy to meet them there. One staff member explained:

> *I am not sure, possibly because of the group … I cannot remember the terminology* [I think it might be group identification]. *I mean people prefer to be with those who come from the same place as yourself. Anyway it was because of the poor social/community inclusion and there was still a distance (emotional) between local residents and the migrant people.* (Fiona, Rose Centre staff interview)

The '1 to 1 company' programme had been a core brand programme of the Rose Centre since it was launched in the spring term, 2011. The founders considered that many migrant parents had very little time to spend with their children and limited educational ability to provide academic supervision for them. Volunteers were trained and sent to children's homes during the weekend and spent two to three hours with the children, either playing with them or helping with their homework. Normally, two volunteers were sent to each migrant family, no matter how many children they had in the household. This programme was free for migrant children to join and only required parents to register in advance for administration purposes. The volunteers were all undergraduates from universities nearby and were required to be trained by qualified social workers before starting on this programme. They were also required to sign in every time before going to children's homes and they submitted a report after every single service. Normally, the volunteers agreed to provide at least one year of service to migrant children. After each term (there are two school terms in total each year in China), parents, volunteers and Rose Centre staff gathered together to discuss the received services and their shared experience. Over the past four years, the Rose Centre had served more than 200 families and more than 250 migrant children in total.

Outdoor activity was another important and welcome programme for migrant children. The Rose Centre provided opportunities for children to visit museums, universities, public

gardens and other attractions with the aim of expanding their views, enabling them to get a better knowledge of the culture and the people of the city, and then promoting social inclusion. Volunteers and staff guided the children on visits to different attractions in city A either by public transport or rented coach, depending on whether they had any sponsors. They generally hosted two to three outdoor activities during every school term, and there were about 30-40 migrant children attending these activities on average.

The Interests Club provided for migrant children who had different interests; it was free and often opened on Sunday mornings from 9.30 to 11.00. The curriculums ranged from drawing and singing to chess, photography and other similar activities. However, there was only one club open each term due to the limitations of space and human resources. The teachers were volunteers and attendance at the clubs had to be registered in advance. At the time of this study, the singing club was the termly activity and there were about fifteen children (four to twelve years old) attending it.

Summer school and winter school were held occasionally jointly with and funded by the corporate social responsibility departments of various private companies. If there was no funding from private companies, the Rose Centre would host it on the office site, recruiting student volunteers and providing more interest courses and activities for migrant children.

A Community Sports Day was often held at the beginning of May, organised by the Rose Centre since 2011, and it provided an opportunity to bring migrant children, parents, volunteers and staff together. The equipment used on the sports day was simple, as the Rose Centre could not afford to buy expensive equipment. For example, they used recycled empty plastic bottles or glass bottles for bowling games. However, both children and parents enjoyed those special competitions, as perceived by social enterprise staff. There were often one or two performances given by children at the beginning of the sports day. At the time of this study, the Centre was preparing for the next Community Sports Day which was to be held in early June 2015. The Sports Day was mainly supervised by undergraduate student volunteers. They took on all the planning work and the volunteering work on the day. The role of student volunteers in the Rose Centre will be discussed later in this chapter.

The Parental Club was a platform for parents and staff to exchange views and experiences on children and parenting issues. The Rose Centre also provided occasional workshops for parents regarding communication with children, responding to children's demands and other parenting issues. Sometimes specialists were invited to give short talks. Some of the

parent interviewees had attended the Parental Club and their views on the clubs will be explored in the next chapter.

The Children's Library was a small room with shelves of children's book and a round table with five chairs. There were more than one thousand children's books stored in the Rose Centre, and nearly all of them had been donated by foundations or private individuals. Unfortunately, there was not enough space or shelves to display all these books, so they had to change them regularly. Children were also allowed to borrow books from this library if they obtained a library card. Books had to be returned within one month and only one book was permitted to be borrowed at a time.

For the community

A community library with thousands of books was open at the Centre for all residents living in the community. Residents could borrow books with a library card. There were some interest clubs provided occasionally for adult residents living nearby, such as computer operation, guitar, English learning and similar activities. As described on the Centre's online blog, this programme was intended to meet different demands of migrants and empowered them with additional skills, which was helpful for their careers. There were no adult interest courses held during the observation period.

6.2.2 The Lily Library

The other selected centre, the Lily library, was located in city B, which is one of the biggest cities in central China. The Lily library was founded by a married couple, Jack and Amelia, in January 2011 as a migrant children's library. At the time of the fieldwork, the Lily Library had three full-time staff members (including the two founders) who each took charge of different areas and were supported by over 30 volunteer student associations (in total). The Lily Library was located in a large urban village inhabited mainly by migrant workers in city B. There were around 100,000 migrants living in this urban village, which was demolished at the beginning of 2017. Similar to other urban villages, it had poorly constructed housing with packed apartment blocks and unhealthy living environments. Interviews with parents suggested that there was serious social disorder and low social trust between neighbours in this area. The Lily Library was located in a first-floor, two-bedroom flat rented from local residents and accessible only by climbing steep stairs (*see* Photo 6.2).
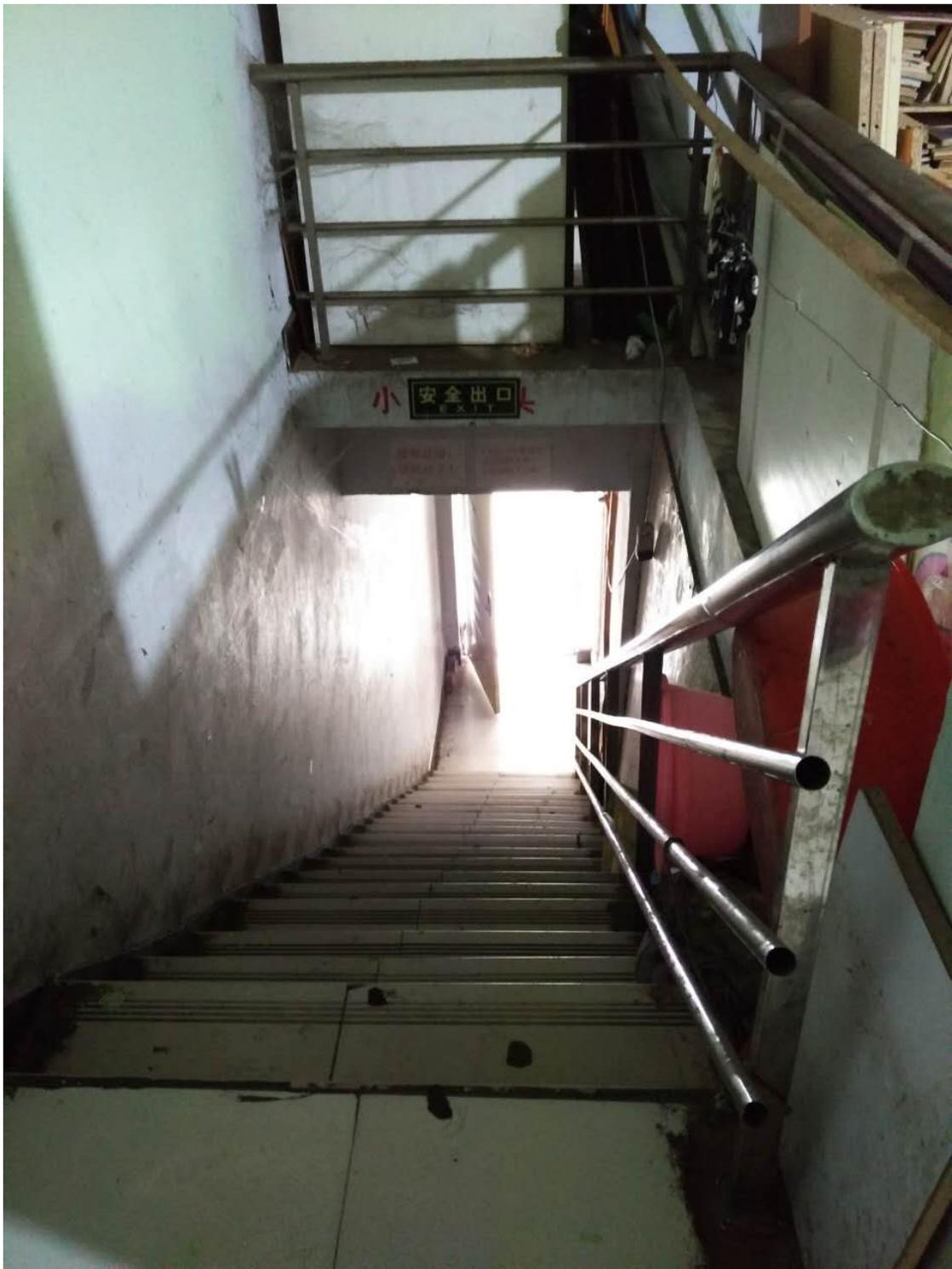
Photo 6.2. The steep steps leading to the children's activity room *(photograph by the author)*.

The founders lived in one bedroom and the other bedroom was the library's office which contained a narrow and small 'bed' (actually it was built from packing cases full of books) belonging to their seven-year-old daughter. They used to have two large rooms for daily activities, but they could not afford the rent after their contract with a key private foundation ended in October 2014. Now they only had one activity room which was

crowded with shelves of books, twelve school desks and chairs, which were all donated by a private individual.

Table 6.2 shows the timetable of the Lily Library's weekly routine at the time of this study. In practice, the timetable was flexible, as some courses or activities were occasionally cancelled and others were reallocated. For example, there was a geography course provided by undergraduate volunteers on a Saturday afternoon, but it was cancelled on one day because only two or three children had gone to the Lily Library that afternoon. So the volunteers played with the children instead.

Table 6.2: Weekly routine work timetable of the Lily Library (May-June 2015)

	Monday	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**Saturday**	**Sunday**
9:00-12.00	Off	Off	Off	Off	Off	Self-study	Self-study
13.00-16.00	Off	Off	Off	Off	Off	Self-study	Self-study
16.30-19.00	After-school club (1 retired volunteer teacher)	After-school club (1 retired volunteer teacher)	After-school club	After-school club (with volunteers)	After-school club (with volunteers)	Weekend course (volunteers leading)	Self-study

As this timetable shows, fewer activities and programmes were provided for children than at the Rose Centre. In fact, this timetable began in October 2014 when the funding contract with a private foundation ended. This had been a three-year contract and had played a significant role in supporting the operation of the Lily Library. During the previous three years (2011-2014), the Lily Library had provided variety of courses, clubs and activities to migrant children, which had increased public awareness and had been reported on over

fifty times by magazines, newspapers and television programmes during those years. Due to the drop in funding, the Lily Library had to reduce its activities and services and even closed half of its working spaces. Therefore the founders had tried to find other sources of income, mainly by increasing income from their work as opticians.

The After-school Club had been the most important programme of the Lily Library since its establishment. This programme was similar to what happened in the Rose Centre. Children (normally 7-13 years old) worked on their homework, played table games (normally chess), and drew and read during this time. There was one staff member helping with their homework. There was also a retired volunteer teacher who went to the Lily Library every Monday and Tuesday to give a short talk on traditional Chinese studies. The children had to stop their homework and listen to her when this happened. Informal chats with some children indicated that not all the children welcomed this talk, especially when they had lots of homework to do. There were around five to seven volunteers who arrived and stayed with the children every Thursday and Friday from 16.30 to 18.00. They helped with the children's homework or played with them when they had finished their homework. It was not compulsory for children to go to the Lily Library every day, but they had to sign in when they did go. Normally there were around ten to twenty different children who went to the Lily Library each day.

The library was open for adults as well as children. Most of the children's books were donated by foundations whilst most of the adult books were owned by the founder, who used to be a second-hand book seller (2000-2009) before he launched the Lily Library. There were over 7,000 books in total in the library, but only 3,000 were displayed on the shelves (nine out of ten of which were children's books) due to the limited space. People could have a library card if they paid 20 yuan (£2) deposit and the deposit would be returned to the holders when they cancelled their library card in the future. Or people could get a library card if they donated three good-quality, second-hand books to the library, but the donated books would not be returned to the holders if ever they cancelled their card. They were only permitted to borrow one book at a time and it had to be returned within one month. There were over 200 library cardholders by June 2015. As well as the daily operation of this library, the founders also donated over 1,000 books to five primary schools benefitting hundreds of children. The library was used every day. Children could find reference books and even textbooks, and some of them went there just to read.

Weekend Class was also another fixed programme run by volunteers on weekends, though it had been slightly changed since the reduction in funding. Before the reduction, the

Weekend Class was run on both Saturdays and Sundays by different groups of volunteers. There was an English language course, a mathematics course, and writing, dance and drawing courses. Some of the paid teachers were hired from professional educational institutions. At the time of the fieldwork, there was only a one-day weekend class which was run by student volunteers. They stayed for two to three hours on Saturday afternoons with the children, giving a short themed talk, playing games with the children or watching movies with them. There was no announcement about the course topics in advance and the attendance varied from two to twenty children.

There were also some outdoor activities provided by the Lily Library, which were similar to the services provided by the Rose Centre. They visited universities, the city library, museums and other attractions in city B. There was at one time a summer-school programme which was supported by a company as one element of its corporate social responsibility programme.

6.3 Fundraising and profit distribution

A social enterprise as a hybrid organisation with dual missions to be achieved always generates a hybrid income generation strategy. In this study, both social enterprises applied a mixed-income strategy: from their own business activities, from foundations, and also from private donors. In the next sections, the funding arrangements for both centres will be discussed and how they affected the activities and operations in each place.

6.3.1 Income from business activities

Social enterprises are distinguished from both traditional charity organisations and traditional for-profit organisations. Having a business activity which is not run for maximizing the profits of stakeholders or owners is widely seen as one of the key characteristics of social enterprises. Their business activities, operation models and income distribution plans will be discussed in this section.

Business projects

In the Rose Centre, a charity shop was launched in October 2010. At that time, very limited funding was available to the Rose Centre to support the operation of the whole organisation, so it opened a second-hand clothes charity shop to get through the financial difficulties. When interviewed about why this business project rather than others had been chosen, the founder explained:

The original reason for us to open this second-hand clothes shop was because we could not have survived that year. We had no idea about what we should do. We had no experience at that time and what we could do was quite limited, so we asked for help from our friends who were offering similar services [serving migrant workers] *to ours. They had a second-hand clothes shop and it was going well. So we visited it and learned how to operate a second-hand clothes shop. They were generous because they donated about 500kg of clothes to us to help us kick off.* (Lisa, Rose Centre staff interview)

Second-hand clothes were the main goods sold in the shop. The Rose Centre tried to reduce the household costs of migrants through this charity shop. Compared with market prices, all the clothes and accessories were sold at a much lower price in this shop. The majority of those clothes were donated by students and a few of them were donated by other private individuals. The researcher was invited to attend their working meetings, but she was told that clothes donated by students did not fit the requirements of migrant workers very well; the sizes were too small and the design of those clothes did not fit migrant workers' needs.

This shop was run by Stella (a staff member) but was supported by over 100 volunteers. In practice, when they were selecting clothes, almost all the available staff had to help. This charity shop opened every day from 12.00-20.00 except for Mondays. Clothes were collected or delivered from universities, and then employees selected the sellable clothes. Those clothes which were not suitable for selling in the shop were sold to a ragman at a very low price. In addition to running this charity shop, staff members also sold clothes at the morning market places or near construction sites two or three times a month, where they could easily have access to migrant workers. The Rose Centre had two garages which were maintained by volunteers where they could store out-of-season clothes. The charity shop introduced a membership system and club cards as a marketing strategy from March 2015. Members did not need to pay a membership fee and the membership cards were used for maintaining customer loyalty. After one month, the Rose Centre had attracted about 30 memberships in total. The annual gross cash income of this charity shop was around £4,000-£5,000.

A dilemma was posed by balancing the dual missions. Staff were engaged in business activities as they needed the income, but the business activities took staff away from working on core activities. At the time of the observation, the staff members were

discussing whether they should end this project in the near future. When they were asked about the reasons for this, the founder explained:

> *Actually the charity shop isn't closely related to our main mission. We may feel unhappy about spending more human resources, more time on it; especially given that we only had five full time staff in total. For example, we sold around £40 in today's morning market, but Rebecca, Fiona and the volunteers had to get up early at 5.30 in the morning! I feel so bad. Sometimes you can only sell less than £10 worth, which I thought was not a reasonable project considering the input and the output. Even worse, this charity shop had a negative impact on staff members' energy since they couldn't concentrate on our core aims.* (Lisa, Rose Centre staff interview)

Some different attitudes were found among staff members on this issue. Some of them refused to close down the shop.

> *It was a deep emotional issue between us. It was just like a generous person who saved your life when you were on the brink of death, now you want to give it up because it is a 'burden', which I cannot accept. We relied on this charity shop for the whole year when we were in our darkest time. It was more than just a charity shop, it was our faith.* (Fiona, Rose Centre staff interview)

Some of them agreed that it should end if it really was consuming time and human resources:

> *I am not sure. To be honest we did have some difficulties when we operated our charity shop. Most of the clothes were donated by undergraduates but our customers were migrant workers or migrant women. They couldn't find anything good for them at this shop. Students' sizes were too small for most of our customers. Although we had tried several times to seek more appropriate donors, the outcomes were always frustrated. Students had been our largest 'suppliers' all the time. I will give it no more than six months; I shall end it if we are still at the same stage.* (Stella, Rose Centre staff interview)

(The charity shop was subsequently closed in August 2015).

The Lily Library also employed a mixed-income strategy comprising private donations, funding from private foundations, crowd funding and income from the founding couple's

optician's shops. The Lily Library had two optician's shops; one was opened in October 2012 and the second in December 2014. The founders donated part of the income from the two shops to support the operating of the Library. The founder had been an optometrist (2009-2011) before he opened the Library, which was why he chose to open optician's shops rather than another business. In fact, there were only three staff members including the two founders in the Lily Library. The founders, Jack and Amelia, managed the two shops and the only full-time employee, Lucy, was responsible for the children's library. The first shop located opposite the Library was managed by Amelia in the urban village. The main customers were residents living nearby and the annual profit (or surplus) was about £3,000-£4,000. The second shop was managed by Jack and was located on a high street of city B where he had to pay much higher rent. The second shop was in debt (losing £500 each month) at the time of study. The reason for opening the second optician's shop was:

> *I want to enhance our fundraising ability. The first optician's shop was small and located in the urban village. Although the small one had a better income, it was too small and had limited social impact. For this place* [a high street]*, it had a bigger market and more customers if we stayed here longer. The optician industry highly relies on loyal customers. If we stayed here longer, we could earn more. Besides, this shop was much more pretty and good looking than the small one, it was a matter of organisation image and impact. It was better if we choose this store to do some social impact activities.* (Jack, Lily Library staff interview)

The two optician's shops had insufficient equipment and human resources. In China, customers can collect their glasses on the day of purchase and only have to wait for a few minutes for the lenses to be polished. Due to restricted storage space and limited financial ability, however, they only had one lens-polishing machine between them and it was kept in Jack's shop. In addition, the majority of the lenses were also stored at the same shop, which meant that they had to deliver and collect lenses or glasses between the two shops. For example, if a customer bought a pair of glasses at Amelia's shop, someone had to go to her shop to collect the lenses and the glasses and deliver them to Jack's shop, then wait for a few minutes until the polishing had been completed, then redeliver them to the first shop, which was a resource-intensive task and they did not have an extra paid employee to undertake it.

The Lily Library had similar difficulties to those at the Rose Centre, as they had too few staff members available to generate a business income, which made it harder for them to

focus on their main social aims. This is where mission drift comes from. During the observation period, Lucy's (the full-time employee) husband had been working in the second optician's shop without any payment for six months trying to learn the optometry skills and he eventually left the second shop in June 2015. After he left, Lucy took charge of the delivery work. She was required to work in Jack's shop from 8.00 to 16.00 and worked in the library from 16.30 to 19.00 (it was a 50-minute walk between Jack's shop and the Library). She also took responsibility for writing all documents including applications and reports, and for designing children's activity programmes as well. It was a huge burden for Lucy to finish both aspects of her work. Jack spent little time on the operation of the children's Library and activities. He spent most of his time on his optician's business and his personal interests. He was keen on researching and reading about sociology. His employee felt discontented with his behaviour:

> *Previously he was in charge of marketing our library, and making contact by social media, but now the bulk of things were my own responsibility. Previously he spent all his time and energy on our Library and we only needed to focus on running the programmes. Although we were still doing the programmes, he now spent his entire time and ideas on his optician's shop. He said that if we can earn more money, we will be independent … he also said it was our special period, what we can do at the moment was to maintain the basic service to migrant children, that is, provide after-school services.* (Lucy, Lily Library staff interview)

Attitudes toward business activity

To safeguard the generation of income by diversifying the income strategy was the main reason for both social enterprises to introduce their business activities. Among the staff members, however, there were different attitudes towards running the business activities. In the Rose Centre, some of them thought that a self-feeding mechanism was good for the organisation, although the business activity did not have to be a charity shop:

> *We had spent too much time on it and it might be ending soon. However, giving up the charity shop doesn't mean we would give up running a business activity; we could have more time and ideas to explore some new business activities … Launching a business activity would be good for us and provide us with an opportunity to do something we really care about. Of course, the business activity does not need to be a charity shop. We were thinking of opening an early education course in the next few months; we were thinking of charging our service users. We*

could even develop our own unique teaching materials. It might be possible if we think about it optimistically. (Lisa, Rose Centre staff interview)

Lisa was thinking of charging migrant families as a potential future income source. However, another member of staff held a contrary opinion. When she was asked about how she felt about charging a service fee to migrant children, she said:

…Like the 1-to-1 company programme, we don't have any funding to support this programme this year. If we were pursuing long-term development, it was impossible to rely solely on applying programme-related funding [this is discussed below]. *It was vital that we had our own business income. We had experienced hard times and it was not easy for us to carry on to now … . However, I don't think it would be a wise choice to charge the migrant children. It would feel awkward in a charity related to money. It is a question of the common good. If we charge migrant children, it would feel as if we were doing business rather than doing something good for society.* (Fiona, Rose Centre staff interview)

6.3.2 Other income sources

Both social enterprises employed a mixed-income strategy. They were weak at generating business income and their business income could not cover the total costs of the two Centres. In the Rose Centre, the business income only accounted for a quarter of the total income, the majority of the income came from the programme-related funds received from foundations. In the Lily Library, the operation could be clearly divided into two stages: before the financial reduction and after financial reduction. During 2011-2014, the Lily Library had received significant financial support from two foundations, so the business income only accounted for one sixth of the total; but after the financial reduction, the business income was about half of the total income. This section describes the funding from foundations and how the two social enterprises managed those incomes.

Receiving money from foundations meant that they had to meet the requirements of those funders. Both social enterprises received funding, mainly programme-related funding, from private foundations, and the length of the funding contracts ranged from one to three years. For each programme-related donation from private foundations, there was a different policy on how to use this money. Some of the funds could be used for paying employees' wages and for activity costs (unrestricted income), whereas some of the funds could be used only for specific programme costs or other specific costs (restricted income). In practice, the largest proportion of the costs of running both social enterprises was spent on

wages and rent, according to the findings from the interview and observation data. The unrestricted funding was therefore preferable to restricted income because it could be used where it was needed most in each social enterprise.

Not all the programme-related funding was related to the core aims of the social enterprises and both organisations were poor at generating business income. They had to apply for programme-related funds from private foundations to cover their annual costs. At the time of the observation, the Rose Centre was engaged in an environment-protecting programme aiming to get £3,000 to fund it, and the founder explained that:

> *We want to keep our business activity since we want to be financially independent. You see, we had to spend a lot of staff effort and time on programmes that were not relevant to our mission. It was a struggle for us to stop applying for such irrelevant programmes since they can provide us with money! But after you got those programmes, you will be stuck with them. We had no time to think about what we really want to do. We had no time to improve our work ability. It may be fine in the short term, but it will definitely have a negative influence on our performance in the long run.* (Lisa, Rose Centre staff interview)

Lisa's comment shows that the social enterprise practitioners were struggling to achieve financial independence. The programme-related funding took the staff away from working on their core aims, which could damage the organisation's long-term performance. Nevertheless, the social enterprises had high autonomy in terms of their daily operation. The private foundations only had a say over the money which they donated and the sponsored social enterprises only had to report to the foundations regarding that specific part of their income. Both social enterprises were overall independent of private foundations.

Neither of the social enterprises had a policy in their constitutions on how to distribute their surplus income, but in practice they reinvested it into the enterprise rather than distributing it between members or founders. However, no audit reports had been published by the owners or founders. Both organisations only needed to report to the foundations which had supported them about how they had used that specific monetary resource. In the Lily Library, the most recent financial statement had been published two years previously. No public financial statement could be found from the website of the Rose Centre.

This section has discussed the financial arrangements of both social enterprises. The findings showed that their business activities were not related to their core social aims, which meant the some staff members had to be sent to generate business income rather than focusing on the social aims. This could increase the risk of mission drift among daily operations. That is a significant dilemma for many social enterprises and not just these two cases (Spear *et al.*, 2007; Cooney, 2006). Both social enterprises in this study were keen to achieve financial independence, but they still had to apply for programme-related funding from private foundations to cover their annual operating costs. This programme-related funding might also take them away from their key social missions. The Rose Centre was struggling to balance the income from private foundations with the income from its own business activities.

6.4 Staff and volunteers

6.4.1 Staffing

The demographic profile of the staff in both centres was similar (*see* Table 6.3). Initially, most of them were female migrants. In the Rose Centre, all the staff were female workers and two employees at the Lily Library were also female. Most of them held first degrees from university or college. However, only two of the eight staff members in both social enterprises had graduated from universities with a good reputation in social science subjects. It is noteworthy that almost none of the staff members in either centre had any experience of working in a private company before joining their current organisations. The employees in the two social enterprises received lower salaries compared with employees working in other industries.

Table 6.3 Staff demographic characteristics in both enterprises.

	Rose Centre					Lily Library		
	Lisa	*Staff B*	*Rebecca*	*Stella*	*Fiona*	*Jack*	*Amelia*	*Lucy*
Gender	Female	Female	Female	Female	Female	Male	Female	Female
Migrant status	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Qualification level	Level 5	Level 5	Level 3 High school	Level 6 Bachelor degree	Level 6 Bachelor degree	Level 6 Bachelor degree	Level 6 Bachelor degree	Level 6 Bachelor degree
Working experience	NPO working experience	No	No	No	No	Sole trader	Sole trader	NPO working experience

In both centres, staff members appeared to have limited training opportunities. In general terms of training opportunities, there was only one place for each applicant/organization, and generally the director/founder would take this opportunity rather than an employee. At the time of the research, there was only one training course provided by a friend to employees for free. Staff in both centres worked long hours with a heavy workload. In the Rose Centre, staff normally worked six days a week with over 60 hours in total. In the Lily Library, Lucy worked seven days a week but she could ask for leave if she needed to. Since she was the only full-time employee in the Lily Library, almost all the work tasks were undertaken by her, even the accounting work of the two optician's shops.

> *It was really a huge burden for me. He gave me too many tasks. There were so many things involved in running a programme; I had to write the application, progress report, evaluation report, accounting report and so on. Now he asked me*

to work at the second optician before 16.00. I cannot do that because I cannot concentrate at that shop with so many people walking around. I could quickly finish writing a report if I worked at the library but I cannot finish a report at the shop. Besides those written reports and accounting work, I had to look after the children after 16.30 when they came from school. I had no more energy and I felt that I am not in a right condition. (Lucy, Lily Library staff interview)

Lucy also had her own online sunglasses store and she had to allocate some time to running her own business as well.

The working style in the Rose Centre was more like an informal working place. There were no fixed or pre-arranged work tasks for day-to-day activities. Employees could arrange their daily working objectives by themselves. There were no strict work-place regulations on what should or should not be done during working hours. Employees could even take their own children to work and take care of them in the organisation. They played the guitar, made handcrafts and even played with their mobile phones during working time. The director in the Rose Centre was engaged in regulating it at the time of the fieldwork. She encouraged the employees to write a to-do-list every day, however, the outcomes were not very successful:

> *I didn't expect to see pages of things to do for one day, just to clarify your thought for this week. It can help you not to forget to do something and bear something in mind for the whole week. It was absolutely fine that you do not have anything specific to do today. You can do something to improve your personal ability, like two hours reading. I did not worry about them not working hard, instead, I worried that they could not plan their time. Take Rebecca for example, if there was no rehearsal, no special activity today, she would not have any idea about what she should do for the whole day.* (Lisa, Rose Centre staff interview)

Employees in the Rose Centre were asked about their perceptions of the current working style:

> *We do not have any experience of working in a private organisation. It was about our personality. we were not well-regulated people. If we like regulations, we would not stay in the Rose Centre. If we choose to stay in the Rose Centre, it must be because there are some requirements for freedom in our bones. There will be a conflict if the director wants to regulate something. This would be a big reform for us and, to be honest, we hope it never happens. We all know that our organisation*

might stop if we do not make any changes though. (Stella, Rose Centre staff interview)

Since there was only Lucy working in the Lily Library, for most of the time she worked alone. She could arrange her daily work objectives on her own.

6.4.2 Volunteer engagement

Both Centres relied heavily on volunteers. Volunteers played a crucial role in operating both social enterprises. There were some differences between the two social enterprises as to volunteers' engagement and their relationship with the enterprise.

Volunteers undertook a significant amount of the workload in the daily operation of the Rose Centre. There were more than 150 volunteers working there each week. They were intensively involved in working with migrant children, such as looking after the younger children, supervising children with homework, playing with them, managing the storage garages and similar tasks.

There was a Board of Consultancy in the Rose Centre which consisted of ten volunteers and one staff member and its role was to provide suggestions on a range of operational and managerial issues in running the Centre. The consultancy group had five different departments: fundraising/donations, garage management, charity shop, marketing, and secretarial departments. Student volunteers came from different universities and student societies. Normally, the members of the consultancy group were directors of student societies. The consultancy group met weekly and the students in the consultancy group were highly engaged with the operation of the Rose Centre. Most of them were very active with their voluntary work. At the time of the observation, the Sports Day was being planned and prepared by this consultancy group. Apart from the consultancy group members, many volunteers were quite familiar with the Rose Centre. A significant number of them had been involved with the Centre for more than three years and they were just like members of the Rose Centre rather than outsiders. The relationship between these volunteers and the Rose Centre was like a close and trusting friendship.

Not only was the relationship between volunteers and the staff firm and friendly, the children were also familiar with many of the volunteers. Normally, the volunteers who attended the children's programme agreed to provide this service for at least one year. However, staff members pointed out some difficulties in managing volunteers:

The biggest problem was that we had enough human workforce, but we had few talented volunteers, or outstanding volunteers. (Stella, Rose Centre staff interview)

The way volunteers provided voluntary services was slightly different in the Lily Library. The leader of a student society introduced different students to the Lily Library every time. This meant that most of the volunteers only worked once a year. Consequently, the children in the Lily Library were not familiar with any volunteers. The staff member in the Lily Library said that this was a managerial challenge:

It had to be fixed, otherwise even I cannot distinguish them. Several years ago we trained volunteers, but the result was not as good as I had imagined. Actually the volunteer resource was very important for us, but if we could not make good use of them, it would be a pain for both sides. The volunteers' motivation was hurt, the children's feelings were hurt. (Lucy, Lily Library staff interview)

6.5 Mission and motivations

The overall and long-term goal for an organisation is often called the mission (Barney and Hesterly, 2010; Daft, 2004). It is a broad statement of an organisation's vision, its shared values and beliefs. It has a powerful impact on an organisation's performance. In a general sense, a well-communicated mission can be valuable for motivating employees and guiding their behaviour (Klmm *et al*., 1991; Campbell, 1997). But despite the various potential advantages of organisations' mission statements, some of them might damage an organisation's performance if they fail to be communicated to employees or fail to be implemented in practice (Calfee, 1993).

6.5.1 Aims and understandings

According to the profile on the Rose Centre's blog (its main social media site), its aim was to "expand migrant women's social networks, increase the interaction between migrants, enrich migrant women's social and cultural spaces/activities, improve their awareness of self-independence and gender equality, and enhance their social inclusion". When she was interviewed, the director of the Rose Centre said the Centre's aim was unclear:

Speaking of our aims and missions, to be honest, we haven't got a clear summary yet ... we have a vague target all the time, but we have been trying to clarify it to make it more concrete and specific over the last two or three years. We always think it is too ambiguous for us. Generally speaking, we want to enhance the

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solidarity and cooperation among migrant women, to help them build up a sense of gender equality, and to be included in mainstream society. This is our very long-term mission. In addition, we also want to enhance their self-identity; however, we haven't reflected this in our mission statement. (Lisa, Rose Centre staff interview)

At the time of the fieldwork, they were trying to clarify the aims and missions of the Rose Centre and asked me to help with them with this issue. Another employee who was also one of the founders of the Rose Centre also showed a less clear understanding of the mission:

To be honest, I was young and restless at that time [when she was invited to establish the Rose Centre]*, I was not clear about what I was going to do ... I thought I could do anything as long as it was good for society, not just working with migrant women ... even now I still do not think about our mission deeply. But I will definitely follow our mission anyway.* (Stella, Rose Centre staff interview)

Unlike the Rose Centre, the Lily Library had a clear mission focusing on providing benefits for children. Its aim was to provide "a safe, comfortable, positive influenced environment for migrant children. It expects to improve migrant children's growing up environment, and to promote social inclusion through their efforts" (taken from the organisation's website). All staff members showed a clear understanding and approval of the mission:

Our ultimate goal is to cultivate the new generation citizen. First, we expect to help them to cultivate a good reading habit. Second, to provide them with good-quality books except for some low-quality novels and Communist Party related books; and finally we would like to broaden their horizons beyond the school classes and textbooks. (Jack, Lily Library staff interview)

In the interview with the sole employee Lucy in the Lily Library, she showed a high degree of agreement with the Library's mission. She talked many times about her agreement during the interview, making comments such as "I completely agree with our mission and what we have done so far".

6.5.2 Motivations

Working in both social enterprises required very strong personal motivation, since they could only provide employees with a lower salary and higher workload compared with

working in other industries. Most of the individuals who chose to work in this field were highly motivated by their enthusiasm for working with migrant children and migrant families:

It was derived from my personal experience. I found that most of the migrant workers work at the frontline for a long time but no-one cares about their rights, especially migrant women's rights. We encouraged migrant women to speak for themselves, to collectively bargain for their rights. (Lisa, Rose Centre staff interview)

I just want to do something good for society, no matter in which organisation. (Stella, Rose Centre staff interview)

When they were asked about whether migrant children should be charged if there were difficulties with income, one employee showed strong disagreement:

It is a question of the common good. If we charge migrant children, it would feel like we were doing business rather than doing something good for society. (Fiona, Rose Centre staff interview)

6.6 Rationale for activities

Neither of the Centres was originally set up with the aim of serving migrant children, but this had changed in practice. The stated aims of the Rose Centre explicitly showed that the intended beneficiaries of the Rose Centre were migrant women. It was initially launched to work with and campaign in support of migrant women. Staff members were particularly concerned that migrant women's voices should be heard where it matters. In practice, however, the core service of this community centre appeared to support migrant children rather than focusing on migrant women. When the social enterprise officers were asked about the rationale for this intensive support of children, they admitted that the main purpose of working with children was to connect with migrant women, most of whom were parents of migrant children:

We found that the main concern of migrant women was their children, like children's education and children's safety issues. This meant that it would be very difficult to build a trusting relationship with them [migrant women] *if we do not provide some specific services to meet their needs for their children. In addition,*

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we could connect with the community through our children's services for better public engagement. (Lisa, Rose Centre staff interview)

Nevertheless, the Rose Centre found that what it had done was useful for the children during the service-delivery process. Comments made during the interviews with staff indicated that providing children's services could also fulfil children's needs and they were happy to do this. From their perspective, children had many needs to be met after they had migrated to city A, especially needs of space and friendship:

The most important part was that they needed a place to have fun with their friends or meet with some new friends. (Fiona, Rose Centre staff interview)

Children's need was for space; they had no space to play. There was no space at home either, so I think it was a great need for them. In addition, children prefer to stay with people. Many of them had to face an empty home after school. There was no-one to play with and their parents did not come back. (Lisa, Rose Centre staff interview)

They had the motivation to support migrant children's well-being, although the main reason for them to add children's services was to keep contact with their key customers, migrant women. However, one social enterprise officer indicated that they would reduce some children's services to fit with the overall mission and future work.

Likewise, the Lily Library was a library open for migrant workers when it was launched in 2011. After several months, however, the two founders realised that it was not as popular as they had imagined. Not many migrant workers visited the library, but instead, many migrant children came to read or to do their homework there. So after preliminary research on the local community, the founders identified there was a great need for migrant children to have a safer place to spend their after-school time. The Lily Library was then developed into a library mainly serving migrant children rather than adult migrants, through a wide range of services:

I completely agree with our mission and what we had done so far. In this urban village, there is no alternative organisation like us. We can fulfil children's need, which was to find a place to finish their homework. He [the founder] *perceived this need when he saw many children studying and playing by the side of the road. So he thought perhaps there would be more children living nearby who had a similar*

need, and then he changed the adult library into a children's activity room, which I
think was a great idea. (Lucy, Lily Library staff interview)

Therefore the focus of the Centre shifted to providing a service for migrant children. Many migrant children in that community were "latchkey children" which refers to children who were routinely left to take care of themselves before or after school while their parents were at work. There were many video games clubs, internet cafes and billboard clubs nearby which were considered to have bad influences on children's behaviour. Therefore, the founders decided to change to a children's library to meet the children's needs.

Like the Rose Centre, the founder of the Lily Library also treated migrant children as a bridge to reach out to the public:

I was thinking that perhaps I could use the children's service as a link to connect
with the student volunteers, the local government and private enterprises. It was
not only to support the migrant children collaboratively; in return it could
stimulate public social responsibility. (Jack, Lily Library staff interview)

6.7 Attitudes to local government

Social enterprise officers were asked about their attitudes toward current policy and their relationship with local government. Four of five participants showed negative or neutral attitudes to local government.

Staff at the Rose Centre considered the local government's contribution as passive, if any. They deemed that the local government did not support their services.

The hukou policy might have influences on our services. The stricter hukou policy
had urged many migrants to leave this area. Many migrant families who were
familiar with us prepared to leave city A. (Stella, Rose Centre staff interview)

We had no relationship with local government, which means the relationship was
neither good nor bad. We appreciated the current relationship, which is that 'they
did not care about us and we did not care about them'… . From the perspective of
local government, they wanted to expel us; they did not want to see that we
provided good services to migrant people because this is against the current
population policy. So I think whether you can receive support from local

government was related to the people you served. (Lisa, Rose Centre staff interview)

Staff at the Lily Library held different opinions on their relationship with local government. Jack's attitude was similar to that of the staff at the Rose Centre. He thought that cooperation with local government was not a good choice for them:

Cooperation with local district government was not the best choice for us. I visited a similar government-run children's centre located in city C and I found that it was not what I wanted. They spent millions of yuans but only served a few migrant children in total. I hoped to have cooperation with private companies rather than local government. We have the least motivation to find any support from government, and it is better that local government stayed away from us. (Jack, Lily Library staff interview)

However, Lucy at the Lily Library held contrasting views to Jack on this issue.

Personally speaking, I am not rejecting any cooperation with either government or private companies. It is better to have both. What is the benefit of offending the government in China? An organisation could not survive if it has to depend only on itself. We should integrate any kinds of resources for our own benefit. It is a 'win-win' situation and we could benefit from the cooperation. ... Our mission is to help with children's well-being and we could do anything as long as it was good for our mission. I thought it was a good thing to involve different people because they can help us by making things easier. Every side could benefit from better outcomes. (Lucy, Lily Library staff interview)

Only Lucy at the Lily Library regarded cooperation with local government as an enabling source to achieve the organisation's goals. The rest of the staff showed attitudes of lower trust in local government. However, Lucy had little say in the operation of the Lily Library.

6.8 Challenges

There were many challenges confronting both social enterprises. Initially, the ambiguous aims and mismatched missions were seen as a big challenge in both cases. In the Rose Centre, the stated aim was only to serve migrant women although in practice, hundreds of volunteer hours were spent on providing children's services. There was therefore a

mismatch between the stated aims and what they did in practice. The director of the Rose Centre also admitted that the aims were too vague:

> *We had been trying to clarify our aims and missions for ages. However, we were still unable to achieve a satisfactory result. We spent more than 6000 Yuan on establishing our aims but the outcomes were very disappointing.[16] I feel that the aims and missions were quite important for institutional development; it determines your work-task arrangement, your staffing arrangement and so on. Our current aims were too vague and I could not find any specific things to help us to achieve them.* (Lisa, Rose Centre staff interview)

In the Lily Library, although there were clear aims focusing on supporting migrant children, there had been heavy mission drift during their operation. The founder spent much time on business activities rather than on children's services.

> *I am not unhappy with him as a person, and I don't hate business activity either, I just thought that there was a huge mission drift problem in our organisation. I think our mission was to support migrant children, and I know that the main reason for launching the business activity was to support our children's programme. But if you only focus on business activity and ignore our core mission, what is the point of doing the business activity?* (Lucy, Lily Library staff interview)

Second, the informal working system could be seen as a second challenge for both social enterprises. None of the directors in either organisation had experience of working as a manager in a private company. As discussed above, both social enterprises had a working system without any established management regulations. The current working systems were too flexible to work effectively. The director of the Rose Centre showed great worries about the informal working system:

> *It would be very difficult for our long-term development. It has two-fold impacts: the limited resources might have resulted in the under-developed systems and the imperfect working system could not attract more resources.* (Lisa, Rose Centre staff, interview)

The employee in the Lily Library also emphasised the importance of a well-designed working system:

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[16] The Rose Centre purchased services from an NGO to help them to identify the Centre's aims, but this NGO did not help a lot according to Lisa's views.

It would be possible to run the whole programme with only one person if we had a well-designed working system. The working system should be institutionalized so that everything was operated in order and the only person would be a coordinator rather than a frontline worker. We can even outsource our daily work to volunteers. (Lucy, Lily Library staff interview)

Third, a social entrepreneur's personal skills and experience are vital for the long-term development of social enterprises. In both cases, the founders had no or little experience of running a business, which made it difficult for them to generate sufficient income from the business activities. Although the founder of the Lily Library had little experience of running a business, his personal preference and willingness played an important role in the organisation's development.

In conclusion, the performance of both social enterprises was restricted by unclear aims, no or little business experience, no management experience or skills, little money and few staff members.

6.9 Conclusion

This chapter has explored the services provided by the Rose Centre and the Lily Library and how they developed and delivered those services to migrant children. Both Centres were community-based social enterprises working with migrant children and providing similar services to them, including after-school services, weekend courses and library services. The Rose Centre had a second-hand charity shop and the Lily Library had two optician's shops, which helped them to generate a business income. However, neither of these business activities were related to the organisations' social aims.

This chapter then turned to explore their service-provision processes and discussed the role of key elements including aims, fundraising, staffing and motivation. The main research finding was that both social enterprises had to face many tensions and challenges on their way to achieving their aims.

Both social enterprises showed inconsistent behaviour between their stated aims and what they did in reality. The Rose Centre's primary aim was to enrich migrant women's lives and promote their social inclusion. However, it had been spending a lot of time on migrant children's services in practice. In addition, not all the staff, not even the founder, at the Rose Centre were clear about the aims. Unlike the Rose Centre, the Lily Library had a clear mission which was to provide an informal and comfortable growing-up environment

for migrant children, although it had been proved that it spent an overwhelming amount of time on pursuing a business income in practice.

As their business projects were not related to their key social aims, the Rose Centre and the Lily Library had to balance the tensions between pursuing their dual missions: business sustainability and their social goals. Neither of the social enterprises could achieve financial independence; instead, they fundraised from both their own business activities and from private foundations. A dilemma was posed by engaging in any business activities which the staff could, and this took staff away from working on core activities in both enterprises. On the other hand, receiving money from private foundations meant that their activities had to fit with the requirements of the funders.

The Rose Centre had five full-time staff members and the Lily Library had three in total, including the two founders. These scarce human resources were used to generate a business income as well as to provide services which actually met their social goals. None of the staff in either of the Centres had any previous experience of working in a private company. The founders of the Rose Centre also lacked management skills and experience. Staff in both Centres had limited training opportunities and worked long hours. Staff in Lily Library made high demands on their own time. Considering the low salaries involved, the motivation for most of the staff working in both social enterprises was derived from their personal enthusiasm for helping migrant children and migrant families.

Both Centres relied highly on volunteers. Volunteers were doing most of the work at the Rose Centre as there were very few permanent staff members working with migrant children. Volunteers who served the Rose Centre had built closer and more trusting relationships with the staff there. Some long-term volunteers at the Rose Centre even undertook part of the management work or consultancy work involved in its operation. Volunteers were less close to the staff at the Lily Library and there were very few regular long-term volunteers at that centre.

This chapter concluded that in order to overcome the barriers in running a social enterprise, both of them were eager for sustainable business income, but poor at generating it. They also could not deal well with the tension between generating a business income and working towards their stated mission. Better training and support might help these social enterprises to deliver better services.

The following chapter presents and analyses how parents and children perceived the services which they received. It will address the perceptions of parents and migrant

children, whether or not the stated services met their needs; and what parents and children thought were the perceived impacts on them.

CHAPTER 7: THE IMPACT OF SOCIAL ENTERPRISES: THE VIEWS OF MIGRANT PARENTS

7.1 Introduction

In the previous chapter, the views of social enterprise officers about what support the two selected social enterprises actually provided to migrants and their children were presented and discussed. From the perspectives of the social enterprise officers, the operation of their organisations had been confronted by many challenges and barriers. Officers had quite strong personal motivations to devote themselves completely to this career; however, the further developments of both social enterprises were restricted by the lack of management skills and other resources. The social enterprise officers considered that what they had provided had impacted on children's daily lives.

This chapter now draws on parents' views about children's services and their impacts on their children and families, as well as on my own observations during the fieldwork. This will be covered in three sections; first, an exploration of the demographic descriptions, geographic surroundings and migrant family context of the participants. Second, an exploration of the motivations of parents for attending these social enterprises and sending their children there, and third, a discussion of the impacts of the received services on migrant children and migrant families. Finally, parents' suggestions for how these services could be improved in the future will be discussed.

7.2 Migrant family contexts

The migrant families in city A and city B came from other parts of China and shared similar financial situations and household demographic backgrounds. Seventeen parents of twenty-four children were interviewed in this study. Table 7.1 gives the key demographic information of the migrant families in regard to their professions, migrant status, the number of children in the home and the duration spent as a migrant worker.

Table 7.1 Demographic information of parent interviewees

Parent's coded name	Gender	Migrant direction*a	Duration (years)	Profession	Children in household
Becky	Female	Cross-provincial	10	Sales	2
Edith	Female	Cross-provincial	9	Loan officer	1
Adeline	Female	Cross-provincial	7	Housewife	1
Julianna	Female	Cross-provincial	4	Nanny	2
James	Male	Cross-provincial	10	Self-employed	2
Anna	Female	Cross-provincial	8	Nanny	2
Jenny	Female	Cross-provincial	4	Housewife	2
Kate	Female	Cross-provincial	3	Sales	1
Ella	Female	Cross-provincial	6	Not specified	1
Sara	Female	Within-province	15	Self-employed	2
Ruth	Female	Within-province	Not Given	Self-employed	2
Jacob	Male	Within-province	20	Self-employed	3
Brooklyn	Female	Within-province	Not Given	Housewife	2
Ruby*b	Female	Within-province	8	Self-employed	2
Andy*b	Male	Within-province	8	Self-employed	-
Flora	Female	Within-province	11	Self-employed	3
Eva	Female	Within-province	Not Given	Self-employed	2

*a: Cross-provincial: a migrant from another province. Within-province: a migrant from a different city in the same province

*b: Ruby and Andy were parents of the same family.

Interviews were conducted with fourteen migrant mothers and three fathers (as fathers were not the main contacts for migrant children in either the Rose Centre or the Lily Library). These three fathers were self-employed working in the local community. Most of

the migrant fathers were busy with providing financial support for the household rather than looking after children at home. It was notable that the migrant statuses of the families using each centre were distinctively different. Families which had migrated to city A came from other provinces whilst the families interviewed in city B had migrated from other cities in the same province, which would have involved a short-distance migration. These two migrant directions comprise the main types of internal migration in China. This was also one of the reasons why these two cities were chosen as target research sites. Table 7.1 also shows that most families had lived in the city to which they had migrated for an average of eight years or more and one had been living in the city for twenty years. Since the researched migrant children were normally studying in junior school and their ages ranged from seven to thirteen years, it could be assumed that most of the migrant children had been raised in the current migrant cities for a long time. There is no data shown in Table 7.1 about parents' education level, although only Adeline and Ella had gained undergraduate certificates. Some parents mentioned their education level during the interview and many of them had only recently finished junior school or high school.

Photo 7.1 **A view of the researched migrant community in city B** *(photograph by the author)*

Most of the interviewed parents were working as self-employed traders (running small restaurants, street-food stalls or a toy shop, or working in other low-skilled jobs in the local community). Photo 7.1 shows the local environment of the families in city B who took part in the study. Observation indicated that many migrant people were running self-businesses in this migrant community as shown in this photograph.

7.3 Motivation and service impacts

As the guardians of migrant children and as one part of service users, parents were interviewed to explore their expectations and the perceived impacts of the services on their children and families.

7.3.1 Motivation for themselves

Given the fact that there were no services or activities provided to parents in the Lily Library, this section mainly draws on the perspectives of parents from the Rose Centre. As described in Chapter 6, the Rose Centre provided services to migrant women to increase their social communication opportunities and their self-confidence through a range of activities including Rose Art, Rose Handcraft and also a parenting club. Parents who visited the Rose Centre did not do so merely for their children's benefit, some of them were attracted by the services provided for themselves and their family. Observation data showed that normally four to five migrant women went to the Centre each weekday and eight to ten on each day during the weekend. Most of those who visited the Rose Centre were housewives who therefore had more free time than working women. From my conversations with the migrant women during the course of my observation, 'having nothing to do at home' was the main reason for coming to the Rose Centre. About five parent interviewees attended the services or activities designed for migrant women at the Rose Centre. They chose to attend the Rose Centre for different reasons such as for making friends, filling their free time or learning some new skills.

Jenny joined the Rose Centre in 2014 after she left her job. At the time of the observation, she was a housewife and she often went to the Rose Centre to attend the Rose Handcraft workshop and the Rose Art group. When she was asked why she chose to go there, she explained:

> *I have nothing to do at home and I have not been working for several months. It is better to learn something new. I just learned how to make a squirrel using plastic beads …. I attended the dance courses last year but I just couldn't do it. It was too*

difficult for me. Maybe I am just too old. Actually I learned it just for fun, for making friends here. I am not good at communicating with people. (Jenny, Rose Centre parent interview)

Edith had been a voluntary maths teacher at the Rose Centre since its establishment. At that time she was a full-time housewife so she was available to contribute to the Centre. However, after she was interviewed, she obtained a job as a loan manager in a private insurance company. She then had little time to attend any activities in the Rose Centre. She explained why she liked to go to the Centre:

For me, people here in the Rose Centre are like my sisters. No matter how long I went without seeing them, they were just as warm as before. I like the feeling of being cared about. Previously I came to visit the Rose Centre almost every afternoon, attending activities, helping them to tidy up the second-hand clothes, or just chatting. It felt like another home for me. Because I had nothing to do after sending my daughter to school, I preferred to come here rather than staying at home sleeping or watching television. Sometimes I felt exhausted looking after my daughter every day, so I came here for relaxation. We laughed loudly and I felt better. So it was an important place to relieve the pressure for me. (Edith, Rose Centre parent interview)

The interviewees who never attended the activities in the Rose Centre explained that they had no time to go because they did not have days off or any fixed days off each week.

Some migrant women who attended the dance courses on Saturday mornings did not receive any child-related services from the Rose Centre as they had younger children (one to five years old) who were not old enough for most of the activities designed for primary-school-age children. The Rose Centre allocated two volunteers to look after those children when their parents were attending the dance class. After my fieldwork, the Rose Centre introduced another new service for younger migrant women, a pre-school education workshop, which proved to be very popular with younger migrant women according to the Rose Centre's social media updates.

7.3.2 Perceived impacts on families

Parents who received services from the Rose Centre valued the services provided to adults and highlighted their impacts on themselves and their families. The five interviewees commented that what they learned from the parenting courses was useful when dealing

with their relationships with their husbands and children. As described in Chapter 6, the parental clubs provided a series of course covering communication with family members, regulating children and similar issues. Sometimes the courses were led by the staff rather than experts. Grace was the staff member who had been trained by professional social workers or specialists to give parenting courses to participants. Becky (a parent) had been living in city A for nearly ten years with her family, but she had not been getting along with her husband very well for many years. She also felt frustrated in educating her two boys. Becky attended the parenting club several times and asked Grace for help. She said that she did not want to bring any negative impacts on their children because of her tense marriage.

> *There were many distinct changes in their father* [her husband]. *He did not always stay at home during the last few years and there was very little contact between us. We even considered a divorce in those days. But Grace* [a staff member at the Rose Centre] *talked with me a lot and she suggested that I should make some changes beginning with myself, and I tried to do so, but my husband was just so stubborn and refused to make any compromise. Grace then continually talked to him. Once in the parenting club, Grace asked us to speak out about our partner's merits. I forced myself to think about his merits and I do think it worked. Now he is much better than before, he comes back home twice a week and spends more time with the boys, supervising their homework, or just talking. We usually take a walk after dinner now, which was quite impossible before… . We also learned a lot from the parenting class. My husband and I lacked patience with our children. Grace told us to stop for a while before getting angry with them and we tried to do so this year. I found that they* [their two boys] *were better behaved than before and they also spent more time communicating with their father. Anyway, I think our family has experienced a truly big change during this year!* (Becky, Rose Centre parent interview)

Becky had a strong motivation to make efforts for her own family and she forced herself to do what she had learned at the Centre. However, some other parents deemed what they had learned to be not so useful. Jenny had been attending the Rose Centre for two years. She was a member of Rose Art and she took part in many drama performances during 2014. Staff at the Rose Centre thought that Jenny had become much more confident than before, but Jenny did not think so:

'My personality? I would say no. Anyway I am not a professional performer and I still feel nervous when I am on the stage … . I have almost forgotten what they taught in the parenting class. I can only remember the general topics we discussed without any details. At first I applied the parenting tips to my children; however the outcomes were hard to see. It seems quite easy in theory but so difficult in practice. Anyway I gave it up. (Jenny, Rose Centre parent interview)

However, Jenny did not appear to be a shy or taciturn woman from the observation. She could easily express her perceptions and attitudes on most questions during the interview.

There were no particular services provided for migrant parents by the Lily Library so no parents who were living in city B were asked about the perceived impacts on themselves and their families.

There was a notable difference in the way parents were addressed in the two social enterprises. Parents who joined the Rose Centre were addressed by their first names, like Jenny, Becky or James, whereas parents at the Lily Library were addressed by their children's names, like Emily's mother, Hannah's mother. Reflecting upon the goals of each social enterprise, the Rose Centre cared about both migrant women's and migrant children's well-being, especially migrant women. The Rose Centre aimed to promote gender equality and increase women's self-identification consciousness through several activities including performance and parenting clubs. Therefore, parents, especially the migrant women who took part in the Rose Centre's activities, were treated as independent people rather than someone else's guardian. Parents had closer relations with staff in the Rose Centre through several parenting services or parenting meetings, so it might have been easier for staff to remember parents' names. In contrast, the Lily Library was an enterprise whose aim was only for the well-being of migrant children rather than migrant women or migrant parents. The founder had less motivation to make contact with parents and thus parents had less chance to be remembered.

7.3.3 Motivations for their children

This study explored parents' motivation for sending their children to the two social enterprises, uncovering their needs and expectations of the service providers. Nearly three quarters of the parent interviewees at the Rose Centre indicated that they sent their children to the social enterprise for 'better academic performance', and then a 'broader horizon' and 'a safe place for children to stay'.

Parents believed that educational support was the most urgent need to be met for migrant children. They generally had great expectations of social enterprises for helping with children's learning environment, increasing their grades and providing similar benefits. Not surprisingly, almost all of them hoped that their children would give a better academic performance and then get an opportunity to become undergraduate students in the near future.

He can finish his homework here with proper supervision. If he stays at home, I cannot help him because of my level of education. I don't know the right way to guide him either. I just push him and force him to do the homework, but the result was that he was so upset with studying. He doesn't listen to me at all. The first time he came here to do his homework, there were two volunteers helping him. He finished quickly and correctly. (Kate, Rose Centre parent interview)

My son is easily distracted by anything ... he always asks 'what are you doing, mum?' when he is doing his homework at home. I heard that Rose had a programme [the '1-to-1 Company Programme'] *teaching students how to learn, so I came here for help. My son finds it very hard to concentrate.* (Ella, Rose Centre parent interview)

Many parents highlighted the crucial contributions of undergraduate volunteers in guiding their children's academic performance.

I hope she can communicate with teachers [volunteers] *more. They are undergraduate students after all; we are all from rural areas. I hope they can teach good study techniques to my daughter.* (Jenny, Rose Centre parent interview)

There were some parents who not only sent their children to the Rose Centre for better schoolwork performance; they also expected that the undergraduate volunteers would take their children out and broaden their horizons.

They can help with children's schoolwork, but if not, they can enlighten my children. They can help with them to understand the world, how to be a well-behaved person, learn good manners as well. Even if my children cannot perform very well in schoolwork, I hope they can at least be good people. (Juliana, Rose Centre parent interview)

We have no time to take him out. It is good for him to join the teamwork, to know the outside, to meet different people. My husband doesn't come back until the weekend; he prefers to stay at home rather than take him out. I have to work during the weekend, therefore we really have no time to take him out, to visit attractions in this city. (Kate, Rose Centre parent interview)

Kate was not the only parent who mentioned the outreach activities provided for children. Many parents explained that they had no time to go out with their children as they had to work during the weekend. They expected that by attending the Rose Centre their children could learn something beyond schoolbooks, meet different people and enrich their experiences.

The Lily Library aimed to "provide a safe, comfortable, positive influenced environment for migrant children. It expects to improve migrant children's growing up environment, and to promote social inclusion through their efforts" (taken from the website of the Lily Library, *see* Chapter 6.5.1). About half of the parents emphasised that 'helping with homework' was the main reason for sending their children there.

The teachers [staff members and volunteers] *are good because they guide children's homework.* (Brooklyn, Lily Library parent interview)

We have no time or little time to check her homework; we come back home very late. Once I have come home, I have to prepare dinner and clean the house. Now the teachers in the Lily Library can help with their homework which is great for us. (Flora, Lily Library parent interview)

Similar to the parents using the Rose Centre, some parents using the Lily Library also viewed 'broadening children's horizons' as one of the important services which they appreciated receiving.

They are undergraduate students with wider perspectives and more experience. I hope she can speak with more people, so that she can broaden her horizons and increase her general knowledge. (Jacob, Lily Library parent interview)

Because there are many books in the Library to read and borrow. Reading is very good for children, sometimes they can even recite and tell me some stories which I have never heard about. (Flora, Lily Library parent interview)

Parents also mentioned that the Lily Library was a good place to go after school:

> *It is a safe place to go and we know where to find him, it is better than playing on the street anyway.* (Andy, Lily Library parent interview)

In general, the majority of the interviewees from these two cities sent their children to the social enterprises either for improving their academic performance or broadening the children's horizons or because it was a trustworthy place for their children to go after school. However, some parents had no particular expectations for what they hoped the Centres would provide. They sent their children there only because there were no better things to do or no better places to go.

> *If he doesn't go to the Rose Centre, he would stay at home playing with his computer or mobile phone. It is better to go there and learn something. It is better to be with undergraduates rather than playing on the computer.* (Anna, Rose Centre parent interview)

> *She can learn something more or less in the Rose Centre, anyway she has nothing to do at home.* (James, Rose Centre parent interview)

Overall, the majority of the parents identified academic-related services as their core demand for services from both social enterprises. However, this did not fit with the views of the social enterprise staff. As described in Chapter 6, the social enterprise staff identified 'space' and 'friendship' as the core needs of children to be met, rather than merely helping with children's academic performance.

7.3.4 Perceived impacts on children

Parents were asked during the interviews about their perceptions of the received services and their impacts on their children. They indicated that the three most significant impacts on their children were 'education', 'personality' and 'knowledge/skills gain'. Fourteen parents across the two Centres said that the received services had positive impacts on their children's (19 of 24 children) education after attending one of these two social enterprises. Few parents believed that there was no significant perceived positive impact on their children and their families, or even had negative influences.

<u>Educational improvement</u>

As was discussed in Chapter 6, the Rose Centre provided a variety of activities and services to migrant children. The '1-to-1 Company Programme' was branded the key service to migrant children. Volunteers went to children's homes and stayed with them for

about two or three hours at the weekend. Becky had two boys, William and Alex, who had been attending the Rose Centre for more than a year. For a long time, Alex had refused to go to school because of his bad relationship with the school teachers.

> *There was no significant impact on William's academic performance, but Alex changed a lot indeed. He had refused to go to school up to then and I had tried everything I could do to persuade him to go to school but nothing worked. I even asked for help from his grandma to come to persuade him ... . The volunteers continuously communicated with Alex no matter what he said. They shared their own experiences when they had been school-age children; William and Alex really enjoyed listening to those stories! After a short time, Alex agreed to go to school again!* (Becky, Rose Centre parent interview)

James also admitted that both of his daughters, Emma and Olivia, had had some improvements in their study habits after receiving the '1-to-1 Company Programme' from the Rose Centre for nearly two years:

> *Yes, of course. Emma became harder working than before. Previously, Emma and Olivia always did something else when they were doing homework, so we had to wait for quite a long time for them to have dinner* [after finishing their homework]. *The volunteers told them to finish their homework within a prescribed time slot so as to study effectively. Now Emma can regulate herself, which is pretty good. However, I cannot not see any significant changes in Olivia in this respect.* (James, Rose Centre parent interview)

Parents interviewed in city B also highlighted that their children had benefitted from the after-school services provided by the Lily Library. Sara ran a very small restaurant near the Lily Library and she had two daughters in her household. Emily was the younger one and she had been going to the Lily Library for more than three years. She always had a lot of homework to do every day in the Lily Library and did not go back home for dinner until eight or nine clock at night:[17]

> *She was only a Year 2 student but she had much homework to do. I have found that she has made some progress on her learning initiative recently. At least she has finally understood that she should play with her friends after finishing her*

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[17] Normally the closing time of the Lily Library was 19:30, but since the founder and his family lived in the library, their seven-year-old girl Arya had to stay in the library alone until eleven o'clock. The founder's wife worked right opposite the Lily Library. Emily often stayed with Arya until eight or nine o'clock every day.

homework first! I suppose this was taught by the volunteers. (Sara, Lily Library parent interview)

She received extra tutorials from the teachers [volunteers and staff members] *after school so that she had fewer things unknown, which was good for her.* (Brooklyn, Lily Library parent interview)

However, four of the seventeen parents interviewed thought there was no or little significant impact on their children's schoolwork:

Lucas's academic performance was truly bad for many years. The two hours tutorial [the 1-to-1 Company Programme] *made very little contribution to his studies; it was too short for him to make significant progress.* (Anna, Rose Centre parent interview)

Ruth had two boys, Daniel and Robert, who had held Lily Library cards for more than a year. The brothers went to the Lily Library only for reading and borrowing books rather than doing their homework:

There were many children in that library and I always worried that they could not concentrate on their homework. ... There was no particular impact on their academic performance because the books that they read were not related to their school books. (Ruth, Lily Library parent interview)

Personality influences

Apart from the impacts on children's education, six parents pointed out that attending these two social enterprises also had some influences on their children's (nine of 24 children) personalities. These six parents commented that attending the social enterprise had made their children more proactive or brave, and that they had made more friends.

Julianna was a nanny and she had two boys, Noah and Carter. The boys had been using the 1-to-1 Company Programme for several years. She said that the volunteers normally spent two hours with the boys, helping with their study, chatting or playing games.

Yes, Noah and Carter both benefited a lot from the Rose Centre. They became more proactive and talked a lot more than before. (Juliana, Rose Centre parent interview)

Flora had two school-age daughters, Hannah and Sofia, and one infant boy in her household. Hannah had been left behind in her hometown and was raised by her

grandparents. Flora did not take her to city B until Hannah reached school age. Hannah's schoolteacher told Flora that Hannah was too introverted to communicate with classmates and teachers. The teacher felt that Hannah always seemed unhappy at school. Flora explained that:

Hannah had been left behind at home when she was only one year old and she stayed with her grandparents. Therefore she had some distance from us when she first came to city B. I still remember that day when she was four years old at our hometown, I went back home to collect some clothes. She didn't even recognise me when she saw me, and she tried to stop me collecting my clothes. I was deeply heartbroken at that time and I decided to bring her and also other children to where I lived in… I feel that after she had attended several activities in the Lily Library, she knows a lot! And now she can even tell me some different stories. She has more chances to meet different people in the Lily Library, which I think is good for her. By doing this, she is not frightened of speaking to her schoolteachers. The Lily Library has had many positive influences on her. (Flora, Lily Library parent interview)

Sometimes, unhappy experiences are very valuable for understanding the topic as well as why participants behaved in the way that they did. She mentioned the experiences of leaving her child behind with grandparents which was not a happy memory for her. And that was the reason why she had decided to take her child with her and to live together in the city. She was very happy with what her children were like after joining the Lily Library.

However, not every parent thought that the Centres had had an impact on their children's personalities. There were six parents who claimed that it was difficult to see any impacts on their children's personalities.

No, Harper has been very proactive and lovely since she was a little girl. There was no distinct impact on her personality. However, I felt that the activities, especially the dance club and the music club, provided her with a good platform to enjoy her interests. Perhaps that was one reason for her to keep her personality. (Edith, Rose Centre parent interview)

Increasing knowledge

As well as the impacts on children's education and personalities, some parents pointed out that the biggest change to their children was that they had learned new knowledge or skills

by attending a social enterprise. Anna was a housekeeper and she had two sons, Lucas and Jeremy. Lucas had been attending the Rose Centre for almost five years. He did not get good grades at school (he was a secondary-school student), but he had a wide range of interests, including photography, draughts and computer science, which were all learned from the Rose Centre. Parents valued the way the Centres enabled their children to develop new skills and interests.

> *At the very start we just wanted him to learn anything he would be interested in, however, the price of attending privately-run interest clubs was too high for us to afford. Then we found out about the Rose Centre and its weekend interest clubs. Lucas learned photography, draughts, Go and computer skills here. He had some talent for photography and his pictures have even been on show at some exhibitions! But I think the biggest impact on him was that his computer science knowledge increased. He learned a lot from the computer science club and now he has become the 'technician' in our yard* [rented house]. *People often ask him for help with any computer or software related issues.* (Anna, Rose Centre parent interview)

Because of the financial reduction of the Lily Library, no or very few weekend interest clubs had been provided for migrant children from January 2015. Only one mother in city B mentioned the weekend clubs:

> *The most distinctive impact on my daughter was that she learned drawing in the Lily Library. Now she is still attending drawing lessons, but in a privately-run interest club.* (Brooklyn, Lily Library parent interview)

In general, nearly all the parents considered that attending the social enterprises had had different impacts on their children. Many parents mentioned the role that the volunteers played in supplying the service, especially in regard to their children's education. In the Rose Centre, volunteers were involved in teaching in the children and women's interests clubs, keeping the children company, helping with their schoolwork, playing games with them, taking them out and similar activities. Almost none of the services provided for migrant children could have been delivered without the contributions of those volunteers. In the Lily Library, volunteers provided weekend interest courses for children, helped with their schoolwork and guided them on trips round the city. Volunteers were highly involved in the operation of both social enterprises and parents at both organisations valued their contribution to their children's well-being.

7.3.5 Service evaluation from the parents

Generally speaking, the great majority of the parents were satisfied with the services provided by both social enterprises and only one mother, Eva, who lived in city B had very negative perceptions of the Lily Library.

Parents who attended the Rose Centre spoke highly of the services provided to children and migrant women. Six parents rated the 1-to-1 Company Programme as their favourite activity. They also appreciated other services, including library services, volunteers and staff members, from which their children had benefited a lot.

> *This programme can provide my children with a one-to-one tutorial on their homework so as to get a higher grade. Volunteers sometimes share their own stories with my boys and I think that is also awesome.* (Juliana, Rose Centre parent interview)

> *The Rose Centre is a great place to come as it has a small library and a table-tennis room. Children can play table-tennis here after school, or read books. The staff of the Rose Centre are also helpful and friendly. They tell me about any interesting activities and also give us free tickets if they get some. Children have more chances to go out of this small community to see the wider world. They have more chances to communicate with people, and I am very satisfied with the Rose Centre.* (Jenny, Rose Centre parent interview)

> *I really appreciate the volunteers who have contributed a lot to the Rose Centre. They can teach us handcraft, singing and any other courses.* (Adeline, Rose Centre parent interview)

Some parents were dissatisfied with what the Rose Centre had done for their children. Edith had been a volunteer maths teacher at the Rose Centre since its establishment. Her daughter Harper was a primary-school student in a state school nearby. Harper spent a lot of time at the Rose Centre with her mother and other children; however, she refused to visit the Rose Centre again after something upset her. Harper was good at playing *Guzheng* (a type of traditional Chinese musical instrument) and she performed several times when she attended the summer schools hosted by the Rose Centre. However, she never received any award from the Rose Centre (there were some talent competitions in the summer schools). During last year's Middle Autumn Festival Gala hosted by the Rose Centre, Harper went with great expectation and well-dressed to give a performance to children,

parents and volunteers. But she did not win any awards and even lost her tuner on that day. Edith also felt extremely angry with the Rose Centre on that day. She explained that:

> *My daughter was deeply heart-broken on that day and she burst into tears after that gala. She asked me: 'Mum, am I the worst child in the view of the Rose Centre? I am not going to the Rose Centre any more'. I feel so sorry for her and I tried to comfort her a lot. Actually, I still think what they did doesn't make sense. We won many awards in many competitions and we had passed every grade examination so far. I didn't care about the ranking or the cheap awards. I think every performer should have a little award because it means a lot for a child, it means encouragement, which is very important for every child who has contributed their time and kindness. I personally think that the Rose Centre had forgot what they wanted to achieve at the very beginning. The Rose Centre should bring happiness to children and bond us as a family. Our children have to face enough competition and elimination in this society. I do hope that the Rose Centre can create an equal and a relaxed environment for us. I still remember the words my daughter asked me: 'I brought happiness to them, but what did they bring to me?'* (Edith, Rose Centre parent interview)

Although Edith had some disappointment with the Rose Centre on this issue, she still believed that the Centre was a great platform doing something good for society.

The Lily Library had experienced a serious financial reduction after January 2015, however, most of the parents were still satisfied with what it had provided for their children.

> *I think it is great; it delivers positive things to society. Especially for our migrant children, we have few chances to get access to those upscale things, like visiting the science and technology museum, or visiting the university. It should be supported because it has made great efforts to help migrant children get to know the society and community they live in.* (Jacob, Lily Library parent interview)

> *It is a good place for children to go. I would be worried about their safety if they played on the street. But I trust the Lily Library; if my children tell me that they want to go to the Lily Library then I say there is no problem. Anyway, I trust the Lily Library very much. It is good for children to have a place to do their homework or read rather than playing on street.* (Andy, Lily Library parent interview)

On the other hand, as was discussed earlier in this chapter, about half of the parents at the Lily Library emphasised that 'helping with homework' was the main reason for sending their children there. Those parents seemed to see it as a homework club; they complained that it was not a good idea to put all the children (higher-grade children and lower-grade children together) in the same room without proper supervision. They were worried about whether the lower-grade children would finish their homework properly.

During the fieldwork, the head teacher from the local primary school strictly forbade her students to go to the Lily Library because of the boys' disappointing homework. The head teacher said there would be a punishment for any pupil who was found to have gone to the Lily Library again. She thought the boys who attended the Lily Library copied other students' homework. One of the interviewees also mentioned this issue:

> *There are too many children in the Lily Library. Higher-grade students sit with lower-grade students but there are not enough teachers in the Lily Library. Sometimes the lower-grade students ask the higher-grade students for answers, or some children even simply copy their classmates' homework instead. So I don't let my child finish her homework in the Lily Library.* (Brooklyn, Lily Library parent interview)

Eva was the only parent who was very disappointed with the services provided by the Lily Library. She had a daughter Tina who always stayed late in the Lily Library. Tina did not get back home until eight or nine o'clock every day.

> *I hope it will move away from this area soon and I really hate this library. My daughter doesn't come back home until very late! Her father has yelled at her many times but she never listens! They should lock the library on time. There is no good impact on my child at all. I remember it used to provide many interest clubs for children to join, like maths courses and English courses. But now they provide nothing related to children's education. My child goes to the Lily Library everyday but not for doing her homework! She cleans the library everyday only for your unreasonable points system![18] If you can provide excellent academic guidance to my child, I can do the cleaning work every day for you for free!* (Eva, Lily Library parent interview)

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[18] Children can receive different rewards, including notebooks and pencils, in return for their points earned in the Lily Library. Cleaning the Library can earn ten points each time. *See* Appendix 5: Earning-points reward system.

The negative evaluations of the Lily Library from parents were generally about its loose management style and the lack of proper supervision of children. Since the financial cut-back at the Lily Library, it could not afford to provide better services with larger space, more staff or more interest clubs for migrant children. It was unrealistic to expect Lucy, the only member of staff in the Lily Library, to undertake all the workload.

7.4 Suggestions from parents

Parents who made negative comments subsequently provided suggestions in regard to the two social enterprises' management and service design.

> *I think they should have a notice board outside the Rose Centre so that anyone who passes by can know what activities will be available in the next few days. I would feel a loss if I missed any activities/services provided by the Rose Centre.* (Adeline, Rose Centre parent interview)

> *It would be fabulous if the Rose Centre could increase the time slots of one-to-one study tutorials to children. Two to three hours are not enough for my children.* (Anna, Rose Centre parent interview)

> *Is it possible to manage the Lily Library to be quiet when someone is doing homework? Perhaps you should create a suitable environment for children to finish their homework.* (Brooklyn, Lily Library parent interview)

> *It would be better if you can regulate children more strictly while they are in the Lily Library. You cannot let the children feel free to go in and out because it would disturb other children. And I hope you can check Emily's homework when she says that she has finished it. She has sometimes come back home late but with some homework still unfinished.* (Sara, Lily Library parent interview)

There were a few parents who did not offer any comments on the services that they had received as they thought that everything was fine with them.

> *There is no reason to expect more as I think the Lily Library has already done a good job for migrant children. I know they have made great efforts in running this library. Besides, the undergraduate students have their own work to do, they cannot stay here all the time. I can understand their difficulties.* (Jacob, Lily Library parent interview)

7.5 Conclusion

This chapter has explored parents' expectations of social enterprises and their opinions on the services which they have received. It began by introducing the family contexts of the participant migrant families and showed that most of the parent participants shared some characteristics: long-term migration, lower education level and low-skilled professions. These characteristics influenced the way in which they raised their children and their children's routine life after migrating to the cities. This was followed by a discussion of parents' motivations for going to the Rose Centre and the Lily Library and the impacts which the Centres had on their children.

The majority of the participant parents were working women and they did not always have fixed weekly days off, nor did they have much time to visit the Rose Centre or play with their children. Consistent with the findings of previous studies on migrant parents discussed in Chapter 3, the majority of the parents had a lower educational level; they had limited ability to help with their children's schoolwork and little knowledge from their own education. Few of them chose to send their children to private school-work clubs as it cost too much for their family. Therefore they had the greatest motivation for their children's education to be helped by the two social enterprise Centres. Consequently, parents at both social enterprises suggested that 'better academic performance' was their greatest motivation for sending their children to these social enterprises, although this did not fit with what the social enterprises saw as their role. The primary aims of both social enterprises were not just to provide a homework club for migrant children, but the migrant children had nowhere else to go after school. There was no similar public children's centre nearby so the social enterprises filled the gap and satisfied the parents' great needs for their children's education.

Parents rated the top three perceived impacts on their children after joining these social enterprises as 'education', 'personality' and 'knowledge/skills'. The academic-related services provided by both Centres were rated as the favourite services by parents at both centres.

Although there were parents who only sent their children rather than go themselves to these Centres, there were a few parents who did go to the social enterprises for themselves. A few migrant women in this study in city A were housewives and had younger or many children to take care of. They chose to visit the Rose Centre because they felt that they had nothing to do at home. They had limited chances to access other private or public

entertainment places. Considering that the primary aim of the Rose Centre was to help migrant women's well-being, there were many activities provided for migrant women to fulfil their lives. Parents valued those activities and perceived that the Rose Centre was a comfortable and a warm place for them to visit.

Parents at both centres were generally satisfied with the services provided for their children. However, as the Lily Library's service was highly affected by its financial austerity, many activities had been cut in the recent past. Some parents at the Lily Library were a bit unsatisfied with the current services. Parents also highlighted the contribution of volunteers to the service-provision process. Both social enterprises relied heavily on volunteers and most of the programmes and activities could not be achieved without them.

This chapter concluded that parents generally had great needs in terms of their children's education. Although it did not fit with either social enterprise's main aims, both Centres nevertheless provided many academic-related services to migrant children and were highly valued by the parents. Many factors influenced the performance of the social enterprises during their service-provision process, and this will be discussed further in the discussion chapters.

The next chapter will explore the perceptions of the direct service users, migrant children. It will address their migrant life and how it influenced their needs for space and friends. It will also explore their attitudes to the received services and to both social enterprises in general.

CHAPTER 8: THE IMPACT OF SOCIAL ENTERPRISES: THE VIEWS OF MIGRANT CHILDREN

8.1 Introduction

The previous chapter offered a discussion of parents' motivations for sending their children to the two selected social enterprises and their views about the impacts which the organisations had made on their children. From the perspective of parents, the greatest need was for help with their children's schoolwork performance and consequently parents found that the services provided by these social enterprises had positive impacts on children's school education, personality and knowledge expansion. The majority of them were satisfied with what the social enterprises provided. Parents highly valued the academic-related services provided by these social enterprises.

Migrant children, as the direct service users in this study, were interviewed in the form of focus groups. This section explores their experiences and perceptions of the received services. First, it addresses the routine life of migrant children with the intention of providing a context for what they usually did every day and how this context influenced their personal needs and expectations. Second, this chapter will explore children's perceptions of the received services and why they perceived the services in that way. Finally, it will consider the children's overall evaluations of and suggestions for both social enterprises.

8.2 Being a migrant child

Since no questions were asked about their routine life during the focus groups meetings, migrant children's stories were basically obtained from the interviews with their parents and from the observation data. As Table 7.1 showed (*see* Chapter 7), over three quarters of the families had more than one child in the household. It was common to break the 'one-child policy' in many rural areas of China. The common punishment for breaking this policy for rural residents is to pay a penalty based on their annual household income. People living in urban areas who break this policy, however, face much more severe punishments including a larger financial penalty, demotion or even expulsion from their work units. Most of the participant children (24 children from sixteen families) had been

raised by their parents in the two researched cities for many years. They lived in the same community as urban children, the urban village in this study. They were urban residents in a real sense, but without the local *hukou*.

8.2.1 Housing and routine life

Migrant children have typical characteristics in terms of their living conditions, routine life and their free-time arrangement. Most of the interviews with parents who lived in city A were conducted in the office of the Rose Centre. Only two of them were conducted at the children's home, so there were few opportunities for the researcher to see their living conditions. According to the limited experiences of visiting children's homes during the fieldwork, it was found that the migrant families normally lived in a private rented flat or house in the urban village in city A.

Since the researched area is one of the three biggest urban villages in city B, many migrants there choose to run small self-businesses as their livelihood. As shown In Table 7.1, nearly all of the participant parents in city B were self-employed in this urban village and it was more convenient to interview them than those who were not working in this urban village. Most of the parent interviews were conducted at their home or their family-run business site, except for one which was conducted on the street; I therefore had more opportunities to explore the housing and the living areas of migrant children in city B.

Hanna, Sofia and their younger brothers had lived with their parents in a one-bedroom flat for almost eight years. This was a less than 20 m^2 flat with one bedroom, one separate kitchen and one bathroom. There was no living room in this flat and only one king-size bed for four people to sleep on. Hanna slept with her grandparents who had moved to city B four years earlier. There was no separate study space for the children and they had to finish their homework on a chair or on the rooftop.

Tina and her younger brother lived with their parents in a loft in a six-storey building without a lift. This building was owned by a local landlord, as was the building where Hanna's family lived. The loft was similar to Hanna's home, a small one-bedroom flat for four people. Tina and her younger brother had to finish their homework on the only table in the house.

Hanna and Tina were not extreme cases in this study, even in this urban village; the observation data showed that most migrant families lived in similar cramped housing

conditions in city B. The observation data revealed that children living in city A had better housing conditions compared with those living in city B.

For a migrant child in this urban village in city B, going to sleep late in the evening was very common. During casual chats with the children, they said they did not go to bed until eleven o'clock.

Leah was a participant in one of the focus groups in this study; she was thirteen years old and she went to the Lily Library almost every day during the fieldwork period. Her parents worked far from home and could not return home during the lunchtime, so she and her younger brother had to buy street food for lunch every day. Her parents did not get home until seven to eight o'clock each day and it was rare for them all to have dinner before nine in the evening. Leah and her younger brothers had to take care of themselves while their parents worked. Parker, another participant in the focus group, was ten years old. His parents left him a key and he had to look after himself every day. His parents did not get back until ten o'clock in the evening. He also had to buy street food for his lunch and dinner. On one occasion he was severely punished by his parents because he did not come back home for the whole night. He slept at his friend's home without letting his parents know in advance.

Arya was the daughter of the founder of the Lily Library and was only seven years old. As was explained in Chapter 7, Arya and her family lived in the Lily Library and the Library office was also Arya's bedroom. Her parents could not stay with her during the evenings because they had two optician's shops to run (the closing time was around 22:00 for both shops). So Arya stayed in the library alone or with her friend Emily after the library had closed. She did not go to bed until eleven o'clock every day and this made it difficult for her to wake up early the next morning. Arya was a pre-school student in the local community school. Jack, the founder of the Lily Library, described his daughter's waking up experiences:

> *I don't have the heart to wake her up in the morning because she goes to bed late. So she is always being late for classes. Once she woke up at five in the early morning and she told us she was going to school then. She said that she was the first one to arrive and she had to wait for quite a long time outside before she could get into the school.* (Did you send her there?) *No, she did it by herself. It was fine.* (Jack , Lily Library staff interview)

Arya was only seven but she had been neglected by her parents for many years. She was thinner and smaller than other children of her age. During the fieldwork period, Jack and his wife decided to send her back to live with her maternal grandparents. She would have a new identity after the new school term – one of the 'left-behind' children.

Some migrant children at both Centres had to help with the housework at home. Noah was a third-year student at a junior high school in the local community of city A. He had to look after his younger brother Carter almost every day. Carter was seven years old and attended the same school as Noah. Noah took Carter to school and picked him up from school every day. Noah had to keep Carter company during the weekends when their parents were working.

Leo lived in city A; his family had two restaurants in the local community and he had to stay at home to help with the business, especially during the weekend. He never got a chance to attend the outreach activities organised by the Rose Centre because he was forced to stay at home to help his parents.

Jason and Caleb were primary-school students and they had been attending the Lily Library for four years. Their family ran a small breakfast restaurant in the urban village and the family lived in the restaurant as well. The interview with their parents was conducted in the afternoon at this restaurant. When I arrived at this restaurant, Caleb, the younger brother, was helping by stirring soya. Andy, their father, was grateful to his sons:

> *They began to help us before they went to the primary school and Caleb was only four years old at that time. They wake up early in the morning and help with the business every day including the weekend mornings. They take turns to have breakfast during the peak time. We are only busy in the mornings. They have a lot of school work to be finished on weekdays so they do not have to help with the business after school. They have dinner and then go to bed early on weekdays. They don't need to buy lunch on the street since we are at home all day.* (Andy, Lily Library parent interview)

8.2.2 Parental supervision

There was no question asked about their parenting style and supervision of their children, although several parents mentioned this during their interviews. Seven interviewed parents from these two centres said that 'reprimand' or 'physical punishment' were the most common ways of dealing with children's behaviour.

I was not well educated so I put everything on my children. I hit them when they get low grades for their schoolwork, like 60s or 70s [out of 100]. *I felt that physical punishment didn't work so I gave up beating them. But other parents told me that was because I was too kind to a bad child. They told me that only physical punishment can solve the problem.* (Becky, Rose Centre parent interview)

I choose to reprimand them if they don't listen. I have no patience and I beat them up when I am angry. Some parents choose another warm and kind way to communicate with their children, but I found it was very hard for me especially when I am doing business. (Ruth, Lily Library parent interview)

I reprimand her. Her father has enough patience to talk to her. I cannot do that – perhaps this is a symptom of the menopause. (Brooklyn, Lily Library parent interview)

Many parents were used to expressing negative emotions towards their children rather than a warm, kind and respectful way to communicate with them. Some parents also mentioned the parenting role of the father in their household. Four participants said that the father spent much less time on parenting and often applied the same negative parenting, including shouting, reprimanding and physical punishment.

William has been frightened of his father since he was a little child. His father inflicts more serious physical punishment on him than me. His father always expresses his anger towards the boys without distinguishing right or wrong. He never talks to them, just simply hits them. (Becky, Rose Centre parent interview)

There is nothing new but only reprimanding him when he comes back. He always shouts at Justin 'Why are you still doing your homework? What did you do earlier?' I feel very annoyed as well as Justin. (Ella, Rose Centre parent interview)

When Ella and Kate were asked what courses would they have the greatest motivation to attend in the parenting club, both of them were keen to learn more about the right way to communicate with their children and their husbands.

8.2.3 School education

Most of the migrant children who lived in city A went to a migrant school whereas all the researched migrant children living in city B went to the local state school. Only Edith's and Anna's children were sent to a state school in city A. Edith's husband was an engineer who

had graduated from a proper university in city A. Other parents who lived in city A found it very difficult to send their children to a state school:

> *I could not send them to a state school. The state school requires 'five documents'. We do not have social insurance certificates. Even if you have this certificate, it is still difficult.* (Jenny, Rose Centre parent interview)

Jenny had to send her two children to migrant schools instead. However, compared with the free state-school education, the tuition fee at the younger brother's migrant school was as expensive as £1600 per year. Kate and Ella did not like the migrant school which their children attended. They were planning to send them to the local state school instead. However, they found that the school admission policies were becoming stricter year by year:

> *It was required that both parents had to submit their social insurance certificates for at least four months this year. Last year they only needed one parent's social insurance certificate. The documents would be reviewed by the local government, then by the district government and finally by the Education Bureau! In addition, it was required that the social insurance had to be paid to the local district rather than another district![19] My husband had a friend working in the Education Bureau but this did not help. He could not use a forged document because that was illegal* (Ella, Rose Centre parent interview)

During conversations with children in the Rose Centre during the observation period, some of them stated that they planned to leave city A when they finished their primary-school education. They said that they had no obligation to enter, or that it was very difficult to enter, the state junior-middle schools. They would be sent back to their hometown and would continue their studies over there.

In city B, all the participant children attended the same local state school as the local urban children. According to the government policy on school admissions in city B, "Migrant children can apply for a primary-school place if they can submit the documents below to the local Education Bureau: Residents Permit, one parent's working contract or issued Business licence, the booklet of Registered Permanent Residence (the *hukou* booklet), both parents' Identity Cards, a Permission to Study in city B from the registered place

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[19] Which meant that both parents had to work in the local district.

government, and a Certificate of Vaccination or Prophylaxis (six documents in total)" .
Parents found that it was not difficult to apply for a state-school place for their children.

> *That was not difficult for us. We just took the documents to the local Education Bureau and that was all. A Certificate of Vaccination or Prophylaxis is quite important and we took it with us wherever we were living. We queued overnight and feared being turned down. But actually they wouldn't reject your application as long as you have got all the right documents. They had to accept our children.*
> (Sara, Lily Library parent interview)

As described in Chapter 3, migrant schools are often criticised for their lower educational quality and poor educational facilities. In this study, many interviewed parents complained that 'the teaching quality in the migrant schools was too bad'. Lucas had lived in city A for over seven years. He attended a migrant primary school but he entered a state school when he started junior-middle school. But he failed all the school courses in the first examination after he entered the state junior-middle school.

> *He could not catch up with his classmates when he first went there* [the state school]. *He didn't know how to deal with his schoolwork because he had never been taught that knowledge before. He was left seriously behind by his classmates. For example, when he first went there, his classmates already knew how to calculate multiplication but he had only just learned how to calculate addition and subtraction!* (Anna, Rose Centre parent interview)

> *I heard from Noah that many of his classmates did not want to study there anymore. That was because this migrant school does not have enough teachers. One teacher often teaches several different courses. They have fixed Chinese and Maths teachers, but for the rest of courses, the school cannot find professional teachers for each course.* (Julianna, Rose Centre parent interview)

There was a common phenomenon for migrant children in both cities that many of them were sent to privately-run interest classes. Fourteen of the twenty-four children were sent to interest classes at the weekends. Parents either chose clubs related to school courses such as English and Maths classes, or they chose interest classes. Parents had great expectations of their children's schoolwork performance. Some parents spent a considerable amount of money on those private interest classes. Jacob had two daughters and one son and he had lived in city B for over twenty years:

I have made a lot of effort and invested a lot of money in my children's education. I spent more than £1000 for my elder daughter on her interest classes. I spent much more than other migrant parents on education because I hoped she could achieve more throughout the rest of her life. Life is very difficult if you have not graduated from an outstanding university. (Jacob, Lily Library parent interview)

8.3 Children's perceptions

Focus group meetings were conducted with migrant children who had been receiving services for more than three months in either one of the Centres. These two focus group meetings were conducted in the Centres' activity rooms and lasted for around one hour for each group. Tables 8.1 and 8.2 show the demographic information of each participant in each focus group.

Table 8.1 Participants in the Rose Centre

Name	Gender	Age	Grade
Claire	Girl	10	Year 4
Melody	Girl	10	Year 4
Mia	Girl	10	Year 4
Alice	Girl	9	Year 3
Jasmine	Girl	12	Year 5
Easton	Boy	11	Year 5
Leo	Boy	11	Year 5
Thomas	Boy	12	Year 4

Table 8.2 Participants in the Lily Library

Name	Gender	Age	Grade
Bella	Girl	9	Year 3
Mila	Girl	Unknown	Year 3
Sofia	Girl	9	Year 3
Austin	Boy	11	Year 4
Sam	Boy	Unknown	Year 4
Daniel	Boy	10	Year 3
Robert	Boy	9	Year 2
Gabriella	Girl	Unknown	Year 4
Evelyn	Girl	Unknown	Pre school
Arya	Girl	7	Pre school
Leah	Girl	13	Year 6

In the Rose Centre focus group, there were eight participants, five girls and three boys. In the Lily Library, there were eleven participants, seven girls and four boys. Five questions were asked in the form of group activities. The children were asked about their reasons for going to that Centre, any activities which they had ever attended, their favourite activities, their least-favourite activities and their overall evaluation of the Centre.

8.3.1 Motivations of the children

Children were asked the reasons why they were sent to the Centre at the beginning of the focus group. Different reasons and motivations were offered by the children at the Rose Centre including getting help with their schoolwork, playing games with other children and being recommended by friends. Most of the children who joined the Lily Library were 'recommended by friends' and attracted by the large collections of books.

Snow recommended me to come to this centre. Once, we were asked by the schoolteacher to read a book but I did not have that book. I asked Snow and she told me that the Lily Library had several copies of this book. (Sofia, Lily Library migrant child)

Only three of the nineteen children in both focus groups said they went there to finish their homework or improve their schoolwork performance. This was different from the views of their parents reported in Chapter 7.

8.3.2 Received services

The migrant children were asked to recall as many activities as they could which they had ever attended in the Centre. Several archive photographs were prepared before conducting the focus groups with respect to the key services provided to children. Those photographs were selected by the researcher and the staff in both Centres. Matched photographs were stuck on the blackboard to show the activities. Activities which were recalled by children but did not have a matching photograph were written on the blackboard. Those photographs that were not remembered by the children in the focus groups were left unused. The meaning of each photograph stuck on the board was carefully clarified as some photographs represented a number of different activities. The results showed that all the key services provided by both Centres were also remembered by the children.

The results shown in Photos 8.1 and 8.2 were mainly used in the next activities. In the Rose Centre focus group (Photo 8.1), the photographs stuck on the board represented (from the left-hand column and from top to bottom): winter school, outreach activities, interest clubs, after-school services, the 1-to-1 Company Programme, sports day, watching performance (handwriting), draughts, summer school, watching movies, and drawing classes. In the Lily Library focus group (Photo 8.2), the photographs represented (from the left-hand row): outreach activities, reading and borrowing, handcraft class, after-school services, drawing classes, watching movies, dance class, playing draughts, summer school, tidying the library (handwriting), and weekend classes conducted by volunteers (handwriting).

8.3.3 Favourite activity

Two post-it notes were distributed to each participant to choose their favourite activities in the Rose Centre. One post-it note was distributed to participants to choose their favourite activity in the Lily Library.

Photo 8.1 Favourite activities in the Rose Centre

In the Rose Centre, the most favourite activity was the outreach activities. Six out of the eight children voted for this activity. The photograph was taken when they had once gone to a cinema to watch a cartoon movie. I clarified many times to the children that this photograph represented a range of outdoor activities including visiting a museum, visiting famous parks and similar trips out. According to the focus group recording, five of the six children who voted for outreach activities were girls. Several children explained that going outside was 'interesting'. When they were encouraged to use other words to rate this service, Claire explained that:

> *But that was the only reason why we chose it! Actually I would have voted for all outdoor activities if I could.* (Claire, Rose Centre migrant child)

Other girls explained that they could see 'beautiful scenery' outside and many 'interesting things'. There was only one boy, Leo, who chose the outreach activities as his favourite. He explained:

> *Because I never attended the outreach activities ... I had to stay at home and help with my family's restaurant ... I cleaned the tables, collected money and took orders from customers ...* (Leo, Rose Centre migrant child)

The 1-to 1-Company Programme only got four votes, which was different from the parents' preference; this was the favourite programme in the views of parents. The four children who voted for it explained that the volunteers could help with their schoolwork and played games with them.

There were two children who voted for the winter school programme, and they explained:

> *We had great fun during winter school. We played many games and small competitions. .... We didn't have such activities in our school.* (Easton, Rose Centre migrant child)

There was one vote for 'watching films' and two votes for 'interest classes'. No-one chose the after-school services provided by the Rose Centre. Overall, eight of the sixteen votes were for outdoor activities. Most children preferred to participate in those non-schoolwork-related activities.

Similar results were found in the Lily Library, as can be seen in Photo 8.2. Since the number of children who participated in the focus group there was eleven, only one post-it note was distributed to each child. Five of the eleven children voted for 'watching films' and they explained:

> *You only need to sit on the chair, nothing more.* (Sam, Lily Library migrant child)

> *I couldn't watch those films at home* [on a computer at home]. *It would cost me money, and so does the cinema. But it was free watching films here. Besides this, I only attended reading, doing homework and handcraft classes in the Lily Library. They were all boring, but watching films was good for me.* (Leah, Lily Library migrant child.)

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Photo 8.2 Favourite activities in the Lily Library

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The second-favourite activity in this focus group was 'outreach activities', which received three votes. Sam said that there were many planned activities when they went outside and he enjoyed them very much. The remaining three votes were given to two interest clubs: the dance class and the drawing class. Bella explained that this was because there were many children in the Library and they could draw together. It is notable that no child voted for any schoolwork-related activities in the Lily Library. The aim of the Lily Library was to provide a safe and comfortable environment for children to study and to read, but no child voted for its after-school services or library services.

Overall, the results from both Centres were quite similar in that the migrant children preferred to attend non-schoolwork-related and dynamic activities instead of 'static' activities such as reading and doing their homework.

8.3.4 The least-favourite activities

Photo 8.3 The least-favourite activities in the Rose Centre

One blue post-it note was distributed to each participant to choose their least-favourite activity in the Rose Centre. The results were distributed between two activities: 'draughts competition' and 'outreach activities'. Six of the eight children voted for the draughts competition. For most of them this was because they did not know how to play draughts. Melody also explained that:

> *Because this competition only chooses the best player. I lost the competition and only the older children can win.* (Melody, Rose Centre migrant child)

It was surprising that two of them chose the 'outreach activities'. The children who voted for this explained that it was because they had felt car-sick and extremely uncomfortable

after sitting in the car for a long distance. But they also explained that they liked the outdoor activities but only hated having to go in the car.

Children from the Lily Library picked five least-favourite activities in the focus group. Surprisingly, 'reading and lending services' was voted the least-favourite activity. Leah said 'it is too noisy to read here'. Sam voted for this service because he felt that it was complicated to apply for a Library card there. Austin complained that the books were displayed in a very bad order and it was hard to find the book he wanted to read. Considering the aim and main services provided for migrant children in the Lily Library, it was disappointing to see that many of them did not like its library services.

Photo 8.4 The least-favourite activity in the Lily Library

A few children voted for the drawing class, the dance class or playing draughts. Robert voted for the drawing class and he complained:

> *It was too noisy when I was drawing here. It disrupted my imagination.* (Robert, Lily Library migrant child)

There was a similar situation in the Rose Centre: three children who voted for the dance class and draughts explained that these activities were too difficult for them to learn.

Overall, children in both Centres had least motivation to attend activities that were too difficult for them to learn. Most of the migrant children who attended both Centres went there for relaxing and getting away from doing schoolwork and competitions.

8.3.5 Overall evaluations and suggestions

Thermorate was employed in the focus groups to uncover the children's feelings about both Centres, as was explained in Chapter 5.4.3. The higher the temperature on the thermometer meant the higher their satisfaction was with this Centre. In contrast, the lower the temperature meant the lower the satisfaction with this Centre. The children were asked to write down their reasons for sticking their post-it note to that temperature.

Photo 8.5 Overall evaluation of the Rose Centre

All of the participants put their sticker over the average temperature. Five stickers were put in the top quarter and the most frequent explanations were 'interesting', 'reading', 'fun activities', 'make friends' and 'playing with volunteers'.

> *Because of I had a lot of fun here. I could play with the brothers and sisters* [volunteers] *and borrow books here and write my homework here.* (Child from the Rose Centre)

> *It was because I hoped to make more friends and play more games here.* (Child from the Rose Centre)

> *I love it here! There are so many activities to attend. The staff are helpful and kind. I also like to talk to the volunteers!* (Child from the Rose Centre)

There were three sticky notes put in the second quarter. These children explained that 'some of the activities were interesting but some of them were not'. Overall, the children valued the services provided to them and would like to continue attending the Rose Centre. They were asked about their perceptions of the facilities in the Rose Centre and all of them shouted 'Very good!' Easton explained that they could play many games and activities in the yard including hide-and-seek, basketball and skipping ropes. One girl said 'I would be overjoyed if my home was as big as the Rose Centre'. Many children mentioned the importance of 'enough space' for them. Consistent with the views of social enterprise officers which were discussed in Chapter 6, creating enough space for migrant children was one of the most important rationales of the Rose Centre.

Children who attended the Lily Library also thought highly of that Centre. All their sticky notes were put over the average temperature, as Photo 8.6 shows. According to their explanations, 'doing homework', 'reading and borrowing books' and 'activities' were mentioned many times.

> *I just love the Lily Library because there are so many books here and I love reading.* (Child from the Lily Library)

> *I can draw here and they also offer us free schoolwork tutorials.* (Child from the Lily Library)

> *I like the Library because I can read here, play chess here. It doesn't impose any burden on me.* (Child from the Lily Library)

This result was a bit inconsistent with their perceptions of their least-favourite activities. As discussed earlier, 'reading and borrowing books' was selected as the least-favourite activity in the Lily Library.

Photo 8.6 Overall evaluation of the Lily Library
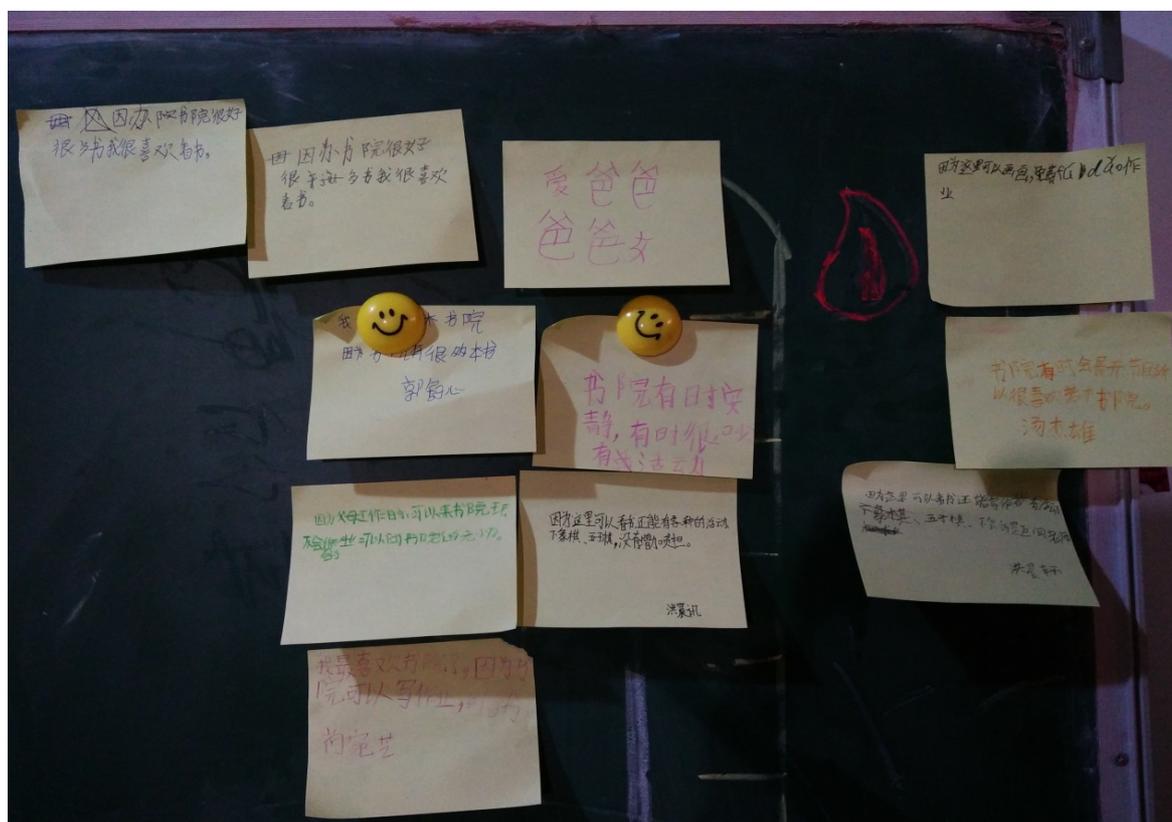
According to the fieldwork notes, there were four Year 6 students (Tina, Leah, Dell and Jane, all around thirteen years old) who went to the Lily Library almost every day. Jane had been attending the Lily Library for over four years and she had attended almost every activity provided in the Centre. However, they all frequently complained to the researcher about everything in the Library. For example, they complained that the books were messy and that the facilities were poor; they also complained about Lucy's work (Lucy was the only staff member employed in the Lily Library) and said that she did not do anything to make the library better; she always stayed in the office doing her own business. However, when they were asked about their overall perceptions of the Library, they all said that they loved the Lily Library, but they meant the old Lily Library (before the financial reduction); they felt disappointed with the current Library.

During both focus group meetings with the children, they were asked to provide any suggestions for the Centre. Most of them said that they had no suggestions, as it was already very good. Easton at the Rose Centre suggested that someone should 'clean up the yard to have more space for children'. Some girl participants wished 'please let the volunteers not take photos of us during the activities as we don't like to be caught on camera'. Children from the Lily Library said they did not have any suggestions for the library.

8.4 Conclusion

This chapter has revealed that migrant children are more likely to live in overcrowded housing and poor neighbourhoods. Owing to the design of the urban villages, those children lacked private home space and public outdoor space, let alone green open spaces. The increasingly high volume of road traffic had made the outdoor spaces unsafe for play. These migrant children had a great demand for 'space'. At the same time they were more likely to experience harsh parenting and poor school education. The previous chapter found that migrant parents had very little time to spend with their children because they were working long hours. Migrant children had to look after themselves during the daytime. Many migrant parents expressed negative emotions towards their children rather than a kind and respectful way to communicate with their children. Under the current *hukou* system, public services offered little support for their education. Children who lived in city A had to go to more basic migrant schools, which were regarded as having poor teaching quality, than children with a local *hukou*, even though some of them had lived in this city for all or most of their lives.

These migrant children had limited pleasant and safe places to go and found it difficult to have peers, friends and families to stay with after school. There was high demand for space and company for these migrant children. In this difficult condition, the two Centres seemed to be offering caring and enjoyable experiences which many of them really valued. Although the performance of the social enterprises had been restricted by a number of factors including financial uncertainty and managerial issues, both social enterprises did provide a safe place and many interesting activities for migrant children, which fulfilled their needs. So it is no wonder that both parents and children were very happy with these social enterprises and would like to continue to attend both enterprises.

The next chapter will explore the perceptions of local authority officers on social enterprise. It will also present a review of policies and legislation related to social enterprise. It will address how local contextual factors influence the performance of social enterprises.

CHAPTER 9: THE IMPACT OF SOCIAL ENTERPRISE: THE VIEWS OF LOCAL AUTHORITIES

9.1 Introduction

This chapter explores the attitudes of four local government officials, two in each city, examining their views on social enterprises and their impact on migrant children. Eason and Chloe worked in city A and Mila and Nora worked in city B. However, these two cities are not on the same administrative level: city A is one of the four municipalities in China, which is equivalent to province-level government, whereas city B is a city-level government.

As explained in the Methodology chapter, Chapter 5, it took a while to identify these four interviewees, especially two local authority officers who worked in city A. Eason and Chloe were eventually identified as appropriate participants. Eason was identified because of his own interests in social enterprises and other aspects of social entrepreneurship activities (*see* Chapter 4.2.3). He worked in a subordinate section (but refused to mention his job-title or institution) directly under the city A municipal government and was in charge of researching and drafting general social development policies. He had been researching social enterprise and social entrepreneurship for at least five years at the time of interview. Chloe worked in the Children's Work Department of the National Women's Federation,[20] a state-level authority, as a senior director (she declined to give her job-title). She was selected because she was a good informant on children's benefits with many years of experience. Staff at the Rose Centre indicated that they did not wish to be named (either by their own names or the institution's name) in the interviews with government officers, so only general questions about social enterprises were asked during both of the city A interviews.

Mila and Nora both worked in the local Women's Federation office in city B. Nora was the street-level director of the local Women's Federation and Mila was the district-level director of the local Women's Federation office. They were more easily accessed as they both had contacts with or had known Lily Library during its operation. Their views on the operation of the Lily Library were therefore asked in the two interviews.

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[20] The Women's Federation is a non-government organisation in China but is directly led by the Central Party Committee. It is responsible for women's and children's benefits, representing and protecting women and children's rights, and promoting gender equality (All-China Women's Federation, 2016). The Women's Federation is the only official authority especially for women's and children's benefit in practice.

This chapter begins with an exploration of their views on migrant children's difficulties. Their general perceptions of the *hukou* policy and its impact on migrant children are then explored. Then this chapter explores the officers' views on social enterprise and its emergence to respond to the difficulties caused by the *hukou* policy. Third, this chapter explores the role of local government in the operation of social enterprises. Attitudes to the relationship between local government and social enterprises are also discussed. Finally, the officers' views on the impact and potential of social enterprises will be explored.

9.2 'Social Enterprise' working with migrant children

9.2.1 The hukou policy and migrant children

The *hukou* policy has had a great impact on migrant people's welfare in most of the mega-cities in China, as discussed in Chapter 3. The four local authority officers selected for interview were asked about their perceptions of migrant people and their difficulties. However, their statements revealed different attitudes towards migrant people in the two cities. City A is one of the mega-cities in China which has attracted millions of migrant people from other provinces. The interviewed officers admitted that migrant children were marginalised from mainstream welfare and indicated that the government was trying to solve this problem by changing policies at every level. However, this process was confronted by many pressures and difficulties for the host city, so stricter rules on migration to city A were being applied:

> *City A has had such a great number of migrant people and it cannot afford any more. There are many conflicts between local people and migrant people as the public resources are limited. This puts great pressure on the host government. It has resulted in a stricter population policy to control migrant people.* (Chloe, city A local authority officer interview)

In contrast, the local government officers who worked in city B did not see any conflict between population policy and the services provided for this group of people:

> *We appreciate any services as long as they are good for residents. We care about migrant people's welfare as well. For example, we have invested a lot in fundamental infrastructure, including underground construction, electrical constructions and so on. We need a lot of workers to contribute to those constructions and, in reverse, migrant people also benefit from those*

establishments. We have cared for those migrant people for years. (Mila, city B local authority officer interview)

These two statements suggest that there were regional differences on *hukou* policy. These differences can be understood by considering the central/local financial system policy. Since 1994, China has carried out Tax-sharing Reform to redistribute central and local funds in order to regulate the central/local financial system. Under this system, the local provincial-level government has to pay for the social infrastructure and social welfare cost itself. The 2010 PRC Population Census results showed that 67.10% of the permanent residents in city A were cross-provincial migrants, whereas only 0.06% of the permanent residents were cross-provincial migrants in province C (city B is the provincial capital of province C). Under the tax-separating system, the city A government has to pay for the cost of these 67.1% cross-provincial migrants, which is undoubtedly a massive burden on the local government finances.

9.2.2 The emergence of social enterprise

The comments made during the interviews with the four local government officers suggested that social enterprises had emerged on account of the weaknesses of state arrangements for delivering public services, as has been the experience of many other countries (Kerlin, 2010). Eason, who had researched social enterprise, talked about the historical context of the emergence of social enterprise in China:

> *As far as I know, the first time that the term 'social enterprise' was mentioned in government files was around 2010. That was the first time for the term 'social enterprise' to be introduced as a province-level policy. Actually, there had been social enterprises in practice for a long time, as early as the 1950s. The 'social welfare enterprise' could be seen as the early form of social enterprise, although this type of social enterprise was mainly controlled by the state at the beginning. Now, it* [social enterprise] *will be one of the reform directions for many civilian-run non-profit organisations* [a typical quasi-social enterprise organisation in China, see chapter 4], *and other third-sector organisations in the near future.* (Eason, city A local authority officer interview)

Eason's view on the historical context of social enterprises was consistent with the findings of previous Chinese studies (*see* Chapter 4.3), that quasi-social enterprise organisations or practices had existed since the 1950s. He argued that social enterprise evolved from social welfare enterprises, rather than being an entirely new entity in China. Although they used

different names and forms, both organisations shared something in common: they worked for the social good and they employed a business approach.

All four interviewees mentioned that the emergence of social enterprise was to make up for the lack of sufficient local government social services. The local authority officers who worked in city A emphasised the importance of social enterprises in filling the gaps in social services:

> *The situation in China is very complicated. The central government has a lot of things to do in the social welfare domain. The population of China is huge, and there are a variety of needs to fulfil, which provides many opportunities for social enterprise involvement in providing services. These social services cannot be delivered solely by government as this is impossible. What the government can do is to protect migrant children from a policy perspective, promoting equal development of children. In this case, the local governments need lots of social organisations to get involved.* (Chloe, city A local authority officer interview).

Chloe did not explain what kind of social organisations should get involved. According to the interview context, the social organisations mentioned here should be understood as general third-sector organisations (*see* Chapter 4), including social enterprise, voluntary organisations and family economy organisations.

The two officers in city B similarly emphasised the ability of social enterprise in providing social services. The city B council was establishing a 'Women's and Children's Centre' in every district in that city. Women's and Children's Centres offer families with children a safe and informal place to play with other children and meet other parents, and provide a variety of services for women and children living nearby. However, no Women's and Children's Centre had been built in the urban village discussed in this study, and the Lily Library filled this gap, as Nora explained:

> *I appreciate the services provided by the Lily Library. We* [local government] *cannot do everything. Sometimes we may not perceive the need of some groups of people. He* [Lily's founder] *considered this and looked after them. The Women's and Children's Centres were planned to be established in stable communities, rather than those that will not last for a long time, like the researched urban village which will be demolished by 2017. So the local government has little motivation to open a new centre in this urban village. In other words, he helped us by*

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undertaking some social responsibility which was previously managed entirely by the government. (Nora, city B local authority officer interview)

This statement also shows that there was a lesser commitment to migrant people in this city compared with other people in the city. This point of view is inconsistent with Mila's perceptions towards the migrant population.

9.2.3 Recognition of social enterprise

All three participants who had heard of social enterprise had similar understandings of this terminology. They all mentioned 'social purposes' and 'business approach' as key elements of social enterprises. In Mila's opinion, the local government officer who worked in city B, social enterprises should be distinguished from a purely non-profit organisation which operates without any business income.

> *We had visited some similar institutions in Shanghai. There were a few purely non-profit institutions. Most of them were charities with a business income model, or membership-based institutions so that they can earn from membership fees. There were many ways for social enterprises to earn a small profit. However, it was not run for profit, they only wanted to cover their costs.* (Mila, city B local authority officer interview).

Chloe, the local authority officer interviewed in city A, also mentioned that a 'small profit' is as important as social aims for social enterprises:

> *Although a social enterprise is run for the social good, it can still earn some 'small profit' through service provision. It isn't like other traditional for-profit organisations; it aims to provide some social service. I hope social enterprises can survive on their own.* (Chloe, city A local authority officer interview)

These officers thought that a business income is a typical characteristic to distinguish social enterprises from charities and they also knew that social enterprises are not run for the sake of a business income. However, they only mentioned the social aims and business income (a double bottom line); no other characteristics were mentioned during the interviews, for example, autonomy or democratic governance, as was discussed in Chapter 4.

Eason, in city A, was very familiar with social entrepreneurship-related topics. He preferred to use a broader definition, 'social innovation',[21] rather than social enterprise when he was talking about government policies. As discussed in Chapter 4, social enterprise, social entrepreneurship and social innovation have struggled with definitions and boundaries. These concepts overlap in the fields of their ideas, products, services and the fact that they operate for a social good. However, social enterprises are generally to be seen as substantial organisations and mechanisms fitting within a broader social entrepreneurship spectrum (Dees, 1996). Eason gave the key characteristic of a social enterprise:

> *It introduces a strategy of using a market approach to solve social problems, and also cares about its business sustainability as well as environmental impact.* (Eason, city A local authority officer interview)

He thought that social enterprises should care about triple bottom lines: social goods, business sustainability and the environment, an idea which was not mentioned by other officers in the interviews. Eason also said that in the future the government would give a broader framework for these types of organisation rather than restricting them into a narrower definition.

Unlike many countries in the world (the CIC in the UK and the Benefit Corporation in the USA, for example), as discussed in Chapter 4.2, which have already outlined policies in action to identify and regulate social enterprises or, more broadly, social entrepreneurship, there was no official understanding about what social enterprise is in China at the time of this study. However, social enterprises, or broadly, social entrepreneurship, have been intensively discussed in many policies and by social enterprise practitioners. The interviewees thought that a social enterprise is a type of organisation which should be distinguished from traditional for-profit organisations and traditional non-profit organisations, combining social aims and business aims, sometimes even environmental aims, which is consistent with the broader understanding around the world. However, none of them mentioned any specific characteristics of social enterprises which are also broadly discussed around the world, for example, democratic governance and innovation.

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[21] Social innovation is "new ideas (products, services and models, markets, process *etc.*) that simultaneously meet social needs (more effectively than existing solutions) and lead to new or improved capabilities and relations and better use of assets and resources. In other words, social innovations are both good for society and enhance society's capacity to act" (The Young Foundation, 2012: 18).

9.3 Local government and social enterprise

9.3.1 The role of local government

Social enterprises operating in the local community offer a variety of services to community residents. Three local authority officers emphasized the important role of local government in the operating environment of social enterprises; the fourth officer stressed the role of local government in response to migrant children's difficulties.

Three of the four interviewees highlighted the role of local government in the operation of social enterprise as policy guider and co-operator.

> *In this area, the role of local government should be policy guider and co-operator. You* [a social enterprise] *could report to me if you have any difficulties in your daily operation. The government would consider providing you with any available support. But social enterprises have always been in the leading position and the government just provides any available assistance to them.* (Nora, city B local authority officer interview)

Mila explained the policy context of why local government worked in this way. She referred to the trend of decentralisation for delivering governance power to lower-level authorities and communities in city B.

> *After the 18th National People's Congress* [in November 2012]*, the government moved towards decentralisation. The government tried to distribute the functions and empower the local communities. The government would not take care of everything but would recruit and encourage more third-sector organisations to get involved in the social services. In this case, the government chose to guide those organisations in a broader policy domain, rather than administer them directly.* (Mila, city B local authority officer interview)

Apart from the general role which local government played, Eason summarised three specific government approaches to supporting social enterprises: providing policy support, creating cooperation opportunities and providing funds. His attitudes to the first two functions were similar to those of the officers interviewed in city B.

> *More and more polices are being proposed to guide the operation of social enterprises or similar social innovation organisations. The 'City A social*

development during the 12th Five Year Plan' emphasised the importance of social enterprises in providing social services.[22] *Furthermore, the 13th Five Year Plan also stressed the importance of social innovation and social enterprise within this domain. This is the guidance from the policy domain. Actually those policies were more efficient than official laws, because they were faster and easier to implement than laws.* (Eason, city A local authority officer interview)

In addition to the stated policy guidance for social enterprises, Eason also underlined the other efforts made by local government. He stated that the government had provided support for start-up social enterprises through incubatory institutions,[23] for example the *Shanghai Social Innovation Centre* and the *Shunde Social Innovation Centre.* Eason highlighted the "high autonomy" of those institutions, which is one of the key characteristics of social enterprise approved by the EMES network (*see* Chapter 4.2).

Financial assistance, especially 'government purchase' or contracts, is another significant field in which government had engaged to facilitate the growth of social enterprise, according to Eason. He gave the following example:

> *The government has provided seed capital to social organisations. As far as I know, nearly a hundred million yuan* [equal to ten million pounds at that time] *were distributed to social organisations every year. This was only a small amount of financial support compared with other departments such as education, health and sciences. There was no specific funding designed specifically for social enterprises in China and it would not be possible in a short time.* (Eason, city A local authority officer interview)

The interviews with Eason and the two local government officers in city B revealed that the local government and central government had made many efforts to encourage social enterprises in both cities. However, as Eason stated, some of the support, including financial support in city A, was not specifically provided for social enterprises, but for broader organisations with social aims, which included social enterprises, charities, foundations and similar organisations. Further investigation of this is needed in order to fully understand the financial arrangements in place in both this and other cities.

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[22] The 'City A social development during 12th Five Year Plan' (2011) stated that its intention was to "Improve social service policies and encourage the contributions of the private sector and the social sector. To support the development of social enterprises and encourage social enterprise and social organisations into social service provision" (page 17).

[23] 'Incubator organisations' refers to those organisations which offer substantial support for early-start-period social enterprises in terms of start-up funding and a series of training sessions, until they can generate a cash flow of their own.

In addition to examining the role which government has played in facilitating social enterprise, Chloe (from city A) was asked about the role of local government in response to migrant children's difficulties. She thought that the government would take action in two aspects: policy improvement and service provision.

> *First, the job of my authority is to guarantee the implementation of migrant children-related welfare policies. We aim to achieve an equal environment for migrant children in terms of their educational opportunities and health treatment opportunities. Second, the local authority prefers to cooperate with professional social organisations collectively providing social services. For example, we would purchase services from social organisations to provide mental health consultancy services for migrant children, or we would work with community centres to provide informal activities for migrant children including playing with migrant children or helping them with their schoolwork. We choose to cooperate with social organisations because they have the professional skills and most of them have grown from the local community so they are familiar with the local community and its needs.* (Chloe, city A local authority officer interview)

These accounts show that social enterprises potentially had an opportunity to develop in these two cities in China as there was policy support and the possibility of accessing a variety of financial support. The macro socio-political environment was in favour of the development of social enterprises and other third-sector organisations from the perspective of government officers. However, further data is needed in order to know how much support was actually provided for those organisations.

9.3.2 The operation of the social enterprises in the study

The four local authority officers also gave their views on the strengths and weaknesses of social enterprises in general and of the Lily Library in particular. As I was not able to mention the name of the Rose Centre, I described its operation in general terms but omitted its name in the interviews.[24] General questions about similar social enterprises were put to the officers in city A instead. Both officers mentioned the potential of this kind of social enterprise in providing public services and they underlined the importance of building their capacity.:

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[24] The interviewer described how this social enterprise supported migrant families, especially migrant children, living in the urban village; how it had its own business income which was not significantly related to its social purposes; how it did not have much support from any specific private company, nor from local government.

I can see many similar social enterprises in city A to what you describe. These social enterprises have to strengthen themselves in every aspect in order to survive the competition. They can find their distinct competitive strategy to survive longer. Although they do not have any support from big private companies or government, they can still do something that other people cannot do. They have identified specific needs for social services and the endeavour to fulfil these needs. I believe that this is going to work as there are so many kinds of needs to be met. (Chloe, city A local authority officer interview)

She did not mention what kinds of competition she was talking about, but it might refer to the general competition for funding, customers and any kinds of resource which confront most third-sector organisations, as perceived by the researcher.

Eason had a similar attitude to these kinds of social enterprise:

This kind of social enterprise could ask the government for help. But social enterprises have a key characteristic, which is using a market approach to achieve social goals. This means that social enterprises have to survive competition. You cannot only rely on the government's support. (Eason, city A local authority officer interview)

Both officers believed that social enterprises have to find their own competitive strategy in order to win in the face of market competition.

The local authority officers in City B were asked about their views on the Lily Library. Mila had visited the Lily Library during the first years of its operation and was concerned about its later development. She appreciated the operation of the Lily Library in its early years; however, she had some negative perceptions of its performance, for example, the poor quality of the building and its business planning:

The workplace has many security risks. At first it didn't have a safe exit and the stairs to the library were very dangerous for children. The whole building was very old. In my opinion, it was not a safe place; at least it was not accepted [by local government] *considering the lack of fire safety.* (Mila, city B local authority officer interview)

Mila thought that the business plan of the Lily Library was too independent from local government, which she disagreed with and she thought that that was why the Lily Library had experienced low progress since it was established:

> *I think that Jack* [the founder of the Lily Library] *misunderstood some policies and attitudes of the local government. He wanted the centre to be entirely self-sufficient and remain absolutely independent from local government, which proved to be very difficult for this Library. He has great passion for his work but this isn't enough to grow the business. He is not good at communicating with government or understanding the government and policies.* (Mila, city B local authority officer interview)

9.3.3 Relationships with social enterprises

As discussed in Chapter 6.7, when the social enterprise officers were asked about their attitudes to local government, most of them showed negative impressions and distrustful attitudes. However, the local government officers held different attitudes to the relationship between government and social enterprises. The local authority officers thought that there were many opportunities to work with third-sector organisations and also affirmed that they had many opportunities for cooperation with those organisations:

> *For example, some organisations provide art education services to migrant children in order to improve their social inclusion. Some organisations offer a whole package of family-related services in a local community including care services for the elderly, women's services and children's services.* (Chloe, city A local authority officer interview)

However, the local government officers had their own concerns when choosing partnerships, which were "*the ability to perceive the community needs and the capacity to meet those needs*" (Chloe, city A local authority officer interview).

Eason had a similar attitude to this general relationship, but when Eason and Chloe were asked about their attitudes to social enterprises specifically working with migrant children, they appeared to be ambivalent:

> *This reflects the advantage of being a social enterprise. Social enterprises have to be involved in market competition and they have to obey the rule of the 'survival of*

the fittest'. Since there is no living chance for them in city A, what is the point of these social enterprises existing? (Eason, city A local authority officer interview)

Eason did not mention the attitudes of local government but he underlined the impact of the stricter population policy on those social enterprises. This attitude also corresponded to the perceptions of the social enterprise officers. As discussed in Chapter 6.7, Stella (an officer working in the Rose Centre) believed that the stricter *hukou* policy would urge many migrants to leave that community and therefore they might lose some loyal customers. Chloe also implicitly expressed her attitude to those organisations:

You cannot say the local government dislikes those organisations which support migrant people. Our government lacks public services and is confronted with high pressure to provide them. The government needs a long process to balance the conflict. (Chloe, city A local authority officer interview)

Eason and Chloe did not answer the question directly; however, their conservative attitudes to social enterprises can be understood as a concern over the huge financial burdens on city A, as discussed in previous sections. Also, their attitudes may have influenced the wider political environment of social enterprises working with migrants.

The local authority officers in city B were asked about their specific attitudes to the relationships between local government and the Lily Library. Mila and Nora stated that they had offered support to the Lily Library. Mila mentioned that the local government had wanted to cooperate with the Lily Library in the early years of its operation, but the offer was refused by Jack. Mila was strongly against Jack's operational strategy in terms of working alone and she mentioned this more than ten times in the interview with comments such as:

The Lily Library cannot survive much longer if he relies only on himself. (Mila, city B local authority officer interview)

His strategy is not right because he doesn't know to integrate resources. (Mila, city B local authority officer interview)

So Mila strongly disagreed with Jack's business strategy, which was to be independent from government. She thought that "integrated resources" were vital for further growth for most third-sector organisations, and that was what the Lily Library lacked. However, it was Jack's personal choice to maintain a distance from local government, as discussed in

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Chapter 6.7. He did not have any strong motivation to work with the local government. During the interview with Nora, the officer working in city B, she offered an opportunity for cooperation with the Lily Library and Jack:

> *If we are to have a Women's and Children's Centre in our community, I personally want Jack to be involved in this programme. He has had years of experience of running a children's service centre and we both provide similar services to children. Many volunteers are needed in the operation of a Women's and Children's Centre, and Jack has many volunteer resources. If Jack would like to take this new opportunity, I am willing to help him to apply for this job.* (Nora, city B local authority officer interview)

However, Jack refused to accept this offer because he did not want to work with government at all. As discussed in Chapter 6.7, Jack thought that cooperation with the local government was not a good choice for the Centre and he preferred to keep away from government. As he explained, the way that government approaches problems (using large amounts of money but only having small social impacts on local communities), was not what he was looking for. Unlike Jack's attitude, Lucy, the only member of staff working in the Lily Library, preferred to work with any group of players who could help the Lily Library to achieve its social aim, including local government. However, she appeared to have a limited voice on the Lily Library's governance. Consequently, Jack was unaware of some of the resources available from the local government. For example, Nora mentioned a scheme provided by the local government a year earlier in which the government paid for the interest club teachers, including drawing, dance and singing teachers, in the local communities. However, the Lily Library did not know about this opportunity because of the lack of trust between Jack and government.

In conclusion, the attitudes of the local government officers showed that such relationships would depend on broader contextual factors and various personal tendencies. The population policy might influence the operating environment of social enterprises in this case, and the personal attitudes towards government might lead to different operational strategies when working with government.

9.4 Social enterprises' social impact

The local authority officers in city A were more confident about the further development of social enterprises. They had noticed that social enterprises could recognise the local

residents' needs and respond to these needs quickly, which was one of their main advantages:

> *To some degree, social enterprises are influencing society, the way of doing things. Therefore, the development of social enterprise not only influences a single organization, but also a city, even a country ... Even though sometimes their impact is restricted to a small local community, it is still very good. For example, there is a social enterprise that provides a 'lunch table for the elderly' service to local elderly residents. This is fantastic because it resolves a local community problem!* (Eason, city A local authority officer interview)

The local authority officers in city B were asked about the social impact of the Lily Library. They thought the social impact of the Lily Library was very limited:

> *It must be very limited. It could not be more than that small district. Although they have promoted their services on many social media, I still think that their impact is restricted to a small area.* (Mila, city B local authority officer interview)

> *If it only provides a place for children to do homework and reading after school, I think that it would not be fully used. Sometimes the primary-school students prefer to stay outdoors rather than do indoor activities. The real value has not been fully explored.* (Nora, city B local authority officer interview)

They thought that the Lily Library could only benefit a local community rather than a broader area, which is quite different from the attitude of Eason on this same point. Eason appreciated their contribution in meeting local demands even it was only a community-based organisation. Considering that there was no similar public service in the local community, the social enterprises met some needs of the local community according to the views of migrant parents and migrant children (*see* Chapters 7 and 8).

9.5 Suggestions for growing social enterprises

The local authority officers were generally positive about the role that social enterprises play in providing services and had great expectations for them. They suggested that social enterprises should be professional, responsive to local needs, and should integrate any potential resources and strengthen the cooperation with different parties, including both the public and the private sectors:

First, social enterprises should be sensitive to general policies. They can catch the most urgent needs of the society. There are many different requirements from migrant families and the problems vary in different areas. Social enterprises should identify one or more needs of the local community and become deeply grounded in the local community. Second, a social enterprise should have a professional team and knowledge to deal with migrant children's problems. For example, we need professional psychological consultants to help with children's mental health. Many migrant families need professional guidance on parenting issues. (Chloe, city A local authority officer interview)

Eason also stressed the importance of social enterprises' organisational capacity:

Social enterprises have to survive market competition so they should be very flexible to respond to the market requirements. They also must have high-quality staff. Social entrepreneurship is very important for social enterprise practitioners, and social enterprise staff they have to be professionally trained. (Eason, city A local authority officer interview)

The local authority interviewees highlighted the importance of internal capacity building for social enterprises. Professional services and professional staff are vital for social enterprises to survive market competition. The interviewees in city B valued the external communications of social enterprises during their operation. Mila emphasised 'cooperation with the local community' more than twelve times in the interview:

You [social enterprises] *should cooperate with the local authority and local community to see if there are any available resources so that you could integrate local resources for further development, which is obviously better than working alone. You can see that any social organisations with impressive social impacts normally choose to work with government.* (Mila, city B local authority officer interview)

9.6 Conclusion

This chapter has explored the attitudes of four local authority officers on social enterprises in terms of the historical context, emergency provision, recognition, strengths and social impacts. This chapter has also discussed the role of local government in the operating environment of social enterprises and the potential of social enterprises in terms of further development.

The local authority officers working in city A thought that the migrant people brought great pressure for the host-government (city A) and consequently a stricter population policy was applied to them. This point of view was consistent with the findings of previous studies. In the local authority officers' view, this strict population policy and supplementary policies therefore resulted in difficulties for migrant children, which might also not be good for the further growth of those social enterprises working with migrant people. The stricter population policies might have encouraged many migrant people who were also the main customers of these social enterprises to leave this city. This point was also consistent with the perceptions of the social enterprise officers at the Rose Centre. They thought that the local government would not support their services, as discussed in Chapter 6. In contrast, the local authority officers working in city B demonstrated more concern for migrant people and also provided public services to them. They did not see serious conflicts between the population policy and those social enterprises. The different attitudes between city A and city B reveal the regional differences in terms of population and population policy which might lead to different operating environments for social enterprises.

In general, the emergence of social enterprises in China was derived from the inability of government to provide all the social welfare services needed. Social enterprises appeared and filled the gaps of government failure and market failure. The understanding of social enterprises shown by the local authority officers was consistent with the general understanding around the world, which is to use the market mechanism to achieve social purposes. Specifically, two officers identified 'small profit' as one key characteristic of social enterprise, which has not been raised in previous studies.

The local authority officers summarized the role of local government in practice: policy guider, incubator, and co-operator. They stated that the local governments were willing to work with social enterprises as long as they could provide good quality services. This attitude went against the social enterprise officers' attitudes towards local government. As discussed in Chapter 6, four of five social enterprise officers showed a lack of trust towards local government and preferred to be independent of local government. This attitude led to them being unaware of any resources available from government and the officers in city A stated that great efforts were made by the local government to support broader third-sector organisations, but how much effort or support has been made is something which needs further research.

The ability of social enterprises to perceive local needs and respond to them quickly was highly appreciated by the four local authority officers, even though it only worked in some specific communities. This could be seen as one of the competitive strategies of community-based social enterprises in the face of market competition. The local authority officers also affirmed the ability of social enterprises to provide public services and felt positive about their potential. They suggested that social enterprises could benefit from strengthening their internal organisational capacity and building effective external communications with other parties.

This chapter concluded that the development of social enterprises was contextualised. The relationship between government and social enterprises will depend on broader contextual factors, for example, the population and population policy as considered in this study. The growth of social enterprises was influenced by rapid policy changes. Social enterprises could benefit from policy support but they had to strengthen their organisational capacity in order to survive against market competition.

CHAPTER 10: DISCUSSION

10.1 Introduction

Migrant children were confronted with a variety of difficulties under the current *hukou* policy framework and its complementary policies. The use of social enterprises as a policy response has previously been under-researched in terms of their ability to meet migrant children's needs. The aim of this study was to fill the gaps in the knowledge about this topic and to explore the role of social enterprises in delivering welfare services to children who migrate within China through an exploratory ethnographic research study of two social enterprises.

The findings chapters were structured around the different participants in the study, reporting their views on service development and provision and their perceptions of the consequent social impacts of these services on themselves and others. These chapters explored motivations for attending to or providing these social enterprises/services, their understanding of the service provision process, and the social impacts made on children and families, or even on communities. The findings also raised a discussion about the perspectives of some local authority officers on their relations with social enterprises, their role in the operation of social enterprises, and the policy context in which social enterprises operate. The results indicate that the two selected social enterprises have devoted themselves to providing as many services as they could afford to migrant children with limited human resources, policy support, financial resources, network resources and other challenges. It was found that both parents and children were generally satisfied with what they received, as these services filled the gaps in policy and service provision, although some negative comments and suggestions were also heard from some participants.

To recap briefly, describing what social enterprises have achieved is important, as they need feedback comments and results in order to be able to make further organisational changes. However, this study does not aim merely to describe 'what' social impacts have been made on migrant children, or whether these were 'good' services or 'bad' services. This study has concentrated on discussing why two social enterprises had the social outcomes that they did. In this chapter, it shall therefore extract key themes and arguments from the finding chapters in order to construct an understanding of the two sub-questions: how do social enterprises develop and deliver support to migrant children? and how does the context in which social enterprises operate affect the nature of their service provision?

This chapter starts by exploring how services were developed and then delivered to migrant children and other beneficiaries. Given that there were different needs from different stakeholders for joining a social enterprise, This chapter shall discuss how the social enterprises understood those needs and then developed their services to meet the needs of the beneficiaries accordingly, and how the social enterprises have dealt with other players who might have influenced their operation. This chapter shall then discuss two crucial constructs which influenced the service delivery procedure: missions, and available skills and resources. This chapter shall conclude this chapter by constructing the multi-layered contexts in which social enterprises operate and discussing how context and the social enterprise ecosystem affected the nature of the operation of these two social enterprises.

10.2 Service development and delivery procedure

10.2.1 Co-production: understanding needs and developing services

There has been much discussion of the need for 'collaboration', 'co-production', 'partnership' and 'co-operation' in the era of new public management (Osborne and Gaebler, 1992). As Bovaird (2007) explained, co-production refers to how the provision of services is accomplished by both professional service providers and service users or other members of the community. Stakeholder participation and involvement is seen to be of great importance in the development and running of social enterprises. It helps to identify problems and needs, design and structure services, involving stakeholders in organisations' governance so as to ensure that they are accountable and representative, and to evaluate a project or programme (Durkin and Gunn, 2010). This current study involved a variety of stakeholders including social enterprise staff and leaders, local authority officers, parents, migrant children and volunteers. Social enterprises' leaders should take account of these different 'audiences' when they have different or even competing needs.

Expressed needs

The finding chapters described different views of parents, children, social enterprise staff and local authority officers in terms of what they wanted or needed from the two social enterprises. In addition, the ways in which the two social enterprises identified and understood these needs were examined. The acquired data revealed that the negotiation of stakeholders' needs during the process was crucial for these two social enterprises when they were designing and developing their services. Spear *et al.* (2007) observed that there

are sometimes difficulties managing the competing needs of different stakeholders. As discussed in Chapter 4, social enterprises have multiple bottom lines, requiring managers to take account not only of the interests of service users but also other stakeholders' interests, which might include local authority officers, staff, parents, volunteers or funders in this study.

From the perspective of migrant parents, as indirect service users, their principal needs focused on their children's welfare in relation to 'better academic performance', 'broader horizon', and 'a safe place to play', as discussed in Chapter 7.3. Nearly three quarters of the parents regarded their children's academic performance as their most desirable need. From the perspective of the direct service users, the migrant children, their favourite activities were group events with peers, including outdoor activities, watching movies, summer/winter schools and so on. There are great needs of children to obtain 'spaces' and 'friendships', as discussed in Chapter 8.3. From the perspective of local authority officers, 'formal education opportunity' and 'health condition' were the most crucial needs that they identified for migrant children, which also were the main working goals of the formal welfare services provided by central and local government. As expected from local authorities, their view of social enterprises' main working goal was to 'identify the general community needs and respond to these needs'. From the perspective of social enterprise staff and leaders, as described in Chapter 6, migrant children need spaces and friendships, which was consistent with the children's perception, but different from what parents and local authority officers perceived.

Parents saw support for children's education as a priority, although this view did not always fit with what both case study social enterprises had tried to achieve. Local authority officers in city B expected the Lily Library to achieve greater social impact beyond simply providing a place for children to do homework or merely play games, although their expectation still remained unknown to social enterprise staff (the reasons for this will be discussed in the following section). In general, the social enterprises in this study aimed to provide particular welfare services, such as improving children's subjective well-being, assisting with children's academic performance, building friendships and so on, to migrant children, as perceived by both parents and children.

Development of services

This study focused on the process of understanding needs, perceived changing needs and the negotiation of these needs, rather than simply looking at *what* they are. The findings

showed that both of the case study social enterprises had shown the ability to respond quickly to perceived changing needs and then to redesign or modify their service structures to engage in collaborative and long-term relationships with people.

As described in Chapter 6, both of the case study social enterprises had reshaped their aims or working areas from the original ones during their service provision. The rationale for providing such activities shows that the social enterprise leaders identified children's needs from their personal experience or their observations of local communities. The Rose Centre expanded its working area to migrant children rather than merely supporting migrant women after it realised that there was such a great demand from migrant women; the leader of the Lily Library decided to provide a safe place for migrant children to do their homework when he saw that many of them chose to do homework sitting by very busy roadsides since they had nowhere to go after school. Then the Lily Library changed its working areas completely to serve migrant children rather than being a library for adult migrant workers. The leaders of both case study social enterprises looked at the needs of the broader population rather than any particular group of people. They perceived the children's needs as the most urgent, rather than migrant women's or migrant worker's needs, after their critical reflection on personal experiences.

Although both social enterprises responded quickly to changing community needs, involving local residents (mainly referring to migrant people in this current study) in the process, the findings showed different strategies and different levels of engagement of stakeholder participation. In particular, the Rose Centre showed extensive negotiation activities and co-production in its service development.

Document analysis and participant observation showed that the Rose Centre had carried out semi-structured interviews, group meetings and many informal contacts with parents in order to understand their needs and expectations for their children's education. This explains why the Rose Centre invested so much time and voluntary human resources in children's education although it did not fit with the Centre's main aims or the perceived children's needs. Even so, the Centre also provided enough outdoor activities to meet children's needs simply by asking children what they wanted. Furthermore, the findings presented in Chapter 6 also show that the weekly staff meeting and the meetings with the volunteers all enabled more stakeholder engagement in this process. However, due to their limited contacts with the local authority, little or even no local authority participation was found in this process. All these approaches and tactics in the Rose Centre's governance

fitted with the main principle of community profile and participatory appraisal (Bryant, 2010), and encouraged the involvement of residents into the action/service plan.

Unlike the intense stakeholder participation in the Rose Centre, the Lily Library had less contact with parents and other stakeholders. The attitudes and views of the leader of the Lily Library were dominant in the running of this social enterprise, whereas the staff had only a limited voice, as discussed in Chapter 6. Since the Lily Library did not provide services to migrant parents in general, little contact was made between this social enterprise and parents, according to the observations. This may be seen as one of the reasons for the blame expressed by several parents against the Lily Library. The findings presented in Chapter 6 were the results of an investigation of parents' evaluation of the services received, and a few of them had argued that their children had not received proper academic-related services (such as a Mathematics club or an English Club) from the Lily Library. Although parents' expectations of the Lily Library were not the same as what the Library sought to achieve, its failure to negotiate with these key stakeholders might have damaged its reputation as a social enterprise.

In addition to the stakeholders' perceptions and needs discussed above, it is noteworthy that funders' needs were also critical in shaping the social enterprises' services. As will be discussed in the section on mission drift which follows, sometimes the social enterprises had to compromise to meet a funder's needs in order to receive substantial funding, which might have driven them away from their main social aims. The social enterprise leaders in this study showed limited ability to overcome this dilemma.

The local authority, as one of the players which might have had contact with both social enterprises, was generally ignored by both of them. There were no data showing that the social enterprises had taken local authority's needs into consideration. The relationship between local authorities and social enterprises will be discussed in the following section from both sides.

In summary, the conflicting demands between the needs of migrant children and the needs of other stakeholders require social enterprise leaders to negotiate between different interests and clarify their priorities. Taking account of different needs does not mean that social enterprises should meet every single need, which would be impossible. It requires social enterprises to critically identify their key stakeholders and key social aims so as to achieve them effectively. Both of the social enterprises in this study showed that need is not something which remains static and that the focus of projects has to change in response

to developing perceived needs. This reflects a bottom-up design of identifying needs. However, identifying needs or understanding needs is just the beginning of the whole service-delivery process. It is an ongoing and dynamic process as the users of the service change and the wider context changes. To achieve greater and long-lasting social impacts entails proper organisational capability integrating skills and sources, and creating links within and between organisations to take collective action.

Independence or interdependence?

During the service development and delivery procedure, the relationships between social enterprises and the wider players around them are crucial for social enterprises to seek resources and to build networks for spreading further. Unlike many experiences of cross-sector partnership in the UK and internationally, the analysis of the findings in this study has shown that the social enterprises had little motivation to have a partnership with government. The findings presented in Chapter 6 show that social enterprise staff held controversially different attitudes to those of local government officers on the issue of their relationship. The social enterprise staff generally showed a negative impression of and distrustful attitudes towards local government, so they chose to 'stay far away' from local government (as discussed in Chapter 6.7). On the other hand, local government officers appreciated the social enterprises' potential for restructuring public services and satisfying community needs and intended to co-operate with social enterprises and other third sector organisations which can produce or deliver quality goods and services (as discussed in Chapter 9).

Partnership, participation and stakeholder involvement has been widely discussed and many researchers have argued that organisations do not work in isolation but have to work in partnership with each other as a form of collective activity (Durkin and Gunn, 2010; Alter and Hage, 1993; Farrington and Bebbington, 1993). There has been much discussion of the need for collaboration and co-operation between government and third-sector organisations, especially in some form of social enterprise such as co-operatives (Spear, 2000). The relationship between the two social enterprises and their local authorities in this current study can be seen as the micro-level reflection of the government/third-sector organisation relationship which has been discussed by a wide range of new public management academics (Osborne, 2006). The state's role has now shifted significantly in many countries. In the UK context, the state role has shifted from central control in delivering public services to encouraging more private organisations and third-sector organisations in the service provision process since the Thatcher government (Alcock,

2010). Defourny and Kim (2011) argued that the trend of public policy towards a culture of building partnerships with third-sector organisations has been happening in East Asia since the 1990s.

Lyon (2011) pointed out that there is a mutual attraction between social enterprises and the public sector. The public sector is attracted by the innovative potential of these organisations which are seen to be offering new ways of delivering services, having greater social impact and (at times) offering services more efficiently. Social enterprises benefit as they have a valuable income source which it likely to be less affected by economic downturns. The findings presented in Chapter 9 show that local governments have supported social enterprises and other third-sector organisations through policy design, funding plans and partnership opportunities, although there is no obvious policy priority given to social enterprises. They also highly valued their voluntary resources and their professional experience of working with migrant children. This is consistent with Lyon's (2011) views on their mutual attraction.

However, both of the case study social enterprises showed little interest in working with government and were eager to maintain their independence from government. In this study, working with the local government was seen as 'not a good choice' by both social enterprises. The findings presented in Chapter 6 show that they feared losing their independence by entering into partnership with government. The leader of the Lily Library even refused a partnership opportunity offered by the local government. Three possible reasons were found for their attitudes and choices. First, this was the personal choice of both social enterprise leaders. In reality, they had negative attitudes towards government in general and not just towards the local government within their working area. The leaders did not trust government as a consequence of their previous personal experience.

Second, their limited desire to build networks with local government could be attributable to the broader economic environment of social enterprises. Eikenberry and Kluver (2004) argued that the increasing 'marketisation' of social enterprises might make them focus on income generation rather than building networks with previous donors or commissioners. One of the unique characteristics of social enterprises is their sustainable income from the market side (DTC, 2002; Defourny and Nyssen, 2011), which might reduce their dependence on traditional funders or donors.

Third, social enterprise staff in the Rose Centre explained that their attitudes to government partnerships partly derived from the stricter *hukou* policy in city A, and therefore they

feared being marginalised by the local government on the grounds that they were helping migrant people. On this point, the findings show that their worry was reasonable, taking local government officers' interviews as a reference. In brief, the personal attitudes, organisational characteristics and institutional constraints all made the partnership between social enterprises working for migrant children's welfare and local government difficult.

In addition to the collaboration between social enterprises and local government, Farrington and Bebbington (1993) argued that links with the private sector could expand their impact. In this current study, unlike their resistant attitudes towards local government, the social enterprises preferred to have and actually had great interest in having partnerships with private organisations and other third-sector organisations rather than public authorities, as discussed in Chapter 6. Both of the social enterprises had many collaborations with other third-sector organisations for learning and training opportunities, funding, information sharing and network building. They had also been funded by several private organisations for a range of children's activities such as summer/winter schools, outdoor activities and community sports. Why they preferred to cooperate with these organisations was not revealed in this study as no questions on that issue were asked. One guess from the informal conversations with staff members is that they knew clearly what these organisations want. For example, for the most of their partners from the private sector, they aimed to promote a corporate reputation to the public audience.

In summary, cross-sector partnerships, especially between state and third-sector organisations, have been widely discussed in the academic area, but very little work has been carried out on understanding the inter-organisational relationships between social enterprises and local government. This study investigated the relationship by looking at different layers, personal preferences, organisational characteristics and the external economic and institutional environment. This enabled an expansion of the theoretical understanding of existing knowledge. Social enterprises form partnerships with other organisations in different sectors and each partner has its own agenda and needs which led to its involvement in this collaboration. The depth and intensity of each relationship varies. The two social enterprises examined in this study preferred to build partnerships with the other two sectors rather than with government. Their personal preference could be seen as one of the reasons for their attitudes, but their attitudes towards government also should be examined in the economic and social institutional context in which their actions were embedded.

10.2.2 Mission drift

Social enterprises are typically hybrid organisations which aim to pursue both business sustainability and social goals located, in Dees's (2008) spectrum, between traditional non-profit organisations and traditional for-profit organisations. Therefore, social enterprises have to face conflicting institutional logics (Battilana and Dorado, 2010; Pache and Santos, 2013) and must manage to give equal weight to both logics. Mission drift has been seen as one of the biggest challenges for many social enterprises (Spear *et al.*, 2007). 'Mission drift' is a term commonly applied to organisations with social aims, including traditional charity organisations and social enterprises, which diverge from their initial mission or purpose. Weisbrod (2004) found that commercialization had been a common source of mission drift. Jones (2007) added that dependence on any dominant funder might also result in mission drift, especially high dependence on government grants or contracts for many charities and non-profit organisations in the UK (Cornforth, 2014).

As we have seen in Chapter 6, both of the case study social enterprises in this study were eager to generate income from a variety of sources, but this diverted them from working to meet their social aims and this then led to mission drift. In this study, three forms of mission drift were identified: from business activities, from meeting funders' needs, and drift from their initial social missions.

First, the social entrepreneurs faced financial pressures from the marketplace for their commercial activities. The core aims of both social enterprises in the study were to help to promote migrant children's informal welfare by providing a place for them to do their homework, to attend interest clubs, to participate in activities and to build social networks. However, staff and volunteers spent substantial amounts of time and human resources on their commercial activities, which resulted in staff shortages for pursuing the social aims. Their mission drift can be understood in terms of Kim Alter's social enterprise typology. Three types of social enterprise were identified by Alter (2007) (*see* Chapter 4) regarding their business/programme integration: an *embedded social enterprise* (social programmes and business activities are one and the same), an *integrated social enterprise* (social programmes overlap with business activities), and an *external social enterprise* (social programmes are distinct from business activities). Alter (2007) stated that an external social enterprise's business activities are not required to advance or expand the organisation's mission other than by providing supplementary financing for its social programme. As discussed in Chapter 6, both of the social enterprises' social programmes aimed to improve migrant children's welfare, whereas their business activities were not

relevant to it. The Rose's business activity was selling used goods to migrant workers or other people who were suffering from poverty. As explained by the staff in the Rose Centre in Chapter 6, the reason for creating business programmes was only to 'survive' rather than to enhance the main social programme's mission. The Lily's business activity was two optician's shops and the main reason for creating them was "enhancing our fundraising ability" (*see* Chapter 6). So both of the social enterprises in this study were classified as the third type of social enterprise, external social enterprise. This type of social enterprise is commonly applied in many 'trading non-profit organisations' (Young and Salamon, 2002) establishing commercial activities or separate identities to generate revenue in support of their charitable missions. However, external social enterprises are more easily led to mission drift or goal ambiguity as the manager has to deal with plural logics and goals.

Second, these two social enterprises had to face pressure from funders. Unlike most social enterprises delivering public services in the UK, which rely heavily on government grants or contracts (Wilding *et al*., 2006: Harris, 2001), the social enterprises in this study were more likely to face pressure or demands from private foundations than from government. They had very little contact with local authorities and very few grants were received from local authorities. In China, the services provided for migrant families are less able to depend on government grants or contracts. For example, in 2015 the National Development and Reform Commission published PPP (Public-Private Partnership) programme tender notices in Shandong province as part of the 'public service' track, with grants spread over three fields: public health, education and care of the elderly. No grants or funding were distributed to services for migrant people, let alone migrant children. Although neither of the social enterprises was highly dependent on government grants, they had to meet different demands of the private foundations which provided funding for them. As this study has shown, not all the programme-related funds were related to their core social aims or services. Sometimes the social enterprises had to compromise and spent time and resources meeting funders' requirements which were not related to their main social aims, just for gaining funds. Applying for such programme-related funding diverted their staff from working to achieve the core social aims of their social enterprises, which could damage their long-term performance and legitimacy.

The third type of mission drift identified in this study, described as 'need-driven' mission drift (a term coined by the researcher), has been under-discussed in previous studies. The previous two forms of mission drift stemmed from financial pressures, presenting in a way

which emphasised using resources (such as staff time) to focus on commercial activities. In practice, input into commercial activities appeared to be prioritised over work to achieve social goals. However, the third form of mission drift was deviating from the stated aims or initial social aims as a result of perceiving changes in community needs. This led to the identification of this as 'need-driven' mission drift. As discussed in Chapter 6, the Rose Centre had initially aimed to support migrant women's welfare and to promote gender equality, however, it found that migrant children living in this community needed more support than their parents, so the staff spent the majority of time and resources on working with migrant children (although they did not amend this in their Article of Incorporation, one organisation's core document). The Lily Library initially aimed to provide a reading space for adult migrant workers but the founder perceived that migrant children were eager to have a safe and appropriate space to finish their homework after school; therefore it finally became a library for migrant children (and amended its Article of Incorporation to this effect). Whether this behaviour of both social enterprises diverting from their stated social aims or initial social aims should be seen as a type of mission drift could be understood from two perspectives. From the institutional theory, the behaviour of the Rose Centre should be seen as mission drift, as it was not engaging to achieve the stated organisation mission, namely migrant women's welfare. Institutional theory indicates that organisations should obey the shared norms, principles and beliefs constructed in this field to survive and gain legitimacy (DiMaggio and Powell, 1991; Scott *et al.*, 1994). Given this perspective, the social enterprises might receive negative evaluation reports from a third-party review as they were not doing what they stated they intended to achieve. However, from the perspective of entrepreneurship, their behaviour should not be seen as mission drift, or at least should be seen as 'need-driven' mission drift. For this 'need-driven' mission drift, the social enterprises were able to perceive local and community needs and respond to them quickly. The co-production process between customers, migrant parents and migrant children enabled both social enterprises to provide what their beneficiaries really demanded. This form of mission drift also has negative consequences as it might result in goal ambiguity and conflicts in daily operation. It requires a skilful social entrepreneur to ensure that a mission does not drift away from the achievement of multiple goals, and that is what they both lacked. It could possibly be more easily achieved in start-up social enterprise or small-scale social enterprises.

10.2.3 Professional skills and services

<u>*Business skills needed*</u>

Greater and long-lasting social impacts and changes entail multi-stakeholders having the organisational capability to integrate skills and resources, linking with and between organisations to take collective action. This study explored the skills which the people running or working in the two centres had and discussed how these skills or knowledge were developed during the day-to-day practice. The findings show that the skills needed for social entrepreneurship encompass three fields: the managerial skills and business skills needed for running a social enterprise for leaders, founders or so-called social entrepreneurs; the skills and knowledge needed for working in a social enterprise from employees and volunteers; and the skills for the production of professional services, which in this study means specific skills and knowledge in the child-related service area.

First, the personal ability of leaders for running a social enterprise has two requirements: the same generic business skills as other organisations and the special skills for social entrepreneurship. As discussed in Chapter 6, in terms of the generic business skills and knowledge, each of the case studies showed that none of the staff had experience of working as a manager in a private company. They had no or very little experience of or skills in the strategic management of running a business. The findings also show that both social enterprises were confronted with a range of challenges including ambiguous missions, a loose and non-institutionalised managerial approach and few skilled leaders or staff members.

As explained in Chapter 4, Dart (2004) argued that a social enterprise is more likely to be focused on market-based solutions and business models in order to respond to social problems. Griffith (2010) also suggested that social enterprises are part of a larger economy and to some degree require some of the same business skills and management skills as other business enterprises in their legitimacy, strategic planning, governance structure, human resource management, leadership, marketing and income stream, financial skills, and the social impact evaluation process (Ridley-Duff and Bull, 2011; Doherty *et al*., 2009; Gunn and Durkin, 2010). So social enterprise founders or leaders need to understand the internal and external worlds where the enterprise is located in order to make full use of the full range of their resources for their business sustainability.

However, the leaders of social enterprises are not only expected to have the above listed generic business skills for developing the enterprise, but should also be able to identify the

particular skills necessary for running a social enterprise which will make it more than just a business enterprise. Many scholars have suggested that social enterprises should be distinct from traditional for-profit organisations and traditional non-profit organisations, as was widely discussed in Chapter 4. Griffith (2010) also stated that social entrepreneurs should 'reshape' and 'remould' the notion of management itself rather than simply accept private-sector or third-sector management theory. Du Gay (2004) proposed that the governance of a social enterprise should be neither 'bureaucracy' nor 'enterprise', rather it should create an alternative "self-styled entrepreneurial approach". From this perspective, the intrinsic characteristics of a social enterprise has been claimed to be its hybridity (Doherty *et al.*, 2014) and double/triple bottom lines in order to identify social enterprises and to explain what they do and how they operate around the world. A social enterprise as a hybrid organisation has been widely seen as lying in the middle of the spectrum (Alter, 2007) and embracing the characteristics of both traditional for-profit organisations and traditional non-profit organisations. They operate not just to achieve social aims, but also for achieving business sustainability and becoming environmentally friendly businesses. The EMES network (2010) identified three sets of indicators for three distinct dimensions of social enterprise (economic and entrepreneurial, social, and participatory governance) and explained them by nine characteristics, as discussed in Chapter 4. Overall, social enterprises broadly have a hybrid nature for achieving several bottom lines. Social entrepreneurs were then expected to be endowed with the skills and abilities to achieve social, business and environmental objectives during their operation.

However, the findings of this current study have shown that there are issues of the lack of business experience and the lack of other skills in the leaders of the two centres studied here. Although both directors perceived that the notion of a social enterprise should be more of a business-like model, they were found to have little experience of how to operate it. The leaders of both social enterprises were eager to obtain a sustainable business income from the market place but were entirely unskilled in generating that business income. There was no clear 'hierarchy' or 'bureaucracy' or 'enterprise' in either of the social enterprises, nor indeed any 'self-styled entrepreneurship approach' within the organisations. However, as argued above, the Rose Centre had a 'participatory governance structure' (EMES, 2010) as it involved as many stakeholders as possible, especially customers and staff, in the day-to-day management. As discussed in the EMES network approach, participatory governance is seen as one of the key dimensions of social enterprises. In addition, the leaders of both social enterprises paid substantial attention to supporting migrant children and their families to ensure the accomplishment of the social bottom line.

All of the staff and the leaders were observed to have great personal motivation in their careers. They may not have been skilled in business activities, but they were nevertheless found to be very hard working and to have a great passion for doing social good. In this respect, although the leaders of both social enterprises had little experience of generic business skills, they were found to have some skills for running a social enterprise. Even so, this was insufficient and there was room for improvement in both cases.

Second, some have argued that the leaders of social enterprises in practice do not need to have all of the generic business skills, such as financing skills and marketing skills, as long as they employ appropriately skilled staff in their organisations. The second part of professional skills is the importance of skilled employees or volunteers working in a social enterprise. I shall not discuss here the 'governance' or 'human resource management' of people, but shall focus instead on the skills and knowledge of people and how those skills can be developed in practice. This study has shown that both of the social enterprises studied were small-sized organisations with no more than five full-time staff. The findings presented in Chapter 6 also showed that there were no or only few of these employees who had enough general business skills, and that both organisations had financial difficulty in recruiting talented staff at the going market price. People's positions and job divisions were not allocated according to their skills or special experience in the general business department, but by service areas. There was no job division in the Lily Library as there was only one staff member and she was responsible for everything.

Many scholars have perceived human resources, especially talented people, as the key competitive advantage of social enterprises (Beardwell and Holden, 2001; Borzaga and Defourny, 2004; Sissons and Storey, 2000). Wilson (2007) stressed the great need for a range of support to be given to staff and leaders, including specific skills and management skills, through induction, training and other development opportunities, in order to build and retain their skills. Unlike the findings of previous studies, as was discussed in Chapter 6, the few employees in both social enterprises had very little opportunity to attend training activities outside the social enterprise itself. No specific reward options were provided to staff and volunteers in order to retain their talent and incentivise their motivation in either of the case studies. The volunteers in the Lily Library were low-valued as the founder considered that volunteer resources were readily available in the market-place. Although the findings showed a lack of skilled staff and human development in both social enterprises, it should be understood that the limited financial resources made the investment in human resource development difficult to achieve.

Third, specific skills and knowledge for their particular social service area are needed for social enterprises and for the wider social economy, especially when they serve groups of people who need special care, including children, elderly people and disadvantaged people. Very few previous studies have discussed the shortage of sector-specific skills within social enterprises. However, this particular issue was found to be one of the most valued by local government officers when they seek partnerships with private and third-sector organisations. As discussed in Chapter 9, local government officers preferred to cooperate with those organisations which can provide 'professional and specialised' services to resolve specific social problems. Both of the social enterprises provided a range of services and activities to migrant children normally from the ages of five to thirteen years, which required their staff members and volunteers to be equipped with basic skills and knowledge when they were working with children. As discussed in Chapters 6 and 7, many parents acknowledged the contribution of some volunteers for their efforts and their patience with their children; some of them were using a range of skills to achieve their aims, including listening to the parents, sharing their experience with children, and using little games to stimulate children's interest in learning, all of which enabled the services to be delivered smoothly. The observations from this current study, as described in Chapter 6, showed that a lack of specific skills might lead to negative outcomes. For example, some volunteers and employees regulated children in front of their friends, using too complicated words or teaching materials during weekend interest clubs. Apart from the communication skills needed, more advanced and specialised skills were needed in practice. For example, as discussed in Chapter 6, the Rose Centre sought to enlarge its early-years parenting club services to set this as one of the key services provided for migrant parents. This programme required staff or specialists who have specialised and professional knowledge in early-years education.

In summary, in the context of social enterprises, the extent to which a social goal can be achieved depends on the organisation's capability and skills to effectively mobilise scarce financial and human resources to benefit customers. That is why social enterprise leaders and staff need to be equipped with a wider set of skills and not just business skills. The findings of this study have shown that both leaders and staff had strong personal motivation to achieve their social goals by working hard, but working hard is not necessarily sufficient. They were found to lack generic business skills such as marketing, human resource management and financial skills, which are widely claimed to be crucial for a social enterprise to meet its business sustainability aims. However, we should also understand how these skills and knowledge were developed from their everyday work. The

social and political contexts, cultural settings, social norms and personal experiences should be taken into account in order to understand their self-styled management. Nevertheless, the social enterprise staff and founders in this study were all migrants themselves and came from the same communities as their service users, which enabled them to engage the users and understand their needs and their lives. On the other hand, to achieve stable and long-term social benefit does not just rely on people's personal abilities and skills. The formalised working systems and technical aids should be well designed and applied to make sure that the service can be steadily provided to the beneficiaries.

The business programme chosen

The most distinctive and apparent characteristics of being a social enterprise is their sustainable business activities. This requires social entrepreneurs to choose the 'right' business programme to ensure the achievement of their ranges of social aims. However, the findings of the current study have revealed that the rationale for choosing in business model in both social enterprises was derived from convenience rather than from a clear and deliberate understanding of the real market demand. Both social enterprises showed weak ability in generating business income under the current business programme, as the business incomes of both social enterprises were clearly less than half of their total income, as described in Chapter 6.

There have been many studies into how for-profit business practitioners choose their commercial activities, identify products and services by examining the external environment (Porter, 1980; Buchana and Gibb, 1998), identify internal capability and resources (Grant, 1991), understand the market and customers (Day, 1984) and other strategic choices. Very little academic literature, however, had shed light on how social entrepreneurs choose their business activities or generate their business ideas when they set up a social enterprise. As stated earlier in this chapter, Alter (2007) distinguished different motivations for economic activities among the three types of social enterprise. Unlike the other two types of social enterprise whose economic activities are intended to achieve their social mission simultaneously or synergistically, the economic activities in the two case study social enterprises, which were both external social enterprises, acting as the 'profit centre', their only aim was to generate income for their social programmes. Accordingly, the principal aim of the economic activities in an external social enterprise should be to maximise the business income, which is in accordance with the logic of general for-profit commercial organisations. The business programme chosen should be an ongoing process fully focused on the market or on customer demands. Fourth Sector Development outlined

the process of making a business plan and starting up a social enterprise for social practitioners. It recommended that the business idea should be rooted in market reality and should be altered or abandoned completely if there is no market.

As discussed in Chapter 6, both of the social enterprise leaders chose their business plan generally from their personal experience. The business activity of the Rose Centre was its second-hand shop operating in a narrow and less busy street in an urban village. This second-hand shop was chosen because the founders "had no idea about what we should do", as described in Chapter 6. So they learned from the experience of their friends and chose this business programme. The Lily Library had two optician's shops to finance its social programme. This choice was made because the founder had been an optician in his early years. Both social entrepreneurs showed a lack of business ideas and experience when they started up their respective social enterprises.

The findings also revealed that both social entrepreneurs received little support from policy guidance for choosing a business programme. The findings discussed in Chapter 9 showed that although both central and local government stated that they had provided a range of supports and policies to third-sector organisations more widely, there were no data which showed how much support had been allocated to social enterprises. Central and local government bodies preferred to offer abstract political philosophical notions such as 'decentralisation' and 'empowering the community' at a high level instead of explicitly telling the service providers which areas needed more input.

10.3 Understanding the context

The previous section explained how services were designed, developed and finally delivered to beneficiaries through a range of resources, skills, cooperation and so on. Evidence from different participants showed that social enterprises could help to support the well-being of migrant children and their families by providing after school services and parental classes, and holding other activities and events. However, the two social enterprises in this study were confronted with many challenges in operation and had great space for improvement. This section summarises the contextual picture in which the social enterprises and other players who have direct or indirect contacts with social enterprises operated to explain how the context affects the nature of the service provision.

10.3.1 Conceptual model of ecosystem for social enterprise

As discussed in Chapter 4, Bloom and Dees (2008) borrowed the idea from ecology and developed an 'ecosystem for social enterprise'. This model allows systematic examination of the players and the environmental factors which can shape the performance of social enterprises in order to understand why social enterprises perform in the way that they do. In the model, the players include resource providers, competitors, complementary organisations and allies, beneficiaries and customers, opponents and problem makers, and affected influential bystanders. Environmental factors include political and administrative structures, economics and markets, geography and infrastructures, culture and social fabric (as discussed in detail in Chapter 4). However, Bloom and Dees's (2008) model involves too many factors without clearly defining the levels or aspects at which they function. It is therefore too large and complex a model to understand how players and the environment work simultaneously or mutually in order to 'predict' the outcomes of social enterprises working with children who migrate within countries (Bloom and Dees, 2008). This model also omits the diversity and the interactions among various environmental factors, for example, how wider environmental conditions and social changes can potentially influence the way that states shape their overarching policies and practices, or even how the individual (social enterprise in this study) level adjusts to the broader changes for further development.

In addition to this, this study developed a new multi-layered ecosystem for social enterprises, involving individual factors and environment factors working at the macro-, meso- and micro-levels. This new model explicitly describes how individual (social enterprises in this context) and environmental factors interact and influence each other by looking at not only the 'environment', but also the 'multiple-level environment' and internal conditions. Players and conditions on different levels are nested from outside to inside, as illustrated by Figure 10.1. This map explains two things: which players and environment conditions should be taken into account for each level of analysis, and how these factors interact with or influence those in other levels, as illustrated by the blue arrows. The reason for using this multiple-layer analytical framework is to account for the deep-theory issues: to address fundamental sociological debates about the role of structure and agency. In other words, to what extent are individuals constrained in what they do by the institutions in which they live, and to what extent does structure predetermine outcomes? And, on the other hand, how much influence can individuals have in shaping their own destiny autonomously, outside the limits of structures?

Figure 10.1 The conceptual model of the Social Enterprise Ecosystem (source: the author adapted from Bloom and Dees, 2008)
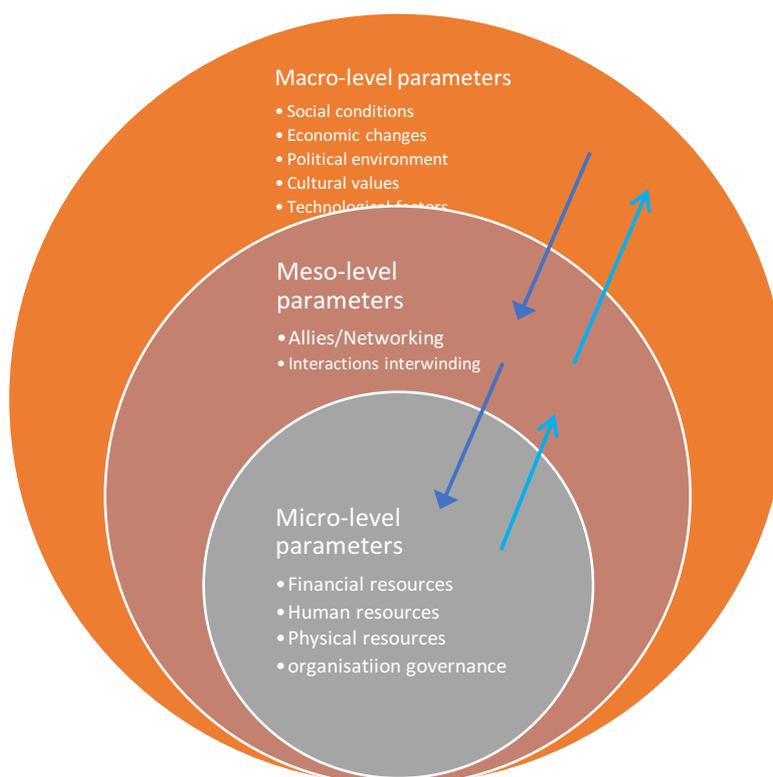
From the conceptual model, the divisions of macro-, meso- and micro-level analysis are not determined by population size, regional size or any other size, they concern the mutual relationship between environment and players at different levels. The macro-level analysis stresses the outside environment which shapes the operational context of social enterprises, including global and national level conditions, the level at which decision-making takes place and the range of players involved. Hall (1977:304-12) defined the 'environment' in this context as including technological, legal, political, economic, demographic, ecological (physical and organisational) and cultural dimensions. The macro-level analysis recognises the importance of the socio-political context and institutional arrangements, including social conditions, economic changes, political contexts and cultural values. The main players working on this level are central government and global players, including international institutions. The wider social political context and other environmental conditions at this macro-level are clearly beyond the control of any single social enterprise.

The micro-level analysis concerns the basic unit of this ecosystem, the social enterprises themselves. It particularly highlights the internal environment and organisational capability.

Organisational capability refers to the subset of tangible and intangible assets which enable organisations to fully utilise their resources to meet users' needs. The micro-level analysis should take these conditions into consideration, such as vision, mission, strategy, resources, processes, products and services. This level also deals with the daily human interactions within social enterprises and the interactions with players who have direct contact with social enterprises. The players working in this level are therefore people active on the daily operational level, such as staff, decision-makers, customers (parents and children), beneficiaries and volunteers.

The meso-level analysis lies between the macro-level and micro-level analyses and concerns the networks and institutions which directly or indirectly have an impact on the daily operation of a social enterprise and the interactions and relationships between social enterprises and these networks. The relationship between various players in this meso-level ecosystem influences the operation of the social enterprise. These are, in a sense, two-way relationships but which cannot be controlled by the social enterprise itself. The transactional level consists of the 'market forces' which have to be considered, such as suppliers, supply and demand, distribution, competitors and strategic alliances.

The blue two-way arrows in Figure 10.1 explain the mutual influences among different levels of analysis: factors in the outer ring might shape operations in the inner ring and, correspondingly, factors in the inner ring might also have the power to influence or adjust social changes in the outer ring.

The first direction explains how broader level analyses influence the decision-making in the inner level. The macro-level highlights the central role of environmental factors and their great power on the operations of the two inner rings. Population ecology theory argues that the performance and destinies of organisations are determined more by environmental forces than by the interventions of individuals (Aldrich, 2008; Hannan and Freeman, 1989). Hannan and Freeman (1989) suggested that organisations have limited ability to respond quickly and flexibly to change and that an uncertain environment results from organisational inertia. Likewise, from the ecological perspective on the natural world, organisations in wider society also follow the rule of survival of the fittest, and natural selection also works in organisational evolution (Parsons, 1995). The external environmental conditions, particularly the social and political contexts, have a considerable influence on organisational change and even on survival. Social enterprises therefore have to undertake strategies to protect themselves from being abandoned by evolution and selection. This point of view is consistent with the local government officers' expectations

for a social enterprise's future operation: it has to strengthen its organisational capability in order to survive in the face of competition (*see* Chapter 9). Hudson and Lowe (2009) argued that working under these wider and more powerful 'global and national forces', social enterprises are expected to, and 'pushed' to, operate in a similar way, in other words 'institutional isomorphism', because they cannot escape from being influenced by the external environment (Di Miggio and Powell, 1983). Di Miggio and Powell (1983) explained that this institutional isomorphism is the result of organisation structure adaptation under similar constraints, such as institutionalised rules and taken-for-granted rules and beliefs. This macro-level analysis explains why social enterprises perform in such a way and why some of them perform so similarly.

However, doubts arise from another direction: that the macro-level analysis should only be seen as constraining rather than determining. This ecosystem model suggests that individual social enterprises can respond to and fit to the demands of an uncertain and powerful macro-environment and can even change the meso-level or macro-level conditions by adaptation. This view fits with many adaptation theories such as contingency theory and resource dependency theory. Contingency theorists argue that organisations are not passive actors but can proactively adjust their strategies and structures to match the contingencies of an uncertain environment and complex technologies (Lawrance and Lorsch, 1967; Woodward, 1980; Perrow, 1986). However, contingency theory also admits the determents of environment conditions on organisational structural and direction. Resource dependency theory highlights that all organisations are dependent on other organisations in their environment for acquiring the resources which will enable their operation (Pfeffer and Salancik, 1978). Managers can reduce dependence on resources controlled by key organisations by introducing organisational strategies. In the meso-level analysis in this model, the way that social enterprises decide to interact with other institutions is not only influenced by the macro context, such as the legal environment and the overarching policy context, but is also influenced by the micro-level environment. In other words, the analysis of internal organisation capability is used in structuring and informing the actions taken by social entrepreneurs in shaping outside relationships and resources with other players. Strategic-choice theory raises the issue of how macro-level environments are also manipulated and manufactured by powerful decision-makers in stronger organisations at the meso-level and micro-level (Child, 1972). The decision-makers perceive the environment, construct the reality of the environment and thence make strategic choices about the performance and the structure. They can also select the kinds of environment in which they choose to operate. The meso-level and micro-level may explain

why social enterprises perform differently as the actions which they take to respond to the environment vary.

10.3.2 Ecosystems for Rose and Lily

The ecosystems of the Rose Centre and the Lily Library provide examples of possible relationships between macro-, meso- and micro-level relationships as illustrated in Table 10.1:

Table 10.1. The Ecosystems of the Rose Centre and the Lily Library

	Rose Centre	Lily Library
Macro-level analysis	New public management	
	'Business practice' and 'marketisation' trend among voluntary and charity organisations	
	Very tight *hukou* policy in city A	Less tight *hukou* policy in city B
	Lack of public legitimacy (legal framework)	
	No privileged status in market competition	
	Lack of specific policy support	
Meso-level analysis	Independence from government	
	Variety of cooperation and network with non-governmental sector organisations: foundations, private companies, and universities	Cooperation and network with non-governmental sector organisations, but highly reliant on one foundation acting as the dominant financial resource.
	Trusting relationship with parents and loyalty amongst volunteer societies	Very limited contact with parents and unstable volunteer societies
Micro-level analysis	Low profitability of shop(s)	
	Scarce staff resources	
	Leaders and staff lack business skills and experience	
	Trained and loyal volunteers	Less trained and frequently changing volunteers
	Less busy small street, less attractive location to customers	Good geographic location with easy access for children and other customers
	Co-production	Little co-production
	Mission drift	
	No proper performance-evaluation tools	

As discussed above, from the ecological perspective, the external environment has a strong influence on the operation of social enterprises. From a global perspective, the emergence of social enterprises was accompanied by the rise of New Public Management discourses worldwide, which advocated more involvement of civil society organisations in public service provision. This trend created spaces and opportunities for social enterprises to step in to provide services for migrant children within China (*see* Chapter 4). Social enterprises worldwide are influenced and shaped by the global environment, but they have different performances at the national level, for example, social enterprises in the UK were seen as the pioneers and made great achievements in solving social problems, whereas social enterprises in China have been less discussed and researched (Doherty *et al.*, 2014). In China, the circumstances are somewhat different. The macro-level parameters of two social enterprises are similar. Gu (2016) and Zheng (2012) commented that the costs of providing public services have been steadily increasing over the last twenty years and that the government still has the leading role in providing public services. However, the central government cannot solve all social problems. As discussed in Chapter 4, there has been a new trend of harnessing the power of third-sector organisations, including social enterprises, into public service delivery. The emergence of the 'business practices' trend among voluntary and charity sector organisations enabled them to increase their market orientation and trading activities to generate incomes for supporting their community and social services. This trend of marketisation drove both the Rose Centre and the Lily Library to integrate multiple income streams, especially income from business activities.

The local political and policy contexts were slightly different between the Rose Centre and the Lily Library. As discussed in Chapters 6 and 9, the *hukou* policy restrained the scale of both social enterprises. The tighter *hukou* policy in city A restrained migration to city A and pushed some migrants to leave the city. In the meantime, evidence from the perspective of local authority officers showed that this tightened *hukou* policy may have had a negative influence on the further development of social enterprises like the Rose Centre. However, the *hukou* policy in city B, which mainly consisted of within-province migrants, was not as tight as in city A. As discussed in Chapters 6 and 9, there were no significant negative influences perceived by social enterprise officers and local authority officers on the performance of the Lily Library.

In addition to the restrictions imposed by the *hukou* policy, the general policy contexts and legal environments around the Rose Centre and the Lily Library were similar. Unlike the status of social enterprises in the UK's public policy agenda, social enterprises in China were not given such privileges in providing public services. Governmental attitudes were not clear regarding the legitimacy of social enterprises and their sustainability in delivering public services (*see* Chapter 9). The findings have shown that no national law or regulation was introduced in China to support the legitimacy of social enterprises. Social enterprises as a type of third-sector organisation in China have had no privileged status for public procurement. Although the evidence from the policy analysis of city A showed that there was a general call to "involve more third sector organisations into public services" and there were many policies regarding financial support, overarching policy support and network building support established to help general 'non-governmental organisations'. However, no data have shown the extent to which this substantial support has been available to social enterprises.

In summary, neither of the social enterprises in this study existed within a very supportive national context: they lacked public legitimacy and specific policy support, and even faced stricter policies in regard to serving migrant people. However, external environmental factors are better regarded as constraints rather than determinants of the operation of social enterprises. The role of agency in shaping the pattern of social enterprise should not be neglected. Meso-level and micro-level analyses were therefore employed to explain why the two social enterprises operated differently.

Meso-level analysis

The meso-level emphasised the interactions between the social enterprises and external individuals and institutions which had direct or indirect contact with the two studied social enterprises. In this study, emphasis was given to the relationship between social enterprise and 1) local authorities, 2) other institutions acting in the third sector, 3) institutions in the private sector, and 4) other key stakeholders including beneficiaries and volunteers.

 As discussed in Chapters 6 and 9, both of the social enterprises preferred to be independent from government for a variety of reasons. Although both social enterprises suffered from particular financial pressures, neither of them wished to obtain financial support from local government. Instead, they preferred to build friendly and trusting relationships with foundations and private companies. As explained earlier in this chapter (10.2.1), the

marketisation trend reduces dependence on governmental grants, encouraging social enterprises to generate more business income in practice. The policy environment, analysed in the previous section, shaped the strategy of the social enterprises in terms of their relationship with government. As Chapter 9 showed, their relationship with local government reduced the opportunities for Rose and Lily to obtain a variety of resources, including financial resources.

The findings reported in Chapter 6 indicate that both social enterprises preferred to build networks with organisations in the non-governmental sector including foundations, private companies and students' unions. The motivations for building such networks were to acquire financial resources and training and learning opportunities. However, as was shown in Chapter 6, the staff of both social enterprises had limited training opportunities. From the network perspective, the Rose Centre had a variety of allies and sources of funding, whereas the Lily Library was highly reliant on one foundation for its operation. This type of dominance resulted in the serious financial reduction and service reduction of the Lily Library from January 2015. According to the resource dependency theory discussed in the previous section, high dependence on one resource provider can lead to the risk of being 'controlled'.

The meso-level analysis showed that although both organisations were influenced by the wider social context, the ways that each of them responded to the external environment differed on account of their distinct internal organisation systems and structures, and this will be discussed below.

Micro-level analysis

The micro-level analysis focused on the resources and organisational capability that could be controlled by both social enterprises to meet the needs of their beneficiaries. It also dealt with the individual level at the end of the service delivery processes such as funders, staff and volunteers. From the resource-based view, resources and capability can be divided into financial resources, human resources, physical resources and organisational resources (Furrer *et al*., 2008; Barney, 1991). Of these, the core competencies are regarded as distinct, rare, valuable firm-level resources which competitors are unable or find it difficult to imitate, substitute or reproduce (Barney, 1991; Prahalad and Hamel, 1994).

Chapter 6 described the whole intra-organisational operation of the Rose Centre and the Lily Library. From a financial resource perspective, the findings showed that the Rose Centre had a

multiple income generation approach involving earnings from business activities, funders and general donations. Although access to multiple financial resources reduces the risk of financial crisis, the Rose Centre was still highly reliant on the programme-related funding from foundations (62.5% of all its income). The profitability of its second-hand shop was quite limited and only accounted for less than 30% of its total income on average over the previous five years. The financial situation in the Lily Library was worse, as one of the optician's shops was in debt for more than six months during the fieldwork.

In terms of human resources, both Rose and Lily had few employees and both the organisers and the staff working in the Rose Centre and the Lily Library lacked business skills and experience. They were restricted by those skills shortages from earning more from business income and from scaling up their businesses. According to the strategic-choice theory discussed earlier in this section, the powerful decision-makers in an organisation can make strategic choices to respond to the external environment. However, the strategic choices made by powerful decision-makers (founders in this study) are made in the light of how they perceive and construct the reality of the external environment (Child, 1972). The findings showed that the founders of both enterprises thought that the external political environment was not supportive and that local government officers were not helpful. On the contrary, the local government thought that the policy context was good for supporting the development of general third-sector organisations, and that social enterprises should capture this trend. As a result, both founders made a choice to maintain a distance from government and remain independent from it. They showed little agency or ability to respond to the uncertain external environment. Beyond leadership and staff resources, volunteer resources are generally seen as valuable and of importance for most third-sector organisations. The Rose Centre had well-trained and loyal volunteers and a variety of volunteer networks, whereas the Lily Library had a higher volunteer turnover rate and the volunteers had been less trained compared with the Rose Centre (*see* Chapter 6). The volunteers could be seen as one of the core competence resources in the Rose Centre as connection and loyalty are hard to build and valuable for many for social-good organisations.

From the physical resources perspective, which refers to all the physical technology used in firms, including equipment, geographic location and technology resources, as described in Chapter 6, the Rose Centre was located in a less busy street at a lower rent. However, this reduced its chances of being accessed by more customers. The optician's shops of the Lily

Library were located in one of the busiest technological shops-based high streets in city B. The founder had chosen this location in order to attract more customers, but the financial records showed that the shop was in debt because of the high rent at the time of the fieldwork. No data were found in this study to show that both social enterprises had applied any special or advanced technology to enable them to achieve a larger social and business impact. As discussed from the resources-based view strategy, the physical resources in both social enterprises gave them limited competitive advantages in the market place as they were less valued and not rare.

From the organisational resources perspective, Table 10.1 showed the organisations' aims and their strategic planning. As extensively discussed throughout this study, both social enterprises experienced mission drift from the perspective of institutionalism. This might damage their long-term strategic planning as they had scarce financial and human resources to achieve multiple aims. However, from the perspective of entrepreneurship, the way that they adjusted their daily operations to respond to the changing needs of beneficiaries should be appreciated. As defined in Chapter 4, social entrepreneurship refers to the practices of combining innovation, resourcefulness and opportunity to address critical social and environmental challenges (Nicholls, 2006). Social entrepreneurs react quickly to a changing environment and to the changing social needs of target beneficiaries. Both the Rose Centre and the Lily Library were needs-focused organisations putting their social aims at the top of the agenda. It is the power and ability of bottom-up collective actions to be able to use limited resources to improve community well-being.

In summary, this section has explored how internal and external players and conditions influence the performance of social enterprises by introducing a multi-layered model. It has argued that the external environment comprising the social, political and economic contexts shaped the macro-level contexts of the social enterprises, and these are hard for a single organisation to have any influence over. However, social enterprises can take full advantage of a variety of resources at the micro-level and meso-level to respond to an uncertain environment and eventually achieve their social and business aims. In this study, however, the social enterprises had limited ability to change either the external policy framework or any other factors beyond their control.

10.4 Conclusion

This chapter has thrown light on the question of why two social enterprises worked in the way that they did by answering two sub-questions: how do social enterprises develop and deliver support to migrant children in China? and how does the context in which social enterprises operate affect the nature of the service provision?

During the process of identifying stakeholders' needs and then designing a service plan, co-production played a crucial role, especially in the Rose Centre. The Rose Centre showed that it was mindful of the conflicting needs amongst its stakeholders and beneficiaries and attempted to balance these. Both Rose and Lily quickly perceived the changing community need and adjusted their activities to respond to the most urgent migrant children's needs by multi-stakeholder engagement. The relationships between social enterprises and other players on the wider supplier sides were discussed. The findings revealed less co-production between social enterprises and local government, but considerable cooperation with other third-sector organisations.

This chapter has also presented a discussion of some key elements which appeared during their service delivery: what did they actually do to meet the needs of migrant children and what skills did they have to ensure service delivery. Both social enterprises had experienced obvious mission drift both from the pressure of financial resource and from the changing needs of their beneficiaries. The notion of 'need-driven' mission drift was proposed for the first time in an academic study, and described a drift derived from the changing community needs and the desire to meet the emerging needs. From the perspective of entrepreneurship, this behaviour of deviating from the stated aims should not be seen as mission drift as it was done with the intention of achieving the social aims. This chapter has also discussed the role played by professional skills and services in shaping the outcomes of the enterprises' services and the findings have revealed that both social enterprises showed a serious lack of business skills for generating a business income. This would restrict them in many aspects of business management in terms of being able to identify resources and integrating them during their operation.

Finally, this chapter has developed an ecosystem for social enterprises, building upon multiple layers including macro-, meso- and micro-level analysis in order to understand the

comprehensive context. The ecosystem model systematically explained how the working contexts and players shaped the performance of the two social enterprises. The operation of the social enterprises and the living conditions of migrant families were highly influenced by the contexts and environment at every level, but the social enterprises had little agency to respond to the changing contexts and to identify resources at each level.

CHAPTER 11: CONCLUSION

11.1 Introduction

There have been no previous studies into how social enterprises can help to address the difficulties encountered by children who migrate within China. This exploratory study has filled this gap both in Chinese and in international research on social enterprises. This study also aimed to contribute to methodological approaches to researching and understanding the day-to-day operation of social enterprises by employing an ethnographic approach and gathering data directly from service providers and service users, including the children themselves.

Specifically the study has examined:

- the difficulties confronted by migrant children in their migration life;

- the daily operation of social enterprises;

- the impacts which social enterprises have achieved on migrant children and their families;

- different perspectives on the operations of social enterprises from several groups of stakeholders;

- the relationship between local government and social enterprises;

- the macro institutional and political context for the operation of social enterprises in China and the policy context for migrant children;

- the ecosystems for both researched social enterprises and the conceptual ecosystem built for broader social enterprise;

- and finally the role of social enterprises in supporting the welfare of migrant children.

The aim of this chapter is to draw a final conclusion from this study. The main findings are summarised with regard to the research questions. Policy implications for scaling-up social enterprise and supporting migrant children are provided in this chapter. The key contributions of this study to knowledge and to the practical domain are discussed and, finally, possible future studies are proposed based on an analysis of the limitations and disadvantages of this study.

11.2 Summary of the research questions

This thesis has presented the key findings and related themes to provide answers to the central research questions.

11.2.1 How do social enterprises develop and deliver support to migrant children in China?

This study found that migrant children were generally experiencing poverty, as evidenced by their poor housing, poor neighbourhood and parents' low incomes and uncertain employment. This is similar to the findings of previous studies (Xiong, 2012; Gao, 2011; Guo, 2013) that migrant children were confronted by challenges with regard to their restricted formal education opportunities, parenting behaviours and poor community environment, and some were suffering from malnutrition (*see* Chapter 8.2). In these difficult conditions, the two social enterprises selected for study seemed to be providing care and enjoyable services to meet children's requirements for space and friends (*see* Chapter 8.3 and 8.4).

Unlike the formal social welfare services provided by central and local government which are focused on migrant children's formal education (nine years of compulsory education) and health-related welfare (a free vaccination schedule), this study uncovered the fact that the services and activities provided by social enterprises were a supplemental form of support to wider formal social welfare. The services and activities found in this study were after-school activities, weekend clubs, interest groups, librarian services, outreach activities and other occasional activities (*see* Chapter 6.2) to provide opportunities for migrant children to make friends. The Rose Centre also provided services, such as parenting clubs and women's interest groups, to migrant parents, especially migrant women as they were the main target group of people for this Centre (*see* Chapter 6.2.1).

The services and activities provided by both case-study social enterprises had changed over time. The social enterprises' practitioners took the views of multiple stakeholders (parents, children and volunteers) into account when they were understanding needs and designing services. In this respect, the social enterprises' leaders met and responded to changing needs quickly. The Rose Centre continued to adjust its services and activities to satisfy changing needs. It also explored and practised some innovative business and social programmes to enable its services to achieve long-term impacts on migrant children and their families. The Lily Library, however, was continually reducing its activities for children as it did not have

sufficient funding for running a children's centre. At the time of this study, the Lily Library could only maintain the very basic services to migrant children: after-school services and library services. Many weekend interest groups had been cut as the Library had scarce financial resources and human resources to run those activities. However, the basic after-school services and library services could still meet the stated needs of children to some degree in terms of providing space and enabling them to meet new friends.

Generally, the services and activities were mainly delivered to migrant children through volunteers. Volunteers were involved in many activities such as homework supervision, looking after infants or toddlers, playing games with children, acting as voluntary teachers of interest clubs and ensuring children's safety on various outreach activities. Although the volunteers had been trained before having any contact with children, not all of them could provide specific professional and specialised services to children. However, the services provided by them generally satisfied migrant parents (*see* Chapter 7).

11.2.2 What social impact do social enterprises have on migrant children?

As discussed in Chapter 4, no Chinese or international empirical studies have examined the perceived social impact of social enterprises on migrant children in China. Furthermore, no research has included the voices of migrant children, despite the emphasis on services to meet their needs. Drawing on the two case-study social enterprises, this study has explored what the social enterprises needed to achieve and what they aimed to achieve in relation to the provision of services to internal-migrant children. As described above, the social enterprises had provided a range of enjoyable services and activities to migrant children, aiming to meet children's needs for space and friendships. This study found that what the two social enterprises had provided to migrant children had influenced the lives of migrant children, migrant families and even wider migrant communities, as will be outlined below.

Impact on migrant children

Amin *et al*. (2002) commented that social enterprises function in a limited, localised and small-scale manner. This should inform our understanding of what the perceived social impact might be and also lead us to explore what strategies can be used to increase the social impact of these two specific social enterprises. This study has presented the perceived impact on

migrant children from groups of stakeholders including migrant parents, social enterprise staff members, local authority officers and also from the direct service users – migrant children.

From the perspective of the parents, the most significant impact on their children was the improvement in their academic performance and good behaviour, which was also parents' biggest motivation for sending their children to these social enterprises. Furthermore, the parents also perceived different degrees of impact on their children's personalities and knowledge. They were all satisfied with the additional forms of support from both case-study social enterprises irrespective of the degree of change or improvement which they observed.

In terms of the migrant children, they were highly satisfied with what was provided by the two social enterprises as they could finish their homework under supervision, make friends and join in fun activities in both Centres, as discussed in Chapter 8, which motivated them to want to stay with both social enterprises for the near future. Although none of the researched children stated any changes on them comparing before and after receiving such services, considering that there were no alternative choices[25] or other places to go in the urban village, the most significant impact on them was that they finally had a choice, and because of that, the activities had enriched their lives. As discussed in Chapter 8, the services which the migrant children in both social enterprises found most impressive and attractive were those activities not related to their schoolwork, which was significantly different from their parents' expectations and perceptions. The children preferred watching films, going out to visit a museum, and winter school or summer school.

The social enterprise staff members all considered that they had almost achieved what they had initially aimed to achieve. As discussed in Chapter 6, the founders of both social enterprises stated that they did not aim to 'change' migrant children, but rather they aimed to support them in additional and supplementary forms to formal school education and other public child-welfare institutions. And they perceived that at least they had provided a safer place for the children to stay after school and to meet other children through clubs and activities. However, they admitted that they could only obtain feedback on their service quality through informal self-assessed evaluation as they did not have a proper formal evaluation system within their organisations.

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[25] 'alternative choices' refers to going to an empty home after school and not having access to out-of-school activities.

However, the local authority officers interviewed had different opinions, feeling that the impact of the services provided by the two social enterprises on migrant children were limited. Local authority staff from city A thought that the services provided by a social enterprise should be appreciated as long as they are responses to local social problems and improve people's situations, although their impact can only reach a local area or be effective on a small scale. However, the local authority officers from city B argued that the localised social impact was a waste of various resources. However, considering the limited financial support, policy support and appropriate resources, it was an unrealistic expectation of such community-based social enterprises to reach any level beyond a local area.

Although the various stakeholders had varied views on the social impact of the two social enterprises, the opportunities which they provided for children to develop new friendship networks and to build their social networks was highly valued by parents, children and both pairs of social enterprise officers. Although the local authority officers held different attitudes to the localised social impact, considering that there were no alternative services provided for migrant children, the services provided by both social enterprises had filled the gaps in practice by providing such places and services, as perceived by all groups of participants. However, exploring or even evaluating the perceived impacts on migrant children could be challengeable if the ecological perspective of child development is taken into consideration (Bronfenbrenner, 1979), and parents and the social enterprise officers wondered whether the improvement or changes on their children had resulted from children's natural physical and psychological maturing process or from the interactions and influences of the environment in which they lived. The social enterprise officers were particularly keen to learn about a professional evaluation system to assess the quality of their services.

In summary, the efforts made by both social enterprises for migrant children could contribute to the children's subjective well-being and school education, rather than solving their substantial difficulties such as poverty, equal education opportunities, poor housing and other disadvantages. And it is not realistic to expect community-based social enterprises to tackle these wider difficulties.

Impact on migrant parents, families and migrant communities

Exploring the perceived impact on children should also be located in the contexts of family, peer groups, neighbourhood and community environment. Bronfenbrenner (1979) suggested

that individuals live within five environmental systems and interact with individuals and institutions within this ecological system. The operation of both social enterprises had impacts on such environmental and individual factors but was also influenced by them.

As discussed in Chapters 7 and 8, parents from the Rose Centre said the services provided by the social enterprise could help them and their families. Five of them who had joined parental clubs believed that they had improved their parenting skills and knowledge in regard to their children and other family members after joining the courses and other child-related activities, which also benefited their children in an indirect way. The parents would like to spend more time with their children for the development of the children's full potential and were more likely to use more positive attitudes when managing their children. No parents from the Lily Library reported such perceptions regarding their family or themselves as they did not have such a close and trusting relationship with the Lily Library.

11.2.3 How does the context in which social enterprises operate affect the nature of the service provision?

This study developed a multi-layered Social Enterprise Ecosystem framework, involving players and institutions which occupy different levels of the ecological environment of social enterprises. This conceptual model explained how the social enterprises were influenced by forces within and beyond the control of a single social enterprise.

As shown in Chapter 10, the wider macro-level context was generally similar for both social enterprises. The global trend of New Public Management and marketisation had encouraged and created more space for social enterprises to work in public-service areas. However, the national overarching policy showed less support to social enterprises on the ground. There is no prevailing preference for organisation type for government when choosing partners. The lack of a legal framework and specific policy support meant that social enterprises have to survive in a less supportive policy environment. However, the performance of social enterprises working with migrant children was not only influenced by the social enterprise-related policies, but also by migrant-related policy, specifically the *hukou* policy in this study. The regional *hukou* policy showed different impacts on the livelihoods of migrant parents and migrant children as well as on the performance of social enterprises. The tightened *hukou* policy had pushed many migrants to leave city A and therefore had negative impacts on the long-term development of social enterprises working with migrant children in city A. The

situation was different in city B as it had a less strict population policy. The contexts of wider policies had great impacts on the social enterprises' organisational structure as well as their daily performance.

From the perspective of the micro-level analysis of a single social enterprise, by examining the resources and organisational capabilities that can be controlled by single social enterprises, the strategies which they chose to respond to the changing and uncertain environment showed differences between the two researched social enterprises. As illustrated by Table 10.1, the performances of both social enterprises were restricted by limited financial resources and access to talented human resources and other valuable resources which they could access from market places and non-market places. They lacked the skills needed to generate more business income and were reluctant to seek support from government. Limited financial resources restricted them from providing more services and activities for migrant children during their daily routine work. Although many theorists (for example, Lawrance and Lorsch, 1967; Woodward, 1965; Perrow, 1965; Child, 1972) have highlighted the power of decision-makers in influencing the wider policy environment, this study has shown the powerlessness of micro-level players, basically single social enterprises and social entrepreneurs, in shaping or influencing policy.

There were many differences between the two social enterprises in the way they interacted with other stakeholders on the meso-level. Both of them chose to be independent from local authorities but preferred to cooperate with general third-sector organisations and private organisations for receiving a variety of resources. The way that they dealt with migrant parents was also crucial for their delivery of services. Taking into account parents' needs and requirements and engaging parents' participation proved to be helpful for the social enterprises to understand the needs and to develop appropriate services for migrant children. Failure to do this might damage the long-term performance of social enterprises, as discussed in Chapter 6. Relationship marketing proved to be crucial for both social enterprises in this study as it could influence the resources which they could access to achieve their aims.

In summary, the performance of the social enterprises and the services which they were able to provide were highly influenced by central and local government, by private organisations, by other third-sector organisations and by various other organisations as well as by the overarching policy frameworks which they occupied. The wider policy context provided

limited specific policy support for scaling-up the social enterprises. The limited resources which they were able to access also restricted them from expanding their services and activities. However, both social enterprises had adopted different strategies to respond to this unsupportive environment in order to meet beneficiaries' needs and were highly valued by most of the migrant parents and migrant children, as discussed above. The power of this bottom-up approach of satisfying community needs cannot be underestimated as it enabled the social enterprises to fill the gaps in the practices which they provided.

11.2.4 Final conclusions

This study has addressed the key research question about the role of social enterprise in delivering informal social welfare services to children who migrate within China.

Evidence from this study suggests that the service-users, migrant parents and children, were generally satisfied with what they had received. The parents perceived that there were some positive impacts on their children's education, personality development and wider knowledge beyond school books. Some parents from the Rose Centre also perceived changes and impacts on themselves and their families. However, the social impacts perceived by local government were claimed to be small-scale and limited to the community level. This holistic analysis of the ecosystem of the two social enterprises found that both social enterprises were faced by challenges from the lack of various resources including financial resources, policy support, talent, general business skills and the use of inappropriate business models. Due to their weak business models, they had difficulties in raising income, but also were reluctant to accept money from the local authority. All these factors made the services which they were able to provide limited. The findings also showed that although both social enterprises identified themselves as social enterprises, they still had to rely on funding other than income from their business activities. They still suffered from the financial pressure on their everyday operation, although the findings show that they had reduced their dependence on donations and government grants. They had great motivation to be self-funded social enterprises because they aimed to achieve a high degree of autonomy, and especially to be independent from government.

Although the impact of both social enterprises was found to be at the community level, this study has suggested that the role played by small-scale social enterprises in delivering public services should be a pioneering role in this field. Small-scale social enterprises have their own

advantages in being able to perceive and respond to changing community needs quickly. The power of bottom-up mobilisation had a key role in the formation and consolidation of the social enterprises in their reaction to unmet social needs. They could use their local impacts to explore and 'test' or 'continually adjust' their services to meet the needs of the target populations. They might experience a range of challenges and difficulties in searching for sustainable business activities and long-term social impacts, but this was how their business skills and knowledge had developed. In this 'trial and error' process, the role of the central and local government was uncovered to be one of a policy guider at a macro-level at the beginning of this process. The evidence presented in this study showed that the government introduced the market rule of 'the survival of the fittest' to select appropriate service providers, which means that the government preferred to cooperate with those social enterprises which could survived market competition. This study also showed that the government had provided financial support to organisations with social aims. However, that financial support, mainly in the form of public procurements, was not exclusively seeking partners among social enterprises but among the wider private sector and third-sector organisations. There is no available data to clarify how many public contracts were made between government and social enterprises. For the government, there is no policy of preference in the provision of public services between charity organisations, social enterprises or other third-sector organisations. The key criterion for the government in the selection of partners is whether they can effectively solve the social problems, rather than an emphasis on their legal forms. Therefore, this study suggests that start-up social enterprises should focus on building their own organisational capability so as to obtain more resources and opportunities.

The role and the attitudes of government can be understood by examining the social and economic context of the development of social enterprise in China. The current quasi-market in China suffers from oversupply. The government chose to lower the access mechanism, promoting market competition to sustain the market dynamics, and then selected specialised services among a range of service providers.

During the service-provision process, the way in which social enterprises choose their business plan is crucial for their business sustainability. This study has shown that the leaders of social enterprises should identify the needs of the market and of the target population when they choose a business plan, rather than simply developing one for their convenience. This study has also shown that there are irrelevant business programmes and that their social

programmes might easily lead to mission drift in terms of *external social enterprise*. Social entrepreneurs require more skills and resources to pursue two absolutely different logics and aims.

In the wider environment, social enterprises should be an indispensable link in the whole social production chain by integrating all resources in each level of the environment, rather than merely being 'an alternative choice'. Social enterprises are not just residual actors filling gaps in the market or the state; they also significantly influence their institutional environment and they contribute to shaping institutions, including public policies.

11.3 Implications

This thesis has presented a discussion of the difficulties associated with children who migrate within countries and the practice of social enterprise in supporting migrant children. The policy implications in the light of the conclusions discussed in previous chapters suggest that policies should be introduced and appropriate approaches should be taken to meet the needs of migrant children as well as to strengthen the capability of social enterprises.

11.3.1 Supporting migrant children and migrant families

It was not the aim of this study to discuss the policy framework of migrant children's comprehensive welfare, but to understand the role of social enterprises, as one of the welfare service providers, in delivering services to migrant children. This section therefore focuses on the approaches that could be taken by policy-makers to meet the needs of migrant children and migrant parents rather than providing holistic policy implications. As discussed in previous chapters, migrant children and migrant families encounter many difficulties in terms of monetary and non-monetary challenges. However, the current policy providing for them was seen as a 'residual' framework (Zhou, 2014) aiming to improve migrant children's educational opportunities and health conditions (mainly their physical health), rather than providing support for children's subjective well-being.

The first suggestion which emerges from this study is reforming *hukou* policy by removing the attached function of distributing social welfare and social rights. It has been argued in this thesis that the proximal cause of their difficulties derives from the level and accessibility of the welfare support available for migrant people and migrant children. *hukou* policy, as the

institutional carrier of citizens' social welfare, has resulted in serious social inequality. Most of the migrants, especially cross-province migrants, who had made considerable contributions to the development of urban cities, still cannot receive equal social welfare as the *hukou* residents as a consequence of their *hukou* differences. It is not suggested that a particular reforming approach for *hukou* policy is needed as it is not the key interest of this study. However, the findings of this study do suggest that the aim of any policy reform must be to dilute the function and the attraction of *hukou* policy by arranging social welfare and other social rights so as to promote the citizenisation of the migrant population. However, there would be huge difficulties in reforming *hukou* policy as it is not only about the education system; many other factors would have to be taken into consideration such as the availability of finance, political power, urban management and many other conflicts of interest. The regional differences and migration type differences should also be carefully considered.

Second, as discussed above, community-level public services must not be neglected. Migrants in this study were found to be living together in urban villages, sharing similar experiences and similar needs of their daily life and their children. However, the findings have shown that very limited public services were provided in such communities as the needs of these groups of people were not given priority in many local authorities' schedules (*see* Chapter 6). This study has highlighted the potential of this bottom-up approach in perceiving and responding to community needs. It is therefore suggested that the local authorities should either increase public-service provision in these communities, especially migrant communities, or provide more financial and policy support for these community-based organisations, including social enterprises, by encouraging more service provision.

11.3.2 Scaling-up social enterprise and social entrepreneurs

Social enterprise in general, as one type of organisation working for the social good, has been found to occupy a less supportive institutional environment in China. Social enterprises working with migrants were even worse. This section discusses the policy implications in general for scaling-up social enterprises and supporting social entrepreneurs by drawing on the Social Enterprise Ecosystem discussed above.

First, the findings suggest the need for institutional policy to identify and regulate social enterprise. As discussed in Chapter 9, no official accreditation, definition or legal framework has been established for social enterprise in China, which had restricted social enterprises from

obtaining financial support and other types of support in practice. Social enterprises, although they work for the social good and for social interests, have to register with and be supervised by the Industrial and Commercial Bureau (Company House) in China as 'partnership enterprises'. If they are registered in this legal framework, social enterprises have more flexibility in profit distribution and financial regulation compared with general charity organisations. However, it is impossible for them to obtain any tax exemption from the government under this legal form. In addition, social enterprises have to achieve both social and economic aims (and even multiple aims) at the same time in service delivery, which makes it easy for them to fall into mission drift. Hence there is a great need for stricter and more specific regulations to keep them from deviating from their major social aims. The findings also suggest that more specific and substantial policy support should be provided to social enterprises. Specifically, it is suggested that the establishment of a legal framework for social enterprises would be helpful for increasing their public acknowledgement. The comprehensive policy framework for social enterprises should explain the accreditation criteria, with whom they are registered, by whom they are evaluated and what their rights and obligations are, which would endow social enterprises with strong legitimacy for receiving better policy support as well as better regulation. Critically, social enterprises not only need to achieve economic and social success, but also need to establish their institutional legitimacy. Under a revised institutional environment, social enterprises will be able to obey the norms, principles and beliefs to survive and to gain legitimacy, which will be better for fostering the institutional environment of social enterprise and broadening social entrepreneurship.

However, institutional support, official definition or accreditation and a specific legal framework would be less useful if there is no substantial support such as social investment, seed/angel funding, tax exemptions and similar incentives. This financial support is particularly important for start-up social enterprises and general small-scale, community-based societal organisations. It is therefore suggested that direct and explicit financial support should be provided for social enterprises after introducing an appropriate legal framework in China. For example, the UK government introduced the Social Investment Tax Relief scheme in July 2014 with the aim of encouraging more individual investors to support social enterprise, and individual investors can receive up to 30% tax relief depending on the amount of their investment (UK HM Revenue and Customs, 2014). Although the aim of this study is not to

compare the policies between the UK and China, the Chinese government can learn from the UK's experience of policy practice to some degree.

Second, it is suggested that approaches could be adopted by social entrepreneurs for making organisational systematic and long-lasting changes which are inspired by the Social Enterprise Ecosystems discussed in Chapter 10. It is suggested that social entrepreneurs should identify resources and scale their social impact at each level within this ecosystem. From the perspective of internal organisational capability, social entrepreneurs are encouraged to identify more valuable and hard-to-imitate resources in the operation of their activities. Considering the unique hybrid nature of their operation, social enterprise leaders are required to be able to manage competing institutional logics and organisational aims. Social enterprises should always be clear about the principal social aims to be achieved during their service delivery in order to maintain their legitimacy. In addition, social entrepreneurs should attract more talented staff, or should offer more training opportunities to their current staff if there are any difficulties in paying high salaries to attract talented employees. Business skills and experience as well as the business model chosen are of great importance for both social enterprise leaders and staff as they are crucial for generating business income, which is one of the key organisational aims for social enterprises. Weak internal organisational capability was found to be a restriction for social enterprises' leaders to make strategic choices to respond to the harsh social and political context. However, it should be noted that the operational model of social enterprises must be dynamic, constantly adapting to an uncertain environment.

Third, most social entrepreneurship practitioners have been spending the majority of their effort in strengthening the micro-level system and internal organisational operation rather than exploring the resources and opportunities available in the meso-level or even the macro-level environment. The findings of this study suggest the need for more effort on developing a meso-level system, the relationship between social enterprises and any institutions or groups which have direct or indirect contact with them in service provision. The ecosystem would help social entrepreneurs to identify new partners and cooperation opportunities to gain access to more resources for further development in order to put the social enterprise into the wider environment. However, as different stakeholders or partners become involved with different needs or strategies, social entrepreneurs should able to balance the competing needs and make the right choice of partner(s) when considering coalitions.

The findings suggest that approaches could be taken by government to improve migrant children's situations and to help social enterprises from multiple perspectives. It is suggested that more specific policies should be introduced to foster a supportive institutional environment for social enterprises in the Chinese context. Social entrepreneurs need to map the resources within the multiple layers of the ecosystem in order to be able to make systematic changes, and they have to realise that the ecosystem is a dynamic process changing over time as conditions and broader factors change. There is no single operational model that fits all social enterprises, so the specific sector context and conditions need to be taken constantly into consideration.

11.4 Contributions to knowledge

This study has made contributions to knowledge in five ways. First, as outlined in Chapter 4, early studies in Chinese academia merely focused on either comparing or introducing the nature and identification of social enterprises in the international context. Little empirical evidence was found on the nature and performance of social enterprises working with migrant children in the Chinese context. This study has filled this gap in the knowledge by exploring how this particular form of organisation works with children who migrate within China by examining two typical community-based social enterprises. This study has also extensively discussed the institutional environment of China for social enterprise in general, and specifically for social enterprises working with migrant children.

Second, this study has made a distinctive contribution to the theoretical understanding of Social Enterprise Ecosystems. Early writings on social enterprise made great contributions to the theoretical development in regard to its definition, characteristics, model comparative studies and managerial concerns in western countries (Defourny and Nyssens, 2006; 2010; Teasdale, 2012; Lumpkin *et al*., 2013; Doherty *et al*., 2014), however the ecosystem of social enterprise had been less discussed compared with the more conventional research areas listed above. This study has developed a multiple-level analysis model involving macro-level, meso-level and micro-level analysis to describe the external and internal operational environment of social enterprises. Stakeholders and conditions and their interactions between each level were discussed to understand how the ecosystem works to influence social enterprises' performance in supporting children's welfare. By discussing the internal organisational capability, this study was able to explain the 'agency' of a single social enterprise in adjusting to the external

context. Although the aim of this study was to explain how social enterprises work with migrant children by drawing detailed Social Enterprise Ecosystem maps, a conceptual model of the Social Enterprise Ecosystem was rigorously explained so as to make it applicable to broader social enterprises working with different beneficiaries.

Third, this study identified a new type of mission drift, the 'need-driven' mission drift, which had barely been discussed in previous studies. The discussion of need-driven mission drift enriched the traditional understanding of mission drift in social enterprises, which normally arises from financial pressure. Instead, as discussed in Chapter 10, the 'need-driven' mission drift refers to how the social enterprises can deviate from their stated aims or initial social aims as a result of perceiving the changing community needs or beneficiaries' needs. Need-driven mission drift reflects the dynamic and the advantage of the bottom-up entrepreneurship of social enterprises in responding to social problems and social needs, as sometimes what a social entrepreneur would like to supply does not always match beneficiaries' needs. This type of mission drift should be critically understood as it is not absolutely a 'bad' thing for social enterprises.

Fourth, this study involved voices and perspectives from migrant children, and yet we hear almost nothing from them in the social enterprise literature. This study involved nineteen migrant children to understand their perspectives on the operation of social enterprises in delivering community services. Fieldwork with these migrant children also contributed to understanding their behaviour and their attitudes to the two researched social enterprises. One of the key contributions of involving migrant children in this study is to understand their own needs from social enterprises: they were eager for 'spaces to play in' and 'friends to play with', rather than to 'achieve better academic performance' as their parents expected.

Fifth, this study has also contributed to the methodological perspective. As discussed in Chapter 4, few previous studies have used an ethnographic approach to explore what social enterprises actually do in their day-to-day practice. By using an organisational ethnographic approach, I was able to immerse myself in each social enterprise and to observe what the social enterprises actually did, listening to what staff, volunteers and users said and experiencing the day-to-day practice in these settings.

11.5 Limitations and suggestions for future work

There are several limitations of this study; the limitations of the research design which it employed and the methods used in this study were discussed in Chapter 5. However, some further limitations of this study as a whole will be discussed here.

The first limitation is the sample size of this study in regard to the number of social enterprises studied and the number of participants. Considering the limited time and the financial resources needed for extensive participant observation of every single social enterprise, only two cases were chosen to examine how social enterprises work with children who migrate within China. Although the case-study design allows only theoretical generalisability rather than population generalisability, increasing the sample size to more cases could improve the reliability and make the findings more comparable. Equally, on the other hand, the number of participants was also small for detailed thematic analysis. Braun and Clarke (2013) suggested that fewer than six interviews may not be suitable for thematic analysis as it is a technique which is used to emphasise patterned meanings. However, because of the difficulties confronted by the researcher in the fieldwork when approaching local authority officers as potential interviewees, only four appropriate local authority officers were eventually identified.

The second limitation is the homogeneity of the two selected social enterprises. As discussed in Chapter 4, Alter (2007) described three types of social enterprise, internal social enterprises, embedded social enterprises and external social enterprises, in relation to the relationship between their business activity and their social aims. In this study, due to the limited resources, only two external social enterprises were chosen for understanding the operation of social enterprises working with children who migrate within China. For future research in this field, it is suggested that more types of social enterprise should be included in order to understand the topic more fully.

In the light of this consideration of the limitations of this study, future work should focus on the following areas. First, I would like to conduct more comparative studies in the next stage of my work. I would like to compare the role and the ability of social enterprises and other traditional charity organisations in supporting migrant children's welfare. Given the special characteristics of social enterprise, is there any distinctive contribution that they can make

compared with traditional charity organisations? What makes the social enterprise approach different from that of traditional charities and non-profit organisations?

Second, I would like to expand the service area beyond migrant children-related services to cover broader and wider areas, such as solving unemployment and reducing areas of poverty. I would like to see whether the developed Social Enterprise Ecosystem also works in other areas, and how it works or not? As discussed above, only external social enterprises were selected for this study. I would like to examine how other types of social enterprise work in the context of China. In summary, I would like to improve the reliability and validity of the Social Enterprise Ecosystem by involving more social enterprises working in different areas, and working under different operational models. I hope that social enterprises in China can achieve long-term changes and expand their social impact by using the Social Enterprise Ecosystem which I have developed through this study.

APPENDIX 1: *Thermorate* game
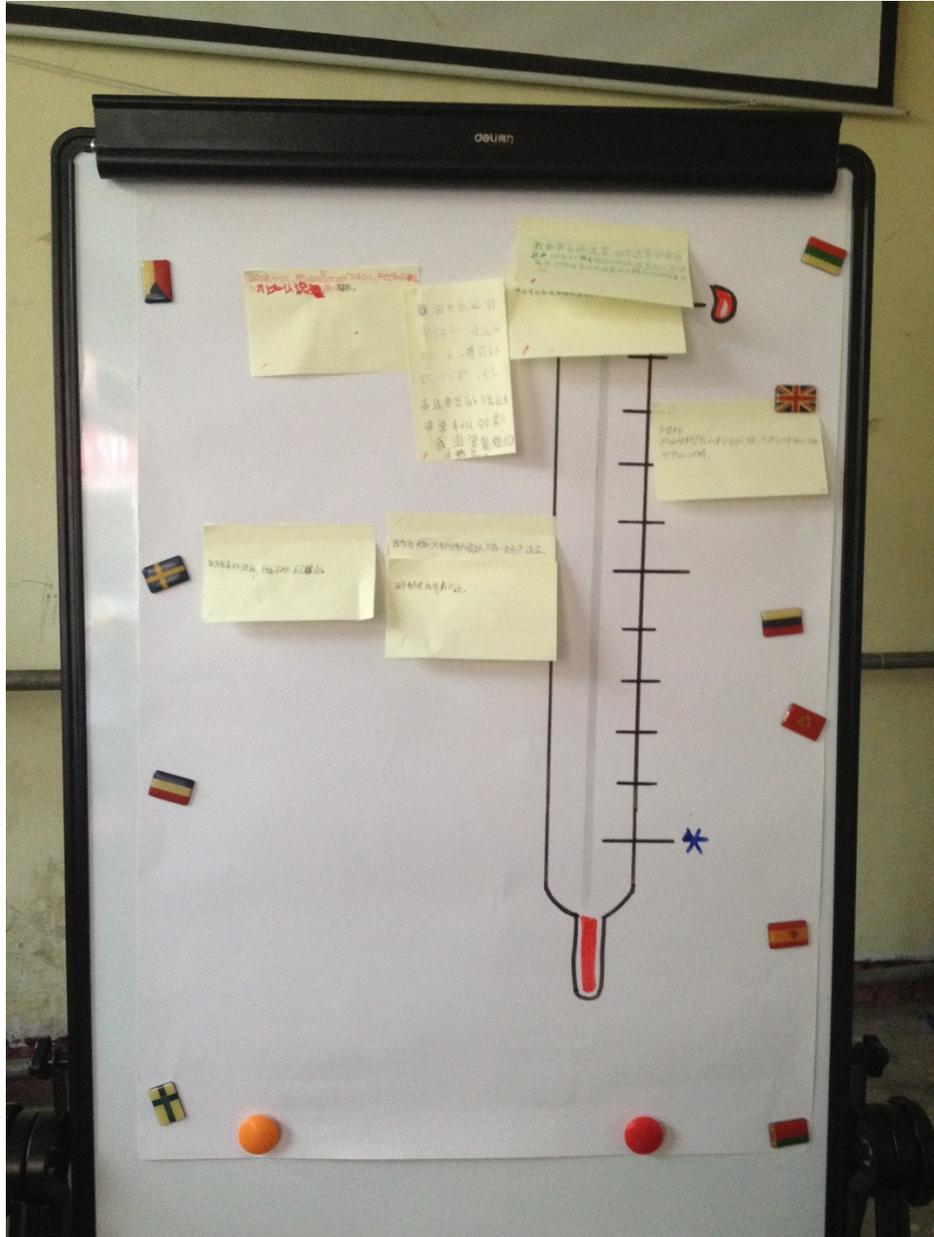
Result of the overall perception of the Rose Centre

APPENDIX 2: Informed Consent Form

INFORMED CONSENT FORM

My name is Shanshan Guan, I am a PhD candidate at the University of York.

I am doing research on a project called: Social enterprise working with internal migrant children in China: values, challenges and constraints.

Research summary：This research aims to explore the role of social enterprises are in delivering community services to migrant children in China. It examines their services delivery process and its outcomes in different local contexts.

If you have any questions, my supervisor is directing the project and can be contacted at:

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Thank you for agreeing to take part in this project. Before we start, I would like to say that:

- Taking part is entirely your choice

- You are free to refuse to answer any question without saying why

- You are free to withdraw at any time without saying why

- Whether you take part or not, services you receive will not be affected.

The interview will be tape-recorded. The data will be kept strictly confidential and will be available only to members of the research team. Your words and ideas may be quoted in the final research report, but under no circumstances will your name or any identifying characteristics are included in the report.

Please sign this form to show that I have read the contents to you.

CONSENT

You will be given a copy of this consent form to keep for your own records.

If you wish to participate in this study, please sign and date below.

_____

Participant's Name *(please print)*

_____ _____

Participant's Signature   Date

[Optional]

If you agree to allow me to <u>audiotape</u> this interview, please sign and date below.

_____ _____

Participant's Signature   Date

[Optional]

If you agree to allow <u>your name</u> to be included in all final reports, publications, and/or presentations resulting from this research, please sign and date below.

_____ _____

Participant's Signature   Date

[Optional]

If you agree to allow <u>your institution name</u> to be included in all final reports, publications, and/or presentations resulting from this research, please sign and date below.

_____ _____

Participant's Signature   Date

APPENDIX 3a: Information Sheet for Social Enterprise Officers

THE UNIVERSITY *of York* **Department of Social Policy and Social Work**

Exploring social enterprises working with migrant children
PhD research

Researcher at the University of York would like to talk to social enterprise officers who provide community services to migrant children.

What is the research about?

This research aims to explore the role of social enterprises are in delivering community services to migrant children in China. This will help us to understand how different actors and activities are involved in and influence the performance of target social enterprises.

Why am I being invited to take part?

I am inviting key informants in social enterprises that provide community services to migrant children. I would like to know your perspective about the service delivery process and its outcomes.

What are the benefits of taking part?

Your views are important for me. By taking part in this research you will be helping to generate new knowledge of the ability of social enterprises to deliver services to migrant children in China. You will be given a summary of my research when I finish it, which may help to make services better.

What will I have to do?

If you decide to take part you will be given this information sheet to keep and will be asked to sign a consent form. I will arrange to interview you at a time and location of your choice. The semi-structured interview should last about one hour and be based on interview guide. The interview will be recorded subject to your permission.

What will you do with my information?

Your personal details and everything you tell us will remain **strictly confidential** and will not be shared with anyone outside of the research. No information which can identify you will be included.

How can I find out more?

If you have any questions or require more information about this study, please contact me Shanshan Guan on 07586084533 or email sg708@york.ac.uk. I am happy to discuss any queries you may have.

THE UNIVERSITY *of York*   **Department of Social Policy and Social Work**

Exploring social enterprises working with migrant children

PhD research

Researcher at the University of York would like to talk to parents whose children have been receiving the services more than 3 months.

What is the research about?

I am doing a research on after-school services provided by your community service center. I would like to know your and your children's view on received services.

Why am I being invited to take part?

I am inviting parents or cares of migrant children who have been receiving this service more than 3 months. I would like to know your perspective about the service delivery process and its outcomes on your child life and your family.

What are the benefits of taking part?

Your views are important for me. By taking part in this research you will be helping to understand the services delivery and its outcomes. You will be given a summary of my research when I finish it, which may help to make services better.

What will I have to do?

If you decide to take part you will be given this information sheet to keep and will be asked to sign a consent form. I will arrange to interview you at a time and location of your choice. The semi-structured interview should last about one hour and be based on interview guide. The interview will be recorded subject to your permission.

What will you do with my information?

Your personal details and everything you tell us will remain **strictly confidential** and will not be shared with anyone outside of the research. No information which can identify you will be included.

How can I find out more?

If you have any questions or require more information about this study, please contact me Shanshan Guan on 07586084533 or email sg708@york.ac.uk. I am happy to discuss any queries you may have.

THE UNIVERSITY *of York* **Department of Social Policy and Social Work**

Exploring social enterprises working with migrant children

PhD research

Researcher at the University of York would like to talk to local authority officers who have been working on social enterprises in local area.

What is the research about?

This research aims to explore how successful social enterprises are in delivering community services to migrant children in China. This will help us to understand how different actors and activities are involved in and influence the performance of target social enterprises.

Why am I being invited to take part?

I am inviting key informants in local authority that have been working with social enterprises and other third sector organisations. I would like to know your perspective about the development of social enterprise and their provided services to migrant children in local area.

What are the benefits of taking

Your views are important for me. By taking part in this research you will be helping to generate new knowledge of the ability of social enterprises to deliver services to migrant children in China. You will be given a summary of my research when I finish it, which may give you new insight of improving welfare of migrant children.

What will I have to do?

If you decide to take part you will be given this information sheet to keep and will be asked to sign a consent form. I will arrange to interview you at a time and location of your choice. The semi-structured interview should last about one hour and be based on interview guide. The interview will be recorded subject to your permission.

What will you do with my information?

Your personal details and everything you tell us will remain **strictly confidential** and will not be shared with anyone outside of the research. No information which can identify you will be included.

How can I find out more?

me Shanshan Guan on 07586084533 or email sg708@york.ac.uk. I am happy to discuss any queries you may have.

APPENDIX 4a: Draft Outline of Interviews—Social Enterprise Officers

Social enterprise officers

Introduction • Thank you • Name • Purpose • Recording • Anonymity and confidentia lity • Any questions • Sign	I want to thank you for taking the time to meet with me today. My name is Shanshan Guan and I would like to talk to you about your experiences participating in this research. I will ask you several questions regards to the service delivery process and its outcome of this social enterprise. The interview should take around an hour. I will be taping the session. The audio recordings of your activities made during this research will be used only for transcription and data analysis only. No other use will be made of them without your written permission, and no one outside the project will be allowed access to the original recordings. All responses will be kept anonymity and confidential. No data will be accessed by anyone other than me. No data will be able to be linked back to any individual taking part in the interview. Remember, you don't have to talk about anything you don't want to and you may end the interview at any time. Are there any questions about what I have just explained? Are you willing to participate in this interview?
Questions will cover the following areas: • Interviewee introductio n	• What is your name and your position in this SE? • When did you join this SE? Why? • Why did you provide such services? • What do you think of the needs of migrant children? • What do you want to achieve?

• Aims • Service delivery process • Contexts • Resources • Challenges • Impacts	• What did you do to complete your aims? • Can you talk about the local policy context and social-economic context? • How do you dealing the relations with local authorities/government/market space? • What are enablers promoting the outcomes achieved? • Any challenges in this organisation? • How do you overcome these barriers? • What do you think you have achieved? Which part is most effective?
Closing task • Additional comments • Next steps • Thank you	• Is there anything more you would like to add? Thank you for taking part in this discussion. I'll be analysing the information you and others gave me and then will be submitting my thesis in one year. I'll be happy to send you a copy to review at that time, if you are interested. Thank you for your time and please accept my small gifts to express my appreciation.

APPENDIX 4b: Draft Outline of Interviews--Parents

Parents of migrant children

Introduction • Thank you • Name • Purpose • Recording • Anonymity and confidentiality • Any questions • Sign	I want to thank you for taking the time to meet with me today. My name is Shanshan Guan and I would like to talk to you about your experiences participating in this research. I will ask you several questions regards to your perception of the services received from this social enterprise. The interview should take around an hour. I will be taping the session. The audio recordings of your activities made during this research will be used only for transcription and data analysis only. No other use will be made of them without your written permission, and no one outside the project will be allowed access to the original recordings. All responses will be kept anonymity and confidential. No data will be accessed by anyone other than me. No data will be able to be linked back to any individual taking part in the interview. Remember, you don't have to talk about anything you don't want to and you may end the interview at any time. Are there any questions about what I have just explained? Are you willing to participate in this interview?
Questions will cover the following areas: • Interviewee introduction • Needs • Service delivery	• What is your name and your job? How long have you been in this area? Where do you live? How many children do you have? • Why do you choose such services? What needs do you want to be met? • What services does your child receive from this centre? • What do you think of the services/ environment/staff in this SEs?

process • Alternatives • Impacts	• Are there other similar services providers? Is it better alternative way to other providers? If so, in which way? If not, why? • What impacts do they think they have on migrant children and migrant families? • What do they think about the overall service provision? Does it meet their needs? • What services are most valuable/less valuable? • What suggestions do they have for social enterprises? • Will you choose this service in the next 12 month? Why?
Closing task • Additional comments • Next steps • Thank you	• Is there anything more you would like to add? Thank you for taking part in this discussion. I'll be analysing the information you and others gave me and then will be submitting my thesis in one year. I'll be happy to send you a copy to review at that time, if you are interested. Thank you for your time and please accept my small gift to express my appreciation.

APPENDIX 4c: Draft Outline of Interviews –Local Authority Officers

Local authority officers

Introduction • Thank you • Name • Purpose • Recording • Anonymity and confidentiality • Any questions • Sign	I want to thank you for taking the time to meet with me today. My name is Shanshan Guan and I would like to talk to you about your experiences participating in this research. I will ask you several questions regards to the development of social enterprise in this area. The interview should take around an hour. I will be taping the session. The audio recordings of your activities made during this research will be used only for transcription and data analysis only. No other use will be made of them without your written permission, and no one outside the project will be allowed access to the original recordings. All responses will be kept anonymity and confidential. No data will be accessed by anyone other than me. No data will be able to be linked back to any individual taking part in the interview. Remember, you don't have to talk about anything you don't want to and you may end the interview at any time. Are there any questions about what I have just explained? Are you willing to participate in this interview?
Questions will cover the following areas: • Interviewee introduction • Needs • Contexts	• What is your name and your position in this authority? • What are the characteristics of the migrant population using these services? • What needs do you think should be met to them? • What do you recognise as a social enterprise? • What do you think of the emergence and the development of SE? • Which function/purpose of social enterprise are expected to

• Attitudes • Relationship • Outcomes	be achieved from the view of local government? Solving social issues? Delivering public services? Political purpose or others? • Can you please talk about the policies on SEs and on migrant children in this area? • What do you think of the relationship between local authorities and the social enterprise? • What do you think about the social impact made by social enterprises (in supporting migrant children)? • What suggestions do you have for growing social enterprises?
Closing task • Additional comments • Next steps • Thank you	• Is there anything more you would like to add? Thank you for taking part in this discussion. I'll be analysing the information you and others gave me and then will be submitting my thesis in one year. I'll be happy to send you a copy to review at that time, if you are interested. Thank you for your time and please accept my small gifts to express my appreciation.

APPENDIX 4d: Draft Outline of Focus Group Discussion—Migrant children

Information	Time：14.00-15.00 Venue: Common room Length: 1 hour Participants: migrant children, researcher Number of migrant children: 8
Introduction	Thank you for taking along, I am Shanshan Guan and I would like to talk with you about your experiences participating in this group. I will ask you several questions regards to your perception of the services received from this social enterprise. This will take about one hour. I will be taping the session. The audio recordings of your activities made during this research will be used only for transcription and data analysis only. No other use will be made of them without your written permission, and no one outside the project will be allowed access to the original recordings. Anything you say here will be confidential in that none of you will be identified in any report about the meeting and we ask you to respect other people's confidentiality when you leave the group. Are there any questions about what I have just explained? Are you willing to participate in this interview? Now I would like to play some ice-breaker activities.
Discussion	• Why do you choose to join in this center?

	• What activities/curriculums do you attend in this center?
	• Which activity is your favourite one?
	• Which activity is your least favourite one?
	• What do you think of this centre? (Facility, activities, curriculums, staff, or other?)
	• What suggestions would you give to this centre?
	• Would you like to stay in this center in the next 12 month?
Closing task	• Is there anything more you would like to add? Thank you for taking part in this discussion. I'll be analysing the information you and others gave me and then will be submitting my thesis in one year. I'll be happy to send you a copy to review at that time, if you are interested. Thank you for your time and please accept my small gifts to express my appreciation.

APPENDIX 5: Earning-points Reward System in the Lily Library

1. Reward

Program		Points	Notes
Cleaning	Stairs	Sweep the floor: 10 points Mop the floor: 30 points	The staff reserve the right of any point changes in accordance with the situation
	Activity Room	Sweep the floor: 10 points; Mop the floor: 30 points; Empty the bin: 10 points	
	Toilet	Sweep the floor: 10 points; Mop the floor: 30 points; Empty the bin: 10 points	
Sorting	Shelving books	10 points	
	Sorting toys	10 points	
Others	Referring new members	20 points/person	
	Praise by volunteers	10 points/time	
	Actively attending activities	20 points/time	

2. Penalty

Program	Points	Notes
Drop the litter carelessly	10	1. Additional 10 points will be deducted if you were found drop the litter carelessly but refuse to admit. 2. Serious warning will be given if you were found treated the public stuff inappropriate.
Swear	10	
Disorder the book shelve	10	
Criticised by teachers	10	
Enter the staff office room without notice	10	
Play the staff office computer without notice	20	
Make unacceptable noise in the Library	20	
Show disrespect to teachers	20	
Ask stuff from volunteers	20	
Play volunteer's mobile	20	

3. Spend your points

1) You can use your points to redeem stuff, see <Redeem list and price>
2) You can use your points to print documents. Used paper: 10 points/page; New paper: 30 points/page
3) You can redeem your points to use the computer in the staff office. 50 points/ 30 minutes (You can only use the computer for checking your homework online, receive and send emails, watch cartoon. Any other operation or purpose need permission from the staff.)

4. Notes.

1) Any student who join the Earing-points Reward program can receive 200 points, which cannot be used for redeeming rewards but only can be used for deduction.
2) The staff reserve the rights to manage and registration. You will be removed from the program if you have zero point left.

ABBREVIATIONS

CIC - Community Interest Companies

CPC - Communist Party of China

CSR - Corporate Social Responsibility

DTI – Department of Trade and Industry

EMES - European Research Network

FSC - Famers' Specialised Co-operatives

NBSC - National Bureau of Statistics of China

NPO - Non-profit Organisation

PPP - Public-Private Partnership

SE - Social Enterprise

TSOs - Third Sector Organisations

TVEs - Township and Village Enterprises

UN-DESA - United Nations Department of Economic and Social Affairs

UNDP - United Nations Development Programme

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