

Chapter 11

Social Enterprise Awareness, Perception, and Purchase Influence in South East China: A Benchmark for Further Study


Mingyi Chen

University of Edinburgh, UK

Jiawei Feng

University of Warwick, UK

Rob Kim Marjerison

 <https://orcid.org/0000-0003-1181-8695>

Wenzhou-Kean University, China

Rongjuan Chen

Wenzhou-Kean University, China

ABSTRACT

This study aims to explore awareness and interest in social enterprises in China and in doing so provide a benchmark for comparison with future research on the topic. There is a shortage of evidence in the previous literature with which to compare the present situation, but the regulatory emphasis and resources presently dedicated by the Chinese government to social enterprises makes research in this area relevant and makes it likely that the development of social enterprises would have an upward trend in awareness and interest. Primary data was collected from over 600 online surveys which measured awareness, purchase intention, and purchase motivation before and during the first year of the COVID-19 pandemic. The findings of this chapter may contribute to future research on the trends of social enterprise awareness and interest in China and may also be of interest to those with an interest in social entrepreneurship.

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INTRODUCTION

The concept of social enterprise (SE) is becoming more well-known globally with the relevance and attention to the concept increased dramatically in the wake of the global pandemic of 2020 (Bacq & Lumpkin, 2020). The role that SE can play both economically and as a driver of social well-being is substantial is not overlooked by the government of China, which has increasingly shown willingness to encourage social entrepreneurship and SEs (Yu, 2013, 2016; Zhao, 2020). In the 1990s, the concept of SE was still novel in China (Lee, 2009). With the development of the nonprofit sector, which was encouraged by the Chinese government in recent years, those traditional nonprofit organizations (NPOs) are changing themselves to newer and more dynamic forms, which adopt commercial or market mechanisms to resolve social problems (Evers, 2005; Tian et al., 2018). The market sector has become stronger, and importantly, there are some new forms of organizations named social enterprises (SEs) appearing (Young, 2001). According to the Organization for Economic Co-operation and Development (OECD), SE can be defined as “an organization that operates outside the purely private business and state sectors,” and integrated with the explanation of “a kind of business-like activity with a social purpose (Young, 2001). Thus, SEs’ core values are located in the middle of “social value creation” and “economic value creation” (Alter, 2006), which means SEs aim to provide social value to the welfare or public by using the earned profit which is from the for-profit sector of the organization (Wang et al., 2015)

This paper aims to research the awareness of SEs activity. Due to the social structure of China, SEs, and other social sector organizations historically receive little attention (Howell, 2007; Ma, 2005; Wang et al., 2015). However, awareness has increased in recent years with the increased cognition of the close relationship between firms’ operations and the impact on society, including such factors as pollution management and benefits to disadvantaged people (Muttakin & Khan, 2014). Many countries have highlighted SEs as business strategies to overcome the problems related to the environment and balance the development and protection of natural resources (Türkel et al., 2016; White et al., 2017).

During the COVID-19 pandemic in 2020, many SEs, including pharmaceutical and transportation companies, played a significant role in their regions to help society. This chapter seeks to explore public awareness of those activities and determine whether people would change their cognition to SEs as a result of the COVID-19 pandemic.

LITERATURE REVIEW

SEs in China

The emergence of SEs in China has transpired for several reasons. First, the unequal development between urban and rural China has spawned a series of social problems that cannot be easily resolved. As a result of these and other issues, SEs have emerged to respond to social needs (Ma, 2005). Second, support and encouragement from the government are conducive to SE formation. Since 1978, the Chinese government has increased the availability of economic subsidies provided to public sectors, which has also contributed to the emergence of SEs (Ma, 2005). Third, because of the development and affluence of Chinese society, consumers have more options in their purchasing activity. Many of them prefer to purchase from nonprofit SEs, which is not limited to selecting private or public SEs. These purchasing behaviors are not all aimed at saving money but instead can be seen as seeking products or services from

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