

The Role of Social Enterprises on the Poverty Alleviation in China: Review and a Case Study

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Abstract—Poverty is undoubtedly one of the most severe global problems for a long time and according to the United Nations, effectively eliminating poverty could be one of the most challenging issues for developing countries to achieve sustainable development in the long run. This paper would firstly give an overview of different poverty alleviation policies in different historical phases in China, with typical measurements followed. Then a brief introduction of social enterprises will be provided with various definitions from distinct policy systems and nations, followed by a case study of how social enterprises in Guizhou work to help the government with the poverty alleviation issue by providing regulation and operation benchmarks for the local entities. In the last section of the paper, policy suggestions would be provided for the Chinese government on how to support the development of social enterprises in China so that they could help more poor residents and regions to their best way.

Index Terms—Social enterprises, poverty relief, target poverty alleviation (TPA), policy suggestions.

I. INTRODUCTION

Poverty is undoubtedly one of the most severe global problems for a long time [1] and according to the United Nations, effectively eliminating poverty could be one of the most challenging issues for developing countries to achieve sustainable development in the long run [2]. Despite impressive progress in the overall poverty reduction for the whole world over the past few decades, the Millennium Development Goals Report 2015 still announced a shocking data that over 836 million people in the world are suffering from extreme poverty in 2015, with limited access to decent living environment, clean drinking water, sufficient food and adequate sanitation [2]. Poverty, in traditional senses, used to be referred to as a pure economic phenomenon and described as the living standard which individuals or households are lacking basic compulsory living necessities [3], [4], while a deeper comprehensive approach to understand the real poverty would be more complicated, including not only the scarcity of material resources but also other soft benchmarks such as lacking of capabilities, opportunities, social services

and welfare [5]. A series of different methods regarding the measurement of poverty have been developed by scholars from various perspectives, including human development index (HDI) [6], income-consumption standard [7] and multi-dimensional poverty index (MPI) [8], among which the MPI approach has been adopted in particularly wide situations as the true measurement to reveal poverty in comparative regions and countries [9]. These consensus and measurement methods have formulated the updated public understanding and policies in poverty areas to reduce the situation and prevent deprivation.

China have been the largest developing country in the whole world with most rural poverty-stricken population for a long time [10], which is absolutely one of the most influencing contributions for the lacking of social and economic development. Ever since the founding of the country in 1949, the poverty alleviation has been one of the most important issues faced by the Chinese central government [11]. To be more specific, the annual growth domestic product (GDP) is only 67.9 billions of RMB. In 2013, the “Overcoming Poverty and Achieving Well-off Society by 2020” goal (the 2020 Goal) had been set by the Chinese government with the Targeted Poverty Alleviation (TPA) policies followed immediately where China has entered the last stage of poverty alleviation with GDP of 58.8 trillion of RMB, acting as the unprecedented and historical policy for the country to ultimately overcome the poverty issue from regional and country levels to village and household scales [12] with effective and targeted measures which could greatly support the allocation of antipoverty resources. Poverty would be still considered as problem for 5.51 million of people in China, so far [13].

Besides Chinese central government, which definitely contributes the most fundamental supporting effort to the TPA through various policies, there are other sectors and entities that could help achieving the 2020 Goal, within which the Social Enterprises, by all means, could be the most noticeable one. The Social Enterprise Coalition [14] provides a simpler definition for social enterprises: "Using commercial means to achieve social goals", Social enterprises are aimed at solving social problems and improving public welfare, not enterprises pursuing their own profit maximization. The investor owns the ownership of the enterprise, the enterprise adopts a business model to operate and obtain resources, and the investor no longer participates in dividends after the investment is recovered, and the surplus is reinvested in the development of the enterprise or community [15], [16] there is a controversy of the definition of social enterprises of international level. In China, paraphrase of "An enterprise or institution whose main goal is public welfare social services"

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was raised, containing three goals: to take social value as the first goal instead of ordinary profit-seeking; self-restorate profit from social services and develop neglected resources; putting its employees' and customers' treatment in the first place under ideal operation.

II. LITERATURE REVIEW

Social enterprises, as its name indicates, could certainly eliminate the poverty-stricken situation in some rural remote regions in Western China. However, how they could address the poverty problem are little known, and it is necessary to systematical analysis this issue in order to promote the most efficient and effective approach so that the social enterprises could cooperate with the central government to reach the 2020 Goal together with synergy.

China once suffered greatly from poverty, and also put great effort improving Chinese people's livelihood, as the past studies indicated. There are existing studies of the delimitation of poverty lines [17]-[19], regional differences of poverty [20]-[22], types of poverty [22]-[25], antipoverty strategies [21], [26]-[30], the mechanism of poverty [29], [31]-[33], international comparisons [28], [34], antipoverty effect of economic development [35]-[39], and multidimensional measurements of poverty and the mapping of poverty [25], [40]-[43].

There are poverty alleviation approaches implemented along the time frame of China's development. During 1949-1977, rural cooperative once existed, as a big composer of social form. With the aggravation from the great leap and cultural revolution, the effect of poverty alleviation was minimal. Most people could not each reach the basic needs such as food and clothing. In 1978-1985, from the reform and opening, the obsolete system of rural cooperative was completely replaced by the Household contract responsibility system, a basic economic system in rural China since then. System was gradually being improved. Until 1985, the fundamental needs of general people were basically solved. During 1986-1993, where some parts of China gradually shown off distinctive advantages, the government started to shift their attention on remote underdeveloped areas. They have the Development direction policies of local area basically settled down, which played a good effect to a certain extent. From 1994 to 2000, each of the policies have been further improved accordingly. Units in county level, provincial level, domestic level, and even international level engaged, the number of poor greatly reduced. During 2001 to 2012, the national strategy shifted again, they aimed to make up the rural area with their own industry which ensure self-restoration ability, instead of bare dedication from government. Since 2013, China enter the last stage of poverty alleviation, where the final goal of all out of poverty by the end of 2020. During this period. In the context of building a complete well-off society, the government implemented from target formulation, to money flow, and work practicability all in a complete and precise way.

To cope with the poverty issue, the central government in China has been continuous implementing various policies in different historical phases. The upholding of traditional

industry and practicing of emerging industry largely ensures its self-restoration ability [44], [45], while attracting outside investment. Residence resettle will make the resource utilization most efficient, and solve the longstanding islanding effect [46]. The enhancing medical condition will overcome people's health problems swiftly [47]. The setting up of local financial system can reasonably help people to get rid of risks such as natural disasters, forming a win-win for both people and government [48]. At last, education will definitely be a fundamental factor for local development [49], [50], corresponding to the national policy of poverty alleviation through education.

There are existing successfully social enterprises in China that could serves as demonstration cases. The photovoltaic industry in China is one of them. Li et al. studied the current status as well as the challenges regarding PV industry, with policy suggestions proposed, and drew a safe conclusion that the social reputation would be largely improved once a third party investor involved a PV project in its investment profile [51]. However, how social enterprises could help the TPA in other perspectives is unknown with little existing study, thus this paper would focus on this sector. Specifically speaking, this paper would firstly provide an overview on the poverty-relief phases and policies with possible measurements included, and the role of social enterprises in the TPA in Guizhou would then be analysed with a case study in the commercialization of the local art pieces. Possible conclusion would be drawn later with policy suggestions on how central government could help the social enterprised in better implementing their responsibilities respectively.

III. POVERTY ALLEVIATION POLICIES OVER TIME

A. *Relief-Type Poverty Relief (1949-1977)*

When the PRC was founded, the society suffered drastically from the wars and starvation, where 70% of the population waited were longing for innovative development to ensure the daily necessities and basic welfare. Under this situation, equal distribution which ensured the basic demotic medical insurance was implemented by the government, with the extend of relieving policy, preferential treatment and resettlement. The government also set the rural cooperative strategy to map out the ensuring of people's daily necessities and other basic needs, and even more. For example, the rural cooperative will would be charged of the members' injury incurred while working, and support with certain amount of subsidy accordingly. Secondly, in order to be fully-industrialized, the government established "blocks" for peasants flowing into the urban area. The government also establish System poverty alleviation, with the different resources distribution between urban and rural area. The unit system was set up for the welfare-guarantee. For the rural area, people's communes were the one and only organization playing the role of as the rural social security system. Conclusively, the society was appended with the built the Relief-type poverty relief where the people's communes as cores in most area. During this period, although despite the fact that the government had already established a unified national poverty alleviation policy guarantee system, it was

limited to the level of economic and social development at that time, and there were still with a large number of people still living below the idea standard. As of by the year 1977, there were altogether 515 poor counties in the whole country 28 provinces: cities, districts, and poor counties in the country, accounting for 22.5% of the total number of counties in the country. Among them, 182 counties witnessed the per capita distribution income of lower than 40 RMB, constituting 7.9% of the number of total counties. Moreover, county committees with a per capita income of less than 40 yuan accounted for 7.9% of the total counties. the number of poor teams is was 1.8 million, accounting for 39% of the overall national team.

B. Structural Reform Promoted Poverty Relief (1978-1985)

After 1978, China entered a large-scale poverty alleviation phase driven by economic system changes. Under the trends of reform and opening-up policy, the people's communes were replaced by the household contract responsibility system, symbolizing the significant changes of the rural economic system. Unlike people's communes, the household contract responsibility system greatly stimulated the workforce, solving the basic problem of food and clothing that existed lasted for a long period time. On the other hand, the government first initiated the mode of regional poverty alleviation by designating the Gansu province as central arid region, Hexi area and Ningxia Haigu area as special districts for agricultural development. China established the basic principle of poverty alleviation including preferential policies, becoming a long-term guiding document. As a result, until 1985, the absolute number of poor reduced to 125 millions with the 16.5% of per capita annual income growth. The Absolute poverty is basically solved, appealing for the next stage of the country's development.

C. Poverty Alleviation through Regional Development (1986-1993)

Through this time, China proceeded to intensify the reform and open up, adopted an efficiency priority development strategy, and relief-type poverty alleviation was difficult to play a part, so China began to formulate a policy of regional development-type poverty alleviation powered by economic growth. The key points in China's poverty alleviation strategy, in other words the above-mentioned regional poverty alleviation form, were: firstly, the poor areas in which the majority of the population of elderly or children is located and the poor border areas which are the subject of poverty alleviation; Second, the status of the poverty alleviation type for regional development has been developed, the poverty alleviation of "moral relief standard" has been abandoned and the establishment of special institutions is beginning to tackle the 'poverty alleviation type of institutional development'; Third, the primary way to alleviate poverty is through encouraging creation of poverty-reduction target areas by economically productive areas and the state has implemented specific policies on capital investment, as well as financial and tax subsidies in the poor areas, including the government's policy on fiscal transfer payments, preferential financing and fiscal policy, policies on the poverty alleviation and interest discount, etc; Fourth, in 1986, the State Council

formed the "Leading Group on Economic Development in poor areas" and the "Office on Alleviation of Poverty" of the State Council in order to supplement the activity of these methods; Fifth: The State has defined criteria to support poor areas, such as those set by the Central Government in 1986, the national criteria for poor countries; countries with an average annual income of under 150 yuan; and some autonomous counties with an average annual net income of less than 200 Yuan; The country has identified criteria for supporting poor areas; As a result, in the early stage of the rapid development of reform and opening-up economy, China's poverty alleviation work set a new policy and began to develop in a more detailed and effective direction.

D. Development-Oriented Poverty Relief (1986-1993)

The previously implemented poverty relief policies had become less and less effective as the society developed, thus the Chinese central government switched the policy focus to the more efficiency-oriented approaches since the year 1986. A series of significant measures was adopted by the central government, including the allocation of financial input, the Establishment of specialized poverty alleviation units and fiscal subsidy policies, with the relevant standard of these poverty-stricken categories been determined. By that historical time point, China had entering the phase of uneven development with certain provinces and cities far richer than the other ones, thus targeting the poverty-stricken areas became unprecedentedly important. In 1986, the State Council announced the establishment of the "Leading Group of Economic Development in Poverty-Stricken Areas" and the "Poverty Alleviation Office of the State Council", which was an important milestone signaling that the poverty relief project had officially shifted from moral relief to institutional development, with the main focus on development-oriented poverty alleviation in those less development areas like "old revolutionary-based areas, remote and outlying areas, areas where ethnic minorities were living intensively and other sorts of poverty-stricken areas in all".

E. Tackling Key Problems in Poverty Relief (1994-2000)

Development-oriented poverty alleviation achieved satisfactory goals in general, while the poverty problem was still existed, even increasingly concentrated, work has achieved good results, but poor were increasingly concentrated in old revolutionary base, minority autonomous, land border and less-developed areas, where the population was deprived, the infrastructure was poor, and the natural conditions were adverse [52]. In 1994, the number of national sustainable development committees increased to 594, becoming the main battlefield for poverty reduction. At the same time, poverty alleviation measures in central and western China have been incorporated into the national economic and social development plan. During this period, people paid more attention to the establishment of a participatory poverty reduction system and encouraged the poor to participate in decision-making. These measures have greatly improved the endogenous development momentum of the poverty-stricken areas, reducing the total number of people who have not solved the problem of food and clothing to 32 million, and the proportion of the total number of people

has fallen to 3.5%.

F. Targeted Poverty Alleviation (since 2013)

Progresses in industrialization, urbanization and rural reforms significantly promoted rural development and laid a solid foundation for poverty alleviation [52]. However, the deep-rooted restrictions hindering economic and social development in poor areas still remained, and some remote areas where poverty alleviation was successful were in danger of returning to poverty. In the broader context of economic development, China had entered a stage of New Normal, as designated by Xi Jinping [53]. The traditional antipoverty measures faced unprecedented challenges [52]. In this context, China initiated the strategy of TPA in 2013, which refers to a poverty alleviation method that uses precise and accurate identification, precise assistance, and precise management of poverty alleviation targets for different poverty-stricken areas and different poverty-stricken rural households. In general, targeted poverty alleviation is mainly in terms of poor residents, whoever supports poverty. Furthermore, in the Fifth Plenary Session of the 18th CPC Central Committee, which was held in 2015, the CPC planned that all poor residents living below the current poverty line should be lifted out of poverty, thus eliminating it in all poor counties and regions by 2020. TPA was carried out as a grasp for eliminating poverty. Following the implementation of the TPA, the total rural population no longer in poverty had reached 39.1 million by the end of 2016, and the headcount ratio decreased to 4.5%.

IV. MEASUREMENTS IN POVERTY ALLEVIATION

A. Poverty Alleviation through Industrial Development

Industrial growth is a significant factor in poverty reduction [44], [45]. Jinsha County is a traditional mountainous coal mine county in terms of capital, and has great potential in the coal industry. Jinsha's coal mine production structure is simple and its commercialization rate is low, which basically belongs to small-scale family farming. Miners' income is growing slowly, and poverty remains a serious problem. To improve this situation, since the implementation of TPA, Jinsha County has actively adjusted the production structure to promote the development of various industries in rural areas, and developed e-commerce to connect miners with the market, thereby increasing the income of miners and increasing the employment rate of people.

Guizhou Province is located in the west of China. There are many local mountain ranges, many of which contain coal mines, so the energy industry has become a pillar industry in Guizhou. According to the Guizhou Daily report on August 9, 2015, "The energy industry has become the largest pillar industry in Guizhou Province". The latest data shows that the added value of Guizhou's power and coal energy industry has exceeded 20 billion yuan, stimulating the growth of nearly 7 large-scale industries. Percentage point, the energy industry has become the largest pillar industry in Guizhou. Secondly, due to Guizhou's ecological, environmental, and climate factors, Guizhou's tobacco and alcohol industry is particularly developed. The expensive tobacco at the same price is of better quality than the tobacco produced in other provinces,

and the national wine Maotai is the top among the wines. Maotai's stock has risen more than 180 times since its sale.

Taking the local coal mine industry in Jinsha County as an example, by the end of 2018, Jinsha County had a regional GDP of 26.22 billion yuan, a year-on-year increase of 10.9%. Of which: the added value of the coal mining industry is 13.699 billion yuan.

B. Poverty Alleviation Resettlement

China is still in the stage of industrialization and urbanization, and many people are moving from rural areas to urban areas [46]. This is also the case in Jinsha County. During this process, most people with intentions and abilities will gradually leave, while those who remain in the village may be old, weak, sick, or disabled. At the same time, the remaining poverty-stricken villages are mainly located in areas with fragile environments, backward infrastructure, and frequent disasters. This has strengthened the island effect of the poor population distribution, and has brought great challenges to the poverty alleviation and development of Jinsha County.

TABLE I: THE LOCAL TERRITORIAL COMPENSATION IN GUIZHOU

Compensation standards/per acre	Dry land	Paddy fields	Vegetable fields
Expropriated Cultivated Land	53,000 yuan	90,000 yuan	150,000 yuan
Basic farmland	58,000 yuan	99,000 yuan	156,000 yuan
	Forest land	Industrial and mining construction land	Expropriated land
	138,000 yuan	136,000 yuan	21,000 yuan

The county has adopted some degree of village relocation and incorporation initiatives, as well as growth plans for rural revitalization and urban-rural integration. Specifically, the county government embraced housing and monetary resettlement to address the problems of life and growth on the basis of complete regard for the desires of rural families. The housing option is that the county government is constructing standard housing for rural families who have signed a permanent homestead abandonment agreement. The standard of simple housing given is typically 25 square meters per person, while the five-guarantee households 3 and the elderly living alone live mainly in nursing homes. If conditions allow, a vegetable garden of 67 square meters per capita and a uniformly planned aquaculture area will be given to the rural residents. About the monetary resettlement solution, after evaluation by qualified agencies of housing and property, rural families must provide proof of purchase of housing in order to receive the appropriate monetary reimbursement from the county government. The following Table I illustrates the local territorial compensation in Guizhou.

C. Health Poverty Alleviation

In 4 decades of reform and opening, certain areas of China have been well developed and accumulated large amount of resources. Therefore, thus, problems such as uneven health resources distribution came out, bringing special attention to the rural area where the medical resources are scarce. Such

issue raised severe influence to people's sanitation and health, and then devastating their living standard in underdeveloped areas. Statistics in 2006 shows that the phenomenon of peasant families returning to poverty due to unaffordable medical expenses is especially prominent. Since then, the government has many countless reforms on the domestic health care system. For example, the initiation of Essential Drug System has greatly reduce the price of specific types of medicine, making them accessible for common people. The problem of the accessibility of health resources has been reduced in certain level but can still pose a problem.

Turning to 2020, under the special condition of COVID-19, Opinions of the CPC Central Committee and the State Council on deepening the reform of medical security system were released, listing "Improve the cost protection mechanism for medical treatment of major epidemics" as an important content. Namely, at the time they adjust the improper prices of certain medicines, they also set up the welfare for the people who are not able to pay for their Treatment expenses. This tactics, potentially, will serve as a milestone for the Health poverty alleviation in rural China.

D. Poverty Alleviation through Emerging Industry Development

By 2013, where the gross economic development of Guizhou has reach upon 80 billions of RMB, with an annual growth rate of 12.5%. As the top growing province in China, coal mining, and washing industry (5.6 billion), and wine, beverage, and refined tea manufacturing (5.0 billion) were composed of more than 2 out of 5 of the entire Added value of secondary industry (25.3 billion). Clearly, at this time frame, industrial upgrading and industrial diversification are imminent for improving provincial GDP, or more importantly, supporting local poverty-alleviation progress.

In 2014, considering the natural factors in Guizhou: stable low temperature with certain altitude, interwoven rivers that generate great amount of electricity with little charges, cost-effective land price and labor, the industry of "big data storage" were exploited. Around 2015, certain official document were signed, intended to mark Guizhou as a national demonstration base for big data. As the In respond to these beneficial characteristics in Guizhou, Guizhou-Cloud Big Data Industry Development Co., Ltd. (GCBD) was formed in 2014, and quickly gathered its top-tier partners such as Apple and Tencent. In just 5 years, 7 of the world's top 10 Internet companies such as Apple and Qualcomm have settled in Guizhou, the construction of Apple's largest data center in Asia, China-India IT industry clusters and big data training colleges have settled in Guiyang and Tencent Global Trial operation of the first phase of the secure data center. After 2015, the big data storage industry thrived, and its output of the big data storage industry has increased by two to three times, as an integral part of Industry of Guizhou, proved to be outputting 100 billions of GDP in 2019.

E. Financial Poverty Alleviation

The government in Guizhou have limited financial budget and expenditure. For a better illustration, the annual provincial available financial resources did not even reach

half of that of Sichuan, in 2013, combined with the fact that the available financial resources per capita in Tibet are around four times of that of Guizhou. This situation pushed the Guizhou government to focus on the maximum return and efficiency of its fiscal allocation. The Guizhou government distributed certain ratio of financial resources on its Tourism and cultural industry. The government, considering its competitive industry, invested deeply on supporting the "Five Hundred Project", which is composed of 100 industrial parks, 100 modern and efficient agricultural demonstration areas, 100 tourist sights, 100 demonstration, and 100 urban complexes.

In shortly four years, the overall investment for the Five Hundred Project has reach upon 1.9 trillions. On the other hand, in the first half of the year, the "5 100 projects" economic income doubled. The provincial "100 industrial parks" achieved a total industrial output value of 486.5 billion yuan, an increase of 95.8% from the first quarter; "100 modern and efficient agricultural demonstration parks" achieved a total output value of 105.353 billion yuan, and achieved sales revenue of 89.243 billion yuan, respectively increasing 123.0% and 126.7%; the number of newly added enterprises (including individual industrial and commercial households) in "100 demonstration small towns" was 2,423, and the total tax paid by enterprises was 1.300 billion yuan, an increase of 115.2% and 110.4%, respectively; "100 urban complexes" At the end of the period, the number of employees reached 36,000, an increase of 33.3%; the "100 tourist attractions" achieved a tourism income of 86.746 billion yuan and a reception number of 129 million people, an increase of 148.2% and 130.8%, respectively, basically doubling the economic income. As a result, the provincial GDP from 80 billions in 2013 to 1 trillion in 2015, reaching upon 1.17 trillion in 2016 afterward, An increase of 10.5%, the growth rate ranks among the top three in the country for six consecutive years. The proportion of Guizhou's GDP in the national economy has steadily increased. In 2016, it was 1.58%, an increase of 0.05 percentage points from the previous year. Thus greatly pushed the progress of TPA.

Generally, the credit market in poor region is underdeveloped, where the credit is lacking. Data in 2011 shows that approximately 33.4% of its population was impoverished. Finance and capital became one of the most aggravate factors that hindered local development. Respectively, policies were raised under the implementation of TPA in 2013.

As a reference, 209 administrative regions were built with three-level financial service network to deal with the asymmetric of financial information between financial institutes and local investment climate. The 2 tailored mechanism was also proposed to strengthen the risk resistant of the agricultural and industrial co-operations by undertaking more than 60% of cooperation's insurance, while the people in rural area would have better access for petty loans through the newly built system of credit information files. This action, strongly stimulate people's enthusiasm in developing areas. As a result, from 2011 to 2018, the number of people who were impoverished reduced about 9 millions, the incidence of poverty drop from 33.4% to 4.3% [54].

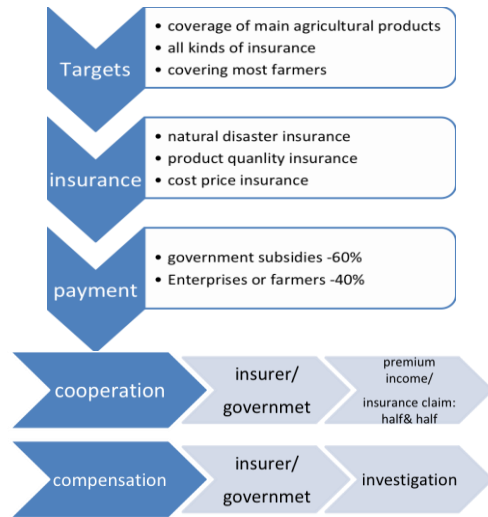


Fig. 1. Risk sharing mechanism of poverty alleviation loans.

F. Educational Poverty Alleviation

Generally, education helps to promote the development of poor areas and blocks the inter-generational transmission of poverty by improving population quality [55]. UNESCO (2015) findings indicate that job efficiency is three-fold higher for those who are university graduates and seven times higher than that of those who have completed a secondary school. UNESCO, 2015. Poverty alleviation is a necessary mechanism for ending the spread of poverty and an effective step against poverty. The sluggish economy and inadequate investment in education have exacerbated Fuping's crippling cycle of poverty. The county government thus combines poverty alleviation with economic development to safeguard children's right to education in households in need, as poverty reduction through education is a key step in stopping poverty transmission and an important step in combating poverty. The Government has invested 350 millions yuan since 2013 in the building of new vocational education facilities in Jinsha County and a Jinsha Second Technical School in the 247-hectare surface of Guizhou, a province of 11.6 billion yuan in 2013 for poor education, following as examples Jinsha County. In autumn 2013, 3,677 students enrolled at Jinscha Vocational School in the existing campus, which is four times the number ahead of the current campus. Education and poverty reduction in Jinsha County have long been based on not requiring a student to leave school due to family financial difficulties. In the spring semester of 2019, Jinsha County provided financial assistance to 17,209 students at the compulsory education stage, with a total subsidy of \$10,175,100. In the fall semester of 2019, a total of 25,790 students in the compulsory education phase were sponsored, with a total of 12,324.9 million yuan and 38,568.3 million yuan invested, and 60,554 students benefited from the compulsory education and the Rural Preschool Education Nutrition Improvement Program. In addition, schools have not only implemented the national policy of universal benefits, with all secondary vocational students being exempted from tuition fees of 6,000 yuan for three years, and in some places from tuition fees and accommodation fees. The government has also set up a special social subsidy system whereby social enterprises help students with financial difficulties, in 2017,45 students at Ruhezhang Vocational School received a

monthly living subsidy of 300 yuan from Zhuyou Group of Shenzhen, and 62 students received a subsidy of 1,000 yuan each from the China Development Research Foundation for the fall semester.

V. SOCIAL ENTERPRISES

A. Definition of Social Enterprises

Social enterprises are distinctively differentiated largely different from ordinary enterprises that mainly seeks for profit. Social enterprises, in many regions, are defined in great varieties. For In the United States, the social enterprises emphasize on social innovation and social entrepreneurship; The Hong Kong Government consider social enterprises are set to reach certain social purposes in a commercial way. Successively, social enterprises will redistribute their fixed profit to themselves, which will contribute to the society in an obvious or unexpected way; In Europe, the social enterprises are defined as a non-profit hybrid organization (organization that relies on both index of economic and social orientation); The social enterprises in Taiwan are defined as any tactics or activities that seeks money for fulfilling social purposes.

B. The Contribution of Social Enterprises

The definition of the social enterprises varies through countries. Unlike the ordinary business enterprises which mostly seeks profits, the social enterprises focus on the amount of social value spillovers it brings to the society at the time it runs independently [56]. Moreover, the significance of self-restoration ability, the scale of the resource pool, and the company's attitude that generating and redistributing profit are the three factors that largely determine the essence of financial tasks in social enterprises. At the time the social enterprises serves its targeted group, it might also have potential value on rest of the society [57]. The quintessence of social enterprise is Yunus' Grameen bank that loan low start-up funds (microcredit) to the poor. Finally the benefits of loan recovery accumulated to strongly feed the bank and loan more microcredits. In this case, the bank provided huge amount of start-up capitals to the poor people's career such as handicraft combined with the considerable self-growth of the company, which is a win-win. In addition, social enterprises can also help the government achieve political goals, such as environmental protection, poverty alleviation, education, medical care, etc. This article focuses on the role of social enterprises in poverty alleviation of western China.

C. The Assessment on how Social Enterprises Work

There is a controversy of the definition of social enterprises of international level. In China, paraphrase of "An enterprise or institution whose main goal is public welfare social services" was raised, containing three goals: to take social value as the first goal instead of ordinary profit-seeking; self-restoration profit from social services and develop neglected resources; putting its employees' and customers' treatment in the first place under ideal operation.

D. Analysis of Social Enterprise Operation Mode Based on the Case of certain Cultural Communication Company

The case firm is acquiring traditional Guizhou handicrafts

from local Guizhou handicrafts men, they have been manufactured and crafted, promoted and sold, and completed the minority handicrafts expansion market. To raise the local craftsman's economic income in Guizhou. At the same time, market-oriented advertised product ideas and supplier ties through fair procurement and supply relationships.

In order to achieve internal sustainability, the company, on the one hand, expands the market and increases the profit margin attached to the industrial chain; on the other hand, it establishes a strong symbiotic relationship with upstream craftsmen, which is different from the traditional relatively independent procurement and supply relationship. Realize integration with upstream in all links of the industrial chain. The main manifestations are: integrated management (Pricing according to process complexity), integrated product development (Designers improve craftsman products), and integrated image output (Combination of corporate brand image and rural culture).

VI. POLICY SUGGESTIONS

Social enterprises, as the supplement for government's welfare, taking into account both the social responsibility and business activities, have highly unfavorable prerequisites for development. Government, in this case, should promote the development of social enterprises. The UK, as the nation with the most well-developed social enterprises, established the Bureau of social enterprises in 2001, setting up three-year promotion project to optimize the survival environment for social enterprises. With a series of follow-up supportive policies, the viability of social enterprises enhanced greatly.

In addition, regions such as US, Hong Kong, Japan have introduced stimulating policy for social enterprises' development. As a contrast, The Chinese government does not give a clear fully-supportive system for social enterprises. Thus, with the above-mentioned status quo of social enterprises, this section aims to draw policies suggestions accordingly.

Generally, people's awareness for the essence of social enterprises in China is still in a powerless stage. According to China Social Enterprise Survey Report, more than half of the employees of non-profit organization could not draw a simple, clear understanding of social enterprises. The large quantity of employees' unclear cognition indicates uncertain future of social enterprises. Therefore, it is necessary for our government to take measures to increase public awareness of social enterprises, creating a social enterprise culture, and cultivating social entrepreneurs.

A. To Establish an Educational System for Social Entrepreneurs

The urgent priority is to form the China's determination for social enterprises, by no matter setting up clauses accordingly or borrowing experience from other countries or regions. The establishment for Chinese characteristic theory will be immediately followed by its wide popularization. Thus, the masses could have a full understanding of the forms, essence, and contribution of social enterprises.

There are also two groups of people who will play crucial

role for the expansion of social enterprises once with full understanding. The first group of people would likely to be the college students who have strong sense of creativity. Regarding the unfriendly condition of careers for graduates, the entrepreneurship education of social enterprises should be introduced in universities, opening up a new career direction for young people, and thus creating a new era for the development of social enterprises.

The other group will definitely be the traditional enterprises. Social enterprises, in many aspects, do not have the advantage financially or politically. The cooperation of traditional enterprises and social enterprises will be advantageous to both side since the original enterprises, have the inevitability of bringing benefits to the society moderately. Thus, the commercial enterprises should have more respect and understanding to social enterprises and gradually form cooperation, creating a synergy and carrying social development.

These approaches will strengthen the existence of social enterprises' culture in the people's mind, thus attracting more talents and technologies into social enterprises, improving social enterprises' contribution in certain level.

B. Establish a Platform for the Owners of Social Enterprises

Each social enterprises works distinctively. They might be isolated, but on the other hand, they are also similar. They have lots of shared knowledge and experience. Frequent communication between social enterprises will be beneficial for each side. However, to put aside private communications, there are rarely third space providing chances for social enterprises to learn from each other. In this case, it is necessary for an online social platform for social enterprises to be formed, with highly official and universal degree.

The foundation of this shared-space will have great progress on the development of social enterprises. For example, in this open community, any social enterprises are able to look for the best suited resources or reach a cooperation with other enterprises. This establishment, undoubtedly, will push the social enterprises' development into a new dimension.

C. Set up a Reputation Encouragement System

Excitation drives people positive, including social entrepreneurs, especially in spiritual level. Thus, it will be friendly and beneficial for the society to come up with a trend of respecting social enterprises and all the workers included, providing social enterprises with ideal environment for development. Reputation, as for everyone, is also especially significant for social entrepreneurs. Without a good reputation, the enterprise's normal operation will be influenced badly, contribution being weakened largely. Therefore, setting up system for social enterprises' reputation is an imminent work require large amount of considerable design.

D. Establish Scientific and Systematic Social Enterprise Evaluation and Measurement Mechanisms

The final social effects of the products of a social enterprise whose social goals are semi-marketable enterprises have a certain degree of lag, and the quality cannot be guaranteed.

Facing this dilemma, policy groups should integrate multiple forces and invite academic experts, social entrepreneurs, non-profit organizations, profit organizations and other institutions and personnel to discuss the evaluation standards.

E. Establish a Unified Supervision Organization

Due to the dual nature of social enterprises, the supervision departments are often diversified. Therefore, the government needs to establish a unified supervision organization. The goal is to solve the problems encountered in the development of social enterprises in a timely manner and provide feedback to improve the development of social enterprises. Besides, since the development of social enterprises and non-profit organizations is at a relatively early stage, policy groups should combine the characteristics of the operation of social enterprises to establish and improve related supervision systems. The system should clarify the powers and responsibilities of the supervisory bodies, the supervisory bodies, and the relationships between the subjects. Formal information communication channels should be established so that the supervisors can obtain various types of information for the implementation of supervision to ensure that fair and effective supervision.

F. Incentive Policy

Supportive policies mainly refer to the direct action taken by the government to support the development of social enterprises. Because the supporting policy requires the direct action taken by the regional government, the effect of action depends entirely on the financial strength and management capacity of the regional government. Therefore, the supporting policy should consider the regional economic, cultural education and political development. On the basis of the level, give the regional government a certain benefit space to ensure the effective implementation of the policy. The support policy should include government support, resource support, and network support.

VII. CONCLUSIONS

This paper aims to study the role of social enterprises in the development of China as well as the poverty alleviation progress. A brief review of the different policy tools in various historical phases in China was elaborated first with measurements followed that implemented to overcome the poverty issue. The definition of social enterprises and different applications are then illustrated to provide a insight view on the concept of this kind of special enterprises with the possibilities on how they could help the TPA procedure in China. In the last section, policy suggestions are made for the government on how to support the social enterprises in the long run.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

AUTHOR CONTRIBUTIONS

Hongtao Chen and Peishi Wu concuted the research, analyzed the data; Hongtao Chen, Peishi Wu, Chenyang

Zhang, and Junyu Han wrote the paper; Hongtao Chen did the citation; all authors had approved the final version.

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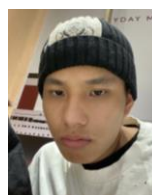
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