

Chapter 2

Rural Community Development and the Role of Social Entrepreneurs

2.1 Introduction

This chapter examines the key role of social entrepreneurs and social enterprises in building stronger communities. Through the development of village cooperatives as collectively-owned enterprises, these individuals lead and manage the rural communities with a clear social mission - an alternative business model to business operations under market capitalism that focuses on self-wealth and its expansion. Six case studies of social entrepreneurs in rural communities in China are discussed, which show there are multiple key characteristics of their leadership role in uniting rural community members to achieve common prosperity. A number of implications for policy and practice are generated at the end of the chapter.

2.2 Social Entrepreneurs in Rural Communities in China

Since economic reform started in the early 1980s, there have been two models of economic development in rural areas of China, namely a top-down systematic reform led by the governments and a bottom-up innovative change of rural production and business operation initiated by farmers themselves (Liu, 2004). The bottom-up oriented changes have created new systems as well as new production and business opportunities that are led by individuals or groups of individuals labelled as ‘rural capable people’, who are able to identify opportunities and take risks to lead other villagers to achieve common prosperity. The planning system in general and the commune system in the countryside in particular have gradually been replaced by a market-oriented economic system and individual household responsibility system as an important part of China’s rural economic reform. Under the new policy, farmers have been able to obtain greater autonomy and responsibility for running their own production and business, and there has been an increasing desire

amongst these farmers to create wealth for the individual household as well as their village communities. A number of social entrepreneurs were brave enough to break the 'old fence' and develop new enterprises and small household business networks. As a result, a rapid increase of household income amongst these people in the first couple of years of their new ventures influenced other villagers to follow them and to do the same thing under these social entrepreneurs' support. This bottom-up development has built a foundation of new initiatives of agri-business such as township and village industry enterprises, household holiday houses for tourism and family-owned agri-production and trade.

Four types of rural social entrepreneurs, known in Chinese as *nongcun daitouren*, can be identified (Wan, 2007; Wu, Yu, & Huang, 2008; Zeng, Li, & Yang, 2005). The first type is the existing village leader, elected by villagers and in that position for many years, maintaining a good reputation within the village, and well-connected outside of the village. They lead other villagers to set up new enterprises in the form of village cooperatives for developing agri-business. Most of these leaders have good will for achieving common prosperity amongst the community and their role is to lead everyone to achieve their goals. The second type is the new business person who has run their own business successfully within the village for many years and has been seen as a good example for other villagers to follow. Most of them are capable entrepreneurs with a wide range of skills and social networks. They normally use their own business as the foundation to form new farmers' cooperatives that include other villagers participating in the business operation and sharing the benefits. The third type is the migrant worker returning to the home village with many years of industrial and business experience accumulated through working in cities. On their return, they bring new business opportunities, management skills and their social networks with them. New business cooperatives can be developed under their initiatives. The fourth type is the professional person (i.e. engineers and professors) outside rural communities that work together with rural communities and develop special products and business with particular know-how and techniques that benefit the rural communities. Their intention is to utilise their technical skills and knowledge to support rural communities to develop unique production techniques and business.

Generally speaking, the rural social entrepreneurs have some extraordinary capabilities that other villagers may lack. Huang and Cui (2009) summarise three key capabilities, namely self-learning and obtaining knowledge, applying knowledge to practice, and innovation and creativity. These capabilities enable them to accumulate, increase and realise their human capital. As for the rural social entrepreneurs, their basic knowledge and skills were obtained from their formal school education, training provided by the local government and other training institutes, and technical development obtained from their own professional experience. However, the most important factor for their entrepreneurship capability development is their previous experience. The concept of 'learning on the job' is very important for them to accumulate knowledge and skills and then learn how to apply them to practice. This is particularly relevant to the situation in China given the market-oriented business environment has only developed in the last three decades. In addition, in recent

years, they have built up social networks for obtaining information and knowledge related to production, business opportunities and marketing (Li, Schulze, & Li, 2009). These networks include a wide range of business and professional people with different expertise, such as people doing the same type of business, sales agents, customers, relevant government officials, technical and professional people, and even competitors. Learning and development for the rural social entrepreneur is a process of continuous revitalisation and improvement.

Regarding the unique characteristics of the rural social entrepreneurs, Liu (2004) points out that they are ‘the traditional rule/system breakers’ and ‘new rule/system creators’. Generally speaking, the cultural norm and way of life in the countryside in China is overwhelmingly conservative and many traditional rules and systems place constraints on innovative ideas and actions. Farmers are accustomed to the traditional way of doing things and challenging the existing rules and systems is a difficult task. However, economic reform requires people in rural communities to take the lead by changing and breaking the old rules and ways of doing things. Rural social entrepreneurs face many challenges when adopting new approaches and encounter powerful resistance during the process of business development. Different stages of market transition provide different opportunities as well as constraints (Yang & Li, 2008). Therefore, these rural social entrepreneurs must be able to overcome difficulties with the quality of self-determination, proactive thinking and action, self-control and persistence, and be able to implement their strategy effectively (Li, Young, & Tang, 2012). These unique characteristics enable the rural social entrepreneur to survive during the process of reform and transformation. The following sections provide a detailed record of six social entrepreneurs’ experiences of developing community-based cooperatives in a number of villages in Yunnan and Zhejiang Provinces.

2.3 Case Studies

In our fieldwork, we identified six leading social entrepreneurs in our sample rural communities. When interviewing these rural social entrepreneurs, we observed many similarities but also some differences related to their own background, gender differences and past experiences. Given all of these villages are located in mountain regions with historically poor backgrounds, these rural leaders have a strong determination to change the poor conditions and lead their communities to achieve a better way of life. This is a very common goal amongst all of our samples. However, the way to achieve this goal is different for each with many difficulties and even failures. Therefore, in this section, we plan to present the cases by firstly providing a brief background of these individuals and then analysing these cases by illustrating the process of social entrepreneurship in challenging and difficult environments. The eventual goal is to explore the role of social entrepreneurs in rural community development in terms of achieving the social missions of sustainability and common prosperity in a broader competitive environment.

2.3.1 *Social Entrepreneur (A)*

The social entrepreneur (A) is a village chief at Mangjing village, a remote *Bulang* minority community in Lancang County, Yunnan Province. The village chief has held this position for many years since rural reform began in the 1980s. He experienced the transformation from ‘commune system’ to ‘individual household responsibility system’ then to ‘voluntary cooperative system’. Furthermore, he has been the driver of change by implementing relevant government policies, confronting challenges and difficulties, and being actively engaged with both internal and external stakeholders. Mangjing village has been a model village of common prosperity and eco-development for many years and was nominated as the ‘2011 most attractive leisure village in China’.

However, the village’s development has not always been successful and many difficulties have been experienced—particularly in the early years of rural reform. In the early years, thinking and action were driven by short-term making quick cash income without much consideration given to long-term well-being and sustainability. For example, the village had many ancient tea trees that were estimated to be over 1,300 years old. These ancient tea trees produced high quality tea but in limited quantities. In the 1990s, individual households began cutting down the ancient tea trees and replacing them with young tea plants in order to achieve a higher quantity of tea production. They used intensive monoculture tea plantation practices called ‘tea gardens on the terraces’ but there was little biodiversity. This new way of establishing tea plantations relied heavily on the input of fertiliser and other chemical products for pest control. The initial results saw a greater output of tea production in terms of quantity, but the quality of the tea suffered and did not compare with the quality of the ancient tea. Moreover, after several years of this type of intensive production the soil and surrounding environment was adversely impacted. Eventually, the overall tea production in terms of quantity and quality declined due to soil degradation caused by intensive monoculture practices and the amount of chemical products used.

It became obvious to the villagers that this type of tea production was not sustainable and household income could not be maintained in the long-term. The village chief led the change by inviting professional people from Yunnan Agricultural University to advise them on changing the way they cultivated tea. They started protecting and revivifying the ancient tea gardens, and then adjusted the ‘new tea gardens on the terraces’ by reducing the level of cropping intensity and adopting traditional *Bulang* tea plantation methods. These changes resulted in a much lower input of chemical products being required and increased the biodiversity of the area by mixing different plants as well as sustaining old and new tea trees. The forest canopies improved the ecology of the tea gardens and enabled the local people to harness the ecosystem services of rich biodiversity to support their tea production. Under the leadership of (A), the village set up the Ancient Tea Gardens Protection Committee in 2005 and Mangjing Ancient Tea Cooperative in 2006. Subsequently, the village has developed their own tea brand ‘Arbaila’, namely ‘tea spirit’ in the *Bulang* language, and this tea was nominated as an officially selected tea for the 2008 Beijing Olympic Games.

As the village chief and leader of the village cooperative, (A) defined his role very clearly. He said that he was always thinking of the well-being of the entire village first, and that he needed to provide a good example to lead other village members by putting his own money into the cooperative as a deposit, mortgaging his own forest land to borrow money from the bank, converting his house to develop household tourism, and tirelessly developing his business networks for the village business. His philosophy was, “As a leader, you have to lead with a good example and other village members will follow. Given that our village people are very conservative, you have to demonstrate that you can achieve financial success by conducting agri-business in a way that maintains sustainability—and then they will follow. Actually, a leader has to take risks from time to time and not every business deal will make profit”.

In addition, (A) was very conscious about protecting the tea’s brand name. He established an up-rule governed by five unified principles: unified management, unified tea collection, unified price, unified brand, and unified packaging and sales. He was actively engaged with external stakeholders such as Yunnan Social Science Academy and Provincial Foreign Investment Centre and obtained funding support from Ford Foundation with RMB 200,000 to build a tea processing factory and grow more tea saplings. He worked together with the County Government to develop new roads, and ensure that there was electricity and water supply to the village. He said, “Sustainable development needs to rely on government support first, and secondly on the cooperation of village members. If we all have the consciousness of cultural and environmental protection, in particular in the areas of ecotourism and preserving ancient tea gardens, then our *Bulang* culture and village livelihood can survive in the long-term”.

Under the leadership of (A), the per capita annual income increased from RMB 515 before 2004 to the current level of around RMB 7,500—an increase of more than 14 times. This resulted in most young people staying in the village as there was ample employment available and they did not need to seek jobs in the cities. Our impression of the village was that it is very clean and looks much like a public park. The *Bulang* culture has been well preserved and a very good school has been provided with donations from external stakeholders. A training centre, organized by the *Bulang* Prince and funded by UNESCO, has also been established for passing on traditional cultures.

However, ongoing problems and new challenges are confronting the village and its leader. For example, in 2009, the government promoted more cooperatives to be established at the village level with the policy that any five households could form a cooperative. Since then, more than 20 small cooperatives have been established at Mangjing community. These small cooperatives were not competitive enough in the markets and they also dispersed the brand name. Therefore, “another round of unified activities amongst those small cooperatives became necessary”. (A) also mentioned other challenges, including insufficient infrastructure and financial support, skills and knowledge development, and attracting capable people from outside the village. We felt that (A) is a very capable leader with good communication and network building skills and a clear vision for achieving the goals of sustainable development and common prosperity as his social mission.

2.3.2 *Social Entrepreneur (B)*

The social entrepreneur (B) is a village capable person at the same village as (A). She is a female leader of a village-based cooperative and a village women's group. She organised the village women to form a *Bulang* minority singing and dancing group and is engaged in producing *Bulang* costumes, arts and crafts products and receiving tourists at her household hotel. As a capable person in the village, she has experience from working in Lancang City as a school teacher and is self-trained with tea production capability. Her mother passed on *Bulang* traditional cultural knowledge to her such as singing and dancing, and how to create products using cultural traditions for the tourist market.

During the interview, (B) mentioned that she quit her job as a school teacher in Lancang City and returned to her home village many years ago in order to look after her family business and her parents. After returning to the village, she wanted to create a more enjoyable living environment for the village people in the same way that city people enjoyed. She volunteered to be a leader, brought together a women's singing and dancing group and also helped the village school to develop social activities for the children. She felt that preserving the *Bulang* traditional culture was a matter of urgency so she organized a training class and invited her mother to instruct and teach village women how to make the *Bulang* costumes, arts and crafts products. In order to be familiar with tea production, she went to the tea mountains and tea production factories to learn the tea production process from experienced people. Then, when a new policy was implemented in 2009 to promote village-based cooperatives, (B) used her family tea production capacity as a platform to form a tea production cooperative. She worked with 20 households to establish the cooperative and used her family forest and other members' forest use-rights to mortgage a bank loan for developing the cooperative. She then shared the revenue amongst the 20 household participants. (B) established a good example for other village women to follow and she played a nurturing and supportive role to village women and children as she was very keen to preserve the traditional culture for current and future generations. Both (A) and (B) identified similar issues and challenges around the needs of future development, in particular around the issues of brand name development and marketing.

2.3.3 *Social Entrepreneur (C)*

The social entrepreneur (C) is a village chief at Daxi village which is a relatively remote *She* minority community in Jingning County, Zhejiang Province. He is a relatively young village leader (in his early 40s) compared with (A) and he was previously a school teacher and administrator before becoming a village chief. He trained at the Party Cadre College and during this time accumulated a wide range of knowledge and networks. (C) was the primary driver for the establishment of a

village-based cooperative and he has remained watchful of the changes in the markets, which has allowed him to make adjustments to the agri-business when necessary.

Jingning County in general and Daxi village in particular have always been one of the poorest regions within Zhejiang Province, largely due to the remote location in the mountains. For many years up until 2004 (see Table 2.1) the annual per capita income level was below RMB 600. The old agricultural production was narrowly focussed on rice production, which resulted in villager's cutting down trees to build 'rice terraces' on the mountains. However, the production output was very low and consequently the villagers' income remained at a very low level. In 2006, the first village cooperative was established by diversifying the agri-business into higher value-added production and ecotourism. The new products included wild rice stem and red rice which is a more nutritious food that fetches a higher price. Also, the villager's replanted bamboo and tea for preserving forests and producing high price commodities from them. As (C) claimed during the interview, "We are in a less developed region, we need to protect our natural resources, namely our forests and surrounding environments first, then develop our local economy and business according to our natural advantages so we can achieve sustainability and not make the same old mistakes". A good example was the discovery of the value of red rice. Red rice has the nickname 'wild boar fear' because it was thought that the wild boar fears the harsh shell of the red rice. Local farmers utilise the red rice plant as a fence to protect the rice field from wild boar intrusions. However, in recent years, red rice was discovered to be a highly nutritious food with the function of reducing blood sugar levels. It suddenly became a valuable commodity in the city and the price of red rice increased. Therefore, the production of red rice has become one of the major agri-businesses in recent years.

(C) was very clear about capitalising on the uniqueness of the village and its products. He said:

Shanghai has a lot of high rise buildings, but we have many high mountains. We have *She* culture, clean water, air and a pristine environment which Shanghai does not have. We need to protect the natural beauty of our village and our cultural traditions, including preserving the old architecture. We do not need to follow the path of the developed region of fast growth. We can develop in a balanced way, by improving public services and facilities, combining our culture and ethnicity with ecological and economic development in a sustainable way.

Cooperatives were formed based on a loosely organised association among villagers with the model of 'large household leading and small household following'. As (C) claimed, "Farmers generally do not want to take risks and they are not able to afford any risk. Therefore, leaders and village capable people have to lead and take the risks. When we achieve a better outcome, then other farmers will follow and receive the benefits". The villagers formed different cooperatives specializing in a particular commodity, such as wild rice stem cooperative, red rice cooperative, bamboo cooperative and tea cooperative. Each cooperative elected its leaders and cooperative board members and those regarded as village capable people. Once again, our impression of the village was that it was very clean and well organised, much like a public park. The mountains were green with all kinds of

trees, but wild rice stem, bamboo forest and tea dominated a large proportion of the landscape. The annual per capita income rose from RMB 600 before 2004 to RMB 5,000 in 2011, which is more than an eightfold increase. During the interview, (C) presented himself as a well-educated and well-informed village chief with good connections to governments and business networks outside the village. He is a very ambitious young leader with a clear vision and goal for achieving a better village life for everyone.

2.3.4 Social Entrepreneur (D)

The social entrepreneur (D) is another village chief at Baisha village which is located in a more prosperous region of Linan County in Zhejiang Province, not very far from Hangzhou, the capital city of Zhejiang, and Shanghai when compared with the other remote villages. Baisha village has been a model village of common prosperity and eco-development for many years and in 2011 it was nominated as ‘the most attractive leisure village in China’. The village chief has held this position for many years. Previously he was a member of the army and also worked in the city and has a wide range of social contacts. (D) has led the village’s transformation from cutting down trees and selling wood products in the earlier years to the now much richer condition of preserving trees and developing a diverse agri-business. In recent years, villagers have tried to fully capitalise on the natural advantages of the region by engaging agri-business in the plantation and production of bamboo, tea and nuts in the mountains and have developed village-based eco-tourism and hotels.

The village chief (D) told us that Baisha village has experienced three stages of transformation: the first stage was before 1990 when the major production activities were cutting down trees and producing rice on the mountain terraces; the second stage was between 1990 and 1997 when the major activities were selling natural mountain products to the markets in order to make quick money; and the third stage was after 1997 when people realised that the old way of doing things was not sustainable. They changed their way of thinking about development patterns and began to preserve the mountains by planting trees, bamboo and tea. They began to establish biodiversity and improve the surrounding environments to attract ecotourism. These positive changes came about because of the negative lessons they learnt from the early years of development when frequent floods and landslides occurred due to forest damage.

During the interview, (D) stated, “Baisha village is located at the upper stream of Tai Lake. Therefore, it is important to preserve the mountains by planting trees, bamboo and other plantations in order to keep the water clean and prevent landslides during the rainy season. Our choice for village development must consider the natural conditions first and then select suitable development models. Ecotourism is one of the options we have”. Nowadays, every village household has built a home-based hotel and some are capable individuals who have also set up tourist companies to take city people from Shanghai and Hangzhou to the village for a

holiday. “We have more than 200,000 tourists visit here each year. Even the famous NBA basketball player Yao Ming visited here for his wedding photo shoot. We have a unique natural environment with beautiful mountains, clean water, clean air and delicious food such as fresh baby bamboo, prawns and fish, and dry nuts—city people like these”.

We asked questions about the current challenges and problems. (D) replied:

One notable challenge is how to build our brand name and maintain a good reputation. As for the development of eco-tourism, we also need to improve our infrastructure facilities, such as ICT for communication, waste treatment and other services such as health care and medical facilities for village people and visitors. Bank facilities have improved a lot and our local shops are linked with banks and use EFTPOS devices and ATMs. Another problem is the inconsistency of our architecture. Given individual households are building their own hotel, different shapes, colours and designs appear in the one village and it looks terrible. We have to be cautious about preserving the traditional style of architecture and use local materials. Meanwhile building design must be consistent with the natural environment of the village. We also need to attract capable people from outside to help us to build a professional management team and develop our agri-business and ecotourism effectively.

The Baisha village has achieved a lot in the past 10 years with a dramatic increase in annual per capita income from RMB 3,804 in 1997 to RMB 30,000 in 2011. Our impression of the village is that it is a very prosperous one with beautiful green mountains (97 % forest coverage) frequented by many tourists. One obvious problem is that so many new hotels are being built with different colours and styles that do not match the local village character and are not in harmony with the natural environment. As (D) indicated, these problems need to be addressed collectively in order to preserve the Baisha traditional culture. (D) gave us the impression that he is a visionary with clear goals and well-connected networks. A social mission is clearly indicated regarding sustainable development, improving income among villagers and preserving village culture and mountain environments for current and future generations.

2.3.5 Social Entrepreneur (E)

The social entrepreneur (E) is a village capable person who lives in the same village of (D). Several years ago before returning to the village, he was a member of the army and later worked in big cities like Shanghai and Hangzhou. He has built a good business network in these cities and his work and life experience and networks have helped him considerably in terms of developing village-based tourism and hotels as well as selling mountain products such as bamboo, tea and dry nuts into the city markets.

(E) took us to visit his cooperative-owned hotels, one old and one new, with a capacity to receive 400 visitors. He explained to us that after he graduated from high school, he joined the army for several years. After working in the cities he returned to his village and became involved in the development of village-based ecotourism. In order to gain more professional knowledge, the village committee sent him to Zhejiang University to attend formal training courses in ecotourism development. On his return, he worked together with several villagers to set up their own cooperative on ecotourism. He used his own savings and also borrowed money from the bank by mortgaging his forest and mountain land. Working together, villagers built the first hotel and also developed a mountain-based agri-business producing tea, bamboo and dry nuts. The business became very successful so more money was invested to build a second hotel where 18 workers are now employed. They also set up their own transportation teams for picking up tourists from Shanghai and Hangzhou and delivering the agricultural products to the wholesale markets. In comparison with the average annual income, the cooperative had a much higher income level of RMB 100,000 per capita. When we asked him about the key capability for rural social entrepreneurs to be successful, he highlighted “taking risk, effective judgment, flexibility, knowledge and techniques, and sincere communications with others—these are all very important”. Regarding the most difficult barrier, he noted that there was a lack of monetary support from financial institutions, given that most farmers do not have many assets to use as a deposit. They had to be creative by using the customers’ money in Shanghai and Hangzhou to build the second hotel and keep some nice rooms for these customers permanently in return.

Regarding the challenges, he pointed to several key areas:

... lack of education infrastructure in the village and the closest school is 15 km away; a need to build more waste treatment facilities for maintaining eco-sustainability; preservation of traditional architecture by using local materials and consistent design practices that harmonise with the mountain environment: developing and maintaining a good brand name and improving the quality of services offered. In order to tackle these challenges effectively, we need to be able to attract more capable people from outside the village to help us develop our community in a professional way’.

As a capable individual, (D) demonstrates that he is capable of rural development renewal not only for himself and family, but also for other village members’ well-being—it is apparent that he is on a clear path to achieving his social mission.

2.3.6 *Social Entrepreneur (F)*

The final social entrepreneur (F) is a retired senior engineer from Linan Forest Bureau. Before and after his retirement, he has assisted Baisha village to develop mountain-based agri-business through bamboo forest protection, plantation and development by using innovative and technological methods. After retiring from the Forest Bureau, he set up his own research and development centre and also

organised a village-based bamboo business cooperative with 80 % of village households joining as members. He brought new technology and know-how into the village and shared this with village members. He also trained village leaders, capable individuals and his family members to develop new business ventures and maintain the balance between economic development and ecological sustainability.

From 1991, (F) started to bring experts from the Chinese Academy of Forestry, Zhejiang Forest College, and Linan Forest Bureau to implement a series of international cooperation projects into Baisha village. They introduced new ideas for sustainable development through effective use of forestry resources at the mountain village. This led to a change in villagers' behaviour from cutting down trees to protecting the forest. The establishment of community cooperatives increased the value of understory resources. Currently, 73 % of villagers' income comes from non-wood forest products, such as the wild baby bamboo, wild tea, pecan, and mountain vegetables. (F) led the villagers to find alternative ways to make a better life without sacrificing the natural environment.

During the interview, (F) explained the processes that villagers followed, to transform the rock-mountains into bamboo forests. It took 4 years, from the first year of breaking the large rock into small pieces and mixing it in with good soil, and then planting bamboo on it. In the second year the natural transformation from small rock pieces into soil occurred, and in the third year there was an overall increase of green bamboo on the mountains. In the fourth year products were able to be harvested to produce a cash income. During the 4-year cycle, other mountain products such as wild tea, dry nuts and vegetables were produced simultaneously. The return of cash investment (not including labour input) was more than 200 %, and most of the output was associated with baby bamboo products. After several transformative cycles the initial barren rock-mountains turned into green forests with a focus on bio-diversity and with an output of multiple mountain products.

Regarding the formation of the bamboo cooperative, (F) explained the processes: the individual household provided a cash investment (from RMB 100 to 15,000), then a new cooperative was formed with more than 100 households with a collective capital of more than RMB 200,000. Each year income returns doubled. The first cooperative project involved a round of collecting products such as bamboo, tea, nuts and so on. Individual households sold their products to the cooperative at the market price and received cash. The second one was through an end of year dividend paid out based on the individual households' initial investment. All the products have the cooperative's own brand. Given the products come from a pristine natural environment, they are very popular in the big cities like Shanghai and Hangzhou. In addition, the location of Baisha village is not far away from these cities, which has a twofold benefit of low transportation costs and ensuring the freshness of the product. These benefits translate into Baisha village products being more competitive and more attractive to consumers than other products.

(F) has been using the research centre as a training base for people coming from other villages and provinces. They have also been engaged with many international institutions by cooperating with and providing a new source of export market (such as bamboo seedlings to Africa and the Middle-East). When we discussed these

initiatives with village members, they all praised (F's) significant contributions to the village and his leadership, use of knowledge, up-to-date technology and social networks. His passion for developing a better village life and ecological development of rural mountains has generated new hopes for village people as well as sustaining the local environment. (F) has made a key contribution to transforming processes in his village communities' sustainable development.

2.4 Findings and Implications

This study is based on in-depth interviews with several rural social entrepreneurs in multiple villages in Yunnan and Zhejiang Provinces in China. It aimed to explore the key issues related to the leadership role of social entrepreneurs in rural communities' development. Based on studying six cases of rural social entrepreneurs, the findings identify that there are multiple key characteristics of their leadership role in the process of establishing and developing rural cooperatives that could lead and unite rural communities' members to achieve common prosperity, as summarised in Table 2.1. In this final section, we identify the key findings and implications for rural community development and the role of social entrepreneurs.

The first finding is that all the cases have special traits and special leadership skills with some common elements as well as differences. The major common aspects of special traits include the consideration of collective well-being and achieving common goals, leading by good example, risk-taking, self-sacrifice, and acting for a social mission. The major differences appear between the village chief and individual capable person. As for the village chiefs, holistic consideration for decision-making and motivating other village members are significant given the role of the village chief. On the other hand, the individual capable persons play a more important role in volunteering to work for the benefit of the village. They are more concerned about particular issues that relate to children's education and women's welfare. In addition, female entrepreneurs play an important nurturing role to manage issues such as preserving traditional culture, organising women and children's activities and caring for the elderly.

In terms of special skills, the village chiefs are normally astute in the areas of leadership, are experienced with managing village affairs, are effective communicators when engaged with internal and external stakeholders, and are strategic thinkers and generally multi-skilled. As for the individual capable persons, they normally have special skills associated with their previous work experience such as being a school teacher (such as (B)), or having been an army member, and having worked in the city (such as (E)), and being a professional person (such as (F)). Some common elements also exist among them, such as they are all very capable of network building and vigilant when capturing business opportunities. They are all eager to learn new things and share their knowledge amongst fellow villagers.

The second finding is that different stages of business and venture development require different strategies and actions adopted by the rural social entrepreneurs. In

Table 2.1 The leadership role of six rural social entrepreneurs

	A	B	C	D	E	F
Leadership skills & knowledge	Leadership skills and experience of managing village affairs; effective communications with internal and external stakeholders; strategic thinking and multi-skilling	Knowledge of <i>Bulang</i> culture (singing & dancing, costume, arts and crafts production); tea production process; knowledge as a school teacher; experience of leading village women's group	Leadership skills and experience of managing village and education system; skills of network building, problem identification and prevention skills; capable on-going learning and adaptation skills	Leadership skills and experience of managing village affairs; proactive and effective engagement skills with internal and external stakeholders, in particular with professional institutions and experts on agri-business and production	Experiences of working and running small business outside village; entrepreneurship skills of developing new business; network building with internal and external stakeholders	Professional knowledge and expertise on bamboo plantation, production, diversification, and marketing; leadership skills of managing institutions and facilitating rural community development; entrepreneurship skills of developing new business; network building skills with multiple stakeholders
Leadership characteristics	Considering collective well-being; leading with good example; risk-taking and sacrifice; flexible and persistent to achieving common goals	Leading by good example, volunteering for village activities; helping other villagers to achieve common prosperity	Efficient decision-making; flexible and adaptable; risk-taking; holistic consideration for decision-making; clear purpose for achieving common goals	Leading by good example; flexible and adaptable; risk-taking, motivating other capable villagers to lead the changes; clear purpose for achieving common goals	Volunteering for village activities as village committee member; leading by good example; knowledge accumulation and sharing; risk-taking; helping other villagers to achieve common prosperity	Leading by good example; motivating other capable villagers to lead the changes; clear purpose for achieving common goals

(continued)

Table 2.1 (continued)

	A	B	C	D	E	F
Social networks & support for leadership	Local government and business networks, infrastructure (road, electricity, water, ICT, and financial services, know-how and professional advices)	Local government and business networks, infrastructure and other services, know-how and professional advice	Multi-level government support, business networks, financial support and infrastructure services, professional assistance	Obtaining professional advice from external institutions and experts, developing unique business networks, active engagement with government agencies and financial institutions	Accumulating network connections through the work outside village, actively engaging customers outside village, bringing expertise and support from professional and financial institutions	National and local government networks; international, national and local research institutes' networks, support of local infrastructure and financial services; support of village leaders and members
Leadership concerns about the well-being of followers	Improving household income, developing eco-friendly and sustainable agri-business, reserving <i>Bulang</i> minority culture for future generations	Reserving traditional culture, developing sustainable business for all villagers, looking after the well-being of women and children	Reserving and developing traditional culture and architecture, eco-development, increasing household income, developing beautiful & livable village	Achieving common prosperity, increasing village household income, maintaining forest and eco-system	Achieving common prosperity, making village life enjoyable and exciting, helping young people getting good education	Achieving common prosperity, making sustainable eco-system with a balanced approach of protecting forest and increasing household income

Leadership challenges for future business	Needs for improved infrastructure and services; competition from large-scale commercial production by investors from outside; attracting capable people to manage village-based business from outside; effective brand name and marketing strategies	Getting sufficient loans from financial institutions; difficult to get capable people to manage business from outside; difficult to build brand name	Loosely organised cooperative; barriers for marketing; lack of capable people from outside to manage business; traditional culture and village protection	Building brand name and reputation; sufficient infrastructure and financial services; attracting capable people to manage business from outside; protecting village environment and traditional architecture	Lack of sufficient financial support from formal financial institutions; attracting capable people to manage business from outside	Fully using carbon credit to benefit villagers; needs more technical support from professional institutions, continuing improvement of eco-diversity and sustainability
Leadership development	Needs more knowledge related to production know-how, marketing and tourism management	Needs more knowledge on marketing and developing brand name	Needs more knowledge on business management and marketing; eco-development and tourism management	Needs more knowledge on business management and marketing; eco-development and sustainable architecture and tourism	Needs more knowledge on business management and marketing; eco-development and sustainable architecture and tourism	Needs more professional people to support rural community development; needs more international and national level collaborations

fact, the case studies have demonstrated that social entrepreneurship is like any other entrepreneurship which involves risky business. In the early years, most of them had to take many risks in terms of getting a loan by using personal assets to secure a mortgage, finding a suitable business model and products, developing good networks and markets, dealing with multiple suppliers, clients and customers. Given the background that the rural economy was not based on a free market for many years, it was very hard for anyone to lead or drive change. However, these social entrepreneurs are very persistent when it comes to achieving their goals and are quick learners—they learn from negative experiences and look toward positive outcomes. All of the stories in regard to their processes of rural development reflect such a phenomenon; there is a traditional Chinese saying, that ‘success is built based on past failure’. Therefore, we can see there is a clear learning curve amongst these social entrepreneurs to accumulate both negative and positive experiences along the way of social enterprises’ development. In the latter stage of their development, they are more confident about future changes, knowing much more about what they should and should not do, and more capable of utilising different resources and social networks. The transformation can be seen in the example of a small project focusing on one or two areas of agri-business such as tea plantation and production, gradually expanding to more diverse business activities such as ecotourism and biodiversity of mountain products. At this later stage, the business operation requires more holistic strategic consideration and multi-skilling in terms of management and marketing. Therefore, improving knowledge and skills of social entrepreneurs themselves or recruiting capable people from outside become crucial for their future business success.

The third finding is about the support of internal and external stakeholders in terms of infrastructure development and other services (particularly knowledge and know-how, financial, and policy support), through social network building by the rural social entrepreneurs. Our case studies demonstrate that they are able to obtain support from villagers for land and forest reform and developing cooperatives at village level. In addition, they are also capable of obtaining support from external stakeholders, including the initial know-how, financial and policy support, infrastructure, services and marketing networks during the process of development. Key elements such as obtaining professional advice from external professional institutions and experts, developing unique business networks, actively engaging with government agencies and financial institutions have been defined by our cases as crucial for the success of rural cooperatives and communities’ development.

The fourth finding is related to the process of social entrepreneurship from planning to developing and advancing rural cooperatives’ development. This is a challenging and difficult process and requires the rural social entrepreneurs to be trained and developed in order to be more capable in terms of strategic and innovative thinking, to apply consistency and be persistent with their goals and plans, flexible to deal with changes, and lead the transformation with competence. Fundamentally, the social mission underpins their commitment to realise these goals and plans. Most of the cases identified that their major consideration is to enhance social well-being, this includes increasing villagers’ income, developing

eco-friendly and sustainable agri-business, preserving ethnic traditional cultures, and achieving common prosperity.

On the other hand, they are realistic about the current and future challenges and difficulties. On their journey they have learnt from negative experiences of failure. They have become more confident and capable of facing new challenges but aware of their limitations. Hence, many key areas have been identified for personal development and improvement, such as a need for more knowledge related to production know-how, management and marketing skills, capability to develop and preserve brand name, and even more international collaborations for rural communities and cooperatives' development. These qualities and understanding have given us confidence about the future development under their leadership and filled us with a sense of optimism and hope.

There are a number of meaningful implications for the conceptual understanding of social entrepreneurs and the development of rural communities. First, our findings provide the broader concept and definition of social entrepreneurship which emphasises innovative and exceptional leadership in social enterprises (i.e. village cooperatives), with the goal of achieving sustainable development and social mission (Weerawardena & Sullivan Mort, 2001) of common prosperity. Our sample village cooperatives and their leaders are good examples of profit-driven business working for community development and operating in a competitive economic market environment. Secondly, we have obtained sufficient evidence to demonstrate the social entrepreneurs' ability to attract and utilise different resources in a competitive environment and adopt innovative ways to create social value (Dees, 1998). Three key factors for successful social entrepreneurship, namely innovativeness, proactiveness, and risk-taking (Weerawardena & Sullivan Mort, 2006) could be found in our case studies. In fact, our cases show a combination of 'business skills' and 'social mission' is fundamental for a social entrepreneur to obtain and develop during the entire process (Sharir & Lerner, 2006). Finally, our analysis provides a meaningful outcome and enables us to create a framework regarding the leadership role of social entrepreneurs in relation to the competitive environment, the external and internal stakeholders, the support of infrastructure and other services as well as the way of managing the process of social enterprise development.

In addition, the practical implications are equally important. These social entrepreneurs could be vulnerable to market competition and sometimes the risk-taking could lead to personal sacrifice. They need both institutional and community support during the process, in terms of policy initiatives, resources, financial and even emotional support from other stakeholders. We also observed that the family support given to these social entrepreneurs during difficult times was crucial to their survival. In addition, providing continuous learning opportunities for these social entrepreneurs could build their competence to face the challenges, in particular related to knowledge of new products, technology and markets. More voluntary support from professional bodies and individuals in these areas would enhance these social entrepreneurs' capability and confidence.

Our research has shown some unique characteristics of social entrepreneurship in rural China. It could also have some meaningful implications for other countries,

in particular in relation to developing countries in the transitional stage with mixed economic and ownership systems, limited financial and other resources, and potential market opportunities. Such environments require a more innovative and proactive approach towards the development of social enterprises. In this sense, social entrepreneurship plays a vital role in the process of community development as well as makes a significant contribution to nation building and common prosperity. This is an alternative business model from the mainstream of business operations under market capitalism which focusses on individual self-wealth building and expansion. It is hoped that, through our case studies, new ways of conducting business—based on village cooperative models—could lead to more equitable and mutually beneficial development paths whilst fostering stronger cooperation amongst citizens to achieve common goals for the entire society.

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Community Entrepreneurship and Enterprises,
Infrastructure Development and Investment Modes
Zhu, Y.; Lan, H.; Ness, D.A.; Xing, K.; Schneider, K.; Lee,
S.-H.; Ge, J.
2015, XIV, 192 p. 22 illus., 16 illus. in color., Hardcover
ISBN: 978-3-319-11318-0