Abstract Reference Number: l10

Author
Lei Wang

Title
State-Third Sector Relations in China: A Study Based on Work-Integration Social Enterprises

Abstract

The impact of market mechanisms and commercial practices on the traditional third sector have yet to be addressed fully by the literature. As cross-sector collaborations and power relations are increasingly involved in the common practices of third sector organisations (TSOs), many of what were formerly considered not-for-profit organisations, and are better termed social enterprises today, have become new vehicles for social service provision and social mission accomplishment. However, few studies have discussed how social welfare services are being shaped and delivered today through these new organisations. This phenomenon is more complicated in China where the state encumbers most civil society activities. While it is a popular argument that the Chinese state has curbed rather than expedited the development and performance of NGOs, again little has been said about the role and impact of the market on state-third sector dealings, and even less on how organisations from the third sector may reach out to seek partners and resources and form new relations when the new concepts and models of social enterprise are becoming available in the country as part of transnational influence.

This study serves to unveil some of the puzzles associated with the marketization process of the third sector by investigating the relational dynamics between the Chinese government and social enterprises as an innovative form of TSOs, as well as the consequential implications on their characteristics, functions and performance. A particular type of social enterprises called the Work-Integration Social Enterprises (WISEs) has been chosen as the focus of study. Based on a total of 21 interviews with WISEs across four major Chinese cities, four modes of state-social enterprise relationship have been identified, each expressed by a list of formal and informal engagements between the state and the organisations. The logic behind the relationship models and how they...
impact the organisations have also been discussed. The author argues that the four modes of state-WISE relationship is a strategic preference of the state in managing the WISE sector. It subsequently leads to four forms of WISEs in China, differentiated by their institutional features, social roles and performance constraints, and together they represent the state’s strategy in constructing effective social employment in China as one aspect of its social welfare reform. This study not only provides information for China's endeavours to develop the country's third sector, but also confers novel ideas that could potentially reinvigorate customary ideas of how public service could be better offered in China.

**Keyword**