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## **The Contested Role of Foreign and Domestic Foundations in the PRC: Policies, Positions, Paradigms, Power**

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### **Abstract**

*This research paper examines how foundations—foreign and domestic, public and private, operating and grant making—engage with Chinese civil society organisations in an authoritarian political context. In contrast to previous literature, which considers civil society through the lens of state-society relations, the author contends that in the case of China, civil society-building has been a foundation-led process.*

*Following a discussion of conceptual caveats in the nascent field of foundation research, the author traces how China's evolving policy framework has influenced the development trajectories, legal statuses and modes of operation of both foreign and domestic foundations.*

*The empirical part of the paper focuses on foundation positions, paradigms and power. Based on 12 in-depth interviews conducted in 2014 with foundation representatives and CSO leaders, this research reveals how foreign and domestic foundations position themselves vis-à-vis the party-state, market and civil society; how they understand philanthropy; and how they deal with the power imbalance in the relationship between grant maker and grantee.*

*Research findings show that foundations have different value propositions, visions and missions, as well as different theories of change, which determine their philanthropic approaches. Foreign and domestic foundation representatives primarily follow a paradigm of conventional charity, managerial philanthropy, or political philanthropy. Findings from this research raise a number of pertinent questions about the likely impacts of China's controversial Overseas NGO Law on foreign and domestic foundations and their grantees.*

**Keywords:** *PR China, INGOs, foundations, policy, Overseas NGO Law, paradigms, charity, philanthropy, civil society, CSOs.*

Unprecedented wealth accumulation over the past three decades has fuelled the growth of charity and philanthropy in the People's Republic of China (PRC). While charitable giving by individuals and families has a long history in China (Smith, 2009; Tsu, 1912; Zhang & Zhang, 2014: 83), more complex forms of philanthropy that aim at "longer-term change to benefit a larger and unknown number of people" (Anheier & Leat, 2002: 163) are both a much more recent phenomenon and a foreign import. Such philanthropy has its roots in "the modern, methodical, and self-confident approach of ... large-scale US foundations" (Anheier & Leat, 2002: 39) and can be considered one of the legacies of international giving to China since 1978. In mainland China, at least 221 international NGOs (INGOs) entered the PRC between 1978 and 2012 (China Development Brief, 2012: 10–11). They now coexist there alongside 5,942 officially registered domestic foundations (Jijinhui zhongxin wang, 2017). Both foreign and domestic foundations tend to support Chinese civil society organizations (CSOs) operating in a wide range of issue areas deemed acceptable to the party-state.

While mainland China is increasingly part of a global system of philanthropy, no systematic attempts have yet been made to compare and contrast the contributions of foreign and domestic foundations to philanthropic development. In this context, philanthropic development is understood to include foundation activities related to information sharing, institution building, training and facilitation. In an accumulative fashion, such diverse foundation activities and agendas help nurture the ecology of a given civil society (Lilja, 2015). In the context of mainland China, a rather broad definition of civil society as an "intermediate associational realm situated between the state on the one side and the basic building blocks of society on the other (individuals, families, and firms), populated by social organizations which are separate, and enjoy some autonomy from the state and are formed voluntarily by members of society to protect or extend their interests or values" (White et al., 1996: 3) is employed. This definition enables researchers to capture the associational pluralism that has taken place since the reform and opening up process began in 1978. This research article raises the overarching question of how foundations—foreign and domestic, public and private, operating and grant making—are engaging with Chinese CSOs in an authoritarian political context.

### **Gaps in the Existing Literature on Chinese Civil Society**

Empirical research on the relationship between foundations and Chinese CSOs has been thin on the ground. In their article on the local corporatist state and NGO relations in China, Hsu and Hasmath (2014) do not include foreign and domestic foundations in their analysis. In his critique of transnational civil society, Jie Chen (2012) limits his discussion primarily to US-based foundations. In his monograph on social organisations in the PRC, Hildebrandt (2013) discusses foundations primarily in the context of the availability or absence of foreign funding. Recent scholarship by Hasmath, Hildebrandt and Hsu on the GONGOisation of the NGO sector is another example of civil society scholarship which almost exclusively focuses on the GONGO-party-state relationship (2016). The three scholars do not account for the significant amount of foreign funding and capacity building support by foreign experts that modernising GONGOs—for example the China Foundation for Poverty Alleviation (CFPA)—have received over the past twenty years. A noticeable exception has been the work of the Beijing-based civil society think tank China Development Brief (CDB). Liu Haiying and Shawn Shieh have filled the void by providing up-to-date news reports and blog posts about recent developments among foreign and domestic foundations. Their insights into the changing donor landscape in China, however, are not reflected in published academic research articles on this subject.

What explains the lack of academic research on the foundation-CSO relationship? A number of contributing factors can be identified. Civil society researchers have so far primarily concerned themselves with theory-building. An over-emphasis on theory has led to a lack of scholarly interest in some of the practicalities of CSO work in China, especially the challenge of fundraising. Another explanatory factor lies with Chinese civil society practitioners themselves. When accepting interviews by researchers, they tend to be reluctant to talk about their funding sources. They are mindful that conservative members of the Chinese Communist Party (CCP) are extremely critical of their dependence on foreign funding, which can be seen from the recently enacted Overseas NGO Law. To complicate matters even more, foreign and domestic foundation representatives tend to be tight-lipped about their grant-making practices in mainland China. In his seminal study of grant-making foundations,

Joel Orosz (2000: 30) remarked that “many foundations have deliberately sought to avoid publicity. Reasons for their doing so can range from the laudable (a desire to do good works quietly without receiving credit) to the questionable (it’s no one’s business how we choose to do good works).”

The lack of research on foundations can be considered a major shortcoming of the field of civil society studies. Current civil society research is let down by an almost exclusive focus on resource-dependent CSOs—which researchers can easily research—and suffers from a neglect for the central role of resource-rich foundations, which for the above-mentioned reasons are much harder to access. To use the language of economics, in the field of civil society, researchers have so far primarily focused on the *supply chain* of CSOs carrying out initiatives for their various funders. This has come at the expense of analysing the considerable power that foundations wield over their grantees.<sup>1</sup> So far, scholars have interpreted the development of China’s civil society almost exclusively through the lens of state-society relations. In stark contrast, the author suggests that from the mid-1990s until the enactment of the Overseas NGO Law in 2017, civil society building in the PRC should be considered a foundation-led process. In line with this new analytical framework, this article primarily concerns itself with grant-making foundations, which like aid agencies, are “committed to improving people’s lives and expanding their choices. They face similar challenges in terms of project selection, supervision, and the need to balance the achievement of immediate targets against the need for long-term capacity building” (OECD, 2003).

But how can greater transparency about the operations of resource-rich foreign and domestic foundations be brought about? The author agrees with Orosz’s (2000: 31) assessment that “foundations should be supporting work of real public utility, and if they are, the public has a right to know about it.”

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<sup>1</sup> Focusing on CSOs at the expense of foundations is as if researchers interested in the subject of supply chain management in China were to focus exclusively on small and medium sized enterprises and their relationship with the party-state, whilst ignoring the role of multinational corporations procuring SME products and services. Current civil society research similarly primarily concerns itself with the relationship between CSOs and the party-state (Hsu & Hasmath 2014; Teets 2014). The overemphasis on the state in civil society research has been critiqued by Howell (2012).

Despite the risks that come along with greater publicity, both foreign and domestic foundation representatives agreed to be interviewed for this research paper. Interviewees gave CDB and the Philadelphia-based philanthropic consultancy, Geneva Global (GG) consent to publish the full English and Chinese-language transcripts on the CDB website. They now form a repertoire of first-hand testimonials which researchers can draw on to discern foreign and domestic foundations' paradigmatic choices from an emic perspective.

The in-depth interviews, many of which lasted for two hours or more, capture the self-perception of foundations as articulated by their leading representatives. In order to analyse the vast amount of qualitative interview data, the author applied Hinton and Groves's (2004: 7) heuristic framework of critical and dynamic choices for aid actors. The author distinguishes between foreign and domestic foundation representatives which either follow primarily a traditional charity, managerial philanthropic or political philanthropic paradigm. This research applies a new and innovative conceptual approach to studying foreign and domestic foundations operating under authoritarian conditions. While this article focuses on the PRC, its conceptual framework and research approach is globally applicable and can help inform a new agenda in comparative foundation research.

This article is structured as follows. After a discussion of conceptual caveats in current foundation research, China's evolving policy framework will be discussed. In this first part of the paper, the author will show how different regulatory regimes have influenced the development trajectories, legal statuses and modes of operation of both foreign and domestic foundations. The second empirical part of the article focuses on foundation positions, paradigms and power. Based on 12 interviews, which the author conducted in 2014 with foundation representatives and CSO leaders, it will be determined how foreign and domestic foundations position themselves vis-à-vis the party-state, market and civil society; how they understand philanthropy; and how foreign and domestic philanthropic foundations deal with the power imbalance in the relationship between grant-maker and grantee.

### **Conceptual Caveats in Foundation Research**

A review of the literature on foundations not only reveals a dearth of China-related empirical case studies, but the few works that are available on the subject are also let down by a lack of conceptual rigour. Early works by Anthony Spires (2012) and Holly Fetter (2013) are a case in point. Both scholars have argued that, due to the funders' supposed conservative political and economic agendas, foundations mostly support positions that are acceptable to the Chinese authoritarian regime rather than those that promote democratic change. Spires and Fetter share the implicit view that the contributions—or lack thereof—that foundations make to political development should be a key measure of their success or failure. Their scholarship implies the existence of ideal types ranging from apolitical foundations, which are supposedly “well in tune with the Chinese Party-state's own political and social agenda” (Spires, 2012: 146), to more politically radical ones that are “willing to take a risk and fund the grassroots NGOs and individuals that were developing resistance to the Chinese State” (Fetter, 2013: 64).

In the case of the PRC, the Open Society Institute springs to mind as a foundation with a very political profile. However, as its founder George Soros has admitted, his organisation cannot operate in mainland China because of its openly declared pro-democracy agenda (Yu, 2016). Are all foundations that operate with at least tacit approval from the CCP therefore apolitical? Spires (2012: 146) has made the implicit argument that foundations should challenge the political status quo in more radical ways. The temporary blacklisting of Oxfam between 2003 and 2008, however, shows that no foundation operating in the PRC can function without its host. This also applies to foreign and domestic foundations operating in other non-democratic countries. For this reason, one should consider the distinction between supposedly apolitical foundations and politically more radical ones to be misleading at best, or a false dichotomy at worst. Mono-directional interpretations of the reach and significance of a foundation's work are also problematic from a theoretical, empirical and pragmatic perspective.

From a *theoretical* perspective, it is possible for a foundation to contribute to societal self-organisation in the PRC while simultaneously—and probably

inadvertently—helping to enhance the capacities of the party-state. This political paradox of foundation-led civil society building is well known to practitioners. When designing and delivering three major capacity-building initiatives for Chinese CSOs over the last ten years, the author employed strategic approaches that addressed the concerns of the Chinese party-state while at the same time meeting the needs of Chinese civil society stakeholders. In *Civil Society Contributions to Policy Innovation in the PR China*, all fifteen contributors “considered collaborative state–society relations a necessary precondition for Chinese civil society to gradually extend its reach and significance” (Fulda, 2015: 10). This is why a key measure of the effectiveness of a foundation is its ability to foster collaborative state–society relations in the PRC, thus contributing towards embedding, deepening and broadening the ecology of civil society. Under continued authoritarian one-party rule, it is premature to discuss whether funding support for Chinese CSOs leads to the development of a political society in China. The latter can be understood to mean a “particular set of institutionalised relationship[s] between state and society based on the principles of citizenship, civil rights, representation, and the rule of law” (White et al., 1996: 208–9).

Analytical frameworks that only measure foundations in relation to their perceived contributions to China’s democratisation are also problematic from an *empirical* perspective. None of the foundation representatives interviewed for this article suggested that his or her foundation was supporting political transformation in China, but that does not mean they are all apolitical. The foundations studied here pursue agendas that range from poverty alleviation, child welfare and environmental protection to philanthropic development. In an accumulative fashion, such diverse activities help nurture the ecology of a given civil society. Foundations can thus play a positive role in China by expanding the space for associational activities, by encouraging public discourse and by supporting better dialogue between citizens and cadres (Fulda, 2015: 5). Moreover, they can help build organisational fields that foster “inter-organisational networks,” promote “particular conceptions of appropriate action (or field frames),” and enrol “others into a collective project” (Bartley, 2007: 249).

From a *pragmatic* perspective, it can be argued that Chinese civil society practitioners primarily care about the level of inclusiveness of foreign and domestic foundations—that is, whether or not they provide funding, and if so, in what form. During years of capacity-building work in the PRC and as a participant observer, the author witnessed countless examples of Chinese civil society practitioners complaining about operating foundations that were unwilling to provide grants to Chinese CSOs. When discussing grant-making foundations, Chinese civil society practitioners were principally interested in the degree to which a foundation employed an instrumental and managerial approach, or whether it was willing to devolve power to CSO grantees based on the principles of subsidiarity and accountability. Arguably, the role of foundations is not just contested by the party-state, but also by Chinese CSOs. As contractual partners of foundations, Chinese CSOs have to protect their organisational autonomy if they do not want to become too donor-driven. This aspect of foundation-led civil society building in the PRC, however, has been woefully under-researched.

This article is thus an attempt to scrutinise foundations by identifying and commenting on their paradigmatic choices. New and innovative research approaches are required to capture the self-perceptions of foundations as their leading representatives articulate them. To this end, this article applies Hinton and Groves's (2004: 7) heuristic framework of critical and dynamic choices for aid actors. Whereas they subsume "non-governmental organizations (NGOs), bilateral donors, international finance institutions, national governments, [and] regional and local governments" (Hinton & Groves, 2004: 6) under the rubric "aid actor", this article concerns itself primarily with operating and grant-making foundations in the PRC. Hinton and Groves assert that the "choices being made and the behaviours displayed will shift at different times and in different contexts. For example, organizations may prioritize contrasting philosophical approaches and procedures at various moments in history. Building relationships with certain actors in the system may be emphasized at the expense of others, often in line with the perceived balance of power. Different significance may be given to different methodologies, values and accountability issues. Shifting organizational and resource pressures will also influence the choices being made" (Hinton & Groves 2004: 6).



This heuristic framework helps to distinguish between foundation representatives who either primarily subscribe to a paradigm of traditional charity, managerial philanthropy, or political philanthropy. It fills a gap in the foundation literature and helps explain how foreign and domestic foundations operate in the PRC under authoritarian conditions. The following discussion focuses on how foreign and domestic foundations in China have developed under vastly different regulatory frameworks. The review of their development trajectories, legal statuses and modes of operation will show that, despite facing political restrictions, foreign foundations have managed to carve out a niche in China. Domestic foundations, on the other hand, have been able to thrive due to an enabling policy environment.

### **China's Evolving Regulatory Framework: Political Restrictions, Legislative Progress?**

Throughout the 1980s and early 1990s, direct funding support for non-governmental actors was still the exception rather than the rule, regardless of whether official bilateral and multilateral development agencies or foreign grant-making foundations provided the aid. At least 221 INGOs entered the PRC between 1978 and 2012. The majority of INGOs originated in the US (99), Hong Kong (35) and the UK (27) (China Development Brief, 2012: 10–11). Foreign foundations entered China in different ways and at different times. In 1979, the State Council invited the Ford Foundation (FF) to help rebuild China's higher education system; it established its own office in Beijing in 1988. The church-based foundation Misereor, on the other hand, chose to work through partner organisations in Hong Kong, Macau and Taiwan. It established direct partnerships with mainland Chinese counterparts in 1995. Oxfam started working in the PRC in 1987 and set up its first field office in Kunming in 1992 (Oxfam, 2015).

Foreign support for non-state actors began to gather steam in the mid-1990s. A pivotal moment was the FF's facilitation of the NGO Forum alongside the Fourth World Conference on Women, held in Beijing in 1995. It ushered in a new phase of mostly US-based foundations providing small-scale grants to Chinese grassroots organisations working on women's issues, poverty

alleviation and environmental protection. Such funding support for Chinese CSOs, however, was always “limited to functional issue areas or ‘low politics’” (Chen, 2012: 30–1). This also partly explains Anthony Spires’s findings on US funding for civil society projects between 2002 and 2009, whereby “a mere 5.61 per cent went to grassroots NGOs,” while “the ten projects receiving the largest grants were all government-run ministries, academies, and universities” (Fetter, 2013: 44–5). Chen et al. (2014: 8) suggest that GONGOs, initiated in a top–down manner, are the main beneficiaries of foreign funding. This suggests that while foreign foundations have generally been more willing to support Chinese CSOs than domestic foundations, such foreign funding support has also been limited in scope.

Since the ascent of the Xi/Li administration in 2012, an increasing number of oral and written directives aimed at curtailing the spread of liberal democratic ideas and practices have been issued in China. Document No. 9 is a case in point. This leaked internal party document was issued by the General Office of the Central Committee of the CCP (Central Office) in April 2013. It lashed out at “false ideological trends, positions and activities” (ChinaFile, 2013) ranging from constitutional democracy to civil society and historical nihilism. Such key prohibitions also found their way into the orally communicated policy, the “Seven Don’t Speaks”, in May 2013. This established, alongside others, “civil society” as a sensitive term (Bandurski, 2013). The thinking inherent in these policies and directives is also reflected in the Overseas NGO Law, which came into effect on 1 January 2017. It will require foreign funders to go through what could be an overly burdensome registration process in order to continue funding philanthropic activities in China (Fulda, 2016). Given that “the majority of Chinese grassroots NGOs rely heavily on funding from outside groups” (China Development Brief, 2013: xix), anxiety about the development of China’s civil society is understandable. There is palpable concern among many Chinese CSO practitioners that the remaining funders could retreat if they find it too burdensome to comply with the proposed regulatory changes. Against the backdrop of China’s economic rise and the subsequent dwindling of foreign support (Deng, 2013), Chinese CSOs are in the midst of what Alan Fowler (2003: 13) has called a “beyond-aid scenario”.

The Chinese party-state not only restricted the political space for civil society

building, but also developed its institutional framework by rewriting the regulations for foundations in 2004. Prior to this, only a small number of Chinese domestic foundations existed. A noticeable example was one of “China’s oldest and most successful charitable organizations” (Wielander, 2013: 71), the Amity Foundation, which was founded with the help of overseas churches in 1985. The Amity Foundation has a long track record of disaster relief and has been “engaged in scholarships and fostering orphans, public health and HIV/AIDS prevention and treatment, social welfare (including foster care projects and projects for the hearing impaired, the disabled and the elderly), community development and environmental protection” (2013: 72). Trail blazers such as the Amity Foundation showed reform-minded CCP cadres that domestic grant-making foundations could play an indispensable role in social development.

Subsequent legislative changes in 2004 reflected the need, socioeconomic potential and political will to let private Chinese foundations play a bigger role. Members of this new generation of Chinese foundation actors exhibit character traits that the existing political and legal conditions alone cannot explain. For example, various contextual factors strongly influence their behaviour towards domestic civil society actors, including a general lack of trust, the hands-on approach of successful Chinese entrepreneurs, as well as a specific Chinese cultural tradition of charity that emphasises generous giving by individuals and families. While so-called domestic public foundations have existed since the 1980s and 1990s, these mainly consist of organisations “with government backing and are therefore referred to as GONGOs” (Liu, [2009] 2011: 10). Since the State Council issued the “Regulations on the Management of Foundations” in 2004, another type of domestic foundation has emerged—so-called private foundations, which being unlicensed to raise funds publicly, are also called “non-public fundraising foundations”. According to the China Foundation Center (Jijinhui zhongxin wang), there are now 1478 public foundations licensed to engage in public fundraising. The total number of officially registered foundations in the PRC has risen from 737 in 2004 to 5,942 in June 2017 (Jijinhui zhongxin wang, 2017). A significant difference between foreign and domestic foundations can be seen in their modes of operation. Xu Yongguang, chairman of the NF, made the case that only about 3 per cent of private foundations in China developed into grant-making foundations (Xu, 2014: 277). Lai et al. (2015: 1091) have similarly criticised private foundations for a lack of “formal linkages

between China's growing grassroots NGO community and the country's new philanthropic institutions."

Why should we concern ourselves with philanthropy rather than charity? While charitable giving in China is an important topic in its own right, charitable foundations do not play a particularly prominent role in civil society building. As operating foundations, they implement their own projects and programmes and do not provide grants for external organisations. Anheier and Leat (2006: 4) have argued that "the charity approach makes a difference to those lucky enough to benefit from the service but, taken alone, has no impact beyond that." Chinese CSOs are excluded from their activities, further limiting the reach and significance of charitable foundations. In the case of the PRC, Lai et al. (2015: 1089–90) discovered that, among their research sample, 73.2 per cent of domestic private foundations are not yet willing to fund Chinese CSOs, but instead prefer to operate their own charitable programmes. Foreign philanthropic foundations, on the other hand, tend to be grant-making foundations. They are willing to form partnerships with Chinese CSOs that implement projects and programmes on their behalf. Porter and Kramer (1999) have argued that foundations "have the potential to make more effective use of scarce resources than either individual donors or the government. Free from political pressures, foundations can explore new solutions to social problems with an independence that government can never have."

### **Critical and Dynamic Choices for Foundations as Aid Actors**

Recent regulatory changes in China's philanthropic sector will likely make it easier for domestic grant-making foundations and Chinese CSOs to engage in partnerships. China's new Charity Law is the latest sign of legislative progress aimed at helping domestic foundations to provide grants to CSOs deemed acceptable to the CCP (International Center for Not-for-Profit Law, 2016). The new law is a ray of hope for China's civil society sector, since it "smooths the way for nonprofit groups to legally register and raise funds, but it also makes it legal for groups to exist even without registering. At the same time, it encourages more giving by improving tax incentives and making it easier for the wealthy to establish charitable trusts" (Chin, 2016). According to Priscilla Son,

“China’s new Charity Law will encourage a more sturdy model of contemporary giving, allowing for more charities to raise funds from the public without a complex registration system or a need for approval from the supervisory board and China’s Ministry of Civil Affairs” (The Borgen Project, 2016).

But how do foundation practitioners view the changing regulatory environment? How do they position their foundations in China’s complex web of governance? To find answers to these questions, the author conducted a series of interviews throughout the summer and autumn of 2014. Ten foreign and domestic foundation representatives agreed to have their interviews published in English and Chinese. These were the Sino-Ocean Charity Foundation (SOCF), Robert Bosch Stiftung (RBS), One Foundation (OF), the China Charities Aid Foundation for Children (CCAFC), the Narada Foundation (NF), Misereor, the China Foundation for Poverty Alleviation (CFPA), the SEE Foundation (SEE), Save the Children (StC) and Oxfam (see China Development Brief & Geneva Global, 2015). (For more information about the foundations, see the appendix.)

The participating grant-making foundations were chosen for their proven record of accomplishment in supporting China’s nascent civil society. Six of the featured grant-making foundations (Oxfam, Misereor, NF, OF, SEE, and CFPA) were mentioned in CDB’s list of the 15 most influential funders for Chinese CSOs in 2013 (China Development Brief, 2013a: xix–xx). Five of them (NF, CFPA, Misereor, StC and OXFAM) were also recipients of a CSO-initiated 2013 China Foundation Rankings Award that same year (Zhongguo jijinhui pingjiabang, 2013: 6). As such, the nine participating grant-making foundations can be seen as a “best-in-class” selection. The in-depth interviews with their representatives not only offer insights into a contested state–society relationship between the Chinese government and grant-making foundations, but also reveal the complex relationships at work among donors, foundations, CSOs and recipients. Three additional interviews, with the Chinese operating foundation, the Sino-Ocean Charity Foundation (SOCF), the GONGO China Association for NGO Cooperation (CANGO) and the capacity building CSO Huizeren were also published. While the sample size may seem small, the featured foundations operate in a wide range of activity fields and allow the author to draw a comprehensive picture of the changing landscape of grant-makers in China.

### **A New and Innovative Research Approach: Making Things Public**

Research conducted for this article was inspired by the art exhibition “Making Things Public: Atmospheres of Democracy”, which took place in Karlsruhe in 2005. Exhibition curators Latour and Weibel (cited in Zentrum für Kunst und Medientechnologie, 2005) pointed out that at “a time in which many people doubt and despair of politics it is crucial that they should not be fobbed off with standard political responses to contemporary problems but that the question of what actually constitutes politics should be raised anew.” The question of what constitutes politics is also highly relevant for this research, since in China, foundation representatives have been reluctant to address the political dimension of their work. The exhibition title “Making Things Public” was the inspiration to employ a new and highly innovative research approach which not only contributes to theory building, but also enhances practitioner reflexivity.

In the summer of 2014, the author spent one month in Beijing and visited foundation offices, conducted the interviews with foundation representatives and subsequently transcribed, translated—and most importantly—published the in-depth interviews in the spring of 2015. Prior to authorising the interview transcript, many foundation representatives obtained feedback from their colleagues, leading to revisions to the original transcripts. The fact that many interviews went through various iterations suggests that rather than just reflecting the views of one individual, the published interviews in fact are highly reflective of the respective foundation’s shared value propositions.<sup>2</sup>

When interviewees speak on record they are addressing at least two types of audiences: a domestic Chinese audience as well as a global audience. In addition, interviewees are also positioning themselves vis-à-vis other professionals in the field. The published interviews are of interest to global and

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<sup>2</sup> The chosen research approach resembles Nicholas Loubere’s systematic and reflexive interviewing and reporting (SRIR) method. Similar to Loubere, the author “values a plurality of data, and undertakes data reduction during fieldwork through reflexive and collaborative dialogue” (2017). In stark contrast, however, the author considers the post-interview dialogue between interviewer and practitioner to be of key importance. When foundation representatives answer the semi-structured interview questions, they reflect on their organisational practices. Subsequent revisions to the interview scripts highlight contested areas of the respective foundation’s work in China.

domestic philanthropists, civil society practitioners, researchers, journalists, bloggers, diplomats, government officials—and more ominously—security personnel tasked with monitoring the activities of civil society actors in mainland China. Empirical analysis will show how the interviews led to surprising and counterintuitive results. Anyone can now read the interviews and probe claims made by the foundation representatives. In their published form, the interviews with leading foundation representatives have already enhanced foundation transparency—and by extension—have also strengthened foundation accountability.

### **Positions**

Interviews with the foundation representatives typically revealed how close the foundation was to the CCP, and how stable this position was. This is best illustrated by the case of Oxfam Hong Kong, which the Chinese government allegedly blacklisted from 2003 onwards for its strategic decision to not cooperate with the party-state. It is an example of how a federated INGO got into trouble by asserting itself politically *against* the CCP. Oxfam Hong Kong's case supports Chinese civil society practitioner Zhai Yan's claim that in "terms of the stakeholders the Chinese government is still the most important one. If you do not manage this relationship well you could go down anytime" (Zhai, 2015).

During the field research, an informant told the author that Oxfam had managed to be removed from this blacklist in 2008. Instead of talking about this rather remarkable achievement, its China programme director, Howard Liu, simply asserted that Oxfam aims to position itself within society and "that we can have a very constructive cooperation with the Chinese government" (Liu, 2015). Dr Liu thus defined Oxfam as rooted in society, yet capable of engaging with the party-state. A substantial repositioning had therefore taken place in the past ten years.

Nevertheless, how did other interviewees position their foundations vis-à-vis the party-state, market and civil society? The interviews showed that foundations would collaborate exclusively with the party-state (SOCF), act as a

bridge between party-state and civil society actors (CFPA, StC, RBS), primarily support Chinese CSOs (NF, Misereor, Oxfam), or introduce management approaches into China's civil society sector (OF, SEE, CCAFC). The relative distance, or close proximity, of a given foundation to the party-state should be seen as only one of many yardsticks for critically assessing their roles. As networked organisations, foundations not only engage with government agencies but also relate to market and civil society actors. These relationships are not static, but change over time. Alan Fowler has described the fluid nature of the organisational relationship of what he terms "non-governmental development organizations" (NGDO) as the "fourth position". Fowler asserts that as value-driven organisations, grant-making foundations "use their value-base as a 'springboard' to interact with state, market, and civil society itself—which is far from homogeneous and is not inherently 'civil' or conflict free" (Fowler, 2003: 21). However, how can the "value bases" of foundations be assessed, and what is their particular understanding of philanthropy?

### **Paradigms**

Foundations have different value propositions, visions and missions, as well as different theories of change which determine their philanthropic approaches. The author argues that foundation leaders hold considerable sway when it comes to positioning their organisations. This is why it is important to learn about their paradigmatic thinking. When analysing the interviews the author discerned three groups of foundation representatives, which either primarily followed a conventional charity, a managerial philanthropic, or a political philanthropic paradigm. In line with Lincoln/Guba, the author defines a paradigm to mean "a systemic set of beliefs" (1985: 15). The published interviews reveal the foundation representatives' "world view, a general perspective, a way of breaking down the complexity of the real world" (Patton, 1978: 203). Hinton and Groves's heuristic framework, featuring nine criteria of critical and dynamic choices for foundations as aid actors, enabled the author to dissect the paradigmatic thinking of the interviewees. According to Hinton and Groves (2004: 6), identifying an aid actor's critical and dynamic choices across a wider spectrum is preferable to "classifying organizations into one fixed category". What follows is a brief overview of the three paradigms.



**Table 1: Critical and Dynamic Choices for Foundations as Aid Actors**

<b>Criteria</b>	<b>Conventional Charity</b>	<b>Managerial Philanthropy</b>	<b>Political Philanthropy</b>
<b>1 Development Approach</b>	Benevolence	“Participation” and “partnership”	Rights-based approaches
<b>2 Development Methodology</b>	Technical process	Social process	Political process
<b>3 Core Concept or Value</b>	Doing good	Effectiveness	People’s rights
<b>4 Primary Stakeholders Perceived as:</b>	Beneficiaries	Implementers	Citizens
<b>5 Accountability</b>	Upward accountability	Upward with some downward	Multiple accountabilities
<b>6 Relationship: Aid Providers to Recipients</b>	Paternal	Instrumental	Empowering
<b>7 Procedures</b>	Bureaucratic conformity	Acceptance of diversity	Negotiated process
<b>8 Organisational Pressures</b>	Pressure for disbursement	Disbursement and results	Results and impact
<b>9 Philosophy of Change</b>	Deterministic	Open system	Complex system

**Note:** Applied from Hinton and Groves (2004: 7).

A first group of foundation representatives who primarily subscribe to a conventional charity paradigm tend to depoliticise their work in China. They describe their development approach in terms of gift-giving, benevolence or welfare. Their preferred development methodology is based on technocratic thinking. Their core concept or value is to “do good”. Primary stakeholders are perceived as passive beneficiaries. In terms of accountability, the main focus is on upward accountability to institutional donors, taxpayers, or individual donors as foundation supporters. The relationship of aid providers to recipients is paternalistic and framed in the language of providing funds and assistance. Described organisational procedures suggest preference for bureaucratic conformity. Organisational pressures often relate to the need to spend allocated funding. The underlying philosophy of change is a deterministic and closed system.

A second group of foundation representatives primarily follows a managerial philanthropic paradigm. They are less concerned with whether they are doing the “right thing”, and instead tend to focus on their performance. Such foundation practitioners espouse private-sector values centred around efficiency and effectiveness. In terms of the preferred development approach, “participation” and “partnership” are used in constructivist terms. The development methodology is framed as an emergent social process. Primary stakeholders are perceived as implementers. There is a focus on upward accountability, but also the recognition of some downward accountability towards their grantees. In terms of the relationship between the aid provider and recipients, the latter are seen as instrumental to the implementation of specific programmes. Interviewees describe organisational procedures that are more accepting of diversity. Organisational pressures exist in the form of finding an appropriate balance between pressures for grant disbursement and results. The underlying philosophy of change, however, is an open system which still does not recognize the world’s complexity.

A third and final group of foundation representatives are primarily wedded to a political philanthropic paradigm. They acknowledge the political dimension of their work, and are highly reflective of their organisation’s practices. Being political is not seen as confrontational or anti-state. Instead, such proponents are acutely aware of the inherent power imbalance between grant-makers and

CSO grantees. Interviews are used to highlight their foundation's commitment to rights-based approaches. The development methodology is seen as a transformative political process, albeit not one that is geared towards regime change. Primary stakeholders are not portrayed as passive recipients or instrumental partners, but as citizens in their own right. Foundation representatives following a political philanthropic paradigm are mindful of their organisation's multiple lines of accountability, which are upward, downward, and horizontal (e.g. vis-à-vis international human rights monitors and other communities of practice). In terms of the relationship of the aid provider to recipients, the focus is on empowering people and influencing governments. Organisational procedures are portrayed as a negotiated process. Organisational pressures exist in the form of attaining results and impact assessment. The underlying philosophy of change is a complex, non-deterministic open system.

The interviews revealed that SOCF is the only organisation that primarily follows the conventional charity paradigm. The other nine foreign and domestic grant-making foundation representatives revealed either a primarily managerial (RBS, OF, CCAFC, NF), or a primarily political (Misereor, CFPA, SEE, StC, Oxfam), understanding of philanthropy. The author uses the qualifying term "primarily" to emphasise that foundation representatives do not necessarily subscribe to one of the three paradigms to the full extent. Instead, and as the empirical discussion will show, they occasionally represent their foundation by referring to criteria related to the other two paradigms.

The fluidity of foundation representatives' paradigmatic thinking is best illustrated by the interview with Mr Kantelhardt from Misereor. Kantelhardt shied away from the language of rights-based approaches. Misereor also seemed to have an instrumental view of public participation. And yet on balance, the author learned that in the PRC, Misereor primarily follows a political philanthropic paradigm. This became evident when reviewing Kantelhardt's interview answers. Kantelhardt presented Misereor's development approach in conventional charitable ways. When addressing the criteria of development methodology, core concept or value, and accountability, Misereor appeared to follow a managerial philanthropic paradigm. Yet when addressing the relationship between the aid provider and

recipients, organisational procedures, organisational pressures, and philosophy of change, it became very clear that Misereor in fact follows a political philanthropic paradigm.

When reviewing each of the interviews in detail, the author was struck by how little the nationality, ethnicity or cultural background of the respective foundation representative mattered in terms of the interviewee's paradigmatic thinking. It was a reminder that while foreign and domestic foundations are subject to different regulatory regimes, in terms of reported organisational practices, foreign and domestic foundations actually overlap in very significant ways.

How did the foundation representatives describe the *development approach* of their organisations? A majority of them argued that their foundation's work in the PRC was based on "participation" and "partnership" (OF, CCAFC, SEE, CFPA, RBS). Only Liu Zhouhong from the Narada Foundation, Howard Liu from Oxfam, and Perrine Lhuillier from StC framed their interviews in the more explicit language of rights-based approaches. Duan Tao, from SOCF, and Wolf Kantelhardt, from Misereor, subscribed to the development approach of gift giving, benevolence and welfare.

The second criterion of *development methodology* helps shed light on the foundations' working practices. None of the representatives described their foundation's work in terms of a transformative political process. In an authoritarian political context, such caution is not surprising. Instead, all interviewees made the case that their development methodology is informed by an emergent social process; only SOCF revealed a more technical and blueprint-oriented understanding of its work.

The third criterion of *core concepts or values* is useful for discerning the "value base" of foreign and domestic foundations. Here, a more mixed picture emerged. In the case of foreign foundations, Shieh and Knutson identified distinct motivations among INGOs that ranged from religious impulses and humanitarian and ecological concerns to philanthropic ambitions (China Development Brief, 2012: 5). There is less clarity, however, about value orientations among Chinese foundations (Liu, [2010] 2011: 43). The

developmental nature of domestic grant-making foundations thus makes it difficult to compare and contrast the varying foundations' guiding "axiomatic values or ethics" (Edwards & Sen, 2000: 606). The interviews reveal a fairly even split between foundation representatives who emphasise people's rights (CCAFC, NF, Oxfam, StC) and those who focus on the effectiveness and efficiency of their work (OF, SEE, SOCF, CFPA, Misereor). Only Oliver Radtke (2015) framed the work of the Robert Bosch Stiftung (RBS) in terms of "doing good".

The fourth criterion, the *perceptions of primary stakeholders*, allows us to identify how foundation representatives view "end users" in their philanthropic work. Primary stakeholders can be understood either as implementers or passive beneficiaries. However, the vast majority of foundation representatives saw primary stakeholders as citizens (SEE, NF, CFPA, Oxfam, RBS, Misereor, StC); only two framed them as implementers (OF, CCAFC). Again, SOCF proved to be an outlier in terms of framing primary stakeholders as beneficiaries.

The fifth criterion helps to unearth the foundation representatives' views on the *primary lines of accountability* for their organisations. The interviews again reveal a uniform picture. Two foundation representatives argued that their organisations have to be "upward accountable"—to institutional donors, taxpayers and individual donors as foundation supporters (SOCF, NF). While this view was generally shared by other representatives, many suggested that in addition to upward accountability, there also needs to be some downward accountability, particularly to their grantees and primary stakeholders (OF, CCAFC, SEE, CFPA, RBS, Misereor, StC). Howard Liu, from Oxfam, went further than his counterparts by acknowledging their multiple accountabilities, both upwards and downwards.

The sixth criterion, the *relationship between aid providers and their recipients*, again puts the spotlight on the relative position of foundations vis-à-vis their cooperating partners. From the interviews, two different camps emerged. Some openly acknowledged their foundation's ambition to influence the Chinese government and to empower Chinese people (SEE, CFPA, Oxfam, StC), while others saw the recipients as instrumental in implementing specific programmes (OF, CCAFC, NF, RBS, Misereor). Wolf Kantelhardt is a case in point. He suggests that public participation is important "in order to make a project successful. ...

It is a means to an end” (Kantelhardt, 2015). Again, only SOCF provided funds and assistance itself, rather than devolving power to its cooperation partners. Duan Tao makes the case that “[we] do not simply give money to an organisation. Instead we are in charge of overall planning and organisation and bringing all of the resources together” (Duan, 2015).

Nevertheless, how did foundation representatives reflect on their *organisational procedures*? This seventh criterion addresses how the internal governance of foundations is likely to affect their ability to engage with other stakeholders. When reflecting on their organisational procedures, some representatives described these as a negotiated process aimed at achieving innovation and flexibility based on sociocultural sensitivity and knowledge (SEE, CFPA, Oxfam, Misereor, StC). Others showed a fair amount of acceptance of diversity in their work (OF, CCAFC, NF, RBS). SOCF again shows a great deal of bureaucratic conformity, which is evident in its decision to form partnerships almost exclusively with party-state organisations’ youth programmes, such as the Communist Youth League or the Ideological and Political Secretariat of the Ministry of Education. At no point does Duan Tao seem to mind that the SOCF’s exclusive choice of partners was likely to strengthen the party-state at the expense of other stakeholders. This example shows that, in foundations, micropolitics determines “who gets what, when, how” (Lasswell, 1936).

The discussion so far has illustrated that the distinction between foundation representatives following the charity paradigm and the managerial philanthropic paradigm is fairly clear. There is arguably greater overlap between the managerial and political philanthropic paradigm. The key criteria which sets the two paradigms apart is the relationship of the aid provider to the recipient. Here, the question of power takes centre stage.

## **Power**

Whether a project should belong to a foundation (because of its role as a donor), or be seen as the property of CSOs (because, after all, it implements the initiative), highlights the tension between donorship and ownership. Are grant-making foundations aware of the unequal power relationship that exists

between donor and recipient (Brest & Harvey, 2008: 83)? If they are, how do they deal with the issue of power imbalances in their grant-making processes?

Brest and Harvey (2008: 83) argued that “no relationship is more important to a philanthropist than his or her relationship with a grantee.” They then provided an extensive list of the ways in which grant-makers can sour this relationship. For instance, they can do so by being unresponsive or abusive; by raising false expectations among potential grantees, who put in considerable work to present a grant proposal; by following cumbersome due diligence processes that overburden applicants or grantees; and/or by abruptly leaving an existing field of grant-making (Brest & Harvey, 2008: 83–4). Orosz has formulated some of the “necessary qualities for fitness as a grant-maker” (Orosz, 2000: 48), which include an emphasis on integrity, people skills, analytical ability, creativity, spirituality, balance, a sense of proportion and compassion (Orosz, 2000: 48–52).

In her interview, the founder and director of Huizeren, a Beijing-based capacity building CSO, issued a scathing critique of Chinese corporate donors and domestic grant-making foundations. She described them as utilitarian in their approach to CSOs, having a neocolonial mindset and undermining CSO autonomy through unreasonable grant conditionality (Zhai, 2015). Her critique is mirrored in the Chinese CSOs’ 20 documented complaints published in the aforementioned 2013 Foundation Rankings Award brochure. Chinese CSO practitioners expressed their misgivings about grant-making foundations. Among these reservations were excessive donorship, arrogance, unprofessional behaviour, unrealistic resource allocation, low overheads, letting CSOs carry unreasonable financial risks, ineffective project and financial management, and lack of domestic support for legal aid and the rule-of-law. They also included broken promises, the sudden cessation of funding, stolen project designs, taking undue credit for CSO work, unclear property rights and unfair assessment of CSO grantees (Zhongguo jijinhui pingjiabang, 2013: 32–35). Many specific criticisms were explicitly levelled at domestic grant-making foundations, while others included foreign foundations. Chinese civil society practitioners have also criticised domestic foundations for being unprofessional, for being too informal and for acting arbitrarily (Liu, [2009] 2011: 16).

In the interviews, foundation representatives subscribing to a managerial philanthropic paradigm emphasised the grant-maker's donorship (NF, OF, CCAFC). Liu Zhouhong, from the Narada Foundation, stated that "grantees need to share the same goals as we do" (Liu, 2015). Foundation representatives wedded to a political philanthropic paradigm, on the other hand, emphasized the importance of the grantees' ownership (Misereor and StC). Alternatively, they saw donorship and ownership as a negotiated process between grant-maker and grantee (SEE, CFPA, Oxfam). In the words of Wang Yi from the China Foundation for Poverty Alleviation, "you need to want to do the project, and I need to also want to do the project. If only one of us wants to do the project, there might be no way for us to come together" (Wang, 2015). Different attitudes to donorship and ownership thus provided a glimpse into the "value bases" of foreign and domestic foundations.

The eighth criterion, *organisational pressures*, helps to illustrate how foundation representatives perceive constraints in their work. Interviewees either acknowledged the existing pressure for results and impact assessment (OF, CCAFC, SEE, NF, CFPA, Oxfam, Misereor, StC), or suggested that a balance needed to be found between pressures for disbursement and results (SOCF, RBS).

Finally, foundation representatives also reflected on their respective organisation's *philosophy of change*—the ninth and final criterion—which the majority (OF, CCAFC, SEE, NF, CFPA, Oxfam, Misereor, StC) defined in the context of a complex, non-deterministic and open system. That SOCF and RBS preferred to have government agencies as their main cooperation partners suggested that these foundations aimed to achieve change within the narrow confines of the party-state, without entertaining the possibility of contributing to a more autonomous civil society. Li Hong subscribed to a developmental perspective by stating that One Foundation programmes were providing "a hatching and nurturing opportunity for ... NGOs to grow" (Li, 2015). Meanwhile, Liu Jingtao, from CCAFC, espoused a more prescriptive philosophy of change. According to Liu, CCAFC encourages CSO-led public participation, calls on more private foundations to join its United Way programme, and advocates introducing legal changes to allow foundations to register more easily and to engage in public fundraising (Liu, 2015). Other domestic foundation



representatives (NF, CFPA) echoed the call to relax governmental curbs on foundations and CSOs engaging in public fundraising. However, SEE called for the redistribution of risks and for wealthy or resourceful Chinese citizens to bear greater social and environmental responsibility (Guo, 2015). Both Oxfam and Misereor took a distinctive bottom-up approach—one that either focused on rights-based approaches, as in the case of Oxfam (Liu, 2015), or one that emphasised the importance of individual citizens becoming more active in their local communities, as in the case of Misereor (Kantelhardt, 2015). The emphasis on the individual was also at the heart of RBS operations in China (Radtke, 2015). StC, on the other hand, stressed the value of bringing in international expertise and good practices. It advocated a philosophy of change that included building the capacity of people, system strengthening and organisational capacity building for CSOs, and policy advocacy (Lhuillier, 2015).

## **Conclusion**

The review of development trajectories, legal statuses and modes of operation showed that foreign foundations managed to carve out a niche in China despite political restrictions. Domestic foundations, on the other hand, were able to thrive due to an enabling policy environment. They took advantage of the 2004 foundation regulations and could exponentially enlarge their financial resource base with the help of public fundraising licences. China's Overseas NGO Law, as well as the Charity Law, will open further avenues for domestic foundations to grow at the expense of foreign foundations.

The empirical part of this article reflected on the views of foundation representatives on foundation positions, paradigms and power. The interviews revealed that foundation representatives subscribed to either a managerial (RBS, OF, CCAFC, NF) or a political (Misereor, CFPA, SEE, StC, Oxfam) understanding of philanthropy. This suggests that in the foreseeable future, two groups of philanthropic foundations will coexist—an emerging group of managerial philanthropists aiming to introduce management approaches to China's civil society sector, and more politically minded philanthropists aiming to bridge the gap between party-state and civil society actors. One of the greatest legacies of international giving to China's civil society has been human

capital, namely the local people who are now leaders of organisations across China, who have learned a great deal from the exchange of models and information with foreign funders and implementers (Fulda, 2016). It is therefore encouraging to see that domestic grant-making foundations, such as SEE and CFPA, the latter being a modernising GONGO, have already developed into highly reflective organisations that are capable of continuous adaptation and organisational learning. The interviews with Guo Xia and Wang Yi are indicative of the long journey that some domestic foundations have taken in a relatively short space of time.

Applying Hinton and Groves's heuristic framework of critical and dynamic choices for foundations as aid actors allowed the author to discern the paradigmatic thinking among interviewed foundation representatives. When applying this heuristic framework, the author learned that interviewees generally erred on the side of caution. Mindful of the shadow of the Chinese party-state, interviewees de-emphasised the political nature of their work. After concluding one of the interviews, a foundation representative admitted to the author that the interviewee had deliberately presented the foundation in managerial rather than political terms, and suggested that this was to protect the foundation in politically challenging times.

The research conducted in 2014 has revealed a foundation field in transition. As China's Overseas NGO law has come into effect on 1 January 2017, the foundation landscape is likely to evolve even further. Future research will have to investigate the impacts of the law on foundations and their grantees. How will foreign foundations cope under the new regulatory regime? Will they divest from the PRC, seeing the new regulations as too burdensome? If significant numbers of foreign foundations were to leave China, will more domestic foundations become grant-makers for Chinese CSOs? And how will the law affect the foreign foundations that remain active in China? Will they become more conventional or managerial, in terms of their paradigmatic choices? Or will the law trigger a politicisation of the foundation field?

This research aimed to address a gap in the literature that so far has largely ignored the foundation–CSO relationship in the PRC. A new and innovative conceptual approach was employed to study foreign and domestic foundations

operating under authoritarian conditions. This research can lead to a new paradigm in foundation research since it overcomes the current tendency to treat domestic and foreign foundations as separate—and thus seemingly incomparable—entities. Since the political space available for civil society in countries as disparate as India, Israel, Russia, Egypt, Ethiopia, Uganda, and Cambodia is increasingly being restricted by draconian NGO laws (Fulda, 2017), the question of convergence and divergence between foreign and domestic foundations can now also be analysed in other regional contexts. The successful application of this framework in the case of the PRC can help set the research agenda for future foundation research. Comparative social and political scientists should feel encouraged to use the new concepts and research approaches, and to apply them to their own research on foreign and domestic foundations in other authoritarian contexts.

### **Appendix: Foundation Profiles**

#### *Sino-Ocean Charity Foundation (SOCF)*

This private foundation received an endowment of ¥2 million in 2008 from the property development company Sino-Ocean Land. In 2014, its parent company held net assets of ¥132 billion. The Sino-Ocean Charity Foundation aims to educate its staff about issues relating to education and environmental protection through its own CSR projects. In its education projects, SOCF primarily collaborates with the Communist Youth League and the Ideological and Political Secretariat of the Ministry of Education. The latter party-state organs provide access to schools and universities. There is very limited cooperation with selected GONGOs and INGOs—six CSOs in 2011 and four in 2013. SOCF is not licensed to engage in public fundraising.

#### *Robert Bosch Stiftung (RBS)*

This German industry foundation was established in 1964 with the mission to engage in the fields of health, international relations, society, education, culture and science. In 2013, the Robert Bosch Stiftung (RBS) held net assets of €5.23 billion, with €36.11 billion in operating reserves. The foundation's China

engagement started with the establishment of a focus on German–Chinese relations in 2006. By 2013, RBS had spent €1.86 million on 12 projects in this focus area. RBS engages with government agencies, grassroots NGOs, GONGOs and universities in the PRC through German intermediaries such as the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH or Stiftung Asienhaus. Support for Chinese grassroots NGOs is provided primarily through an exchange programme for European and Chinese NGO personnel. RBS is not licensed to engage in public fundraising in the PRC.

#### *One Foundation (OF)*

Established with an endowment of ¥50 million in 2010, the One Foundation engages in the areas of safety/disasters, children, voluntarism, mental health and philanthropy development. It was the first private foundation to be registered as an independent public charitable fundraising organisation in the PRC. In 2014, its net assets were ¥408 million. The same year, it raised ¥168 million from 4,470,000 individual donors as well as 88 corporate and government donors. In 2014, the OF spent ¥224 million, with the vast majority of it going to grants for disaster relief (¥199,125,178) and the remainder spent on philanthropy development (¥15,469,156) and child welfare (¥9,520,952). It supports both GONGOs and grassroots NGOs. About 600 grassroots NGOs have been supported annually between 2011 and 2013. OF provides seed funding for CSOs.

#### *China Charities Aid Foundation for Children (CCAFC)*

The China Charities Aid Foundation for Children was established in 2009 with an endowment of ¥20 million. It is primarily active in the fields of education, medical care, youth, children, poverty alleviation, mental health and philanthropy development. It emphasises service delivery and promotes a Chinese variation of the US-based fundraising approach, United Way. CCAFC is licensed to engage in public fundraising. In 2014 it raised ¥94.65 million. Individual donors raised 56 per cent; the remaining 44 per cent came from corporate donors. CCAFC spent all the funds it raised on grants for independent projects (¥49,320,500), special funds (¥40,476,100) and cooperation projects (¥4,856,900). It supports GONGOs and grassroots NGOs. In 2014 it had 300

grantees, 90 per cent of which were grassroots NGOs and 10 per cent GONGOs. Seed funding for Chinese CSOs is planned for the future.

#### *Narada Foundation (NF)*

The Narada Foundation was established in 2007 with an endowment of ¥100 million. Its activity areas include education, youth entrepreneurship, safety/disasters, voluntarism and philanthropy development. In 2014 it held net assets worth ¥132 million. The NF is not licensed to engage in public fundraising. In 2014, it spent most of its ¥28 million income on its disaster reconstruction fund (¥10,000,000), macro-level projects (¥2,584,516), strategic projects (¥2,040,000), specific public interest projects (¥3,180,010) and research projects (¥268,274). While the NF claims to support grassroots NGOs, the number of individual grantees is actually limited. For example, there have been 67 Ginkgo Fellows since 2010 and a few selected grassroots NGOs, but only four new CSOs were supported by the Bright Way Programme in 2014. Narada is also the China Foundation Centre's principal sponsor.

#### *Misereor*

Established in 1958, this German Catholic grant-making foundation is active in the fields of poverty alleviation, community development, education, social work, policy advocacy and public education. In 2013, Misereor held net assets of €99.9 million, with operating reserves of €66.5 million. The same year most of its income of €179.3 million was raised from German federal government donors (€115.1 million), whereas the remainder came from individual donors (€54.3 million). In 2014, Misereor spent three million euros on 65 projects in the PRC, which included 25 new projects. The funding ratio is about 1:1:1 in terms of its support for church-based organisations such as dioceses (33 per cent), grassroots NGOs (33 per cent), as well as GONGOs and research institutes at universities (33 per cent). In the PRC, Misereor emphasises service provision and individual empowerment. It is not licensed to engage in public fundraising in the PRC.

*China Foundation for Poverty Alleviation (CFPA)*

One of Misereor's key cooperation partners, the China Foundation for Poverty Alleviation, was established with an endowment of ¥10 million in 1989. It operates in the fields of education, medical care, agriculture, rural areas and farmers, safety/disasters, women, children, international affairs and poverty alleviation. In 2014, it held net assets of ¥2.21 billion. CFPA is licensed to engage in public fundraising. In 2014 its financial income amounted to ¥3.51 billion, including micro-credits. Some ¥613 million was raised through donations. That same year, CFPA spent ¥410 million (without micro-credits) or ¥2.57 billion (with micro-credits). CFPA has supported grassroots NGOs and individuals through micro-credit schemes. From August 2013 until the end of December 2014, it supported CSOs through 35 philanthropic projects amounting to ¥6.22 million. CFPA does not provide seed funding for CSOs.

*SEE Foundation (SEE)*

The SEE Foundation was established in 2008 with an endowment of ¥8 million. In 2014, its net assets were ¥47.19 million. It engages in the fields of the environment, scientific research and philanthropy development. It is licensed to engage in public fundraising. In 2014, it raised ¥42.98 million from individual donors and ¥5.76 million from other foundations. Almost all the money it raised was allocated to grants for combatting desertification (¥21,480,416), specific environmental protection projects (¥19,243,368) and environmental public participation projects (¥6,548,078). With its emphasis on environmental protection and philanthropy development, SEE has supported both GONGOs and grassroots NGOs. Most of its 1,000 grantees have been grassroots NGOs. It provides seed funding for CSOs, for example, Green House Plan (¥200,000 per year for 70 CSOs since 2012).

*Save the Children (StC)*

Save the Children is a grant-making foundation with a very long organisational history. Established in 1919, it focuses on humanitarian aid, education, child poverty, child welfare, hunger and child protection. In 2013, its endowment stood at £2.92 million, while it boasted an operation surplus of £34.76 million.

While StC is not licensed to engage in public fundraising within the PRC, in 2013 it raised £109.71 million from individual donors, and £186.92 million from institutional grants globally. That same year it spent £267.17 million worldwide. In the PRC, it allocated £7.59 million to grants for child education (39.3 per cent), child health (24.5 per cent), disaster risk reduction and emergency (18.2 per cent), child protection (17.7 per cent), and child rights governance (0.3 per cent). StC supports grassroots NGOs, GONGOs, government agencies and universities. Support for Chinese CSOs excludes seed funding.

#### *Oxfam Hong Kong*

Oxfam Hong Kong was established in 1976. Operating under a highly federated structure, it has been engaging the PRC since 1987. In mainland China, Oxfam Hong Kong is primarily concerned with poverty alleviation, development, humanitarian aid, policy advocacy and public education. In the financial year 2013/14, Oxfam Hong Kong-restricted funds amounted to HK\$8.4 million, and its operating reserves that year were HK\$169.7. It generated an income of HK\$255.9 million, of which HK\$110 million was spent on 620 projects in the PRC, which included 211 new projects. Oxfam Hong Kong supports grassroots NGOs, GONGOs, government agencies and universities. Its 620 projects and programmes are implemented with the help of 266 partners in 24 provinces. Support for Chinese CSOs includes seed funding.

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