The Marketization of Philanthropy and Charity in China
How Markets Shape the Landscape of Chinese Civil Society

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Abstract

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A thesis presented to the Graduate Program in Global Studies
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By Ruiyi Li

Previous studies related to civil society in China tend to focus on whether or not China has a civil society. Following the critique of the Neo-Tocquevillian approach, this thesis turns to the nonprofit sector in China and explores how civic actions are achieved or hampered in different organizational contexts, including NGOs and social entrepreneurship. Using depth interview data collected from leaders of various organizations in China, this thesis suggests that even though the political environment imposes a constraint on social organizations’ public promotion and organizational activities, other structural factors, such as pressure from foundations, lack of modern philanthropic ideas and practices, and nascent social organizational statuses, also contribute to an insular donor-NGO universe in China. Only mature NGOs, which are capable of developing public fundraising activities, and social entrepreneurship, which addresses unpolitical problems, are able to achieve civic actions.
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Table 1. Official registered social organizations in China
Introduction

In China, Non-Governmental Organizations (NGOs) earn their legitimacy as the third sector, which can compensate for both government and market failures in providing social benefits. NGOs are often regarded as the indicator of civil society by scholars (Ma, 2006; Yang 2005). However, private philanthropy organizations had been eliminated following the establishment of socialist China. After the economic reform policy implemented in 1978, various social organizations boomed because of the state’s withdrawal from providing totalistic social benefits as well as because of new social problems caused by the radical liberal market reform. The total number of registered social organizations increased from zero to over 0.66 million in 2015, according to the National Bureau of Statistics of China.¹

However, the term “NGO” was not officially introduced to China until 1995, when China hosted the Fourth World Conference on Women. The state still holds a suspicious attitude toward NGOs as it originally regarded “non-governmental” as “anti-governmental.” Driven by this paranoid attitude while finding it hard to resist the tide of voluntary organizations, the state issued strict regulations on registration processes of NGOs in order to better regulate social organizations (Wang 2008). NGOs in China are officially categorized into three kinds of organizations: social associations, foundations, and non-governmental and non-commercial organizations (NGNCO). Given that practitioners tend to explain their activities as “doing public interests (Zuo gongyi/做 公益),” social associations nevertheless are based on occupations or hobbies, which are quasi-public. Therefore, practitioners tend to refer to the NGNCO category simply as NGO and I also will adopt this narrow use of NGO in this thesis. These organizations are classified according to their activities and are entitled to different statuses regarding their ability to engage in public fundraising. Additionally, the different historical origins of these three

¹ Information about social organizations in China: [http://data.stats.gov.cn/english/easyquery.htm?cn=C01](http://data.stats.gov.cn/english/easyquery.htm?cn=C01)
kinds of civil society organizations unintentionally constructed a hierarchical ecology of the nonprofit sector in China.

Recently, NGOs’ legitimacy is also threatened by a new organizational form, social entrepreneurship, or social enterprise. Even the term, social entrepreneurship, is a contested concept, but there are still some overlapping definitions of it, which focus on using innovation to address social needs and measure social value (Certo and Miller 2008; Peredo and McLean 2006). According to statistics from the British Council in China, the Council has successfully “trained over 3200 social entrepreneurs, and facilitated RMB37 million in social investment opportunities to 117 social enterprises” from 2009 to 2016. Whether or not NGOs should be replaced by a more effective organization model, social entrepreneurship, is still a contested topic. Leading figures acclaim its effectiveness and scholars applaud social entrepreneurs as the new impetus of social governance who can utilize a market approach to address social problems (Wang 2017). Even though more and more social entrepreneurships are established, there is no consensus on the definition of this seemingly new organizational form. The fuzzy definition of social entrepreneurship seems to blur the traditional border between the for-profit private sector and the nonprofit sector, which is organized by “formal, private, non-profits-distributing, self-governing, and voluntary” organizations (Salamon and Anheier 1992, p. 268). However, can civic actions only be achieved under certain sectors, such as the third sector? Unlike the traditional distinction between the commercial sector and the nonprofit sector, social entrepreneurship blurs this border by highlighting the possibility of using an innovative business method to address social problems. Will there be a possibility for other organizational contexts also to contribute to materialize civic actions? In addition, what kind of factors will impact the development of such a context? These are the core inquiries of this thesis.

In the following sections, I will comb existing studies of civil society to explain how my theoretical tools can be informative when applied to the case of China, especially when compared to other

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studies related to civil society in China. Later, I will introduce the basic background information about social organizations in China in order to present how the political context shapes the hierarchical ecology of nonprofits and influences NGOs’ activities. Next, I will explain my primary methodology used in this research. In the empirical section, I will use interviews with leaders of NGOs in China to describe their routine functions, funding resources, and public outreach activities. This section will offer a general understanding of NGOs in China as well as an analysis of the potential of social entrepreneurship’s impacts on civil society in China.

In this thesis, I have two main arguments. First, from the theoretical layer, I am going to argue that most existing studies related to civil society in China tend to view the autonomy of various associations as the indicator of civil society in China. However, even though voluntary associations are necessary to the development of civil society, the autonomy or independence from the state is not sufficient to lead civic actions to be achieved automatically. In other words, it is problematic to take for granted that an autonomous or independent sector will provide an environment benefiting good civic life. Focusing on how civic actions can be materialized under various organizational contexts (Eliasoph 2009; Eliasoph and Lichterman 2014), I will examine how these contexts are created within the ecology of the third sector. In addition to these theoretical questions, I focus on the empirical aspect by looking at certain cases of social entrepreneurship. Social entrepreneurship as an organization shares the same institutional logic with other commercial organizations, and social elites around the world will exchange various resources through platforms built by US foundations (Lounsbury and Strang 2009). However, I want to argue that it is still an open debate whether or not social entrepreneurship can be developed as an organizational setting to materialize civic actions in the specific philanthropic ecology of China.
Literature review

1. Civil society theories debate

As a contested concept, civil society can be “seen by many as a part of society (the world of voluntary associations), by some as a kind of society (marked out by certain social norms), and by others as a space for citizen action and engagement (described as public square or sphere)” (Edwards 2011, p. 7). Following Alexis de Tocqueville’s writings on association life in mid-nineteenth century America, equating civil society with voluntary associations, contemporary theorists further develop this idea by looking at how participants in voluntary associations or professional nonprofit organizations can learn the skills required by democracy, such as “letter-writing, planning meetings, making speeches” (Clemens 2006, p.208). Thus, a robust civil society is the precondition for a democratic life as the democratic movements that happened in Eastern Europe and Latin America since the 1980s have shown to us.

Even though some mourn Americans nowadays “bowling alone” and the decline of public participation in communities (Putnam 2000), scholars offer various alternative arguments exploring the possibility of building civil society. Some argue about possible contextual factors contributing to the development of civil society. Fine and Harrington point out that small groups at the local level can also be the “context, and consequence of civic engagement,” which means civic engagement can promote the development of small groups; meanwhile it can be nurtured within small groups, and these small groups produce civility and build connections with broader
public issues. Therefore, civil society can still be strong even when lacking formal associations at the national level (Fine and Harrington 2004, p. 341).

Also, some look at other possible arenas where civic action can be achieved rather than solely focusing on the traditional domain regarded as civil society. In other words, it is problematic to equate civic actions to sector-specific actions in a diversified society (Eliasoph and Lichterman 2014) because organizational studies demonstrate that participants in voluntary associations or the nonprofit sector may lack opportunities to learn political skills because of the hierarchical organizational structure or professionalism of organizations (Clemens 2006).

Additionally, Nina Eliasoph argues that “civility (decent, face-to-face, considerations for others)” may have tensions with “civicness (fighting for social and political change)” in civic associations (Eliasoph 2011, p. 221). Unlike traditional grassroots voluntary organizations, professional nonprofit organizations presently mix multiple goals that are set up by diverse donors for one organization to achieve (Eliasoph 2009). In these “complex, multifaceted organizations, projects, and networks,” participants have to switch expected speaking norms in order to achieve various goals with different constituencies or donors. Thus, it is more useful to use the civic action approach to analyze how various organizational contexts shape different outcomes of actors’ interaction (Eliasoph and Lichterman 2014, p. 815).

Also, when civil society is marked by various values, it is treated as a specific sphere, which is distinct from both the state’s bureaucratic system and inequalities caused by the market. But Craig Calhoun notices that civil society also has a dark side as “public discourse reflects the inequalities of civil society.” However, the public sphere can compensate for these inequalities by an open and inviting sphere, which can be used to articulate interests by individuals through deliberate and public debates (Calhoun 2011, p.317). Even though the idea that the public sphere
can work as the medium between civil society and the state is appealing, it is hard to put the communitarian idea into practice without any practical guidance on how to achieve it. The normative idea requires rational-critical debates among members within the public sphere, it is nevertheless not easily achieved in such a pluralistic society with such a large population like today.

In order to make up the void between normative ideas and empirical realities, Jeffery Alexander develops a synthesized concept of the civil society as civil sphere, which is “a world of values and institutions that generates the capacity for the social criticism and democratic integration in the same time” (Alexander 2006, p. 4). In Alexander’s view, the civil sphere is composed of communicative institutions, such as mass media and civic associations articulating “communicative judgements” (Alexander 2006, p.5), juridical institutions, and civic repair activities, which are social movements mobilized by excluded populations to broaden the boundaries of the civil sphere (Alexander 2006, p. 3-9). In particular, he adopts the idea that a “public” can exist beyond the republican tradition, which requires people to be related through face-to-face concrete interaction, to a new cultural approach. This approach stresses the power of civil discourses (or codes of civil society) to guide specific group actions to voice their concerns and convince larger publics to accept these particular claims (Alexander 2006, Chapter 5). In terms of civil society organizations, only associations which are able to “define the boundaries of the civil sphere and offer justifications for placing groups inside and outside it” can be categorized as part of civil society (Alexander 2006, p.105).

Inspired by this cultural approach of looking at civil society, Sabine Lang adopts the equation of civil associations with mass media as communicative institutions (Alexander 2006) and further argues that civil society should not be expunged from the public sphere and it is
necessary to “situate the nongovernmental sector squarely within the public sphere of civil society” (Lang 2013, p.58). Therefore, NGOs should be held publicly accountable for their legitimacy when the “density, modes, and targets of NGO communication have been identified” (Lang 2013, p.59). To contemporary NGOized civil society, where professional nonprofit organizations take up the dominant space, it is necessary to re-discover how the public can get involved in the building of civil society.

2. Civil society in China

Because of the student movement that happened at the end of the 1980s, China initiated a debate around the emergence of civil society, and scholars acclaim the fast increase in social organizations after the economic reform in 1978 that they say paved the road for civil society in China (Ma 2005; Wang 2008). However, whether or not civil society emerged in China is a contested topic and some scholars doubt whether the western origins of civil society can be applicable to the reality in China because the ideal mode of a binary state-society relation is rooted in early modern and modern Western experience (Huang 1993). There are four main areas used to evaluate the development of civil society in China. Guobin Yang summaries these categories as including “public sphere, social organizations, individual rights, and popular protest and social movements,” which are used to argue for the “autonomy of the public sphere, social organizations, and individual vis-a-vis the state” (Yang 2002, p. 2). It is apparent that all these studies related to civil society tend to use the civil society as a model to represent an independent society refraining from the state’s control. In addition, the development of social organizations is regarded as the indicator of civil society in China (White 1993).
After evaluating the autonomy of social organizations, various studies offer contradicting conclusions about civil society in China. One school of existing research explores how the state manages NGOs, from “graduated control” based on NGOs’ capacities to assist or challenge the government (Kang and Han 2008) to a recent model beyond “graduated control,” such as the welfarist corporatism, which means building cooperation with selected NGOs in the form of the state purchasing social services from NGOs, which intertwines the logic of the state and the market together (Wu and Chan 2012; Howell 2012). Another school of research focuses on how NGOs react to government management. NGOs will develop “dependent autonomy” (Lu 2008) or “co-operation” (Teets 2009) with the state; grassroots NGOs build “contingent symbiosis” with local government (Spires 2011); and founders of NGOs generally will choose to develop an alliance or avoidance with the state based on their previous working experiences (Hsu and Jiang 2015). All these studies challenge the idea that civil society can absolutely lead to democracy as well as pointing out that the idea of complete independence or autonomy of civil society from the state fails to capture the actual dynamics between state and society in China.

The experience of both environmental NGOs and labor NGOs is informative to understanding the current situation of NGOs in China. Even when there are emergent conflicts of interests between the public and environmental issues, NGOs can only choose to cooperate with an official department rather than mobilize the public because the latter approach could create social instability (Jin 2012) The state puts social stability as its priority in China, and therefore, civil society actors in China lack incentive to mobilize the public under the close supervision of the state (Beja 2006).

In the example of labor organizations, when Ching Kwan Lee and Yuan Shen examine the practices of various social organizations focusing on labor issues, they find that some NGOs
will collaborate with government in order to increase the organization’s impact by gaining official endorsement. Meanwhile, some lawyers are strategically collecting a salary for laborers through private negotiations without following the actual formal contract signed by laborers and their boss. In addition, labor NGOs offer direct lectures about labor laws to factory laborers rather than providing reflective and critical discussions about their applicability to workers’ actual reality. All these practices represent a search for strategic problem-solving rather than changing institutionally (Lee and Shen 2011). Given such strategies are highly flexible, these NGO practitioners sometimes depend on informal negotiations rather than an official contract or they do not empower laborers to criticize existing unjust institutions. Without support from NGO practitioners, who are well-educated professionals, these underclass laborers still lack a stable way to defend themselves. What’s worse, the specific origins of NGOs in China also threaten their legitimacy. Heavily dependent on international funding opportunities (Yang 2005; Hilderandt 2013), NGOs have to compete for limited financial resources with other organizations and some labor NGOs will use international NGOs’ weak legitimacy, caused by the suspicious attitude of the state, to blackmail them for funding. At the same time, college-educated volunteers cannot develop stable connections with workers as casual volunteers. All these practices show that labor NGOs in China cannot create the social capital and build the social bonds required by civil society (Franceschini 2014).

After looking more closely at the practices of participants within social organizations, it is hard to claim that all these existing civil society organizations can achieve civic actions easily within an authoritarian context.

Following Eliasoph and Lichterman’s civic action approach, I regard various social settings as an open sphere, where civic actions can potentially be achieved, and civic actions are
“actions in which participants in an ongoing group collectively discover, and work on solving, shared problems, claiming on behalf of some collective identity, to create some good they define as a public one” (Eliasoph 2009, p.294). The civic action approach not only redefines the concept of civic but also challenges the idea that civic actions are limited to civic organizations (Eliasoph and Litchterman 2014). Therefore, instead of concluding the existence of civil society, what I will focus on is how various structural factors within the nonprofit sector shape social settings, which have a negative or positive impact on the achievement of civic actions. I will explore how participants in civic organizations, such as voluntary associations or nonprofit organizations, manage their organizations in order to achieve civic actions within such settings.
The rocky road of civil society in China

Given that civil society in China experienced several huge transformations, to better delineate the background of NGOs in China, I use existing related studies of NGOs, civil society and philanthropy in China to introduce the development of NGOs in China. Through historical studies of private charity in early China and oral history materials of famous NGO practitioners, I will show the demise and the specific rebirth of modern private philanthropy in China. What’s more, I have collected some leading figures’ comment articles from online media, such as Yong Guang Xu, a famous philanthropic entrepreneur in China, and responses from grassroots NGO leaders. By presenting their arguments, I will show various concerns about the nonprofit sector from different actors and how they try to deal with these concerns. In this section, I will use the terms social organization and NGO interchangeably as previous scholars do (Wang 2008; Hildebrant 2013). However, different kinds of social organizations in China have more complex historical origins and their dependence on the state vary. I will explain in details in terms of the official classifications in China.

As Qiusha Ma suggests, features of the the NGO can be defined from a “structural or operational” sense in that NGOs can be “formal constituted, non-governmental in basic structures, self-governing, non-profit-distributing, and voluntary to some meaningful extent” (Salamon and Anheier 1992, p. 268). But the actual meanings of NGO change according to particular national settings as well (Ma 2005). The term “NGO” does not stem from Chinese traditions, it was not officially introduced to China until the Fourth World Conference for
Women in 1995 and its meaning originally confused both Chinese ordinary people and officials; they misunderstood “non-governmental” to mean “anti-governmental” (Wang 2012). Thus, in order to better describe the landscape of social organizations in China, I will delineate a brief history of social organizations since the establishment of the People’s Republic of China (P.R.C). Later, I want to introduce how social organizations are officially categorized today and explain how they are regulated by the state. However, the landscape of NGOs in China is more complicated than the official distinctions suggest because there are social organizations falling out of official categories.

1. Brief historical development of social organizations

After the establishment of the People’s Republic of China in 1949, civil society first was suffocated by the socialist transformations and then revitalized after the economic reform. The radical socialist practices not only eliminated the weak private charities left by the Republican China during the New Democracy period, from 1949 to 1953. Later, the state also initiated more radical practices that successfully rearranged the social units, including family and workplace, which contributed to building a totalistic society, covering the economic, political, and social life of all citizens, and therefore completely eliminating the possibility of civil society. However, economic reform created a vacuum for social organizations and international NGOs actively engaged in fostering civil society to try to fill. Some social elites learnt about the concept of NGO through their personal connections or working institutions. Also, they utilized their social networks to get permissions to register NGOs. Later, the big earthquake disaster of 2008 also

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3 Unless otherwise noted, I am providing English translations of material originally in Chinese.
fostered the civil society by mobilizing more ordinary volunteers, which further spread the idea of the NGO to the general public.

2. 1949-1978: how socialist movements end the life of civil society in China

After the establishment of the People’s Republic of China (PRC) in 1949, the state entered the New Democracy period, which, rather than making radical transformations, gradually transited from the Republican China to Communist China. Nara Dillon traces the demise of private charity in Shanghai during the New Democracy period and shows that the state at first chose to incorporate previous social elites into the new apparatus in order to convince old elites to stay in mainland China and believe in the new communist regime. However, it later mobilized mass movements: “Three-Anti”, which aimed to ferret out corruption, waste, and bureaucracy, extended to the charity sector as well, and “Five-Anti”, which addressed bribery, tax evasion, theft of state assets, cheating on labor or materials, and stealing state economic intelligence. Therefore, “long-standing charitable practices and the everyday politics of corporatism” of private philanthropic organizations were redefined as corruption, which greatly tainted the legitimacy of private philanthropy in China and which divided charity organizations into different groups based on their previous political connections with the nationalist regime (Dillon 2011, p.96). The state took selective approaches to different groups based on these divisions and initiated harsh attacks on the fragmented private charity industry as a whole. Because the state also refused to register any private philanthropic organizations after taking over power, private charity soon demised as older charities could not stand against attacks from the state and no new organizations could emerge (Dillon 2011).
In addition to the elimination of private philanthropy and charity, further socialist transformations completely eliminated the space in which civil society could develop. Being plagued by continuous wars since 1900, the communist state managed to revitalize its national economy in order to achieve industrialization and modernization (Hung 2016). Meanwhile, to overcome the totalistic crisis, which involved the state’s weak control of the society and the disappearance of previous forms of social order (Sun 2004), the state initiated several socialist experiments, ranging from social to economic and political reforms. In the rural areas, the state began to initiate radical collectivization experiments after finishing land reform in 1952, which redistributed agricultural land equally to rural populations. Under official promotion and guidance, rural residents were mobilized to build agricultural producers’ cooperatives, from “low producers’ cooperatives” to the later “higher producers’ cooperatives. Though rural residents neither really understood nor completely supported the state’s collectivization policy, the state still built the communes successfully but unevenly around the country around 1956 (Hershatter 2011, Chapter 5). In these communes, rural residents had to collectivize their private production tools with members from the whole communes and conduct agricultural production together and all social welfare benefits were distributed through the communes. During the most radical period, all residents had to eat at collective dining halls.

Meanwhile, the state actively built the urban counterpart of the rural commune, the workunit (danwei). Similar to a rural commune, the urban danwei as the collective unit is not limited to an economic enterprise or workplace, but also functions as a social and political institution (Walder 1986). Danwei is regarded as the main characteristic of a totalistic society such as authoritarian China (Sun 2004). As the main channel of various social benefits and the agent of the state, danwei is responsible for offering labor insurance and a wide array of social
benefits, such as child care, education, health, and housing programs. Also, \textit{danwei} could interact with various institutions on behalf of the worker, even representing workers in negotiations with state agencies on welfare distribution (Walder 1986).

In addition, the household registration system (\textit{hukou}) works as the precondition for building and strengthening the \textit{danwei} and commune system (Sun 2004). \textit{Hukou} rigidly categorized people based on their places of birth and imposed constraints on free migration during the command economy period. The \textit{hukou} system originally permitted free migration between rural and urban areas. The inequality between social welfare available in urban and rural areas induced urban workers’ rural family members to move to the urban \textit{danwei} to try to find jobs, which increased the financial burden of \textit{danwei}. As a result, the state soon tightened the \textit{hukou} policy and since the 1960s, it prohibited migration in order to regain control of society (Cheng and Selden 1994). Based on the \textit{hukou} system, both communes and \textit{danwei} distribute welfare to rural and urban areas separately and residents are assigned to specific occupations based on their \textit{hukou} status. In addition, based on differentiated job status, the state implemented a hierarchical welfare distribution system. Inequality between rural and urban areas persisted because the state put heavy industrialization as its priority so it offers higher level welfare to urban factory workers compared to rural farmers (Davis 1989).

All these experiments finally built a totalistic society, in which the state monopolizes all resource distribution, and all citizens heavily depend on the state. Therefore, there was no possibility for civil society to emerge.

3. 1978-2013: re-emergence of civil society in China
After the Reform and Open Up policy initiated in China in 1978, the socialist market economy reform heavily crushed the collective systems in several key aspects, including social, political, and economic life, which brought crisis to the totalistic society (Sun 2004). Privatization of social welfare (Davis 1989) and de-centralization of state responsibility (Teets 2013) meant the withdrawal of the state from providing social benefits, which created a structural vacuum for non-state institutions to fill. Diversification of social needs caused by mass migration also posed new challenges to the state to provide appropriate social benefits. Meanwhile, the pressure of globalization also prompted the state to actively “track with” international society since the 1980s; and it originally chose to work closely with selected international NGOs for their funding and other supports (Ma 2008; Tan 2008; Lang 2008). Even though the student democratic movement that happened in 1989 made the state impose harsh regulations on various social organizations and their activities, it was still hard for the state to suppress the fast development of NGOs (Wang 2008). At the same time, international conferences introduced the idea of the NGO to China, such as the Fourth World Conference on Women (FWCW) (Wang 2012), and further contributed to NGOs’ development. Given that Beijing hosted the fourth WCW, for the first time, early Chinese NGO practitioners, feminist scholars and researchers had a chance to learn about NGOs from both the discursive use of NGO and the experience of NGOs coming from all over the world. Later, the Wenchuan earthquake that happened in 2008 opened up a safe space for individuals to conduct voluntary activities, and private philanthropic activities also received public legitimacy.

“The market reform started with de-collectivization and restoration of a peasant economy in the countryside in the early 1980s, followed by urban state-enterprise reform and price reform in the late 1980s” (Hung 2015, p.55). Farmland was redistributed to individual households and
the state initiated the household-responsibility system, in which individual households instead of collective units had to be responsible for agricultural production, in order to motivate farmers to increase productivity. Thus, the surplus rural labor force was released from the land and migrated to the nascent urban private economy sectors. Also, in order to improve the efficiency of enterprises in urban areas, local governments radically privatized the state-owned enterprises with the goal of increasing motivation. Given that collective units covered all aspects of people’s daily life, the financial burden of danwei was too heavy to afford. The changing ownership not only transformed danwei into a workplace prioritizing economic performance, but also meant that the state stepped back from offering public service provisions.

The collapse of rigid communes and danwei caused mass migration, which further initiated differentiation and diversification of social service needs. Local state governments, lacking technology and domestic capital, put significant efforts into appealing to labor-seeking industry to move to their locality (Hung 2015). As a result, mass rural migrant populations gradually moved to urban areas because jobs located in these quickly urbanized areas. According to data collected by National Bureau of Statistics of China in 2011, the portion of total population that was urban reached more than 50% in China. Facing a crisis as a totalistic country, which used to control and distribute all resources through danwei or communes, now the state cannot satisfy all of the diverse social needs in a more differentiated society. In the past, though the quality of social benefits would vary regionally, either the urban factories or rural communes would provide free preschool children’s care, elementary and middle school education, health care, and old care as danwei or commune benefits. Urban workers would also get retirement pension. Now these social benefits are no longer available as institutional benefits,

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4 The population survey can be found at: http://data.stats.gov.cn/english/easyquery.htm?cn=C01
which means the state will provide some benefits, such as compulsory education, but will not cover other marketized social services, such as health care. However, even after several reforms, while the hukou system is more flexible than before, regional inequality is still concrete; in the metropolitan cities, such as Beijing, Shanghai and Guangzhou, quotas of various social welfare distribution are higher than other areas and migrant populations cannot share such welfares (Xie 2010). There is a disparity in the distribution of social benefits between migrant populations and local residents based on the hukou registration system. As a result, the cross-regional inequality and disparity based on unjust institutions need an alternative, such as NGOs, to resolve these problems, rather than solely depending on the central state or local government.

International NGOs (INGOs) also greatly promoted the development of civil society in China from various aspects. Before the establishment of the PRC, international organizations offered funding support to the charity sector during wartime (Dillon 2011). After the economic reform, since 1979 the state re-invited big foundations back to China for their financial and technical supports (Ma 2005). Early INGOs chose to work closely with the state and were assigned to focus on certain issues, such as the Ford Foundation’s focus on economics, law, and international relations. These INGOs nevertheless engaged with other social issues fitting their organizational missions within the tolerance parameters of the state. For example, Ford Foundation supported poverty-alleviation (Wang 2008) and women empowerment projects (Howell 2003), and the International Republican Institute and the Cater Center China actively engaged in cultivating grassroots democracy and supporting village elections (Tang 2008; Lang 2008). All this progress cannot be made without the permission of the state. During the early period of economic reform, the state held a suspicious attitude toward INGOs while still welcoming various kinds of support from them.
Despite the fact that INGOs actively engaged in these issues, the term “NGO” did not enter China until Beijing hosted the Fourth World Conference on Women (WCW) in 1995. As this show, the idea of the NGO is definitely a western projection rather than Chinese tradition. The student movement of July 4, 1989 caused tension between the state and foreign organizations, INGOs doubted the future of China and were worried about their following activities. But most NGOs soon continued their activities after this event. In order to repair the negative international impression caused by the student movement, China decided to host the WCW as a chance to reshape its national image to international society. In addition to the Women Forum, China had to host the parallel NGO Forum for the whole conference. Yongling Chen and Yanjun Ma, staff members working as conference coordinators at the United Nation (UN), admitted that both the high-level leaders of China and ordinary people had misunderstandings about NGOs. When Chen returned to Beijing from the US during the preparation for the conference, she learnt from some taxi drivers that “their understanding of NGOs is either prostitutes protesting or AIDS.” One driver even told her that “the government of Beijing City mobilizes us to prepare some white sheets, if there is going to have a naked protest, we have to cover our eyes and we are not allowed to watch it” (interview with Yongling Chen in Wang 2012; 21). Also, worried that NGOs would protest on the street, the state even relocated the original conference site from the city’s center to a nearby suburb county (interview with Yanjun Ma in Wang 2012; p. 17).

As the turning point of the women’s movement in China (Wang 1996; Howell 2003), this conference not only benefited the development of feminist NGOs, but also had an impact on other types of NGOs, such as poverty alleviation. In order to prepare for the FWCW and NGO Forum, feminist scholars and practitioners had a chance to learn the “ideas of global feminism
and generated more women’s activism” for the first time (Wang 1996, p. 195). Feminist scholars, inspired by the idea of feminist theories and the concept of the NGO, and who were affiliated with the state apparatus, such as universities or research institutes, began to conduct women’s studies based on individual research interest and even established women studies institutions, including women studies centers or curriculum and course contents (Chow, Zhang, and Wang 2004; Thakur 2006). In addition to feminist organizations, other types of NGOs were influenced by this conference. One domestic social organization in China, Heifer China Office, began its function in 1984. However, its leader did not realize its legal status was categorized as NGO until he was invited attend to this conference as the women’s poverty alleviation representative of NGOs: “We did not know our organization (HPI in China) is a NGO even though we collaborated with the Heifer Project International (HPI) ten years ago. This conference really impressed us” (interview with Jiabi Pu in Wang 2012, p.115). However, as the case of HPI in China shows, social organizations did not refer to themselves as NGOs even though INGOs had been actively engaged in China for a while. Chinese NGO practitioners were not familiar with the idea of the NGO, let alone ordinary Chinese people.

The Sichuan earthquake in 2008 is marked as “the first year of civil society in China”, which marks the boom in grassroots NGOs as well as more civic engagement by ordinary people. Unlike the first-generation NGOs’ founders, who are social elites, more grassroots NGOs and volunteers joined the earthquake relief and reconstruction projects.

4. 2013-now: tightening regulations on NGOs in China

The development of NGOs in China after 2013 indicates a contradictory scenario where “it rains on the western sky while it's a sunny day in the eastern sky”. The state takes a divided
approach to control different types of NGOs based on what organizational goals these organizations are looking at. On the one side, as studies or news reports related to civil society in China suggest, since 2013 the state has harshly suppressed NGOs advocating rights for underprivileged populations, such as migrant laborers\textsuperscript{5}, feminist organizations\textsuperscript{6}, and LGBTQ anti-discrimination groups\textsuperscript{7}, or NGOs searching for western ideas related to liberty, such as civil society (Xu 2017), human rights\textsuperscript{8}, and equal citizen rights under constitutional governance or democracy\textsuperscript{9}. On the other side, the state develops a more sophisticated approach to building collaboration with NGOs focusing on service provision, such as elder care and community building. In recent years, the state actively increased the budget for purchasing social services from social service agencies and put emphasis on elder care and community building projects.


\textsuperscript{6} Zeng, Jinyan. “China’s feminist five: ‘This is the worst crackdown on lawyers, activists and scholars in decades.’” \textit{The Guardian}, April 17, 2015. https://www.theguardian.com/lifeandstyle/2015/apr/17/chinas-feminist-five-this-is-the-worst-crackdown-on-lawyers-activists-and-scholars-in-decades


Table 1: Official registered social organizations in China

Note: Official statistical data\textsuperscript{10} are available since 1998, when the official classification of social organizations and regulations were issued, however, social organizations increased soon after the economic development happened in 1978. In this table, the orange column indicates the total number of social organizations in China. The blue one indicates the total number of social associations. The purple one shows the foundations’ total numbers. The green one means the NCNGOs.

The great increase of civil society organizations after economic reform is impressive; however, the existing dual registration system still poses an institutional barrier for social organizations to be recognized officially (Wang 2008). Compared to support for the development of social organizations, these official regulations focus more on management of or regulations on social organizations.

5. \textit{Dual registration system of social organizations}

For social organizations in China, registration is an approach deployed by the state to manage and regulate them (Wang 2008). Therefore, different types of NGOs in China will

\textsuperscript{10} The official statistics are available online: http://data.stats.gov.cn/english/easyquery.htm?cn=C01
register with different organizational statuses, ranging from commercial organizations to NCNGOs and unregistered organizations (Yang 2005; Spires 2011), according to their specific political and economic structure, including government funding opportunities and legal organizational status (Hildebrandt 2011). Unless registered as legally recognized organizations, the NGO will “face legal legitimacy challenges, also lack an organizational bank account, not be able to conduct public fundraising activities, or to provide social services to governments’ social services purchasing projects, and it also faces challenges when recruiting staff members and depositing social security pensions.” (Zou 2017) As a result, “registration, at best, is a ‘win-win’ for both state and society and, at worst, the only option for NGOs” (Hildebrandt 2011, p. 971).

The dual registration system of social organizations is one of the complicated institutional barriers, including complex registration procedures, limited funding resources, and harsh regulation of their activities (He 2008). The registration system has to be explained first because the official status as a legal NGO further determines its funding opportunities and offers legitimacy for its activities.

The dual registration system was implemented in 1998 to suppress the fast boom of social organizations (Wang 2008). In order to better regulate social organizations, the dual registration system requires social organizations to find a supervisor unit before registering with the Civil Affairs Bureau. For any department which is eligible to be a supervisor unit, it is their choice rather than an obligation to be a supervisor unit. Being a supervisor unit means that the department has to take extra responsibility for the social organizations’ activities. Few departments have the motivation to shoulder this unnecessary responsibility. Therefore, it is hard for a social organization to register and get official recognition as an NGO without close connections with local departments. Many social organizations in China skip the registration
procedures and choose to register instead as a commercial company unless they are going to get sponsorship from government departments. Unless social organizations are going to seek funding from the state, such as HIV/AIDS or gay groups applying for government grants (Hildebrandt 2011), NGOs will not choose to register as NCNGOs. Half of the NGOs I interviewed chose to register as commercial companies and the half of social entrepreneurs who originally tried to register as NCNGOs gave up soon when they learnt how taxing the procedures were. As a result, it is hard to predict the exact number of social organizations in China because many NGOs are falling out of the official statistics due to the dual registration system.

6. Official categories of social organizations in China

Existing studies that classify social organizations hold ambiguous views about the definition of NGOs in China. After systematically examining all social organizations, Qiusha Ma offers a broad definition of NGO and suggests, according to key documents related to categorizations in China, “the term ‘NGO’ in China includes all organizations and institutions that are outside of the state system and operate as non-profits, and the entire NGO body includes two general categories: social organizations\(^\text{11}\) and non-governmental and non-commercial enterprises” (Ma 2005). Ma uses social organizations as an umbrella concept, including People’s/Prestigious organizations, corporate organizations, organizations within government, state-owned enterprises or non-profit entities, and grassroots organizations at the village or community level (Ma 2005). This inclusive definition actually dismisses the fact that the People’s organizations\(^\text{12}\) are affiliated with the China Communist Party system and their staff

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\(^{11}\) Due to the translation, social organizations here refer to various associations established by non-governmental actors. In this thesis, my use of “social association (shehui tuanti)” is the same as the social organization used here.

\(^{12}\) In China, People’s organizations are eight organizations affiliated with the China Communist Party and eligible to
members are same as public servants according to the Criminal Law of P.R.C. Even when they self-claim to be NGOs, such as China’s All Women Federation (CAWF), however, they are still highly constrained by their affiliation status and lack more progressive goals beyond assisting the implementation of state policy. Also, organizations within government, state-owned enterprises or non-profit entities are economic organizations owned by the state or part of a state apparatus supplies public goods. In China, state-owned enterprises are called guoyou qiye(国有企业), which are owned by the state and function as economic units. Also, state-owned non-profit organizations are called shiye danwei (事业单位), which are owned by the state and function as units to supply public goods. This misunderstanding of social organizations can be explained by the particular political context of China. China is a state in transition and the totalistic state gradually but fundamentally is rearranging its relation with the society (Sun 2004). Thus, social organizations are also “in a large scale, complex and evolving system” and this system overlaps with the state and the market, meanwhile gradually developing distinctive organizational features in a transition process (Wang 2008).

In this thesis, I am going to adopt a narrower definition of social organization, including the three categories officially recognized as social organizations as well as social organizations falling out these official categories but functioning in similar ways as NGOs in the western context. This definition sticks to the ideal features of NGOs, including non-profit distribution of services, voluntary and non-government, as closely as possible.

In China, the Charity Law (cishan fa/慈善法), issued in March 2016, set the general guidelines for philanthropy and charity activities of social organizations while there are also

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attend the Chinese People’s Political Consultative Conference (CPPCC) (zhongguo renmin zhengzhi xieshang huiyi). CPPCC is a political advisory body in PRC.
separate official regulations used to manage three official recognized social organizations whose activities are beyond philanthropy or charity. The Charity Law states clearly in Article 8: “charitable organizations” mean nonprofit organizations that are established in accordance with the law, comply with the provisions of this Law, and are aimed at charitable activities for the public. Charitable organizations may adopt forms of organization such as foundations, social associations and social service agencies. All these three forms of organizations are officially recognized: social association (shehuituanti/社会团体), foundation (jijinhui/基金会) and social service agencies (shehuifuwujigou/社会服务机构). The social service agency used to be named as non-governmental and non-commercial organizations (minban feiqiye/民办非企业) before the Charity Law was issued in 2016. Therefore, official regulations of social service agencies are being revised in order to accommodate the Charity Law.

Given that social organizations carry out more activities than philanthropy or charity, there are separate regulations for different organizations. Three forms of social organization are differentiated by their particular legal activities and their differentiated legal status decides different organizational obligations and rights.

First, social associations are membership organizations based on certain social relations (Wang 2008) and social association regulations are established to protect the citizen’s liberty of association. Unlike social service agencies and foundations, associations have a minimum number of members as the precondition for successful registration. Most social associations are based on specific professional occupations or recreational activities. One distinctive feature of the social association is that it is eligible to collect membership fees from its members.

Second, social service agencies are social organizations established by non-governmental actors and supply social services directly to the public. In practice, many practitioners use the
term NGO narrowly to refer to only social service agencies. Unlike the other two types of organization, it has limited financial resources because it is not eligible to collect membership fees like social associations or to conduct public fundraising activities like foundations.

Third, foundations are social organizations having developed well before the state issued official regulations on them. Foundations can be categorized as two forms based on their eligibility to conduct public fundraising activities. One is public-fundraising activities and the other one is non-public-fundraising activities. Most public-fundraising foundations are closely affiliated with the state departments and were established since the 1990s. They are called Government–Owned-Non-Governmental-Organizations (GONGOs). Instead of funding other social services agencies, their main focus is conducting various projects directly and on a large scale. There was no private foundation until 2004 in China, when the state finally issued the regulations on foundations and permitted the establishment of private foundations. However, only very limited private foundations get the certification for public fundraising activities, which means most foundations are still dependent on individual donations. As previous studies suggest, foundations can be categorized as grant-making foundations or operation foundations (Wang and Jia 2002). Grant-making foundations mainly focus on providing grants to other NGOs to support their projects rather than conducting projects on their own, which is common for operating foundations. Even without accurate statistics it can be assumed there are limited grant-making foundations in China and most public-fundraising foundations are operation foundations.
Methodology of field work

During the summer of 2017, I originally got a research intern position at Citizen Dream Lantern, however, its radical transformation completely eliminated the research department where I was going to work. During this transformation period, Citizen Dream Lantern also stopped trying to provide grants to grassroots NGOs and gradually turned to a commercial way to provide preschool education to migrant communities in Beijing. Later, when I returned to China, one friend recommended me to work as a project intern at a private environmental foundation, Green Foundation, in Beijing, China. Using this summer intern position, I built close relations with several staff members within Green Foundation and then made further contacts at other social organizations.

With referrals from my colleagues and my friends working in the nonprofit sectors, I interviewed 15 full-time staff members from different kinds of social organizations, including NGOs, foundations, and social entrepreneurs. Due to the dual registration system, some of my interviewee organizations chose to register as commercial organizations rather than non-profits and non-commercial organizations. The variety of organizations’ legal status indicates differentiated survival strategies. Most of these organizations are based in metropolitan areas, such as Beijing, Shanghai and Guangzhou. I interviewed Green Happiness (based in Shanghai) and Safe Surfuring Online (based in Guangzhou) via online phone calls and I visited other organizations’ offices to conduct interviews. Most social organizations I have visited can be categorized as small organizations, which are commonly consisted of three to five full-time staff
members. Three middle sized organizations are Citizen Dream Lantern, Green Foundation, and Sunny Foundation, each of them has approximately 10 full-time staff members.

I conducted semi-structured interviews with leaders of these NGOs in order to learn how their fundraising activities affect their motivations to reach out to the public and their existing efforts to contact the public, and also how various social factors contribute to NGOs’ interactions with the public. These grassroots NGOs and social entrepreneurs are focusing on various social problems, including educational inequality, environmental protection, labor rights, environmental information disclosure, and information analysis for disaster relief. Because of the differentiated issues they are looking at, their reactions to the same organizational challenge can be different. Therefore, these various responses can show us a more complete image of the non-profit sector in China. Most of these interviews were conducted in their workplace and three of these interviews were conducted casually because of my close relation with the leaders. Except for my casual interviews with leaders of Living under Same Sky, Teaching Beam, and Beijing Friend Farm, other interviews were taped. Interview time length varied from 60 minutes to 2 hours. All interviews were transcribed in Chinese and then translated into English. Although my interviewees did not mind using their real names in my thesis writing, their straightforward critiques of existing rules of the philanthropic ecology in China makes me worry about them. Thus, I will use pseudonyms for their names and organizations.

I also interviewed members of two foundations, one focusing on environmental issues and another that focuses on multiple social problems, in order to learn about the principles foundations use to sponsor target organizations. Both foundations are well-known within the philanthropic industry in China. These two private foundations focus on grant-making rather than conducting their own projects but staff members working in these two organizations are
completely different. The environmental foundation used to be a branch organization of International Nature Fund while most members used to be practitioners in grassroots NGOs. I worked as a summer intern in this foundation and interviewed its leader to learn about the brief history of environmental NGOs in China. The other foundation focuses on various topics and its staff members are graduate students without much practical experience. But this foundation developed a scientific sponsor approach and applied it to evaluate all grant applications. I only interviewed one staff member there, who is directly responsible for filtering the grant applications and selecting appropriate candidates, and learnt about how she interpreted this approach and applied it in practice.

In the following sections, I am going to explore various social factors contributing to the disappearance of a possibility for civic actions. The civic action approach guides us to learn how “participants are coordinating action to improve some aspect of common life in society, as they imagine society” (Lichterman and Eliasoph 2014, p.809). However, defining the shared problems of participants, putting solutions into real problem-solving actions, and articulating a justification for their actions to a broader audience require consistent and stable organizational contexts to achieve these actions. Unlike previous studies that conclude there can be no civil society without a developed political society in China, I would like to seek a possibility of civic actions in China. Therefore, I will explore how civic actions can occur as well as how they are hindered by both the political environment and other potential factors beyond the authoritarian context.
Analysis

1. How the political environment matters

There are rich studies related to how the authoritarian state may intervene in the development of civil society in China and some conclude that civil society cannot be developed unless the political society first develops (Xu 2017). Indeed, the political environment definitely imposes certain constraints on the development of civil society. In terms of my fifteen interviewees, over 2/3 of them have encountered interventions or articulated their concerns of being intervened with by the state. This ratio indicates the broad scale of the state’s influence. To be more specific, the state will intervene in promotion and fundraising activities, with the worst situation being the complete crash down of the organization. In the following section, I will use the three NGOs’ cases, including Children Paradise, Green Happiness, and Learning while Doing, to illustrate this point. These three organizations are focusing on different social issues but all point out clearly how the state’s intervention has an impact on their various activities, even the very existence of their organization.

Fearing potential intervention by the state, NGOs will deviate from their original missions when they try to stay out of the sight of the state, particularly when their organizational missions have conflicts with the state’s current policies. Children Paradise, is an NGO addressing the educational inequality of migrant children in Beijing. Due to the migrant population’s marginalized situations, their voices are barely heard. In order to mobilize more of the public to be aware of migrant children’s living conditions and to improve the ability of migrant children to
study independently, Children Paradise designs a set of games to help migrant students. In order to conduct these games, Children Paradise needs volunteers to guide the children in these games and maintain events’ order so that participants in these voluntary activities will have a chance to learn about the situation of migrant children.

However, Children Paradise dares not expose the real changes made by their efforts so that it did not even really make efforts to learn about the consequences. When I asked about whether or not their activities can achieve the goal of improving the public awareness of migrant children, the leader of Children Paradise replied that,

“What we can say about this [the actual effects of volunteers’ involvements] is we did mobilize volunteers to participate in our events, but we don’t really have much assessments on the results of their participation. We only evaluate these events based on their passionate responses, but in terms of a specific evaluation or what progress we have made, it’s really hard to measure all these. If we really did these evaluations, we may catch the attention of the government, it might be harder for us to do all this. Thus, we choose to do things without considering the performances. We will talk about how our events influence the migrant children but we are not going to talk about how volunteers have been transformed.” (Interview with Smile, leader of Children Paradise)

When its mission conflicted with current regulations on migrant populations, Children Paradise chose to do other things rather than lead any public debate on the equal educational rights of migrant children. As the leader of a labor NGO Learning while Doing, Courage told me that the Beijing government proposed an increasingly tightened policy on regulating migrant populations since 2012. Demolishing schools for migrant children is one way used by the government to evict underclass migrants living in Beijing. When Learning while Doing first noticed the ongoing demolition of schools for migrant children in 2012, even the government promised that all migrant children could go to public elementary schools nearby their current residential addresses in Beijing, however, most migrant children could not successfully go to those public schools because their parents were unable to provide required documents. Even though it is the local government’s responsibility to provide educational opportunity to all
citizens, the local governments intentionally require migrants to process complex paperwork in order to hamper migrant children from going to public schools. For most working class migrant parents, their unstable job status or low educational degrees cannot provide them with enough energy or the capacity to provide these documents.

“Because you need five permit to go the schools. However, some migrant parents couldn’t get these permits, such as freelancers. Later, we conducted a survey, in 2015, the previous five permits weren’t enough now. Today you need 28 permits to go to the public school, it’s so difficult for migrant children to go to school.” (Interview with Courage, leader of Learning while Doing)

When Courage’s partner wrote a letter to a newspaper, *Renmin Zhengxie Bao*[^14], then this issue caught the attention of Zhengsheng Yu[^15]. Then governments of all districts and counties in Beijing made an ad hoc compromise and over 60,000 migrant children were eligible to go to schools. However, their efforts did not make further institutional changes in migrant children’s schooling difficulties when the state’s censorship became harsher than before. As Courage later added,

“we wrote another article last year [2016] and that article is much sharper than the one wrote by my partner. But we cannot find a place to publish it. Because the regulations on media were so severe that the editor told us it is impossible to pass the censorship. Thus, I published this article on the Groundbreaking website, but it only took half day to delete this article. The online policeman called us to delete this article and the reason was ‘we are not allowed to comment on policy’.” (Interview with Courage)

[^13]: These five permits include the employment certifications of parents, the household registration record, the temporary resident permit, the current living address certification, and a certification to illustrate no people living in their household registered place can provide necessary caring for their children, such as a child’s grandparents being too old to take care of the child. News report: [https://www.huffingtonpost.com/china-hands/on-the-margins-migrant-ed_b_7250284.html](https://www.huffingtonpost.com/china-hands/on-the-margins-migrant-ed_b_7250284.html)

[^14]: Renmin Zhengxie Bao (National Committee of the People’s Political Consultative Conference Newspaper). The NCPPCCN is a political advisory body in China.

[^15]: Yu is the chairman of the National Committee of the People’s Republic Consultative Conference by then.

[^16]: According to Courage, Learning while Doing built some informal relationships with the chief editor of *Renmin Zhengxie Bao* (National Committee of the People’s Political Consultative Conference Newspaper) because of its previous advocacy activities.
Given that helping migrant children will go against current controls on migrant populations, Children Paradise believes that neither the government’s funding nor its attention to the organization will benefit it. In 2017, the Beijing government apparently took more harsh measures to evict the underclass migrant populations and these evictions also had a clear impact on Children Paradise’s partner schools for migrant children. Smile said, “some schools have already been demolished during this semester.” In order to broaden the interaction space between the governments and NGOs, Smile explained that criticism must be modified. “If you only look at the negative side of the migrant children issue every day, you will catch the government’s attention” and “critics or complaints” will disempower people to take actions in order to make real social changes.

The consequences of catching the state’s attention can be different and the difference depends on the scale of threats caused by the NGO’s activities to the government. In the case of Learning while Doing, its advocacy for migrant children’s equal educational rights only led to the deletion of its online articles while its Happy Community project can still continue. But other advocacy on labor rights or labor community building almost brought an end to the whole organization’s life. In 2014, a radical college student organized a labor protest at an electronics factory when Beijing hosted the Asia-Pacific Economic Cooperation conference. The student was arrested and claimed his activity was manipulated by the voluntary network organization affiliated with Learning while Doing. The state soon detected this organization then conducted investigations of Courage as well. After that event, Courage was prohibited from going to all colleges in China. His career path, being an active activist of student volunteer mobilizations was completely ended. One year later, Courage went to a tele-communication factory in Henan and

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17 The Happy Community project is a part of Learning while Doing’s activities. This project focuses on migrant children’s education and mainly offers some after school students’ caring services.
tried to mobilize factory workers to organize themselves in 2015. But his activities were soon reported to the local government and he was evicted from the factory. After that, he was under the supervision of national security. As a result, Courage had to resign from Learning while Doing in order to maintain the safety of the whole organization even though this organization can only sustain the Happy Community project.

The political environment will not only influence NGOs’ activities, but also has a negative impact on their fundraising activities. As a politically sensitive organization, some previous donors stopped their funding of Learning while Doing in the past two years. The self-censorship of donors is not surprising as one staff member, Beauty, who works in the Sunny Foundation, tells me that even her organization does not solely support certain kinds of NGOs; her leader nevertheless postponed any further processing of a grant application from a famous LGBTQ organization due to the current political situation.

Also, after the state issued the regulations on INGOs in 2016, it became increasingly sensitive for domestic NGOs to accept international funding. Green Happiness, which is an NGO trying to build a private pollution database, received warnings from the state because of its foreign funding. When I worked as a program intern at Green Foundation, I asked the program manager, Guoguo, to refer some potential interviewees to me. Guoguo introduced Green Happiness to me and informed me that after Green Happiness accepted some financial support from the US Consulate General in Shanghai, it later received a warning from the state. I did not bring this up when I interviewed its leader Bud Young until the end of our conversation. He shunned my questions, unwilling to talk more about this issue, and quickly moved our conversation in another direction.
Indeed, the current political environment imposes constraints on NGOs’ activities, sponsorship choices, and even the organizations’ survival when current policies have conflicts with their activities. Even though it wants to nurture the independent study and learning ability of migrant children, when we talked about how often Children Paradise hosts an event for each school, the answer was surprising, “we only host one event for each school every year” because of its limited resources, as Smile replies. It seems unbelievable that a migrant child could learn independent study skills in a one-day long event. Also, for most volunteers involved in these events, Smile admits that the short event length hampers volunteers from building deep connections with Children Paradise. It looks like Children Paradise’s current activities completely deviate from its organizational mission. However, unlikely Children Paradise only hosts one event for each school per year while receiving generous funding from several donors, the Happy Community project sticks one migrant community since 2011 but it can only find one foundation to barely cover its expenses. For Happy Community, the total amount funding can only cover two full-time staff members’ expenses. For the third staff’s salary, housing rents, and utility fees have to be compensated by families which benefitted from this project. Happy Community project takes the Caring with Presence approach, which means it will stay at the same site for a long period and it is regarded as “no innovation…no boundaries crossing…and no latest concept” by potential donors, which leads to its funding difficulty. Only one foundation eligible for public fundraising provides sponsorship to it.

Even though both organizations share the same goal, what contributes their differentiated funding status? In order to answer this question, we need turn to the nonprofit sector itself and explore potential factors contribute to this differentiated funding status.
2. ABC about the donations in China

In terms of funding status, it is necessary to learn about the composition of funding and who are the donors that provide funding to NGOs. Additionally, the nature of funding, either unrestricted or restricted, will be differentiated when it is distributed through different channels, such as individual donations and cooperation projects. These various funding channels link to different donors and are shaped by the specific legal regulations on social organizations and the historical background of the nonprofit sector in China.

When it comes to the composition of funding, all seven leaders of NCNGOs I interviewed admitted their largest or dominant portion and sometimes even all funding was from one or several foundations’ grants. Meanwhile, individual donation’s percentage was the least compared to other alternative resources, such as donations from commercial cooperatives. In addition, the use of funding from different donors can be categorized as restricted funding and non-restricted funding. The former will be stipulated by donors for specific projects and usage. Unless working on behalf of donor organizations and following the restrictions of usage, NGOs cannot get the sponsorship when they do not share the same goals with donor organizations. The latter category can be used by the free will of NGOs. Currently, most foundations actually provide restricted funding to NGOs in order to achieve their organizational missions. Smile describes that,

“Over 90% foundations in China are supporting projects [rather than the growth of organizations]. They all have their own missions. If your mission fits theirs, you actually work for them [instead of being your own boss]. Thus, we don’t apply to their grants.”

(Interview with Smile)

Children Paradise is not the only NGO trying to focus on its own mission, one famous environmental NGO, Protecting Nature, also turned away over 2 million RMB in donations in 2017 from some foundations or cooperatives rather than sacrificing its organizational missions to
the preference of restricted funding donors. To the six social entrepreneurs I interviewed, all of their organizations registered as commercial cooperatives and their money is used freely.

Additionally, all these social organizations spent most of their funding on human staffing. There is a huge gap between the rigid stipulation of human resources cost and the actual expenses of staffing. In order to fill the gap between the permitted sponsorship and actual costs, NGOs have to make up fake accounting records or diversify their funding resources, which typically is not an easy task for social organizations commonly consisting of 2 or 3 full-time staff members. Therefore, some NGOs have to think about methods to solve this problem.

In the case of Happy Community, which is a collaborative project initiated by the China Happy Youth Foundation, the CHYF will provide financial sponsorship and then Happy Community will conduct activities stipulated by CHYF. When I asked about how Happy Community can find a balance between the rigid restriction of the use of funding, Courage said, “we can cut off events funding” and “the same events will cost much or little.” It is confusing to hear this answer as he does not clarify directly but another interviewee from Migrant Dream explicitly says that to solve the problem of how to pay for the organization’s fixed expenses when funds are supposed to be directed to project activities, “on the one hand, it is the accounting record. On the other hand, the actual function can be different. They have to come up with ways to switch the money back.” In other words, the real expenses of activities can be exaggerated on the accounting record while the actual money is given to staff to cover their basic living costs.

Although both Children Paradise and Happy Community try to help migrant children and improve their learning performances, they choose different ways to address the same problems and their funding status makes a contrast. Children Paradise solely seeks unrestricted funding by
its innovative activity forms and it successfully found several resources, including one venture philanthropic project, a crowdfunding opportunity on the biggest online shopping website in China, and awards money. Its dominant funding comes from recently emergent private foundations. Unlike CHYF, these foundations only highlight certain criteria to provide their sponsorship, such as innovation, effectiveness, and mass scale.

These two supplementary interpretations of fundraising criteria above generally help us to learn what is a good project in the eyes of foundations. However, do all foundations in China follow the same rule? The answer is no. As the cases of Children Paradise and Happy Community project show, different types of foundations will choose differentiated funding strategies. Private foundations prefer innovative approaches while public-eligible foundations would like to support NGOs that share the foundations’ organizational missions. In the following section, I will zoom out a little bit and turn the lens to the history of various foundations and how their differentiated funding strategies are made.

3. The characteristics of fundraising in China

I will first have a quick review of the funding eligibility of social organizations in China and then I will turn to the history of foundations before explaining how this brief history of foundations and limited available financial resources have an impact on NGOs’ differentiated development strategies, especially the fundraising strategy.

In China, the differentiated public-fundraising eligibility of social organizations finally leads to a hierarchical structure in the nonprofit sector in China. NCNGOs without fundraising eligibility can only occupy the bottom area but foundations stand in the top area of the nonprofit sector. According to the regulation of NCNGOs, they are not eligible to conduct any business or
public fundraising activities due to their legal status. Thus, the institutional barrier limits how NCNGOs reach out to the public. To support organizations’ survival, leaders of NGOs have to either apply for grants from foundations or seek voluntary donations from individuals or organizations\(^{18}\) through their personal network if they are unable to shoulder the financial responsibility on the individual level. Therefore, for NGOs without public fundraising eligibility, they are able to host philanthropic dinners or annual conferences to potential donors but they are not able to go to the street directly for fundraising activities.

In the early period of the nonprofit sector in China, international sponsorship made great contributions to the development of NGOs. As a western concept, the NGO was officially introduced to China in 1995 and most early NGOs were also mainly seeking financial support from INGOs, which were concerned about the sustainability of civil society in China because of limited domestic resources. When the term, NGO, was officially introduced in China during the Fourth World Conference on Women, only social elites had a chance to learn about the concept of NGO. By then, both ordinary people and officials were actually unfamiliar with the NGO idea. These social elites sought various forms of support from their own social networks, both at the international and domestic level. Early practitioners either from environmental NGOs or feminist NGOs were social elites, who were closely affiliated with the state but also able to seek international support.

Therefore, even though international support greatly promotes the development of NGOs in China, it contributes to a dilemma shared by other post-socialist countries in terms of an

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\(^{18}\) Although some professional social work institutes are also registered in the form of NCNGOs in China, my use of NCNGOs here does not include them for two reasons: first, in my interview with Smile, she described social work institutes as “secondary government” for their dependence on the state’s sponsorship provided in the form of purchasing social services from the social organizations. Second, most practitioners in China will make a distinction between NGOs and social work institutes. I follow this very narrow use of NGOs in this thesis.
independent civil society. The situation is similar to other post-socialist countries, such as Russia, where INGOs introduced several institutional arrangements, including “material resources, socializing rituals, and discursive practice” (Aksartova 2009, p.178) but ordinary people were unfamiliar with these terms and practices, which finally led to an insular donor-NGO universe (Aksartova 2009). China encounters the same dilemma. This insolated universe sometimes raises the concern of INGOs as well. As one of the most influential INGOs, Ford Foundation supported the development of civil society in China since the early 1990s, such as organizational capacity building and research on civil society. However, the former representative of Ford Foundation, Andrew Watson expressed his concerns about the dependent nature of civil society in China,

“I think a country’s civil society should develop itself by the domestic resources, it could be dangerous to depend on foreign sponsorship. Particularly, the state always doubts INGOs due to the Color Revolutions" (interview with Andrew Watson in Wang 2012, p. 135) and “it is hard for foreign funding to be sustainable. To receive the international support sometimes require NGOs to follow the requirements or will of INGOs rather than their own, which will cause 'funding dependency'. “ (Interview with Andrew Watson in Wang 2012, p.136)

In addition, most domestic financial support is distributed by foundations that are established by the state. Although these foundations are eligible to conduct public fundraising activities, most of them will operate projects on their own rather than provide grants to NCNGOs. The earliest established foundations, which are able to conduct public-fundraising activities, are closely affiliated with the state, commonly use Zhongguo or Zhonghua (both means China) as the initial character of their name. Thus, most NGO practitioners will categorize them as “guo zitou” foundations, which either prioritize the state’s missions or work as an arm of the state.

19 Color Revolutions refer to democratic movements that happened in the former Soviet Union area and Middle East countries since the 1980s.
20 Guo zitou means starting their name with the “guo” (country).
As my interviewee, Feather, describes that most of these foundations “essentially are super big NGOs”, which means most them are good at operating their own projects and spare little money to support grassroots NGOs. Most of these “guo zitou” foundations were established by the central government’s departments soon after the state officially issued the first version *Regulations for the Management of Foundations* in 1988. With the state’s endorsement, these foundations are able to conduct their projects at the national level by mobilizing resources from the existing apparatus of the state. One illustrative case is the Hope Project, which is initiated by China Youth Development Foundation, in 1989. As one of the most influential national philanthropic projects in China, the Hope Project successfully built over 7000 elementary schools within ten years in developing areas. Depending on the hierarchical organization structure of Communist Youth League of China, CYDF mobilized local branches of CYLC to achieve Hope Project’s missions and gained social trust and mass public donations by utilizing official endorsement (Shen 2007, p.301). Therefore, these social organizations are a result of the institutional isomorphism motivation, in which the traditional political apparatus in China functioned in the name of independent organizations while its actual organizational function still depended on the state’s apparatus. Therefore, they are hardly able to be categorized as independent civil society actors (Shen 2007).

However, there are several great changes that have happened in recent years. The boom in grassroots NGOs after 2008 are now facing a hazardous financial situation, caused by decreasing international funding, nascent private foundations focusing on grant-making, and events-based public donations, which refer to one-time donations to emergent natural disaster or social events. The imbalance between mass demand for financial support and the little supply of available funding shapes the behavior of social organizations in different ways.
The Wenchuan earthquake that happened in 2008 worked as a catalyst for mass civic engagement in China (Shieh and Deng 2011) and some media reports even acclaimed this year as the first year of civil society in China. The mass civic engagements of ordinary Chinese also produced the bloom of grassroots NGOs in China.

Second, both the fast development of China and the tightening regulations on foreign NGOs contributed to a loss of international support. Since 2003, Light worked as a part-time consultant for International Nature Fund (INF)’s China branch, which is an INGOs providing micro financial support to environmental NGOs. However,

on the one hand, he realized, “we cannot always use the money of US donors to support the environment of China. China’s economy developed well. It is no longer poor as early 2000. More and more resources are available right now” and on the other hand, “oversea foundations also are facing increasing difficulties in terms of their activities within China.” (Interview with Light)

Facing increasingly available domestic resources in China and worrying about unstable international funding, Chinese NGOs, which used to solely depend on foreign sponsorship, now have to diversify their resources in order to function sustainably. Thus, Light borrowed the idea of micro financial support from INF and established a local social organization, Green Foundation, to nurture grassroots environmental NGOs. Indeed, since 2013 the state began to tighten the regulations on INGOs and officially issued the regulations on INGOs in 2016. The new regulations not only impose harsher limits on the registration procedures but also set the new institutional barriers to prevent NGOs from earning the official recognized status. In the past, there were no official regulations on foreign NGOs in China. Therefore, INGOs were working in a grey space without official guidance for a long while. Similar to domestic social organizations, INGOs now have to process the dual registration system, which requires INGOs to find a supervisor department before registering at the police department. Given that being a
supervisor department is not an obligation, it is hard for INGOs to convince a department to shoulder extra responsibility for their activities. According to the official statistics, so far only 355 INGOs successfully finished the registration procedures since 2017 and “most of them are foreign commercial associations”. Light says that,

“Even I am not very familiar with the foreign foundations, first, lots of international foundations are unable to work in China now. Like the example of INF, its small size hampers its independent registration. For bigger foreign foundations, they have spent last year on registration and did not successfully register until the second half of the year. According to my knowledge, some of them, which submitted their activities report, are still waiting for the review of a supervising department, few of them are permitted.” (Interview with Light)

For INGOs who cannot get the registration system passed, they have to report their activities and projects to the police department in advance. However, for grant-making NGOs, it is hard to foresee their activities before reviewing applications. As a result, INGOs which are not mainly focusing on China, are afraid of the taxing registration procedures and choose to stay out of China. In addition to the taxing registration and reporting procedures, the third chapter of the regulation requires INGOs to recruit full-time representatives and set up branch offices in China in order to conduct their activities legally. For INGOs which compress administration costs, such as INF, it is hard to afford such material requirements and they give up on entering China. The decreasing international support and limited domestic grants compel domestic NGOs and foundations to adjust themselves in order to navigate the new economic structure.

Although private foundations are playing an increasing role in the nonprofit terrain in China, they sometimes are still too weak to shoulder any risks of supporting other grassroots NGOs. In order to maximize their limited resources, they also stress the importance of organizational sustainability. Private foundations did not appear until the state revised the regulations of

21 Official statistics can be viewed at: http://ngo.mps.gov.cn/ngo/portal/toInfogs.do (In Chinese)
foundations in 2004. They similarly chose to operate their own projects in the early periods. However, some private foundations gradually increased grant-making activities and have claimed to be grant-making foundations in the past five years. Since 2016, when the state issued the Charity Law, more private foundations have chosen to add grant-making to their existing organizational missions. However, when I asked my interviewees to count how many grant-making foundations they have learned about, the total number never goes over 20 and one of them extrapolates that over 90% of foundations will not provide unconditional grants. Therefore, it is apparent how scarce financial resources are even without accurate statistics.

Both foundations’ financial scarcity and NGOs’ heavy dependence on grants contribute to foundations’ limited patience and suspicious attitude toward NGOs. Facing nascent grassroots NGOs, it is risky for emerging private foundations to provide grants to them because foundations have to assist these NGOs to strengthen capacity building in addition to material support. When Feather shared his experience of distributing financial support with me, he complained that the ineffectiveness of nascent NGOs hampers foundations' willing to provide funding,

“When you start everything from zero, your early efficiency cannot be high; but if your efficiency is the same as five years ago, we will wonder, is the person good at this?... if I supported 20 organizations for five years, and later I find that they improved little compared to five years ago. I will reflect on what else I can do. Because my goal is not to support their survival, what I need to do is to think up new ideas to address social problems and make social changes. To support these 20 organizations might be one approach, but I will try other alternatives as well.” (Interview with Feather)

He admitted that, “on the one hand, I have to be patient, on the other hand, my patience is limited”. However, in terms of how much patience do foundations have, he continued, “a lot of foundations’ patience is so short that they only have one year, even less than one year, what’s the worst, they just want to pick up the fruits”.

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This rush mentality leads to a suspicious attitude. Foundations will evaluate NGOs several times in order to decide whether or not to provide funding. As the case of Children Paradise illustrates, although one private foundation promised to provide a three-year grant to it, this foundation will evaluate the NGO at the fourth quarter in the first year and then make a decision about releasing the future support, with the same procedures occurring in the next two years. At the same time, this foundation did not provide its evaluation criteria to Children Paradise. When “multiple, distant, hurried funders” measure a good project, what workers have to do is design no-brainer activities, which can be conducted directly and avoid open discussions on the forms or themes of activities, for easy document or facilitation and avoid broad political discussions, which have no instant effects (Eliasoph 2014, p. 469). When NGOs have to compete for the very limited resources provided by foundations, they have to cater to the rush mentality of foundations and prove their capacity to produce apparent effects. In terms of the evaluation criteria, Children Paradise learned through some informal channels that,

“According to my knowledge, it [the foundation] will treat you as a start-up company. The growth of your funding is equal to the organizational growth. If your funding cannot increase, you don’t have capacity to improve your activities. What they evaluate is the growth of your activities, fundraising abilities’ improvements, and how many people you have served.” (Interview with Smile)

In order to cater to the criteria, Children Paradise has to focus on providing services to the mass population, which will convince more people to engage in its activities and prove its efficiency. Therefore, it is hard to spare more efforts on reaching out to the public for an organization that only has three or four full-time staff members. By the failure of the education equality movement in Beijing, which was mainly led by liberal intellectuals and middle class migrant families while marginalizing working class migrants, Mujun Zhou suggests that “civil society organizations like NGOs are able to transform a movement from the particular to the
general only when they are embedded in an advocacy network that includes activists with various backgrounds and concerns.” (Zhou 2017, p.190) Similarly, for Children Paradise, it is not enough to just expose its activities to volunteers, deeper conversations between people from different backgrounds on the educational problems faced by migrant children are necessary in order to truly create a public space for further deliberate communications. Since all its activities are one-day long and one-time no brainer activities, Children Paradise is unable to build a lasting community for its volunteers. Thus, even though Children Paradise mobilized mass population to engage in its activities, it was unable to transform this one-time participation into further civic actions.

In addition to foundations’ pressure, public understanding of the nonprofit sector in China also imposes a barrier on public-fundraising activities. Since the term, NGO, was introduced to China in 1995, it has taken time to convince the ordinary public to treat the nonprofit job as a professional occupation, which is not equal to philanthropy or charity. One of my interviewees, Nam, was a volunteer during the 2008 earthquake relief period. Given that Nam today is still working on disaster information synthesis as his full-time job, he expressed his confusion: ordinary people cannot accept the idea that nonprofit workers should be paid. Because of the abrupt nature of the disaster, few people or foundations will provide grants to this organization. Nam is the only full-time staff member at this organization because of lacking enough financial support. Therefore, Nam’s NGO is unable to communicate with the public about his organizational activities when he has already been occupied by his workload as an information analyst.

Will it be possible for NGOs to break this economic structure? The answer is maybe. When NGOs are mature enough to make efforts to communicate with the public, they will get a
possibility of overcoming this complicated dilemma. Silence, who is the citizen fundraising manager of Protecting Nature, shares her experiences of nurturing citizen donation. Given that NGNCOs are not able to conduct public fundraising activities, thus, Protecting Nature chose to collaborate with one public-fundraising-eligible foundation by setting up the month donation channel through the instant payment platform since August 2017. Compared to other fundraising channels, public monthly donations are the only kind that can be lasting. Due to most grants either being prescribed themes, which sometimes do not fit with the organizational missions of NGOs, or restricting the usage of the money on organizational activities or human costs, public donations are the most effective approach to get unconditional support.

In addition to the concern of sustainable funding resources, public understanding and engagement also require NGOs to step out to communicate with the public. Unlike other nascent NGOs in China, Protecting Nature was established in 1995 and developed local member groups in different regions. The total number of its membership is over 30 thousand. However, because Protecting Nature used to focus on professional issues, such as lawsuits, it was hard to get the public involved in learning about Protecting Nature and this deviates from its early organizational mission. Since 2015, Protecting Nature rediscovered the value of civic engagement and decided to set “nurture green citizen” as one of its organizational missions, which aims to mobilize more public donations and get more people involved in environmental protection activities. As Silence says,

“I think it really depends on the nature of organizations. Protecting Nature always focuses on human, it proposed to build members 20 years ago. Thus, we have over 30 thousand profiles of members...Since 2014, Protecting Nature invited one consulting company and it began to re-discover members for energy and donations. However, other NGOs in China may not share the same community resources.” (Interview with Silence)
As a result, Protecting Nature began to nurture a donor community through various events, which helped Protecting Nature to step out of the donor-NGO universe. Unless registering at the national level, NGOs in China can only conduct their activities locally and are not able to develop branch offices in other places. But environmental problems do not only happen in certain places. In order to solve this problem, Protecting Nature will mobilize its local volunteers to make some early preparations, such as evidence collection or secret investigations, for its later lawsuits. Without these types of public engagement, it is hard for Protecting Nature to deploy its expertise on environmental lawsuits. However, even though member community building set up the organizational environments for civic actions, given its nascent status, it is still blurry to foresee how civic actions will be achieved without closer observations.

4. Will social entrepreneurship be able to make a difference?

Given that social entrepreneurship is not working in the nonprofit sector, which means it can avoid the nonprofit economic structure, will it be able to achieve the desirable civic actions? It is related to the problems they try to address instead of being decided by its organizational model. In other words, social entrepreneurship could be an organizational context benefitting civic actions when it is used to break out of the donor-NGO universe and address unpolitical problems.

All six social entrepreneurship organizations I interviewed are registered as commercial organizations and claimed as social entrepreneurship, three of them were shortlisted in a competition hosted by the British Council in China. Three of them are focused on addressing educational innovation, such as children’s coding programs, preschool education services based on innovative curriculum design, and critical use of the internet. One of them is trying to address
air pollution by producing cheap air purifiers. These four organizations get 100% of their funding through their products. If civic actions require members’ ongoing discussions to solve problems defined by members of groups (Lichterman and Eliasoph 2014), all these four organizations actually failed to provide such an organizational environment. From the perspective of these four organizations, they have already pointed out the problems and provided the ready solutions. The three educational innovation organizations will not ask why some children are able to go to public schools while some are not. And in terms of air pollution, the social entrepreneurship will not ask its consumers to reflect on why there is such heavy air pollution and how can it be solved beyond individual consumption. Individual consumers do not even bother to establish one organization.

However, when some organizations intentionally avoid funding dependency and diversify their financial resources, the independence provided by social entrepreneurship gives them more autonomy to achieve their organizational missions. I turns to the case of Beijing Friend Farm, which is an organization focusing on building sustainable agricultural communities, helping peasants to foster their organizations, and using the Participatory Guarantee System (PGS) to convince consumers to supervise daily farming activities. Instead of buying official organic certifications from third parties, BFF insists on developing an endogenous approach, PGS, to protect peasants and provide healthy food to consumers. With PGS, staff members from BFF will weekly invite farmers and consumers to participate in farm visiting and evaluate the local production procedures, such as the use of fertilizers, and learn about farmers’ living conditions. In addition to PGS activities, BFF also insists on hosting farmers’ market events on weekends in order to bring farmers and consumers together. Thus, consumers and farmers get a platform to know each other and discuss the various issues encountered in agricultural production.
When I worked as a volunteer at the farmer’s market, I asked the leader, Happiness, what is BFF’s organization’s status. She told me that BFF simply registered as a commercial company. Although I thought what BFF does was quite similar to an NGO, which focuses on the public interest, Happiness rolled her eyes and said, “NGOs have to depend on foundations’ money and then you have to campaign for them.”

To both consumers and farmers of BFF, the problem they wanted to address was defined by their discussions on food safety and they collaborated together to conduct PGS events. Staff members from BFF would invite consumers to join them and go to their partner farms to supervise how farmers work weekly. Through an online chat group, BFF built a volunteer group, which consisted of consumers, to assist its various activities. BFF bridges the consumers and farmers by farm visiting events, voluntary activities, and PGS events.

I audited one monthly report meeting during my visit at BFF’s office. When one staff member, Moon, brought up the competition from other commercial organic agricultural platforms and doubted the efforts of BFF to conduct PGS, it instantly initiated a quarrel about the mission of BFF. Happiness refutes that, “if we want the so-called commercial value, the first thing we need to do is to abandon these peasants.” This debate ended soon because of following items on the meeting agenda. However, it is clear that staff members from BFF will also have discussions about their mission and how to achieve it. Rather than setting by some prescribed theme grants, BFF chose to register as a commercial company to work independently.
Conclusion

These findings suggest that even though the political environment imposes constraints on the activities of NGOs in China, the specific philanthropic origins and its ecology also hamper NGOs from nurturing civic actions or from stepping out of the donor-NGO universe. The harsh political environment not only hampers NGOs’ public communications and makes them conduct self-censorship in their activities in order to avoid state surveillance, it also concretely cracks down on organizations that dare to ask broader institutional questions.

Also, several factors contribute to an isolated donor-NGO universe in China. The re-birth of private philanthropy in China is directly a result of the western projection after economic reform in 1978. INGOs provide generous financial support to domestic grassroots NGOs while domestic foundations work as an arm of the state and appealed the most of public donations for their public-fundraising eligibility. The specific public-fundraising regulations on different types of social organizations in China strengthen the funding dependency and make it hard for nascent NGOs to break up this isolated universe to communicate with the public. Even with emerging private foundations that play a more important role in recent years due to the loss of international funding, it is still risky for them to work purely as grant-making foundations. Therefore, their sponsorship criteria are more focused on instant results of social organizations’ activities rather than the potential deep transformations brought by civic engagement and public communications. Unless NGOs are mature enough to foster a donor community, they have to be dependent on foundations at the expense of compromising their organizational missions.
However, in terms of social entrepreneurship, even though it is not an innovative institutional arrangement, it could be a potential organizational context that provides an independent environment for producing civic actions, at least when the social problems are not politically sensitive. For Beijing Friend Farm, its activities are only focused on food safety and it turns to solve the relations between consumers and farmers rather than questioning the state. Other types of social entrepreneurship cannot avoid asking questions about educational inequality caused by the household registration system or implicit air pollution indicators. Thus, these social entrepreneurs provided a ready answer, their products, to these social problems rather than bringing up politically related questions. Unlike previous studies on civil society in China, these findings highlight that even though there is not an autonomous space existing, practitioners are still able to nurture civic actions and provide some skills required by democracy.

Given my limited stay in China and the small sizes of NGOs I interviewed, it is necessary to conduct more interviews of various types of NGOs and conduct more participant observations in order to learn more about recipients of NGOs’ services. By looking at the reactions of recipients within the organizational contexts, one can more accurately find how exactly the organizational contexts contribute to the conditions of recipients.
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