Societal Support for China's Grass-Roots NGOs: Evidence from Yunnan, Guangdong and Beijing

Anthony J. Spires, Lin Tao and Kin-man Chan*

ABSTRACT

In the past two decades, the number of grass-roots NGOs in China has grown dramatically, yet most scholarship on Chinese civil society has had little to say about the resources on which they rely for survival. This article presents the first large-scale study of these groups and their resources. We compare 263 NGOs across issue areas (including HIV, education, the environment and labor rights) and regions (Beijing, Guangdong and Yunnan). We find that these groups are tapping into high levels of human resources—volunteers, boards of directors and informal government ties—even without official government approval for their activities. We also detail their sources of funding, revealing a diverse support system with clear regional and issue-based biases. Taken together, our findings form a baseline for understanding China's grass-roots NGOs and point out new research questions that have yet to be addressed in the civil society literature.

The number of nongovernmental organizations (NGOs) in China has grown dramatically over the past two decades. In 1988, there were only 4,446 properly registered NGOs *(minjian zuzhi* 民间组织 or *shehui zuzhi* 社会组织).[1] By mid-2013, that number had increased to 506,173.[2] Despite this seeming "associational revolution", many scholars and even government officials believe the vast majority of these registered groups to be government-organized nongovernmental organizations (GONGOs), and research so far has focused primarily on these groups' relations with the Chinese state. In the last ten years, however, there has

* Funding for this research was provided by the Focused Investment Scheme – Chinese Studies as Major Area and the Centre for Civil Society Studies at the Hong Kong Institute of Asia-Pacific Studies, The Chinese University of Hong Kong. We thank Deborah Davis, Meg Davis, Rachel Stern and the editors and two reviewers at *The China Journal* for their insightful comments and feedback.

1. Data from Ministry of Civil Affairs, *Minjian zuzhi linian tongji shuju (2005)* (Historical Statistical Data on Civil Organizations), http://www.chinanpo.gov.cn/web/showBulltetin.do?id=20151&dictionid=2201, accessed 2 October 2005.

2. Data from Ministry of Civil Affairs, *2013 Nian 2 jidu quanguo shehui fuwu tongji shuju* (National Social Service Statistical Data, 2nd Quarter of 2013) (2013), http://files2.mca.gov.cn/cws/201307/20130723085211304.htm, accessed 21 September 2013.

been a truly dramatic rise in the number of unsanctioned grass-roots NGOs in China.[3] Little has been done to investigate and compare the experiences of these groups systematically across issues and locations.

Our study draws on a large sample of grass-roots groups—263 in total—using data gathered through face-to-face interviews with NGO leaders. It allows for systematic comparisons across three locations (Guangdong, Yunnan and Beijing) and a range of issues and organizational characteristics. While we focus on four key issue areas—HIV/AIDS, labor rights, environmental protection and education—we develop a macro-level picture of the landscape formed by grass-roots groups in these regions and also detail the support system that maintains their work. In so doing, we stress the importance of careful study of the human and financial resources that sustain these groups.

We provide insights into five fundamental questions that the scholarly literature has to date been unable to address systematically. When did grass-roots NGOs emerge? What kind of work do grass-roots NGOs do? How are they registered? What kinds of human resources are they mobilizing? Finally, where do grass-roots NGOs find financial support? Taken as a whole, answers to these questions help to map the landscape of grass-roots civil society in three of China's most active regions for NGOs.

CHINESE CIVIL SOCIETY AND THE RISE OF GRASS-ROOTS NGOS

Most scholarship on civil society in the post-Mao era has a common interest in the relationship between civil society organizations and the state. After an initial wave of research in the aftermath of the Tiananmen demonstrations,[4] many have sought to weigh the potential and implications of what appears to be a rapidly growing Chinese civil society.[5] Much of this work is focused on

3. We define grass-roots groups as those without a "government background", a definition more fully articulated in Anthony J. Spires, "Contingent Symbiosis and Civil Society in an Authoritarian State: Understanding the Survival of China's Grassroots NGOs", *American Journal of Sociology*, Vol. 117, No. 1 (July 2011), pp. 1–45.

4. See, for example, Heath B. Chamberlain, "On the Search for Civil Society in China", *Modern China*, Vol. 19, No. 2 (1993), pp. 199–215; Philip C. C. Huang, "'Public Sphere'/'Civil Society' in China?", *Modern China*, Vol. 19, No. 2 (1993), pp. 216–40; Richard Madsen, "The Public Sphere, Civil Society, and Moral Community: A Research Agenda for Contemporary China Studies", *Modern China*, Vol. 19 (1993), pp. 183–98; Frederic Wakeman, Jr., "The Civil Society and Public Sphere Debate: Western Reflections on Chinese Political Culture", *Modern China*, Vol. 19, No. 2 (1993), pp. 108–38.

5. See, for example, Kin-man Chan, "The Development of NGOs under a Post-Totalitarian Regime: The Case of China", in Robert P. Weller (ed.), *Civil Life, Globalization, and Political Change in Asia: Organizing between Family and State* (New York: Routledge, 2005), pp. 20–41; Carolyn Hsu, "Beyond Civil Society: An Organizational Perspective on State–NGO Relations in the People's Republic of China", *Journal of Civil Society*, Vol. 6, No. 3 (2010), pp. 259–77; Anthony Saich, "Negotiating the State: The Development of Social Organizations in China", *The China Quarterly*, No. 161 (March 2000), pp. 124–41; Taru Salmenkari,

GONGOs.[6] Theoretically, many have understood the rise of GONGOs as an expression of "corporatism", in which the state recognizes only one sectoral organization and aims to use that organization to maintain communication with that sector of society.[7] Within this scholarship, moreover, scholars have generally focused on the issue of autonomy, seeking to determine whether GONGOs can be effective advocates for special interest groups or whether they are simply doing the government's bidding.[8]

Much less is known, however, about the grass-roots NGOs (*caogen zuzhi* 草根组织) that have emerged largely only over the past decade. These groups, neither created by nor officially incorporated into the Party-state, have also been studied mostly for how they relate to the state. In one of the earliest case studies, Xin Zhang and Richard Baum address the question of autonomy by identifying a group that was "by no means an 'intermediate association' of the type popularized in the civil society literature . . . It actually acts more as an intermediary between external funding agencies and the local community."[9] Guobin Yang and Craig Calhoun document how the public discourse on environmental issues is being driven in part by the efforts of an emergent environmental NGO

"Community Building, Civil Society and Societal Service Production in China", *Journal of Civil Society*, Vol. 7, No. 1 (2011), pp. 101–18; Naihua Zhang, "Searching for 'Authentic' NGOs: The NGO Discourse and Women's Organizations in China", in Ping-chun Hsiung, Maria Jaschok and Cecilia Milwertz (eds), *Chinese Women Organizing: Cadres, Feminists, Queers* (New York: Berg, 2001), pp. 159–79; Timothy Brook and B. Michael Frolic, *Civil Society in China* (Armonk: M. E. Sharpe, 1997).

6. See, for example, Chan Kin-man and Qiu Haixiong, "Shetuan, shehui ziben ji zhengjing fazhan" (Social Organizations, Social Capital and Political and Economic Development), *Shehuixue yanjiu* (Sociological Research), Vol. 4 (1999), pp. 64–74; Margaret Pearson, "The Janus Face of Business Associations in China: Socialist Corporatism in Foreign Enterprises", *Australian Journal of Chinese Affairs*, No. 31 (January 1994), pp. 25–46; Ying Wang, Xiaoye Zhe and Bingyao Sun, *Intermediate Sphere in Society: Reforms and Chinese Social Organizations* (Beijing: China Development Press, 1995).

7. See, for example, Elizabeth C. Economy, *The River Runs Black: The Environmental Challenge to China's Future* (Ithaca: Cornell University Press, 2004); Jonathan Unger, "Chinese Associations, Civil Society, and State Corporatism: Disputed Terrain", in Jonathan Unger (ed.), *Associations and the Chinese State: Contested Spaces* (New York: M. E. Sharpe, 2008), pp. 1–13; Jonathan Unger and Anita Chan, "China, Corporatism, and the East Asian Model", *The Australian Journal of Chinese Affairs*, No. 33 (January 1995), pp. 29–53; Yu Keping, "Zhongguo gongminshehui yanjiu de ruogan wenti" (A Few Issues in Chinese Civil Society Research), *Zhonggong zhongyang dangxiao xuebao* (Journal of the Party School of the Central Committee of the Communist Party of China), Vol. 11, No. 6 (2007), pp. 14–22.

8. See, for example, Kenneth W. Foster, "Embedded Within State Agencies: Business Associations in Yantai", *The China Journal*, No. 47 (January 2002), pp. 41–65; Anthony Saich, "Negotiating the State"; Tao Chuanjin, "Kongzhi yu zhichi: guojia yu shehui jian de liangzhong duli guanxi yanjiu" (Control and Support: Research on Two Forms of Independent Relations between the State and Society), *Guanli shijie* (Management World), No. 2 (February 2008), pp. 57–65; Fengshi Wu, "New Partners or Old Brothers? GONGOs in Transnational Environmental Advocacy in China", *China Environment Series*, Issue 5 (2002) (Washington: Woodrow Wilson Center Press), pp. 45–58.

9. Xin Zhang and Richard Baum, "Civil Society and the Anatomy of a Rural NGO", *The China Journal*, No. 52 (July 2004), pp. 97–107 (p. 103).

community and how these new nonstate actors influence policy.[10] Samantha Keech-Marx shows how three women's groups in Beijing have incorporated state rhetoric into their own self-presentations, both to further their work and to legitimize their existence.[11]

In a study of local NGOs involved in the post-earthquake relief efforts in Sichuan, Jessica Teets discusses the learning process that both civil society groups and local government went through as donations and offers of help flooded in.[12] Meanwhile, Benjamin Read's study of homeowner associations in four cities—some government-approved and some not—points to the challenges of practicing politics at the micro level and also describes these groups' sometimes contentious interactions with local authorities and developers.[13] Anthony Spires casts a wider net, focusing attention on grass-roots NGOs as a general category and analyzing groups working on health, education, labor rights and other issues. Highlighting a rich and varied unofficial civil society that exists in a fragile "contingent symbiosis" with China's authoritarian government, he argues that neither neo-Tocquevillean expectations of a democratic revolution nor a corporatist framework illuminate the experience of China's emergent grass-roots groups.[14]

In this article we discuss the legal status of NGOs and their ties to government, but we depart from previous scholarship by highlighting the financial and human resources that sustain grass-roots NGOs.

DATA AND METHODOLOGY

We chose the city of Beijing, as well as Guangdong Province and Yunnan Province, as the focal regions of this study because of their geographic diversity and because each of them has a collection of relatively active NGOs. Beijing, the nation's capital and political center, is home to a multitude of formally registered NGOs and unregistered grass-roots NGOs attending to local and nation-wide issues. Yunnan is a province with vast undeveloped areas and rich biological diversity. It has a vibrant grass-roots NGO community, with many organizations focusing on environmental issues and poverty alleviation. Guangdong Province is known for its economic prosperity and its openness to the global market and international influences. Partly because of the influence of NGOs and activists

10. Guobin Yang and Craig Calhoun, "Media, Civil Society, and the Rise of a Green Public Sphere in China", *China Information*, Vol. 21 (2007), pp. 211–36.

11. Samantha Keech-Marx, "Airing Dirty Laundry in Public: Anti-Domestic Violence Activism in Beijing", in Jonathan Unger (ed.), *Associations and the Chinese State*, pp. 175–99.

12. Jessica C. Teets, "Post-Earthquake Relief and Reconstruction Efforts: The Emergence of Civil Society in China?", *The China Quarterly*, No. 198 (June 2009), pp. 330–47.

13. Benjamin Read, "Democratizing the Neighborhood? New Private Housing and Homeowner Associations' Self-Organization in Urban China", in Jonathan Unger (ed.), *Associations and the Chinese State*, pp. 216–52, previously published in *The China Journal*, No. 49 (January 2003), pp. 31–59.

14. Anthony J. Spires, "Contingent Symbiosis".

from nearby Hong Kong, voluntary organizations in Guangdong have developed earlier and more rapidly than in many other areas of China. Guangdong is also a major destination for rural-to-urban migration and features a number of NGOs aiming to improve the welfare of migrant workers. Although we do not see our findings as representative of the entire country, these diverse sites help to shed light on the variety of grass-roots NGO experiences in China.

Because there is no list of grass-roots NGOs available, we attempted to compile a list as comprehensive as possible in each of the regions, using information from multiple sources—web searches, support organizations in the region, and a snow-ball procedure during the data collection process. Partnered with a well-connected support organization in each region, we contacted and collected data on grass-roots organizations from early 2009 through early 2011. The major requirements for qualifying as a "grass-roots NGO" for the purposes of our study were: a) the group had been up and running for at least two years; and b) it was not founded by a government agency. Most of the groups that we found were engaged in social service delivery of some sort, but a few also explicitly engaged in advocacy work. We excluded friendship and hobby groups, not only because of their enormous number but also because groups of this kind are usually informal and unlikely to seek legal registration. Face-to-face interviews, using a standardized written questionnaire and usually lasting between 60 and 90 minutes, were conducted with organizational leaders (either the head of the organization or a senior member of the management) by our research team. The format included both fixed-response and open-ended questions. The organizations interviewed were asked to name other grass-roots NGOs that they knew, and this led to further interviews and more referrals.[15] Our efforts yielded 263 valid cases of grass-roots organizations: 92 in Yunnan, 92 in Beijing and 79 in Guangdong. Although we cannot be certain, we believe that these represent almost all the active NGOs in these areas at the time of our study.

In order to bring our interviewees back into the analysis phase of our research, in the spring of 2012 we held a half-day feedback session with 16 NGO leaders from Guangdong and Yunnan. We presented the main findings laid out in this paper and solicited their views. We also undertook follow-up interviews and email exchanges with some groups through the end of 2012. Our analysis relies in part on the suggestions generated by those interactions.

POLITICS AND THE FUNDING OF CIVIL SOCIETY IN CHINA

Central to calibrating NGOs' strength and autonomy is a reliable measure of their financial support, but few scholars have compared NGOs systematically with

15. During a period of about two years, we identified and interviewed 304 organizations. After further scrutiny, 41 organizations were found to be GONGOs, branches of international NGOs or student societies, and thus excluded from the analysis.

regard to the size and sources of their financial resources. Funding for NGOs anywhere is always a practical concern, but in an authoritarian state the political sensitivity of funding practices is of special significance. In the spring of 2005, Chinese officials in Beijing were finally alerted to the "Color Revolutions" that had been spreading through former Soviet states. Georgia's Rose Revolution in 2003 set the pattern, followed by the Orange Revolution in Ukraine in 2004 and the Tulip Revolution in Kyrgyzstan in 2005. In each of these, the ruling party proved unwilling to step down after a contested election. In response to these "stolen elections", people flooded the streets of the capital, waving the colored flags of the opposition parties and demanding that the government cede power.[16] Though claimed by some to have been organized by local NGOs and supported by foreign funding, these protests were depicted in European and American media as the democratic demands of the people.

As Jeanne Wilson has described, however, the view from Beijing was quite different.[17] In early 2005, the alert was raised in Beijing to the possibility of a similar political disturbance in China, and the Party-state put itself on guard against "troublemaking" foreigners. The *People's Daily* carried articles warning of the perils of foreign interference in China's political development, and some Chinese academics claimed that US-based NGOs and foundations were really just tools for American spying and political interference.[18] That spring, all registered Chinese NGOs were required to present their supervisory agencies with a report detailing any contacts they had with foreigners, including funding and co-operative projects.

Yet empirical data suggest that there was little warrant for fears of a US-funded revolution. In an analysis of Foundation Center data, Spires found that, of the almost $500 million sent by US foundations to Chinese grantees between 2002 and 2009, less than 6 per cent went directly to grass-roots NGOs.[19] The vast majority (85 per cent) went to government-controlled organizations such as GONGOs, academic institutions and government agencies themselves. Similarly, in Carolyn Hsu's fieldwork with education and environmental groups, she observed that "the founders and employees of Chinese NGOs have little institutional experi-

16. Stephen White, "Is There a Pattern?", *Journal of Communist Studies and Transition Politics*, Vol. 25, No. 2 (2009), pp. 396–412.

17. Jeanne L. Wilson, "Coloured Revolutions: The View from Moscow and Beijing", *Journal of Communist Studies and Transition Politics*, Vol. 25, No. 2 (2009), pp. 369–95.

18. For a particularly scathing critique, see Pan Rulong and Dai Zhengqin, "'Yanse geming' yu guoji fei zhengfu zuzhi" ("Color Revolutions" and NGOs), *Dianzi keji taxue xuebao shekeban* (Journal of UESTC [Social Sciences Edition]), Vol. 7, No. 4 (2005), pp. 77–79. For a more balanced view of the Party's internal debates on the pros and cons of allowing foreign NGOs to operate in China, see Zhao Liqing, "Ruhe kandai zai Zhongguo de waiguo fei zhengfu zuzhi" (How to View Foreign Nongovernmental Organizations in China), *Study Times* (21 August 2006), http://www.china.com.cn/xxsb/txt/2006-08/21/content_7094045.htm, accessed 1 November 2006.

19. Anthony J. Spires, "Organizational Homophily in International Grantmaking: US-Based Foundations and Their Grantees in China", *Journal of Civil Society*, Vol. 7, No. 3 (2011), pp. 305–31.

ence dealing with foreign funding sources, such as Western foundations and charities. When organizations tapped foreign money, it was usually only through a very narrow range of sources which they learned about through personal connections."[20] Although some foreign funds flow to a handful of intermediate organizations and eventually to some grass-roots groups, grass-roots NGOs are disadvantaged by the networks and dynamics that structure foreign funding for Chinese civil society.

Timothy Hildebrandt argues that, for many HIV/AIDS groups in China, "funding schemes usually employ a 'filter model' whereby international funds are directed first to the Chinese government. Government agents, usually the Centers for Disease Control (CDC), then pass funds to 'community-based' organizations."[21] In discussing the work of the Global Fund for AIDS, Tuberculosis and Malaria in China, Kaufman similarly argues that "despite large amounts of donor funds for AIDS in China . . . , little reaches the bottom, and especially local NGOs".[22] Concerns about such siphoning off of the Global Fund's support led the fund to cease disbursements temporarily in 2010, although it started up again a year later.[23]

The scarce literature on labor rights NGOs suggests that foreign funding plays a key role in their survival. In a case study of one labor group working in the Pearl River Delta, Friedman explains that "funding for the organization comes entirely from Hong Kong and overseas foundations, as domestic sources are essentially nonexistent".[24] Huang Yan[25] and Qi Lai[26] agree that most labor rights NGOs in southern China rely almost totally on foreign sources, with Huang asserting that, in the case of one large Shenzhen NGO, "without the support of a transnational network, [it] would not exist".[27]

A reliance on foreign funding has also been noted by scholars studying environmental NGOs (ENGOs). Hildebrandt and Jennifer Turner find that "the

---

20. Carolyn Hsu, "Beyond Civil Society", p. 270.

21. Timothy Hildebrandt, "The Political Economy of Social Organization Registration in China", *The China Quarterly*, No. 208 (December 2011), p. 981.

22. Joan Kaufman, "The Role of NGOs in China's AIDS Crisis: Challenges and Possibilities", in Jonathan Schwartz and Shawn Shieh (eds), *State and Society Responses to Social Needs in China: Serving the People* (New York: Routledge, 2009), p. 169.

23. Gillian Wong, "APNewsBreak: Global Fund Lifts China Grant Freeze", Associated Press (24 August 2011), http://news.yahoo.com/apnewsbreak-global-fund-lifts-china-grant-freeze-131838094.html, accessed 24 August 2011.

24. Eli Friedman, "External Pressure and Local Mobilization: Transnational Activism and the Emergence of the Chinese Labor Movement", *Mobilization: An International Quarterly*, Vol. 14, No. 2 (2009), p. 205.

25. Huang Yan, "Wailaigong zuzhi yu kuaguo laogong tuanjie wangluo: yi huanan diqu wei li" (Migrant Worker Organizations and Transnational Labor Solidarity Networks: The Case of Southern China), *Kaifang shidai* (Open Times), Vol. 186, No. 6 (2006), http://www.opentimes.cn/bencandy.php?fid=116andaid=1280, accessed 4 February 2012.

26. Qi Lai, *Corporate Social Responsibility of SMEs in China: Challenges and Outlooks*, Vol. 18 (Bremen: Institut für Weltwirtschaft und Internationales Management der Universität Bremen und Internationaler Studiengang Volkswirtschaft, Hochschule Bremen, 2006).

27. Huang Yan, "Wailaigong zuzhi yu kuaguo laogong tuanjie wangluo" (unpaginated).

opening of political space for green activism has not led to the creation of domestic laws to help finance NGO work, which has meant that Chinese green groups are funded almost completely by international organizations and foreign governments".[28] Yang discusses two Beijing-based ENGOs and one in Kunming that have received "significant" funding from international NGOs, up to 85 per cent for one of the Beijing groups. Moreover, he writes, "in some cases, bigger NGOs function as intermediary organizations to channel international funding into smaller, local groups", an observation in line with much thinking about how transnational advocacy networks operate.[29]

Current literature suggests that education-focused NGOs receive more funding from local philanthropy and tuition fees than from foreign funding. Teets writes that government officials in Shanghai have taken to "outsourcing" education for the children of migrant workers by providing funding to nonprofit organizations serving that population group. She cautions, however, that "despite being registered . . . as nonprofit organizations, many of these schools were not charity organizations but, in fact, generated moderate amounts of profit each year".[30] Yet prior to 2008, the schools were funded by a mixture of student fees and donations, including those from charity-minded business owners. In the 2011 Hurun List of China's Top 10 philanthropists, education featured in six of the top 10 philanthropists' main areas of giving, outnumbered only by the broad catch-all phrase "social welfare" (*shehui gongyi* 社会公益).[31] Chunlan He reports that foreign corporate philanthropy also tends to support education, citing companies like Samsung, Coca-Cola and Motorola as important donors.[32]

---

28. Timothy Hildebrandt and Jennifer L. Turner, "Green Activism? Reassessing the Role of Environmental NGOs in China", in Jonathan Schwartz and Shawn Shieh (eds), *State and Society Responses to Social Needs in China*, p. 89.

29. Guobin Yang, "Environmental NGOs and Institutional Dynamics in China", *The China Quarterly*, No. 181, No. 1 (March 2005), p. 58.

30. Jessica C. Teets, "Civil Society Participation in Local Governance: Outsourcing Migrant Education in Shanghai", in Zhenglai Deng and Sujian Guo (eds), *China's Search for Good Governance* (New York: Palgrave Macmillan 2011), p. 79.

31. "2011 Hurun cishanbang gongbu 23 ren juanzeng guo yi chao qunian 2 bei" (2011 Hurun Charity Ranking Released: 23 People Contributed More than One Hundred Million, More than Double Last Year's Figure), http://gongyi.qq.com/a/20110420/000001.htm#p=1, accessed 7 February 2012.

32. Chunlan He, "Nongovernmental Organizations and the Development of China's Education", *Chinese Education and Society*, Vol. 39, No. 1 (2006), pp. 21–40. While detailed case studies are few, see Wan Jianghong and Wang Fang, "Cishan zuzhi zhuxue huodong de shehui yingxiang ji fazhan jianyi: dui Hubei 'cishan yangguang ban' de kaocha" (The Social Influence of and Some Suggestions for the Activities of Charitable Educational Support Organizations: An Investigation of Hubei's "Charity Sunshine Classes"), *Xuehui*, Vol. 219 (2007), pp. 44–48. They describe how "Sunshine Classes" (*yangguang ban*) in Hubei, a program for poor and disadvantaged children, is funded. The annual cost of 2,000 yuan per student is footed either by the provincial charity federation and local government organizations putting up 50 per cent each, or by donations from private individuals, registered social organizations (*shehui tuanti*) and businesses. These donors are "encouraged" by provincial government policies including tax breaks on donations, media events

Taken as a whole, existing scholarship indicates that grass-roots NGOs have attracted funding from a wide range of sources, including domestic and foreign businesses, individuals, foundations and government organizations. Later in this paper, we present descriptive and statistical data that allow us to map out what kinds of NGOs attract funding from which kinds of donors. First, however, we present the broader contours of the grass-roots NGO world as revealed in our data.

When Did Grass-Roots NGOs Emerge?

In our dataset, over 85 per cent of grass-roots NGOs were founded in the year 2000 or later and are thus quite "young" compared to the GONGOs that generated so much scholarly interest in the 1990s. In our feedback session with grass-roots leaders, two explanations of this emerged. First, this wave of organizational beginnings maps onto the rise of the Internet in China. In this interpretation, chat rooms and electronic "forums" allowed people of like mind to find one another more easily. One Guangdong-based NGO, for example, began as an online support group aimed at building community and rights awareness amongst gay men, then transformed itself into a real-space organization with an office and staff. In Beijing, an NGO working to promote fair treatment of Hepatitis B carriers also began as on online network, but soon evolved into an offline advocacy organization. We interviewed personnel from several education and environmental organizations that had followed a similar trajectory. Not all of the early groups formed in this way, though, and a second explanation notes that it was in the early 2000s that NGO "supporting organizations" and training programs targeting NGOs became more common. As the NGO organizational form became more widely known in the early-to-mid 2000s, other groups were born without having gone through a "virtual" stage. These sources of influence are not mutually exclusive, of course, and probably interacted to result in the sharp rise in the number of organizations founded after 2001 (see Chart 1).[33]

What Do They Do?

As shown in Table 1, of the 263 cases in our study, 60 per cent operated in the fields of labor rights, HIV/AIDS, environmental protection or education.[34] The

highlighting the generosity of the donors at donation ceremonies, and the naming of certain Sunshine Classes for the individual or corporate donor.

33. The seemingly abrupt drop-off in the number of organizations established in 2008 and 2009 is, we believe, an artefact of our criteria for inclusion in the study, as we sought only groups with at least two years of history.

34. The "other" category—comprising 40 per cent of our sample—is quite heterogeneous and includes groups working on rural development, general volunteering, animal protection (not included in "environment"

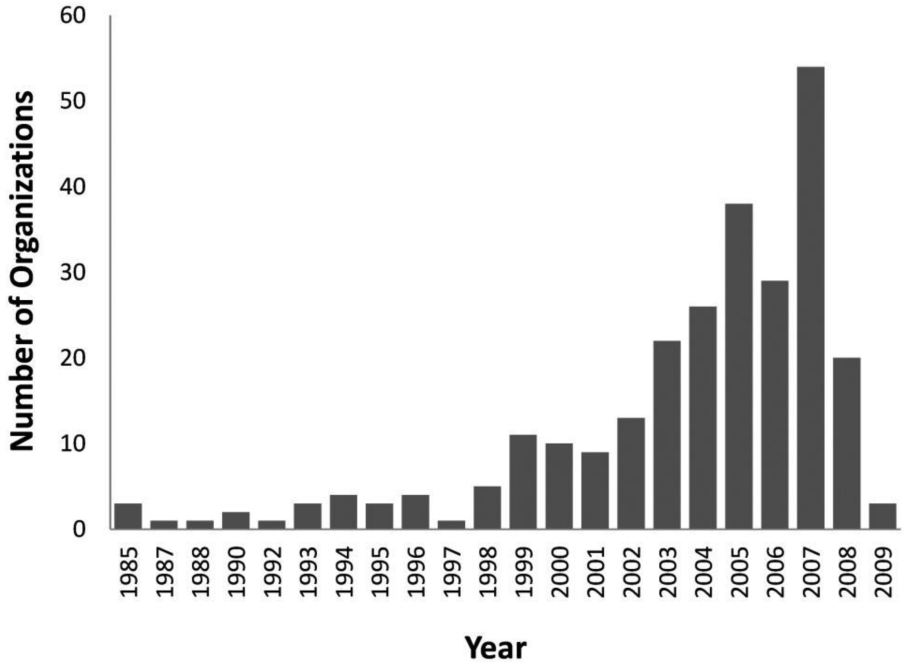

Chart 1. Grass-roots NGOs founded each year
Note: All 263 NGOs in the study reported their founding year and are reflected here.

specific activities of such groups may vary, but in general most focus on providing some sort of social service to communities in need. Assistance with filing labor law violation suits, free testing for HIV, soil and water sample collection and testing, and supplementary tutoring in rural schools are only some examples of what these NGOs do. Unsurprisingly, we found considerable variation in the regional distribution of NGOs by issue area. The relative predominance of labor NGOs in Guangdong and Beijing reflects the larger numbers of migrant workers coming into these regions and the local responses to their needs. Similarly, the prevalence of HIV groups in the southwestern province of Yunnan is probably to be expected, as Yunnan is widely understood to be the birthplace of China's HIV epidemic.

More surprising is the relatively equal distribution of environmental NGOs and education groups across the three regions. Yunnan has typically been considered a hotbed of environmental activism in China, as many international NGOs

here) and so on. The fifth most common type of organization was comprised of groups working with people with disabilities.

Table 1. Issue areas

	% Within Province			
Issue Area	Yunnan	Guangdong	Beijing	% of Total Sample
HIV/AIDS	37.0	2.5	4.4	15.2
Labor Rights	1.1	17.7	12.0	9.9
Environment	17.4	13.9	18.5	16.7
Education	19.6	17.7	18.5	18.6
Other Issues	25.0	48.1	46.6	39.5
Total Percentage	100	100	100	100
N (Number of NGOs)	92	79	92	263

Note: Within-province percentages have been rounded to the nearest tenth.

entered the province in the 1990s to work on issues of biodiversity and species protection. NGOs in Beijing and Guangdong include some working on local issues, but also a number of groups that mainly work in poorer, more remote parts of the country. While our data do not address change over time, in the period of our study it seems that environmental protection and education were concerns generally shared (and supported) regardless of geographic location.

How Are They Registered?

The Communist Party-state's hostility towards any potential political competitor has led to the institutionalization of numerous legal constraints on nongovernmental organizations. In 1998, the promulgation of Regulations on Social Organizations clarified how the Party aims to control non-state associations. Under these regulations, the registration requirements for a social organization (*shehui tuanti* 社会团体) include maintaining an office space and full-time staff, putting up a deposit of at least 30,000 yuan and obtaining documents from various government agencies.[35] Since then, new regulations on foundations (*jijinhui* 基金会), promulgated in 2004, have sought to define further the space in which nonprofit organizations are allowed to operate.[36] The third type of NGO, private non-commercial enterprises (PNCEs or *minban feiqiye danwei* 民办非企业单位),

35. Details at http://www.people.com.cn/item/flfgk/gwyfg/1998/112103199803.html, accessed 1 February 2011.

36. See details at http://news.xinhuanet.com/zhengfu/2004-03/18/content_1372870.htm, accessed 1 December 2010.

are allowed to sell services and products for revenue but can only offer donors limited tax deductions, if any at all, as practices vary widely. In addition, each of these three types of nonprofits must find a government agency to act as the group's "supervisory agency" (*zhuguan danwei* 主管单位) in order to register with the Ministry of Civil Affairs.[37]

Even with a degree of experimentation in the past few years—for example, local policy changes have allowed some groups in Beijing and Shenzhen to register without a supervisory agency—the legal requirements for registration set by the Chinese government have proven prohibitively stringent for most grass-roots NGOs. In practice, many grass-roots organizations find the "supervisory agency" hurdle virtually impossible to overcome. Turned away by even their friends at government agencies—who see much risk and little benefit in formally vouching for a group not initiated by the government itself—many grass-roots NGOs eventually either register as a business or forgo any type of legal registration whatsoever. Inhabiting a "gray" legal zone, such NGOs are at constant risk of being declared illegal.[38]

While none of the organizations in our study were government-created organizations, there was some variation in their registration status.[39] Across the three locations, 70 per cent of the organizations that we found were not registered as "proper" NGOs. They were either completely unregistered, registered as for-profit businesses, registered in Hong Kong, or claimed sponsorship "under another organization" (*guakao zai biede jigou de xiamian* 挂靠在别的机构的下面), a category which has no legal standing but which is sometimes invoked to indicate political patronage by a government agency, university or GONGO. As shown in Table 2, in Yunnan improperly registered (including completely unregistered) NGOs accounted for 66.3 per cent of the provincial total. The situation was similar in Guangdong (74.6 per cent) and in Beijing (69.6 per cent).

Notably, over half of Beijing NGOs (55.4 per cent) were registered as businesses, the highest percentage of all three locations. Also evident in Beijing is a virtual lack of grass-roots organizations registered as membership-based *shehui tuanti* (4.3 per cent, *vs*. 17.7 per cent in Guangdong and 14.1 per cent in Yunnan), perhaps explained by a greater degree of political caution on the part of Beijing municipal bureaucrats. Similarly, few Beijing NGOs said they were

37. Within China the government has chosen to equate the English term "NGO" with the less politically sensitive Chinese term *minjian zuzhi* (roughly, "people's sphere organization") and, more recently, *shehui zuzhi* (typically translated as "social organization", although distinct from the membership-based *shehui tuanti* category).

38. Anthony J. Spires, "Contingent Symbiosis".

39. Due to space limitations, here we investigate only variation by geographic location, but do not discuss variations by issue area, organizational size and other characteristics. We were unable to obtain the registration status of two Beijing NGOs.

Table 2. Registration status

	% Within Province			
Registration Status	Yunnan	Guangdong	Beijing	% of Total Sample
Unregistered	38.0	31.6	10.9	26.6
Business	8.7	19.0	55.4	28.1
Social org. (*shetuan*)	14.1	17.7	4.3	11.8
PNCE (*minfei*)	19.6	7.6	23.9	17.5
"Under another org."	18.5	17.7	3.3	12.9
Registered in HK	0.0	6.3	0.0	1.9
Other	1.1	0.0	0.0	0.4
Unknown	0.0	0.0	2.2	.08
Total Percentage	100	100	100	100
N (Number of NGOs)	92	79	92	263

"under another organization" (3.3 per cent, *vs*. 17.7 per cent in Guangdong and 18.5 per cent in Yunnan).

We suggest that this reflects a stricter mode of regulation in the nation's political capital as compared to a stronger informal culture in Guangdong and Yunnan that allows the use of personal relationships (*guanxi* 关系) to ensure political protection. While the overall percentage of improperly registered NGOs was similar across the three sites, in Beijing only 10.9 per cent were completely unregistered (*vs*. 38 per cent in Yunnan and 31.6 per cent in Guangdong). Our fieldwork experience leads us to believe that this is largely due to closer scrutiny in the nation's capital, where ostensibly "illegal" groups have very little space to survive. As one of our interviewees put it, "the political atmosphere in Beijing is very thick!"

Surprisingly, given Guangdong's reputation as the commercial heart of southern China, less than 8 per cent of NGOs there were registered as "private non-commercial enterprises" or *minfei* (*vs*. 23.9 per cent in Beijing and 19.6 per cent in Yunnan). At our feedback session with NGO leaders, some suggested that this was because most people would rather register as a business, with no government supervision, than register as a *minfei* that has to answer to a supervisory agency *and* also pay taxes on their income. While one labor rights group leader in Shenzhen suggested publicly that paying local taxes has reduced his NGO's "sensitivity" in the eyes of the government, the relatively relaxed "political atmosphere" in Guangdong seems to have allowed groups generally to avoid proper NGO registration and the supervision that it entails.

Who Are the People Supporting Grass-Roots Groups?

An analysis of the human resources mobilized by NGOs also reveals the level of support that they enjoy. A full 28 per cent had zero full-time paid staff members. Another 45 per cent of groups had between one and six full-time staff, with the majority clustering in the range of between two and four.

While such small staff numbers could be dismissed as a sign of "weakness", the fact that almost a third of grass-roots organizations operate entirely through volunteer labor is a strong indication of the social legitimacy of their work. Even in the absence of remuneration, a substantial number of groups are sustained by virtue of their mission and vision alone. One Guangzhou-based education NGO, for example, mobilizes over 100 college students each summer to teach in remote villages. The co-founder of this decade-old group explained that volunteers' motivations start out being somewhat simple, but evolve as their experience deepens: "At first, they want to serve society and help rural children. They want to experience life in the countryside and to do some work with their peers from other departments and other universities. And for students majoring in education, social work, sociology, psychology and other fields it helps to improve their professional abilities." However, she noted, their reasons for continuing to volunteer—even after graduation, in some cases—are different again:

> They want to continue their wonderful experiences and go on helping the children, to serve the kids even better. They also are attached to their teams, because living together for 30 days in the countryside, in a relatively foreign environment, builds a strong affection amongst the team members. [Our group's] culture of teamwork brings them warmth and mutual support. It's very different [from other experiences]. We've been thinking recently that perhaps we ourselves are a school. We're providing university students and rural middle-school students with an education they don't get in their schools, like training in teamwork and cooperation, awareness and understanding of the realities of the Chinese countryside, a chance to reflect on the meaning of education, a chance to try to put their ideals into practice.

Furthermore, even groups with paid full-time staff are widely supported by volunteers. In each of the three regions, between 92 and 93 per cent of all NGOs reported relying in part on volunteer support. When one considers the spontaneous rush of volunteers from all over the country to assist Sichuan earthquake victims in 2008, our data provide further evidence of strong support for "doing good"—even for strangers—in China.

In addition to volunteers and full-time staff, about 44 per cent of NGOs reported having part-time paid staff. Of these, 21 per cent reported having one part-time staff member, while a full 30 per cent reported having two part-time staff members. During interviews, we observed that a good number of NGOs

rely on part-time staff—often trained accountants—to handle their financial affairs. This is one way in which individuals who support the mission of the NGO are able to contribute their skills and knowledge to further the group's work. Although some of these part-time staff members could land paid full-time jobs, NGO staff explained that part-timers prefer the NGO setting and see their work there as more "meaningful" than working in "typical" jobs.

Of course, insufficient funding for full-time staff is surely another important reason that NGOs may rely on part-time employees. In our feedback session, two NGOs explained that they could only afford to pay an accountant a few hours each month, due to the high salaries which such skilled professionals command. However, in our broader discussions with NGO leaders and staff, it was also common to hear that some part-time staff voluntarily limit their time at the organization in order to maintain their "regular" full-time job, to attend to family duties or to pursue other life goals (like further education).

Boards of directors constitute a third important category of human resources for NGOs. While much literature on nonprofits elsewhere discusses boards as mechanisms for good governance, a board can also mobilize resources, bringing in funding and political support or protection. In China, of the three "proper" NGO categories, only foundations are legally required to establish a board of directors. Nonetheless, over the past decade foreign-originated training programs for NGOs have popularized the concept of boards for all sorts of NGOs in China, especially those seeking funding from foreign donors.[40] The grass-roots NGOs in our study have not been immune from this influence. Overall, 58 per cent of NGOs in the three locations reported having a board of directors. Geographical variation was also evident, however, with 44 per cent of Yunnan NGOs, 58 per cent in Guangdong and 73 per cent in Beijing reporting having a board. We believe that the funding data reported in Table 3 helps to explain the predominance of the board form in Beijing NGOs, as these are most likely to receive foreign foundation funding and to need a board (if only in name) in order to compete effectively for that funding.

Of the NGOs that have boards, 74 per cent said that their board members were unremunerated. There was also geographical variation here, though. In Guangdong, 88 per cent reported no remunerated board members, similar to the 80 per cent of Yunnan groups. In Beijing, however, only 62 per cent of NGOs with boards reported a totally unremunerated board. Again, we view the presence of largely unremunerated boards—regardless of how effective they are as a governance mechanism—as a signal of social support for grass-roots NGOs.

The education NGO mentioned above established its first board after it had been operating for three years:

---

40. Anthony J. Spires, "Lessons from Abroad: Foreign Influences on China's Emerging Civil Society", *The China Journal*, No. 68 (July 2012), pp. 125–46.

> It was our core team members who proposed this, to clarify responsibilities and make it easier to manage our [rapidly growing] group. It was an act of self-governance. The [first] directors formed the board out of desire to keep serving [our group]. They're all former volunteers who have graduated from university and are working, and they're also the more exceptional ones who were involved in the core volunteer teams. At the same time, the board is primarily comprised of our founders, and others want to be close to them, so I don't exclude the possibility that some new directors want to raise their social status . . . The function of the board has been different at different times. In the beginning it primarily guided the secretariat's work, providing specific work advice and guidance. Eventually the secretariat began to mature, and so the directors mainly did external relations like dealing with government, business, foundations and so on. In the past few years, it's actually been in a supporting role to the secretariat, providing the general secretary with management advice and information, plus a little bit of financial support—for example if we really can't get enough funds together for something, they can cover some basic expenses.

A final way of conceptualizing the human resources on which grass-roots NGOs rely is to consider ties to government. We asked each NGO to name up to five organizations with which they had enjoyed "close ties" in the past year. Even though 70 per cent of the groups in our study could be declared illegal (*feifa* 非法) or, less seriously, "not in line with the law" (*buhefa* 不合法), almost half of them (46 per cent) reported at least one close government tie. This "tie" could be an individual government employee or a number of people working at the same government agency. Our findings are anticipated by Spires, who describes the informal government support that sometimes allows NGOs to operate, and also by Hsu, who in fieldwork with five Beijing-based NGOs found that "except for the most recent hires, most of their employees had also worked for party-state agencies".[41] As an extension of Hsu's work would imply, while some NGO participants seek out ties with government only after starting their work, pre-existing personal connections—with classmates, former co-workers or friends—are not suddenly ruptured by involvement with NGOs. To the contrary, even if not sufficient for obtaining formal recognition and proper registration as an NGO, those ties can be valuable assets in ensuring that the group is able to carry out its work.

Some geographic variation was evident here, too, with 54 per cent of Beijing groups reporting at least one government tie, 52 per cent in Yunnan and 34 per cent in Guangdong. Similar to the dynamics affecting registration, we suggest that Beijing groups are more likely to be under pressure to maintain a government tie in order to conduct their work. In Yunnan, the higher percentage could

41. Anthony J. Spires, "Contingent Symbiosis"; Carolyn Hsu, "Beyond Civil Society", p. 269.

be related to the higher prevalence of HIV groups—many of which receive funding from the Ministry of Health or its affiliated GONGOs.[42] As the leader of an HIV group in Beijing with over a dozen years' experience put it: "In general, there are lots of officials in Beijing, and people in Beijing know lots of government officials—some of them even worked in the government before. People in Guangdong can't really be bothered with officials, preferring to do their own thing, and many of the grass-roots groups in Yunnan are basically supported by the Ministry of Health", facilitating their government connections.

Where Do Grass-Roots NGOs Find Funding?

We asked each NGO about funding over the previous 12 months from government, foundations, other NGOs, businesses and individuals. As shown in Table 3, for each of these five possible sources, we further asked about the origin of the funder, including mainland China, Hong Kong and foreign organizations or individuals.

Several findings stand out here. First, the fact that half the groups received donations from mainland Chinese individuals indicates that many grass-roots NGOs enjoy enough social legitimacy to motivate concerned citizens to contribute to their work. Under current national regulations, most NGOs cannot solicit funding from the public but can accept unsolicited donations. In the course of our fieldwork, we heard examples of how this happens. A labor rights NGO in Shenzhen, for example, received a donation of 500 yuan from a young professional who had heard of their work and felt moved by the plight of workers. An NGO with a focus on leprosy was unsuccessful at getting a corporate donation; our interviewee explained: "The owner said, 'leprosy doesn't fit with our company's image' . . . " Nonetheless, the owner did give them a "personal donation". Bearing in mind that 70 per cent of the groups in our sample are not "properly" registered NGOs and are thus unable to offer donors a tax deduction, the fact that so many do receive donations from their fellow citizens is all the more significant. Regional variation is also evident here, though, with Yunnan lagging behind Guangdong and Beijing.

With regard to institutional support, a much higher percentage of Beijing-based groups received financial support from Chinese foundations (44.6 per cent) and also from foreign foundations (50 per cent) than did groups in Guangdong and Yunnan. A bias towards Beijing echoes what Spires found in a focused study of US-based foundations and their giving to China, namely that foreign donors strongly prefer to give to organizations based in the national capital.[43] Even with a

42. Of the four issue areas on which we focus, more detailed analysis (not discussed here) shows that HIV groups and environmental groups have more government ties, while education groups have the fewest.

43. Anthony J. Spires, "Organizational Homophily".

Table 3. Sources of funding in previous 12 months

Funding source	% of All NGOs in Sample Reporting "Yes"	% of NGOs Reporting "Yes", by Province		
		Yunnan	Guangdong	Beijing
Chinese individuals	50.2	33.7	58.2	59.8
Chinese foundations	22.4	5.4	16.5	44.6
Foreign foundations	35.7	39.1	15.2	50.0
Chinese businesses	30.0	12.0	32.9	45.7
Foreign businesses	15.6	7.6	11.4	27.2
Other Chinese NGOs	17.1	15.2	17.7	18.5
Foreign NGOs (INGOs)	14.4	19.6	3.8	18.5
Chinese government	26.2	25.0	22.8	30.4
Foreign government	8.0	7.6	6.3	9.8
N (Number of NGOs)	263	92	79	92

Note: The percentages in each column add up to more than 100, as an organization could have multiple sources of funding. The questions were worded as, "Did you receive funding from (*Funding Source*) in the past 12 months?"

tremendous nationwide growth in Chinese foundations in recent years—official numbers show an increase from 1,340 in 2007 to 3,173 in mid-2013[44]—our data suggest that Chinese foundations share the preferences of foreign foundations, perhaps hoping to garner more positive national publicity for their individual donors or, as is often the case, for the companies that their donors run.

Beijing-based groups also enjoyed much greater support from Chinese businesses, with almost half (45.7 per cent) reporting financial support in the past year. This contrasts with the 30 per cent average across the three regions. A similar story holds for foreign businesses. In Beijing, 27.2 per cent of NGOs reported foreign business support, as compared to the average of only 15.6 per cent. Businesses in general, whether foreign or Chinese, seem to strongly prefer Beijing-based NGOs, with Guangdong and Yunnan coming in second and third place respectively.

In contrast to foundations and businesses, foreign NGOs seemed to be equally interested in the work done by Yunnan and Beijing NGOs, though only 3.8 per cent of Guangdong-based groups reporting funding from foreign NGOs. Direct foreign government support to NGOs in the three regions appears relatively

44. Data for 2007 from Ministry of Civil Affairs, *2007 Shehui zuzhi*, http://www.china.com.cn/xxsb/txt/2006-08/21/content_7094045.htm, accessed 14 July 2008. Data for 2013 from Ministry of Civil Affairs, *2013 Nian 2 jidu*.

Table 4. Reliance of NGOs on various funding sources

	% of budget derived from each funding source						Total no. of NGOs responding to the question
Funding source	0%	1–20%	21–40%	41–60%	61–80%	81–100%	
Foundations	112	17	24	12	20	54	239
	(46.9)	(7.1)	(10.0)	(5.0)	(8.4)	(22.6)	(100)
Businesses	148	58	14	6	5	4	235
	(63.0)	(24.7)	(6.0)	(2.6)	(2.1)	(1.7)	(100)
Other NGOs	160	43	5	6	6	18	238
	(67.2)	(18.1)	(2.1)	(2.5)	(2.5)	(7.6)	(100)
Individuals	107	85	11	8	6	23	240
	(44.6)	(35.4)	(4.6)	(3.3)	(2.5)	(9.6)	(100)
Chinese gov't	180	42	4	2	2	4	234
	(76.9)	(18.0)	(1.7)	(0.9)	(0.9)	(1.7)	(100)
Other gov't	222	1	1	0	0	0	224
	(99.1)	(0.5)	(0.5)	(0.0)	(0.0)	(0.0)	(100)

Note: The questions were worded as "What percentage of your budget over the past 12 months was derived from (*Funding Source*)?" Numbers in parentheses are percentages of those NGOs that gave valid responses to the question about each funding source.

minimal, although even here Beijing groups (9.8 per cent) were more likely to report funding. The political sensitivity of such funding would seem to be high, but in the past decade the governments of Canada, Sweden and the USA, to name but a few, have been allowed openly to administer grants to Chinese NGOs from their embassies in Beijing or consulates in other cities.

In all of this data, it is notable that Beijing-based NGOs have the most varied sources of financial support. Compared to Yunnan and Guangdong, a higher percentage of Beijing NGOs reported support from all funding sources except for international NGOs, where Yunnan—probably because of its long-established appeal for international NGOs—enjoyed a slightly higher support level.

To obtain a clearer picture of how much NGOs depend on each main source of income, we asked for an estimate of the previous year's budget, broken down by income source but without further distinction for origins of foundations, other NGOs, businesses and individuals.[45] As shown in Table 4, contributions from

45. In an initial round of interviews we found that details at that level were difficult for interviewees to calculate reliably.

individuals and businesses generally constituted less than 20 per cent of NGO budgets, if they received any such funding. Almost 23 per cent of NGOs relied on foundation funding (both Chinese and foreign) for over 80 per cent of their annual budget. Broadly speaking, then, while grass-roots groups are tapping into multiple sources of income, funding from foundations is a crucial source of support for a substantial minority of NGOs. This also means that these groups are most vulnerable to changes in foundation priorities. In particular, as the Global Fund has announced its plans to withdraw from China in 2013, we expect that HIV groups will face great challenges in the near future. Speaking to this larger concern, the leader of one prominent environmental NGO in Yunnan worries that "many international NGOs and donor organizations have left or are in the process of leaving China, because they think that China no longer needs international assistance and support . . . In my opinion, this withdrawal of foreign funding support, before the establishment local funding mechanisms, constitutes a challenge to the very existence of Chinese grass-roots NGOs."

STATISTICAL ANALYSIS OF FUNDING SOURCES

To specify the relative impact on funding of an organization's location, issue area and other factors, we undertook a statistical analysis using multiple models.[46] While we expect that a larger, nation-wide survey may show some differences from our three-site study, our findings suggest several important relationships that could be tested in future research.[47]

Foundations

In general, we found that location, issue area, age and having some form of registration were statistically significant predictors of receiving foundation support, although within these variables there were some differences between the preferences of foreign and Chinese foundations. As with the US-based foundations studied by Spires, we found that Beijing-based NGOs were favored over those in

46. Statistical analysis of funding from other NGOs, from businesses and from the Chinese government is not shown here, due to space constraints.

47. For each category, in regression analyses we controlled for: location (Yunnan, Beijing or Guangdong); registration status (registered or not; and, separately, type of registration); the number of years since the organization's founding ("age"); the presence or absence of a board of directors; the presence or absence of an organizational charter; and the NGO's main issue area (HIV/AIDS, labor rights, environmental protection, education or other). In each analysis, Beijing was used as the reference group for location, "unregistered" for general registration status, "social organization" (*shehui tuanti*) for comparisons of finer registration categories, and "HIV" for issue area. In each of the statistical models, significance levels indicated are as follows: *p<0.1; **p<0.05; and ***p<0.01. We display here only the models that held the greatest explanatory power.

Yunnan and Guangdong by both Chinese and foreign foundations.[48] Being registered also increased an NGO's likelihood of receiving money from both Chinese and foreign foundations.

Given the political sensitivity of sponsoring an NGO that lacks official government approval, this is perhaps not surprising. Mainland Chinese foundations are generally understood to operate *only* with official government approval, and many—if not the majority—are government-controlled. Their preference for groups with some sort of legal status is thus unsurprising, as their grants have to satisfy both domestic regulatory requirements and political expectations. Many foreign foundations operate in a "gray" legal zone, so their preference for registered groups may reflect a tendency to gravitate towards groups that enjoy government approval.[49] Our finding here suggests that playing it safe by selecting politically acceptable grantees is a common practice for foreign foundations in general, not just for US-based foundations.

Still, there are some differences between foreign and Chinese foundations. Groups working on HIV had a strong advantage over groups concerned with other issue areas in the competition for foreign foundation funding. While the same preference generally held true for Chinese foundations, the difference did not rise to a level of statistical significance.

In our study, 37 NGOs reported receiving assistance from Hong Kong foundations, but none of the variables in our model were statistically significant predictors.[50]

Individuals

Just over 50 per cent of grass-roots NGOs reported receiving funding from individuals, but the issue of registration deserves special consideration here. In the overall model, regression analysis revealed that Chinese individual donors

48. Although not presented here, regression on business funding revealed a similar dynamic, in that Chinese companies preferred supporting Beijing-based groups over Yunnan NGOs. However, like foreign foundations, foreign companies significantly favored Beijing-based groups over those from Yunnan *and* Guangdong.

49. Anthony J. Spires, "Organizational Homophily". For a compelling argument on why foreign foundations should orient their giving towards grass-roots groups, see Thomas E. Kellogg, "Western Funding for Rule of Law Initiatives in China: The Importance of a Civil Society Based Approach", *China Perspectives*, No. 3 (2012), pp. 53–59.

50. We note, however, that many grass-roots NGOs in mainland China have limited understanding of their non-mainland funders. Their understanding of what counts as a "foundation" may vary from that of scholars and from donors' actual legal status. Oxfam HK, for example, is generally seen outside China as an international NGO but many grass-roots NGOs see it as a source of funding and thus understand it as a foundation. Other HK-based and international NGOs that may provide funding are sometimes seen in the same light.

Table 5. Variables influencing likelihood of receiving funding from foundations

	Receiving funding from any foundation	Receiving funding from mainland foundations	Receiving funding from foreign foundations
Location (Beijing is the base category)			
Yunnan	−0.61*	−2.58***	−0.72*
Guangdong	−0.93***	−0.90**	−1.58***
registered	0.61*	1.16*	1.00**
age of organization	0.07**	−0.02	0.10***
Issue Area (HIV is the base category)			
labor	−0.65	−0.70	−1.59**
environment	−1.89***	−0.02	−2.81***
education	−1.47***	−0.57	−2.67***
other issue	−1.68***	−0.70	−2.40***
having charter	0.08	1.44*	0.73
having board	0.02	0.49	0.01
Pseudo R^2	0.11	0.22	0.22
N	253	248	248

Note: *p<.1; **p<.05; ***p<.01 (two-tailed tests). Results shown here are coefficients from logistic regression models. Negative signs indicate that the variable lowers the likelihood of receiving funding. Positive numbers indicate that the variable increases the likelihood.

showed a strong preference for unregistered groups and NGOs registered as businesses versus groups with "proper registration" as a *shehui tuanti*. This finding speaks to the social legitimacy of truly grass-roots groups. While we heard this explanation from a number of groups, the leader of a 7-year-old labor rights group in Shenzhen articulated it most explicitly:

> Because of problems in the current Chinese system, the majority of grass-roots organizations have difficulty in registering legally . . . But the charitable activities they engage in are increasingly being recognized and understood by people, so people are slowly beginning to accept the existence of these "illegal" charitable organizations that "hang up a sheep's head but sell dog's meat"—groups that are registered as businesses but in reality are charitable organizations. This is what people call "social legitimacy" [*shehui hefa xing* 社会合法性]. So, under these circumstances, people or organizations that are willing to donate don't look any more at whether these grass-roots organizations have received government approval. If the group is

> doing what the donor wants to support and has a measure of accountability, people are still willing to give money to support the activities of these commercially registered or unregistered groups.
>
> Our group . . . has received some money from private individuals and even government employees. Their purpose in donating is quite simple—what we are doing is what Chinese society needs. In China right now, workers truly need help. These [donors] are in a strong enough economic situation that giving a little money isn't a problem for them.

Unlike many "proper" NGOs and GONGOs, groups like this commercially registered labor rights group are unable to offer donors any tax benefits. That being the case, Chinese individuals donating to these groups are more likely to be simply supportive of the NGOs' vision and work, rather than acting out of a desire for financial benefit or publicity. Indeed, too much publicity would possibly expose donors to political risk, given these NGOs' improper registration.

Our analysis also revealed that Chinese individuals strongly disfavor HIV/AIDS NGOs. There are two potential explanations for this. First, given larger institutional donor support for HIV/AIDS work, individual donors may decide that their funds would make more of a difference for NGOs working on other issues. A second interpretation, offered to us by the leaders of a sex workers'rights NGO and an HIV patients' rights group, is that many Chinese people view those who contract HIV/AIDS as having a "moral problem" and choose not to support them. Other issues—like children needing books or tuition money—are more commonly seen as deserving broad support and help.

Chinese Government

A total of 69 groups reported receiving money from the Chinese government. When controlling for finer registration categories, regression analysis showed that doing anything other than HIV/AIDS significantly lowered an NGO's chances of getting government funding,[51] but having a charter boosted their chances. Older groups were also more likely to receive government funding, and indeed many of the groups founded in the 1990s were started by well-connected people.[52] Those groups can lobby their friends, classmates and former colleagues who occupy positions of power within government for funding. Groups registered as PNCEs (*minfei*) and those in the politically protected "under another organization" (*guakao*) category were significantly more likely than unregistered groups to re-

51. Following Hildebrandt, we expect that much of what was identified by our interviewees as "government funding" was money pushed by the Global Fund down through government channels.

52. One example here is Liang Congjie's environmental group, Friends of Nature.

Table 6. Variables influencing likelihood of receiving funding from individual donors

	Receiving funding from any individuals		Receiving funding from Chinese individuals		Receiving funding from foreign individuals	
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Location (Beijing is the base category)						
Yunnan	−0.64*	−0.37	−0.84**	−0.59	−0.89	−0.50
Guangdong	−0.08	0.26	−0.06	0.23	−0.63	−0.23
registered	−0.92**	—	−0.89**	—	−0.75	—
Registration category (social organization [*shetuan*]) is the base category)						
not registered	—	2.03***	—	1.76***	—	1.92*
PNCE (*minfei*)	—	1.17**	—	0.81	—	1.48
business	—	1.30**	—	1.11**	—	1.56
"under another organization"	—	1.41**	—	1.06	—	0.27
registered in HK/ Mac/TW	—	-0.19	—	-0.29	—	1.97
organization's age	0.02	0.04	0.01	0.03	0.08**	0.10**
Issue Area (HIV is the base category)						
labor	2.67***	2.72***	2.44***	2.44***	0.46	0.19
environment	2.04***	2.27***	1.62***	1.79***	0.49	0.56
education	3.13***	3.12***	2.95***	2.92***	1.87*	1.90*
other issue	2.16***	2.31***	1.81***	1.90***	0.92	0.97
having charter	0.87**	1.01**	0.81*	0.90**	0.07	−0.06
having board	0.52	0.66*	0.57*	0.70*	1.31**	1.35**
Pseudo R^2	0.17	0.19	0.17	0.19	0.15	0.17
N	248	247	243	242	241	240

Note: *p<.1; **p<.05; ***p<.01 (two-tailed tests). Results shown here are coefficients from logistic regression models. Negative signs indicate that the variable lowers the likelihood of receiving funding. Positive numbers indicate that the variable increases the likelihood.

ceive government funding. We attribute this to recent policies in some cities of "purchasing" services from NGOs, usually from registered ones. The membership-based "social organizations" are generally excluded from this process of purchasing service. Indeed, our data show that they are not significantly more likely to receive more government funding than unregistered groups.

CONCLUSION: WHITHER GRASS-ROOTS NGOs?

Chinese civil society is still in its infancy. Our research team found fewer than 300 grass-roots NGOs in the three regions that we studied. Extrapolating this to other parts of China, at the time of our study there might have been at most around 2,000 such organizations in the entire country. We believe the number of grass-roots NGOs has continued to expand in the past two years, despite unclear government policies and an uncertain environment overall. With increased official rhetoric about public funding for NGOs—and some signs of actual money flowing out of government coffers—a growth in numbers is even more likely in the coming years.

Official Chinese media continue to hint at potential nation-wide policy changes that could have broad-reaching implications for grass-roots civil society. Most recently, Beijing, Shanghai, Shenzhen and Guangdong have announced plans to simplify registration procedures and to "purchase services" from authorized NGOs. While the implementation of such policies remains uncertain, it seems clear now that the legitimacy of grass-roots NGOs' work is already winning them broad societal support. Companies and individuals are donating money, volunteers are giving their time, and even government officials unable to offer formal approval are helping to make space for these groups to operate. It is striking that almost all of the groups that we found rely on at least some volunteer labor. A majority has mostly volunteer boards of directors. Almost half reported at least one "close" government tie, and a full 50 per cent reported receiving donations from Chinese individuals.

While China's grass-roots NGOs face many challenges as they develop, funding and human resources are two core concerns that deserve continued scholarly attention. Our analysis of funding sources suggests that foreign and Chinese domestic foundations have a clear preference for HIV/AIDS groups, Beijing-based organizations and properly registered groups. Potentially more "radical" NGOs like those working on labor rights are generally disfavored by such institutional donors, as are even presumably less disruptive groups like environmental protection and education-focused NGOs. Individual Chinese donors, on the other hand, seem to favor groups working on these issues and to disfavor "properly" registered NGOs. This finding might suggest that Chinese individuals see GONGOs and officially approved groups as somewhat less legitimate, or at least less deserving of support, than NGOs outside the official system.

Even with increasing diversity and an impressive growth in the number of domestic private foundations—a more-than-sixfold increase between 2005 and mid-2012[53]—we anticipate a continuation of this apparent divergence in funding preferences between Chinese institutions and Chinese individual donors.

53. Data from the China Foundation Center, www.foundationcenter.org.cn, accessed 8 October 2012.

Our data show fairly conservative tendencies amongst Chinese foundations, and we have little reason to expect that newly emerging private philanthropic foundations will assume political risk by supporting advocacy-focused NGOs or those working without explicit approval. Moreover, as Chinese foundations and government policy-makers borrow more from US and other foreign models of grant-making and regulation, we expect a further delineation of philanthropic priorities that deepens preferences for GONGOs and "safe" NGOs while conferring status benefits on élite donors. In short, without financial support from wealthier Chinese and the foundations that they are establishing, the many grass-roots NGOs that operate "outside" the official system may need to continue to nurture broad societal support and to rely on funding from individual donors.

The financial resources available to Chinese NGOs are continuously being reshaped by government policy and by China's rising private wealth, but the vast human resources available to grass-roots NGOs are probably the single most-unpredictable development factor for contemporary Chinese civil society at this stage. Many of the groups in our study rely on individual donors who support the group's mission, passionate volunteers who start out simply curious but deepen their commitment over time, and government and corporate leaders who quietly find ways to support these ostensibly illegal organizations. The rapid rise of unregistered groups in the past decade shows that there is a broad section of society which views the work of grass-roots NGOs as legitimate and desirable for China. Without this pool of supportive human talent and resources, the grass-roots NGO community would not be able to survive long under China's restrictive political conditions.

The inspiring visions driving emergent NGOs have found fertile ground in China over the past decade. Yet, despite the blossoming of a support system for these grass-roots groups, the reality is that the typical NGO operates at a very small scale and with extremely few resources. The services which such groups can provide and their ability to advocate on behalf of disadvantaged groups thus remain quite limited. Even though the number of NGOs will most likely increase over the next decade, we expect that, without substantive change in the political environment and more generous and stable financial support, the influence of grass-roots NGOs will continue to be dwarfed by the sheer magnitude of China's diverse social needs. If grass-roots NGOs are ever truly to flourish and to grow into something beyond the small, struggling green shoots that we see today, a great deal of deep and careful nurturing by many societal actors is essential.