

ASIA PACIFIC PHILANTHROPY CONSORTIUM

**STRENGTHENING PHILANTHROPY IN THE ASIA PACIFIC:
AN AGENDA FOR ACTION**

Background Paper: China

July 2001

INTRODUCTION

Philanthropy in China, in which citizens, private organizations and other sources give time and money on a voluntary basis, all but disappeared for nearly 30 years. However, China has a long history of philanthropy before the Communist Party took power in the nation in 1949. Since the 1980s, philanthropy has experienced a revival along with the reform and opening of China.

CONTEXT OF PHILANTHROPY IN CHINA

PHILANTHROPIC ORGANIZATIONS

Since the 1980s, many non-profit organizations (NPOs) have been engaging in philanthropic activities. China Youth Development Foundation, China Charities Federation, Amity Foundation and other non-profit organizations have made great contributions to the development of philanthropy in China.

During the 30-year period of the planned system, there were no foundations in China. The first foundation in China, the Children and Teenager's Fund, was created in 1981. Since then, about 1,800 foundations have emerged across the country. Among them, less than 100 are at a national level.

Almost all Chinese foundations are fundraising and operational, rather than grantmaking. They make few grants at home, let alone overseas. Chinese foundations have very limited principal assets and few of them can pursue their mission effectively, since they rely solely on the income generated from these assets. Therefore, the importance and significance of Chinese foundations depend upon their ability to raise funds and operate projects.

Giving and other generated philanthropic resources are mainly allocated within the non-profit sector and used by non-profit organizations. To understand the Chinese non-profit sector, one should keep in mind the unique background under which China's non-profit sector came into being and developed. Before 1978, China was a country dominated solely by the Communist Party through the state mechanism, the period of the centrally planned system. During that period, there was no room for non-profit organizations to operate. Since 1978, great changes have been taking place. China has been experiencing a transition towards the market economy and is opening itself to the outside world. Within this process, China's non-profit sector has emerged and is growing up, although it is still in its primary stage.

In a narrow sense, the Chinese non-profit sector currently includes three parts: "Social Organizations," "Foundations," and "Private Non-Enterprise Institutions." Social organizations are not-for-profit organizations formed by Chinese citizens on a voluntary basis to perform activities in accordance with their articles of association in order to meet the common goals of their members. Private non-enterprise institutions refer to those

organizations that are formed by private citizens or enterprises and other organizations, using non-state assets to conduct not-for-profit activities (e.g. schools, day-care centers).

The number of Chinese non-profit organizations has increased dramatically since China's policy of reform and opening began in 1978. Before the Cultural Revolution in 1965, there were less than 100 national social organizations in existence; in 1999, there were 1,600 such organizations. In 1965, there were 6,000 local social organizations; in 1999, that number increased to about 170,000. Private non-enterprise institutions were virtually non-existent in the early 1980s. By 1996, there were about 700,000 private non-enterprise institutions in China.

According to the latest official statistics, the total number of social organizations in 2000 was 136,841, down from 162,887 at the beginning of 1999 and its peak of about 200,000 during the first half of the 1990s. This decrease in the official number of social organizations can be attributed to the promulgation of the new Regulations for Registration and Administration of Social Organizations in November 1998, which required all social organizations to re-register with the government.

SOURCES OF PHILANTHROPY

In the early 1980s, the government was practically the sole source for Chinese non-profit organizations to draw their revenue. During the process of reform and opening, the Chinese non-profit sector has gradually diversified its sources of revenue. Currently, Chinese non-profit organizations can receive money from the beneficiaries of services and from individuals who donate for the purpose of public charity, as well as from the government. Non-profit organizations can also set up enterprises that have to register with the government's Bureau of Industrial and Commercial Administration. Profit from their affiliated enterprises must be used for non-profit purposes. In some cases, for-profit corporations, state-owned non-enterprise institutions and other sorts of organizations also provide funds to non-profit organizations. Compared with other countries, there is not much domestic religious-based giving. International funding, including official development aid and donations by international NPOs, is an important source for some privately-initiated non-profit organizations. Nevertheless, the financial base of non-profit organizations in China is very weak. With the decrease in government funding and the immaturity and inadequacy of other sources, many Chinese non-profit organizations are struggling with the problem of lack of financial resources.

PURPOSES OF PHILANTHROPIC GIVING

Although philanthropic giving is allocated to various fields, in some respects, it is highly concentrated in areas such as disaster relief, medical aid, poverty eradication, primary education, rural development, and assistance to vulnerable people (elderly, disabled, women, orphans, etc.). Most charitable giving goes to a few major philanthropic organizations, such as China Red Cross, China Youth Development Foundation, China Charities Federation, All-China Women's Federation, China Disabled Persons' Federation and Foundation for Underdeveloped Regions. Each of these organizations has

been empowered by the government to engage in a specific field of philanthropy and has its own national network to conduct determined activities. Their nature and missions decide the direction of philanthropic giving.

CURRENT ISSUES

LEGAL AND REGULATORY ENVIRONMENT

Although efforts have been made to rebuild the legal systems in the recent decade, they are still quite incomplete. As part of the effort to rebuild China's legal systems, in 1988, the Measures for Administration of Foundation was promulgated, and, in 1989, the Regulations for Registration and Administration of Social Organizations were enacted. In 1998 the new Regulations for Registration and Administration of Social Organizations were promulgated to revise and refine the previous one. Furthermore, the Provisional Regulations for the Registration and Administration of Private Non-Enterprise Institutions and the Provisional Regulations for the Registration and Administration of State-Owned Non-Enterprise Institutions were put into force. In 1999, the Donations Law was enacted.¹ All these comprise the primary legal environment of China's non-profit sector and philanthropy.

There is a two-level administration system governing non-profit organizations. The government's civil affairs departments are the *registration authorities* at various levels. Functional government agencies and other organizations empowered by the government are competent *supervising authorities* for relevant non-profit organizations.

PUBLIC UNDERSTANDING AND AWARENESS

Due to the long-term dominance of the centrally planned system, Chinese people are accustomed to relying upon the government for almost everything. Not only are they passive in public activities, but also they are dubious about activities not initiated or guaranteed by the government. It is difficult for Chinese philanthropic organizations to raise funds and operate under such circumstances. In recent years, the public attitude towards philanthropy has changed for the better. The general public is involved in philanthropy more than ever before. However, the majority of domestic giving flows into those philanthropic organizations that are closely affiliated with government agencies, such as China Charities Federation, China Red Cross and China Youth Development Foundation. Ordinary citizens trust philanthropic undertakings empowered or guaranteed by the government. Privately initiated philanthropic organizations, on the other hand, have acquired little funding from domestic sources and rely mainly upon international donors.

INTERSECTORAL RELATIONS

¹ English translations of these regulations can be found in the online *International Journal of Nonprofit Law*, at www.icnl.org/journal.

The formation of China's non-profit sector and philanthropy is a new phenomenon. Although about one million non-profits have emerged during the past two decades, most of them are more like government affiliates and not real non-government and not-for-profit organizations as understood by foreigners. Only since 1998 has there developed a new social sector, initiated through a series of events by Chinese academics, leaders of NPOs, government officials, businessmen and international supporters. This newly formed non-profit sector has ideas, mechanisms, methods and frameworks that are unique from the traditions in Chinese society.

From the beginning, the non-profit sector has tried to establish a good relationship with the government. Under China's system, in which the government is dominant, the non-profit sector has to show that it is friendly, useful, and helpful to the government, otherwise its development might be severely hindered. Until now, the government has not openly admitted that the non-profit sector is or can become one of its major equal partners. The government welcomes philanthropic organizations only as its assistants in social undertakings. It wants them to become financially independent while keeping close administrative control over them.

The corporate sector is also newly emerging in China, although it is a few years older than the non-profit sector. The establishment of the market economy is enabling an independent and pluralized corporate sector to come into being. However, the new corporate sector is struggling with its own development and pays much more attention to the government rather than to non-profits. Corporate sector giving is made primarily to government agencies and their close affiliates. The indifference of the corporate sector to the non-profit sector is one of the major causes for the lack of financial support to the non-profit sector.

CHALLENGES AND CONSTRAINTS TO SUSTAINABLE FUNDING

GOVERNMENT ATTITUDE AND BEHAVIOR

In China, the real policy making power is controlled by the Communist Party. Since 1978, when the Party launched reform and opening, it has adopted a more positive policy attitude towards non-profit organizations than before. Numerous and various non-profits emerged with the Party's tolerance and encouragement during this period. However, the Party's policy attitude is tempered by two major considerations. One is the demand of reform, opening, and development, making non-profit organizations necessary. The other is anxiety over political threats, corruption, and disorder arising from the expansion of the newly emerging non-profit sector. Therefore, the policy environment in China presents mixed messages.

In recent national congresses of the Communist Party, fostering and promoting some kinds of non-profit organizations were determined to be among the integrated reform goals for the Party to pursue. Social intermediary organizations for economic and social services, community-based service organizations and public-benefit organizations were

given policy preference to cultivate and support. In an effort to put the non-profit sector under legal jurisdiction, the process of making laws and regulations has been propelled forward. In addition to the regulations and relevant laws that have been promulgated, new regulations concerning foundations and foreign NPOs in China will be coming out in the near future. Efforts have been made to enhance the efficacy of government administration over NPOs.

However, the policy attitude towards civilian-initiated NPOs is quite severe. Even for privately organized non-profits engaged in economic and social development and environmental protection, it is very difficult for them to register with the relevant authorities and become legal bodies. According to the regulations, there are some prohibitive clauses towards social organizations. All social organizations must be a corporate body. Social organizations can become incorporated and enjoy guaranteed rights and interests only after registering with relevant authorities in accordance with regulations. If there is already a social organization in an administrative area, then any other applications for setting up new social organizations that propose the same or similar functions will be rejected. Social organizations are not allowed to set up branches beyond their registered administrative areas.

Furthermore, according to current NPO regulations, every non-profit organization is subject to both its competent supervising authority and a separate registration authority. Therefore, most non-profit organizations are created, organized, and governed by some kind of government agency. The government and its agencies have strong power and influence over NPOs' internal affairs. Lack of independence and self-governance are, to some extent, common features.

The operation of foundations and other philanthropic organizations are also quite strictly regulated. They are limited in how they conduct their activities. For example, a foundation must have a large endowment to register and its funds can only be deposited in a bank and the generated interest used only to cover administrative costs. There are no other sources of funding allowed for administrative and operational costs. Obviously, this is not adequate for foundations to fully function.

There are also no favorable tax exemption and deduction arrangements for philanthropic organizations. Although the Public-Benefit Donation Law was enacted and some provisions and rules dealing with philanthropic behavior exist, most donors and philanthropic organizations cannot enjoy favorable tax treatment. The causes are many, such as lack of detailed regulations and explanations to enable the Donation Law to be enforced, internal government provisions and rules that are not clear or apparent, and various relevant government agencies whose roles and procedures are not consistent with each other. At present, there are no laws or regulations to encourage donations from inherited assets.

INSTITUTIONAL/ORGANIZATIONAL DEVELOPMENT

A. Individual Organization Perspective

Although the government currently shows a relatively positive attitude towards philanthropy, the development of philanthropy in China is quite limited, for many reasons. Most Chinese non-profit organizations are still not qualified as real non-profit organizations in a common sense. In China, every non-profit organization has to have its competent supervising authority of the government. The supervising authority has quite strong control over the non-profit organization, with the result that the non-profit organization's autonomy and self-governance are limited and its features as a non-profit are impaired. Moreover, non-profit organizations that are part of the government and some government-organized NPOs enjoy monopoly status in certain areas. Although many non-profit organizations have recently tried to separate from the government and gain their autonomous status and self-governance, most of them are subjugated to agencies of the government.

There is a lack of adequate mechanisms for Chinese NPOs to govern, manage, and supervise themselves. Because there are no traditions and organizing techniques for Chinese NPOs to draw upon, many NPO leaders do not know how to run an NPO, particularly under the new circumstances associated with a market system. Most of them are former or current officials of the government and are mainly familiar with the government's administrative methods. As ordinary Chinese citizens, they have neither the experience nor the knowledge to organize and manage a new type of organization, such as an NPO. Furthermore, if Chinese NPOs expect to win the trust of the government and public, some mechanisms of self-regulation, supervision and evaluation must be constructed in order to enable NPOs to develop their own standards for accountability and transparency.

A big problem for virtually every Chinese NPO is insufficient human resources. There are not enough staff to dedicate to the NPO cause, nor is there a stream of available educated practitioners of high quality with experience. A pool of educated and competent people is needed if China is to succeed in establishing a satisfactory non-profit sector. Currently, most qualified persons remain inside the government or with its affiliated institutions. To attract these people, NPOs must be able to offer economic security, social status and enhancements to their professional reputation. In addition, there is an urgent need for basic professional training for those who are engaged in the activities of existing and potential NPOs.

B. Sectoral Perspective

It is necessary to create a greater variety of NPOs that engage in a diverse number of fields. A structure that distinguishes specialized NPOs from one another should satisfy the demands for development that focuses on people and at the same time remains compatible with the workings of a market economy. Likewise, adequate competition among NPOs should be encouraged. However, competition among Chinese NPOs is severely restricted, if not outright prevented, due to government regulations.

Various kinds of NPO support organizations are needed if the non-profit sector and philanthropy as a whole are to be established. NPO support organizations should support NPOs and conduct such activities as grantmaking, information dissemination, coordination, consultation, training, evaluation, standard-setting, accreditation and monitoring. Currently a few organizations, such as China Youth Development Foundation, China Charity Federation and Amity Foundation, undertake some of these activities, but they are still mainly operational organizations in specialized fields. There are no grantmaking foundations, “watch dog” bodies, umbrella organizations or accreditation organizations in China. Almost all the major Chinese NPOs are vertically linked like the government administrative system, although there is no substantive administrative relationship. Among Chinese NPOs, there are few horizontal ties.

An exception is the China NPO Network, founded in 1999. Its mission is to promote information dissemination and exchange among NPOs at home and abroad. Since its founding, it has been operating an Internet website (www.npo.org.cn) and organizing a series of activities, such as lectures and seminars, consultation, newsletters and publications, and training. More than ten foundations and NPOs are joint founding members of this network, and more than 300 NPOs have contact with it. It is the first and, until now, the only Chinese NPO network that has horizontal links among NPOs.

However, there are many difficulties to maintaining and developing this network. First of all, there is no sound legal status for it to exist. Due to the strict registration requirements of the government, it has little hope of registering as an NPO network in the near future. Recently, it tried to register as a for-profit company with the State Bureau of Industry and Commerce, and, fortunately, was successful. However, this status may cause problems for its future activities. Other problems include the lack of formal and full-time staff for its operations, lack of funding to sustain it, and the need to construct a sound governing and representative structure to maintain its existence and development.

FUNDING MECHANISMS

An infrastructure for funding mechanisms is needed to provide financial support to NPOs. Under the traditional planned system, the state controlled virtually all resources. Today, NPOs that are dependent on the state for funding must wean themselves from this dependency and find new sources of revenue. NPOs that are already more or less independent are suffering the most. A pressing need, therefore, is the establishment of a system that can promote and coordinate foundations, donations, international aid, fundraising and other elements that could help free NPOs from financial dependency on the government and, at the same time, sustain their activities.

Government funding is still one of the major revenue sources for NPOs. Furthermore, generating donations from the general public, state enterprises, state non-enterprise institutions and Party and government agencies depends to a large extent on the mobilization mechanism of the government’s administration. Although it is the government’s intent to reduce its support to traditional mass organizations, state non-enterprise institutions, and other kinds of NPOs, the government is expected to continue

supporting those organizations that are closely linked to it. There is no indication that the government will consciously provide financial support to independent NPOs and the non-profit sector as a whole.

Although some for-profit organizations are aware of the existence and significance of philanthropy and NPOs, most Chinese businessmen know little about NPOs and their activities. Even when they donate to public-benefit undertakings, they assume that those activities are sponsored by the Party and the government, and that involved NPOs are only affiliated agencies of the Party and the government. There are almost no corporate foundations in China.

As for the general public and individuals, there are three ways to make philanthropic donations. First, people working in government agencies, state-owned institutions, and state-owned enterprises are called upon by their leaders to donate. In many cases, doing so is not on a purely voluntary basis. The second is buying into a lottery that is managed by government agencies. Concerned government agencies take a portion of the collected money (about 30 percent) for public-benefit undertakings. The third is citizens' donations on a truly voluntary basis. Currently, the amount of this kind of donation is quite small.

Along with the progress of reform and opening, an increasing amount of international funding has been flowing into China's philanthropic field. Foundations, NPOs, multi and bilateral government development agencies and individuals are among the international donors. Although the funding is uniquely important to China's infant non-profit sector and, especially for citizen-initiated philanthropic activities, the amount is quite limited compared with China's large scale and its concomitantly huge demand for money. Moreover, due to several reasons, international funding has not been effectively and efficiently allocated and used in many cases.

Many Chinese NPOs also start and run businesses, have affiliated companies and invest in real estate. Some are so successful that they can use the profit acquired by the enterprises to support their philanthropic activities. However, there are many NPOs that have operated businesses with poor results. They become fearful of relying on these operations and seek to disengage from them.

Although financial resources exist, the challenge for China's philanthropy is addressing the lack of sound institutional and systematic links to join, mobilize and coordinate them. From the sectoral perspective, there is a great demand for institutional arrangements for effective communication and information dissemination, accounting and auditing, evaluation and monitoring, punishment and encouragement.

RESPONSES AND NEW DEVELOPMENTS

There is momentum in the development of China's philanthropy, but it is still in its primary stages. It will continue to grow and the circumstances in China will, to some

extent, also allow its development. However, the following five principles should be considered if the philanthropic sector is to develop in a healthy manner.

1. Do not attempt to conduct political activities. Philanthropic organizations or NPOs should be social organizations engaged in socially relevant spheres. In China's context, any action or intention by an NPO to be involved in political power issues may not only incur serious trouble, but could also lead to a more austere environment for other NPOs, as well as the sector as a whole.
2. Try to avoid illegality. Although the Chinese legal system is not perfect, the Party and the government are committed to endeavors that follow rules of law. Chinese philanthropic organizations should abide by concerned laws and regulations while advocating for the improvement of the legal system.
3. Avoid corruption. Corruption undermines the foundation of philanthropy.
4. Seek cooperation and coordination among NPOs.
5. Sink roots into the society and cultivate close ties with ordinary citizens.

Based on the above principles, Chinese philanthropic organizations should push their work forward in several directions.

THE PERSPECTIVE OF INDIVIDUAL ORGANIZATIONS

Every NPO should devote itself to organizational and capacity building, including the areas discussed below:

- (a) Development: Many leaders of Chinese NPOs think that the most important role in their work is to provide excellent service delivery and conduct project-led activities. However, leaders should also increase their role in social and economic development to strive for good government treatment and raise the general public's awareness.
- (b) Legal Status: Although it is quite difficult for most privately initiated NPOs to register with the government, many still try to gain such legal status. Some NPOs try to find a legal association or institution to sponsor them so that they are not required to register with the government. Doing so is legitimate, but their activities become limited by their sponsors. Other NPOs try to register with the State Bureau of Industry and Commerce as a for-profit company. This is an easier way to gain legal status and enjoy more freedom in conducting activities. However, as a for-profit organization, the organization has to pay relevant taxes and carries a title that is confusing and may cause problems in the future. Some NPOs prefer to remain loosely and informally organized.
- (c) Autonomy and Self-governance: Building a sound governance and management structure is an essential task for Chinese NPOs. Most NPOs have governance

structures designated by their charters. However, a real and effective governance structure is determined by many factors. Some NPOs try to make their real governance structures more democratic, autonomic and self-governing. Other NPOs prefer to maintain the status quo in their relationship with the supervising government agencies, which have strong control and influence over the affairs of the NPOs. Such relationships provide NPO leaders with many benefits for themselves and their organizations. Yet, almost all NPO leaders stress the importance of maintaining good relationships with their supervising government agencies as a means of enjoying more autonomy and self-governance, and to acquire more resources and preferential treatment from the government.

- (d) **Personnel and Motivation:** Some NPOs seek to build their personnel structure and employee motivation system as a means of attracting more qualified professionals in the field, and to provide decent living standards for their staff. Other NPOs emphasize the volunteer spirit of non-profit work and insist on providing low pay to staff while utilizing volunteers.
- (e) **Evaluation:** Many NPOs want to strengthen the evaluation component of their projects and organizational activities so as to enhance accountability. While some NPOs stress the necessity of evaluation that is conducted by outside professional organizations, some prefer self-evaluation. There are also NPOs that do not consider evaluation to be a priority.
- (f) **Self-Regulation:** Some NPOs want to set up a self-regulation mechanism that would restrict possible acts of misconduct and gain the trust of government and the general public. Disclosure and transparency would be required to establish an adequate accounting and auditing system. Procedures for information disclosure would also be in place. Some NPOs prefer to conduct their activities without explicit self-regulations, allowing them to act more freely and easily.
- (g) **Training:** Most NPOs feel staff training is an essential need. Although they regard training provided within their own organizations as necessary, they seek forms of training that are sponsored by umbrella organizations or networks. Some NPOs also hope their staff are trained at universities, whether at home or abroad.
- (h) **Fundraising:** Most NPOs acknowledge the necessity of diversifying their financial base and raising funds from as many sources as possible. Some favor keeping successful means of resources development while exploring new means. A few want to reduce or even reject government funding, gaining financial independence from the government. Financial sources to explore include running a business, investing in real estate, collecting membership fees and receiving donations from for-profit companies, the public and international donors.

THE SECTORAL PERSPECTIVE

More powerful support organizations are needed in the non-profit sector as a whole to support the activities and capacity building of other NPOs and to construct essential infrastructures within the non-profit sector. They should play a key role in promoting philanthropy in China. There are three major ways to realizing this: transform existing operational NPOs into support organizations; strengthen existing infant support organizations; and create new support organizations.

Some philanthropic organizations, such as China Youth Development Foundation, China Charities Federation, and Amity Foundation, have been willingly trying to transform themselves into support organizations. While currently conducting operational activities, they are trying to give increasing emphasis to NPO support activities, including fund development, consultation, training and research, and other services to small grassroots NPOs. There are restrictions. Legally, an NPO should limit its activities to the items designated in its charter and government regulations. Hence, how does such an organization expand and go beyond its charter? Currently, few Chinese foundations have an adequate endowment to fund other NPOs. How, then, can the foundation increase its endowment and acquire enough funds to make grants? One option is to open a business and use the profits gained from its market performance. The other is to invest more wisely. Trials are underway, but the qualifications and abilities of staff pose a problem. Training is needed, not only for non-profit managers, but also for commercial-like managers.

The China NPO Network is probably one of the few support organizations with new ideas and mechanisms in China, but it is quite loosely organized. Since it recently registered with the State Bureau of Industry and Commerce, it can behave as a formal and legal for-profit entity with both advantages and disadvantages. The following activities are scheduled for the future.

(a) Information Exchange

- Its website (www.npo.org.cn) will have broader coverage of NPOs, other organizations, and relevant academic activities.
- Formally published newsletters will be issued regularly.
- A library-like literature center, open to the public, will house relevant documents and materials.

(b) Training

- Existing training projects to which it is committed will be maintained.
- The performance of completed training projects will be evaluated.
- More adequate curriculum for future training will be designed.
- Qualified trainers will be identified and cultivated.
- An international workshop focusing on NPO training will be held in August 2001.

(c) Organizing Meetings

- Will serve as an intermediary or host to convene a variety of seminars, lectures, forums, and conferences.

(d) Institutional Building

- A governing board will be created that will be capable, accountable, and broadly representative.
- Staff will be recruited and selected so as to organize a competent working team.
- A sound accounting and auditing system will be established and information disclosure and transparency will be ensured.

(e) Finance

- Contributions from member organizations and donations from international supporters will be maintained while a process to collect membership fees will be developed.
- Funding through cooperation in implementing projects will be obtained.
- Paid services, such as consultation, will be provided.
- Donations from the general public will be sought.

Although there are difficulties under current regulations for new NPOs to register as lawful organizations with the government, there is still room for new NPO support organizations to come into being. One idea is to create one or several foundations in the near future. Their mission would be to promote the non-profit sector and philanthropy in China. This kind of foundation could be established and governed jointly by the government and the civilian society. The endowment could be supported by the government, Chinese NPOs, for-profit companies and international organizations. Such a foundation would serve as a belt, connecting government and civil society, and conduct a variety of supportive activities, including grantmaking, research and policy suggestion, training and consultation.

THE PERSPECTIVE OF INTERSECTORAL RELATIONS

The NPOs' first priority is to develop good relationships with the government because of the overwhelming influence of the Chinese government on society as a whole. Before establishing any significant relationship with the government, the non-profit sector should first have its own identity and characteristics as an independent sector. Then, it should strive to gain the understanding and support of the government and cultivate a partnership. It is essential to inspire the Party and government to have a positive attitude towards the non-profit sector and philanthropy in order to create an enabling environment. More policy-oriented research is needed, and policy suggestions should be encouraged. Besides letting government officials participate in NPO seminars and other relevant activities, NPOs should be more active in policymaking and the drafting of government and tax regulations. Joint training and research among NPOs and the government should also be encouraged.

The corporate sector in China is quite young and has no clear sense of the non-profit sector. However, one should recognize the potential and capacity of the corporate sector in supporting the non-profit sector and philanthropy. Seeking new support resources from the corporate sector is the right direction for NPOs. They should target for-profit organizations with more information dissemination, involve them in NPO activities, and

try to establish institutional relationships with them. NPO networks should also admit for-profit organizations as members. Plans for the International Conference on Multi-National Corporations and Philanthropy, scheduled in October 2001, are underway.

It is important to raise the general public's awareness of the non-profit sector and philanthropy. Mass media tools, such as television, newspapers and publications, should be mobilized to convey relevant information and promote the reputation of philanthropic organizations. The public should not only be encouraged to donate to philanthropy, but also to take an active role in voluntary and other philanthropic activities.

THE PERSPECTIVE OF EXTERNAL RELATIONSHIPS

Exchange and cooperation among Mainland China, Hong Kong, and Taiwan are highly recommended. While each of the three has its unique characteristics, they share common features, which should make it easier for them to learn from and help each other. NPOs in Mainland China are eager to learn from and cooperate with their counterparts in Hong Kong and Taiwan. In the near future, the three regions should concentrate on working together on such issues as:

- (a) Information exchange: sharing information and other publications, either regularly or occasionally;
- (b) Training: conducting joint training programs and making adequate use of training resources among them;
- (c) Personnel: making mutual site visits and exchanging staff on a temporary basis;
- (d) Projects: collaborating on development projects; and
- (e) Institutional links: establishing links between individual NPOs and relevant networks so as to maintain regular contact and institutional channels.

The relationship between NPOs in Mainland China and their counterparts in other countries is also very important. As part of a developing country, Chinese NPOs not only have much to learn from NPOs in industrialized countries, but they can also draw upon valuable experiences of NPOs in other developing countries. All of the above-mentioned aspects of exchange and cooperation with Hong Kong and Taiwan are applicable to other exchanges as well. To accomplish these, international resources are needed. Involvement of Chinese NPOs in the NPO international community should be facilitated.

CONCLUSION

The non-profit sector and philanthropy in Mainland China are developing conscientiously. People engaged in this development will strive for their success in many possible ways. To promote philanthropy, Chinese NPOs welcome the cooperation of their counterparts throughout the world. Accordingly, Chinese NPOs will be able to contribute to the field of international philanthropy in the future.

PARTICIPANTS OF THIS PAPER

On 24-25 March in Beijing, over 70 participants were involved in a discussion meeting as part of the preparation for the Asia Pacific Philanthropy Consortium conference. The meeting was exciting and fruitful. Exchange and cooperation with non-profits and philanthropy in Taiwan, Hong Kong and Mainland China were also discussed. Meeting participants were as follows:

Chan, Yee Shyuan	Associate Researcher Himalaya Foundation, Taiwan
Chen, Darwin	Vice President Asia, United Way International, Hong Kong
Chu Shuntang	Program Officer, China Charity Federation
Cui Yu	Chief Editor, the China NPO Network
Deng Ya	Deputy Secretary General, Peking University Education Foundation
Fang Jiake	Director, Tianjin Hetong Elderly Welfare Association
Gao Weihua	Program Officer, Audiology Development Foundation of China
Hua Ke	Manager, China Foundation for Poverty Alleviation
Huang Haoming	Secretary General, China Association for NGO Cooperation
Jia Aimei	Researcher, Chinese Academy of Social Sciences
Li Bingye	Program Officer, The China International Centre for Economic Technical Exchanges
Li Tao	Editor, China Women's News & Migrant Women's Club
Li Yong	Division Director, Ministry of Civil Affairs
Liang Tao	Secretary-General, Audiology Development Foundation of China
Liu Jingyang	Director, Legal Aid Foundation of China
Liu Jun	Senior Program Officer, the China International Centre for Economic and Technical Exchanges
Miao Xia	Secretary General, China Population Welfare Foundation
Pei Hua	Program Officer, Soong Ching-ling Foundation

Qin Guoying	Program Officer, China Women's Development Fund
Qiu Fulin	Manager, Beijing Old People's Happy Home
Qiu Zhonghui	Deputy Secretary General, Amity Foundation
Shang Yusheng	President, China NPO Network
Shen Peirong	Consultant, Amity Foundation
Su Fang	Editor, China Central TV
Tang Wei	Program Officer, China Youth Development Foundation
Tao Yangxiang	Consultant, China Population Welfare Foundation
Tian Huiping	Director, Beijing Xingxingyu Education Institute
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Wang Guoguang	Office Manager, Beijing Xingxingyu Education Institute
Wang Mingli	Senior Program Officer, Candle Project
Wang Yanyan	Assistant Program Officer, China Population Welfare Foundation
Wang Yukai	Professor, State Administration Institute
Wu Fenghua	Program Officer, China Charity Federation
Wu Ming	Director of Regulation Making Office, Ministry of Civil Affairs
Wu Junfeng	Program Officer, China International Centre for Economic and Technical Exchanges
Xu Yongguang	Secretary General, China Youth Development Foundation
Yan Hong	Program Officer, China Medical Foundation

Yan Xiaozheng	Secretary General, China Primary Health Care Foundation
Yang Tuan	Director of Center for Social Policy, Chinese Academy of Social Sciences
Yuan Jinghui	Program Officer, Beijing Association of International Volunteers
Yu Xuelian	Senior Program Officer, China Charity Federation
Yu Yinglong	Program Officer, China Medical Foundation
Yuen, Terence	CEO, Constancy Service for Nonprofits Ltd., Hong Kong
Zhan Shaohua	Researcher, Chinese Academy of Social Sciences
Zhang Jian	Program Officer, China Women's Development Fund
Zhang, Joan	Senior Project Adviser, APCO Associates Inc.
Zhang Shuqin	Director, Aid Center for Special Children
Zhao Daxing	Secretary, China Association for NGO Cooperation
Zhao Liqing	Professor, Institute for Strategic Studies, Beijing
Zhao Weihong	Program Officer, China Foundation for Poverty Alleviation
Zheng Hong	Researcher, Bright China Management Institute
Zheng Shixian	Secretary General, China Dunhuang Grottoes Research Fund
Zhou Jun	Assistant Researcher, Chinese Academy of Social Sciences
Zhou Xiaohong	Program Officer, China Medical Foundation
Zhu Chuanyi	Professor, Director of the Department of Development and Research, China Charity Federation
Zhu Xinyuan	Secretary General, Overseas Chinese Economic and Cultural Foundation of China
Zhuang Ailin	Deputy Secretary General, Amity Foundation

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APPENDIX: MAJOR CHINESE FOUNDATIONS

FOUNDATION (Date Established)	MAJOR AREAS OF INTEREST	SPONSORING GOVERNMENT ORGANIZATION
China Children and Teenagers' Fund (April, 1981)	Development of Chinese children and teenagers, in areas such as education and health care	All-China Women's Federation
Soong Ching-Ling Foundation (May 29, 1982)	Development of Chinese children and teenagers, in areas such as education, health care, and poverty eradication	State Council
China Fund for the Handicapped (March, 1984)	Aid to handicapped people	Chinese Disabled Persons' Federation
Amity Foundation (April, 1985)	Rural development, education and health care, social welfare, poverty eradication, etc.	Not GO-sponsored; registered with the Ministry of Civil Affairs
China International Culture Exchange Foundation (July 5, 1985)	International exchange and cooperation in arts, science and technology, social sciences, etc.	
China Medical Foundation (November 21, 1986)	Health care	Ministry of Public Health
The Overseas Chinese Cultural and Social Foundation (June, 1988)	Education and social welfare	All-China Overseas Chinese Federation
China International Medical Foundation (June, 1988)	Medicine, health care, and education	Ministry of Public Health
China Women's Development Foundation (November 21, 1988)	Women's education and health care, poverty eradication, and disaster relief	All-China Women's Federation
Foundation for Underdeveloped Regions in China (January 25, 1989)	Poverty eradication, rural development, education, and health care	Ministry of Agriculture
China Youth Development Foundation (March, 1989)	Development of Chinese children and teenagers, in areas such as education and health care	Central Committee of the Chinese Communist Youth League
China Foundation of Consumer Protection (November 27, 1989)	Consumer protection and goods examination	China Light Industry Association
Chinese Financial Education Development Foundation (June, 1992)	Financial research, education, and training	China People's Bank
China Environmental Protection Foundation (April, 1993)	Research, education, training, advocacy, and other activities concerning environmental protection	State Bureau of Environment Protection
China Friendship Peace and Development Foundation	Foreign friendship and exchange	Chinese People's Association of Foreign Friendship