

## BOOK EXCERPTS

### **Philanthropy in China**

Report of Concepts, History, Drivers, Institutions

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Geneva: Globethics.net, 2017

ISBN 978-2-88931-177-4 (online version)

ISBN 978-2-88931-178-1 (print version)

### **Philanthropy in China**

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### **FOREWORD**

Philanthropy is an inherent virtue deeply embedded in our humanistic tradition. With its crudest essence in sharing, it is different to ex-change since there is voluntary giving involved. Although charity is part of philanthropy in the sense of altruism, the latter is awakened by the sense of social responsibility over sustainable advancement of human welfare. Therefore, it is far more complicated and challenging on both the benefactor and the beneficiary. It is not about throwing a dime in a begging bowl, but rather helping those in need to stand on their own feet. It requires preparation for long-term devotion and streamlining expertise, especially communication and management skills, very often, in an organized fashion. As the proverb goes, one is as miserable as he is sinful. Aside from the incidental mischief by God, the beneficiary ends up in misery largely due to problem of his own, such as myopia, ignorance, indecisiveness, inertia, laziness, poor management, or simply bad choices. Resistance to change is the gravest challenge. Monetary support is most preferred by a beneficiary, and who then often chooses to be left unbothered by any condition. Nonetheless, to effect a fundamental change in the life of the beneficiary, one must strike at the root of the problem, which calls for a decisive overhaul of poor management and lifestyle.

Good medicine tastes bitter. To begin with, one may have to sugar-coat the medicine to solicit a positive response from the beneficiary. Intervention in the process of change is critical to ensure things move on the right track.

Motives differ a great deal in philanthropic undertakings. While many seek redemption for inner peace, some are enlightened by their own conscience. Andrew Carnegie, a legendary man who rose from rags to riches gave away hundreds of million dollars to support education in his lifetime, based on his fervent belief that "the man who dies rich, dies disgraced." Philanthropy is a business per se with its objective on social profitability. Smart philanthropists are able to leverage more resources and deploy

cost-effective means to achieve a strategic goal. Warren Buffet endowed a lion's share of his fortune to the Bill & Melinda Gates Foundation for the improvement of health and education especially in underdeveloped countries. More significantly, they joined hands in the Giving Pledge to inspire the wealthy people to donate the majority of their net worth to philanthropy. Buffet creatively organizes lunch auction to amass millions of dollars from bidders around the world for Glide, a San Francisco charity that works for the city's homeless and poor residents.

I was once asked by Dr. Chen Jining, the now Chinese minister of Environmental Protection, why Singapore is unable to compete with Hong Kong in philanthropy efforts, even though they bear so many similarities in terms of income level and Chinese origin. I that found philanthropic drive is strongly influenced by political systems and, to a degree, individualism. An authoritarian government leaves little space for the voluntary initiatives by individuals, just like intrusive parenting does not necessitate sharing among siblings. Philanthropy is considered the third form of wealth distribution (private means to public ends) after market competition and taxation schemes.

Several conditions have to be met for philanthropy to thrive. (1) Paradoxically, there exists a wealth gap within the society, with surplus by one group, and with inadequacy by the other. (2) There is willingness among wealthy and capable individuals to extend their generosity. (3) There is medium of communication to bridge the needs between the haves and the have nots. (4) A liberal or more ideally an enabling political environment (e.g. taxation scheme) is available for individuals and social organizations to take ownership in communal and societal livelihood. (5) There is a moral atmosphere (religions and cultural traditions) in which giving is generally viewed as a welcome virtue. (6) A matured market economy under the rule of law shall encourage business firms as the dominant social and economic force to compete on their corporate social responsibility besides price and quality. In addition, social catalysts such as non-governmental organizations play an indispensable role in leading the philanthropic industry onto traction of professionalism.

Philanthropy is a universal human value shared by all cultures with sympathy serving as an inexorable driver at the bottom of every human heart. Meanwhile, its notion and practice evolve and develop in response to changes in the social, political and economic environments. In consideration of its long history, Chinese philanthropy can be broadly categorized into three stages: (1) traditional philanthropy, (2) stagnation since the founding of the People's Republic of China in 1949, and (3) rejuvenation after the reform and opening up policy was launched in 1978.

In China, the confluence of Confucianism, Taoism, Buddhism and other indigenous philosophies has left a deep footprint on its perception and practice of philanthropy with benevolence, kindness and com-compassion, encourage mutual assistance and charitable giving. Where Confucianism has been serving as the mainstream value, benevolence (Ren) as its core value is rationalized by Mencius as the explicit underpinnings of sympathy, an inherent part of human nature. In contrast to Buddhism which focuses on spiritual practices for the attainment of nirvana, Confucianism as a philosophy is not satisfied with self-discipline and perfection. Its doctrine of "inner holiness and outer prowess" requests that people strive for worldly achievement, including altruistic deeds which bring honor to the family.

Nonetheless, despite the most part of Chinese history having been dominated by despotic empires in succession, while the religions played a submissive role, philanthropic activities by local gentries, merchants and plebeians, have not been short in number. It not possible to parallel its counterpart in

Europe either in magnitude or consistency. Rural life stilled by the residence control system heavily undermined demographic mobility and civic organization. Philanthropy in a mutant formula largely confined largely within kindred relations as a matter of expediency. Apart from governed administered disaster or poverty relief programs, records on philanthropic activities initiated in the private sector is considerably scanty.

Western influence during the semi-colonial period after the Opium War, in spite of the humiliation inflicted upon it national pride, brought into China organized church activities, media and the concept of social organizations when the Chinese dynasty was faltering. The Democratic Revolution led by Dr. Sun Yatsen witnessed a climax in philanthropy when overseas Chinese mobilized generous support to promising social organizations to overthrow the tumbling Qing Dynasty. Command economy for 3 decades after the onset of People's Republic of China was aimed at an agrarian society in which virtually all resources and economic outcome were allocated and distributed by the government. When private property was reduced to the bare minimum and people were supposed to be taken care of from cradle to grave by the socialistic superstructure, there was neither incentive nor capability for individuals to engage in philanthropic activities.

The reform and open-door policy since 1978 introduced unprecedented dynamism in the course of wealth creation and accumulation. The influx of foreign capital, the policy of "letting a few get rich first", the phase-based opening beginning from the coastal regions, have accelerated wealth polarization among individuals and across regions, as witnessed by the continuous enlargement of gini-coefficient, albeit virtually every individual and district are better off than their own past. Privatization and deregulation in line with globalization allowed for the explosive growth of civil society and the perceptual dissemination of social responsibility at both corporate and individual levels. Chinese government amid the learning curve has gravitated away from the stereotyped notion of self-sufficiency by sponsoring a slew of charity foundations such as the Red Cross, China Charity, Song Qing-ling, among others, to receive funds both at home and from abroad. Although policies toward philanthropy are still short of transparency and have wavered at different stages, its general trajectory is continued liberalization. Donation culminated during the 2008 Wenchuan Earthquake (RMB76 billion by May 2009) which exceeded the national total for the entire previous decade. Among the top 123 corporate donors (above RMB15 million), only 14 foreign companies were on the list. In stark contrast, the Tangshan Earthquake in 1976, which was far more devastating, solicited an apathetic reaction at home except for aid from foreign governments through diplomatic channels.

The surge in philanthropy, despite the disruption by a number of scandals, provides a strong verification to the conditions laid out above. As part of China's dream, the immense task remains ahead as the Chinese government that vows to lift 70 million citizens above the poverty line by 2020, in which philanthropy plays an indispensable role. On top of it, the Chinese government, companies and increasing number of NGOs hitherto are broadening their horizon to engage more proactively philanthropic undertakings beyond their national boundary, from peace keeping in South Sudan, to medical teams fighting Ebola in Sierra Leone; even fundraising for the slum in the suburb of Nairobi. With the rapid pace of outbound investment, after learning hard lessons, Chinese companies have begun to seriously embrace the idea of corporate social responsibility. Although the World Giving Index by which China has been ranked extremely low is incapable of depicting the full picture of a nation's generosity, China as the

world second largest economy and top exporter with rising per capita income definitely has a long way to go before philanthropy flourishes over its vast landscape. That requires tortuous work ahead in its institutional reform, legal construction and cultural transformation to meet those conditions laid out in the above context.

### **Conceptual Background on Philanthropy**

Philanthropy, as part of the humanitarian tradition, is borderless, but the notions, practices and developmental trajectories of the philanthropic sector vary between nations. The academic study of philanthropy pre-supposes a comprehensive definition that guides inquiry into what exactly philanthropy is and why it matters, along with the rising tide of global associational revolution.

#### ***Western Perspectives***

Philanthropy is derived from the archaic Greek word “*philanthrôpia*”, literally meaning “love of humankind”. It was initially coined by the playwright Aeschylus in the tragic drama *Prometheus Bound* in the 5th century BCE to characterize the mythological divinity whose actions advance the cause of human civilization.

Based on the etymological history of “*philanthrôpia*”, Sulek (2010a) identified six modes of usage according to the nature of the primary subject to which the term refers: (1) theological, in reference to divine beings; (2) philosophical, in reference to the knower, knowledge, learning, culture, and other associated concepts; (3) political, in reference to rulers, magistrates, civic leaders, laws, and other political entities; (4) ontological, in reference to an innate affection for, or attraction to, human beings in the nature of a person or thing; (5) social, in reference to the possession of certain social graces, such as courtesy, kindness, friendliness, or gregariousness; and (6) fiduciary, in reference to financial generosity.

Sir Francis Bacon is accredited as the first English writer to employ “philanthropy” in a discernibly modern sense and to imbue it with the full depth of meaning intended by the ancient philosophers, given the opening sentences of his essay *Of Goodness and Goodness of Nature* published in 1612: “I take goodness in this sense, the affecting of the weal of men, which is that the Grecians call *philanthrôpia*; and the word humanity (as it is used) is a little too light to express it. Goodness I call the habit, and goodness of nature the inclination.” Bacon thus considered “*philanthrôpia*” to be synonymous with “goodness”, which is correlated with the Aristotelian conception of virtue, as consciously instilled habits of good behavior.

Samuel Johnson, the celebrated man of letters and lexicographer, de-fined philanthropy as simply “love of mankind; good nature” in *A Dictionary of the English Language* which came out in 1755. Thereafter, Noah Webster published a dictionary that more accurately reflected the word usage of American English in 1828, where philanthropy was de-fined as “the love of mankind; benevolence towards the whole human family; universal good will. It differs from friendship, as the latter is an affection for individuals.” Contemporarily, the lexical meaning of philanthropy is more enriched, ranging from ideal inner state of mind (the desire to promote the welfare of others) to objective reality in the world (the generous donation of money to good causes).<sup>11</sup>

With regard to academic study of philanthropy, Miller (2006) pointed to the necessity to specify the

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<sup>11</sup> <http://www.oxforddictionaries.com/definition/english/philanthropy>

boundaries between motives, means, and objectives that are truly philanthropic and those that are not. As he put it, any proper definition must pay attention to how the term “philanthropy” has been applied in practice, and description alone will not suffice. By elaborating on the notions of philanthropy and cosmopolitan-ism, Miller holds that philanthropy as a form of love is essentially cosmopolitan, given the goodwill towards humanity expressed in activities that promote social welfare. By comparison, cosmopolitanism need not be philanthropic, considering its forms vary according to whether their grounding is primarily economic, political, or moral.

Sulek (2010b) surveyed the contemporary academic definitions of philanthropy and the underlying assumptions. As he observes, the working definition of philanthropy is largely dependent on particular interests or backgrounds of the scholar employing the term, and the focal points of contention as to the precise meaning of philanthropy include: (1) whether philanthropy is voluntary, or whether it is compelled by factors such as moral restraints, social obligations, and the like; (2) whether philanthropy serves a public purpose, a public good, a charitable need, or simply a communicated want or desire; and (3) whether philanthropy is an intent to achieve a particular aim, is the actual attainment of that aim, or is just simply a private act of giving.

For instance, Payton (1988) regards philanthropy as “voluntary action for the public good” due to the American tradition of voluntary service, voluntary association, and voluntary giving; Van Til (1990) views philanthropy as “voluntary giving and receiving of time and money aimed (however imperfectly) toward the needs of charity and the interests of all in a better quality of life”, attaching great importance to philanthropic intent; and Schervish (1998) considers philanthropy as “a social relation governed by a moral obligation that matches a supply of private resources to a demand of unfulfilled needs and desires that are communicated by entreaty”, indicating the complementary roles of philanthropy, governments, and the marketplace.

The most commonly adopted definition of philanthropy in academic circles is the one offered by Lester Salamon: “the private giving of time or valuables (money, security, property) for public purposes; and/or one form of income of private non-profit organizations”.<sup>12</sup> In reality, the line between private and public is drawn in the water. Nonetheless, this definition synthesizes the current academic meaning and the common understanding of philanthropy by emphasizing charitable donations.

From a historical perspective, though, philanthropy distinguishes it-self from Christianity-based charity by seeking to address the root causes of social problems and taking either secular or religious forms to promote social progress in ways beyond alleviating suffering (Gross, 2003). The scope of modern philanthropy may extend to include support to education, arts, culture, or any socially useful purpose. It may be focused on a local community or extend to national or global initiatives.<sup>13</sup>

The United Nations Development Program (UNDP) has identified philanthropy as an emerging contributor to development cooperation towards achieving the Sustainable Development Goals (SDGs), since it brings a complementary and beneficial set of new actors, approaches and types of funding. The contributions made by non-state actors, notably civil society organizations and the business sector, sometimes make up for the failure of governments or the marketplace.<sup>14</sup>

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<sup>12</sup> <http://en.wikipedia.org/wiki/Philanthropy>

<sup>13</sup> Philanthropy. (2014). Funk & Wagnalls New World Encyclopedia, 1p. 1.

<sup>14</sup> [http://www.undp.org/content/dam/undp/documents/partners/civil\\_society/ UNDP-CSO-philanthropy.pdf](http://www.undp.org/content/dam/undp/documents/partners/civil_society/ UNDP-CSO-philanthropy.pdf)

In a nutshell, philanthropy can be conceptualized as private means to public ends, and in parallel, government taxation as public means to public ends, and market exchange as private means to private ends. A voluntary-coerced axis could also be added into this schema to produce the conceptual diagram (Exhibit 1-1).

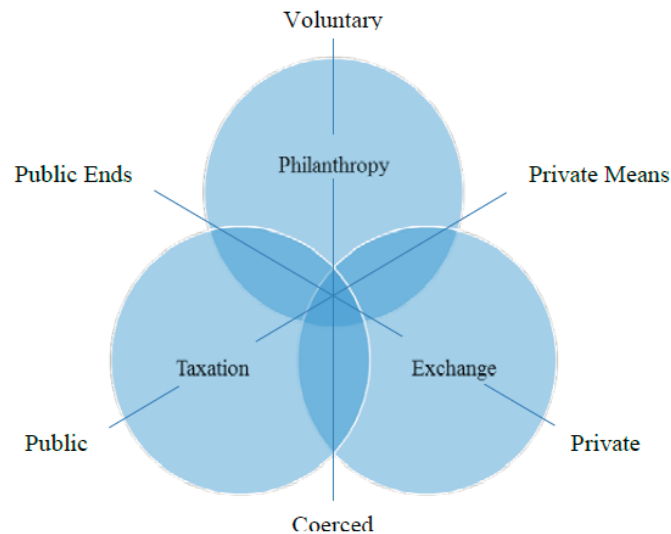


Exhibit 1-1. Conceptualization of Philanthropy

Source: Sulek, M. (2010). *On the Modern Meaning of Philanthropy. Nonprofit and Voluntary Sector Quarterly*, 39(2), 202.

Accordingly, the philanthropic sector, known variously as the “non-profit”, the “voluntary”, the “civil society”, the “third”, or the “independent” sector, refers to social institutions that operate outside the confines of the state and the market. It is concluded that these entities share some basic features (Salamon & Anheier, 1992; Salamon et al., 1999). In particular, they are:

- Organized, i.e., institutionalized to some extent;
- Private, i.e., institutionally separate from government;
- Non-profit-distributing, i.e., not returning profits to their owners or directors;
- Self-governing, i.e., equipped to control their own activities; and
- Voluntary, i.e., involving some meaningful degree of voluntary participation.

The International Classification of Non-Profit Organizations (IC-NPO) system sorts the philanthropic sector as defined above into 12 major activity groups (including a catch-all “not elsewhere classified” category), which are in turn subdivided into 30 subgroups. It provides an effective way of classifying the non-profit organizations in a wide assortment of countries, but the ICNPO system as currently developed does not attempt to achieve standardization at the level of activities because of the great diversity of the non-profit sector in different locales (Table 1-1).

Table 1-1. International Classification of Non-Profit Organizations

ICNPO Groups	ICNPO Sub-Groups
1. Culture and recreation	1,100 Culture and arts 1,200 Sports 1,300 Other recreation and social clubs
2. Education and research	2,100 Primary and secondary education 2,200 Higher education 2,300 Other education 2,400 Research
3. Health	3,100 Hospitals and rehabilitation 3,200 Nursing homes 3,300 Mental health and crisis intervention 3,400 Other health services
4. Social services	4,100 Social services 4,200 Emergency and relief 4,300 Income support and maintenance
5. Environment	5,100 Environment 5,200 Animal protection
6. Development and housing	6,100 Economic, social and community development 6,200 Housing 6,300 Employment and training
7. Law, advocacy and politics	7,100 Civic and advocacy organizations 7,200 Law and legal services 7,300 Political organizations
8. Philanthropic intermediaries and voluntarism promotion	8,100 Grantmaking Foundations 8,200 Other philanthropic intermediaries and voluntarism promotion
9. International	9,100 International activities
10. Religion	10,100 Religious congregations and associations
11. Business & professional associations, unions	11,100 Business associations 11,200 Professional associations 11,300 Labor unions
12. Not elsewhere classified	12,100 Not elsewhere classified

Source: Salamon, L. M., Anheier, H. K., List, R., Toepler, S., Sokolowski, S. W., & Associates. (1999). *Global Civil Society: Dimensions of the Nonprofit Sector*. Baltimore: The Johns Hopkins Center for Civil Society Studies.

The United Kingdom is considered to be the first country to enact laws on civic and charitable activities. The preamble to the Charitable Uses Act 1601, also known as the Statute of Elizabeth I, provides a rich overview of the range of philanthropy, laying a foundation for further development of this sector. According to Charities Act 2011, a “charity” contributions but may engage in some political or commercial activities from which 501(c)(3) organizations are barred (Muukkonen, 2009).

### *Chinese Perspectives*

China enjoys a time-honored tradition of philanthropy, and human-ism as the essential feature of philanthropy is shared by all cultures (Zhou & Zeng, 2006). Historically, philanthropy is taken as the efforts made by the ancient government and the general public to succor the vulnerable group on a voluntary basis; while in the modern sense, it is often viewed as a mixed type of wealth distribution, which is donation-based and private-operated (Wang, 2008).

Chinese philanthropy evolves from the state social security system. From this lens, Zheng (2010) summarizes its six characteristics as follows: (1) benevolence is the moral basis for Chinese philanthropy; (2) the existence of wealth gap gives rise to the necessity of philanthropy development; (3) philanthropy is economically dependent on voluntary donations from the society; (4) philanthropic activities are conducted by folk organizations; (5) that the benefactor’s will is fully respected is a prerequisite for philanthropy to work; (6) philanthropy cannot advance without the engagement of the general public.

Yang (2009) argues that philanthropy is a multidimensional concept containing will and act, benefactors and beneficiaries, charitable resources and related institutions. From a pragmatic perspective, philanthropy can be defined as an undertaking initiated by the civil society for the public welfare. In accordance with Article 3 of the Law on Donations for the Public Welfare (1999), “public welfare” refers to non-profit activities in the following realms: (1) disaster relief, poverty reduction, assistance for the handicapped and other vulnerable groups; (2) education, science, culture, public healthcare, and sports; (3) environmental protection, and public facilities construction; (4) other activities for social progress.

The newly adopted Philanthropy Law expands the definition of philanthropic activities, which refer to the following public welfare activities voluntarily carried out by natural persons, legal persons and other organizations by means of donating assets, providing services, etc.: (1) alleviating poverty and helping the needy; (2) supporting the elderly, helping orphans, providing comfort for persons with serious illnesses, assisting the disabled, and giving special care to disabled servicemen and the family members of martyrs; (3) engaging in rescue and relief operations with regard to the damage caused by natural disasters, accidents and disasters, public health incidents and other emergencies; (4) promoting the development of education, science, culture, health, sports and other undertakings; (5) preventing and controlling pollution and other public hazards, and protecting and improving the ecological environment; and (6) engaging in other public welfare activities that are in compliance with the Law.<sup>15</sup>

Theoretically, philanthropic activities are implemented by civil society organizations, also known colloquially as “folk organizations” in China, referring to institutions that are independent of or not directly part of the government. Aside from non-governmental, these organizations are characterized by non-profit and voluntary association.

However, Chinese non-governmental organizations (NGOs) and non-profit organizations (NPOs)

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<sup>15</sup> Article 3 of the Philanthropy Law (2016).



should not be understood in the same way as that in the West. Officially, they are restricted to the three types of civil organizations registered with the Ministry of Civil Affairs of China or its local departments based on current regulations, which include:

- Social organizations, defined as non-profit civil organizations voluntarily established by Chinese citizens for the realization of a common desire of the membership in accordance with their articles of association.<sup>16</sup>
- Private non-enterprise units, defined as civil organizations established with non-state-owned assets by enterprises, public units, social organizations and other social entities or individual citizens for non-profit social services.<sup>17</sup>
- Foundations, defined as non-profit legal entities committed to the promotion of public welfare by making use of the property donated by natural persons, legal entities or other organizations.<sup>18</sup>

In practice, a number of folk organizations in addition to the above are actively engaged in non-profit activities. Often known as “grassroots organizations”, they are either registered as for-profit business with the Bureau of Industry and Commerce or remained unregistered due to the existent administrative system. Nonetheless, these organizations usually enjoy more autonomy and account for a substantial portion of Chinese philanthropic sector.

It is worth noting that the term “social organizations” is sometimes used in its broadest sense to refer to people’s organizations that have been led by the Communist Party of China (CPC) as links to specific social constituencies and subject to separate laws and regulations. Typically, All-China Federation of Trade Unions, the Communist Youth League of China, All-China Women’s Federation, China Association for Science and Technology, All-China Federation of Returned Overseas Chinese, All-China Taiwanese Association, All-China Youth Federation, and All-China Federation of Industry and Commerce, as members of the Chinese People’s Political Consultative Conference (CPPCC), fall into this category.<sup>19</sup>

Besides, certain legally sanctioned non-profit organizations may have close ties with particular government agencies. Customarily, these organizations are called “government organized non-governmental organizations (GONGO)” and exempted from the administration of the Ministry of Civil Affairs of China. Examples include China Federation of Literary and Art Circles, China Writers Association, All-China Journalists’ Association, the Chinese People’s Association for Friendship with Foreign Countries, Chinese People’s Institute of Foreign Affairs, China Council for the Promotion of International Trade, China Disabled Persons’ Federation, China Soong Ching Ling Foundation, China Law Society, Red Cross Society of China, Chinese Society of Ideological and Political Work, Western Returned Scholars Association, Alumni Association of the Huangpu Military Academy, and the National Association of Vocational Education of China.<sup>20</sup>

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<sup>16</sup> Article 2 of the Regulations on the Registration and Administration of Social Organizations (1998).

<sup>17</sup> Article 2 of the Interim Regulations on the Registration and Administration of Private Non-Enterprise Units (1998).

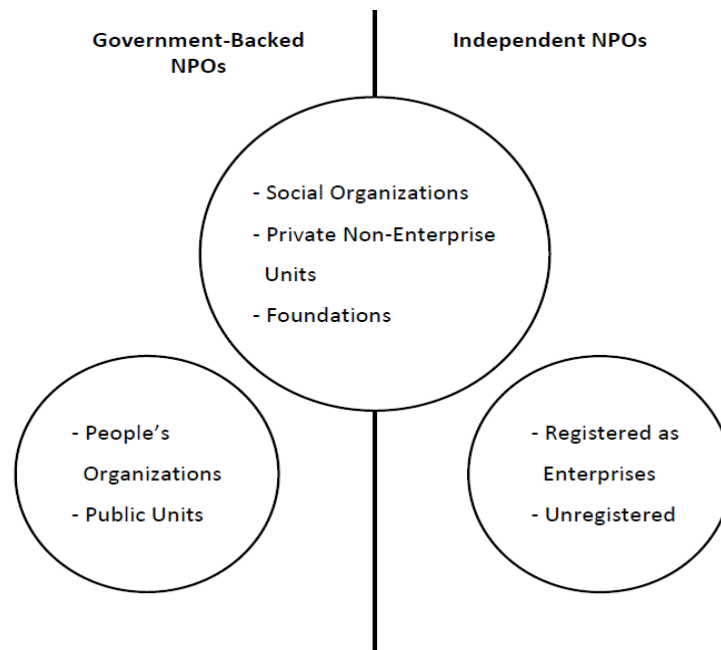
<sup>18</sup> Article 2 of the Regulations on the Administration of Foundations (2004).

<sup>19</sup> Article 3 of the Regulations on the Registration and Administration of Social Organizations (1998).

<sup>20</sup> Article 3 of the Regulations on the Registration and Administration of Social Organizations (1998); Notice of the Ministry of Civil Affairs of China on Issues concerning the Registration Exemption of Certain Organizations (2000).

Public units is a third sort of non-profit organizations that enjoys privileged status, especially with respect to taxation. They are quasi-governmental in nature, defined as social service organizations that are sponsored by state organs or other organizations with state-owned assets for the public benefit and engaged in activities in areas like education, science and technology, culture, health care, etc.<sup>21</sup>, but a reform to convert them into specific categories and streamline their bureaucracy is in progress to promote the development of philanthropy.<sup>22</sup>

Chinese philanthropic sector is overall not so clear-cut, albeit trans-formative (Exhibit 1-2). The fact is that many officially sanctioned NGOs are government-backed with scant autonomy while grassroots NPOs may have to operate as for-profit enterprises from a legal perspective. This type of oxymoron indicates that philanthropy defined as a private initiative for the public welfare is fairly a new phenomenon in China, despite the nation's long history.



*Exhibit 1-2. Chinese Philanthropic Sector*

### **A Brief History of Chinese Philanthropy**

In general, Chinese philanthropy has gone through three stages: (1) traditional philanthropy, (2) stagnation since the founding of the People's Republic of China (PRC) in 1949, and (3) rejuvenation after the reform and opening up policy was launched in 1978. As the boundary between the government, market and civil society becomes clearer, Chinese philanthropy tends to be modernized.

#### ***Traditional Philanthropy***

Chinese philanthropy is rooted in the traditional culture, and benefaction is usually regarded as an expression of people's inherent sense of morality. Confucianism, Taoism, Buddhism and other ancient

<sup>21</sup> Article 2 of the Interim Regulations on the Registration and Administration of Public Units (2004).

<sup>22</sup> Guidelines of the Central Committee of the Communist Party of China and the State Council on Advancing the Reform of Public Units by Categories (2011).

philosophy endow philanthropy with benevolence, kindness and compassionateness, encourage mutual assistance and charitable giving, and propose people-oriented governance. While western philanthropy is derived from religions, Chinese philanthropy is largely secular, suggesting that the state as well as individuals can get involved.

Benevolent policies had been set by the ancient rulers since as early as the pre-Qin Dynasty, and further developed by the ancient Chinese governments to deal with famine, poverty, health care and other social issues. For instance, the granary system was established as a precaution against natural disasters and a stabilizer of food prices. The surplus grain was stored during harvest years and dispensed in case of catastrophe. Besides, official institutions like poorhouses and sanatoriums were built to provide accommodation and medical treatment for the homeless, the sick and those who have no kith and kin.

Around the late Ming and the early Qing Dynasty, folk philanthropic organizations burgeoned owing to the prosperity of commodity economy and the prevalence of morality books. These organizations were independently sponsored and administrated by the populace, rather than the ancient governments. With abundant funds, philanthropic activities were conducted more frequently, and extensive strata including local gentries, merchants and plebeians were engaged in aiding the elderly, orphans, widows and others in need.

China was turned into a semi-feudal and semi-colonial society after the outbreak of the Opium War in 1840, undergoing radical changes in socio-economic, political and cultural areas. In the meantime, Chinese philanthropy manifested new features with the influence of the western ideology, which was largely spread via the missionaries, foreign news-papers, and progressive intellectuals returned from overseas.

Firstly, education was added into the spectrum of philanthropic activities to aid the deserving poor in a more positive way. For example, vagrants were sheltered and equipped with necessary skills to support themselves instead of merely receiving alms. Therefore, philanthropy functioned like a cure rather than a palliative for chronic social problems, becoming more oriented to the needs of the beneficiary. It was recognized that physical relief alone was far from enough to tackle the problem of poverty, since good will could fail if it served nothing but to morally reform the indigent.

Secondly, folk philanthropic organizations were injected with fresh momentum during the prolonged war, which drained the state mean-while mobilized private capital. In the late Qing Dynasty, the Self-Strengthening Movement provided a great impetus to the development of Chinese industry. At the same time, it encouraged the spread of democratic ideas and led to social pluralization. Moreover, the western model of philanthropic organizations was introduced in China, offering enlightening approaches to raising fund. It was exemplified by the Shanghai International Red Cross Society founded in 1904 - the predecessor of the Red Cross Society of China.

Thirdly, the government of the Republic of China promoted the institutionalization of philanthropy. Inspired by the idea of "welfare state" originated in the 19th century, the authority regarded social relief as not only the responsibility of the state, but also the entitlement of the citizens. Governmental agencies concerning social welfare were set up at central, provincial, municipal and county levels, while laws on philanthropic activities and organizations were also enacted. Hence, the administration and legislation of philanthropy fell under the purview of the government, but a clear line between state action and voluntary action remained.

### ***Stagnation of Philanthropy***

After the People's Republic of China was founded in 1949, a socialist system characterized by centrally planned economy was established. Egalitarian distribution eliminated the wealth gap, nevertheless, de-pressed the dynamics of economic growth. Class struggle permeated all walks of life and finally escalated to the devastating Cultural Revolution (1966-1976).

Philanthropy or charity, conceived as the ideology of feudalism and capitalism, was completely excluded. According to the 1991 Chinese Encyclopedia, the term "philanthropy" was once defined as: "through sympathy, pity or religious belief, send money or material goods to those in need, or provide other practical aid to social programs [...] with a heavy religious and superstitious hue, its aim is to do good things for good press [...] for a small number of people it is only a kind of temporary passive relief [...] the social consequences are still disputed."

Philanthropists were labeled "pseud", and "philanthropy" was even not allowed to be mentioned literally or orally. Philanthropic organizations established by the former government, local gentry and foreign churches were either dissolved or reorganized into official institutions subordinated to the government. Consequently, philanthropic activities voluntarily initiated by the social forces were wiped out. Poverty alleviation and disaster relief, though still alive, were almost mandated.

### ***Rejuvenation of Philanthropy***

It was not until the early 1980s that Chinese philanthropy was revived in the wake of the reform and opening up policy. The planned economy was superseded by the socialist market mechanism, contributing to not merely economic growth but also wealth discrepancy. Given that the fiscal expenditure on social security might be insufficient, private capital could fill the gap. Under such circumstances, a batch of foundations were founded, including China Children and Teenagers' Foundation established in 1981, China Soong Ching Ling Foundation in 1982, China Foundation for Disabled Persons in 1984, the Amity Foundation in 1985, China Women's Development Foundation in 1988, China Youth Development Foundation in 1989, China Foundation for Poverty Alleviation in 1989. Besides, the Red Cross Society of China expanded to over 87,000 branches in about 30 provinces by 1989 and extended the range of philanthropic activities to blood donation, medical training, humanitarian aid offering and so forth. However, most of these organizations were virtually backed by specific government departments due to the dormant consciousness of philanthropy.

This climate started to change in the 1990s. People's Daily - the mouthpiece of the Central Committee of the Communist Party of China (CCCPC) - published a commentary titled To Eradicate the Prejudice against Philanthropy in 1994, shedding light on the compatibility of philanthropy with socialism. In the same year, the first social organization in the name of "charity" - China Charity Federation - was founded at the national level, and local charity associations sprung up afterwards. Another notable issue was the 1998 Yangtze River floods, which gave rise to the first nationwide donation since the founding of the PRC. As much as CNY300 million was collected overnight after the appeal was launched via the China Central Television (CCTV). Thus, philanthropy was exposed to the citizens and justifiably spread ever since.

In the meantime, a primitive legal framework for the development of philanthropy took shape, which was comprised of the Law on the Red Cross Society of China (1993) and the Law on Donations for the

Public Welfare (1999) adopted by the Standing Committee of the National People's Congress, and a set of administrative regulations enacted by the State Council, such as the Measures for the Administration of Foundations (1988), the Regulations on the Registration and Administration of Social Organizations (1998), and the Interim Regulations on the Registration and Administration of Private Non-Enterprise Units(1998). Since the dawn of the 21th century, Chinese philanthropy has been nourished in a more favorable political environment.

In 2004, the 4th Plenary Session of the 16th CCCPC decided to "improve the social security system by integrating social insurance, social relief, social welfare and philanthropy". The State Council promulgated the Regulations on the Administration of Foundations (2004), granting permissions for individuals and enterprises to establish foundations for the public welfare.

In 2005, "to endorse the development of philanthropy" was explicitly put forward by the National People's Congress and the Chinese People's Political Consultative Conference (NPC & CPPCC). The Ministry of Civil Affairs held the first national conference on philanthropy and issued the Guidelines for the Development of Chinese Philanthropy (2006-2010).

In 2007, the 17th CCCPC acknowledged the vital role of philanthropy in improving the social security system to guarantee the basic living conditions for both urban and rural residents. The Enterprise Income Tax Law (2007) was newly promulgated by the National People's Congress, offering preferential treatment for corporate philanthropic donation.

Mounting philanthropic projects and donations demonstrated the headway made by the top-down reform, while the 2008 Wenchuan earthquake ushered Chinese philanthropy in an era of bottom-up driven transformation. Based on official statistics, the 8.0-magnitude earth-quake that struck Wenchuan, Sichuan Province on May 12th had caused 69,227 deaths, 374,643 injured, and 17,923 missing by September 22th, 2008. The calamity touched every corner of the society with piles of money and supplies transported to the afflicted area, millions of volunteers swarming to the frontline, and blessings widely spread on the Internet. The year-round donations reached unprecedented CNY107 billion, roughly 3.5 times of that in 2007.

Since then, Chinese philanthropy tend towards civilianization. The private sector - basically civil organizations, enterprises and individuals - are taking initiatives in conjunction with the government to create a more inclusive environment for philanthropy development.

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