

# Chinese Philanthropy in China and Los Angeles

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# Background

- Since opening to the outside world in 1978, China has transformed itself into the 2nd largest economy in the world.
- Significant improvements in general social situations vs. widening social gaps and declining environmental conditions.
- Higher overall livings standards vs. more outer conflicts and higher inner alienations.
- By Gini coefficient, a worldwide index for income disparity, China is long past the 0.40 level above which the United Nations sets as a predictor for social unrest.
- Entering the 2000s, China consistently maintains a high Gini coefficient, significantly higher than its industrial neighbor Japan, as high as the United States most of the time, even higher in some years.

# Background

- Deng Xiaoping: let a number of people become rich first.
- The minority who become rich first have not yet turned back to extend their helping hands to aid the majority who struggle to catch up or just to survive.
- In 2012, charitable donations totaled \$13.2 billion in China, just 4% of all charitable contributions in the United States.
- In 2013, top 100 Chinese philanthropists gave \$898 million, less than what Facebook founder Mark Zuckerberg and his wife donated in the same period.
- In 2014, Bill Gates openly challenged China's rich to embrace public philanthropy rather than personal extravagancy. The reaction has been quite lukewarm across the corporate community.
- According to a recent media report, a billionaire refused to donate 50,000 RMB (\$8,100) a year to a local charitable fund while having no problem losing the same amount in gambling over one night.

# Need and Promise

- Philanthropy and the nonprofit sector in China have tremendous potentials to grow and expand.
- First, the need is huge and widespread in all possible areas from environmental protection, disease control, and disaster relief to maintenance of basic living standards.
- Second, the base for giving is solid and massive. The Chinese are generous and sympathetic. A major natural disaster can usually trigger a groundswell of support by millions of ordinary people from all walks of life.
- Third, the infrastructure is in the making. A new charity law has been passed on charitable foundations with regard to their legal status, management, solicitation, and tax deductions.
- Fourth, the impact is far-reaching. Philanthropy and nonprofit organizations bode well on the growth of the civil society to substitute some governmental functions in social affairs and hence counter the overarching control of the authority in China.

# Fieldwork in China

- For my study on philanthropy in China, I made two fieldwork trips in China.
- One was in January 6-19, 2015 when I traveled to Guangdong, Fujian, Jiangxi, and Zhejiang where overseas Chinese have established a fine tradition of contributing to their hometowns on the coast.
- The other trip was in April 1-13, 2015 when I visited Guangdong, Zhejiang, Anhui, Jiangxi, and Hubei where new patterns of giving appear among new generations of expatriate as well as homegrown entrepreneurs in both coastal and hinterland regions.

# Fieldwork in China

- Through my fieldtrips, I have collected piles of documents, including governmental regulations, academic articles, and news reports, about donations and volunteering in China.
- Besides collecting written materials, I talked to officials, scholars, donors, volunteers, philanthropic beneficiaries, and people in the general public about their observations, experiences, and reflections over giving and taking in the era of economic reform and development.
- On my second trip, I made a plenary speech about the role of giving and volunteering in managing social problems in China with reference to the United States at the Symposium on Social Management and Civic Organizations in Wuhan.

# Facts and Numbers 2014

- Giving: 104.2 billion, 0.16%GDP (US 2.0%), per capital 77.0; Cash 77.9, 74.8%, Material 26.3, 25.2%
- Volunteering 19.3 billion, 1.9 billion hours; Lottery 104 billion
- Donors: Business 72.2, 69.3%; Private Business 55.2, 76.4%; Individuals 11.6, 11.1%; Social Organizations 11.4, 10.9%; Foreign donations 2.0, 1.9%; Over 1 billion: Guangdong, Beijing, Zhejiang, Fujian
- Recipients: Foundations 38.3, 36.8%; Charities 31.0, 29.8%; Governments 23.8, 22.8%; Red Cross 2.6, 2.5%
- Beneficiaries: Health 38.7, 37.1%; Education 28.2, 27.1%; Poverty Relief 11.2, 10.8%

# Infrastructures

- All-China Charity Federation
  - 2013: 1966 charities covering 32 provinces, 2/3 of 3219 county-level governments, some townships; Collect 1/3 of all donations throughout China
- Red Cross
  - 2014: 2.6, 2.5%
- Foundations
  - 2014: 4,117; 38.3, 36.8%; education, science, technology
- NPOs
  - Parallel to international organizations: AIDS, drug abuse, etc.
- Faith-Based Organizations
  - Buddhism, Taoism, Islam, Christianity
- Charitable Organizations
  - 2009: 413,660



# Rules and Regulations

- All-Inclusive
  - 中华人民共和国公益事业捐赠法 (PRC Law on Charitable Donations; PRC Law on Giving for Social Welfare) 2009
- Issue-Specific
  - 救灾捐赠管理办法 (Administrative Rules on Giving for Disaster Relief) 2009
- Administrative and Managerial
  - 基金会管理条例 (Regulations on Foundation Management); 赠与公证细则 (Details on the Certification of Giving) 2010
- Tax-Related
  - 社会团体公益性捐赠税前扣除资格认定工作指引 (Guidelines on Pretax Deductions for Charitable Donations by Social Organizations) 2011
- Transparency
  - 基金会信息公布办法 (Measures on Foundation Briefing and Reporting) 2011

# Climates

- 中国城市公益慈善指数 China Philanthropy Development Index 2011
  - Four dimensions; six aspects
- 中国公益慈善网 China Philanthropy Web
  - Competitive rankings: 中国慈善捐赠指数 China Charitable Giving Index; 社会大额捐赠排行 Ranking for Large-Piece Donations; 社会捐赠省份接收排行 Provincial Ranking for Receiving Donations
- China Philanthropy Yearbook 2002
- China Philanthropy Transparency Report 2008
  - Average 2014 44.1; Advanced 60-80; Excellent 80-90; Superb 90

# 中国城市公益慈善指数体系

	规模（数量）	结构（质量）	贡献（结果）	可持续性（发展潜力）
社会捐赠	人均捐赠额*	非救灾捐赠占比*	捐赠占GDP比例*	捐赠占居民储蓄年增额的比重*
慈善组织	万人拥有组织数	免税组织占比*	支出占GDP比重*	组织透明度*
	组织总资产*	各行政层次组织构成	慈善从业数占比*	年检合格率*
慈善项目	项目总投入*	多元性*	受益人数占比	项目受表彰情况*
		原创类：引入类*	项目绩效	社会需求满足情况
志愿服务	志愿参与率*	专业志愿者占比	相当于全职人数*	志愿服务管理体系建设
	志愿服务小时数*			
财政支持	财政支持总额*	财政支持领域/机构分布	财政支持收入占组织总收入比例*	财政支持（含公益金）制度建设*
慈善环境	慈善宣传活动次数*	慈善宣传内容分布	从业者对政策评价*	政府管理执行能力
	媒体宣传数量*	报道题材篇幅构成	媒体的参与和评价*	政府管理创新能力

# Extension to the United States

## High-Profile Cases

- SOHO China Foundation
  - Pan Shiyi and Zhang Xin, 15 million to Harvard; 10 million to Yale
- Hang Lung Group
  - Gerald & Ronni Chan, \$350 million Harvard School of Public Health; 20 million to USC
- Chen Guangbiao
  - A full-page ad in The New York Times: Luncheon and \$300 for 1,000 poor and destitute Americans

# Extension to the United States

## Forces and Factors

- Forces
  - Immigration: Individual giving
  - Visit: Gardens, Libraries, Museums
  - Study: Scholarships
  - Cultural Exchange: Language and Confucian School
- Factors
  - Wants for acceptance
  - Desires for Competitiveness
  - Nostalgia for native culture
  - Universal human feelings
  - Tax incentives

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