

TO GIVE IS GLORIOUS

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DECADES OF RAPID economic growth have spurred the development of philanthropy in China. Recognising this, since 2005 the Ministry of Civil Affairs has held a prestigious annual charity award to celebrate the philanthropic achievements of entrepreneurs, government officials, and others working in the sector. Some philanthropists are motivated by tax advantages or to transfer corporate funds as a business strategy; some do it to strengthen their reputation; and some even out of altruism. It is such a prominent and dynamic trend that the Harvard Kennedy School Ash Center for Democratic Governance and Innovation collaborated with the Institute for Philanthropy at Tsinghua University to examine Chinese philanthropy's social, political, and legal

implications, producing the report *Values and Vision: Perspectives on Philanthropy in 21st Century China in May 2017*.¹

Responding to the growth of philanthropy, the government has implemented new legislation. Effective on 1 September 2016, the Charity Law deals with establishing, registering, and regulating charitable organisations. This reflects the need to strengthen legal supervision and governance; several high-profile scandals, involving the Chinese Red Cross, among other organisations, have highlighted the need to prevent the misuse of funds.² There is also the problem of 'tunneling' — inappropriate profiteering whereby the controller of a charity directs donations back to himself. Under the new system, once appropriately

accredited, private foundations may raise funds from the public.

The Charity Law represents not only an attempt to enhance transparency around philanthropy, but, according to the authors of *Values and Vision*, it also seeks to focus the efforts of wealthy donors on issues the government would like to see them prioritise. With an increasing number of listed corporations registering charity foundations, an almost non-existent phenomenon before 2005, China's charitable ecosystem is evolving. Government-organised non-governmental organisations (GONGOs), such as the Red Cross of China, are significant, and are especially popular with celebrities. On a broader scale, technology platforms facilitate small-scale donations from individuals — something that grew after the 2008 Wenchuan earthquake in Sichuan.

In considering the motivations, influences, purposes, trends, and future of philanthropy in China, *Values and Vision* reveals that a desire to create social harmony, along with the influence of traditional values, as found in local religious and philosophical thought, have been important drivers of the charity boom. The more than thirty philanthropists interviewed for

the study tended to focus their efforts on single issues, with education the most popular. Environmental issues, by contrast, attracted only 0.9 per cent of donations in 2015, when the survey was conducted. The report also finds that in the corporate sector, share prices can benefit from the positive image of associated charity foundations. However, directors can make hasty donation decisions without adequately considering the negative effect on business profits.

Then there is celebrity philanthropy. In the main, the charitable activities of celebrities relate to urgent needs of developing countries in the Asia-Pacific region, with disaster relief attracting the largest amount of celebrity support. The close alignment of celebrity philanthropy with policy goals also suggests that government priorities are important in shaping the way in which prominent, image-conscious donors direct their money.

Religious philanthropy (giving to temples or churches to provide social services, for example) is most successful when it is localised and not too visible. Given the Chinese Communist Party's (CCP) desire to regulate religious activities, many religious organ-

isations mistrust (or have an uneasy relationship with) the state.

In 2017, China's growing culture of philanthropy made news in Australia. In February, Alibaba founder, Jack Ma 马云, donated AU\$26.4 million to the University of Newcastle. Made through his foundation to honour a Novacastrian friend and mentor, Ma's donation will support up to ninety poor and Indigenous students a year. The wealthy Chinese-Australians Dr Chau Chak Wing 周泽荣 and Huang Xiangmo 黄向墨 also attracted attention for their donations to educational institutions, political parties, and politicians. Media reports expressed concern at the extent to which Chau and Huang are affiliated with the CCP and speculated at their motivations, although both have denied they are acting on behalf of the CCP. As China's philanthropists become more active at home and abroad, the extent to which they can navigate the political goals and regulatory environment of the state will have an impact on the flow of donations in societies worldwide.



Wang Bing, one of China's 'most influential' philanthropists

Source: dz.china.com.cn

This text is taken from *China Story Yearbook 2017: Prosperity*,
edited by Jane Golley and Linda Jaivin, published 2018 by ANU Press,
The Australian National University, Canberra, Australia.

doi.org/10.22459/CSY.04.2018.06A