

Appendix: A Methodological Note on Pinpointing Corporate Donation Trends in China

No ready-to-use statistical data so far has shown the amounts of corporate donations received by Chinese nonprofit groups of different political statuses. My estimation of the trend in the grassroots-oriented corporate philanthropy of China was based upon aggregation and reanalysis of donation data available from three separate sources: the China Philanthropic Donations Report, the Research Infrastructure of Chinese Foundations (RICF), and annual work reports that registered charitable foundations are mandated to submit. To be sure, my calculation was only based upon available data on donation recipient organizations located in China; funds received by oversea divisions of Chinese nonprofits or Chinese branches of international organizations and foreign NGOs were therefore excluded from the current analysis.

To first estimate the value of corporate donations flowing to government institutions and quasi-government organizations, I referred to the China Philanthropic Donations Report. Released annually by the China Charity Information Center affiliated with the Ministry of Civil Affairs of China, this report provides comprehensive information about composition of charitable donations by types of recipient organizations. I counted gifts received by following types of organizations as state-oriented donations: Red Cross groups, charity federations, people's groups, government agencies, and other public sector organizations formally connected with them. Because corporate giving on average constitutes 70% of the total philanthropic donations in China for a given year, I chose to approximate the recipient composition of corporate donations by using data on the makeup of total philanthropic donations. For the current estimation, I drew on the China Philanthropic Donations Report released between 2007 and 2018 and considered both monetary and in-kind donations.

I then analyzed the RICE data to calculate the donations targeted at government-controlled charitable foundations, between 2013 and 2016. Other than government and quasi-government institutions, many charitable foundations in China also maintain formal connections with the state. Compiled by Ma et al. (2017), RICE collected basic information about registered charitable foundations in China between 2013 and 2016, including organizational background, composition of board of directors, and donations received. RICE accessed this information using annual work reports that registered foundations were required to submit to civil affairs bureaus.¹ I manually checked official websites of foundations and determined whether they were founded by government agencies or quasi-state organizations. For the current estimation, I then zoomed in on national charitable foundations—those registered with the Ministry of Civil Affairs of China and, as required by law, supervised by the central government—and then calculated the percentage of amount of corporate donations to national foundations either established by the state or led by former government officials, in the amount of total donations received by all national foundations. This proportion was eventually used to approximate the value of total corporate donations oriented toward government-controlled foundations, combined with information about donations received by all foundations, which is included in the China Philanthropic Donations Report. Philanthropic donations to these national foundations were substantial: in 2019, they constituted 49.7 percent of the value of total donations received by all foundations in China.

For years that the RICE data has not covered, I estimated the donation amount directed to government-controlled foundations by manually collecting all national foundations' annual work

¹ For more details about RICE's data sources and methods for data collection, see Ma et al. (2017).

reports between 2007 and 2012 and between 2017 and 2018. In work reports submitted by foundations, Section I, Part III specifies the amount of donations contributed by domestic and foreign firms.² Once again, in order to obtain the proportion of donations sent to government-controlled foundations, I calculated the composition of donations received by national foundations of different political statuses. To be clear, the total corporate donations directed to state-led institutions in China include donation to Red Cross groups, charity federations, people's groups, government agencies, state-controlled foundations, and other public sector organizations.

Finally, to estimate donation amount received by grassroots nonprofits and state-led nonprofits located in different cities, I again relied on the RICF data. Specifically, I identified all government-established foundations in the three cities, summed the corporate donations they received, and calculated the proportion of corporate donations that foundations of different political statuses receive. My estimation was based on the 2016 RICF data. Although amount of donations received by charitable foundations is only a proportion of donation amount directed to the entire Chinese social sector, this percentage sharply rose from 19 percent in 2007 to 45 percent in 2018 (China Charity Information Center 2019), suggesting that Chinese charitable foundations have played an increasingly crucial role in social provision and other nonprofit activities. Furthermore, focusing on foundations allows for a comprehensive understanding of a distinct organizational field where nonprofits of different political standings compete for scarce resources.

² Foundations' annual work reports actually specify the amount of charitable donations that have been initiated by "legal entities." Yet, in the Chinese context, most of organizations within the category of legal entities are business firms (Zheng, Ni, and Crilly 2019).