The Resource Mobilization Cycle: How Chinese CSOs Leverage Cultural, Economic, Symbolic and Social Capital

Abstract

How can survival strategies of resource-dependent Chinese CSO be re-conceptualized in order to narrow the gap between civil society research and emerging CSO practices? Specifically, to what extent have CSOs managed to leverage scarce resources to secure organizational survival? Drawing on Bourdieu's scholarship the authors engage in theoretical innovation by explaining how CSOs have engaged in a resource mobilization cycle, whereby practitioners draw on their cultural, economic, symbolic and social capital. They explain how CSOs have varying levels of access to support their work from the four resource pools global civil society, party-state, private sector, local constituents and local communities.

Keywords

Resource mobilization cycle; resource pools; civil society organizations; capital; tradeoffs and paradoxes.

Biographical information about the two co-authors

Dr Andreas Fulda

Email: Andreas.Fulda@nottingham.ac.uk

Position: Assistant Professor, School of Politics and International Relations, University of Nottingham

Dr Fulda is a trained social and political scientist. He obtained his PhD from Free University of Berlin.

Dr Fulda is research active in the fields of EU-China relations as well as philanthropy and civil society in Greater China. This article is also informed by his work as a capacity builder for Chinese social and environmental CSOs during the past fifteen years. As the PI for five projects and as commissioned researcher he has worked on and with Chinese CSOs on behalf of international funders, including the European Commission (2011-14), British Foreign and Commonwealth Office (2011-12), Legatum Foundation (2014-17) and Ford Foundation (2017-18).

Dr Jennifer Y.J. Hsu

Email: jenniferhsu@cantab.net

Position: Visiting Fellow, Social Policy Research Centre, University of New South Wales.

Dr Hsu obtained her PhD in Development Studies and Land Economy at the University of Cambridge.

Dr Hsu's research interests include state-society and state-NGO relations, the growth of civil society in China, and the internationalization of Chinese NGOs. Her monograph, *Migrant NGOs and the Chinese Government* (University of British Columbia Press, 2017) details the relationship between migrant organizations and the Chinese state in addressing the challenges of rural-urban migration.

The Resource Mobilization Cycle: How Chinese CSOs Leverage Cultural, Economic, Symbolic and Social Capital

Introduction

The study of Chinese civil society organizations (CSOs)[1] is an evolving field. The opportunity for us researchers is to stand at the forefront and observe and analyze its evolution.[2] However, we must also be mindful of the existing paradigms that inform, and also potentially inhibit our interpretation of this new social phenomena.[3] Thus, at the heart of this article is our ambition to close the conceptual gap between a highly dynamic organizational field of Chinese civil society and research on Chinese CSOs. We posit that despite the proliferation of literature on ever increasing sub-sets of Chinese CSOs research on China's civil society overall is falling behind changes on the ground. The following research puzzle is at the heart of our inquiry: How can survival strategies of resource-dependent Chinese CSO be re-conceptualized in order to narrow the gap between civil society research and emerging CSO practices? Specifically, to what extent have Chinese CSOs managed to leverage[4] scarce resources to secure their organizational survival?

A significant bottleneck for current research on China's civil society lies in the theories that inform our work. Despite attempts to engage in theoretical innovation, academic research on the subject is currently impeded by the state-society paradigm as the overarching yardstick to measure the equidistance between China's organized society and the party-state.[5] A concentrated focus on state-society relations has led to

[1] In this research article we use the term civil society organization (CSO) which mirrors the Chinese-language term minjian zuzhi. In line with Salamon and Anheier's definition, CSOs should represent non-profit group interests, be anchored in values, promote solidarity and volunteerism, and enjoy some personal and financial autonomy from the state and private sector. See Lester M. Salamon and Helmut K Anheier, 'The third world's third sector in comparative perspective', *The Johns Hopkins Comparative Non Profit Sector Project Working Paper*, (1997), p. 9.
[2] Carolyn L. Hsu and Yuzhou Jiang, "An Institutional Approach to Chinese NGOs: State Alliance Versus State Avoidance Strategies", *The China Quarterly*, Volume 221 (2015), pp. 100-122.
[3] Thomas S. Kuhn, *The Structure of Scientific Revolutions 3rd ed* (Chicago, IL: University of Chicago Press, 1996).
[4] By leverage we mean resource leverage which "involves employing resources in such a way as to create a maximum effect from a minimum effort". See David M. Anderson, "Introduction", in *Leveraging: A Political, Economic and Societal Framework*, ed. D.M. Anderson (New York: Springer, 2014), p. 6.
[5] Volume 19, issue 2 of *Modern China*, signaled the beginning of the academic interest amongst China scholars in understanding the (r)emergence of civil society elements in China. The articles in the 1993 issue discussed amongst many issues pertinent of the time, for example, the distinction between civil society and public sphere (Frederic Wakeman Jr, "The Civil Society and Public Sphere Debate: Western Reflections on Chinese Political Culture The Civil Society and Public Sphere Debate: Western Reflections on Chinese Political Culture", pp. 108-138) or the existence of civil society in China, given the Western origins of the concept (Heath B. Chamberlain, On the Search for Civil Society in China", pp. 199-215). For an up-to-date assessment of current Chinese civil society dynamics, see

three possible blind spots in the academic field: 1) a disregard for the contested relationship between CSOs and their foreign funders; 2) a neglect of the influence of the private sector on CSOs and; 3) an underdeveloped understanding of the relationship between CSOs and their constituents and their grounding (or lack thereof) in urban or rural communities. These blind spots can only be overcome by paying greater attention to the practical challenges that Chinese CSOs face in terms of securing their organizational survival. Similarly, to Batti's observation about NGOs operating on the African continent, Chinese CSOs "share a common challenge of unlimited needs chasing limited resources."[6] From a Chinese civil society practitioner's perspective, the challenge of fundraising means that it can no longer be overlooked by scholars interested in China's civil society development. While the political dependence of Chinese CSOs on the party-state is well understood, their economic dependence on their respective funders (whether state or non-state) remains an under-investigated research area.

This article synthesizes existing research on Chinese CSOs to develop a new analytical framework for the study of CSO resource dependency. It is structured as follows. First, we discuss how Bourdieu's notion of capital can help enrich prevalent paradigms and practices in civil society research. Second, we draw parallels between resource-scarcity in China's civil society sector and the challenges of resource-dependence among CSOs operating in other national jurisdictions. Third, we examine how CSOs have pursued the following resource mobilization strategy: drawing on their cultural, economic, symbolic and social capital, between 1995 and 2017--bookended by the Fourth World Conference on Women and the Overseas NGO Law. We elucidate this strategy with reference to the new heuristic device of the resource mobilization cycle, arguing that during the past 20 years, Chinese CSOs have already experienced various iterations (and variations) of the resource mobilization cycle. The fourth section explains the four resource pools in which Chinese CSOs have varying levels of access to support their work: global civil society, party-state, private sector, local constituents and local communities. The concept of four resource pools builds upon Bourdieu's forms of capital and existing literature on CSOs, in relation to China and beyond. We show that resource mobilization

Shawn Shieh, "Remaking China's Civil Society in the Xi Jinping Era," *ChinaFile* (2 August 2018), available at: http://www.chinafile.com/reporting-opinion/viewpoint/remaking-chinas-civil-society-xi-jinping-era [30 April 2019].

[6] Rehema C. Batti, "Challenges Facing Local NGOs in Resource Mobilization", *Humanities and Social Sciences* (Vol. 2, No. 3, 2014), pp. 57-64, at http://article.sciencepublishinggroup.com/pdf/10.11648.j.hss.20140203.12.pdf [10 April 2018].

from any of the four resource pools leads to different kind of political and economic opportunities and dependencies. Fifth, we demonstrate how the resource mobilization cycle and the four resource pools are applicable to the study of Chinese CSOs. We explore four CSOs sectors: environmental protection, social development, HIV/AIDS and migrant workers organizations. Our sixth section discusses how different resource mobilization strategies and capital conversion processes lead to inherent trade-offs and paradoxes with regards to the work of Chinese CSOs. We conclude with reflections on future research on China's civil society.

Pierre Bourdieu's Four Forms of Capital

Bourdieu's theory of cultural reproduction has been widely applied in the study of education and stratification.[7] Its focus on habitus and cultural capital has made it a suitable lens through which researchers have tried to make sense of "class reproduction in advanced capitalist societies".[8] At the heart of Bourdieu's scholarship is the question of capital, how it is obtained and used. Bourdieu writes: "Capital is accumulated labor…which, when appropriated on a private, i.e., exclusive basis by agents or groups of agents, enables to appropriate social energy in the form of reified or living labor".[9] The various forms of capital, whether in its objectified or embodied form, takes time to accumulate with the potential to produce profits, reproduce itself and/or be transformed into other types of capital. Here, we focus on four forms of capital: cultural, economic, symbolic, and social. These four forms shape our resource mobilization cycle as seen in later sections and in Figure 1. We briefly outline each with an eye on its application on both an individual and collective level. We posit that CSOs are more likely to enjoy a wider degree of organizational autonomy if they manage to overcome single-donor dependence. Capital accumulation—in all its forms—thus is the *sine qua non* to achieve this goal.

Cultural Capital

[7] Alice Sullivan, "Bourdieu and Education: How Useful is Bourdieu's Theory for Researchers?", *The Netherlands' Journal of Social Sciences,* Volume 38, No, 2 (2002), p. 144.
[8] Ibid.
[9] Pierre Bourdieu, "The Forms of Capital", in *Handbook of Theory and Research for the Sociology of Education,* ed. John G. Richardson (New York: Greenwood Press, 1986), p. 241.

Cultural capital can exist in three different states: embodied, objectified and institutionalized. In its embodied form, cultural capital are the values or characteristics that result through cultivation, such as education, religion or ethnicity. These values "presupposes a process of embodiment, incorporation…costs time, time which must be invested personally by the investor".[10] On the collective level and when applying this to CSOs, we can think about a CSO embodying cultural capital where it is associated with certain cultural, social or ethnic groups or in possession of certain distinctive cultural values associated with an elite social level. The ability of Chinese civil society practitioners to continuously monitor and evaluate party-state policies and practice can be considered a form of cultural capital.[11] In its objectified form, cultural capital represents the understood value of the item. For example, a plaque awarded to a CSO for best project by the government only has value to one who understands the significance and rarity of such an item, otherwise it is just a plaque on the wall. Institutionalized cultural capital is manifested in the form of achieving legal registration status, successful implementation of a series of projects and programs, and beyond that, perhaps recognition for outstanding service awards to the community. In this context CSO founders have considerable power to shape the organization in their image. There are, however, in-built limitations to the positioning of CSOs by their leaders. If CSOs diverge too much from the norms and operating procedures of its primary funder(s) isomorphic pressures arise. Isomorphism in the context of CSOs "refers to the different factors that mold the development of organizations to a similar shape, structure or form".[12] At the organizational level, cultural capital is likely to be molded in the shape of the dominant funder's value propositions. This can become a problem when CSOs rely on different funders. Different philanthropic approaches of grant-makers can put pressure on a CSO to diverge from their initial vision and mission.

Economic Capital

At its most basic, economic capital is money and is as Bourdieu writes, translated into property rights, its institutionalized form. Gregory and Howard argue that "(organizations) that build robust infrastructure—

[10] Ibid. p. 244.
[11] Civil society practitioners need to be mindful of party policies which either constrain (e.g. Document No 9) or facilitate (e.g. China's Charity Law) civil society development. The authors would like to thank the anonymous reviewer for pointing this out.
[12] Reza Hasmath and Jennifer Y. J. Hsu, "Isomorphic Pressures, Epistemic Communities and State–NGO Collaboration in China", *The China Quarterly*, Volume 220 (2014), p. 940.

which includes sturdy information technology systems, skills training, fundraising processes, another essential overhead—are more likely to succeed than those that do not."[13] In their review of US-based non-profits they argue that "most nonprofits do not spend enough money on overhead".[14] Civil society researchers thus need to pay attention to the source, volume and nature of grants that CSOs hold at any given time. An underfunded CSO is likely to lack the organizational capacity to live up to its vision and mission. Without stable funding, a CSO cannot afford office space, hire and retain staff over a sustained period, or ensure sustainability of its operations. A well-funded CSO, on the other hand, will be in a much stronger position to leverage such funding to mobilize the other three forms of capital.

Symbolic Capital

On the individual level, symbolic capital relates to a person's class, status and prestige within a given community and society.[15] The interlinkage between symbolic and social capital is so bounded that the expression of social capital is perhaps indicative of its symbolic nature. Bourdieu notes this interdependence: "social capital is so totally governed by the logic of knowledge and acknowledgment that it always functions as symbolic capital."[16] Furthermore, he suggests that capital in whatever form can be expressed symbolically, and here is where we can think about the convertibility of one form of capital to another. This insight is important in the field of civil society research, as successful grant capture—economic capital—simultaneously also bestows symbolic capital upon the CSO. Here, we may also find Mayfair Yang's work on *guanxi* particularly instructive in conceptualizing and applying the ideas of capital to the study of CSOs in China.[17] Yang's work on the gift economy demonstrates the types of power relationships and their social and symbolic expressions have manifested around the allocation and flow of desired goods in a politicized economy which have crystallized around the distribution and circulation of desirables in such a politicized economy. Yang notes that there are four basic items in circulation and "cannot be measured by a single objective value. Their equivalences are not systematized or universalized but remain context- and

[13] Ann Goggins Gregory and Don Howard, "The Nonprofit Starvation Cycle", *Stanford Social Innovation Review* (Fall 2009), at https://ssir.org/articles/entry/the_nonprofit_starvation_cycle [10 April 2018].
[14] Ibid.
[15] Pierre Bourdieu, *Distinction. A Social Critique of the Judgment of Taste* (Cambridge, MA: Harvard University Press, 1984).
[16] Pierre Bourdieu, "The Forms of Capital", p. 257, footnote 17.
[17] Mayfair Mei-hui Yang, *Gifts, Favors and Banquets: The Art of Social Relationships in China* (Ithaca, NY: Cornell University Press, 1994).

person-specific."[18] The items in circulation are gift capital, symbolic capital, office capital and political capital. Gift refers to the material object such as cigarettes, foodstuffs and money. In Yang's work, symbolic capital is the social investment that is accrued by the recipient and translated into a form of indebtedness or obligation. Office capital is in reference to positions or ranks held. And finally, political capital may be derived from membership of the Party and/or one's lineage/family background whereby these positions translate into material advantages. There is much complementarity between Yang's *emic* categories and the *etic* concepts of Bourdieu's.[19] However, where it is most useful in reflecting the overlap between the study of *guanxi* and capital is perhaps crystallized around the notion of symbolic capital, which both feature in Bourdieu and Yang's work. Yang writes: "the art of *guanxi* aims at building up symbolic capital, which can be converted into usable gift capital…the art of *guanxi* is the crucial bridge to office and/or political capital…"[20] While there are intersections between Yang and Bourdieu, it is worthwhile to note that there is distinction between the two. In Yang's research, the bestowment of symbolic capital on to an individual, results in a debt or obligation, whereby the recipient is expected to repay at some point, thus creating web of exchanges. It is beyond the scope of the paper to delve into the differences between Yang and Bourdieu, but we hope that this brief discussion demonstrates interconnections, especially when seen through the lens of symbolic capital. The next section on social capital will show, social capital accumulation likewise enhances symbolic capital.

Social Capital

The idea of social capital has been more widely applied to the study of CSOs. Social capital refers to the trust and reciprocity that is embedded in relationships and the glue that binds families, groups and communities: "Social capital is the aggregated of the actual or potential resources which are linked to possessions of a durable network of more or less institutionalized relationship of mutual acquaintance and recognition—or in other words, to membership in a group—which provides each of its members with the backing of the collectively-owned capital…".[21] Here we can see that an individual's social capital can impact

[18] Mayfair Mei-hui Yang, *Gifts, Favors and Banquets*, p. 199.
[19] Whereas *etic* signifies the views and concepts of outsiders observing and analyzing a relatively distant place, culture, society or political system an *emic* perspective comes from within the social group under observation. See Marvin Harris, History and significance of the emic/etic distinction, *Annual Review of Anthropology*, 1976 5:1, 329-350.
[20] Ibid, p. 200.
[21] Pierre Bourdieu, "The Forms of Capital," p. 248.

on the group or organization's social capital. The interplay between individual and organization is critical for our study of CSOs, as we shall demonstrate that the social capital of the founder confers social capital upon their organization, thereby allowing the continuous development of organizational social capital. The reproduction of social networks and thus social capital requires investment and is "done through the alchemy of consecration, the symbolic constitution produced by social institution…"[22]. Through this process we see social capital converted into symbolic capital, whereby repeated interactions enhances the symbolic importance of the individual and/or organization where "they are known to more people than they know, and their work of sociability, when it is exerted, is highly productive".[23] This overview shows not only the relative importance of each form of capital but also their interconnectivity and the possibility of conversion of one form into another. We will expand on Bourdieu's concept of capital accumulation in parts three and four. In the following we outline how Bourdieu's four forms of capital informs our thinking on resource mobilization strategies for CSOs in general and Chinese CSOs in particular.

Resource Constraints for CSOs

The proliferation and diversification of civil society actors has also increased competition among CSOs. Salamon and Sokolowski account for the increasing pluralization of civil society actors by developing a new set of requirement for CSOs to be considered part of what they term the "third or social economy sector" (TSE).[24] Such attempts to reconceptualize the third sector come against the backdrop of encroachments of the private sector into the civil society sphere, where increasing numbers of social business and social enterprises have started to compete with donor-dependent CSOs. Commenting on the global phenomenon of closing civil society spaces Green and Pandya have noted that CSOs are under increasing pressure from their

[22] Ibid. p. 22.
[23] Ibid, p. 23.
[24] Lester M. Salamon with S. Wojciech Sokolowski, "Beyond Nonprofits: Re-Conceptualizing the Third Sector", *Voluntas*, Volume 27, No. 4 (2016), p. 1533. In this article we apply Salamon and Sokolowski's broad definition of a third sector, which include a broad set of "institutional and individual activities" which "unlike the state, (…) are *private*, second (…) unlike market entities, they primarily serve some *common good*, and third, (..) unlike families, participation in them involves some meaningful element of *free choice*" (p. 1518). We thank the anonymous reviewer for pointing out Anthony Giddens' "third way" as it pertains to civil society. We note the application of Giddens' third way by New Labour under Tony Blair's government, where there were concerted efforts to bring state and the third sector into an ever closer partnership to deliver social and environmental goods (see Helen Haugh and Michael Kitson, "The Third Way and the Third Sector: New Labour's Economic Policy and Social Economy," *Cambridge Journal of Economics* Volume 31 (2007), pp. 973-994).

domestic environment as well as shrinking funding from foreign sources;[25] such conditions have prompted donors and civil society actors to engage in strategizing for long-term survival. Simultaneously in managing state pressure, CSOs must also deal with increasing inter-sectoral competition for scarce resources.

The situation for CSOs in China broadly mirrors the global situation. Chinese CSOs face two main obstacles in terms of their sustainability: obtaining registration and fundraising. Whereas the legal status of CSOs depends almost entirely on the willingness of the Chinese Communist Party (CCP) to provide political-administrative space for non-state actors—a structural and institutional challenge—the question of fundraising relates to the ability among Chinese civil society practitioners to mobilize resources—a procedural challenge heavily dependent on the fundraising capabilities of Chinese civil society practitioners. However, since 2016, the possibility of fundraising has become easier with the Charity Law[26], relaxing some of the regulatory hurdles, enabling some organizations to diversify their funding sources by raising funds domestically from the Chinese public.

China's civil society development has from the outset mirrored some of the features of the increasingly blurred boundaries between the state, private sector and civil society in other parts of the world. Civil society development occurred against the backdrop of a rapidly changing Chinese economy in the late 1990s. The emerging markets did not lead to a private sector with significant autonomy from the party-state. Prybyla has described the Chinese market as "quite imperfect, as they are linked by networks of interpersonal connections".[27] Chinese scholar, He Qinglian writes that the Chinese system of resource distribution and acquisition of capital and wealth is reliant on "a highly elaborate and informal network or web of social connections".[28] Chinese civil society practitioners therefore not only operate in a politically circumscribed

[25] Shannon N. Green and Archana Pandya, "Introducing Open Global Rights' Newest Debate: 'Closing Space for Civil Society' – Analyzing the Drivers and Responses", *Open Democracy* (18 April 2013), at https://www.opendemocracy.net/openglobalrights/shannon-n-green-archana-pandya/introducing-openglobalrights-newest-debate-closing-s [10 April 2018].
[26] For more information about China's Charity Law see Josh Chin, "The good - and Bad - about China's new Charity Law", *The Wall Street Journal*, 16 March 2016, at https://blogs.wsj.com/chinarealtime/2016/03/16/the-good-and-bad-about-chinas-new-charity-law/ [10 April 2018] and Priscilla Son, "China's New Charity Law", *The Borgen Project* (15 October 2016), at https://borgenproject.org/chinas-new-charity-law/ [10 April 2018].
[27] Jan Prybyla, "The Chinese Communist Economic State", in *The Modern Chinese State*, ed. David Shambaugh (Cambridge: Cambridge University Press, 2000), p. 213.
[28] Quoted in John Osburg, *Anxious Wealth: Money and Morality among China's New Rich* (Stanford: Stanford University Press, 2013), pp. 78-79.

environment, in which the party-state can grant or withhold licenses to operate legally, but they also have to mobilize resources in an environment where the Chinese party-state monopolizes resources and plays a gate-keeping role vis-à-vis other resource pools such as global civil society, private sector, as well as local constituents and local communities, as we will further elaborate in later sections.

According to Wang and Yao,[29] resource dependence theory follows three principles. First, the pursuit of resources is necessary for organizational survival and fulfilment of goals. Second, resources can be obtained from the surrounding environment. Third, inter-organizational relationships are marked by power and dependency. In line with this understanding of resource-dependence, we draw upon Mitchell's work to think about Chinese CSOs as "autonomy-preserving firms that intermediate between donors and beneficiaries."[30] Similar to firms, for CSOs to secure resources exposes them to risks, whether it be the state or private sector.

There is consensus in the literature that Chinese CSOs are underfunded.[31] Both foreign and domestic funding support for Chinese CSO has been limited. Spires' research showed that of the US $443 million sent to Chinese CSOs from American foundations, "government-controlled groups were the favorite of grant-makers"[32] accounting for 86 per cent of total grant monies and grassroots NGOs received just 5.61 per cent of the funding. Despite these figures, it is also important to note that Spires did not explore how much of the money that flowed to government-controlled groups was passed on to grassroots NGOs, as often they were unable to directly receive funds. Funding to Chinese civil society organizations from the European Union (EU) demonstrate similar patterns. The EU allocated 224€ million between 2007 and 2013 to support China's transition to an open society, only 4 per cent of the funding would potentially benefit Chinese CSOs through the European Instrument for Democracy and Human Rights (1.9€ million) and NGO co-financing program (7.1€ million).[33]

[29] Qun Wang and Yanran Yao, "Resource Dependence and Government-NGO Relationship in China", *The China Nonprofit Review,* Volume 8 (2016), p. 32.
[30] George E. Mitchell, "Strategic Responses to Resource Dependence among Transnational NGOs Registered in the United States", *Voluntas,* Volume 25 (2014), p. 89.
[31] Lester M. Salamon with S. Wojciech Sokolowski, "Beyond Nonprofits: Re-Conceptualizing the Third Sector".
[32] Anthony Spires, "US Foundations Boost Chinese Government, Not NGOs", *Yale Global Online* (28 March 2012), at http://yaleglobal.yale.edu/content/us-foundations-boost-chinese-government-not-ngos [10 April 2018].
[33] "China Strategy Paper 2007-2013", *European Commission* (1 January 2013), at https://ec.europa.eu/europeaid/country-strategy-paper-china-2007-2013_en [10 April 2018].

Domestic funding sources for Chinese CSOs, on the other hand, are only now emerging. While local level experiments with government procurement of CSO services have been on-going since 2000, the Chinese central government only started to scale up these programs on a nation-wide level in 2012.[34] Private sector funding for Chinese CSOs is mostly limited to CSR activities.[35] Domestic foundations on the other hand, tend to operate their own projects and programs and only about 3 per cent can be considered grant-making foundations.[36] Despite the growth of domestic donations to charitable courses, much of the funds are donated to government-organized entities, only 1.3 per cent of the donations are channeled to grassroots organizations[37]— similar to what we noted above from American foundations and the EU to Chinese civil society. Domestic scandals about misappropriated public funds such as the controversies surrounding the Red Cross Society of China in 2011 has furthermore undermined the credibility of some Chinese CSOs in the public eye.[38] Notwithstanding the funding challenges that Chinese CSOs face, it is by no means a unique situation. CSOs globally have long struggled to find a balance between operating as legal entities in their given regional context, and not being overly reliant on one source of funding and thus being able to realize their organizational vision and mission without too many compromises.

The CSO Resource Mobilization Cycle

By drawing on Bourdieu's capitals and applying it to Chinese CSOs for the purpose of understanding how they overcome resource constraints, we see that Chinese civil society practitioners have mobilized and leveraged the four forms of capital in a particular order. In the first instance, CSO founders draw on their *cultural* capital, e.g. in the form of their respective sector-specific expertise and skills when trying to convince their (initially mostly foreign) funders to financially support their initiatives. Successful fundraising

[34] Tuan Yang, Haoming Huang and Andreas Fulda, "How Policy Entrepreneurs Convinced China's Government to Start Procuring Public Services from CSOs", in *Civil Society Contributions to Policy Innovation in the PR China*, ed. Andreas Fulda (New York: Palgrave Macmillan, 2015), pp. 196-197.
[35] Douglas Whitehead, "Chinese NGO–Firm Partnerships and CSR from an Institutional Perspective", *Journal of Current Chinese Affairs*, Volume 43, No. 4 (2014), pp. 41–74.
[36] Yongguang Xu, "Toward a Healthier Philanthropy: Reforming China's Philanthropic Sector", in *Philanthropy for Health in China*, eds. Jennifer Ryan, Lincoln Chen and Tony Saich (Bloomington: Indiana University Press, 2014), pp. 268-280.
[37] Guosheng Deng, "The Decline of Foreign Aid and the Dilemma of the Chinese Grassroots NGOs", *Religions & Christianity in Today's China*, Vol. III, No.1 (2013), p. 28.
[38] Voice of America, Chinese Red Cross Still Feeling Impact from 2011 Scandal, https://www.voanews.com/a/china-red-cross-still-felling-impact-from-2011-scandal/1972844.html [30 April 2019].

translated *economic* capital into *symbolic* capital, as grant capture bestows legitimacy on the CSOs' proposed actions and make their organizations attractive to central or local government agencies, enables them to engage with constituents and access either rural or urban communities for their programs. Expanding networks of collaborators enhanced the CSO's *social* capital. Successful projects in turn would enhance their initial cultural capital and their standing in the respective community of practice. The cycle then would come full circle and could start anew.

Figure 1 HERE

The Four Resource Pools

Chinese CSOs can mobilize scarce funding from four distinctive resource pools: global civil society, party-state, private sector, and local constituents and communities. As outlined previously, Chinese civil society practitioners leverage their cultural capital to mobilize economic capital, e.g. in the form of grants. Such funding support, however, comes with various conditions. Depending on the origin of their funding support, Chinese CSOs will face varying challenges in the grant-maker grantee relationship.

Global Civil Society

China's civil society gathered steam following the Fourth World Conference on Women in Beijing in 1995. Foreign funders such as the Ford Foundation, Asia Foundation, OXFAM Hong Kong, and church-based organizations such as Misereor provided seed funding for Chinese CSO start-ups throughout the late 1990s.[39] Although foreign funding for Chinese CSOs has always been limited, it has led to the proliferation of CSOs throughout China. The China Social Sector Pioneer Program (CSSP), an initiative implemented between 2011 and 2014 by the Philadelphia-based philanthropic consultancy Geneve Global (GG) is a case in point. GG chose to work with 14 mostly well-established CSOs, tasked with strengthening CSO networks, replicating models and improving and expanding projects. Its funder, the Legatum Foundation, claims based on GG's stringent reporting requirements that the CSSP has managed to improve Chinese people's lives by

[39] Andreas Fulda, "The Contested Role of Foreign and Domestic Foundations in the PRC: Policies, Positions, Paradigms, Power", *Journal of the British Association for Chinese Studies*, 7, 63-99 (2017), pp. 71-72.

reaching out to 1,063 unique organizations through the 14 CSSP grantees.[40] In this example, we see foreign funding expediting the development of China's civil society sector. While indispensable in some ways, foreign funding has also come with major risks for Chinese CSOs. As Alpermann notes, the support of foreign funding is a "double-edged sword"[41] for Chinese CSOs, as it leads to donor alignment pressures which may raise suspicion about the CSOs in the eyes of the Chinese party-state. Moreover, given the suspicion non-democratic governments have of foreign organizations operating in their country—often seen as harbingers of political change—many, including China have sought to restrict their movement and operation; China's Overseas NGO Law should be seen as an attempt to corral and limit the impact of foreign organizations in China.[42]

Party-state

China's rapid economic growth and accumulation of wealth over the last 40 years has meant that the Chinese government has become a funding source for development outside its own borders[43] and for its own domestic civil society. For Chinese CSOs this development opens a new venue for resource mobilization which overcomes the political risks associated with foreign funding. Simultaneously, Chinese CSOs need to be mindful that government procurement of CSO services has a short history and that policies guiding cross-sectoral collaboration between party-state and CSOs are still evolving. There is certainly desire and need from the side of the party-state to procure services from a more skilled and knowledgeable CSO sector with experience in working with various constituencies, but this enthusiasm lead to impatience for results to be delivered which can negatively impact on the process, where analysis and assessment of projects are given little attention.[44] Nonetheless, the party-state at the local levels, such as Shanghai and Shenzhen, has dedicated resources procuring CSOs' services to deliver social welfare.

---

[40] "China Social Sector Pioneers Initiative: China's Rising Social Sector", *Legatum Foundation*, at www.legatum.org/initiative/China-Social-Sector-Pioneers-Initiative [10 April 2018].
[41] Björn Alpermann, "State and Society in China's Environmental Politics", in *China's Environmental Crisis: Domestic and Global Political Impacts and Responses*, eds. J. J. Kassiola & S. Guo, (New York: Palgrave Macmillan, 2010), p. 143.
[42] Sidel, M. (2018). Managing the Foreign: The Drive to Securitize Foreign Nonprofit and Foundation Management in China, *Voluntas*, 1-14.
[43] Jennifer Y. J. Hsu, Timothy Hildebrandt, and Reza Hasmath, "'Going Out' or Staying In? The Expansion of Chinese NGOs in Africa", *Development Policy Review*, Volume 34, No. 3 (2016), pp. 423-439.
[44] Tuan Yang, Haoming Huang and Andreas Fulda, "How Policy Entrepreneurs Convinced China's Government to Start Procuring Public Services from CSOs".

Private Sector

Apart from seeking support from global civil society or the party-state, Chinese CSOs can also tap into resources provided by the private sector, notably business entities and wealthy individuals. Corporate funding support, however, can have its own shortcomings. Increasing philanthropic activities has brought into discussion how wealthy individuals engage with the charitable sector, whether through foundations or direct giving to those in need.[45] Fulda has argued that "(members) of this new generation of Chinese foundation actors exhibit character traits that the existing political and legal conditions alone cannot explain."[46] Despite this emerging resource pool for Chinese CSOs, the private sector comprised of various stakeholders is still in its infancy and thus affects the work and expectations placed upon Chinese CSOs, the grantees.

Local Constituents and Communities

Another alternative to global civil society, party-state and private sector is for Chinese CSOs to mobilize resources from local constituents and communities. Access to this resource pool, however, is heavily circumscribed. As many CSOs are established by urban professionals, they often lack a clearly defined constituency. Only a small minority are member-based organizations. Located somewhere below the national level and above the grassroots level, Chinese CSOs have only recently started to pay attention to constituency building.[47] This means that only rarely have Chinese CSO been able to make good use of this resource pool.

Four Chinese CSOs Sectors

The resource mobilization cycle is a useful heuristic device to better understand Chinese CSO resource mobilization strategies. To test it, we investigate four Chinese CSO sectors: environment, social development, HIV/AIDS and migration. We ask to what extent there are sector-specific particularities which reveal variations in the iterative resource mobilization processes. The four sectors examined below offer a

[45] Karla Simon, "Finding Resources for Social Development in China", *Alliance* (1 September 2011), at http://www.alliancemagazine.org/blog/finding-resources-for-social-development-in-china/ [10 April 2018].
[46] Andreas Fulda, "The Contested Role of Foreign and Domestic Foundations in the PRC: Policies, Positions, Paradigms, Power", p. 73.
[47] Haoming Huang, Daxing Zhao and Andreas Fulda, *Minjian zuzhi huanjing jiankang zhengce tuidong zhinan* (Beijing: Zhongguo huanjing chubanshe, 2013), pp. 105-120.

good cross-section of the Chinese CSO landscape. The following is not a comprehensive literature review, nor do we seek to enumerate every single organization for each sector, but rather we seek to provide an examination of how the resource mobilization cycle can be used to trace civil society development in China.

Environmental Protection

The rapid consumption and misuse of resources, and lax environmental safeguards have heightened tension and conflicts between the state and local communities. The central government is no doubt concerned with the costs of environmental damage. According to Crane and Mao, the cost of air pollution alone to the loss of labor productivity between 2000 and 2010 was 6.5 per cent of China's GDP per annum.[48] Such a figure did not begin to account for water or land pollution. Thus, the huge environmental costs and their impact on China's future development have enabled environmental CSOs (ECSOs) to emerge and operate with a certain degree of freedom. ECSOs have addressed a range of issues by drawing on their specific academic, technical or practical expertise, or, in other words, their cultural capital. They were able to proliferate by avoiding direct confrontation with the party-state over harmful economic policies. ECSOs advocacy of "light green" (as opposed to "dark green") environmentalism[49] also stood them in good stead with their mostly foreign funders. The latter could not afford to support environmental groups which would take a confrontational approach in relation to the party-state. The successful CSO-led and nation-wide 26 Degree Campaign in 2004 aimed at lowering electric consumption and production demonstrates how this self-limiting strategy among leading ECSOs enhanced their collective cultural capital and helped raise campaign funding by the Heinrich Boell Foundation. The campaign's soft approach also enhanced the participating environmental CSOs symbolic capital vis-à-vis the party-state. Such trust-building enabled campaigners to reach out to more than 100 ECSOs nation-wide. This campaign led to national policy change in 2005, when the central government made it mandatory for all government agencies, hotels, shopping malls and restaurants to set their air conditioners at 26°C.[50]

[48] Keith Crane and Zhimin Mao, *Costs of Selected Policies to Address Air Pollution in China* (Santa Monica, CA: RAND Corporation, 2015) at https://www.rand.org/content/dam/rand/pubs/research_reports/RR800/RR861/RAND_RR861.pdf [10 April 2018].
[49] Patrick Schroeder, "Public Participation in Low-Carbon Policies: Climate Change and Sustainable Lifestyle Movements", in *Civil Society Contributions to Policy Innovation in the PR China*, ed. Andreas Fulda (New York: Palgrave Macmillan, 2015), p. 118.
[50] Ibid, pp. 98-101.

Social Development

China's welfare system remains underdeveloped. Chan, Ngok and King have critiqued the party-state for its "market-oriented welfare provision, the exclusion of migrant workers from basic needs, and the welfare gap between men and women."[51] Zheng has consequently called for the defense of Chinese society.[52] Young, on the other hand, notes that the CCP is not opposed to having "social forces (*shehui liliang*)" to undertake the work of the state.[53] The CCP's willingness to allow Chinese CSOs to close welfare gaps has led to a proliferation of social development CSOs across China. Such service delivery CSOs are focusing on the young,[54] disabled,[55] and elderly.[56]

In terms of their resource mobilization strategies, service delivery CSOs have drawn on all four forms of capital (cultural, economic, symbolic and social). While the motivation for Chinese civil society practitioners to engage in social development work varies from utilitarian concerns about job creation to more altruistic motivations of putting their faith in action, they share the belief that China's social welfare gaps can only be met by Chinese CSOs working in partnership with the party-state, mostly on the local government level. Service delivery CSOs have been able to mobilize economic capital, initially from global civil society and in recent years, increasingly from the party-state, as contractors of the state; as well as, the private sector, in terms of CSR projects or grants from China's growing numbers of domestic philanthropic foundations. Furthermore, Chinese disability CSOs have begun to overcome donor dependence by marketing their products and services.[57]

---

[51] Chak Kwan Chan, Kinglun Ngok, and David Phillips, *Social Policy in China: Development and Well-being* (Bristol: Policy Press, 2008), p. 217.
[52] Yongnian Zheng, "Society Must Be Defended: Reform, Openness, and Social Policy in China", *Journal of Contemporary China*, Volume 19, No. 67 (2010), pp. 799-818.
[53] Nick Young, "NGOs and Civil Society in China", *Nickyoungwrites.com* (16 February 2009), at http://www.nickyoungwrites.com/?q=civil_society [10 April 2018].
[54] Katja M Yang and Björn Alpermann, "Children and Youth NGOs in China: Social Activism Between Embeddedness and Marginalization", *China Information*, Volume *28*, No. 3 (2014), pp. 311–337.
[55] See Andreas Fulda, Andrea Lane and Francesco Valente, "Disability Groups Turn to the Social Enterprise Model: A New Trajectory?", in *Civil Society Contributions to Policy Innovation in the PR China*, ed. Andreas Fulda (New York: Palgrave Macmillan, 2015), pp. 151-172 and Stephen Hallett, "'Enabling the Disabled': The Growing Role of Civil Society in Disability Rights Advocacy", in *Civil Society Contributions to Policy Innovation in the PR China*, ed. Andreas Fulda (New York: Palgrave Macmillan, 2015), pp. 173-195.
[56] Yijia Jing and Chunrong Liu, "Understanding China's Administrative Adaptation: The Role of Weak Organizations", *Issues and Studies*, Volume 46, No. 2 (2010), pp. 1-32.
[57] Andreas Fulda, Andrea Lane and Francesco Valente, "Disability Groups Turn to the Social Enterprise Model: A New Trajectory?"

Despite their proximity to the grassroots level, even social service delivery CSOs have struggled to draw on the fourth resource pool of local communities. While the Charity Law will create new venues for licensed Chinese CSOs to raise funds from the public, one structural obstacle is unlikely to disappear. According to Bray, the notion of community correlated "to existing grassroots administrative units demarcated by the government."[58] Hence, when Chinese CSOs access either local rural or urban communities, they compete with party-state controlled Village Committees or urban Community Residence Committees. The latter tend to see CSOs as competitors in the quest to win the hearts and minds of Chinese people. Consequently, service delivery CSOs tend to de-emphasize their own contributions to social development and attribute their successes to their local government partners instead.[59] This strategic approach ensures access to rural and urban communities and in turn enhances their social capital in the form of functioning partnerships with local government agencies.

HIV/AIDS

HIV/AIDS CSOs in China and their access to various forms of capital are, like many other types of CSOs, affected by changing government policies, but two factors are unique to the issue of HIV/AIDS. The first is the role of HIV/AIDS CSOs working with specific sub-population groups, such as sex workers, drug users, men who have sex with men and infected blood donors.[60] Kaufman argues that the criminalization of sex work in China is a great hindrance for CSOs to conduct their work, particularly in the area of HIV prevention.[61] While government attitudes have started to change with regards to HIV/AIDS, CSOs such as those continuing to work with sub-population groups are not only hampered by slow-to-change attitudes, but also by their poor social capital.[62] This poor social capital is illustrated in the trust levels between HIV/AIDS

[58] David Bray, *Social Space and Governance in Urban China: The Danwei System from Origins to Reform* (Stanford: Stanford University Press, 2005), p. 182.
[59] See Andreas Fulda, Yanyan Li, Qinghua Song, "New Strategies of Civil Society in China: A Case Study of the Network Governance Approach", *Journal of Contemporary China*, Volume 21, No. 76 (2012), pp. 675-693 and Timothy Hildebrandt, *Social Organizations and the Authoritarian State in China* (Cambridge: Cambridge University Press, 2013).
[60] Hua Xu, Yi Zeng, and Allen F. Anderson, "Chinese NGOs in Action against HIV/AIDS", *Cell Research*, Volume *15*, No. 11–12 (2005), pp. 914–918.
[61] Joan Kaufman, "HIV, Sex Work, and Civil Society in China". *Journal of Infectious Disease*, Volume 204, Suppl 5 (2011), pp. s1218–s1222.
[62] Joseph Lau, C. Lin, Chun Hao, X. Wu, and J. Gu (2011), "Public Health Challenge of the Emerging HIV Epidemic Among Men who have Sex with Men in China", *Public Health*, Volume 125, No. 5 (2011), pp. 260–265.

CSOs and the local state. Hsu in her paper on the collaboration and avoidance strategies of HIV/AIDS note that there is low level of institutional trust towards HIV/AIDS CSOs, and this lack of trust is considered a difficult barrier for CSOs to overcome when addressing HIV/AIDS or other public health issues.[63] Furthermore, Hsu's research demonstrates that to counter this low institutional trust, many HIV/AIDS CSOs are making active efforts to build their social capital and networks with the authorities. One of the key challenges for HIV/AIDS CSOs has been to accumulate both social and cultural capital which would enable them to seek funding from the party-state or the private sector. In the absence of access to these two resource pools, many organizations have had to rely exclusively on funding support from global civil society.

The second factor that is different for HIV/AIDS CSOs in comparison to other sectors, is the international linkages and partnerships developed to combat the impact of HIV/AIDS. Gu and Renwick echo this call, writing "the fight against HIV/AIDS can only be successful if there is full engagement between government, civil society, and international agencies."[64] According to Kaufmann, Chinese CSOs are more effective in advocating and impacting change when connected to global civil society actors.[65] The economic capital received from international sources gives CSOs greater ability to acquire experience and skill sets from their international counterparts. This acquisition of skills and qualifications for an organization, all contributes to its cultural capital. Successful grant capture of HIV/AIDS CSOs is of crucial importance, as it enhances the organization's symbolic capital and helps expand its social capital.

Despite the economic, social, cultural and symbolic capital coming from international sources, led by the Global Fund, the withdrawal of the Fund from China at the end of 2013 throws an interesting dimension to our study of capital formation. According to Avert, nearly all of HIV/AIDS programing in China are now funded by the state.[66] With party-state funding, we can anticipate greater need for HIV/AIDS CSOs to build, maintain and/or strengthen their relationship with the party-state. The initial economic capital that many

[63] Jennifer Y. J. Hsu, "Strategic Collaboration and Avoidance in State-NGO Relations", Paper presented at ARNOVA annual meeting, Chicago, IL, 19-21 November 2015.
[64] Jing Gu and Neil Renwick, "China's fight against HIV/AIDS", *Journal of Contemporary China*, Volume 17, No. 54 (2008), p. 100.
[65] Joan Kaufman, "China's Evolving AIDS Policy: The Influence of Global Norms and Transnational Non-Governmental Organizations", *Contemporary Politics*, Volume 18, No. 2 (2012), pp. 225–238.
[66] "HIV/AIDS in China", *Avert*, June 26 2017 at https://www.avert.org/professionals/hiv-around-world/asia-pacific/china [10 April 2018].

HIV/AIDS CSOs were able to capitalize on from their international counterparts has enabled many to translate this to cultural capital. For example, the founder of AIDS Care China, Thomas Cai, has translated the cultural and economic capital to further the linkages that he and his organization has developed with international partners. Cai's participation in a 2016 UK organized conference, Sweating Our Assets[67], demonstrates the translation of the previous two capitals into symbolic and social capital, bestowing further legitimacy upon him and his CSO. Our exploration of migrant CSOs in some ways contrast against the experiences of HIV/AIDS CSOs and their access to capital, as we shall see next.

Migration

The emergence of migrant groups and organizations in China's urban areas is largely due to the lack of social provision by urban authorities and the *hukou* (household registration), where entitlements from the state are tied to an individual's registration.[68] The influx of migrant laborers in to China's wealthy coastal areas has led to sharp tensions between urban and rural residents. This category of CSOs often include two related CSOs: those focused on labor rights, and those focused on welfare provision to migrant workers. While we focus predominantly on the latter type of CSOs—those servicing migrant workers—labor CSOs have experienced greater state repression than migrant CSOs which has therefore impacted on their ability to build networks with the state.[69] Unlike HIV/AIDS CSOs, labor CSOs have not had the same level of transnational activism because of close state monitoring, despite the fact that labor rights is often at the forefront of global social movements.

Migrant CSOs are challenging the current urban citizenship regime.[70] The state's move to encourage greater CSO service delivery has helped to expand social rights to migrant workers. Ren notes that despite the legalistic approach of CSOs, the different legal aid programs have empowered migrant workers by raising

[67] "Thomas Cai", *Bond*, at https://www.bond.org.uk/person/thomas-cai [10 April 2018].
[68] "Outdated 'Urban Passports' Still Rule the Lives of China's Rural Citizens", *The Independent*, 13 January 2017 at https://www.independent.co.uk/news/world/politics/outdated-urban-passports-still-rule-the-lives-of-china-s-rural-citizens-a7517181.html [11 April 2018].
[69] Chun-yi Lee, "Growing or Perishing? The Development of Labour NGOs", in *Civil Society Contributions to Policy Innovation in the PR China*, ed. Andreas Fulda (New York: Palgrave Macmillan, 2015), pp. 125-150.
[70] Xuefei Ren, "Dancing with the State: Migrant Workers, NGOs, and the Remaking of Urban Citizenship in China", in *Remaking Urban Citizenship: Organizations, Institutions, and the Right to the City*, eds, Michael P. Smith & Michael McQuarrie (New Jersey: Transaction Publishers, 2011), pp. 99-109.

their rights awareness, and by fostering a sense of collective identity. Similar to the other sectors noted above, the initial economic capital came from foreign sources, such as OXFAM Hong Kong, international development and intergovernmental agencies. The seed funding many migrant CSOs received has helped the development of symbolic capital, expanding their network of collaborators and thereby enhancing their organizational skill set or, cultural capital. As indicated above, the move towards government procurement of CSOs' services, enables many of these migrant CSOs with institutional history—as denoted in their accumulation of the four forms of capital—to be better positioned to compete for contracts. The move towards social service outsourcing [71] has greatly enhanced the economic capital formation opportunities of migrant CSOs by becoming contractors of the state. Hsu's research on migrant CSOs demonstrates that some organizations have actively altered their focus and mission, to ensure greater ease in registering and therefore bidding for contracts.[72] In so doing, migrant CSOs have sought to work hard building not only their social but cultural capital, to demonstrate to the state they are a model of good practice.

Discussion

The four sectors examined above shows that Chinese CSOs start with different sets of capital but can convert their starting capital into different forms to assist further expansion of their work. Accessing the four resource pools requires Chinese CSOs to align "their programming to suit donor preferences"[73]. As donor preferences differ across the resource pools, Chinese civil society practitioners face many trade-offs in their resource mobilization strategies. Specific trade-offs range from the political costs of securing legal status to inherent contradictions when trying to reduce single donor dependency and enhancing organizational sustainability by diversifying revenue streams.

As CSOs work to gain economic capital, the desire to develop other forms of capital may necessitate closer relationship with the party-state. Chinese CSO practitioners need to be mindful that when their organizations

[71] See Jennifer Y.J. Hsu and Reza Hasmath, "A Maturing Civil Society in China? The Role of Knowledge and Professionalization in the Development of Chinese NGOs", *China Information*, Volume 31, Issue 1 (2014), pp. 22-42 and Karla Simon and Jessica Teets, "Revolutionizing Social Service Delivery in China: The New Policy of Contracting Out to Non-Profit Organizations", *International Journal of Civil Society Law*, Volume 12, No. 2 (2012), pp. 1-40.
[72] Jennifer Y.J. Hsu, *State of Exchange: Migrant NGOs and the Chinese Government* (Vancouver, BC: University of British Columbia Press, 2017).
[73] George E. Mitchell, "Strategic Responses to Resource Dependence among Transnational NGOs Registered in the United States", p. 74.

become financially dependent on the party-state, e.g. in the context of government-procurement of CSO services, this financial dependence may politically neuter their organizations. The introduction of a CSO rating system (*shehui zuzhi dengji*) as part of the Ministry of Civil Affairs' (MoCA) 2010 Administrative Measures for the Assessment of Social Organizations (*shehui zuzhi pinggu guanli banfa*) is already creating a new hierarchy in China's third sector. Increasing numbers of municipal governments across China have decided to only procure services by Chinese CSOs if they have obtained the highest 5A rating.[74] CSOs keen to access the party-state as resource pool thus not only have to muster considerable organizational resources to comply with MoCA's regulations but are also incentivized to stay away from politically more risky policy advocacy, as it may affect their organization's ranking. Chinese CSOs aligning themselves with the party-state can be seen as a strategy of voluntary co-optation with the aim of obtaining economic and symbolic capital. In the future it will become more likely that Chinese CSOs will draw their funding either from the party-state or from the private sector due to restrictions placed on the entry of foreign organizations and funding. The over-reliance on these two resource pools is likely to impact upon the whole resource mobilization cycle and have a range of both intended and unintended consequences.

Nonetheless, a functioning working relationship with the party-state increases the social capital of a Chinese CSO. A cooperative relationship with the CCP is a *sine qua non* for Chinese CSOs to access resources from the other three resource pools: corporate sector, local community and global civil society. When foreign and domestic funders engage in due diligence, they will almost certainly review a potential CSO grantee's relationship with the CCP. When Chinese entrepreneurs choose to support a CSO, they will be keen to enhance brand value through CSO activities without jeopardizing their own government relations. The resulting corporatization of a Chinese CSO, however, may not sit well with mission-based international funders such as OXFAM Hong Kong or Misereor, who prefer to support constituency-based and value-driven Chinese CSOs. When Chinese CSOs "adopt business orientations to compete more effectively against for-profit contractors, transforming NGOs into *de facto* business driven by excessive competition to neglect their missions in the pursuit of financial security"[75] this can make them less attractive for foreign funders.

[74] The authors would like to thank Dr. Katherine Wilhelm from the Ford Foundation for bringing this new development to their attention.
[75] Ibid, p. 71.

Alternatively, Chinese CSOs can also mobilize resources from the local community. However, the four sectors above demonstrate that there is little engagement with the local community as a potential resource pool. Hsu's work on migrant CSOs may give us an indication of what this currently looks like: migrant CSOs located on the outskirts of Beijing have worked with local authorities to secure premises for their offices and work but this is an economic transaction and to the displeasure of many local residents and begrudged by even the local authorities that stand to benefit economically from the rents.[76] The influx of migrant workers into these communities is seen by local residents and authorities as bringing crime and disorderliness to the neighborhood. Consequently, such perceptions present substantial challenges for CSOs seeking to draw upon their local community as a resource, especially when their work concerns the integration of vulnerable social groups in local communities.

Working in partnership with local authorities can be an effective strategy for social development CSOs to gain party-state recognition and to access urban and rural communities,[77] and this certainly is a strategic approach many CSOs are engaged in. This is more difficult for Chinese environmental organizations to realize, since they are often confronted with local party-state actors supporting polluting corporations.[78] Chinese environmental CSOs are thus forced to look outside China for support. In the case of Chinese ECSOs, the alignment with foreign granting agencies' policy objectives appears to be a necessity, but it can also be seen as a threat to CCP cadres who are part of the elites who have captured regulatory bodies such as environmental protection agencies and "transform them into private instruments for rent-seeking".[79] Thus, depending on the sector Chinese CSOs operate within they will have developed different kinds of resource mobilization strategies to fit their organizational circumstances. A key finding from our research is that the diversification of funding streams, whilst being a pragmatic CSO strategy to enhance financial sustainability

[76] Jennifer Y.J. Hsu, *State of Exchange: Migrant NGOs and the Chinese Government*, pp. 131-139.
[77] Andreas Fulda, Yanyan Li, Qinghua Song, "New Strategies of Civil Society in China: A Case Study of the Network Governance Approach".

[79] Minxin Pei, *China's Crony Capitalism: The Dynamics of Regime Decay* (Cambridge, MA: Harvard University Press, 2016), pp. 216-217.

and something that influential funders such as OXFAM Hong Kong actively support,[80] is not necessarily a panacea, as different funding sources can lead to conflicting isomorphic pressures. A persistent problem for Chinese CSOs remains that different funders—be it the party-state, corporations, or foreign and domestic grant-making foundations—are not necessarily aware or even willing to address the inherent power imbalance in the grant-maker-grantee relationship.[81] Consequently, Chinese civil society practitioners, in their quest to leverage cultural, economic, symbolic and social capital, require caution when entering contractual relationships with their far more powerful counterparts.

Our research findings also have implications for future research on China's civil society. While conventional research following the state-society paradigm has primarily focused how the Chinese party-state exerts political control over CSOs, e.g. by withholding or granting formal registration, in this article we have argued that single-donor financial dependence can equally undermine the sustainable development of a given CSO. Our new heuristic device of the CSO resource mobilization cycle is particularly useful for longitudinal studies of individual CSOs. Researchers need to be mindful that resource needs will vary considerably throughout the CSO lifecycle from commencement at the grassroots level, to start-up incubation, to adolescence, to maturity and sustainable development, to stagnation and renewal, to potential decline and shutdown.[82] This insight is important and thus a longitudinal approach to the study of CSOs will capture much more information as to how an organization evolves over time. In this context the second heuristic device of the four resource pools is particularly useful, as it allows researchers to trace sector-specific resource dependencies over time. Shifts in the importance from one resource pool to another will directly impact the development trajectory of both individual Chinese CSOs, as well as, the third sector as a whole.

[80] This point was made by Dr Howard Liu, China Programme Director of OXFAM Hong Kong. In Liu's words "(if) they can diversify their funding streams, their resources will become more stable". See "Thinking Strategically: An Interview with Howard Liu, OXFAM China Programme Director", *China Development Brief* (23 March 2015), at http://www.chinadevelopmentbrief.cn/articles/thinking-strategically-an-interview-with-howard-liu-oxfam-china-programme-director/ [10 April 2018].

[81] Andreas Fulda, "The Contested Role of Foreign and Domestic Foundations in the PRC: Policies, Positions, Paradigms, Power", pp. 84-87.

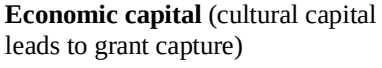
[82] Speakman Management Consulting, "Nonprofit Organizational Life Cycle" (2018), at https://www.501commons.org/engage/about-the-service-corps/volunteer-resources/info/nonprofit-life-cycle [10 April 2018].

Conclusion

The availability of funding for Chinese CSOs has always been precarious. For example, the Color Revolutions that swept across parts of Eastern Europe in the early 2000s created careful monitoring of domestic CSOs with foreign funding. CSOs with funding from the Soros Foundation and National Endowment for Democracy were heavily scrutinized by the state, fearing that these foundations were using domestic conduits to influence domestic stability. While such suspicions were unfounded, the recent Overseas NGO Law is likely impact on the economic capital of Chinese CSOs, where foreign funding going into China will be significantly reduced. As a result, we can anticipate that Chinese CSOs will have to draw on other forms of capital to convert it to economic capital, if successful will better enable their institutionalization. In the process, it may well be that Chinese CSOs will become more dependent on the party-state for contracts. However, it is also an opportunity for CSOs to further leverage the Chinese-language internet to raise funds[83] and broach the private sector in ways that they have not done before. It is conceivable that service oriented CSOs may begin to charge for their services to ensure long term sustainability. While this is not new, as Lu has demonstrated that some CSOs in the early 2000s[84] were already experimenting with fee-for-service models, what is different today is that the role of other forms of capital may be utilized to justify the shift, particularly if the CSO is able to demonstrate good practice. The diversification of funding streams is indeed a sensible strategy as it allows to greater financial and organizational stability. Nonetheless, the present reality of the Overseas NGO Law restricting foreign capital coming into China and the lack of cohesion with local communities, CSOs are thus restricted in these two sectors.

9711 words

Figure 1



[83] Shi, S. (2013). The use of Web2.0 style technologies among Chinese civil society organizations. Telematics and Informatics, 30(4), 346-358.

[84] Yiyi Lu, *Non-governmental Organizations in China: The Rise of Dependent Autonomy* (Abingdon: Routledge, 2008).

Cultural capital (sector-specific expertise and skills
that is attractive to prospective funders)

Symbolic capital (grant capture makes CSOs attractive to collaboration partners, e.g. central or local government and enables them to engage online or offline constituents and access either rural or urban communities for project work)

Social capital (symbolic capital can be leveraged to extend networks of collaborators; successful CSO projects and programmes in turn contribute to enhanced cultural capital)