

Symposium Introduction

# Turning Challenges into Opportunities: Advancing Studies of Nonprofit Organizations in China

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This symposium is a collection of articles that showcases how to improve research on Chinese NPOs. We include articles that incorporate new theoretical frameworks and empirical analyses, and that draw upon novel data, such as the Research Infrastructure of Chinese Foundations (RICF). These articles provide important insights into addressing the main challenges of studying China’s NPOs – the lack of a managerial focus, and sparse empirical data which has resulted in very few research strategies. The articles in this symposium illustrate how empirical studies and increased focus on managerial issues could contribute to improving research on Chinese NPOs and help address questions of general concern in public administration.

**Keywords:** RICF, Chinese NPOs, civil society, nonprofit management, public administration

## INTRODUCTION

The symposium presented in this issue of Chinese Public Administration Review is a further step for advancing NPO research in public administration and nonprofit management and an initial response to the call for more comparative studies under non-democratic systems (Holzer & Lu, 2016; Holzer & Zhang, 2002, 2009, 2016). Students of politics and public administration examine NPOs primarily because of their contributions to public goods provision, social service delivery, and democratic governance (Li, 2017; Ostrom, 1990; Putnam, Leonardi, & Nanetti, 1994; Salamon, 1999; Tocqueville, 1840). However, the number of studies of NPOs in other regimes with different political systems, for example, in authoritarian China, was not comparable to the studies based on experiences in democratic societies. The authoritarian system, in which the whole country is ruled and controlled by the Chinese Communist Party (CCP), is presumed to be inefficient and unaccountable. However, the robust economic growth of China over the past three decades

shows the efficiency of the Chinese government (Huang & Li, 2013; Nathan, 2003). Therefore, the knowledge of public administration, in particular, generated from the United States experience, might not be very useful in analyzing public administration in a one-party system (Riggs, 1998). To respond to calls for comparative public administration studies (Dahl, 1947; Riggs, 1998), especially, comparative studies in Chinese public administration (Holzer & Lu, 2016; Holzer & Zhang, 2002, 2009, 2016), we bring together a collection of studies on Chinese NPOs.

Another key reason for organizing this symposium is to address two main challenges facing studies on Chinese NPOs: first, the lack of managerial focus; and second, sparse empirical data and limited research strategies. We argue that studies of Chinese NPOs could contribute to answering big questions in our field and could benefit from focusing much more on the managerial side of NPOs and empirical studies.

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## **THEORY BUILDING, EMPIRICAL DATA, AND METHODS DEVELOPMENT**

When studying Chinese NPOs, researchers tended to focus on theoretical reflections and qualitative descriptions (Ma, Wang, Dong, & Li, 2017). One of the most notable theoretical reflections is about the relations between state and society. Major theories include the civil society approach, corporatism, and other alternatives such as “resource dependence theory” and “growing out of participation theory” (Fan, 2010; Jia, 2003; Wang & Jia, 2002; Yu, 2006; Zhou & Yu, 2011; Zhu, 2004). In the civil society approach, the growth of NPOs in China shows the development of a robust civil society that may benefit China’s future political transformation. The corporatism approach, however, views the growth of NPOs as a governmental means to improving public-service delivery and controlling the society. Alternative approaches, such as resource dependence theory (Wang & Yao, 2016) and “growing out of participation” theory (Li, 2012; Yu & Zhou, 2012b), have challenged the traditional civil society and corporatism approaches by arguing that the state–society relationships are more dynamic.

However, the approaches mentioned above follow traditional political science and sociology theories and largely ignore the nonprofit managerial approach. Questions like how a nonprofit’s mission influences employees’ and volunteers’ behavior, how to improve the performance and accountability of Chinese NPOs, and how to maintain the financial health of Chinese NPOs have not received sufficient scholarly attention. Only recently, scholars started researching the managerial issues facing NPOs in China, such as financial management (Ni & Zhan, 2017) and allocation of organizational resources (Wei, 2017). A large gap still remains between demand for nonprofit management studies based on organizations’ practical managerial needs in China and supply of such research.

As noted previously, another challenge for studies of Chinese NPOs has been limited empirical data and a lack of variety in research strategies. Single and comparative case studies have been the dominant methods in the field of Chinese NPO research. Case

studies investigated both historical and contemporary cases. For example, Leung (1997) provided case studies on Jiangnan Charitable Organizations (Jiangnan Cishan Huitang) during the Ming and Qing Dynasties. For contemporary case studies, Yu and colleagues examined the relationship between industrial and commerce associations and local governments in Zhejiang Province (Li, 2013; Yu & Zhou, 2012). Fan (2010), after comparing four cases, argues that China’s NPO-government relational dynamics were complex, far beyond single theoretical explanations, such as civil society or corporatism. One reason for the dominance of single and comparative case studies in Chinese NPO research is that large empirical datasets, which are costly and time-consuming to build, have not been widely available.

To date, quantitative empirical research about Chinese NPOs is still rare. An early empirical study on Chinese NPOs was a descriptive analysis from survey data (Deng, 2001). Zhu (2012) used primary data and regression models to study Chinese think tanks; Ni and Zhan (2017) and Wei (2017) utilized secondary datasets and regressions to assess the impact of governmental control on the performance of Chinese charitable foundations. Mixed methods are rarely seen in Chinese NPO research (yet, see Li, Tang, & Lo, 2017).

Two factors may contribute to the lacking of empirical studies of Chinese NPOs – the lack of empirical datasets and the insufficient training of empirical analysis strategies for Chinese scholars (Ma et al., 2017). Articles printed in this symposium aim at not only introducing empirical datasets for future research but also showcasing how to employ empirical strategies to analyze NPOs in China.

## **THE CONTRIBUTIONS OF THIS SYMPOSIUM**

Articles in this symposium contribute to studies of Chinese NPOs by shedding new light on theory building, empirical data, and analytical strategies. Han, Ma, and Wang’s paper on “social value chains” was an effort to advance theoretical arguments on state-society relations in China. Their paper first

reviewed the arguments on state-society relations and then concluded that the previous studies, including civil society theory, corporatism, and hybrid models, were fragmented and lacked generalizability. Based on organizational theory, specifically, the “value chain” approach, they proposed an inclusive organizational framework – social value chains framework – to guide future research on state-society relations in China. With the help of the social value chains framework, the authors identified four different types of NPOs: infrastructure organizations, financial organizations, supporting organizations, and operating organizations. Each type of NPO functions differently within the state-society interaction. The heterogeneity was largely ignored in previous studies. Two case studies were presented to illustrate how the social value chains framework could be applied to researching NPOs in China.

Wang and He’s paper on the financial health of Chinese foundations and Ma and his colleagues’ paper on the relations between revenue diversification and mission alignment contribute to the theoretical development by bringing in managerial approaches to studies of Chinese NPOs. Both financial management and mission alignment are critical to nonprofit management yet are under-researched. Wang and He empirically evaluated the adequacy of equity, revenue diversification, administrative cost ratios, and operating margins of 2,763 charitable foundations in China and concluded that two-thirds of these foundations were financially unhealthy. By analyzing the text similarity between an organizational mission statement and program description, Ma and his colleagues developed four measures of mission alignment. They then applied these measures to examining how different revenue sources influence the mission alignment of Chinese foundations and found that individual donations and service revenues increased mission alignment wherein institutional donation and membership dues decreased it.

Articles in this symposium also contribute to the field by utilizing large-scale datasets and quantitative strategies. Weng investigated the role of NPOs in promoting compulsory education aid in China,

Wang and He studied the financial health of Chinese foundations, and Ma, Jiang, and Han researched the relations between nonprofit revenue sources and organizational mission alignment. Each of these studies developed new empirical measures. For example, in Wang and He’s study, they developed four quantifiable measures – adequacy of equity, revenue diversification, administrative cost ratios, and operating margins – to measure the financial health of NPOs. In Ma and his colleagues’ article, they developed measures of mission alignment through computer-assisted text-mining methods. In addition, both Wang and He’s and Ma and his colleagues’ articles utilized the data from the Research Infrastructure of Chinese Foundations (RICF), which is the first open access and free large dataset for empirical research of NPOs in China (Ma et al., 2017). The three papers demonstrated how to employ empirical data and strategies to study Chinese NPOs and provided empirical insights for managing NPOs in China.

## CONCLUSION

“Misery, happiness is to be found by its side!” Laozi (221BC) claimed in *Dao De Jing*. Articles in this symposium show that challenges could be turned into opportunities. We are not claiming that the studies included in this symposium represent all the scholarly efforts to advance Chinese NPO research and are without limitations. We, however, do hope this symposium can serve as a step forward for advancing theory building and further developing empirical data and strategies that would benefit future Chinese NPO studies and public administration in general.

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