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# Policy Forum 09-002: Five Characteristics of the Development of Chinese Non-Profit Organizations



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# Five Characteristics of the Development of Chinese Non-Profit Organizations

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By Jia Xijin and Zhao Yusi

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## I. Introduction

Jia Xijin, Associate Professor at the NGO Research Center at Tsinghua University, and Zhao Yusi, Project Assistant of NGO Research Center at Tsinghua University, write, "governmental reform, the development of the market economy, the differentiation of social stratum and interest patterns, the

speeding up of public participation and political democracy, as well as the rapid strides in communications using the Internet and mobile devices, have increased the needs of citizens for social services and their ability to form voluntary associations. Under these conditions non-profit organizations in China are becoming more active and developing vigorously."

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## **II. Article by Jia Xijin and Zhao Yusi**

- "Five Characteristics of the Development of Chinese Non-Profit Organizations"

By Jia Xijin and Zhao Yusi

Since the current era of government reform began in China, non-profit organizations (NPOs) have experienced a very challenging development process. Although the total number of NPOs has increased greatly, they have endured two periods of large scale reorganization resulting from political factors in the late 1980s and late 1990s. Since then further governmental reform, the development of the market economy, the differentiation of social stratum and interest patterns, the speeding up of public participation and political democracy, as well as the rapid strides in communications using the Internet and mobile devices, have increased the needs of citizens for social services and their ability to form voluntary associations. Under these conditions NPOs in China are becoming more active and developing vigorously.

Observing the changes in these NPOs in recent years, we can identify five major factors that have influenced the development of non-profit organizations in the PRC.

First, due to governmental reform, an increasing number of NPOs have participated in social welfare, community construction, and other public service activities, forming a new cooperative relationship between non-profits and the government. In recent years, government agencies at all levels in China have promoted innovation in public service activities and noted the value of these activities in social management. Many local governments have allowed social affairs activities originally run by the state to be managed by outside groups. Some governments have earmarked special funds to support these organizations. Governmental support has helped in many public service fields such as comprehensive service in the community, community correction, elder-care, poverty alleviation, AIDS relief, environmental protection and others. More and more non-profit organizations have participated in public service by bidding on contracts or accepting commissions from the government, which is a new model of interaction and cooperation between the state and non-profit entities.

Second, due to the pressures of rapid economic expansion, all kinds of industrial associations, chambers of commerce, and rural professional associations have developed. Industrial associations and chambers of commerce begun to develop with the support of the government in the 1990s. Some of these groups originated from the top-down process of government reform, others were created based on the bottom-up needs of industries during the development of the market economy. China's sustained economic growth and the pressures of globalization have given rise to trade frictions and accusations of dumping goods that are obstacles for Chinese producers seeking to enter the international market. The function of industrial associations, chambers of commerce, and rural professional associations are to help deal with these obstacles. These organizations are very enthusiastic about their work and state and local government have been very supportive of these institutions. Thus industrial associations, chambers of commerce, and rural professional associations have sprouted like mushrooms across the PRC.

Third, accompanying the economic development and social transformation of recent years, the gap between rich and poor has been broadened, social classes and interest groups have become more polarized, and the differences between them has grown more pronounced. Thus new social structures based on social groupings have appeared. While some wealthy entrepreneurs have been very dedicated in establishing non-profit foundations to promote social well-being, more people have joined in clubs, alumni associations, or other organizations which correspond with their status and interests. For example homeowners have established associations in urban communities as a way of expressing community interests, safeguarding rights, and coordinating relationships. Similarly clubs for migrant workers have appeared in cities to protect the rights of this vulnerable group, AIDS patients have established associations, and the Lions Club, which gathers entrepreneurs to construct unique organizing systems, has spread rapidly in Shenzhen and Guangzhou. New types of social groups and organizations are regarded as a special phenomenon resulting from the social transformation seen during the development of non-profit organizations in China.

Fourth, along with the acceleration of public participation, organizations dedicated to social benefits have begun to focus on public policy. They cooperate with mass media and the Internet in order to positively influence policy. Discussions about dam construction on the Nujiang River, the coatings used to preserve the Old Summer Palace, and water and electricity programs in Dujiangyan have been widely reported and are typical examples of policy advocacy among non-profit organizations. In environmental protection, AIDS prevention, urban planning, the protection of vulnerable groups, helping disabled people, and promoting social well-being non-profit organizations have gradually begun to impact public policy. The influence of NPOs, supported by mass media and the Internet, has made the government pay more attention to public opinion. Non-profit organizations have helped the Chinese government to be more open and democratic.

Fifth, the rapid development of Internet and mobile communication has made the creation of communities on the Internet possible. Recent reforms in China are connected to the development of Internet and mobile communication technology. According to the latest 18th investigation report from China Internet Information Center, the total number of Chinese netizens has reached 123 million, 77 million of them using broadband. Cell phone subscribers number more than 393 million, the highest in the world, with an average of 304.65 text messages sent per user per year. The development of the Internet brought about an information explosion, the emails reached 60 billion per day in 2006, searching engines, bulletin board systems, blogs, etc. are highly developed and have brought significant changes to the way people communicate. Non-profit organizations in China have changed with the development of information technology. The popularization of Internet and mobile technology has provided Chinese society with unprecedented means of organizing and creating new communities. The development of these Internet communities has become a significant phenomenon during the course of NPO development.

In conclusion, the development of NPO is accelerating. A civil society centered around non-profit organizations is now growing rapidly in the PRC.

### **III. Nautilus invites your responses**

The Northeast Asia Peace and Security Network invites your responses to this essay. Please send responses to: [napsnet-reply@nautilus.org](mailto:napsnet-reply@nautilus.org) . Responses will be considered for redistribution to the network only if they include the author's name, affiliation, and explicit consent.

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