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The Roots of Corporate Philanthropy in China

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Abstract: Business and society are inextricably linked, and corporate philanthropy is an important constituent of this link. Depending on context and culture, considerable variations of roles exist that societal stakeholders occupy or expectations that they have of business. In this paper, we examine how philanthropy connects to various historical, political, cultural, social, and economic dimensions in modern-day China to understand how philanthropy occupies important functions conventionally associated with corporate responsibility (CR). Even though philanthropy has fallen out of favor in the international CR literature, it is nevertheless part of contemporary China, deeply rooted in the past and in contemporary relations between business and society. By examining historical and contemporary factors that contribute to how philanthropy is shaping understandings of the responsibilities of business to society, we will show in this article the rich repertoire of registers that business and society can draw on when defining roles and expectations, and that the choice of register is largely driven by creativity and pragmatism. To understand the role of philanthropy in China today, one must understand the systemic relations between state and business, and the all-encompassing and state-managed drive toward economic and social development. By presenting the importance of philanthropy and how it helps to understand the increasingly powerful role of Chinese business in local and global contexts, we hope to encourage a closer examination of philanthropy from a non-Western perspective in general, as well as policy-relevant and change-oriented academic research on corporate philanthropy in China in the context of CR in particular.

Keywords: Corporate social responsibility, philanthropy, politics, Confucianism, communism, modernity, China

Introduction

The responsibilities of corporations to society are conventionally associated with business ethics, and Corporate Responsibility (CR) is most frequently understood as the dominant framework to describe the responsibilities of business to society. Within this framework, various dimensions have been established since the 1970s, most notably by Carroll (1979; 1991), who presented a quadripartite model that consists of

economic, legal, ethical, and philanthropic responsibilities. For several reasons, the latter has fallen out of favor. First, philanthropy is often viewed as decoupled from core business activities in that charitable donations do not reflect the extent to which a corporation is socially responsible (Barnard, 1997; CRCC Asia, 2014; Leisinger, 2007; Lin-Hi, 2010; Waldman, Kenett, & Zilberg, 2007; Whitehouse, 2006). According to this view, CR is distinct from philanthropic donations in that it connects to stakeholder expectations and the management of economic, social, and environmental impacts associated with organizational behavior (Leisinger, 2007; Rowe, 2006). This position implies that philanthropy is peripheral to business strategy and practice, even detracting from a profound CR commitment. Second, philanthropy is considered unsustainable as a form of CR due to its voluntary and capricious nature (Hopkins, 2004; Barnard, 1997). Understood in this way, philanthropy tends to reflect personal values and preferences of owners and senior managers (Barnard, 1997; Leisinger, 2007), which render philanthropic activities erratic, less strategic, and prone to contextual and personal changes. Third, as a CR domain, philanthropy is often connected to image management, posturing, or green washing. According to this position, philanthropy is primarily used as a marketing strategy (Lin-Hi, 2010) to gain market share or to deflect attention from other and potentially harmful corporate activities. Accordingly, philanthropy is viewed as a “superficial manifestation of CSR” (Waldman et al., 2007, p. 1), even contributing to public suspicion or negatively impacting on the reputation of a corporation (Barnard, 1997; Dorfman, Cheyne, Friedman, Wadud, & Gottlieb, 2012; Whitehouse, 2006). Because of these and other reasons, philanthropy has been considered peripheral or in opposition to profound commitments to CR, which should – at least from the perspective of the academic literature on CR – be part of long-term, strategic, systematic, systemic, and comprehensive business practices. Despite this well-developed critique of philanthropy, we will show in this paper that philanthropy in China is an important driver of responsibilities that businesses are expected to have toward society and the state. The complex and inextricable relations between business, society, and the state in China are grounded in history, identifiable on a micro-level in personal interactions between individuals and on a macro-level in interactions between the government and business enterprises.

To expand and better understand the multi-dimensionality of philanthropy, von Schnurbein and Timmer (2015) suggest that philanthropic initiatives are guided by two main criteria, namely, whom to support, and how to support them. Along these two axes, they classify philanthropic initiatives according to four types: Grant-Giving, Skill Development, Mobilization, and Investment (see figure 1). According to the authors, Grant-Giving is the most commonly practiced form of philanthropy, consisting primarily of financial donations such as scholarships, funding contributions, or emergency aid. Occupying the top left quadrant of the diagram in figure 1, Grant-Giving is primarily associated with providing financial support to individuals or organizations. Skill Development is also primarily concerned with individuals or organizations. Instead of focusing on financial assistance, however, these types of philanthropic initiatives deal with capacity building, empowerment, and service provision. Von Schnurbein and Timmer observe that philanthropic projects often require collaborations or partnerships between multiple stakeholder groups, such as NGOs and philanthropic foundations. These philanthropic activities aim to foster the skills and service capabilities of their partners to encourage effective cooperation, transition, and handover of projects and initiatives. In order to achieve this, philanthropists may leverage not only their financial assets but also other resources, including their networks, infrastructure, or reputation.

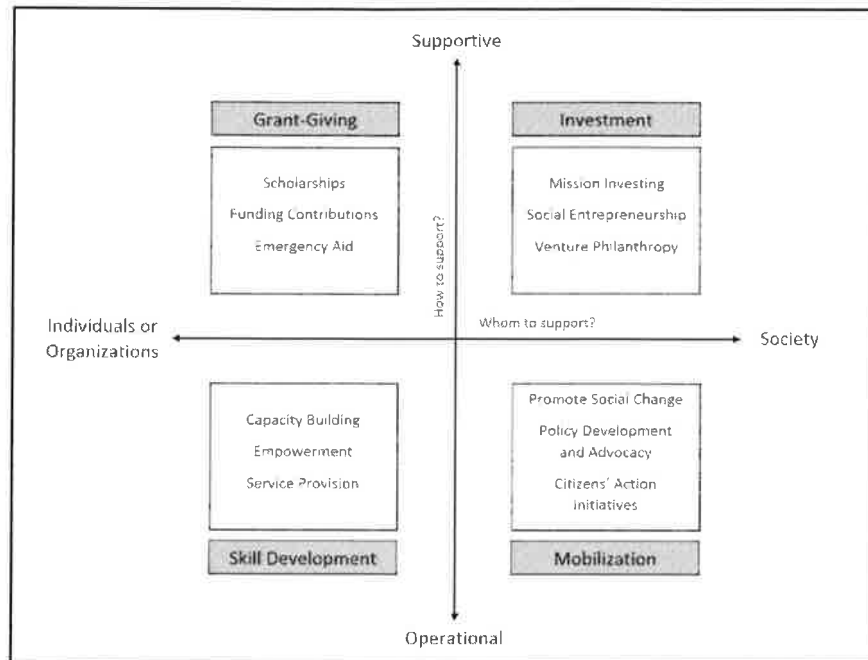


Figure 1. Von Schnurbein and Timmer's typology of philanthropy (2015, p. 178), translated from the German original

Grant-Giving and *Skill Development* usually focus on the micro-level, referring primarily to individuals or organizations. Macro-level philanthropic initiatives, in contrast, aim to contribute to large-scale social change. These societal philanthropic initiatives are achieved through what von Schnurbein and Timmer label *Mobilization*. Such philanthropic projects and initiatives finance think tanks, surveys, or public events aimed to initiate or shift political debates within a society. Instead of supporting or complementing existing state policy, a change in policy or public expenditure in the direction of the philanthropist's chosen target is its aim. *Mobilization* is commonly practiced in the United States but rare in most other national contexts, where philanthropy is often associated with the private sector, while lobbying against the state is not condoned. The final type of philanthropic initiatives aims to support society through *Investments* and includes mission investing, social entrepreneurship, and venture philanthropy. According to von Schnurbein and Timmer, this type of philanthropy has expanded in recent years as philanthropist, philanthropic foundations, and large corporations have begun to experiment with new economic methods and approaches to pursue non-profit purposes. Generally, philanthropic *Investments* provide startup capital to social enterprises, which seek new and innovative approaches to solving social problems through products or services. Other core aspects of this type of philanthropy include the competitive selection of projects or organizations to be funded based on the formulation of donor-specified objectives.

The taxonomy provided here illustrates that philanthropy can serve many strategic purposes, depending on the goals and chosen targets of the philanthropic agent. Notwithstanding these goals, there exists a wide range of external expectations of why and how large corporations can or should engage in philanthropic activities. As China has risen in power and stature, so too have philanthropic expectations for Chinese business

to engage with society increased. However, little is known about what these expectations are or the various factors that contribute to shaping them. In this paper, we delineate some of the dimensions, which have created, influenced, and now sustained a corporate philanthropic environment in China. Our goal is not only to describe the importance of philanthropy concerning business ethics in China but also to identify some of the most important markers linking business and society. We do this in three parts: First, we examine the historical influence of Confucianism to explore the potential impact it has on contemporary business values and philanthropic practices. We then explore the evolution of philanthropy in association with the Chinese Communist Party to highlight some of the shifts of power and responsibilities as the Chinese leadership integrated business and economic reforms. Third, we identify some of the main economic, social, political, and global developments that have contributed to China's rise as a global power to illustrate how these developments in their own right have created state-centered expectations toward, and thus contribute to, certain business activities understood as philanthropic in the Chinese context. In other words, economic and social developments are reciprocally related to the state's increasing commitment to foster business activities that are understood as philanthropic from a Chinese value system. Overall, we will show that philanthropy has a rich and complex ideological, political, and social base in China. It provides the business environment with numerous opportunities to adapt their roles and behavior to foster mutually beneficial economic and social development in China.

Philanthropy and Confucianism

Confucianism and Contemporary China

Three virtues form the basis of morality, according to the philosophical and ethical system of Confucianism: humanity (*Ren*), ritual propriety (*Li*), and filial respect (*Xiao*). Based on these, humanity is defined as the essential goodness and love for others. For more than 2500 years, these principles have been part of Chinese culture. The popularity of Confucian tradition has risen and fallen over centuries, dynasties, and political ideologies. However, many researchers argue that Confucianism continues to play an important role in modern Chinese society (Hu, 2013; Low, 2011; Shoujin & Caccamo, 2013; Tu, 1991, 2007). Bell (2010) gives three examples: In the first, he notes that Confucianism has come to enjoy widespread political and governmental support in recent years as political figures incorporated Confucian phrasings and beliefs into political discourse to encourage and reproduce the "hard-won peace and stability that underpins the country's development" (ibid, p. 8). He cites the former President Hu Jintao who, in his 2005 speech to the National Congress, stated: "Confucius said, 'Harmony is something to be cherished'" (ibid). Furthermore, Hu frequently made reference to a "harmonious society" or "harmonious world", which builds on Confucian values and which underpins many domestic and foreign policies. According to Bell, this has several advantages. It reifies the government's concern for all its citizens by highlighting the importance of a harmonious society, while also calling for peace and harmony in a society faced with increasing inequality. It also pacifies international fears about China's rise as a global superpower. A second example is the increasing global reach of Confucianism through the establishment of Confucius Institutes at universities worldwide. Overseen by the Hanban, these non-profit public institutions are intended to "become a platform for cultural exchanges between China and the world, as well as a bridge reinforcing friendship and cooperation" (HanBan-Confucius Institute, 2014). Since the first Confucius Institute was set up in 2004, more than 370 institutes in 100 countries have been established (<http://confuciusinstitute.unl.edu/institutes.shtml>). It is not only the global traction and domestic political

praxis that are noticeable examples of contemporary Confucianism in practice. Confucian values resonate within Chinese society at large. In terms of mainstream consumption, there is the example of the national star, Yu Dan, who wrote a self-help book based on the *Analects of Confucius* (2006), which sold more than ten million copies, three million in the first four months. Bell also notes that courses on Confucianism have become some of the most popular classes in Chinese universities. He cites Chen Lai, professor of philosophy at Beijing University, who claims that more than ten million children are studying Confucian classics in China today. Finally, Bell provides several examples of widely practiced Confucian cultural values evident in modern China. For instance, “[t]he idea that rulers should be morally upright has Confucian roots, as does the practice of invoking model workers who are supposed to set an example for others [and] that Confucian values still inform ways of life, especially regarding family ethics. Filial piety, for example, is still widely endorsed and practiced” (ibid, p. 10). These examples illustrate how salient certain Confucian ideas have become in various societal, political, and corporate contexts. But what is Confucianism and how is it received? In order to answer these questions and to understand how Confucianism connects to philanthropy in China, we first need to examine briefly this philosophical and ethical system itself.

The Confucian Self

In ancient China, the concept of personhood was not shaped within the individual person but from one's humanity or *Ren* (Bockover, 2010). Accordingly, a person develops “by learning how to stand in dutiful relation to others” (ibid, p. 307). Based on Confucian principles, a person is defined in relation to the roles she or he fulfils as part of a larger community, and personal development is fostered through ethical behavior toward others “by acting civilly and humanely ... or more specifically, the idea of being – or becoming – a person [through] the idea of being a good – or virtuous – person” (ibid). The purpose of the Confucian Self is to actualize moral potential through the self-cultivation of ethics and responsibilities in relation to others. This is accomplished by combining the principles of *Li* and *Ren*:

Roughly translated, *Li* is [the] holy rite, ritual propriety, ceremony; it is the appropriate, civilized, authoritative, even sacred conduct by which people mutually recognize and respond to each other in their distinctively human roles. The human way (*rendao*) is a way of convention that both expresses and aims to further realize *Ren*, the natural human goodness, benevolence, nobility, authority, or humanity ‘in’ all of us. (Bockover, 2010, p. 309)

These concepts are not clearly distinct from one another, and it is actually easier to think of *Li*, or the rites of appropriate conduct, as expressions of *Ren*, our ‘responsibility’ to act with goodness to others (ibid). Bockover adds that “this is why one translation apt for *Ren* and characterizing the truly human (*Ren*) person, is responsibility. A *Ren* person recognizes and responds to others as persons, or is responsible for carrying out actions appropriate to those relationships” (ibid). According to Confucian principles, personhood is a function of interdependence, and it is cultivated through the social and spiritual accomplishments of people's interpersonal interactions. As she puts it, “We come to the world with the raw sacred material to be shaped into persons, but only through *Li* and *Ren* – diligent, responsible action to others – do we become true persons”. Accordingly, we are continuously interdependent and part of a relational community. The responsibility we have toward others and how we choose to act and interact, therefore, defines and shapes who we are, and

within this responsibility lies the potential to make us virtuous. Relationships play an integral part in the Confucian Self because they are the main path through which *Li* and *Ren* are practiced and integrated with one another. Although modern society is defined by a multitude of complex relations with significant others, Bockover identifies five that are central in the Analects: father – son, husband – wife, older brother – younger brother, ruler – subject, friend (teacher) – friend (student). The following figure summarizes and expands the thus created reciprocities between key relationships according to Confucian philosophy:

Table 1
Five Relations and Ten Reciprocal Values under Confucianism

RULER	Benevolence Loyalty	SUBJECT
FATHER	Righteousness Filial piety	SON
HUSBAND	Love Obedience	WIFE
Elder BROTHER	Gentility Humility	Younger BROTHER
SENIOR	Considerateness Deference	JUNIOR

Interestingly, a collective “other” is not implied here but, instead, reference is made to dyads, i.e. between - sons, wives, brothers, subjects, or personal friends. According to Bockover, these relations are significant to how the Confucian Self develops because they form the basis from which people receive their individuality. She argues that, similar to the relationship between ruler and subject, Confucius did not conceive of father, son, or sibling relationships as biological. Rather, these relationships are defined in accordance to the responsibility a person has toward others. “To be a person is to stand in responsible relation to others, to learn and perform the roles that are appropriate to those relations (to learn the *Li*)” (ibid, p. 310). Although many people are husbands, wives, fathers, and sons, they are distinguished from each other by the unique nexus of relationships they occupy and the responsibilities attached to these roles, which shape who they are. She explains, for example, that all mothers may share the general duty of caring for their children, but their specific responsibilities will differ depending on context and the other social roles they occupy. The task of the Confucian Self is to learn how to act virtuously within these dynamic and multiple roles, which, in turn, define and develop personhood:

Like the *Ren* person of the Analects, the virtuous person in the Mencius must become a person by developing into one, by developing virtue in a larger human context. For both Confucius and Mencius then, and once an inner-outer distinction is evoked, personhood develops in having what starts on the ‘inside’ grow outwardly, positively binding one to others in a virtuous fashion. Anything less is vice or deprivation that squanders the goodness

basic to our humanity instead of cultivating it. All of us have this responsibility, to cultivate our true nature by becoming the best persons we can be in the various roles that define us. We distinguish ourselves as unique persons in the way that we do this (Analects: 1:15, 2:4, 20:3). ... How each of us creatively, personally, takes up the task of literally building a self within the fabric of human community. (Bockover, 2010, pp. 311-312)

Confucianism and Philanthropy

Philanthropic behavior in the Confucian sense may be understood as a natural extension of personal development and of cultivating social relationships: A moral person cares about others (*Ren Zhe Ai Ren*). Scholars frequently connect philanthropy to the Confucian principle of benevolence or *Ren* (e.g. Baidu Baike, 2014; Bolliger, 2014; Hu, 2013; Jian-Wen, 2013; Low & Ang, 2013; Shoujin & Caccamo, 2013). According to Tsu (1912, p.16), for example, Confucius regarded philanthropy as “the distinguishing characteristic of man [and] as one of the fundamental constituents of nobleness and superiority of character”. Philanthropy is a form of self-discipline, a way of cultivating virtue and ethics. People choose to act benevolently not because they feel socially responsible or because they are legally required to do so but because their self is dependent on social cultivation (Jian-wen, 2013).

Attempting to make explicit the connection between Confucianism and modern-day philanthropy and CR in China, Low, and Ang (2013) categorized different Confucian ethics according to how they relate to personal development, relationships with others, and social responsibility.

Table 2

Categorization of Confucian Values into Self-development, Relationships with Others, and Social Responsibility (Low & Ang, 2013, p. 36)

Confucian Ethics	Self-Development	Relation with Others	Social Responsibility
1 Filial Piety (孝, <i>xiào</i>)	√		
2 Brotherhood, Peership, and Equality (悌, <i>tì</i>)		√	
3 Loyalty (忠, <i>zhōng</i>)		√	
4 Trustworthiness (信, <i>xìn</i>)		√	
5 Courtesy; Politeness (禮, <i>lǐ</i>)	√		
6 Courage (義, <i>yì</i>)	√		
7 Character and Integrity (廉, <i>lián</i>)	√	√	
8 Shamefulness (恥, <i>chǐ</i>)	√		
9 Benevolence (仁愛, <i>rénài</i>) and Compassion (同情, <i>tóngqíng</i>)			√
10 Peace and Harmony with Others (和平, <i>héping</i>)	√		
11 Working Hard (勤奮, <i>qínfèn</i>)	√		
12 Thriftiness (Frugality) (節儉, <i>jiéjiǎn</i>)	√		
13 Perseverance (毅力, <i>yìlì</i>)	√		

14 Self-Cultivation (修养, <i>xiūyǎng</i>)	√	
15 Self-Discipline (自律, <i>Zìlǜ</i>)	√	
16 Reciprocation of Greetings and Favors (恕, <i>shù</i>)		√
17 Tolerance (容忍, <i>róngrěn</i>)	√	
18 Moderation- Following the Middle Way (适度, <i>shìdù</i>)		√
19 Prudence (Carefulness) (谨慎, <i>jǐnshèn</i>)	√	
20 Resilience (弹性, 弹力, <i>dànxìng, dàn lì</i>)	√	
21 Continuous Learning (不斷學習, <i>bù duàn xuéxí</i>)	√	
22 Being Ethical (倫理, <i>lúnlǐ</i>)		√
23 Honesty and Sincerity (真誠, <i>zhēn chéng</i> ; 誠實, <i>chéngshí</i>)	√	
24 Patience (忍耐, <i>rěnnài</i>)	√	
25 Impartiality (公正, <i>gōngzhèng</i>)		√
26 Contributing to Society; Social Obligation and Responsibility (社會的義務和責任, <i>shèhuì de yìwùhézé rèn</i>)		√
27 Self-Awareness (自知)	√	

According to Low and Ang's classification, personal development is realized through ethics such as integrity, justice, and virtue, including filial piety (孝, *xiào*), courtesy and politeness (禮, *lǐ*), righteousness, right conduct and courage (義, *yì*), upright, honorable, integrity, and character (廉, *lián*), and humility and shamefulness (恥, *chǐ*). Relations with others are defined by ethics such as duty, respect, and interdependence, including brotherhood, peership, equality (悌, *tì*), loyalty, fidelity (忠, *zhōng*), trustworthiness (信, *xìn*), and upright, honorable, integrity, and character (廉, *lián*). Social responsibility is based on ethics, promoting a supportive and harmonious society. It includes contributing to society, social obligation, responsibility (社會的義務和責任, *shèhuì de yìwùhézerèn*), being ethical (倫理, *lúnlǐ*), and the reciprocation of greetings and favors (恕, *shù*).

The subtle differences between the conceptualizations of Bockover (2010) and Low and Ang (2013) in relation to ethics, personal development, and relationships could be explained in part based on the purpose of their arguments. Bockover examines how the concept of personhood is developed through the practice of Confucianism, while Low and Ang (2013) reflect on Confucian values to account for and encourage particular modern business practices in China, especially in relation to CR and philanthropy. In this regard, Confucian principles make two important contributions to business and management practice. First, building on Bockover's five levels of human relations, Low and Ang (2013) emphasize the importance of work-based relationships. They argue that co-workers who embrace Confucian values establish harmonious work-relationships with significant others. By extending familial values to selected social and work relationships, others may be treated like family members, which forms the foundation of codes of conduct and work-related behavior. This

has two important consequences: First, by emphasizing cooperation and working together to foster harmonious relationships, people are encouraged to amplify their virtues, which reduces conflict, fosters cooperation, and establishes positive group dynamics and teamwork based on fraternity (Wei, 2010). Second, it renders the concept of family transient and flexible. In its most narrow sense, it includes family members related by kinship but, in a wider sense, it may extend to hometown fellowship, schoolmates, work relationships, an employee, or the nation. The important implication for corporate philanthropy here is that responsibility may be extended to relationships beyond kinship to include social groups, regions, the state, or humanity as a whole.

The second interesting point Low and Ang (2013) make in this regard relates to the role of leadership in business. According to them, positions of power attained through wisdom and talent can be lost without benevolence (*Ren*). With benevolence, positions of power can be maintained or even augmented. However, support of the multitude cannot be maintained if one does not govern the multitude conscientiously (Analects, 15:33; Low, 2011). Thus, power and leadership are connected to responsibility. This framing has significant implications for the philanthropic role-expectations of business leaders. According to Ang and Low (2012, p. 88):

In Confucius' mind, leaders had an obligation to cultivate themselves morally, to demonstrate filial piety and loyalty, and to act with benevolence towards their fellow men. Therefore, Confucian leadership emphasized correct moral and ethical behavior of both the individual and the government. It underscored the importance of social relationships, justice and sincerity. In Short, it is aimed at creating peace and harmony in a society with social responsibility.

Here, Confucian principles are compatible with notions of philanthropy in general, and CR and corporate philanthropy in particular. They have the potential to promote benevolent and strategic norms and actions toward significant stakeholders within the corporate environment. This is especially evident in the way Confucianism highlights the obligations and responsibilities of leaders in business, as well as how it encourages cooperation and loyalty among workers and employees. Thus, combining Confucian values with modern business methods has the potential to create a powerful dynamic wherein personhood, responsibility, and social relations become the nexus for creating a stable society and philanthropy as one of the main drivers in realizing sustainable economic and social goals. In recent years, some of these values have also become an important part of Chinese political discourse, creating an ideological basis for market reforms that have transformed Chinese society. One such example is the declaration by the Chinese Communist Party (CCP) to 'build a harmonious society' at the 2005 National People's Congress (Lin, 2010). According to Heberer and Schubert (2006, p. 20), this "represents a contemporary revival of the Confucian ideal of the 'Great Harmony' (*datong*) or 'a society characterized by social equality and political harmony'". As a political tool, Confucianism has been used more recently to instrumentalize and entrench corporate philanthropy, a point we turn to in more detail in the next section.

Philanthropy and Communism

According to Western notions, philanthropy can be defined as voluntary or discretionary activities that are

“guided only by business’ desire to engage in social activities that are not mandated, nor required by law, and not generally expected of business in an ethical sense” (Carroll, 1991, p.36). This definition makes philanthropy seem at odds with Chinese communism for several reasons. In a conventional sense, private enterprise was either restricted or disallowed due in part to the obligations and responsibilities of the state as the central caretaker of society. Accordingly, state-led social welfare initiatives cannot be understood as voluntary philanthropic activities. To understand how these seemingly contradictory ideas have been brought in line with one another, and how this alignment has created a space wherein philanthropy has become a central social and cultural pillar in modern-day China, it is necessary to examine some of the important developmental moments that made this possible. Although this is not the place to discuss communism in China in detail, we will briefly touch upon several interrelated aspects to sketch the evolution of some of the ideas and practices that connect Chinese communism with philanthropy: first, the foundations built during Maoist rule; second, reform and transformation under Deng Xiaoping; third, the creation of modern-day philanthropy in China; and, fourth, the continued importance of the close relationship between business and Chinese society.

Mao and the Foundations of Communism

After the Chinese communist revolution and establishment of the People’s Republic of China in 1949, the CCP promised a socialist and, ultimately, communist society, in which all property would belong to the people; and in which social class would cease to exist. In the period of centralization that followed, the redistribution of wealth was mainly achieved through labor, which became one of the key features of socioeconomic and cultural change (Jeayoun, 2012). Permanent employment and work-based occupational welfare were introduced through state-owned enterprises (SOEs), which were sites not only of production and employment but also the centers of social services, providing cradle-to-grave welfare benefits to workers and their families (Lin, 2010). This included health care, pension schemes, housing, loans and subsidies, meal services, access to education, and child care (Walder, 1986). According to Meisner (2007, p.16, p.13), the period of political, social, and economic reorganization during the first decade of Maoist rule was usually considered successful, leading to:

[t]he unification of China, the establishment of a national market, the building of a centralized state apparatus and an effective bureaucracy, the construction of a vast infrastructure of roads, railroads, and electrical systems, and the education of the working population.... After a long era of political disintegration and civil war, genuine national unification was achieved. Following more than a century of foreign impingements and invasions, China gained true national independence.

This became the basis for modern economic development, and massive gains in literacy, public health, and education (Meisner, 2007). Despite the well-documented challenges, setbacks, and tragedies, such as the devastating famine resulting from the Great Leap, life expectancy rose from 35 years before 1949 to 65 years by the mid-1970s (ibid). Under Mao’s leadership, the CCP built a foundation for a communist society, and it put into place the necessary conditions to ensure rapid economic and social development under the reforms guided by Deng Xiaoping.

Reform and transformation under Deng Xiaoping

By the late 1970s, organizational dependence on state-organized work and welfare overburdened the CCP and China (Walder, 1984). This, in combination with an agrarian crisis, meant that the communist state struggled to provide adequate social programs (Sarkis, Ni, & Zhu, 2011). Under the leadership of Deng Xiaoping, the CCP radically reformulated China's policies to ensure continued economic growth (Heberer & Schubert, 2006). Many labels are used to define the modern reform period that followed, including capitalist (Meisner, 2007), capi-communist (Napoleoni, 2012), neoliberalist (Wang, 2004), guanxi capitalist (Rühle, 2012), or none of these (Xu, 2011). Even though scholars seem to disagree on what to call the shift that took place in the CCP at the time, it is evident that there came about a decisive change in ideology and practice. While the communist leadership continued its commitment to communist ideology, in practice it began to implement a form of capitalist-styled economic pragmatism. This policy shift was encapsulated in Deng Xiaoping's statement in 1980: "The purpose of socialism is to make the country rich and strong" (cited in Meisner, 2007, p. 17), and it may also be observed in the 1982 Preamble to the Law of the Chinese Constitution, which states:

The basic task of the nation in the years to come is to concentrate its effort on socialist modernization. Under the leadership of the Communist Party of China and the guidance of Marxism-Leninism and Mao Zedong Thought, the Chinese people of all nationalities will continue to adhere to the people's democratic dictatorship and follow the socialist road, steadily improve socialist institutions, develop socialist democracy, improve the socialist legal system, and work hard and self-reliantly to modernize industry, agriculture, national defense, and science and technology step by step to turn China into a socialist country with a high level of culture and democracy.

Meisner (2007) argues that by marrying communist ideology and capitalist modernization, socialism became reinterpreted and aligned with national goals of wealth and growth. Launching the modern reform period, the communist leadership relaxed economic controls, thus stimulating foreign trade and ultimately leading to an unprecedented economic boom that expanded China's GDP ten-fold (Minzer, 2011). While we examine the successes of these market reforms and how China emerged as a global superpower in more detail in the next section, important here is the recognition that business and economic reforms in China evolved philanthropy within the communist landscape, something the CCP incorporated formally into its political agenda. An integral part of the reforms introduced by Deng Xiaoping, for example, aimed to reduce the size and responsibility of the state through the transformation of government functions (Deng, 1983). In an attempt to ease state responsibilities, the reforms made many of the national institutions established during the Mao period obsolete. As Meisner (2007, p. 24) explains:

In the countryside, collectivistic and cooperative work units (along with much of the rural health and welfare systems) have been dismantled in order to create a commercialized rural economy. In the cities, the so-called "iron rice bowl" of job security and welfare benefits enjoyed by about half of the urban working class during the Mao years has been broken in the name of 'reform'.

Possibly the most extensive government transformation was the modernization of SOEs, which entailed extricating the social services from business activities. SOEs were restructured to become “lean” modern corporations, while schools, hospitals, restaurants, etc. were handed over to various other stakeholders such as local government, legal entities, and independent for- and non-profit business organizations (Lin, 2010). Under the motto “small state, big society”, these reforms ended the SOEs’ financial dependence on the state and reduced public spending on welfare, education, and health (Wang, 2004). By introducing ideas such as self-reliance and efficiency, the communist leadership also introduced profit seeking as a legitimate activity (Jaeyoun, 2012; Lin, 2010). Jaeyoun (2012, p.17) argues that the shift toward “small state, big society” was the CCP’s attempt to socialize welfare by calling “for more involvement from society in sharing responsibility for social welfare and resolution for unemployment”. And, with continued privatization, decentralization, and marketization of China’s economy, this shift became more pronounced during and after Deng Xiaoping, as the communist leadership moved to implement various strategies to shift and institutionalize social responsibility into the private sector.

Institutionalizing Philanthropy in Modern-Day China

During this period of reform, the CCP became known for its “performance legitimacy”, whereby the CCP maintained its support not on an ideological platform, but rather based on the republic’s continued developmental success (Fewsmith, 2001). The CCP achieved this by adopting the sustained improvement of the quality of life of Chinese citizens a second important focus (Lin, 2010), only surpassed by the aim toward further economic development. Given that this reform period also limited the role of the state in favor of developing business, it created a strong political motive for the communist leadership to encourage social responsibility among business actors to tackle some of the social and environmental problems in China. It is, therefore, unsurprising that the CCP implemented numerous policies to institutionalize philanthropic activities through channels, such as religion, state ideology, legislation, financial incentives, and CR frameworks. For example, the CCP has taken a more benevolent approach to religion in China over the past 35 years. Beyond their importance to welfare and philanthropy, Du and colleagues (2013) suggest that the communist leadership allowed religious establishments to flourish in part because of their ideological bases centered on charity, harmony, and social responsibility. In their study on the linkages between religious establishments and business, they argue that religious establishments can “serve as an alternative mechanism to urge firms toward philanthropic giving” (Du, Jian, Du, Feng, & Zeng, p.12). They also argue that, when business owners are located near religious sites, they are reminded of how charity and corporate philanthropy can improve their reputation. Benevolence is spread by encouraging religious and affiliated social norms (ibid), promoting the development of philanthropic activities. Under the rubric of the “harmonious society”, state policies encourage political and social stability to mitigate social and environmental problems (Laliberté, 2011).

During the 2005 National People’s Congress, the communist leadership announced that policy would shift from economic growth toward societal balance (Lin, 2010). The CCP made “building a harmonious society” its long-term goal, particularly by focusing on issues that “damage social harmony”, such as inequality, unemployment, access and quality of health care, and environmental pollution (Lin, 2010). This ideological shift not only reprioritized social issues in the political agenda, it also contributed to the creation of incentives for intensified philanthropic initiatives, enshrined in various legislative frameworks as legal, financial, and policy instruments that were adopted from 2005 onwards. Two leading examples of a legalistic basis for

philanthropy in China include The Law of Donation, which is a legislative attempt to create a law of charity by allowing organizations to make donations through officially accredited organizations (Lang, 2003), and Article 5 of the 2006 Chinese Company Law, which states that “[i]n the course of doing business, a company must comply with laws and administrative regulations, conform to social morality and business ethics, act in good faith, subject itself to the government and public supervision, and undertake social responsibility” (cited in Lin, 2010, p. 71). Financial incentives to encourage corporate social responsibility include favorable tax treatment for charitable contributions (Minzer, 2011), green credit policies, which take into account corporate environmental performance during credit assessments (Lin, 2010), and a progressive green credit scheme, wherein “high-pollution and high-energy-consumption industries are subject to environmental performance reviews when applying for initial public offering (IPO) or refinancing” (ibid, p. 81). Perhaps the most interesting example in this regard is the CCP’s entrenchment of CR in the Chinese business world with the adoption of various voluntary and mandatory CR initiatives. Examples include the 2008 Guidelines to the State-Owned Enterprises Directly Managed Under the Central Government on Fulfilling Corporate Social Responsibilities, which contains the state’s position on how SOEs ought to engage in CR, the 2006 Shenzhen Stock Exchange’s Guide on Listed Companies’ Social Responsibility, the Shanghai Stock Exchange’s Guide on Environmental Information Disclosure for Listed Companies, or its Responsibility Index, which selects the top 100 socially responsible companies on the stock exchange each year. Whether legal, financial, or policy-related, most of these instruments are based on the principles of “building a harmonious society, advancing toward economic and social sustainable development, and promoting corporate social responsibility” (Lin, 2010, p. 76), illustrating how important state-endorsed, business-oriented philanthropic activities have become in modern-day China.

The Complex Relationship between State and Business

Various strategies have been adopted by the communist leadership to associate philanthropy with communism. However, there are also important bottom-up philanthropy-related advantages that partially account for the close relationships between the state, business, and society. To understand these, we need to return briefly to the historic legacy of the CCP. Because of the elimination of the Chinese bourgeoisie during Mao’s leadership, an “entrepreneurial class” had to be created in order to implement the new market strategies, which shaped an alliance between economic and political elites, and which has had a lasting impact on the business landscape in China. Private enterprise, for example, invests in high-profile CR activities in order to compete for the attention of political actors. Within this mutually interdependent relationship, philanthropy may facilitate preferential market access, protect business interests, and promote rent seeking (Dickson, 2008; Xu, 2011).

China is a large, complex, dynamic, and diverse country, so generalizations are nearly always flawed. But with the benefit of time on our side, it is possible to look back and observe some of the continuities and discontinuities, which have shaped the present. This can be seen, for example, in the vacillation between ideology and pragmatism within the CCP and how this dynamic created and shaped the potential for a philanthropic landscape that is deeply embedded in the political, economic, cultural, and social domains of modern-day China. In the final section, we examine some of the economic and social achievements associated with China’s development over the past few decades, and how this development shapes and is being shaped by a political discourse relating to expectations toward business and corporate philanthropy, nationally and internationally.

Corporate Philanthropy in China Today

Both critics and admirers of China's economic reform agree that we are witnessing one of the most extraordinary episodes of social and economic transformation in human history.

(Xu, 2011, p. 1)

So far, this paper has focused on some of the cultural, historical, and political dimensions, which contributed to the foundations and expectations of philanthropy in China. But the most prominent of these is perhaps the tremendous economic, political, and social developments associated with China's success and the impact these have on shaping the philanthropic expectations placed on corporations in China. An exhaustive account of the multidimensional factors falls beyond the scope of this paper. In the following section, we lay out some of the major achievements in order to show how Chinese corporations have become deeply embedded in the global world and how this in turn has contributed to increasing expectations from the state, its citizens, and from the global community. We do this by examining the economic, social, and political development in China in the recent two decades, its globalization, and how these form a modern basis for Chinese corporations to engage in corporate philanthropy.

Economic Development

Since China introduced economic reforms to decentralize and diversify its economy, private business, and foreign investment surged (Shoujin & Caccamo, 2013). Due to the rapid economic growth of this period, China became the second largest world economy, the world's largest exporter, as well as an important global investor (Arora & Vamvakidis, 2010). In November 2014, the International Monetary Fund announced that China had overtaken the US as the largest economy in purchasing parity power (Bird, 2014). Although some remain skeptical of the timeframe within which this relative adjustment of GDP will translate into real market exchange and others wonder whether Chinese economic growth has reached its peak, most predictors still indicate that China will overtake the US in the near future and that, based on "the assumption that China's ascent will continue as roughly charted earlier — its economy [will] grow to twice the size of the United States' by 2030" (Jacques, 2013, p. 4). In less than 10 years, China's GDP has more than quadrupled from slightly more than US\$ two trillion in 2005 to more than US\$ nine trillion in 2013 (World Bank, 2015a). During the same period, per capita income (measured at current value of US\$) doubled from US\$ 3,749 to US\$ 6,749 (World Bank, 2015b). China has become one of the upper-middle income nations of the world (World Bank, 2015c). Historically, these gains are even more impressive. According to a United Nations Development Report, per capita income has increased twenty-fold since 1970 (UNDP, 2014). In terms of a sectorial breakdown, Rühle (2012) explains that this is due to a 46.8 % growth in industry, a 42.6 % growth in the tertiary sector, and a 10.6 % growth in the agricultural sector. This can also be observed in the steady growth of China's trade industries. As Yao (2014, p.15) puts it:

In the past decade, China's trade volume increased from \$800 billion in 2003 to \$3.87 trillion in 2012, which raised it from the fourth in the world to first place among the developing countries. China also ranks first in absorbing foreign direct investment and is the third highest country in outward foreign direct investment.

The growth in trade and investment also reflects the multiple transitions of China's economy as it established

itself as a global superpower. Initially, it moved from a mostly rural, planned economy to “an economy dominated by manufacturing and service sectors” (Zheng, 2014, p. 43). In recent years, new technological advances are transforming China from “made in China” to “created in China” as China has begun to move away from low-skill, labor-intensive industries to focus its core competencies on new technology industries instead (Yao, 2014). As a result, China’s export of mechanical and electronic products has grown nearly eight times over the last decade, while China has become a world leader in automotive, shipping, railway, aircrafts, satellite technology, and other high-tech products (ibid). This has vastly increased China’s share in “world trade, global markets for selected goods, and capital flows” (Arora & Vamvakidis, 2010, p. 11), a point we will return to below.

Social development

The tremendous economic growth had vast social impacts for a large segment of the world. According to Jacques (2013, p. 4), “China has twice the population of Europe and four times that of the United States. It accounts for one-fifth of the world’s population. It is not just another country but a near continent or, to put it another way, a sub-global region”. According to Arora and Vamvakidis (2010), a 16-fold increase in the national economy has come about in a single generation, creating an unprecedented improvement in living conditions both in scale and pace, lifting several hundred million people out of poverty (see also Xu, 2011). China’s steady climb on the Human Development Index (HDI) illustrates this well. Used by the United Nations to track human development of countries globally, the HDI ranks countries annually based on life expectancy, education, and income indices. Since initiating market-reforms in the early 1980’s, China’s HDI value has increased 70 % from .423 in 1980 to .719 in 2013. In real terms, this means that between 1980 and 2013 “China’s life expectancy at birth increased by 8.3 years, mean years of schooling increased by 3.8 years and expected years of schooling increased by 4.5 years [and] China’s [Gross National Income] per capita increased by about 1563.3 percent” (UNDP, 2014, p. 2).

Political Development

Most of the economic and social development highlighted thus far is a result of careful and purposeful political engineering. In this way, economic and social development in China is intricately connected to the foci and principles identified in its political discourse. Advances in economic and social development are made possible through changes in the political agenda, as the political agenda is adapted – based on ideology or pragmatism – according to the development of the economic and social sphere. The following is an illustration of some of this political discourse that reciprocally relates to development.

Eight Principles of Foreign Aid: In late 1963, the Chinese Premier Zhou Enlai visited various countries in Africa, creating a new basis for China-Africa relations. During this visit, Zhou proposed eight principles governing China’s foreign economic and technical assistance, including the aim toward mutual benefit; assist independently of conditions or special privileges to China and its experts; lighten the burden of recipient countries; help recipient countries to achieve self-reliance and independent development; develop projects that require less investment but yield speedy results; provide quality equipment and materials from its own manufacture base; provide technical assistance; and allow the recipient country to master techniques and technologies associated with economic and technical assistance.

Aims and capabilities: Premier Wen Jiabao presented Chinese aims and capabilities in a speech at Davos in 2010, which included “providing public services”, establishing a “sustainable system of public services that

covers both urban and rural areas, and promote equal access to social security and basic medical and health care services”, invest in public housing to improve “livelihood and social stability”, “rectify the market order, improve the land, tax and financial policies, accelerate the establishment of a long-term mechanism for the healthy development of the housing market and curb investment and speculative demand”, “guide the market towards greater supply of ordinary commercial housing, speed up the development of low-income housing and build public rental housing”, and “deepen comprehensive reforms in the economic, political and other fields to enable the entire system to better meet the needs of developing a modern economy and building socialist democracy, push forward social equity and justice and facilitate the free and all-round development of the people.”

Peace, cooperation, development, and inclusion as principles of China-AEAN focus and growth areas: In a media release on 8 October 2013 the Chinese Premier Li Keqiang presented the following focus and growth areas to mark the 10th anniversary of China-ASEAN strategic partnership: “good-neighborliness, friendship and cooperation to consolidate the political foundation for our strategic mutual trust”, “strengthen exchange and cooperation in the security field”, upgrade the China-ASEAN FTA “to take concrete steps in trade in goods, trade in services, investment cooperation and other areas to promote trade and investment liberalization and facilitation”, “establish an Asian infrastructure investment bank and meet, on a priority basis, some ASEAN countries’ need for financial support in infrastructure building”, “increase the size and scope of bilateral currency swap, expand the pilot program of settling cross-border trade with local currencies”, “intensify practical cooperation on marine economy, especially fishery, and in other areas such as maritime connectivity, marine environment protection and scientific research, and maritime search and rescue, and work together to build the Maritime Silk Road of the 21st century”, and “formulate the China-ASEAN Cultural Cooperation Action Plan to facilitate exchanges in culture and education, and between youth, think tanks and the media” (Li, 2013).

One Belt, One Road: According to Kennedy and Parker (2015), the ‘One Belt, One Road’ initiative will form an important part of China’s 13th five year plan (2016-2020) and refers to Xi Jinping’s foreign policy and domestic economic strategy to develop a network of regional infrastructure projects. Extending well beyond road, rail, and maritime infrastructural projects, this initiative aims to “promote greater financial integration and use of the Renminbi by foreign countries, create an ‘Information Silk Road’ linking regional information and communications technology networks, and lower barriers to cross-border trade and investment in the region, among other initiatives. New regional institutions, such as the Asian Infrastructure Investment Bank (AIIB) and New Silk Road Fund (NSRF), are also designed in part to complement and support the Belt and Road’s development” (Kennedy & Parker, 2015, p. 1). They also note that this initiative is “notable for its mixing of traditional Chinese diplomatic language (e.g., emphasizing sovereignty and nonintervention) alongside a newer rhetorical focus on adherence to high standards and international norms and the ‘decisive’ role of the market and industry in driving the initiative” (ibid).

The Asian Infrastructure Investment Bank (AIIB): According to the AIIB website, the bank defines itself as ‘lean, clean and green’: “lean, with a small efficient management team and highly skilled staff; clean, an ethical organization with zero tolerance for corruption; and green, an institution built on respect for the environment. The AIIB will put in place strong policies on governance, accountability, financial, procurement and environmental and social frameworks.... The AIIB will focus on the development of infrastructure and other productive sectors in Asia, including energy and power, transportation and telecommunications, rural

infrastructure and agriculture development, water supply and sanitation, environmental protection, urban development and logistics, etc.” (AIIB, 2015)

Political initiatives such as these illustrate well the ability of the Chinese leadership to manage China’s development and are major contributing factors to China’s emergence as a global superpower. According to Jacques (2013, p. 4), Chinese governance is so successful because of

the sheer competence of government; the ability to think long-term and take a strategic view of development; the ability to get things done; the willingness to experiment and make choices on a very pragmatic basis as according to what does or does not work; the capacity to undertake great infrastructural projects that have been crucial to China’s transformation; and the relative immunity, compared with the United States for example, from the lobbying of powerful vested interests.

These strengths have not only engendered China’s economic prosperity – currently its greatest contributor to social stability and development, but, tied to its economic success, also its considerable increase in global political influence. Kastener and Segal (2009, p. 8) observe that this is hardly surprising because “[t]he conventional wisdom among policymakers, economic actors, and scholars holds that the translation of economic power into political influence is virtually automatic: higher levels of bilateral economic relations should yield greater influence.” In this way, China’s pivotal role in the globalization of the world fosters its growing international power and influence, as the increase in international power and influence reciprocally translates into economic and social development.

China and Globalization

Although China had already achieved a high degree of openness in foreign trade by the beginning of the 21st Century, its entry into the World Trade Organization (WTO) in 2001 created an enormous impetus for China-world trade integration. Between 2001 and 2009, for example, US exports to China increased nearly 270%, from US\$ 19 billion to US\$ 72 billion, while exports from China to the US nearly tripled from US\$ 102 billion to US\$ 296 Billion in the same period (Zheng, 2014). In Europe, EU-China bilateral trade grew steadily. According to Casarini (2012), China-German trade surpassed € 100 billion in 2011, and China has become the EU’s biggest sources of imports, accounting for more than € 428 billion in 2011 alone. These developments allowed China to become a global exporter, second only to the US in terms of imports (Kutznetzova, 2013). In addition to increasing globalized trade, foreign direct investment (FDI) followed similar developmental patterns. By 2009, China was absorbing approximately 17% of the FDI flowing to developing countries, while also becoming an important outbound direct investment (ODI) nation (Zheng, 2012, p.73). Arora and Vamvakidis (2010, p.12) explain:

China now accounts for nearly one-tenth of global demand for commodities and more than one-tenth of world exports of medium- and high-technology manufactured goods. China has become a major exporter of electronics and information technology products and is the largest supplier to the United States of consumer electronics products such as DVD players, notebook computers, and mobile phones. China’s rising share in world trade over the past

three decades is underpinned by a rise in its share in the external trade of every major region. China's share is, perhaps unsurprisingly, largest in the trade of other emerging Asian economies (13 percent), and this share has seen a striking increase over time. But its share of African trade is almost as large, and its share in trade with the Middle East, the Western Hemisphere, and Europe has increased several fold in recent decades.

China has also been the major player in creating a much larger Asian supply chain since "Chinese final goods exported to the West require, for their production, substantial inputs from the rest of Asia. This supply chain allows other Asian countries, especially smaller ones, greater access to global markets.... A 1 percentage point change in China's growth sustained over five years is associated with a 0.4 percentage point change in growth in the rest of the world" (Arora & Vamvakidis, 2010, pp.12-13). China's fundamental role in globalizing the world did not only result in direct economic gains, but it also contributed significantly to the overall development of the Asian region, and it helped to sustain world growth or at least to soften the impact of the recent global recession. There are many contemporary examples, which show how China's emergence as a global power and its growing influence on world affairs is contributing to a changing global landscape, four of these will be covered here briefly: first, China's increasing role in maintaining global financial markets; second, its growing political influence in the world; third, its evolving role in the UN Security Council; and, fourth, its new role as an agenda setter for sustainable development.

According to Casarini (2012, p. 43), the recent debt crisis in the West provided China with "the opportunity to raise its profile internationally and challenge the existing international economic and monetary order". This is because, since the crisis, China has become the largest foreign investor in US treasury bills and other securities (ibid). Casarini (2012, pp. 44-45) states:

Until summer 2011, China typically purchased around \$1 billion of US Treasuries a day. In this way, China has been fuelling American growth by both supplying cheap goods and providing cheap funding to finance the purchase of these goods. [...] In the same period, however, the portion of the People's Bank of China's (PBOC) allocated reserves held in euro-denominated assets rose from around 27 percent to 33 percent.

China's intervention in Western markets played an important role in ensuring market stability throughout this period, although it did not come without some conditions (ibid). According to Casarini, some of these included that the EU should resolve its debt problems, as well as consider granting China Market Economy Status, and suspend the EU arms embargo. This goes some way in illustrating how China's increased global financial role has augmented its growing global influence. But, as Edelstein and Schweller (2009, p. 3) point out, "China's future role will not be determined by material power alone, but equally by the objectives it opts to pursue". These objectives are discernable, for example, from the various ways China exercises its growing political influence. According to Matsuda (2009, pp. 14-15), China's economic power provides it with the ability to use foreign investment, foreign aid funding, and trade pacts to increase its global diplomatic presence:

China's growing economic power means major powers can no longer ignore China's political preferences – it simply has too much influence over the world economy for its voice to go

unheeded. Far from engagement in multilateral institutions or military dialogues, economic power is the underlying source of China's diplomatic rise.

China's deployment of "great power engagement, regionalism, development, and multilateralism" (ibid, p.15) in its cooperation with existing great powers has resulted in China being "taken more seriously due to its growing material power while increasingly accepted and respected for its political agenda" (ibid). Similarly, Kastener and Segal (2009) refer to China's expanding economic statecraft, that is, a nation's ability to transform its economic power into political influence. In relation to China's growing power, they highlight how China uses its economic statecraft to secure resource-markets in Latin America and Africa, and to "prevent the emergence of an anti-China coalition by integrating China within Asia and thus defusing the concerns of China's neighbors with its rise. Concurrently, economic statecraft offers a way to increase China's prestige and signal its interest in playing a central role in world affairs" (ibid, p. 9). China's increasingly prominent role in the UN Security Council further illustrates the augmented role it now plays in world affairs. According to Lei (2014, p. 18):

China continues to strive to maintain good working relations and cooperation with the other permanent members in a spirit of principled pragmatism. In the meantime, China is also becoming more involved in international affairs based on its own approach, such as its persuasive diplomacy and participation in UNPKOs [United Nations Peacekeeping Operations]. The Chinese approach has been characterized by incrementalism and gradualism, with a marked preference for stability and gradual change in the status quo.

Odgaard (2009) observes that China's attempts to instill new codes of conduct in the Security Council have enjoyed support by approximately half of the council members. This contribution to changing the international world order encompasses several elements, such as emphasizing state sovereignty in international matters, promoting regional peace and security through strengthening international rule of law, using persuasion rather than coercion during negotiations, and developing national military forces primarily for defensive purposes (ibid).

Finally, China's growing influence can be seen as extending beyond these political and organizational spheres to the setting of international standards for sustainable environmental practices. The recent commitment to reduce carbon emission between China and the US is a good example. With this pact, the US committed to doubling their rate of cutting carbon emissions, while China committed to a concrete ceiling by 2030 (Moore, 2014). This is a significant agreement not only because these are the two most powerful nations in the world, but also because together they account for approximately 40% of the world's carbon emissions (ibid). Furthermore, this commitment will impact on other nations' environmental commitments.

China's Rise and Its Implications for Chinese Philanthropy and Sustainability

The internal and external developments listed above illustrate China's steady rise as a global superpower. Given that most of its development is a result of the expansion of trade, industry, and investment, the rise of Chinese corporations are deeply intertwined with the rise of the nation. As China has risen in power and prominence, so too have Chinese corporations risen in power and prominence. This has multiple implications

on the role corporations play locally and globally, and the philanthropic expectations associated with these from both the state and its citizenry.

Chinese state-owned and private businesses were the direct beneficiaries of China's rapid industrialization due to the overall and sustained commitment to economic development. Consequently, they are increasingly held accountable for a wide range of negative environmental and social consequences, which came about in part as a result of the unprecedented speed of economic development. Adverse social and environmental effects due in part to rapid economic development have formed the basis for the many voluntary and regulatory initiatives to encourage public disclosure of large corporations' CR activities. In this way, economic success must be justified by showing how business performance and public trading connects to various environmental and social performance indices. Related to this are the raised expectations of Chinese citizens, which reflect a growing consensus that corporations should contribute more actively to their quality of life. The increase in the standard of living and education has enhanced public awareness of the role these prominent and powerful corporations should play in developing and sustaining a better society, often through philanthropic activities. As mentioned above, this is further encouraged by the state as the Chinese leadership pressures corporations to fill the social development gaps, which fall beyond their newly defined scope. In this regard, Chinese corporations are still the main source of philanthropic donations, although personal donations are gradually increasing (Zhao & Gao, 2014).

China-world integration has further impacted on the global role of Chinese corporations, blurring the lines of demarcation between what many Chinese actors would define as (strategic) philanthropy and corporate responsibility. Although the global business practices of Chinese corporations remain primarily focused on the energy and mineral industries, overseas mergers and acquisitions, as well as expansion through the internet, real estate, and cultural industries reflect a wider trend of diversification and integration (Chinese Statistics Bureau, 2014). China and its corporations have become embedded in global trade and business, which creates reciprocal expectations on how Chinese corporations ought to behave internationally. On the one hand, external pressures to conform to international standards of practice increase as Chinese corporations become integrated into other countries and multinational business contexts. This raises the expectations on Chinese corporations to adopt or adapt to internationally accepted standards, and to invest in consensus-building of these local and global practices. On the other hand, internal pressures, especially from the CCP to conform to international ideals of sustainability are also evident. According to Moon (2013), the Chinese government encourages Chinese corporations in the export sector to engage with institutions like the UN Global Compact. The Global Compact China Network, for example, was launched in 2011 to strengthen cooperation between Chinese and foreign companies, and to advance UN Global Compact principles in the areas of human rights, labor, the environment, and anti-corruption (UN Global Compact, 2015). On their website they state that:

For the last decade, Chinese companies have been engaged in the Global Compact actively and have deepened their participation on many issue areas. A large number of both state-owned and private companies have joined the initiative, bringing the total number of Chinese participants to over 300. More and more companies are implementing the ten principles of Global Compact and disclosing performance changes. (UN Global Compact, 2015)

Finally, it is not only internal and external expectations placed on Chinese corporations, which are important contributing factors shaping modern-day corporate philanthropy and responsibility in China. Chinese corporations can also benefit from engaging in philanthropy and CR, and the opportunities this creates, since taking on social responsibilities may be an effective way to foster local and international networks in order to build their own profiles and reputation.

Conclusions

The interdependencies between business and society are so numerous that it would be impossible to develop a comprehensive catalogue of the many functions, roles, expectations, and responsibilities that exist between them. Within these, however, corporate philanthropy is an important connector, especially in China. In this paper, we sought to bring together some of the many dimensions that shape and guide CR in general, and philanthropy in particular in modern-day China. While the distinction between CR and corporate philanthropy become blurred in China today, particularly among large corporations, philanthropy nevertheless continues to play an important role in defining the expectations and relations between the state, business, and society. The three main reasons why corporate philanthropy in China is difficult to understand are: our methods of analysis and syntheses are limited by language and cultural membership; our understanding of philanthropy is conventionally and unduly limited to voluntary donations, and we are thus neglecting the tremendous influence strategic philanthropy may play, in China and elsewhere; and we are not equipped to appreciate a co-existence between late modernity and traditionalism, where flexibility associated with pragmatism on the one hand, and traditionalism associated with different reference and time periods on the other, represent registers and action frameworks that are continuously at the disposal of individuals and institutions in China. It is not only that state and corporate actors have at their disposal Confucian, Socialist, modernist, and other ideological frameworks but that they can be drawn on, even in combination, at any time, depending on the creative, strategic, and pragmatic judgment of the actors involved.

We also hope to have shown that philanthropy needs to be understood as an important CR domain, especially in the Chinese business context. Returning to the typology by von Schnurbein and Timmer (2015), we recognize that many of the philanthropic expectations associated with large corporations occupy the upper two quadrants of Figure 1, Grant-Giving and Investment. In this way, Chinese corporations are expected to leverage their financial resources to benefit and support the entire societal spectrum, from individuals and organizations, to society as a whole. When considering this model, it is also interesting to note that Mobilization as a type of philanthropy is considered an internal corporate strategy. In the Chinese context, however, we find a reversal of this type of Mobilization in that it is the CCP who tends to rally large corporations to take action and commit to philanthropic initiatives and not the other way around. This may even be extended beyond the national context by studying the responsibilities China exerts and expects on the global stage, now and in the future.

With this paper we have shown not only the importance of philanthropy as a marker of business ethics in China, but also as a significant link between business and society. Philanthropy in China has a rich historical, ideological, political, social, cultural, and economic base, which business, the state, and society may draw on to determine the scope of expectations, responsibilities, and actions. These are not merely local characteristics but, as China and Chinese corporations continue to exert their power and influence, the registers we have outlined here will also influence the global business and political landscape. With this paper we have

highlighted some important dimensions that define corporate philanthropy in China in the hope of encouraging policy-relevant and change-oriented research and scholarship in this field.

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