CHINA’S MOST GENEROUS
UNDERSTANDING CHINA’S PHILANTHROPIC LANDSCAPE

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April 2019
Introduction

The growth of private wealth is one of the most consequential aspects of reform in modern China. Over the past four decades, China’s rapid economic growth has given rise to a generation of wealthy individuals. Many of them are now exploring ways to create meaningful change and to give back to their communities through the practice of philanthropy. Traditions of benevolent societies, clan-based support networks, temple associations, and voluntarism have long been present in China, coexisting alongside state-affiliated social welfare institutions throughout many periods of Chinese history. However, a widespread belief, particularly within China, holds that there are few modern, homegrown role models for financially successful Chinese people to emulate. In recent years, many of China’s economic elites are searching for a “playbook” to transform mere capital into “philanthropic capital” as well as institutions through which their giving can be sustainable and influential. The appearance of such new faces and new vehicles in the landscape of Chinese giving therefore marks a new era in the history of modern Chinese philanthropy.

The China Philanthropy Project at Harvard Kennedy School’s Ash Center for Democratic Governance and Innovation aims to illustrate the increasing role private wealth plays in the landscape of Chinese philanthropy, to examine philanthropy’s evolving relationship with the state, and to join in the conversation about notions of generosity in China. In this brief report, we focus on China’s “elite giving” and highlight the following ranking lists of Chinese philanthropy in the calendar year 2017:

1. “Composite List” of the top 100 donors by absolute giving, including individuals as well as organizations (including corporations)
2. “Generosity Index” of individuals as measured by their giving as a percentage of their publicly disclosed net worth
3. “Top 100 Individuals” as measured by absolute giving
4. “Top 100 Organizations” (including corporations) by absolute giving

Key Questions

Through the presentation of data, we hope to specifically address the following empirical questions:

• Who were the top Chinese donors in 2017?
• How much did they donate?
• From which industries did they come?
• Which causes were they supporting?
• What was the geography of their giving?
• Through what vehicles were they giving?
Methodology

In our data collection, we only include the amount donated in 2017, and exclude unfulfilled pledges. While our larger database increasingly includes stock donations, and will eventually include in-kind donations, our current elite philanthropic rankings include only cash donations at present. Our database includes Mainland Chinese citizens, Chinese corporations, and the China-based branches of multinational corporations. We exclude donations from China’s government and government foundations, as well as other charitable foundations that are able to receive public donations (and therefore create risk of double counting). At this stage in our research project, we also exclude donations made by non-Mainland Chinese citizens to China, such as gifts to China by overseas Chinese in the U.S., Hong Kong, Macau, and Taiwan, as their tax laws differ significantly from that of the Mainland.

To collect elite giving data, we employ two approaches. This report and the current supporting website analyze data compiled through over two years of manual online search by a team of research associates. The manual approach involves a range of set keyword searches on Baidu and Google as well as review of the annual reports of accessible Chinese foundations. The second method of data collection was through automated searches. This automated web crawler captures all sentences containing keywords related to philanthropic donations present on Baidu and Google. This automated data, once cleaned and verified, will be included in later updates to the database and website.

The manual approach to elite giving identified 40,242 articles through search engines and gathered information from all of the 7,048 Chinese foundations listed by the Ministry of Civil Affairs of the People's Republic of China and 1,236 universities for the year 2017. After manually checking the validity of all the donations, we found 10,714 valid donations in total. Among them, 2,696 unique donors made 3,465 donations of over RMB 1 million.

Finally, to be considered valid by our team, a donation must appear on an annual report or website of the recipient or on three separate reports by third parties, such as the media. Reports or articles by the donor organization, or by two or fewer media sources alone do not suffice.

Results - The Top 100 Lists

Individuals – Total Giving

Xu Shihui led our Top 100 Individuals List in absolute giving with an RMB 1.01 billion donation to Hui’an First High School in 2017. Mr. Xu is the chairman of Fujian Dali Food Group Co., Ltd., a privately owned food product and services conglomerate. This top 100 list ranks 100 individual philanthropists, among whom the average gift was RMB 48.6 million and the median gift was RMB 10 million.
**Organizations**

Organizational giving exceeded individual giving in China in 2017. Our Organizations List ranks the top 100 private and publicly owned companies, labor unions, and other organizations that gave in China in 2017. **Evergrande Group**, a private real estate company founded by Xu Jiayin, sat at the top this chart, with RMB 4.18 billion in 2017 donations. A major state-owned enterprise in the infrastructure sector, China Three Gorges Corporation, ranked second, with RMB 871.72 million in philanthropic donations. The 100th donor on the top 100 list donated RMB 32 million. The average giving was RMB 185.4 million and the median gift was RMB 97.5 million.

**Composite List**

In our Composite List for 2017, we combine organizations and individuals to rank the top 100 donors in China, which, given several ties, rose to 105 this year. **Evergrande Group** led the ranking, while 11 donors tied for 95th place at RMB 50 million donations each. The donors in our Composite List contributed a total of RMB 27.77 billion in 2017.

**Generosity Index**

Our project defines an individual’s generosity by giving as a percentage of the donor’s publicly disclosed net worth. Collecting data for the generosity index is particularly difficult given the opacity of Chinese wealth holdings, complex shareholding structures, and the variety of definitions of generosity utilized in global rankings. Therefore, we restrict our “Most Generous” list to include only donors with shares of publicly listed companies and define net worth as a donor’s ownership of publicly listed stocks that could be confirmed. Such shares were then valued at the weighted average exchange rate of the RMB to the US dollar during the calendar year 2017. This approach enables us to measure net worth with a standardized and transparent methodology and to compare levels of giving across the donor landscape. The drawback is that we are unable to include many deserving individuals with private companies, the valuation of which and their ownership of which we cannot confirm. Our generosity index for 2017 featured 40 individual donors. **Lu Yonggen** and **Wu Yiwen** topped our 2017 generosity ranking with a Generosity Index of 100%. Lu is the former president of South China Agricultural University. Wu Yiwen was a recently deceased professor from Haihe University.

**Results – Sectoral Analysis**

**Real Estate Gives**

Among the 105 donors who made our Composite List in 2017 (with gifts of RMB 50 million or above, including ties), 32 came from the real estate sector, followed by 19 from the financial services industry, and 11 from the consumer retail sector. When
measured by total value of donations given, the real estate industry contributed the most, accounting for RMB 8.91 billion or 32.07% of the total. The Healthcare sector came in second, with RMB 6.13 billion donated, making up 22.05% of the total. The financial services industry finished third, donating RMB 3.20 billion and accounting for 11.51% of the total. Consumer retail ranked fourth, with RMB 2.73 billion donated and 9.83% of the total.

The continued dominance of real estate as a source of wealth among this elite group of givers is unsurprising, given the sector’s role as a major driver of China’s economic growth in the past two decades. Investment in real estate grew from about 2% of China’s GDP in 1997 to over 9% of GDP in 2017. The recent softening of the real estate and manufacturing sectors may lead to a rapid drop in their respective philanthropic weight in coming years, as current industrial policy seeks to strengthen service-oriented sectors such as finance, ICT, and consumer products. A diversification of industries supporting philanthropy could be viewed as a step towards the maturing of the philanthropic sector, as it would better reflect a changing national economic landscape and a healthy diversity in the national sectoral donor pool.
Education Takes

Top Chinese philanthropists gave most to the cause of education – especially higher education. RMB 6.98 billion and 25.1% of the total amount donated by the donors in the 2017 composite top 100 list went to education, followed by poverty alleviation (RMB 6.91 billion at 24.9%), public health (RMB 6.21 billion at 22.3%), unrestricted giving (RMB 4.38 billion at 15.8%), cultural sector (RMB 990 million at 3.6%), environmental causes (RMB 971 million at 3.5%), unspecified causes (RMB 969 million at 3.5%), and finally disaster relief (RMB 205 million at 0.7%).

Environment Lags Far Behind

Despite the high degree of media coverage relating to China’s air, water, and land pollution, the cause of the environment received a markedly low level of support by China’s top philanthropists in 2016, at 0.21%. By 2017, 3.5% (RMB 971 million) of donations by the donors on the 2017 Composite List were channeled for environmental protection. Despite this increase, we posit several reasons for the still-low priority given to the environment, informed by our executive training programs of leading philanthropists and senior executives of Chinese foundations, as well as qualitative research.

Over the past three years we have continued to conduct interview work to understand the reasons behind this seeming underweighting of environmental causes. For some leading philanthropists, environmental outcomes are viewed as largely the responsibility of the state and not within the realm of the individual citizen. Other philanthropists believe that collective action is particularly pernicious in this area, as we have seen in many other national contexts. The actions of an individual, they argue, are perceived as having little potential impact on air, water, and land degradation that is driven by large-scale negative externalities requiring systemic responses in improved governance. It is here that critical questions emerge regarding the perceived role of domestic philanthropy in China, and the extent to which these resources either complement or compete with state priorities, capabilities, and resources.

Most Giving is Single-Cause

One of the more striking patterns evident in our data is the focused, single-cause nature of major giving. Of the 105 donors in our Composite List in 2017, 69 focused their giving on only one cause area. 15 donors gave to two causes, 8 donors gave to three causes, and 8 donors supported five or more causes. The China National Tobacco Corporation is the donor that focused giving on the broadest range of causes - the cause areas in total – spanning Education and Social Welfare to Poverty Alleviation and Public Health and Disaster Relief.
Single-cause philanthropy in China may largely be driven by the fact that donors often give to causes in which they have a certain expertise or knowledge, thus narrowing the range of sectors addressed. Philanthropists and the executives leading Chinese foundations often highlight the immaturity of the sector and a pronounced lack of trust between the broader public and philanthropic or charitable organizations, as well as a lack of trust even between such organizations. Focusing on one cause area enables the staff of a particular foundation to know the major stakeholders, the risks inherent in giving in that area, and the landscape of credibility when it comes to grantees. Early phases of a philanthropic sector’s growth are often also characterized by giving that is shaped more by personal experience — supporting the institution or cause that most impacted an individual’s life. Our research team has now begun conducting international comparisons between China and philanthropic sectors in the US, as well as other transitional economies to delineate the evolution of such single cause giving.

**Balance of Localized and External Giving**

On our 2017 Composite List, when measured as a percentage of total giving, about half (44) of these donors gave within the same provincial level jurisdiction as their corporate headquarters. While some donors are becoming increasingly aware of philanthropic causes outside their home province, the poorer regions are often still overlooked. In 2017, poor provinces such as Tibet, Xinjiang, Gansu, and Yunnan, received a mere 1.02% of the total donations from the Composite List. A seeming outlier, relatively undeveloped Guizhou province ranked as the third most popular destination of 2017 elite giving, receiving over 12% of giving from the Composite List of the 100 top donors. However, such giving was concentrated in one locality (Bijie County), and also one donation. 90% of Guizhou giving consisted of one RMB 3 billion gift from the Evergrande Group to a government charitable foundation, supporting poverty alleviation. As a result, giving still appears to be geographically uneven, with more wealthy areas giving to more wealthy areas.
Few International Donations

Despite the media attention towards high profile giving of Chinese philanthropists abroad, very few of the 2017 gifts in our database were international. Of the donors in our 2017 Composite List, only 5 donated to recipients outside of Mainland China. The largest donation was an RMB 10 million donation from He Qiaonv, an alumna of our Global Philanthropic Leaders training program, to the United Nations Office for South-South Cooperation (UNOSSC) in the US.

About the Platform

We visualize all of this data through three interactive maps online. The first “Donation Origins” map highlights the geographies in which 2017 giving originated, while the “Donation Destinations” map highlights the geographic recipients of such giving. Hovering over each point reveals the underlying data. The final map, titled “Donation Flows,” highlights net flows of giving in 2017, and “flight paths” illuminate each discrete interprovincial flow. Provinces that receive giving externally and also give to other regions fall into both Origin and Destination categories and are designated orange.

While Forbes, Hurun, and other organizations have compiled data related to China’s “rich lists,” and academic institutions such as Johns Hopkins have built useful comparative indices related to giving and volunteering, we believe an interactive research platform is needed to think about definitions of generosity and the geography of giving in the Chinese context. The resulting maps, donor database, “Top 100” lists, and key findings serve as the beginning of such a user-focused platform. The website also features social media and feedback/inquiry email buttons for visitors to share thoughts on how to improve and expand the site, identify errors, and share the findings. Our early work has identified several broad patterns, and therefore a host of new questions that will frame subsequent waves of more in-depth research in the coming years.

Next Steps

We continue to welcome comments on our evolving website and its content. We have begun collecting 2018 data, identifying video interviews to be included, planning a more rich blog offering, completing a summary report of our inaugural China Philanthropy Conference that we held in the Harvard Center in Shanghai October 2018, and much more. We will also begin featuring academic work related to the issues such as a comparative history of philanthropy in China and other transitional economies, as well as the US and Europe, in an effort to provide important broader historical context for current Chinese giving. It is our hope that the site will become one of the clearinghouses of information on the changing nature of giving in China and will complement the ground-up work on voluntarism, local giving, and other forms of generosity that our colleagues are pursuing in many academic institutions in the US, Europe, and China. Most important, we hope that the individuals who are expanding
the boundaries of generosity in China, the central and local governments in China seeking to provide the right regulatory environment for domestic philanthropy, as well as the critically important causes, organizations and individuals being supporting by such giving, will continue to find this site a useful resource.