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CHINA AND INTERNATIONAL DEVELOPMENT: KNOWLEDGE, GOVERNANCE, AND PRACTICE

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Chinese Foundations and the Challenge of 'Going International'^{*†}

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Abstract China's international cooperation strategies are gradually changing due to evolving views about the limits of its internationalisation approach, which has traditionally mainly focused on building governmental and business relationships. Intensified interactions with low-income countries in the context of the Belt and Road Initiative are perceived to benefit from an increased role for its domestic non-governmental organisations (NGOs). This article explores China's initial steps in enabling the domestic NGO landscape to internationalise by looking at this development from an organisational capacity perspective. By assessing five key organisational characteristics of 36 Chinese foundations engaging in international cooperation, we find that the average organisational capacity for international cooperation is still limited but shows gradual improvement. While they all comply with government regulations in governance and several foundations have large budgets and capacity for domestic operations, our findings suggest that only a few currently mobilise substantial human and financial resources for their international activities.

Keywords non-governmental organisations (NGOs), foundation, international cooperation, Belt and Road Initiative, China.

1 Introduction

The Belt and Road Initiative (BRI) launched by Chinese President Xi Jinping in 2013 is by far the most prominent example of China's growing international ambitions in the areas of trade, diplomacy, and international cooperation. Certain studies (e.g. Maliszewska and Mensbrugge 2019) conclude that the outcomes would be largely beneficial; global income would increase by 0.7 per cent and the BRI areas are estimated to capture 82 per cent of the gain. Other studies (e.g. Deych 2019) are more critical and accuse China of 'neo-colonialism', claiming that China is guided only by its own interests, even violating human rights and disregarding

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environmental regulations. The Chinese government feels misunderstood in what it perceives as misconceptions, although it acknowledges that these two areas might require more attention.

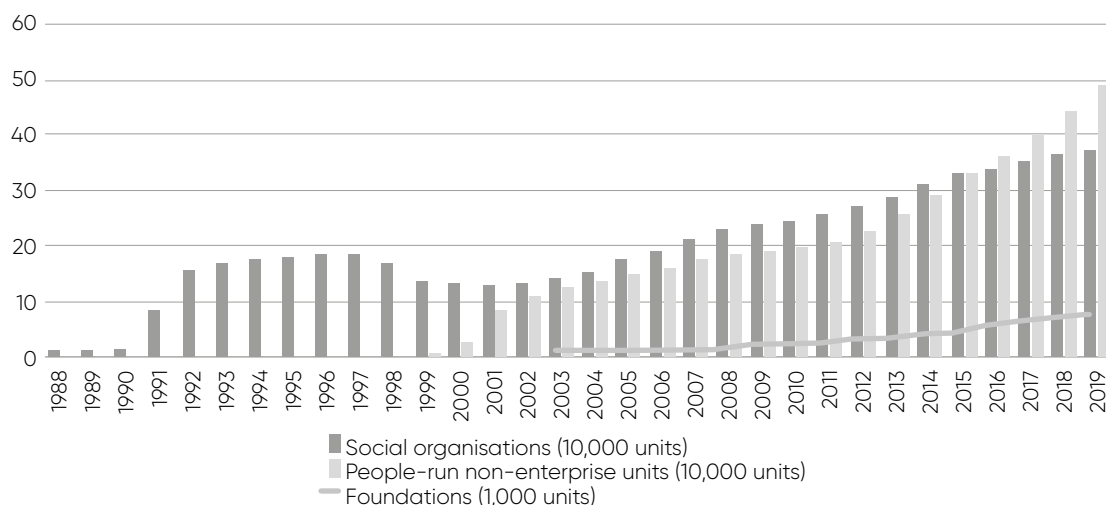
First, not all Chinese enterprises overseas attach sufficient importance to the fulfilment of social responsibility. This is reflected, for example, in the social responsibility development index of Chinese enterprises, which shows scores as low as 5.67 on average (Zhong, Ye and Zhang 2017) for Chinese companies overseas, compared to 35.1 for enterprises working in China (Huang *et al.* 2017).

Second, there are signs that China realises that its own state-led development model cannot meet all the needs for effective engagement, and multilateral dialogue and cooperation with low-income countries.

Regarding both challenges, the Chinese government sees a potential role for Chinese non-governmental organisations (NGOs), as stated in policy documents from 2015 onwards. NGOs can urge Chinese overseas enterprises to pay more attention to their environmental and social responsibilities on the one hand, while complementing China's traditional unilateral diplomacy and showing a different side of China, on the other hand. In recent years, the Chinese government has developed a relatively active policy framework to facilitate the international collaboration of Chinese NGOs.

This article takes note of this development and asks the question as to what extent the Chinese NGO landscape is evolving in line with these policy intentions. More specifically, the article assesses the extent to which Chinese NGOs are prepared for a growing role in international cooperation. Estimates for the year 2014 show that only 529 out of a total of 606,048 NGOs were engaging in activities abroad (MCA 2015). While the absolute numbers remain low, even less is known about their capacity to engage at the international level.

In Section 2, we define the concept of NGOs in China and in Section 3, we frame the rise of Chinese NGOs with international activities within recent developments. This is followed by a short literature review of the organisational capacity assessment, and the designed assessment framework, in Section 4. Section 5 assesses the readiness of Chinese foundations, a subgroup of NGOs, to enter the international arena, based on the screening of a random sample of 36 foundations across five dimensions: organisational internal governance capacity, organisational economic capacity, human resource capacity, organisational sustainability, and international cooperation experience. The organisational capacity assessment framework is constructed around 21 relevant indicators identified in the annual reports from these foundations. Section 6 concludes, giving tentative insights

Figure 1 The number of NGOs in China, 1988–2019

Source Authors' own, based on data from MCA (2020).

into how China's foundations are slowly turning their attention to low-income countries, although in a careful and modest way in terms of financial and human resources.

2 NGOs, social organisations, and foundations

China's NGO landscape has evolved steadily over the last three decades (Figure 1), increasing from 4,446 NGOs in 1988 to 866,335 in 2019. This associational growth has similarities with what has happened in other countries, although the comparison is complicated by the differences in how NGOs are defined. An in-depth comparison would go beyond the scope of this article. China's policy framework distinguishes between three types of NGO: (1) social organisations; (2) people-run non-enterprise units; and (3) foundations.

In 2019, the biggest group (56 per cent) was that of people-run non-enterprise units, which are defined as institutions, societies, and other social forces established with non-state-owned assets by individual citizens for non-profit social services (SCIO 1998a). Social organisations are the second largest group of NGOs (43 per cent), and essentially cover non-profit organisations voluntarily created by Chinese citizens to achieve the collective desires of members, and conduct activities according to their charters (SCIO 1998b). The smallest group is that of foundations (7,585, or around 1 per cent), which are defined as non-profit legal entities that employ assets donated by actual persons, legal entities, or other organisations for the purpose of engaging in some public benefit enterprise (SCIO 2004).

Chinese foundations are the focus of our study. They have a long history of involvement in international cooperation and

their role has been particularly emphasised since the BRI was launched. As early as 1951, the Chinese Red Cross Foundation (CRCF) was involved in international relief efforts in Korea. The China Foundation for Poverty Alleviation's (CFPA) medical aid in Sudan since 2010 has been a typical example of a Chinese NGO going to Africa. Since 2014, the China Foundation for Peace and Development (CFPD) has been actively responding to the BRI by creating the Friends of the Silk Road brand and launching international cooperation activities in Cambodia, Myanmar, Laos, and other countries, mainly in the form of education assistance. In 2017, CFPA was commissioned and funded by China's Ministry of Commerce (MOFCOM) to carry out an international volunteer project, which marked the first time that NGOs were included in the framework of China's foreign aid work.

Within NGOs' annual reporting requirements, international activities are understood by the Chinese government as participating in international conferences, setting up offices overseas, participating in international organisations, providing assistance to international NGOs in China, and conducting international projects.

3 Chinese NGOs entering the world scene

In Western countries, the internationalisation of civil society organisations (CSOs) has come in several waves (Develtere, Huyse and Van Ongevalle 2021). Initial internationalisation efforts originated in the trade union movement and around humanitarian work (e.g. the International Red Cross). Subsequent waves originated during colonial times; the post-war period; at the end of the 1960s (the so-called third world movement); in the 1980s and 1990s (new humanitarian NGOs); and post-2000 (social entrepreneurs and private initiatives). Over the last decades, a growing body of Chinese and international research has looked into the expansion of the Chinese NGO landscape, in education, environment, health, culture, disaster relief, and so forth (Wang 2001; Tang and Zhan 2008; Xu, Zeng and Anderson 2005; Hsu and Jiang 2015; Kang 2017), also comparing this with trends in Western countries (Spire 2012; Hsu and Teets 2016).

Much less is known about the activities of Chinese NGOs abroad, with the exception of a limited number of studies. Some scholars have documented the work of Chinese NGOs in areas such as global governance (Buckley 2013), service delivery and technical support (Huang *et al.* 2014), advocacy (towards Chinese enterprises) (Deng and Wang 2015), and cultural exchanges (Hsu, Hildebrandt and Hasmath 2016). In addition, scholars have critically assessed the activities of Chinese NGOs in Africa, observing a general reluctance to engage deeply in international cooperation in the face of uncertainties in the Sino-African policy framework (Brenner 2012). Others have documented the limited impact of Chinese NGOs in countries such as Ethiopia and Malawi (Hsu *et al.* 2016).

Moreover, the capacity and efficiency of Chinese NGOs to roll out activities in low-income countries is a largely under-researched topic. Huang *et al.* (2014) compared the internationalisation strategies of Chinese NGOs with those of foreign CSOs and Chinese enterprises. They found that Chinese NGOs had to operate within an inadequate policy framework, and lacked human resources and financial support, resulting in poor performance and impact. The United Nations Development Programme (UNDP 2017) in China assessed the challenges faced by 18 Chinese foreign-related CSOs in their international cooperation activities, based on three factors: type of organisation, geographical distribution, and business area. This survey-based research concluded that Chinese CSOs were only in the nascent stage of 'going out', resulting in low scores for performance. Qiu and Liu (2019) conducted field surveys of Chinese foundations such as CFPA and CRCF and found a serious lack of technical support, legal guarantees, professional staff, and funds during their international projects.

There are indications that the policy context is gradually becoming more conducive for Chinese NGOs. The BRI is acting as a catalyst in encouraging a larger role for NGOs in international cooperation. At least five recent policies and communications facilitate a 'going out' strategy for Chinese NGOs step by step. First, a 2015 policy was issued in the context of the BRI which suggests increased exchanges and cooperation between NGOs of countries along the Belt and Road (NDRC, MFA and MOFCOM 2015). Second, in 2016, a policy was issued that NGOs should be guided to play a supporting role in foreign economic, cultural, scientific and technological, educational, sports, and environmental protection exchanges, as well as acting as a platform for civil society in foreign exchange (General Office of the CPC Central Committee and the General Office of the State Council 2016).

Third, in 2015, the General Office of the CPC Central Committee and the General Office of the State Council also encouraged NGOs to participate in international organisation projects and support foreign aid work in a more structured way (General Office of the CPC Central Committee and the General Office of the State Council 2015). Fourth, in 2016, MOFCOM stated that it would support NGOs through the South-South Cooperation Assistance Fund to implement assistance projects abroad (MOFCOM 2016).

Finally, since the opening ceremony of the Belt and Road Forum (BRF) for International Cooperation was held in Beijing in May 2017 (Xinhuanet 2017), Chinese President Xi Jinping has launched the idea of developing a network for cooperation among the NGOs in countries along the Belt and Road, as well as initiating new people-to-people exchange platforms in a variety of formal settings. Chinese scholars have used these political statements and policy changes to point at the 'unprecedented opportunities'

for Chinese NGOs to enter the world stage, especially participating in international cooperation on the BRI (Huang *et al.* 2018).

4 Research design

4.1 Theoretical framework

Research on organisational capacity assessment (OCA) has evolved considerably over the last decades. Since the 1970s and 1980s, the focus has shifted from organisational capacity as human resources combined with a limited set of 'hard capacities' (e.g. accounting and infrastructure), to frameworks that also include a set of 'soft capacities' (e.g. leadership, learning, and self-renewal), further inspired by complexity thinking (Huyse *et al.* 2012). In their review of the literature on organisational capacity in the development sector, Holvoet and Leslie (2013) conclude that only two frameworks are supported by a wide body of evidence.

First, Kaplan (1999) identified both elements related to hard capacities, such as material and financial resources and skills, as well as elements related to soft capacities, including organisational attitude and the organisation's understanding of the world. Second, Land *et al.* (2008) developed and tested a conceptual framework with five core organisational capabilities, which again combines both hard and soft capacities.

While the two frameworks stress the importance of both 'hard' and 'soft' elements when assessing organisational capacity, the absence of data may complicate the assessment of the latter (Holvoet and Leslie 2013). Considering that this research relies on secondary data available in the public domain, it faces similar constraints. As our index to assess the capacity for international cooperation (CIC) is mainly based on indicators that relate to hard capacities, our assessment is likely to act as a proxy for organisational stability, and to some extent organisational performance, rather than adaptability (*ibid.*). To assess the latter, one would need to assess soft capacities in addition to hard capacities.

More specifically, based on a review of annual working reports of Chinese foundations, 21 indicators in five sub-dimensions were identified to establish an index for the CIC (see Table 1). The sub-dimensions – internal governance capacity, human resource capacity, and organisational sustainability – provide indications of organisational stability. Organisational performance relates to organisational economic capacity and international cooperation experience. The resulting theoretical framework and the CIC index provide indications of the capacity for international cooperation, which need to be validated and further explored in future research efforts.

4.2 Variable and assessment framework

Using yaahp v10.0 and the Analytic Hierarchy Process (AHP) proposed by Saaty (2008), a representative subjective weighting method was used to assign weights to the 21 indicators of the variable of CIC. The weighting is based on the subjective opinions of 12 Chinese experts who focus on NGO-related research on the relative importance of the indicators when compared two by two.

Table 1 Measurement indicators of the capacity for international cooperation (CIC)

Target level	Criterion level	Index level		
Content	Content	Content	Weight ³	
A: Capacity for international cooperation	C1: Organisational internal governance capacity	A council is in place	0.05	
		A supervisory board is in place	0.05	
		An information disclosure system is in place	0.05	
		Administrative penalties have been imposed	0.05	
	B1: Stability	C2: Human resource capacity	Number of full-time staff	0.067
			Percentage of full-time staff with a bachelor's degree or above	0.067
			Number of volunteers	0.067
		C3: Organisational sustainability	Length of organisational development history	0.067
			Average staff salary	0.067
			Diversity of income	0.067
	B2: Performance	C4: International cooperation experience	Donations from the international community	0.034
			Number of international cooperation projects	0.05
			Amount spent on international projects	0.05
			Percentage of expenditure on international projects	0.044
		C5: Organisational economic capacity	A department responsible for international cooperation is in place	0.022
			Eligible for tax exemption status	0.022
Donation income			0.05	
Government subsidy income			0.025	
Total income for the year			0.044	
Total fixed assets			0.022	
	Net assets	0.036		

Source Authors' own.

The 'Min–Max standardisation' was then used to perform the linear transformation of the original data, mapping the value between [0,1] to ensure the comparability of data. Subsequently, the following formula for calculating the weighted average of the CIC was constructed. We define that Q_i , falling within [0.8,1] indicates that the CIC is very high; within [0.6,0.8) indicates high; within [0.4,0.6) indicates medium; within [0.2,0.4) indicates low; and within [0,0.2) indicates very low.

$$Q_{ij} = \sum_{k=1}^{21} Z_{ij} W_{ij} \quad (1)$$

$$Q_i = \sum_{h=1}^n Q_{ij} I_{ij} \quad (2)$$

Where, Q_{ij} is the CIC of foundation j in year i , k represents the constructed 21 indicators, W_{ij} is the weight of each indicator, and Z_{ij} is the standardised value; Q_i is the overall value of CIC in year i , h represents the sample size, and I_{ij} is the weight of each sample. We used Stata15.0 for the analysis.

4.3 Research sample and data sources

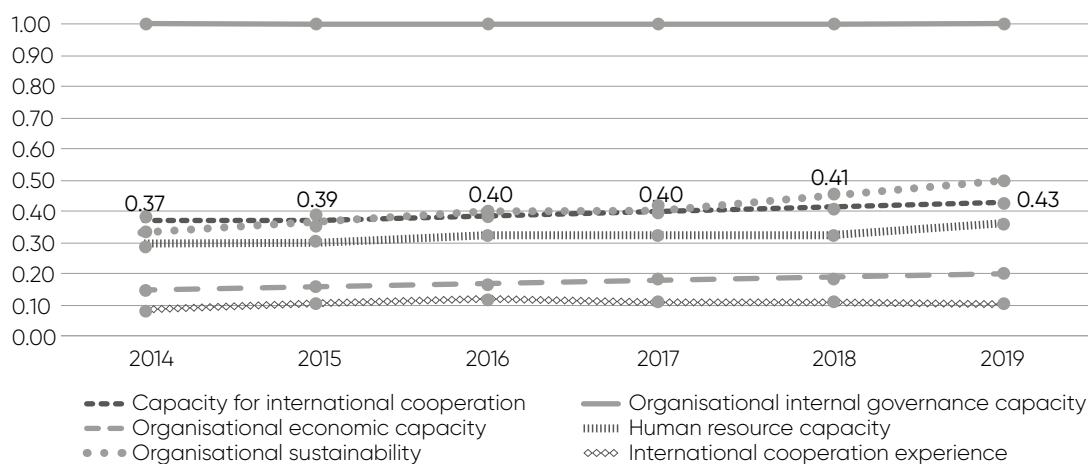
We collected panel data from the 36 foundations, which were randomly selected. This corresponds with around one third of the total population of foundations (108) that claim to have some international involvement in their annual working reports during the period 2014–19. This subgroup of 108 foundations accounts for less than 1.5 per cent of all foundations (7,585). All data were sourced from annual working reports of foundations that are publicly available as required by Article 38 of the Regulations on Funds (SCIO 2004). We use the mean imputation method to deal with missing data.

5 Empirical analysis

Figure 2 visualises the main scores for the CIC, as well as the scores for the five sub-dimensions for the 36 foundations throughout 2014–19. Our index suggests that the foundations in our sample have increased their CIC from a score of 0.37 in 2014 to 0.4297 in 2019 but still cannot truly meet China's expectations of advocating NGOs to 'go out' in the context of the BRI.

5.1 Stability: strong self-governance, low legal risk but limited organisational sustainability and human resources

All the foundations in our sample comply with the governance regulations of the Chinese government, resulting in the maximum score for this dimension. This implies that all of them have a board of directors and a supervisory board. They also comply with the rules of Article 38 of the Regulations on Funds to disclose their finances and activities information for inspection and supervision by the public. In addition, none of them violated Chinese government regulations in the area of governance or have been subject to administrative penalties.

Figure 2 Time evolution of the capacity for international cooperation, 2014–19

Source Authors' own.

The organisational sustainability dimension receives a low score in 2014 (0.33), moving to medium in the period 2017–19. The indicators provide further clarifications. Many foundations offer low staff salaries, such as the Yu Panglin Charity Foundation (YPLCF) in 2016 (¥13,650 (£1,533)), the COSCO Shipping Charity Foundation (CSCF) in 2014 (¥22,000 (£2,471)), and the China Birth Defect Intervention and Relief Foundation (CBDIRF) in 2014 (¥24,000 (£2,696)). In the competitive Chinese labour market, this might affect the ability to attract high-performing professionals. Some foundations are very old, such as the China Children and Teenagers' Fund (CCTF) which was established 40 years ago. The second group of seven foundations is about 30 years old, others are much more recent. Only three foundations have five different sources of income, around one third have four sources, and half of the group has three sources of income.

The average human resource capacity of the 36 foundations was low (0.33) in 2014 and medium (0.35) by 2019. Firstly, with 82 per cent of full-time staff in possession of a bachelor's degree, the educational level of the foundation staff is relatively high. However, except for two foundations (CFPA and the China Youth Development Foundation (CYDF)), all of the other foundations had less than 100 full-time staff in 2018. One third of the foundations had less than ten full-time staff in 2014. A similar trend can be observed for the number of volunteers. Some foundations have large numbers, such as the Shenzhen One Foundation Charity Fund (SZOFCF) which had 153,172 volunteers in 2019, while the International Scientific Exchange Foundation of China (ISEFC), YPLCF, and the China Guang Hua Science and Technology Foundation (GHF) had none.

5.2 Organisational performance: weak international cooperation experience and economic capacity

Of the five dimensions, international cooperation experience has the lowest score: 0.08 in 2014 and 0.11 in 2019. It confirms that Chinese foundations tend to have minimal experience in international cooperation. In 2014, only 17 out of 35 foundations received international donations. In 2019, the number grew to 23, but the percentage is still very small and the average international donation is just ¥7.42m (£0.83m). Second, while few foundations might have participated in international conferences or assisted international NGOs in their activities in China, most have not had structural activities abroad, such as setting up offices overseas or establishing international departments. In 2019, three quarters of the foundations did not have any overseas office. Similarly, only a small minority have actually implemented international cooperation projects abroad. For most foundations, the average percentage of expenditure on international projects was just 17 per cent, showing that it is not at the core of their operations. The Chinese Language and Culture Education Foundation of China (CLEF) is a notable exception, with 52 international projects in 2016 and almost 100 per cent of its expenditure on international projects. The same pattern can be detected for the average amount spent on international projects, which was just ¥15.92m (£1.79m).

The economic capacity of Chinese foundations also scores rather low, ranging from 0.14 in 2014 to 0.20 in 2019. Access to funding appears to be a major obstacle to the development of Chinese NGOs, but this average score hides large differences between the foundations. The annual income of different foundations differs substantially, with the highest total income for the year being around ¥1.57bn (£0.18bn) and the lowest being around ¥0.37m (£41,556), and with the average value being only ¥173.02m (£19.43m). A few large foundations receive government subsidy income, such as the China Women's Development Foundation (CWDF), the China Friendship Foundation for Peace and Development (CFFPD), the China Development Research Foundation (CDRF), CCTF, and so forth, yet most foundations do not. In addition, the fixed assets and net assets of foundations are not only low but also vary greatly. For example, in 2014, the ZTE Foundation (ZTEF) and YPLCF had zero fixed assets, while CYDF had fixed assets of ¥141.53m (£15.90m) in the same year.

5.3 A detailed breakdown for the 36 foundations

Table 2 provides an overview of the individual scores for the 36 foundations in our sample, ranked according to their total scores for the CIC index (column 2). One foundation (CFPA) stands out with a score of 0.55. Around half of the foundations score medium (higher than 0.4 on the CIC index), the other half score low (below 0.4).

Table 2 Average CIC for the 36 foundations over the six years of 2014–19

Foundation	Capacity for international cooperation	Organisational internal governance capacity	Organisational economic capacity	Human resource capacity	Organisational sustainability	International cooperation experience
CFPA	0.55	1.00	0.38	0.68	0.49	0.18
CDRF	0.51	1.00	0.21	0.33	0.71	0.29
CWDF	0.50	1.00	0.34	0.39	0.61	0.16
GHF	0.50	1.00	0.34	0.38	0.64	0.11
CIMF ⁴	0.49	1.00	0.17	0.17	0.64	0.45
CYDF	0.48	1.00	0.43	0.41	0.49	0.10
CCTF	0.48	1.00	0.28	0.32	0.65	0.14
SZOFCF	0.47	1.00	0.20	0.61	0.34	0.17
AF ⁵	0.46	1.00	0.10	0.46	0.53	0.20
ZUEF ⁶	0.43	1.00	0.44	0.36	0.24	0.11
OCCFC ⁷	0.42	1.00	0.17	0.36	0.51	0.06
CEPF ⁸	0.42	1.00	0.15	0.35	0.53	0.04
CFFPD	0.41	1.00	0.14	0.31	0.43	0.19
YCCSEF ⁹	0.41	1.00	0.14	0.35	0.34	0.21
SHACF ¹⁰	0.40	1.00	0.16	0.39	0.45	0.01
IMLNF ¹¹	0.40	1.00	0.29	0.19	0.30	0.22
CGCF ¹²	0.40	1.00	0.14	0.30	0.45	0.12
CFYEE ¹³	0.40	1.00	0.17	0.36	0.41	0.04
CCF ¹⁴	0.39	1.00	0.04	0.30	0.53	0.07
CLEF	0.37	1.00	0.13	0.23	0.22	0.29
SOCF ¹⁵	0.37	1.00	0.13	0.29	0.39	0.06
CSAF ¹⁶	0.37	1.00	0.17	0.30	0.39	0.01
CFCHC ¹⁷	0.37	1.00	0.12	0.28	0.46	0.00
CSCF	0.37	1.00	0.15	0.31	0.37	0.02
LSCF ¹⁸	0.36	1.00	0.14	0.38	0.22	0.06
CTF ¹⁹	0.35	1.00	0.06	0.29	0.33	0.05
CFCAC ²⁰	0.35	1.00	0.13	0.21	0.39	0.02
CFHRD ²¹	0.35	1.00	0.02	0.29	0.36	0.06
CVSF ²²	0.35	1.00	0.14	0.33	0.24	0.01
ZTEF	0.34	1.00	0.12	0.31	0.27	0.01
CBDIRF	0.34	1.00	0.19	0.28	0.24	0.00
WIFA ²³	0.34	1.00	0.02	0.11	0.46	0.10
ISEFC	0.33	1.00	0.04	0.32	0.27	0.02
CSDF ²⁴	0.33	1.00	0.11	0.08	0.38	0.07
TXZEF ²⁵	0.30	1.00	0.09	0.15	0.19	0.07
YPLCF	0.27	1.00	0.11	0.13	0.10	0.03

Source Authors' own.

Table 3 Cluster of the dimensions of the Foundation's CIC

		International cooperation experience	
		High	Low
Human resource capacity	High	AF	SHACF
	Low	CLEF, IMLNF, CIMF	Remaining foundations
Organisational economic capacity	High	CDRF, IMLNF	CBDIRF
	Low	AF, CLEF, YCCSEF, CIMF	Remaining foundations
Organisational sustainability	High	CIMF, CDRF	CFCHC, CEPF
	Low	CLEF, AF	Remaining foundations

Source Authors' own.

The following observations can be made for sub-dimensions with differing scores. For organisational economic capacity, a large majority scores very low (25). Only two foundations are medium, and seven are low. For human resource capacity, a large majority scores low (6) or very low (26), and only two score medium (0.46). The situation is more balanced for organisational sustainability, with five foundations scoring high; 12 medium; 17 low; and two very low. For international cooperation experience, only one foundation reached the medium level, five foundations score low and the remaining 30 foundations score very low.

The 36 foundations were then clustered according to their scores on the various dimensions of the CIC (Table 3). The international cooperation experience, the dimension that has the closest relationship with the actual performance of the foundations within the CIC index, is confronted with the other dimensions, which should be seen as 'foundational' dimensions.

First, only one single foundation has a high score both for international cooperation experience and human resource capacity (AF). Three foundations (CLEF, IMLNF, and CIMF) obtain a high score for international cooperation experience but a low score for human resource capacity. This group should consider attracting professionals and expanding the number of volunteers to increase their CIC scores. Second, two foundations (CDRF and IMLNF) have a high score both for international cooperation experience and organisational economic capacity, indicating that strong economic power can help foundations to engage in international cooperation.

Four foundations (AF, CLEF, YCCSEF, and CIMF) have a high score for international cooperation experience but a low score for organisational economic capacity. This group has a relatively strong experience in international cooperation and could be a

priority for the Chinese government to provide additional financial assistance to support them in scaling up their international cooperation activities.

Third, two foundations (CLEF and AF) have a high score for international cooperation experience but a low score for organisational sustainability. For these foundations, further broadening the diversity of their income, and attracting and retaining professional talent through remuneration could be important breakthroughs to further improve their CIC.

Finally, two foundations (SHACF and CBDIRF) scored low for international cooperation experience but high for human resource capacity and organisational economic capacity. For these foundations, international cooperation is not currently a priority, but they have the infrastructure and potential to engage in it.

6 Conclusion

The average organisational CIC of foundations in China from 2014 to 2019 is still limited and cannot truly meet China's expectations of advocating NGOs to 'go out' in the context of the BRI. At the same time, our CIC index suggests that many foundations are gradually improving their capacity.

Establishing the exact reasons for the lower scores would require follow-up research but there are indications that the following factors contribute to the current situation: the inadequate legal framework to govern the specific activities of NGOs overseas; insufficient financial support from the government; insufficient number of dedicated staff and volunteers; and insufficient experience in international cooperation.

However, China's foundations are slowly turning their attention to low-income countries. All the foundations in our sample comply with government regulations in the area of governance and some have high scores for organisational sustainability. Relying on organisational governance and sustainability, a few foundations have accumulated a relative wealth of experience in engaging in international cooperation, such as AF, CDRF, IMLNF, and CIMF.

In addition, 10–15 per cent of the foundations have relatively large budgets and capacity for their domestic operations, but only a few currently mobilise substantial human and financial resources for their international activities. For them, international cooperation is not currently a priority, but they have the infrastructure and potential to engage in it.

In conclusion, we can say that in the context of the BRI, only a few Chinese foundations that have large budgets are encouraged by the positive policy framework to truly 'go out', although in a careful and modest way. Foundations that are not yet adequately staffed and funded could be a priority for the Chinese government to support their engagement in international

cooperation voluntarily and proactively. Most foundations that lack both experience and enthusiasm to engage in international cooperation due to policy risk concerns, lack of funding, and lack of talent, are not fully ready for 'going out'.

There are further policy implications which can be identified. The legal framework for the international activities of Chinese NGOs still contains gaps, which should be clarified through legislation. The Chinese government should consider providing adequate financial support to NGOs for international cooperation. NGOs should also organise themselves at a collective level to create opportunities for the exchange of experience, professional development, and expanding fundraising channels. Due to the availability of data, there are two main limitations of this study: first, social organisations, the category of NGO with the most international cooperation activities, are not included in the research sample; and second, the study does not include the softer dimensions of capacity, such as legitimacy, organisational culture, and resilience.

Notes

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- 3 Weights represent the trade-off across indicators and are used with the meaning of relative importance of the associated individual indicator (OECD 2008: 22, 97).
- 4 CIMF = China International Medical Foundation.
- 5 AF = Amity Foundation.
- 6 ZUEF = Zhejiang University Education Foundation.
- 7 OCCFC = Overseas Chinese Charity Foundation of China.
- 8 CEPF = China Environmental Protection Foundation.
- 9 YCCSEF = You Change China Social Entrepreneur Foundation.
- 10 SHACF = Shanghai Adream Charitable Foundation.
- 11 IMLNF = Inner Mongolia Lao Niu Foundation.
- 12 CGCF = China Green Carbon Foundation.
- 13 CFYEE = China Foundation for Youth Entrepreneurship and Employment.
- 14 CCF = China Confucius Foundation.
- 15 SOCF = Shanghai Overseas Chinese Foundation.

- 16 CSAF = China Social Assistance Foundation.
 17 CFCHC = China Foundation for Cultural Heritage Conservation.
 18 LSCF = Lingshan Charitable Foundation.
 19 CTF = China Organ Transplantation Development Foundation.
 20CFCAC = China Foundation of Culture and Art for Children.
 21 CFHRD = China Foundation for Human Rights Development.
 22 CVSF = China Volunteer Service Foundation.
 23 WIFA = Wu Zuoren International Foundation of Fine Arts.
 24 CSDF = China Symphony Development Foundation.
 25 TXZEF = Tao Xingzhi Education Foundation.

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