

Abstract

We study the nascent phenomenon of global Chinese civil society engagement. Instead of being motivated by increasing scale economies of fundraising technology (Aldashev and Verdier, 2009), their internationalization has mainly been convenience and resource driven. Using a Poisson modelling framework on panel data, we show that NGO projects abroad have closely tracked lagged official Chinese development work and lending flows. Experiences on the ground, however, differ widely between locations and organizational capabilities.

Time to go out?

Chinese NGOs have first begun to internationalize in the wake of the CCP's 2001 "Going Out Strategy" (*zou chuqu zhanlüe*) that encouraged businesses to expand operations abroad. Their foreign engagements initially centered on humanitarian donations in response natural disasters. More recently, activities have expanded to cover long-term operations, including initiatives aimed at easing environment and social repercussions of BRI projects. While having grown to around 100 yearly projects by 2015, international programs are still relatively sparse, and clustered heavily in East Africa and Southeast Asia.

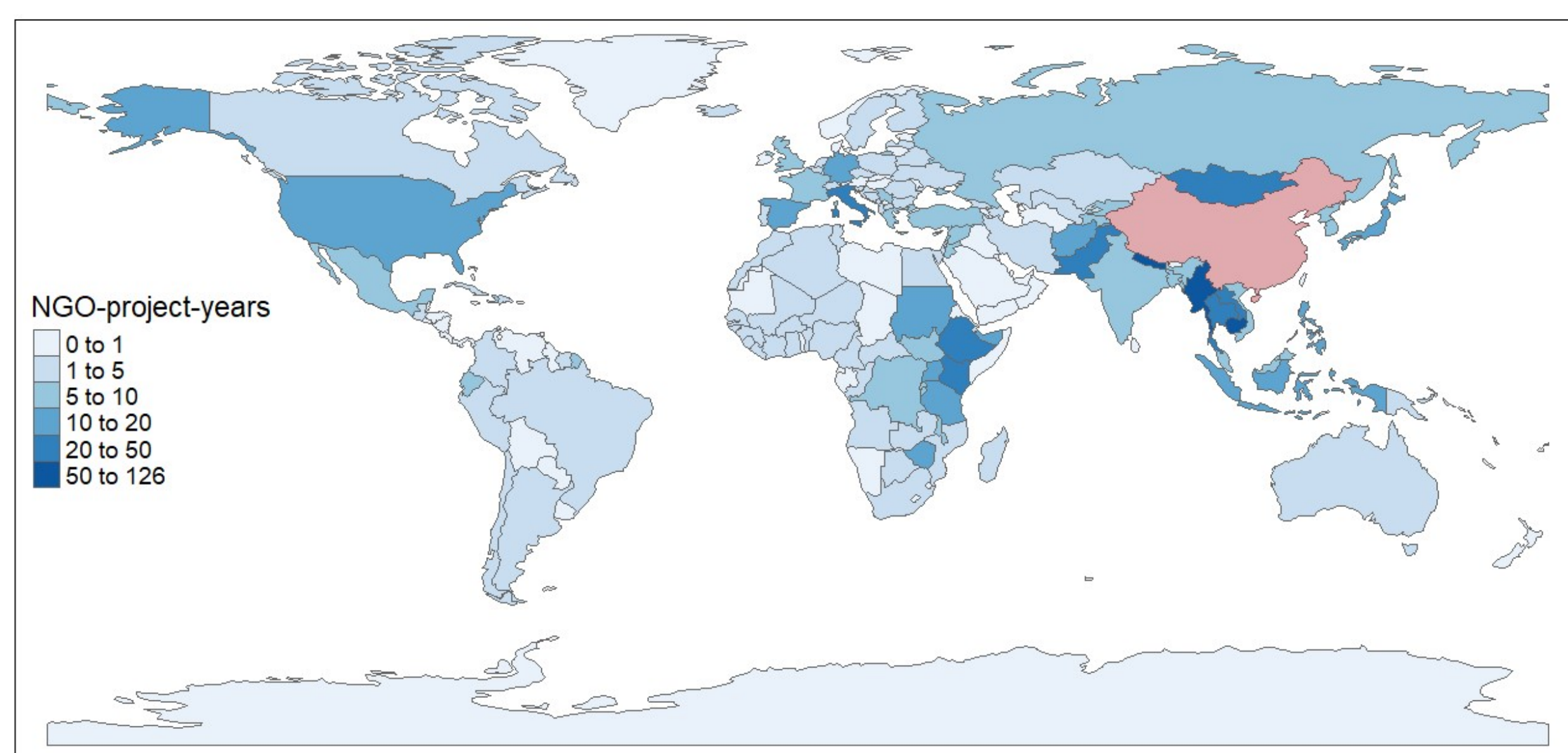


Fig. 1: Aggregate international Projects by Chinese NGOs and Foundations 2005-2020

Studying the factors that underpin Chinese NGOs' location decisions, we complement two distinct strands of the development literature: (1) One concerned with the theoretic and empirical analysis of (Western) NGOs' project location choice more generally (Brass, 2012; Fruttero and Gauri, 2005; Koch et al., 2009), (2) the other with qualitative discussions of Chinese civil society groups as well as the resource, leadership, and knowledge constraints they face when internationalizing their operations abroad (Hsu et al., 2016; Li and Dong, 2018).

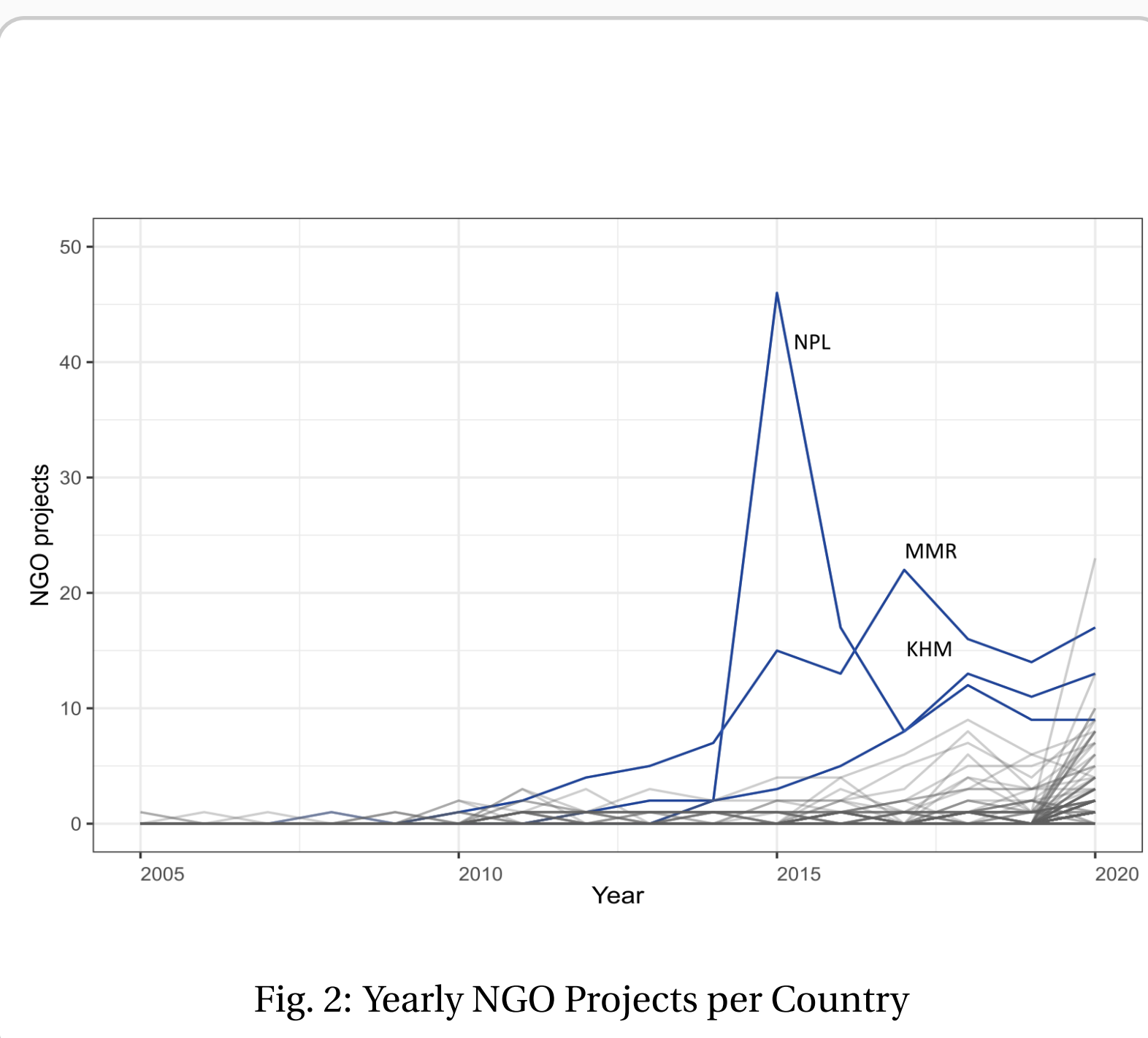


Fig. 2: Yearly NGO Projects per Country

Motivation	Description
<i>Altruistic</i>	• Relative economic, social, or environmental need
<i>Self-serving</i>	• Accessibility of resources and beneficiaries
	• Agglomeration effects: networks, knowledge spillovers, and scale
	• Convenience and human capital retention
<i>Political</i>	• Soft power foreign relations
	• Local political opportunism

Tab. 1: Theoretic Motivations for NGO Location Choice

Data

To do so, we compile a global panel (2000-2020) that includes the following proxies for motivational determinants:

	Description
<i>NGO projects</i>	Number of concurrent Chinese NGO projects
<i>clend</i>	Official Chinese aid or lending per capita 2000-2014
<i>GOV projects</i>	Number of Chinese government initiated projects
<i>UN agree</i>	Number of agreements with China on roll-calls in the UN assembly
<i>Polity</i>	Polity score from complete autocracy (-10) to democracy (10)
<i>Bil. Trade</i>	Sum of import and export trade from and to China in \$US
<i>Distance</i>	Distance between the capital city in country <i>c</i> and Beijing in km
<i>cGDP</i>	GDP per capita in \$US 2014
<i>WB projects</i>	Number of World Bank development related projects
<i>Conflicts</i>	Number of ongoing armed conflicts by intensity, If $25 \leq d < 999$ (+1) and $d > 1000$ (+2), where d = yearly deaths
<i>Eng. Language</i>	1 if the de facto or de jure language in the country is English
<i>Socialism</i>	1 if <i>c</i> is socialist, has a socialist past, or has a constitutional reference to socialism

Tab. 2: Variable Summary

Methodology

We then consider models of the general form,

$$NGO_{c,t} = \exp(\beta_1 GOV_{c,(t-a)} + \beta_2 clend_{c,(t-a)} + \mathbf{x}_{c,t}^T \boldsymbol{\gamma} + \mathbf{z}_c^T \boldsymbol{\delta}) + \varepsilon_{ct} \quad (1)$$

where variable descriptions are as in Tab. (2) and indexed for country *c* and time *t*. $\mathbf{x}_{c,t}^T$ is a vector of country(-time) specific regressors, that proxies for the altruistic, self-serving, and political incentives that NGOs face. For fixed effects specifications, country specific intercepts ζ_c are added in place of time invariant variables \mathbf{z}_c^T to estimate within effects and better account for time-invariant spatial heterogeneity. Due to the count dependent variable, high number of zero values, and desirable robustness properties, we mainly rely on Poisson fixed effects models for economic inference (Silva and Tenreiro, 2006; Wooldridge, 1999).

Results

	NGO Projects					
	PA (1)	FE (2)	PA (3)	FE (4)	PA (5)	FE (6)
$GOV_{(t-5)}$	0.256** (0.082)	0.222* (0.101)				
$GOV_{(t-3)}$			0.187* (0.081)	0.109† (0.063)		
$GOV_{(t-1)}$					0.046 (0.067)	-0.154 (0.147)
$clend_{(t-5)} (10^3)$	1.270*** (0.330)	0.711** (0.216)				
$clend_{(t-3)} (10^3)$			1.013** (0.388)	0.452† (0.235)		
$clend_{(t-1)} (10^3)$					0.645 (0.490)	0.268 (0.234)
<i>Polity</i>	0.048 (0.049)	0.071* (0.034)	0.049 (0.048)	0.069* (0.034)	0.011 (0.041)	0.082 (0.068)
<i>UN agree</i>	-0.005 (0.007)	-0.004 (0.008)	-0.001 (0.008)	-0.007 (0.007)	-0.031** (0.011)	-0.031 (0.019)
<i>Socialism</i>	1.319* (0.540)		1.230** (0.436)		0.977* (0.419)	
<i>Bil. Trade</i> (10^3)	0.011* (0.005)	0.064* (0.032)	0.011† (0.006)	0.062 (0.043)	0.010 (0.006)	0.067 (0.044)
<i>Distance</i> (10^3)	-0.261*** (0.056)		-0.255*** (0.062)		-0.300*** (0.091)	
$cGDP$ (10^3)	-0.124** (0.042)	0.754 (0.499)	-0.124** (0.046)	1.317† (0.771)	-0.148* (0.059)	0.948 (0.757)
<i>Eng. language</i>	0.224 (0.743)		0.423 (0.775)		0.783 (0.650)	
<i>Constant</i>	-0.150 (0.652)		-0.584 (0.710)		1.567 (1.493)	
<i>N</i>	2165	818	2010	607	1702	390
χ^2	444.652	101.364	232.084	113.529	140.874	358.755

Tab. 3: Poisson Estimation Results

Key Findings:

- NGO projects track lagged official development activity. E.g. an additional government project increases NGO activity by $(e^{0.222} - 1) \times 100 = 25\%$ in the same country 5 years later.
- Poorer but fast growing and geographically nearer countries with socialist histories are preferred, while conflicts, international development activity, and other political regressors are insignificant.
- Scope and type of engagement abroad varies widely between organizations and countries. Lasting impact is limited to a few, however.

Discussion

Ultimately, the emergence of globalized non-traditional Chinese donors and organizations may offer new opportunities for recipient countries to further economic, social, or environmental objectives. Yet, their entanglements with an authoritarian government also posits new challenges ahead. Several caveats remain in our study:

- (1) Country-level data does not permit us to make judgements on the sub-national determinants of Chinese NGO presence.
- (2) Due to the limited sample size, NGOs and what a project entails were defined widely. This may favor smaller projects and distort relative activity.
- (3) Operational location does not per se imply programme effectiveness.

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