Producing society or the self-producing of society?
A study of an NGO’s difficult situation on poverty reduction

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Abstract
How social organizations that envision social reforms interact with existing social and political structures in their practice is key to the understanding of philanthropic organizations and their social actions in the current Chinese context. To address this issue, a ‘social production’ perspective was adopted and the structural features and poverty alleviation practices of a philanthropic organization, which has successfully solved the entry problem whilst clearly recognizing and maintaining its independence, were studied. The organization, with a clear vision, actionable goals, compatible and strict management as well as monitoring systems, has encountered many obstacles that are inconsistent with its goals. The organization may thus be unable to realize its goals in practice, may fall into a detached state, and even become a structural space for the reproduction of local society. This paper attempts to provide an understanding of the obstacles that this organization encountered from a ‘state–society’ perspective and study it by re-embedding the organization into the local social–political context. It is argued that this organization became an academically interesting entity because it

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illustrates the complexity of the transition process of Chinese society and provides for observation of the society's self-reproduction process. Thus the various social realities and problems observed from this organization's practices and actions can be seen as analogous to China's current political and social issues; as such it can therefore help with developing a holistic understanding of the phenomena, mechanisms and issues in China's political and social transition process.

Keywords
Poverty reduction, producing society, social welfare organization

Research question and the starting point

The state–society relation, especially the relation between the modern state and local society, is significant for research on modern China. It is not only related to how we perceive the ‘native resource’ in the process of China’s modern transformation, but also how researchers evaluate current events and how they expect China to develop in the future. The concept of ‘society’ is crucial here. Since the re-establishment of sociology in China, with the maturation of this research paradigm, academia has gained summative knowledge about the general changes of Chinese society and discovered that during the 30 years of opening up, in the process of changing from totalitarian state domination to technical administration, both the state–society relation and the social structure per se have been undergoing major transitions (Sun et al., 1994; Qu et al., 2009).

Recently, within this general research paradigm, in addition to the structure of state versus local society, scholars have also started to emphasize a third dimension: the growth of civil society1 and its influence on the state–local society relation. What needs to be noted is that although this emphasis is related to the cultivation of self-organized powers in present-day China and the discussion of marketization in sociology, and usually represents mainland academia’s expectations concerning, and reflection on, the topics of ‘development’, ‘transformation’, etc. (Guo and Shi, 2008; Li et al., 2012; Shen, 2008; Sun, 2009; Wang, 2004, 2011; Xiong, 2001; Zhang, 1998, 2013, 2015), academia also realizes that this discussion needs to be based on a thorough theoretical understanding of the structure of state versus local society because, in practice, social organizations need to enter the specific space of local society and interact with society and politics within this space.

Thus, even though research about civil society and new social organizations under the state-market paradigm has become an important theme of mainland sociology since the 1990s and the new century (Bi, 2006; Guo and Shi, 2008; Xiong, 2001), in this type of analyzing paradigm of modern social organizations, scholars have both a high expectation about its development and a clear
understanding of the difficulties it presents (Guo and Shi, 2008). Guo and Shi, after briefly reviewing related research in a few fields, suggested that:

Explorations in the few above-mentioned research fields have, in varying degrees, indicated efforts to find and construct society. However, very few researchers can make the judgment that civil society in China has been formed or is being formed. The reason is that what they have found may only be communities in the traditional sense, may only be some social fragments of society that are still in process and hard to define, but those are still not civil society, or society in the sense of self-organization. Then, where is society? (Guo and Shi, 2008:144)

This question has represented a core anxiety for many scholars. In academic research, besides areas such as self-organized civil groups, local resistance, and NGOs, market and capital are also usually viewed as important factors that enable new types of social space and public domains to exist. Compared to the existence of ‘native’ social resources, ‘have or have not’ is indeed a frequently occurring question in the discussions of these ‘social’ problems. The focus of this question has naturally become the specific pattern of the survival and development of those social organizations which have established theoretical consciousness; that is, those public welfare organizations that have more general convictions, corresponding institutional constructions, and supporting organizations and actions, in mainland China, as well as their conflicts with local society’s cultural and behavior patterns.

In this research field, Yuan Shen’s work is very representative. Shen (2007: 182) viewed Chinese social organizations as an essential part of civil society. Using concepts from the Western Marxist tradition, and through comparisons with Western societies, Shen discussed the concept of ‘society for itself’ in contrast with ‘society in itself’. Shen believed that, compared to the Western social production mechanism, which has ‘a long tradition and rich experience’, China in the process of market transition is more in need of ‘production of society’, which could even be viewed as a type of ‘civil movement’ (Shen, 2007: 183–184). Against the Chinese background, this social production means that,

... after the long-term domination of the redistribution economy and the corresponding centralization system, after the mechanism of self-organized social life has been profoundly inhibited, if not completely eliminated, we must first have a society before we can protect it. (Shen, 2007: 171)

Shen has placed major expectations on the role of social actions of social organizations in producing ‘various systems and norms of social life’. He has a clear understanding concerning these expectations, because both the historical background and the current conditions are not promising. However, it is precisely against this background that this construction movement has a ‘larger practical significance’ than the pure construction of organizations and systems (Shen, 2007: 184).
Nevertheless, with regard to this type of movement, represented by social organizations and their actions, such as the worries people such as Shen express in the name of ‘organization transformation’, the research on Chinese social organizations from the aspect of ‘corporatism’ also has a clear understanding of and similar worries about this complexity. Researchers discover that because the social foundation and implementation of Chinese ‘corporatism’ are obviously different from those of Western corporate groups the theoretical tools of Western corporatism cannot be directly applied (Chen, 2010; Zhang et al., 2009). One of the typical characteristics of corporatism in China is its reliance on, or even alliance with, the government: corporate groups, including NGOs, will usually form the so-called ‘protective state corporatism’ (Zhang et al., 2009), or even cause ‘anti-solidarity’, which is completely opposite to the initial intention of NGOs (Lee and Shen, 2011). The practices of international NGOs relating to poverty relief and public welfare work usually encounter the difficulty of admission. That is to say, in order to operate in a local society, international NGOs need to cooperate with the local society/government; this usually creates major challenges for NGOs claiming to be independent of the government, because ‘noncooperation leads to admission difficulty, but cooperation leads to the risk of losing dependency’ (Guo, 2012: 53). Thus, based on this type of research, if we want to discuss the cultivation of China’s civil society in the specified area of a certain type of NGO, this type of organization’s behavior pattern has obviously been problematic from the beginning, and may not be able to meet academia’s high expectations. However, the question arises as to whether it is possible that some type of social organization can both effectively solve the problem of admission and maintain clear concepts and independence. If the answer is yes, then the further question is whether the social behavior of this type of organization would be able to meet academia’s high expectations and realize the above-mentioned goal of producing society. Finally, we ask what, realistically, are the problems this type of organization meets, and what specific organizational format and behavior patterns are derived from and shaped by these problems. The answers to these questions might help in providing us with a deeper understanding of the production of society as a civil movement. In his article, Yuan Shen (2007) borrowed the concept of ‘civil courage’ (Swedberg, 1999) from the Swedish sociologist Swedberg to discuss the subjective activity of this type of organization’s behaviors in practice (Shen, 2007: 185). However, Shen also admitted that this discussion was only an attempt. In the process of China’s rapid change, ‘facing the social movement or civil movement which has just started and with unique performance, current sociological theory cannot grasp it completely and thoroughly’; this has led to requests for the development of sociological theory (Shen, 2007: 185).

As a type of organizational practice, this effort does require a major subjective initiative from both leaders and participants. However, to respond to Shen’s research question and theoretical request, experience based on field studies may also be necessary. Real-life circumstances and their theoretical requirements may be more complicated than Shen’s attempt to understand, and indeed may require us to deal with the problem of integrating more classical sociological theories.
We have carried out a case study, since 2012, on an international public welfare organization – R Foundation – mainly through participant observations and interviews. As an international NGO, the major activity of R Foundation in mainland China is poverty relief in poor areas. During our field research, three aspects of R Foundation interested us: the organization’s strong mission; its unique organizational structure; and its behavior pattern of poverty-relief.

First, the Foundation has a strong conviction about ‘transforming people’s quality and behavior pattern’. As an expression of this strong conviction, the Foundation pays special attention to improving the quality and capacity of those people it supports; the natural subjects of this ‘transformation’ are local social members of the poor areas, and this is intended to be effective in reducing poverty. Based on this, the Foundation emphasizes in particular a ‘holistic’ understanding of poverty relief and seeks to maintain a holistic research attitude in addressing the problem of poverty-relief. Regarding the organization and work content, the Foundation started its poverty relief with four aspects: ‘education’, ‘industry’, ‘medical service’ and ‘environment and water resources’. It carried out works in 12 provinces of mainland China, selected one poor county in each province as an experimental county, and attempted to carry out ‘comprehensive’ poverty relief within 15 years in each selected county.

In summary, its unique organizational structure consists of a national headquarters and distributed poverty-relief bases in the 12 poor counties. As formal employees of the organization, the members of the poverty-relief bases are all local people: they are either borrowed from local governments or hired from local societies, with the expectation that this can avoid some common problems in poverty relief, including low participation rate, weak cooperation with the government (Zheng, 2002; Liu, 2011), and lack of human resources (Wang, 2008). The organization’s behavior pattern is also compatible with its conviction and structure: the typical pattern is that all its organizational behaviors have to serve the realization of its conviction, including its cooperation with the government, its subjective initiative, which is compatible with the conviction, and its project system, implemented to realize the conviction, and so on.2

The three aspects of R Foundation noted above have blended to create a strange phenomenon: the organization was supposed to be representative of civil society, but in order to realize its conviction its behavior has been characterized by the attempt to approach the government with a legitimate organizational format. This article will first treat this organizational behavior as an effort to ‘produce society’, in Yuan Shen’s words. The concrete embodiment of this effort is the ‘poverty-relief base’ of the Foundation. We can even say that R Foundation has attempted, through structural format and organizational behavior, to produce a public sphere in local society.

**Case study**

Our case analysis of R Foundation starts with its basic organizational structure and action pattern, both of which are based on the Foundation’s organizational goal; and, further, we will try to explain what this basic organizational structure and behavior pattern will encounter in specific practice.
From conviction to organization

Organization conviction. In studying NGOs in China, some scholars have pointed out that various problems common to these NGOs are rooted in two issues: first, ‘loopholes in the fundamental values and institutional structures during social transformation’; and, second, ‘lack of conviction within the NGOs and the time lag between rapid social developments and sluggish administrative reforms’ (Wang and Jia, 2002). This represents a common understanding of NGOs in mainland China. However, during our field research, we found R Foundation to be distinctively different from other public welfare organizations. This difference is reflected primarily in its strong conviction: first, the organization has both an extremely clear conviction and a tone of ethics of conviction during actions; and, second, the organization’s structural character is entirely designed to follow its conviction, striving to achieve its organizational goal.

R Foundation was established by its President, P, in 2007. In the subsequent years, P and other members worked together to establish the organization’s current organizational structure, basic conviction and culture, action target and almost all of its rules. To become a member of the organization usually requires a process of learning, in which the major requirement is to learn the basic conviction of the Foundation. The core of the conviction, i.e. ‘Respect Nature and Love People’, is very clear, as is the manifestation of the conviction by P as a specific individual in his daily actions. The key interpretation of this conviction has been elaborated in a brochure produced by the Foundation:

R Foundation has been working on poverty-relief starting from the rural area of mainland China, with the purpose of solving the most serious social problem in this world – inequality of opportunity distribution. To solve this complicated social problem, we do not simply give people opportunities, but help cultivate their capacities, so that they can create opportunities for themselves or even for others some day; we do not just spend money to construct hardware, but also spend time and effort to transform people’s thoughts. (Foundation, 2012: 4)

In sum, the basic mission and conviction of the Foundation is to ‘transform people’. As a theoretical interpretation of this basic mission, its key words include the following: ‘sustainable value’, ‘people-oriented’, ‘emphasizing both temporary solution and permanent cure’, ‘resource integration’, ‘teaching how to fish’, ‘duplicable’, ‘combining urban and rural areas’, and ‘point to area’. Some of these belong to the work ethos, and some belong to work principles. These convictions and principles, as interpretations of the basic mission with a quality of ‘middle-range theory’, have been meticulously applied to almost all aspects in the organizational structure and daily operation of the Foundation; they even become the theoretical basis of most projects. In an interview, P interpreted the concepts ‘people-oriented, emphasizing both the temporary solution and the permanent cure’, as he understood them, thus:

We would put people at the center, and achieve sustainability, i.e. we would be people-oriented. It is an important guiding ideology. However, people are complicated, it is
not easy to help them. People have multiple needs. We can help them meet these needs quickly, but it is only a temporary solution. The permanent cure is to transform people. What we would do is to transform people and achieve the permanent cure through temporary solutions; we will solve the problems both temporarily and permanently. (Interview by Sun with P, 2013)

What is the content or goal of this people transformation? P and other senior managers in the Foundation would sometimes answer this question with phrases such as ‘kind-hearted and honest’, ‘mutual aid’, and ‘with morality and ethics’. From these responses, we can identify the ‘goals’ that are taken for granted at the Foundation level. Within this standard system, the core contents that are primarily emphasized include being caring, mutual aid, and honesty. The first two are similar to the moral demands placed on community members in traditional societies, while honesty – that is, compliance with norms and disciplines – is the demand placed by modern bureaucratic organizations on their members. In addition, the Foundation emphasizes ‘teaching how to fish’, meaning that it expects those supported to become modern economic individuals with economic rationality and the ability to engage in market behaviors. Ultimately, in the course of cultivating the villagers’ qualities, the so-called ‘morality’ is defined as an image of ‘modern civilized man’, including characteristics such as not spitting in public, not littering, paying attention to personal hygiene and health, and believing in modern medicine. To conclude, the goal of this people transformation is to create a modern person who could comply strictly with disciplines, who is civilized and rational, with both traditional morality and market sense.

Because this Foundation has a clear and strong conviction, its organizational structure is designed entirely to realize the conviction. In the first five years of its establishment, R Foundation divided its major work into four subject areas: medical service, education, industry, and water resources. In the sixth year, due to strong promotion by P, the Foundation developed a new project which ‘took up half the sky of the Foundation’ called ‘mighty flame from the heart spark’. The name of this project comes from ‘mighty flame from a little spark’; its basic principle is to name a few ‘kind-hearted people’ within a certain experimental poverty-relief county, and provide certain appraisals and rewards to them, as exemplifying moral behavior. The implementation of the project, ‘mighty flame from the heart spark’, manifested more clearly the Foundation’s commitment to ‘transform people’.

P’s passion in transforming people has had a major influence on many people in R Foundation. Almost all the senior employees and many middle-level employees expressed ethics of conviction to a certain extent during the interviews. One interviewee said, ‘We have given up such a high level of annual salary to join this big family, getting a low salary, just to pursue this meaningful life’. During the interviews, senior members of the Foundation almost unanimously stated that their decision to join the Foundation was not related to economic rationality, but was a behavior guided by belief. The content of this belief is the core conviction of the
Foundation, and its particular embodiment is directed mostly at P himself. The content of the conviction is not unusual – in the poverty literature, this type of conviction is attributed to the theory of ‘poverty due to individual characteristics’; there have been discussions or even criticisms of this view (Shen, 2000). However, this article does not consider the academic meaning and value of R Foundation’s core conviction; rather, our purpose is to discuss how this conviction was implemented at the level of organizational and societal practice, and the difficulties this actualization encountered.

Organizational structure. R Foundation’s first institutional design was temporal, not organizational. To realize its conviction, R Foundation requires a combination of ‘contemporary solution’ and ‘permanent cure’. The so-called ‘contemporary problem’ is the phenomenon of poverty in local society, and the so-called ‘permanent cure’ is the transformation of people. As a leader with ‘a sense of mission and dedication’, P interprets his ‘sense of mission and dedication’ from three aspects – ‘money, time, and kind heart’. In the interview, when he explained to us these three ‘indispensable’ elements for public welfare, P put ‘money’ in the least important position:

   Nowadays what many people lack is not money, but time. However, the first thing we are going to devote is our time. Each base we have will devote 15 years. We just want to demonstrate our sincerity. Of course, besides this, the most important thing is still to be kind-hearted; it won’t work without a kind heart.

Together with this time arrangement, with regard to content, the overall structure of the Foundation is divided into four departments with different work contents; and the organizational structure is divided into two large parts – department offices and poverty-relief bases. The employees in the department offices are mainly recruited from international corporations in metropolises such as Hong Kong. Each of these people has a certain educational background, career experience and work quality that are compatible with those found in modern firms. They were usually attracted by the conviction of the Foundation and chose to give up their existing high-salary positions to join it; they have a high level of identification with R Foundation and would take up management works related to various aspects, such as policy and system formulation, project examination, finance, and safety compliance.

The Foundation’s poverty-relief base is a relatively novel creation of the organization and is also the most important carrier of its poverty relief works. In this respect, the Foundation is always open about its cooperation with local governments; it even considers this cooperation to be one of the working principles of the organization. Its work in each province starts with communication and negotiation with the corresponding provincial government. Based on its agreement with each provincial government, the Foundation then establishes a poverty-relief base in a specific experimental county. Each poverty-relief base is organizationally
subordinate to the Foundation, but its basic structure is a complete replica of the overall structure of the Foundation, comprising a director, a deputy director, four ‘chiefs’ with replicated work contents, and other related employees. Each poverty-relief base runs for 15 years. Some of the employees in it are borrowed from county government units with similar work responsibilities, through the coordination of the local party commission and government; and some are recruited from the local society.

The benefits of borrowing and recruiting these ‘natives’ are clear. Both those borrowed from government units and those recruited from the local society are characterized by familiarity with the local situation, relatively high levels of professional skills, and identification with the local society. In addition, the main force – that is, those people borrowed from local governments – can use their existing social connections to reduce the cost of communication between the Foundation and the government and thus reduce the cost of poverty relief in general and increase work efficiency.

In general, various levels of differences exist between employees in the office headquarters and those in the local bases, with regard to staff composition, work ethos, knowledge background, career experience, and corresponding work culture. In sum, the basic indicator of these differences is ‘local knowledge’.

In theory, this format of organizational structure facilitates long-term close cooperation with local governments and thus can guarantee the organization’s ‘admission’ and largely avoid the weakness of lacking ‘local knowledge’, but it cannot guarantee the independence of the organization. Given this problem, the question then is whether or not the organization’s conviction can be achieved. In the process of organizational operation, inability to guarantee independence has become the primary problem of the organization’s bureaucratic design.

Bureaucratic design and internal transformation. With regard to the specific organizational structure, it is reasonable to suggest that as the embodiment of the Foundation’s strong conviction and spirit in organizational design the base is already the representative of the organization’s conviction and undertaking in the local society. According to the basic conviction of the Foundation, the local base’s employees become the first subjects who need to be ‘transformed’, because ‘to transform others, one has to first transform oneself’ (Interview by Sun with P, 2013). Thus, they need first to experience a process of ‘estrangement’ and ‘re-entry’; that is, they first have to learn how to become a Foundation’s actor and then use this image to deal with the local society. However, these strangers cannot leave the locale. After 15 years – that is, after R Foundation retreats from the local society, and the poverty-relief base is canceled – these people will lose their ‘aura’ of an identity independent of the local society, and they will have to return to that society, where they already belong. This is clearly understood not only by themselves and the Foundation, but also by others in the local society. However, the Foundation’s intention is to transform successfully the base’s employees within 15 years, with the hope that they will become internal drivers and seeds for
subsequent changes in the local society and culture. Thus in the Foundation’s organizational plan each base, as the carrier of the Foundation in the local society, must possess the general temperament of the Foundation. For the employees working in the base, compared to the training they receive in the Foundation’s conviction and the resulting changes in their ideas, the bureaucratic system, which is highly rationalized in its organization, is the primary difficulty they encounter, as well as the first transformation they have to accept.

The Foundation has established a complete set of strict, modern bureaucratic systems. During the field research we found that in each base’s projects all links from evaluation to implementation were under strict procedural regulation and management, requiring various levels of review by the president, departments, and related administrative institutions in cooperating units. This is to ensure that the projects are guaranteed institutionally with regard to budget, work plan, fund operation, implementation effect, etc. Furthermore, within the Foundation, from the disciplines to the bases, from various directors to the most common employees, all employees’ daily work must follow extremely strict rules and is restrained by a strict management system. From paying for lunch in the countryside to car allocation, from annual budget plans to every project’s report writing, all tasks are performed under very meticulous and careful institutional constraints. This is different from the cultural and behavioral style of Chinese local societies, especially local societies and local government in many poor areas, and it produced difficulties for many employees in the base when the base was first established. To many people this system has even seemed unreasonable; during field research, individuals constantly complained to us about it. Here is a typical example:

Once our car (in the process of going to the countryside) had a flat tire on a mountain road. We had to call the headquarters and report that we had a flat tire on the road and we needed to change the tire. The person who answered the call, after hearing about the flat tire, said, ‘Really? That’s unlikely?’ … Our driver was very experienced, and he had noticed a few months ago that the tire was seriously worn and was in need of change. We reported this at that time, but the procedure was too tedious and we did not get the chance to change the tire … we had to fill out forms to apply for grants to buy the tire, and we had to write reports comparing various suppliers … we couldn’t pay with our own money to buy the tire before we got the grant, because it was against the rules … the Foundation strictly forbids us to pay with our own money to buy things first and get reimbursements later.

Within the Foundation, from P to senior managers to local base directors and common employees, with descending positions in the organizational hierarchy, the tone of idealism gradually weakens, and the tone of realism and local culture increases. This process reaches its peak in the practice of the most basic units. However, the institutional requirements are consistent. Furthermore, the organizational operation of the Foundation has a typical standard professional organization (Berufsgliederung) structure which Weber sees as the fundamental
fact of modern economic life (Weber, 2004). The Foundation’s process of evaluating employees’ work uses the KPI performance assessment method, which is often used in modern corporations. In other words, although the organization is not a capitalist profit-making organization, it has a similar bureaucratic system and organizational structure to this latter. In terms of ideal type, both local government and modern business organizations belong to bureaucratic systems in a broad sense. However, in the case we are studying, they are very different. The modern international corporations where the senior employees worked largely fit Weber’s definition of a bureaucratic system, with precisely rationalized designs; this is also what the organization’s founders expect with regard to the organization’s conviction, corresponding organizational structures and behavior patterns. With regard to local government in China, whilst it has a similar design, the behavior pattern of actors is completely different. Concerning this aspect, there have been many discussions among sociologists in China about the behavior patterns of local governments, as developed from local societies and local cultural traditions; for example, the analysis of the informal operation process of the formal power (Sun and Guo, 2000).

The two behavior patterns summarized above will inevitably conflict with one another. Employees at the poverty-relief base are usually borrowed from local government and are familiar with the behavior patterns of local government, local culture and the local society, but their rationalization level and their understanding of modern public welfare work are very different to those of the Foundation seniors. Thus it is more difficult for them to understand and adapt to the above-mentioned bureaucratic system and its appeal in behavior and meaning. Against this background, the statement ‘to transform others, one has to first transform oneself’ naturally has a clear target.

To encourage each base and discipline to obey strictly the rules and regulations, the Foundation even introduced a ‘tournament’ system: “the tournament of being ‘safe, honest, and accident-free’ for 365 days”. The progress of this tournament is shown on the Foundation’s internal website. For those bases that succeeded at “being ‘safe, honest, and accident-free’ for 365 days” – that is, those bases where there were no violations of rules and regulations within a year – the Foundation rewards the employees concerned. The reason for rewarding them is that ‘being able to win this tournament means that we understand the president’s idea well and thoroughly, and thus we managed to avoid mistakes in daily work’ (Interview by Sun with P, 2013). In other words, strictness of organizational discipline is not a requirement of the organization per se, but a requirement of the ethics of conviction.

In fact, this example represents the final direction and solution of all the organization’s conflicts: the judgment of President P. Despite the strict bureaucratic management system, there is a leader who exists above all institutional arrangements in the organization. He can give the system legitimate flexibility, and use his authority to resolve the organization’s internal conflicts and divisions. In our field study we have often observed that a serious internal conflict was resolved by P’s decision. The reason why the conflicting parties accepted the conciliation related
more to P’s personal charisma and strong ability to convince others than to institutional factors. In this type of conciliation it is usually the local-society employees in the poverty-relief base who make the compromises; that is, the incentive for them to accept the ‘change/transformation’ is more their respect for P himself than their understanding of the system. We can use one employee’s words to summarize employees’ views of P: ‘He looks more like a chattering preacher’.

**From organization to action: the basic action strategy**

*The project system based on the organization’s conviction.* Jingdong Qu (2012: 144) has viewed the project system as ‘an extremely unique phenomenon in the operation of social governance’ in China after 2000. From this perspective, the project system is a technical system, which exists between the administrative mechanism under state politics and the market operation mechanism which is completely marketized, and which can meet the requirements of legitimization, normalization, technicalization, and standardization. We have found very similar project-system operating logic in the daily operating forms of R Foundation. However, in contrast with the previous academic discussions about the project system, the operating goal of this project system has its own uniqueness: the primary goal of the project operation is both to ‘shape’ the Foundation’s team – that is, to realize internal transformation, and to realize external ‘transformation’, that is, to ‘transform’ the supported poor families.

To realize the organization’s conviction, in addition to its two modularity structures, that is, department office and poverty-relief base, the Foundation also has a vertical structure, that is, the project system as its daily operation format. Within each discipline, individuals, ranging from the discipline director to the corresponding rank-and-file employee, can communicate directly with each other without the mediation of base directors; this operation pattern is the project system. In this respect, R Foundation is more like a non-profit project-system organization.

The project system’s daily operation format penetrates nearly all the work contents of various disciplines and bases. Staff training, villagers’ education, industry cultivation, and the implementation of ‘mighty flame from the heart spark’ are all carried out in the form of a project system. One important formal component of the Foundation’s annual meeting is the final account of the previous year’s projects and the vote on the budget of the next year’s projects. However, the project system only exists as a format. Considering the overall character of the Foundation, various projects’ implementation is primarily to carry out and exert the core conviction of the Foundation, i.e. ‘to transform and improve people’s quality’. Both the project system’s persistence of normalization and discipline in implementation and all kinds of attempts to change the content of the project system have vividly embodied this sacred basic character of ‘aiming high’. As is stated in its brochure:

People’s quality: … We carried out the project of cottage rebuilding after the earthquake at Wenchuan, Sichuan, not with a final purpose to merely build high-quality
earthquake-resistant buildings, but to help the villagers to improve their quality, and help them to establish a caring and harmonious community…in Hubei, we built a public toilet for the villagers and taught them related hygiene knowledge. Most importantly, in these two projects, with our help, the villagers established a set of long-term sustainable operating ideas and mechanisms to maintain the hygiene of their living environment. To transform others we have to transform ourselves first. Our employees in Shaanxi and Hunan have become the model of caring for the environment, due to their exemplary role in maintaining the hygiene of the public toilets in the office, which are shared by them and other units. (Foundation, 2012: 5)

The Foundation seeks not only to fulfill this requirement, which is characterized by totality, normalization and vertical communication, but also to ensure locality and the capacity to transform local culture in organizational actions. At the same time, the Foundation also hopes that its work can be ‘summarized’ and ‘replicated’; that is, characterized by standardization, formularization, technicalization, and legalization. In contrast with recent academic findings in discussing the project system, the organization’s project-system operations are designed first to transform its internal members, then to require external ‘replication’. In brief, the project system is intended to ensure that individuals with similar spirits can be continually replicated; that is, to achieve the goal of transforming people. Consider industry support as an example. When the Foundation selects exemplar households and implements industry-support projects, the primary principle is to require the exemplar households to study seriously and understand the Foundation’s conviction, and then to ‘replicate’ it in their social networks through practical actions.

In the meantime, the project implementation embodies another core characteristic of this organization: the rationalization attitude with a bureaucratic quality. Poverty-relief work must have effects. This type of phenomenon has been discussed in academic studies concerning rural programs carried out by governments and social organizations. A supportive project system focusing on exemplars usually embodies the basic ‘rule’ of the general poverty-relief pattern: it is necessary to look for those rural households that ‘are liftable [sic]’. In discussing the relationship between state projects and various villages, Zhe and Chen stated that ‘a sound basis and capability to invest up front are conducive to the fast and fair completion of projects’ (Zhe and Chen, 2011: 138).

Against this background, exemplary villages with better bases in terms of various aspects are more likely to get all kinds of resources and projects compared with poor villages with weak bases, because they have comparative advantages in economic, political, and social capital. In order to establish a model for poverty-relief public welfare work and to achieve a notably effective working pattern, an organization has to refrain from choosing extremely poor villages or households, which cannot manifest benefits no matter how much they are ‘invested in’. These villages and households, no matter how desperately they need poverty relief, may become the blind spot in this logic of poverty-relief work.
The issue noted above, discussed by Zhe and Chen (2011), also exists in R Foundation’s case and is related to the cost–benefit logic of poverty-relief actions. The Foundation used to devote significant effort to supporting a village in a certain province in 2007. Until 2013, the Foundation had already begun propagandizing across the country about another village in that province, as an exemplary village in that province. The reason was that the former village did not have the ability to be ‘lifted up’. ‘Being liftable’ relates not only to the economic aspect but also to the conviction aspect. This is the precondition of the Foundation’s principle of ‘teaching how to fish’; it is also why, of all the disciplines’ operations, education-related projects are far more important than pure industry-related disciplines. The highly rationalized character of the organization is also revealed by the fact that its basic evaluation of specific poverty-relief project work is still measured by an ‘input-output’ comparison: the focus is on whether the poverty-relief work can produce performances or not. The most significant embodiment of this standard is that during poverty-relief work it is necessary to look for ‘liftable’ villages, households and individuals to support. Only in this case can the organization manifest work performance within a finite period. Loans have to achieve returns, especially in industry-related aspects; this means loans can only be distributed to capable individuals. With regard to the conviction aspect, those peasants who are capable of studying the Foundation’s conviction and make corresponding changes are essentially those who already have a certain level of cultural competence and market sense.

**Embedded dependent operation and cultivation goals.** To summarize, the Foundation is embedded in local politics and social structures. This type of embeddedness means being both embedded and external. Irrespective of how R Foundation emphasizes its legitimate background, and how actively it tries to strengthen its ties with the government, its status is still that of a ‘stranger’ with ‘foreignness,’ and regardless of how it emphasizes its aspiration to ‘take root’ for 15 years, it remains ‘temporary’ in the eyes of the local society. The independence of the base makes it even more like an organization that is ‘embedded’ in local government and local society: it does not belong to the local society and has no intention to adapt to it. Furthermore, although it pays adequate attention to the characteristics of local society and is willing to work according to the guidance of the local government’s ‘major policies and principles’, its fundamental goal is to change local society’s culture and behavior pattern. Thus, this Foundation has not been fully ‘embedded’ in local society and local administrative structures, but has always been an existence external to local society with a heterogeneous character, trying to change local society in the form of ‘taking root’ for 15 years. This is why we prefer to call it an ‘embedded’ organization.

With regard to managing its relationship with the government, R Foundation has developed a unique method. It does not avoid cooperating with government departments; on the contrary, it especially emphasizes cooperation with (local) government departments at various levels. As stated above, the Foundation’s
work in each province started in cooperation with the provincial government. First, it would make a major effort to establish agreements with the provincial government; then, by choosing the experimental county based on the assignment of the provincial government, it created a situation in which administrative orders penetrated each level and the county government was obliged to cooperate. This characteristic of each poverty-relief base’s origins ensures its legitimacy as the ‘starting point’. However, R Foundation carefully maintains and reinforces its relationship with the local government through further organizational operations and project implementations; to some extent, it even develops genuine dependency with regard to organization and work content. In terms of organization, the Foundation’s dependency is manifested in the fact that all major employees at each base are borrowed from corresponding departments in the county government. In terms of work content, its dependency is revealed by the fact that all projects the Foundation carries out in the county are based on cooperative county government departments.

Strictly speaking, the work content dependency reflects an important principle of the project system at the macro level, of a dependent operation which ‘exploits any tiny opening’. In practical work, this principle is reflected in the following: except for necessary road and water conservancy construction, the Foundation is very cautious about large-scale investment; large amounts of time and effort are spent on education projects. With regard to industrial projects and other projects that need large-scale investment, the Foundation’s primary choice is to rely on local governments to operate these projects. They are the best projects for the Foundation: they are mandated by local governments’ superiors, but have not been carried out due to a small resource gap. In this case, the Foundation can achieve maximum effect with minimum investment. Thus it will in principle make major efforts to cooperate with the government, and describe this action strategy as ‘exploiting any tiny opening’. The Foundation will strive to dive into these ‘openings’, and form close connections with local governments, so that its public welfare work can have the effect of ‘using four ounces to move a thousand pounds’.

However, this is only one aspect of the Foundation’s organizational operation. What the organization most emphasizes is another aspect related to its conviction. We summarize this as the ‘cultivational goal’ of the project system. To elaborate, as an organization, the Foundation’s organizational rationality is very obvious. It emphasizes cooperation with various levels of government departments. On the one hand, this is because in today’s China, the government is still the most resourceful, the most capable of mobilizing, and the most legitimate source of work justification; to cooperate with the government can both ensure work legitimacy and justification and guarantee the maximization of work efficiency. On the other hand, it is due to the requirement of the Foundation’s basic conviction and action goal. That is to say, although cooperation with the local government can result in multiple conflicts between different cultures, working philosophies, and patterns, if, as the organization visualizes, it can gradually resolve these difficulties through adjustments and then affect the local government’s
working culture, philosophy and style, then the effect of poverty-relief work could far exceed simply reducing poverty per se.

During our interviews, we heard almost the same words from different poverty-base directors:

The Foundation... its organizational structure is especially convenient to, through the bases, have an exemplary effect on government work... then it could urge the local government to establish rules and systems, improve its work procedures, and change its working style, realizing the Foundation’s long-term goal of ‘transforming people’.

That is to say, this way of doing things is obviously an intended organizational behavior strategy. In the meantime, a portion of the base employees are from various departmental units in the corresponding county government; they have certain professional relations and personal connections with other employees in these units. Thus, from the perspective of the Foundation, they would become the nodes at the frontier of China’s poverty-relief work, passing on the organization’s convictions and creating a dispersion effect within a certain range. Setting aside whether this could be realized in practice or not, the Foundation’s cultivational goal has clearly been revealed in the strategy.

Finally, as has been previously stated, under the guidance of the long-term goal of ‘transforming people’, the Foundation seeks first to transform its poverty-relief base employees. The Foundation expects that if they completely accept its conviction, then they will act as the Foundation’s core ‘sparks’ planted in local society. In these employees’ daily lives, and when they return to their original positions after several years, as the organization believes, they could change their companions in work and life with what they have seen, learned and felt – in this case, the goal of transforming people in its broadest sense, and even transforming local society and culture, can be achieved.

From action to society: Process-event analyses of two cases. It is a common occurrence to see discussions about public welfare organizations among present-day mainland academics: most of them treat this subject as the embodiment of a new type of civil society space. Scholars also mention ‘intervening’ public welfare actions based on a certain conviction from time to time. Discussions like this usually take note of the problems foreign NGOs frequently encounter in their public welfare practices, such as ignorance of local knowledge and ‘trained incapacity’; they also refer to the complexity of local knowledge – for example, the local knowledge affected by the global economy and shaped in its interaction with the state, and so on. In addition, the blind spots of poverty-relief work per se are discussed (Guo, 2012; Yang, 2009). All these aspects are actually manifested in the various difficulties the Foundation’s poverty-relief base encountered. However, if one emphasizes only the view of a bystander and the deconstructive view of the concept of development, one might, as Moore (1999) said, ‘misunderstand’ actions like this as being the manifestation of a simple and authoritarian development discourse and ignore
the interest-involved interactions among the government, the villagers, and the organization, which are more complex and are based on China’s current administrative structure and local history and culture, or even ignore certain micro-interactions, including the organization’s self-learning capacity.

As stated above, the poverty-relief base is the organization’s agency in local society; in the meantime, it becomes the epitome of the difficulties the Foundation encounters in poverty-relief practices. Base employees become the primary objects to be transformed by the Foundation. If the Foundation wants to realize its action goal – that is, transforming people – and this action goal is directed to local society, then base members are certainly put in an awkward position of double identities. On the one hand, they feel they belong to the local society and government and necessarily follow local culture in their daily lives; on the other hand, they also belong to the Foundation and have to accept the Foundation’s transformation program and attempt to transform the local society according to the Foundation’s requirement. However, this transformation is bounded by time. After a certain period has elapsed, they must return to their local society and give up the Foundation, the haloed organization. More importantly, they take actions in the local society with the hope of transforming it; but, to work in the local society, their heterogeneous logic of action has to submit to the general logic of that society. Thus, the primary transformation paradox within the Foundation is manifested: the base employees have to transform local action itself through locality. If this does not occur, many plans and project goals cannot be completed. This reality has almost become the major source of conflicts within the Foundation.

Thus a situation we have frequently encountered during our field research is that, corresponding to its ‘embedded’ structural position, R Foundation’s action goal is to transform people, or even to transform local society. However, the result of this transformation act is that the Foundation negotiates with the local government and society using requirements that look ‘unreasonable’ to local people, and require the local society and government to constantly step back, tolerate and provide assistance. The initial intention of the Foundation is to use its own behavior as an example to encourage changes in the local society, government, and peasants; however, the effect is often the opposite due to this requirement per se. As a result, in the extreme situation of this action, in order to realize its internal organization – that is, to follow its internal disciplines strictly – the Foundation is even willing to appear as a ‘crying baby’ to outsiders. To the Foundation, this is the first step of self-transformation. In many cases, in order to meet the internal requirements of honesty, procedure, or even disputes between different opinions, employees have to sacrifice honesty to outsiders to ensure honesty inside the organization. However, from the view of local government and society, this type of requirement and persistence is somewhat ‘wayward’.

The first case we will analyze is a poverty-relief base of the Foundation in a western area where there is a serious lack of water. Recently, the local government and the Foundation have successively invested a substantial amount of resources to
dig wells for irrigation, guided the peasants to plant cash crops, and promoted agricultural development. In the meantime, to preserve underground water resources, out of its conviction to ‘respect nature and love people’, the Foundation has made the spread of water-saving irrigation methods its primary task in water resource work. Against this background, the water department of the base planned a project to ‘subsidize pipes for under-mulch drip irrigation’, seeking to encourage the villagers to buy pipes for under-mulch drip irrigation and change from sprinkler irrigation to drip irrigation in order to save water. The difficulty in carrying out this project is that under-mulch drip irrigation needs to be combined with scientific and strict intensive farming, which requires fixed manpower each day, at fixed hours. To the local villagers who are accustomed to extensive farming and a local society in which a lot of youths have to work outside to help their families, this means a major transformation of both life style and production style, while the visible benefits from the change are comparatively small. Thus, many local peasants are not particularly willing to return to this place merely to participate in this project. However, the Foundation’s principle of action is that it is necessary to require local villagers to participate in this work in the form of self-organization; this is the only way to achieve a ‘holistic’ effect – that is, to cause the meaning of this project to transcend the project and to achieve the goal of ‘transforming people’. This created an extremely difficult problem for the poverty-relief base employees. To complete this task, together with providing subsidy incentives, the project manager also used his prestige, accumulated during previous work projects, and his personal relations with villagers. After months of persuasion and training, he finally gained the villagers’ trust and support. Most villagers then agreed to participate in this project.

According to the Foundation’s internal procedures, after obtaining the villagers’ agreement to cooperate, the project can go through review processes. Based on his understanding about the relationship between water resources and industries, the project itself, and the organizational conviction of ‘transforming people’, the project manager added the words ‘promoting the development of agricultural cooperatives’ at the end of the internal application, to prove the importance of the project. However, after the application passed the review of the base and the department director, when it followed the organizational procedure to arrive at the financial department, it was rejected due to this sentence. The reason was that the financial department viewed promoting agricultural cooperatives as work content of the industry department. According to the internal principle of independent work by departments, this project could not be undertaken by the water resources department and could only use the industry department’s budget. Because the project budget was 96,000 yuan, while the remaining budget of the industry department in that year was only 58,000 yuan, following the financial department’s requirement would mean a serious budget shortfall for the industry department and would exhaust its budget, hindering its existing plans. The project manager revised the application again and again within the month for resubmission, and re-applied more than ten times, but his applications were all rejected due to similar
problems with details. In the end he had to report to President P through the base director and the application was passed after receiving P's approval. However, by that time the sowing season had passed and, in order to catch up with the sowing time, the villagers had already raised funds themselves to buy the pipes, so the project had to be abandoned. Months of effort had been in vain, and the accumulated prestige of the project manager and the base was seriously affected. In the words of the project manager, after this event, ‘how can we carry out any work in the future?’.

The reality is continually changing: both the work logic of the local government and the ecosystem of the local society are highly pragmatic. Ostensibly, this is a problem of internal coordination or resource distribution inside the organization. However, when we found in our field research that cases like this happened frequently and asked President P about it, he claimed that this was because such projects involve the primary issue of the organization: learning and transformation based on the organization’s conviction. He said,

Many colleagues at the base said that it is a waste of time to revise a report more than ten times. But I think the process of repeated revision is, first of all, a process of educating and transforming them, a process of self-learning. Only through this kind of training can they thoroughly learn about the concepts of attention to detail, and following disciplines.

That is to say, strong emphasis on details and on internal work per se, even if it means projects being sacrificed, is a deliberate action on the part of the organization, serving the purpose of internal education based on the Foundation’s conviction.

The second case we will consider concerns the relationship between the Foundation and local government. The Foundation’s plans at one time included establishing an agriculture demonstration garden at each base and developing the garden into a school where peasants could learn about scientific planting techniques, become familiar with the production and marketing processes of modern agriculture and, subsequently, motivate and help other villagers. At first the Foundation was very optimistic about this project, which was started in seven bases, with a large amount of financial investment. However, in the actual process the Foundation’s managers gradually realized how unrealistic the initial plan was. As a non-profit organization, the poverty-relief base does not have the qualifications and resources to run a substantive agricultural institution. During the specific training process, however, the managers encountered the problem of how to deal with the products yielded from the various crops, domestic animals and domestic birds that were planted and bred for education. As an NGO, the organization was not qualified to sell these products, but in order to maintain the sustained development of the demonstration gardens it had to deal with them, because they were being produced continually. Against this background, internal discussions about the demonstration gardens became more and more heated. Some base
directors suggested alternatives, but the senior-level employees insisted that any method of dealing with these products would harm the Foundation’s non-profit character and conviction. In the end, following strong suggestions made by a particular department director, four bases were successively closed, while the three bases which started earlier were kept running with a wait-and-see attitude.

However, this process was not about the Foundation alone. Many local governments paid a lot of attention to this plan of the Foundation and so, in the beginning of the demonstration garden project, corresponding county governments all set aside land and invested a lot of money to ensure the availability of sufficient water and electricity and that roads were built. Compared to the Foundation’s work process, the governments generally finished their work quickly. However, as the above-mentioned conflicts arose within the Foundation, the construction of the demonstration gardens became slower and slower, and the Foundation was unable to propose an idea of future operation in time. The three wait-and-see demonstration gardens were in a state of abandonment until 2014. From the local governments’ perspective, the original plan was that the Foundation’s project would integrate government resources to achieve an interaction effect, but the result was a serious waste of government resources. One base director summarized this event by saying, ‘Originally, it was us who wanted the government to be trustworthy; now they have been trustworthy, but we are not!’.

Existing studies have found that because a social welfare organization’s role as ‘middleman’ in China’s rural community comes from the pattern of ‘strong state and weak society’, it may cause the ‘involution’ (Guo, 2012: 53) of international welfare organizations’ basic development concept. Interestingly, during our research we found that this was exactly the problem that the Foundation encountered and faced. On the one hand, it insisted on working with the local government and putting down roots in the local society; on the other hand, it insisted on avoiding being affected by the local government and local society. The overall responsibility and the primary goal of the Foundation is to use its conviction to transform local societies and cultures; that is, what we called ‘cultivation based on dependent operation’. However, these efforts have constantly been sabotaged by complicated, even trivial matters. Due to the Foundation’s conviction, many projects have had to be stopped. Although internally, the cancelation of many projects might have its own particular educational meaning, it also makes it very difficult for the organization’s conviction to expand outwards.

The organization’s practical work can largely be summarized thus: by increasing the provision of public activities and public goods (such as roads, water infrastructure, public space construction, etc.), and through the organizational requirement of maintenance activities afterwards (for example, helping the villagers to establish self-organizations to maintain these public goods), to increase public spaces, encourage the villagers’ public participation, and enhance the level of public administration and integration of the local society. These practices must comply with a higher guiding principle; that is, transformation at the mental level. In poor areas, the questions are whether and how it is possible to transform external
resources into the community’s self-development capacities. In the Foundation’s work principles, these questions have been transformed into a conviction of action — that is, ‘improving people’s quality’. This conviction has become the end-point of the organization’s behavioral chain. The Foundation attempts to control strictly its internal organizational disciplines, in order to control all types of events in its specific working process. However, as stated above, in its specific working process, the organization continuously encounters a wide variety of unexpected results.

In his discussion of the state project system, Qu stated the following:

The goal of the project system is simplification, but it complicates things that could have been dealt with casually by the local governments, thus deviating from its initial goal. The source of the problem is that the logic of the project system is this: only by relying on a formal-rational design and procedural technique control can the commonly-existing flexible, versatile, and arbitrary behaviors in local administrations be restrained; only by organizing things directly around a single project and removing all uncertain social factors can the project goal be achieved in the end and performance be seen. This logic of thinking lacks empirical support because, in the most local organizational unit, many things follow the logic of custom and are dealt with flexibly with daily administrative experiences, instead of following the logic of objective management. (Qu, 2012: 127)

Qu’s (2012) analysis also applies to the implementation of the Foundation’s project system. However, in this case, ‘relying on formal-rational design and procedural technique control’ faces not only the problem of administration but also the problems of implementing poverty-relief projects and of the organization’s basic conviction.

However, the problem is located exactly here. The organizational action feature of ‘aiming high’ required by R Foundation would make the Foundation’s positioning of projects different from the governments’ positioning of them. Thus although one action principle of R Foundation is dependent operation, its ‘cultivation’ goal and strict internal requirement of honesty make it impossible for it not only to deal with the local society in a genuine ‘holistic’ fashion but also to coordinate completely its efforts with local governments’ various projects. The more difficult problem is that within the framework of the local government’s project system the subjects in view are not just the state and the peasants, ‘but three action subjects, including the central government, the local government, and the village’ (Zhou, 2006). Different action subjects have different action interests and corresponding action logics. Furthermore, each action logic is inextricably linked with the institutional arrangement of hierarchical administration. However, each project action has its own interest, specific time limit, and even cultural meaning, while corresponding action subjects do not simply and passively accept education. Thus the cultivation goal the Foundation seeks to realize through dependent cooperation would encounter difficulties again. For example, when the Foundation negotiated cooperation with local governments, many local governments declared specifically
that they were not interested in the Foundation’s educational conviction; they were only interested in the Foundation’s investment in that area.

Moreover, even the simplest ‘investment’ behavior can produce unintended consequences in action. In appearance, R Foundation’s action strategy of ‘exploiting any tiny opening’ happens to compensate for the weaknesses of the government project system per se, such as ‘one discussion over each matter’ and ‘specific fund for specific purpose’. This strategy requires the base to do its best to get into the ‘openings’ of various projects, identify the projects that cannot produce an effect of ‘a thousand pounds’ due to the lack of ‘four ounces’, and compensate for this opening of ‘four ounces’ in the name of the Foundation, to secure a result of ‘using four ounces to move a thousand pounds’ and maximize the benefits of public welfare works. The essential logic of this practice is completely consistent with the central government’s expectation of the projects. Just as Xiaoye Zhe and Yingying Chen stated, the mobilization of local effort and local finance is a significant trait of the project system at the state level (for example the requirement of local ‘counterpart funds’). Here, “the intention of state departments is very clear: the support from the state needs to have an effect of ‘using four ounces to move a thousand pounds’, that is, a type of leverage effect” (Zhe and Chen, 2011). Xueguang Zhou (2005) also described this type of project system as ‘top-down boondoggles’. By comparison, we can also view the Foundation’s strategy as a type of ‘outside-in boondoggle’. The relationship of the Foundation and the state intermediated by the local government is worthy of analysis. The project-system behavior of the government is helpful in establishing ‘a whole set of top-down mobilizing financial systems’ (Zhe and Chen, 2011: 147) and then developing localized ‘social engineering projects’ with major purpose. The goal of R Foundation is clearly to join this type of social engineering project through the action strategy of ‘exploiting any tiny opening’ and claiming the result of social engineering projects like this one as its own achievement. However, the problem is precisely this: many studies point out that the overall results of this type of social engineering project are quite doubtful. Just as Zhe and Chen pointed out, although the initial purpose of the project system is to concentrate a good many resources in needed directions and on key areas at the local level, ‘the project might change its initial purpose in this mobilization process and become a platform of capital operation, where the largest beneficiary is not the object of the project but business capital’ (Zhe and Chen, 2011: 147).

As stated above, one basic acting principle of the Foundation is dependent operation targeting government projects. As a social organization, in action, the Foundation demands of itself that it actively caters to and is involved in the operation format of the state project system. The project system as a holistic technical administrative method, as discussed by scholars such as Xiaoye Zhe and YY Chen (Zhe and Chen, 2011), Jingdong Qu (2012), and Feizhou Zhou (Zhou, 2012), has become a motivating factor for social organizations’ behaviors and has resulted in the structural shaping of social organizations and their behaviors. The background of this trend is a well-known phenomenon. The rate of population mobility is very
high in present-day poor villages; most youth laborers are working outside the area, and local villages have almost become ‘empty nests’. The old people left behind are almost completely unable to meet the requirements of poverty-relief work with regard to learning ability, knowledge structure, physical strength, and energy. Against this background, to carry out poverty-relief work in practice, to choose ‘leaders’ and exemplary households, or even to push for certain ‘public spaces’ where villagers participate together, the only viable choice seems to be to work through those ‘elites’ returning from outside. Relying on these village elites has become the only choice of poverty-relief organizations and local governments. In light of the gradually appearing trend of capital flowing to the countryside, perhaps the real challenge of the Foundation’s poverty-relieving public welfare work has just begun.

**Suspension status and the successful experience of ‘being transformed’**. Many of the Foundation’s failed projects are related to the above discussions. The entire Foundation, due to events like these, is trapped in a state of ‘suspension’, and cannot take root in the operation of the local society. However, the discussion about the Foundation’s difficulties needs to go further. Local people even have different understandings of successfully completed projects: this, in the first place, has resulted in the organization’s goal of conviction-spreading having nowhere to go.

The following scene took place during our interviews with the villagers in an experimental village of the Foundation. When we asked a villager whether the Foundation’s work helped him with his life, the villager said, ‘Not much help, I don’t know about what Foundation’. The Foundation employee who accompanied the researcher to carry out the interviews then anxiously ‘inspired’ this villager by asking, ‘Didn’t the Foundation help you with road construction?’. The villager answered, ‘How is that relevant to me? I am not doing any business; I won’t use this road’. The employee continued to ‘correct’ the villager and asked, ‘I remember that you got a job during the construction, didn’t you make money through it?’. Confronted with this ‘fact’, the villager answered calmly, ‘That is what I earned through my own labor – how is that relevant to the Foundation’s help?’.

Similar scenes happened frequently during our field research. However, this is only one aspect of the manifestation of the organization’s ‘suspension’ in the local society, and it only represents one aspect of the Foundation’s overall image in local societies. Another aspect of its image construction comes from the local government’s mixed feelings about development. According to R Foundation’s dependent working principle, the government is clearly treated as ‘the subject of development’. However, sometimes this subject does not hold such a firm conviction about development: it even has mixed feelings about economic development.

In various national-level poor counties we studied we found that almost all local governments have this kind of mixed feelings. This has confirmed some media reports: for example, one county in Hunan celebrated its being listed as the focused county of national-level, contiguous, poverty-relief work, while a county in Shanxi
actively sought to ‘return to poverty’ after being brought out of poverty. The phenomenon of poor counties not wanting to take off the hat of ‘poor county’ does exist. In our investigation, one base director proudly told us that ‘the adjoining county did a nice job in economic development and took off its ‘poverty-relief’ hat; they were celebrating at that time, but…after a year, just as I expected, they begged to get back on the list of poor counties’. Another retired base director, former director of the county-level People’s Congress, said, not without excitement, ‘If some county leader led the county to take off the hat of (national-level) poor county, he would feel sorry both to the whole county and himself’.

The conviction that the Foundation holds is to transform people. In the operation of its poverty-relief projects, education-related projects require far more time and energy from employees than industry-related projects. However, from the local governments’ perspective, ‘They are just here to invest’, so the Foundation’s image in local governments’ eyes contradicts the mixed feelings of local governments. On one hand, the government looks forward to the Foundation’s investment, but the Foundation’s real purpose is to transform people and local society. On the other hand, because the Foundation’s slogan is to challenge poverty, the government worries that the Foundation’s investment would have an overly positive economic effect – even though the Foundation’s original purpose was not about this. Thus, if the Foundation’s work in the area goes well, it contradicts this feeling; if it does not go well – that is, if there is no effect – then it goes against the government’s expectation as well as the operation logic of the Foundation.

Furthermore, for the Foundation a ‘suspension’ problem might exist in a more serious sense. As stated above, we have found in our investigation that during the embodiment of the Foundation’s conviction at the organizational level, the conviction experiences an apparent decaying process within the Foundation; that is, a weakening process from P to the senior managers, then to the base directors and then to the common base employees. In this spectrum from P to common base employees, the initial spiritual need gradually translates into livelihood demands and economic rationality in daily lives. When we asked the base-level employees why they joined the Foundation, almost all interviewees answered that the real motivation was to ‘make more money’. Even after they worked in the Foundation for a while and accepted the ‘edification and transformation’ by the Foundation’s spirit, their major concern was still the consideration of career prospects and the attitude change brought about by a new understanding of the performance–price ratio of their work. The new understanding of the performance–price ratio of their work mostly comes from their experience of the Foundation’s other organizational trait – that is, bureaucracy in a strict sense; the characteristics of institutionalization and bureaucratization. From the aspect of organizational design, the initial purpose of this strict bureaucratic system is to guarantee the realization of the organization’s conviction and to prevent the loss of independence, but in local practices this design seems not to have been as effective as expected.
Ultimately, in the specific poverty-relief practices at local areas, a situation has emerged where the behavior patterns of local society and local government influence the Foundation in return. Among the Foundation’s various poverty-relief bases, the most successful is the base at H province. The base director J was once a director of the poverty-relief office at some district-level city and is a ‘senior leader’ in the county where the poverty-relief base is located: he has supreme authority and an extremely broad network there. This has led directly to the poverty-relief base obtaining broad support in that area; almost all the projects it wants to implement have been successful. Thus, the Foundation views the poverty-relief base as exemplary. However, during our interviews with other base directors, we found that the effect of this base’s example is that the other base directors believe that the most direct reason for the success of the base at H province is that ‘it chose a good leader’. The base’s director, J, never avoids talking about this. Because he has been in a leadership position for a long time he is not completely persuaded to accept the Foundation’s conviction; rather, he has his own set of ‘convictions’ based on local culture and governmental administrative logic in managing the base and carrying out poverty-relief projects. As a base director, J would write reports to headquarters to apply for wage increases for common employees, because he thought the wage level for base employees was too low. P called his applications ‘organizing labor unions and stirring up labor movements’ and rejected them. J obviously does not fit the Foundation’s basic conviction, and his behavior pattern also conflicts with the organization’s overall bureaucracy. However, due to his excellent performance and political position in the area, J became an irreplaceable base director. This conflict reached its peak when he was about to retire and had to write a report to summarize the successful experience of base H, as required by P.

During his seven years in the position of base director, J not only successfully established the base and carried out various projects ‘perfectly’, he also established a temporary (CPC) Party branch at the base. During the interview, he maintained that the Party branch was significantly useful in stabilizing the base’s organization and carrying out relevant relief work. From his statement, we can clearly see that J has ‘operated’ the base as a ‘unit’ and that all the political strategies he used were taken from his experiences in government jobs:

Originally, people like me are all governmental functionaries, mostly governmental functionaries. You left the Party Committee and established a temporary Party organization at this unit to improve people’s hearts. The purpose is still about doing the Foundation’s work well... this is what we have done in base H. We have a temporary Party branch, and our branch has recommended two new party members to the unit and developed them; they are already approved by the unit. Our temporary branch would have some activities each year. For example, this ‘Family Members Face-to-Face’ we organized is in the name of the Party branch. We brought here relatives, grandmas or even parents of employees; wives, husbands, and children all came. The activity is very popular and well organized. So all employees at base H are the most stable employees... and do well in work!
J even stated more specifically and directly that he thought that the most successful experience of base H was this temporary Party branch. He therefore included this experience in his written report and suggested that P should spread this information and copy the experience within the Foundation.

[J] did a report, in which one suggestion is, based on the experience of base H, to establish a temporary Party branch, so the team can be stable; we initially reported this from its positive aspect... we are the first base team to have received the title of ‘excellent team’. We have higher work efficiency, and our people are more active. What would a team like this rely on? First, it relies on its leader. Second, there has to be an organization to unite people; for us, this is the Party branch.

However, this report was frozen by P. Compared to the attitude of earnest expectation before the report was generated, P did not reply after receiving the e-mail, and he never brought this up again. As J noted,

Until now there has been no reply... I am confused: what is going on? Which word irritated him? I discussed this with others and thought about it again and again, and finally it occurred to me: ‘organizing labor unions and stirring up labor movements’. Yes, I am afraid this is the issue. I did not write it well; I should not push for establishing a Party organization. [He would think] do you want to replace my Foundation with Party organizations? [laughs].

According to the basic conviction of the Foundation, this report obviously became a farce. The Foundation’s original purpose was to transform people, irrespective of transformation content. The Foundation’s organizational structure, staff composition, and organizational behavior pattern are all designed around this goal. However, the result is that of all the poverty-relief bases the experience from the most successful one and the one made exemplary was actually to transform the Foundation, using the behavior logic and organizational structure of the local culture and government.

J obviously recognized this paradox, so he instantly indicated that the organizational design including a ‘contemporary Party branch’ was not intended to confront or transform the Foundation, but rather to carry out its works better. The logic of this explanation then falls into the frame of ‘East–West cultural differences’:

It’s not to separate from the Foundation; there’s just a lack of understanding. There are differences between the ways people think in the East and the ways they think in the West, so there are some misunderstandings. (J)

That is to say, from J’s view, the Foundation’s culture is still part of Western culture, but if he (J) wants to really perform well in local poverty-relief work he needs to follow the methods of the ‘Eastern culture’. To defend himself, J even
interpreted this 'contemporary Party branch' as a type of 'school' which could be used by the Foundation to transform local cadres: youths 'cultivated and grown' in the Foundation could spread the culture and conviction they learned from the Foundation to influence more people. However, his explanation of the 'progress' of these youths is still placed under the behavior logic and standard of local governments:

The Party branch recommended two employees to join the CCP when they were working at base H; some employees are advanced models of the county. One employee was recommended as the committee member of the former Political Consultative Conference. He was a committee member for five years, at state level, that is, city level. (J)

That is to say, with regard to the conviction of 'transforming people', the base director obviously has his own interpretation and he has operationalized it by framing it as the conviction's original intention. However, in the eyes of other base directors, the meaning of this conflict is very clear: to perform well in the position of base director, one has to have one’s own opinion, and dare to withstand pressures ‘from above’. Thus, here there is not only the above-mentioned problem that the conviction cannot expand, but also the trend of ‘being transformed’ at the organizational level. With the goal of organizational development, it seems that this trend would be difficult to reverse.

The transformation dilemma of poverty-relief and ‘producing society’

The structural aspects and procedural conflicts mentioned above will be consistently triggered in various small incidents and small conflicts in selected, daily lives or exist as some contradictory and silent background with a cultural meaning. The behavioral goal of the Foundation is to transform people and establish the moral solidarity of local society. As stated above, this goal is embodied as a standard through an internal system and discipline: the standard is to treat P as a model to cultivate a type of modern man who is edified by modern culture, has a rationalized concept that fits the market, and also has a concept of moral solidarity in a collective sense.

However, what the Foundation encounters in villages is a specific history and *homo socialis* (Weber, 2004: 181) that are completely involved in local culture, history and politics. The Foundation’s actions, based on convictional faith, in its attempt to transform the reality, encounter specific, complex and hard realities. The people it wants to transform can promise their own transformation in words, but still act or even interpret their transformation based on existing patterns of culture and behavior. The Foundation wants to cultivate the market and cultivate people who fit into this market, but it encounters a classic traditional livelihood economy. In this type of economic framework, economic behavior is entangled with culture, history and current social status.
With regard to the standard of transforming people, both the Foundation’s organizational requirement and the ideal image it shaped have an obvious quality of asceticism. This quality requirement lies first at the Foundation’s organizational level. As stated above, many people gave up high salaries to join the Foundation, clearly declaring that they were attracted by the organization’s asceticism principle with a religious disposition. Furthermore, the organization opposes almost all ‘unhealthy’ life styles. The organization forbids drinking and smoking inside its facilities; equally, it also seeks to promote a correspondingly ‘healthy’ life style in the local society, and pursues an ideal of extreme frugality. One small story that has been widely circulated in the Foundation and which has become an official typical case is as follows. Once, when P, a very wealthy person, left a hotel at some base county, he remembered, in the car, that he had left half a bottle of unfinished mineral water in his hotel room. He asked someone to go back especially to fetch the bottle for him, to show frugality.

However, to many people in local society, the base Foundation, representing the Foundation in toto, manifests even further a certain extremely methodical style of living and working. Employees at various poverty-relief bases would patiently tell us in detail that when they joined the organization they were not at all comfortable with its daily schedule and strict timetable. This was not just a personal feeling on the part of base employees; it also affected how local society commonly viewed the Foundation. At one point, in a western poverty-relief base, employees could not work because of a countywide blackout and so they had to leave work two hours early. This event became headline news in the small county, because usually the base was the only ‘unit’ in the county that required employees to go to work and leave work on time.

Among classic sociological theories, Weber’s discussion of the relationship between asceticism and the emergence of modernity holds an important position. Weber describes asceticism thus: ‘...asceticism, which signified the carrying out of a definite, methodical conduct of life. Asceticism has always worked in this sense.’ (Weber, 1961: 267). If this is the case, then we need to add one more aspect to our discussion of R Foundation: for people from President P to many senior managers, the Foundation’s work is a calling (Beruf).10

As an ideal type of public welfare organization, R Foundation is, in contrast with business organizations, an organization with a strong conviction. The secularized goal of this organization is not only to provide public goods for the villages but also to promote the life style and self-organization capacity of the local society – in short, to transform people and society. The standard or model of the transformation consists of various ideals that the organization’s founder believed and practiced: a rational modern man with strict self-reflection ability and social morality, who is kind-hearted, mature and civilized. The organization itself is closer to a public space in the modern sense. From a process-event perspective, P and other senior managers’ operation of the organization is more like, as Yuan Shen called it, an effort to produce society. The result, however, is that the organization’s various behaviors not only have failed to produce a public social space that is independent
of the local government and local society, but also have the tendency to be homogenized by the logic of local culture and local government and to become a space for the local society to produce itself.

However, we need to analyze further the representative of this ‘society’ in detail. The Foundation’s own actions are full of passion, and are intended to transform local societies and local actors. However, the more bravely the Foundation marches forward, the more it becomes suspended in local societies. Nonetheless, the Foundation’s ‘failing’ aspect is not comprehensive. Although various types of theoretical paradoxes exist, as stated above, in almost all bases the Foundation has already successfully carried out a series of projects and achieved certain results with regard to poverty relief. Regarding the Foundation itself, in the seven years from its establishment until today, it ‘has developed from more than ten people to more than three hundred’, and it has been maturing in various institutions and behavior patterns. In addition, although major tensions exist within its internal structure, its internal atmosphere and strong moral unity exceed the influence of these tensions, due to various institutions relating to Chinese politics in practice (such as borrowing employees from government units), and especially to the existence of a leader. The organization and its work are not completely failing, but the two sources of internal moral unity deserve detailed analysis.

Borrowed employees were originally civil servants belonging to governmental departments. Their position backgrounds and the nature of borrowing make it almost impossible for them to resign. Furthermore, as stated above, almost all significant disputes within the organization are eventually resolved by the leader (P). This is because he has two characteristics simultaneously: his authority beyond all institutions, and his ‘moral accomplishment’ that members of different factions (even J) find convincing. Thus, in appearance, this is a modern organization with a modern temperament, structure and institutions which uses its own conviction to influence traditional society. However, relative to the local society we talked about in the beginning, which is subject to various influences and transformations, the organization actually has a dimension of local traditional society inside itself. In this organization, although there are standardized and rationalized institutions in the modern sense, there are also stories about the oldest format of moral unity and its sources.

In this respect, when we expand the problem domain of this article from the problem of one public welfare organization’s survival and development in mainland China to the problem of the conflicts between mainland China’s political and social organizational construction and culture/society in practice, we thus confront the theoretical and practical problems stated in the beginning. In this instance, the Foundation’s status has provided us with certain inspirations. In describing the organization’s status, we can hardly use concepts such as ‘externality’, ‘embeddedness’, and ‘suspension’ any longer. This is because the organization is one part of Chinese society’s overall character. Rather than saying that it is producing society, it would be better to say that society reproduces itself inside the organization.
R Foundation’s conviction, organizational structure, and behavior pattern are not rare in current Chinese society.

In fact, although major tension exists between the organization’s various convictions and behavior patterns and local cultures and behavior patterns, the Foundation receives significant support from local government not only due to orders from the corresponding provincial government, but also, to a large extent, due to its strongly idealistic conviction per se (independent of content) and its expectation of transforming people, both of which have a striking affinity with the logic of local government. During interviews, more than one base director maintained that there was no conflict per se between the Foundation’s work conviction and the Party’s requirements for a Party member. The strict requirement of the organization’s bureaucratic system is interpreted by the Party as the CCP’s strict requirement for a Party member in the aspect of ‘working style’. No wonder ‘establishing a Party branch’ becomes an important experience in carrying out the base’s work effectively.

**Brief summary and the possibility of further discussions**

In this article, through structural analysis of a social organization and its action, we have attempted to offer an understanding of the difficulties encountered by a specific organizational effort with the goal of ‘producing society’, and through this process we have sought to understand some elements with general characteristics in current Chinese society.

If we examine this organization’s basic conviction and public welfare behavior within a locality’s general society, then the organization’s poverty-relief work, adhering to its strong value claim and faith, as an effort which can be called ‘producing society’, has two layers. That is to say, we have discovered two layers of efforts in ‘producing society’ in this organization and its behavior pattern: the first is the organization’s conviction in local society and the goal of its public welfare actions; the second is the organization and its action per se. However, during our investigation, we found that the organization has been trapped into a series of difficulties resulting from its conviction per se. Thus, the organization’s effort to ‘take root’ in local society is increasingly ‘suspended and transformed’, and its conviction and institution building are also facing difficulties. The greatest difficulty, however, as stated above, concerns the self-reproduction of society.

How are we to understand this status? We have attempted to place the discussion of this case against the background of two existing academic discussion structures. During the process of analyzing this somewhat typical public welfare organization, we have discovered more theoretical clues that may merit further discussion.

First, from the analysis of the relationship between R Foundation’s conviction and its organizational behavior, we can find that the concept of ‘civil courage’ that Yuan Shen (2007) borrowed may not be adequate to analyze this phenomenon completely. Regarding this organization, its internal members and their behaviors
as a unit have very complex sources of motivation. We still need to refer back to classical sociological theories, and analyze the organization by integrating various theoretical resources.

For example, during our field research, the problem noted above of mental transformation that we encountered most frequently is highly relevant to Max Weber’s discussion of ethics of conviction and charismatic domination. Modern public welfare organizations may, to a greater extent, require actions based on ethics of conviction in the Weberian sense; but this is only one of its many dimensions. Furthermore, P’s position in the organization and his significant role in encouraging and unifying people is more akin to the actualization of Freud’s research about the relationship between leaders and group psychology (Bocock, 1978; Freud, 1959). From this perspective, the organization has another theoretical meaning for us: inside this modern social organization, which holds high expectations, are elements of both modernity and traditional society. The two sides are even reciprocal and inseparable.

Moreover, because the Foundation is a social organization of which academia has high expectations, the questions then are how this public welfare organization can deal with its own legitimacy and understand its own actions, and on the basis of what starting point; and what the relationship is between the organization’s structure and its conviction and this understanding. Questions like these all need to be investigated in combination with the organization’s social actions and its place in the Chinese social reality, and cannot be studied in a vacuum. For example, in general, this organization based on ‘ethics of conviction’ and its action may be able to represent public welfare organizations in current Chinese society and some collective ethos. However, further discussion reveals that the organization’s paradox is not only about the above-stated antinomy effect of poverty-relief work, but also about its internal members and the complexities of their action incentives, as well as the complicated situation formed by the multidimensional interweaving and interaction of power and culture. All these prevent this public welfare organization from actually touching the ground in practice, thus preventing it from fulfilling its effort to ‘produce society’.

Ultimately, at the practical level, not only does the organization’s acting effort encounter the problem that its conviction cannot touch the ground, but its internal organizational building also has been subject to major tension, even the danger of ‘being transformed’. The reason for this phenomenon is that local society has its own cultural traditions and behavior patterns. Although these traditions and behavior patterns do not appear in specific institutionalized forms, they have long been rooted in the basic daily lives of local society members. Thus, the organization becomes a problem for us and merits discussion not only because its phenomenon demonstrates the complexity of Chinese society’s transition and change, but also because we have found in it the general phenomenon of the self-reproduction of existing society. Thus we may view the actualized status and problems the organization presents in specific practices and actions as an allegory for current China’s politics and society, and this may help us to understand many
phenomena, mechanisms and problems in the current transition process of China’s politics and society in general.

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Notes

1. In the Chinese translation in mainland academia, the word ‘civil society’ usually has two meanings: ‘gongmin shehui’ (citizen’s society) and ‘shimin shehui’ (civilian society), representing two different research directions. There have been many important discussions with regard to this translation problem: see, for example, He (1994, 2000) and Yu (2006, 2007). Based on these discussions and the research direction of this article, we tend to adopt the meaning of ‘gongmin shehui’. However, in relevant research studies in mainland academia, many scholars use these two concepts with an overlapping meaning, so in this article we will also borrow many discussions about relevant question areas in the name of ‘shimin shehui’.

2. What needs to be noted is that this Foundation belongs to a large, diversified multinational corporate group, so the Foundation effectively manifests a business organization’s management characteristics with regard to strategy formulation, management system, and organizational structure. This situation, while interesting us, also makes us vigilant about the subtle power of capital behind the Foundation. However, based on our research materials, we do not intend to discuss the organization’s business background or its potential business value in this article, but seek to limit our research scope to the organization’s conviction, structure and behavioral difficulties in practice per se, which will not involve the background story in a larger frame. That is to say, based on the goal
of this research, we first limit the scope of our discussion, and ‘suspend’ the more powerful market structure that may exist behind the organization.

3. In Weber’s work, the characteristics of this structure include a separation between livelihood and profit, operation using the capital accounting (Kapitalrechnung) systems such as capital budgets and final account systems, etc. (Weber, 2004: 21, 27, 152).

4. Weber’s definition of a bureaucratic organization includes two aspects: ‘...first, it has very strict rules and hierarchies; power is related to position, and is impersonal; it is a rational organization, which enhances efficiency through rules and regulations; second, an official inside the bureaucratic organization had professional training, has his own career inside the organization as a professional, and his life-time career goal is to be promoted inside the organizational system’ (Xueguang Zhou, 2005: 11).

5. This article has borrowed the concept from Feizhou Zhou (2009) to describe it, and we think this phenomenon is similar and comparable to that which Zhou discusses.

6. Veblen’s concept of ‘trained incapacity’ is borrowed from Merton’s discussion of negative factors inside bureaucratic organizations. Merton’s understanding is expressed thus: ‘Trained incapacity refers to that state of affairs in which one’s abilities function as inadequacies or blind spots. Actions based upon training and skills which have been successfully applied in the past may result in inappropriate responses under changed conditions’ (Merton, 2008: 299). The concept in this article is actually cited from Zhanfeng Guo’s (2012) article, “Passive ‘admission’ and dependent ‘operation’: A sociological analysis for the operation process of an international NGO in China”. Guo’s article uses this concept to describe the situation when trained international NGO employees ignore local knowledge in the practice of poverty relief in China.

7. For example, see Jing Ju (2012), and Han and Ren (2012).

8. In Wenjie Zhou’s (2011) review of studies about this phenomenon, he found that common understanding of the phenomenon focuses on interests. Various discussions of reasons at the macro and micro levels have already appeared in many reports and research papers. However, as is reported in the media, treating the local government only as an overall unit for analysis is not a proper research method, because this ignores the complex interactions among various levels of government with regard to behavior goal, evaluation, and motivation, as well as the power relation network.

9. Regarding the employee borrowed from a local government, the Foundation pays the individual a double salary; that is, it would pay the same amount as the person had in their previous position. However, according to the agreement between the Foundation and the local government, the employee chosen to be borrowed can retain their original position and salary. In other words, participating in the Foundation’s work at the base means double salaries for local government officials.

10. Weber’s definition can be applied here to a certain extent: ‘(Calling) expresses the value placed upon rational activity carried on according to the rational capitalistic principle, as the fulfillment of a God-given task’ (Weber, 2004: 192). Although what many Foundation employees find here is not meaningfulness and identification in a religious sense, in our investigation of the Foundation we almost always encountered ‘worshipers’ of President P and the Foundation. Some would even shed tears when they talked about how they found unprecedented meaningfulness and identification after they joined the Foundation’s large family.
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