

The Community Foundation Development Momentum: A Literature Review

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Abstract: With the deepening of grassroots governance in China, some problems in grassroots governance have also emerged. As a new thing, grassroots community foundations have attracted the attention of scholars at home and abroad. By combing through the relevant literature at home and abroad, this paper classifies the different models of community foundations, points out the advantages of their development, and finally points out some existing problems.

Keywords: Community foundations, Mode of operation, Development status.

1. Introduction

As China's economic situation enters a new normal, the diversity of social and economic development at the grassroots level brings challenges to social governance. 2021 the State Council issued the "Opinions of the CPC Central Committee and State Council on Strengthening the Modernization of the Grassroots Governance System and Governance Capacity" clearly proposed to strengthen the modernization of the grassroots governance system and governance capacity. In 2008, China's first community foundation, the Taoyuanju Public Welfare Development Foundation, was established, and in March 2014, Shenzhen issued the Interim Measures for the Cultivation and Development of Community Foundations in Shenzhen, the first time a government policy was introduced to support the new community foundation. In March 2014, Shenzhen issued the Interim Measures for the Cultivation and Development of Community Foundations in Shenzhen, giving guidance and support to this new community foundation from the government policy level for the first time. Since the establishment of the first community foundation in China in 2008, community foundations have become a new trend in the development of grassroots governance and community philanthropy in China, and in 2017, the Opinions of the Central Committee of the Communist Party of China and the State Council on Strengthening and Improving Urban and Rural Community Governance clearly pointed out the need to continuously broaden the channels for raising funds for urban and rural community governance, encourage charitable donations and the establishment of community foundations, and guide social funds to To invest in the field of urban and rural community governance.[1] 2021 "the CPC Central Committee and the State Council on strengthening the modernization of grassroots governance system and governance capacity" was released, which proposed, "improve the incentive policy for social forces to participate in grassroots governance, innovative community and social organizations, social workers, community volunteers, social charity resources linkage mechanism, support the establishment of townships (streets) purchase social work service mechanisms and the establishment of community foundations and other collaborative carriers".[2] 2021 The "China Community Foundation Data Report" released by Ease US Data shows that as of July 1, 2021, there were 187

community foundations within China. Compared to the overall development rate and number of social organizations in China, community foundations are small in number, but their development has been of great concern to the industry in recent years. In particular, community foundations have unique advantages in areas such as participating in social governance, meeting individualized community needs and promoting social innovation.[3]

2. Overview of the Literature

The Community Foundation originated in Cleveland, USA in 1914 and has been in existence for more than 100 years. After more than 100 years of development, community foundations have spread to more than 50 countries and regions around the world. By 2012, there were more than 1,750 community foundations worldwide. Among them, there are more than 700 in the United States, 259 in Germany, 187 in Canada and 56 in the United Kingdom. Compared to the United States and other Western countries, community foundations emerged nearly a century later in China.

The concern and exploration of community foundations in foreign academia originated from the establishment of Cleveland Community Foundation in 1914. Since then, the research on community foundations in foreign academia has been uninterrupted and has yielded considerable research results. On the whole, the research on community foundations in foreign academia is mainly centered on two aspects. The first is the study of community foundations themselves, including their scale, civic vision, objectives, areas of concern, funding characteristics and problems, etc. The second is the study of the relationship between community foundations and communities. The second is the study of the relationship between community foundations and communities, which mainly deals with their relationship with community development, community participation, community social capital, governance networks, and social change and other social issues[4].

In China, academic research on community foundations started relatively late. However, with the rapid development of community foundations at the practical level, academics have paid more attention to the study of community foundations. This paper compares the research on community foundations conducted by scholars in the past decade, and the current research on community foundations mainly focuses on the theoretical elaboration of the basic connotation and

characteristics of community foundations; the investigation of the significance of the establishment of community foundations; the study of foreign experience and development experience; the operation model of community foundations; and the current situation and problems of community foundation development. Although there are still debates on some issues in the research of community foundations, the existing research will certainly promote the localization and systematization of community foundations, and thus realize the situation that theory promotes practice, practice and concept promote each other and develop together.

3. Main Research Content

3.1. The basic connotation of community foundation and its characteristics

3.1.1. The basic meaning of community foundation

The U.S. defines a community foundation as an independent, nonprofit public benefit organization established by residents of a community to more effectively address the public affairs of that community.[4] The term "community" in the context of community foundations is not limited to the community of residence, but rather refers to an area or region, with an emphasis on the region, i.e., the use of local resources to address local public affairs.[5] A community foundation's mission is to engage in local philanthropic projects, raise funds from community residents, businesses, government, non-profit organizations and other foundations, and then be managed by a board of directors made up of community residents, and then operate openly and transparently through third-party non-profit organizations to solve various community problems.

In China, relevant researchers in academic circles have defined the basic connotation of community foundations on the basis of the definition of community foundations in foreign countries and the actual situation in China. According to Zhang Minmin et al, a community foundation is a public welfare and charitable legal entity that is registered in accordance with the laws of the country where it is located and uses property donated by natural persons, legal persons and other organizations to provide financial support for solving community problems and promoting community development. According to Chen Peng, a community foundation is essentially a public charity of a grantmaking nature, which finances other non-profit organizations through charitable funds to carry out various public welfare activities in local governance.[6] Yuan Ke et al. define a community foundation as a pivotal community organization with independence and public benefit established within a certain geographic area (by community neighborhood committee or by street) to solve the problems of the community. In essence, a community foundation is a charitable organization, a form of foundation whose resources originate from and serve the community [7].

3.1.2. Characteristics of Community Foundation

Since many scholars have different understandings of the connotation of community foundations, their understanding of the characteristics of community foundations may also vary. According to Wang Wei, community foundations have the following characteristics in terms of the source, use, and management of funds: First, the diversity of funding sources. Secondly, the diversity of staff. Finally, the public value orientation of fund operation.[8] According to ZCJ, compared with other types of foundations, community foundations have

the following characteristics: First, diversity of funding sources, which may come from ordinary individuals or families, or from a certain big tycoon and family, or a big company. Second, the focus is on a wide range of goals. Rather, they focus on the general problems that plague community development and try to find solutions to them, such as crime, poverty, drug abuse, etc. Third, the funds are mostly held by a local bank or credit union, and the main role of the foundation is to build a bridge between the supply side and the demand side of the funds.[9] According to Hara Ko et al, the characteristics of community foundations are mainly reflected in four aspects: first, the public interest and non-sectarianism; second, the diversity of funding sources; third, the limited and flexible scope of services; and fourth, the synchronization of operation methods.

Although there are differences between what foreign scholars call community foundations and what domestic scholars define as community foundations, their core ideas are the same, namely, community foundations are community organizations with public benefit; community foundations are funded by social charitable donations and their use is limited to specific areas; community foundations aim to solve community problems and promote community development. The scholars' discussion on the characteristics of community foundations has further deepened the understanding of the connotation of community foundations.

3.2. Significance of Community Foundation

Community governance is located at the end of the national governance system and is the cornerstone of national governance.[10] In the process of community governance transformation, social organizations, as one of the important subjects of community governance, have a natural advantage in solving community problems. As Salamone said, "Private nonprofit organizations are the most natural candidates to participate in the third-party governance system".[11] As one of the types of social organizations, community foundations, their successful practices in community governance abroad have attracted the attention of some scholars in academia. Scholars have explored the significance of the establishment of community foundations from different perspectives, including community autonomy, community integration, community capital, and coping with community governance dilemmas.

According to Wang Wei, community foundations can help improve the economic independence of community autonomous organizations, strengthen the concept of self-governance of communities and residents, and provide opportunities for cooperation among the government, the market, and community autonomous organizations. Wang Jianjun and Ye Jinlian argue that community foundations can actively activate and construct community capital, integrate community resources, meet the social welfare needs of some disadvantaged groups that cannot be accommodated in time or adequately met through official channels of assistance, and promote social integration to a certain extent.[12] Rao Jinxing et al. argue that community foundations, with local as resources, local stakeholders, and local solutions as their fundamental characteristics, are important for solving the dilemma of community governance and the problem of insufficient community governance in China[13]. Cui Kaiyun argues that the development of community foundations is conducive to promoting the growth of grassroots community-based organizations, enhancing community cohesion, and

better meeting diversified donor and community needs [14].

3.3. Foreign experience and development countermeasures research

3.3.1. Foreign experience to learn from

Wang Wei believes that modestly borrowing the operating concepts and development experiences of foreign community foundations is of positive pioneering significance to the development of China's urban community self-governance in the exploratory stage. Qiao Hongbin, after visiting some representative community foundations in the United States, compares them with Shenzhen Guangming Community Foundation, and believes that the sound governance structure, diversified investment mechanism, mature project review and selection mechanism, good supervision mechanism, and effective tax support mechanism of the U.S. community foundations can provide useful reference for the development of community foundations in China. According to Cui Kaiyun, the main experiences of community foundation development in the U.S. include community-based cultural traditions based on geography, tax breaks for community foundations, demand-based organizational strategies, and support from other types of foundations. Through a systematic introduction of the background, mission, operation model and development strategies of community foundations in developed countries in the United Kingdom and the United States, Yuan Ke et al. argue that the mature experiences of community foundations in the United Kingdom and the United States, such as clear objectives and missions, diversified funding, professional technical support, flexible and efficient operation mechanisms, and a localized environment, have certain implications for promoting the localized development of community foundations in China. The experience of community foundations in the United Kingdom and the United States has some significance in promoting the localization of community foundations in China.

Scholars have researched and introduced the governance structure, operation mechanism, supervision and management mechanism, fund-raising and utilization mechanism of community foundations abroad, and have achieved relatively fruitful results, which have profound inspiration and reference significance for the practice of community foundations in China's exploration.

3.3.2. Research on development direction

Liu believes that in order to promote the localization of community foundations, legislation should be actively enacted, "multi-channel" funding sources should be explored and citizens' philanthropy should be cultivated.[15] According to Cui Kaiyun, at the government level, it should learn from the mature experience of the West and increase support for communities, such as lowering the threshold of entry, increasing financial support and relaxing commercial regulations, as well as regulating the regulatory model. At the level of community foundations themselves, the most critical thing is to strengthen sensitivity to community needs and structural changes. Qiao Hongbin believes that to further promote the pilot work of community foundation in Guangming New Area, Shenzhen, we should foster the development of diversified community foundations; improve the governance structure of community foundations; improve the democratic decision-making and project evaluation mechanism of projects; improve the fund raising and investment value-added mechanism; and improve the

professional talent cultivation mechanism, etc.[16] According to Yuan Ke et al, to promote the localization of communities in China: firstly, we should recognize the mission and reasonably transplant the concept; secondly, we should seize the needs, popular participation and government support; thirdly, we should be practical, adapt to local conditions and promote the construction and development of community foundations in a step-by-step and phased manner.

3.4. Community Foundation Operation Model

After more than a century of development, community foundations in Western countries have formed relatively mature operation models. American scholars Berenholz, Fulton and Kasper classify the operation models of western community foundations into bank model and aggregation model. The bank model is a typical community foundation model, similar to the way banks operate on a day-to-day basis, in which a community foundation aggregates funds from charitable trustees and then distributes them to communities in need at the discretion of an independent board of directors. The Gathering Model is a new model of community fund operation in which a community foundation mobilizes efforts and resources to lead a variety of community residents to solve community problems through joint participation.

In China, due to the late start of community foundations, the operation models of community foundations are still being explored. According to Minmin Zhang and Jianzhong Xia, the main models of community foundation operation in China are the hybrid model and the aggregation model[17]. The hybrid model has the characteristics of a community foundation as a funding hub in the banking model and the characteristics of a community foundation focused on solving community problems and meeting community needs in the aggregation model. The aggregation model is not yet mature, but it has some characteristics of the aggregation model. Xu Jialiang and Liu Chunshuai classify China's community foundation operation models into three types according to different subjects depending on resources, namely, government-led operation model, business-led operation model, and resident-led operation model.[18] They believe that at this stage, the government-led model of community foundation operation best reflects the characteristics and needs of Chinese communities, and is conducive to the formation of a cooperative public governance situation between the government and community foundations.

At present, there are relatively few studies on the actual operation of community foundations in China, and it is of profound practical significance for scholars to explore the operation model of community foundations from different perspectives. Whether it is Zhang Minmin et al. analyzing the operation mode of community foundation from the perspective of fund use characteristics or Xu Jialiang et al. analyzing the operation mode of community foundation from the perspective of resource dependence, these studies have played a positive role in further improving the operation mode of community foundation in China.

3.5. The current situation and problems of the development of domestic community foundations

Since the establishment of the first community foundation in Shenzhen in 2008, community foundations in China have shown a relatively rapid development rate, and as of July 1, 2021, there were a total of 187 community foundations in

China. In response to the current development status of community foundations, some scholars have pointed out the problems of community foundations in China in terms of their overall overview, fund raising and operation mode. According to Zui Zhongyun, compared with Western countries, China's community foundations are characterized by a late start, slow development, single type, and unbalanced geographical distribution. According to Cui Kaiyun, although a large amount of funds are donated every year, they are seldom directly targeted at the community and the donations of social organizations that carry out activities within the community; the majority of foundations have no geographical restrictions on their funding sources and lack relatively independent community funds. Through an analysis of community foundations established in 2015 and before, Xu Jialiang found that 23 of the 26 foundations that have been established in China have a government-led operating model, and the government-led operating model has led to a loss of independence and autonomy of the secretariat.

4. Review of the Study

In recent years, researchers have conducted relatively comprehensive studies on community foundations from various aspects. These studies have provided useful guidance and references for us to understand and grasp the development of community foundations, but there are still shortcomings in the following aspects.

In terms of research themes, scholars' research interests are mainly focused on the introduction of foreign community foundation development experiences, the significance of the establishment of community foundations in China and development proposals. There is relatively little research on the establishment, operation and development of community foundations in China. In terms of research methods, most of the studies on community foundations adopt case study methods, lacking theoretical analysis, and the research perspectives and research forms are relatively single. In terms of research depth, it is mainly limited to the case introduction of community foundations in the United States, and lacks systematic and professional combing and comparative research on the mature development experience of community foundations in western developed countries.

This paper argues that there are two main aspects of future research on community foundations in China: first, the exploration of the relationship between community foundations and street offices, neighborhood committees and other subjects. The second is a systematic and comparative study of established community foundations, especially the organizational management and governance structure of community foundations, so as to provide theoretical support for further promoting the development of community foundations in China.

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