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Corporate Social Responsibility in the Development of China's Rural Education: A Case Study of Two Counties in Anhui Province

HUA Jingbo and Natalie WONG Wai-man

This research article examines new stakeholder businesses in Tongcheng and Huaining, two counties in Anhui province, China, as cases for a comparative analysis of the role of corporate social responsibility (CSR) in supporting education in China's rural areas. The research primarily utilises interviews with personnel from the local education bureau, rural schools and related corporations. The study suggests that CSR has promoted rural education in Tongcheng and Huaining through various channels, including foundations, local non-governmental organisations, government agencies and direct involvement. However, most CSR involvement is highly vulnerable, owing to the lack of institutionalisation and formalisation of CSR behaviour. Additionally, the inappropriate administrative practices of governments and the unreliable fund distribution channels are impediments to advancing CSR. The study demonstrates that CSR is a rapidly developing concept in China, with strong untapped potential to improve rural education if current obstacles can be removed.

INTRODUCTION

The demarcation between urban and rural areas affects policy implementation and governance in China. The rural fiscal reform that took place between 1994 and 2002 has strengthened the central government's ability to collect revenue at provisional, town and county levels,¹ and the abolition of agricultural taxes between 2005 and 2006 alleviated peasants' burdens;² however, several rural areas still suffer deprivation.

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¹ John James Kennedy, "Finance and Rural Governance: Centralization and Local Challenges", *Journal of Peasant Studies* 40, no. 6 (2013): 1009–26.

² Chen An, *The Transformation of Governance in Rural China: Market, Finance and Political Authority* (Cambridge: Cambridge University Press, 2015); Hiroshi Sato, "Public Goods Provision and Rural Governance in China", *China: An International Journal* 6, no. 2 (2008): 281–98.

This article uses ethnographic approaches to study the corporate social responsibility (CSR) programmes' involvement in rural education and examine CSR's influence on the delivery of public services in rural China.

Since the 1978 economic reform, the Chinese government has given priority to urbanisation, which has raised the standard of living. According to Wang and Ma, the existing urbanisation model, which China adopted three decades ago, involves using more real estate to expand cities and attract more rural labourers.³ However, a new urbanisation model should be based on improved material life and take into consideration peoples' culture, rights, concepts and lifestyles.⁴ The most effective way to raise these indicators is to improve the educational standard of rural labourers. As Rozelle has noted, low-skilled rural labour will be a significant obstacle to further economic development, particularly in high-tech industry, where high-quality, skilled and well-trained workers are needed.⁵ Thus, improving education for rural populations in China is an imperative and also a challenge to public administration.

In 1985, the Chinese government implemented the nine-year compulsory education policy to improve education nationwide. However, according to the National Bureau of Statistics of China, there is a discernible gap between rural and urban areas in the years of schooling of the labour force (in the 15 to 65 age group) despite the improvement in overall national education performance. The data indicates that China's labour force is schooled for approximately 8.6 years, and only 25 per cent of workers have an educational level of junior high school or above.⁶ Meanwhile, data from the Ministry of Education has shown that, from 2010 to 2012, urban junior high schools had reached 100 per cent enrolment and graduation rates.⁷ However, rural junior high schools attained 88 per cent and 70 per cent in enrolment and graduation rates, respectively. The situation was much worse for senior high school education in rural areas, where only 10 per cent of students enrolled and merely three per cent graduated, compared to about 60 per cent enrolment and graduation rates in urban areas. Zhang et al. highlight that there is evidence that educational disparity between rural and urban areas tends to widen for the younger generation.⁸

³ Wang Chaoming and Ma Wenwu, "Chengxiang jiaoyu junheng fazhan, chengxiang shouru chaju yu xinxing chengzhenhua de guanxi" (The Relationship between the Balanced Development of Urban–Rural Education, the Urban–Rural Income Gap and the New Urbanisation), *Caijing kexue (Finance and Economics)*, no. 8 (2014): 97–108.

⁴ Ibid.

⁵ Scott Rozelle, "China's Human Capital Challenge" (video file), at <<https://www.youtube.com/watch?v=5sIhlnNuhAg&feature=youtu.be&list=>> [9 March 2018].

⁶ National Bureau of Statistics of China, "The Report on Resident Income and Spending in 2017", at <<http://www.stats.gov.cn/tjsj/zxfb/201707/t201707171513537.html>> [9 March 2018].

⁷ Ministry of Education of the People's Republic of China, "Nine-Year Compulsory Education Has Been Universalised", 2015, at <http://www.moe.gov.cn/jyb_xwfb/s5147/201511/t20151127_221340.html> [9 March 2018].

⁸ Zhang Dandan, Li Xin and Xue Jinjun, "Education Inequality between Rural and Urban Areas of the People's Republic of China, Migrants' Children Education, and Some Implications", *Asian Development Review* 32, no. 1 (2015): 196–224.

The central government announced years ago the implementation of preferential policies for rural schools, but rural education is still experiencing many difficulties locally. The financial burden on local governments remains the primary problem in delivering public education services in rural areas. It is necessary to introduce new stakeholders or investors into the field of rural education in order to fill the financing gap left by the government. Compared to non-governmental groups such as non-governmental organisations (NGOs) due to the political sensitivity around them, private and state-owned corporations are more reliable in delivering public services such as rural education, since they have the financial capability and are relatively stable.

This research article uses Tongcheng and Huaining in China's Anhui province as two cases for a comparative analysis of the role of corporate social responsibility (CSR) in delivering rural education in China. The article begins with an introduction and literature review of CSR, followed by an examination of four main research questions: (i) How does the local government bridge the gap between corporations and rural schools in supporting rural education? (ii) Why are corporations willing to practise corporate social responsibility in rural education? (iii) How does local government respond to corporate support? (iv) How does corporate involvement affect the local governance of public service delivery?

As mentioned earlier, rural education is identified as a priority in China, but progress has been limited by the lack of government resources. Research has found that the delivery of rural education is still inadequate in various ways. Corporations that adopt CSR practices have provided tremendous help to rural education by serving as a bridge between public administration and rural schools that need extra assistance. Therefore, in order to improve rural education and cultivate a better-educated workforce for further industrial and socio-economic reforms, bringing both state- and privately owned corporations together in the education arena will undoubtedly be beneficial to education service delivery.

The information collected for this article primarily uses in-depth qualitative interviews with seven subjects from the local education bureau, rural schools and related corporations. The interview questions were designed to explore different responses to CSR involvement in rural education. The responses have largely shown that CSR has acted as a supplement to public government administration in this area.

WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

Under the market economy system practised by most countries, making and maximising profits have historically been considered the primary, or even the only, goal for business enterprises. In the early 20th century, people started to realise that maximising profits should not be the sole aim in business; in fact, it is important that businesses have a responsibility towards all stakeholders. Thus, the idea of corporate social responsibility was introduced to corporations in the 1950s, reminding them that their business

operations affect society and the environment.⁹ However, academia has yet to reach a consensus on the definition of CSR¹⁰ which covers a wide range of explanations from various perspectives, disciplines and ideologies.¹¹

Before the introduction of CSR, corporate actions such as “building hospital clinics, bathhouses, lunch rooms, profit sharing, [and] recreational facilities”¹² for employees had been undertaken by many corporations in order to promote employee welfare, prevent labour issues and improve the overall performance of the business.¹³ These corporate actions, also more disparagingly labelled as paternalism, came to prominence in the late 19th century.¹⁴ A well-known example in the United States is the Pullman Palace Car Company, which in 1893 created a community for its employees and their families, with parks, playgrounds, a church, a theatre, a hotel and even a casino.¹⁵ Besides providing care to employees, philanthropic efforts in society were popular before the 1950s, including financially supporting science and the arts, building churches, donating to educational institutions and collaborating on various projects in communities.¹⁶

Since the wider adoption of CSR in the 1950s, its concepts and practices of CSR have gone through various stages of development. CSR refers not only to monetary donations to charities but also involvement in community affairs. Modern CSR usually implies these four corporate actions, philanthropy, improvements to employees’ lives and working conditions, customer relations and stockholder relations, in affairs related to “health and human services, culture and the arts, and civic and community”.¹⁷ In addition, it is widely accepted that CSR opposes coercion and operates by voluntarism.¹⁸ Although CSR has been acknowledged as a form of corporate behaviour isolated from profit-making, Davis argues that CSR is essentially a strategy for generating long-term profits by showing the socially beneficial side of a business.¹⁹

⁹ David Jobber and Fiona Ellis-Chadwick, *Principles and Practice of Marketing* (New York: McGraw-Hill, 2012).

¹⁰ Maria Grafström and Karolina Windell, “The Role of Infomediaries: CSR in the Business Press During 2000–2009”, *Journal of Business Ethics* 103, no. 2 (2011): 221–37.

¹¹ Andrew Crane, Dirk Matten, Abigail McWilliams, Jeremy Moon and Donald S. Siegel, “The Corporate Social Responsibility Agenda”, in *The Oxford Handbook of Corporate Social Responsibility*, ed. Andrew Crane, Dirk Matten, Abigail McWilliams, Jeremy Moon and Donald S. Siegel (New York: Oxford University Press, 2008), pp. 3–15.

¹² Daniel A. Wren, *The History of Management Thought* (Hoboken, NJ: John Wiley & Sons, 2004).

¹³ Archie B. Carroll, *A History of Corporate Social Responsibility: Concepts and Practices* (Oxford: Oxford University Press, 2008).

¹⁴ Morrell Heald, *The Social Responsibility of Business, Company and Community, 1900–1960* (Cleveland, OH: The Press of Case Western Reserve University, 1970; 1988).

¹⁵ *Ibid.*

¹⁶ Wren, *The History of Management Thought*.

¹⁷ Carroll, *A History of Corporate Social Responsibility*, p. 10.

¹⁸ Clarence Cyril Walton, *Corporate Social Responsibilities* (Belmont, CA: Wadsworth, 1967).

¹⁹ Keith Davis, “Can Business Afford to Ignore Social Responsibilities?”, *California Management Review* 2, no. 3 (1960): 70–6.

To sum up, CSR refers to “[business] organizations performing activities that protect and improve society’s wellbeing beyond the extent required to serve the direct economic and technical interests of these [business] organizations, thus the society at large”.²⁰ In other words, CSR emphasises responsible corporate behaviour to stakeholders and the well-being of society.²¹ To better understand CSR as a field of scholarship, four approaches have been identified: (i) instrumental theories whereby corporate behaviour is assumed to be primarily for wealth creation (e.g. shareholder value approach); (ii) political theories which pertain to the rights and duties of corporations in society and the political arena (e.g. corporate citizenship); (iii) integrative theories whereby corporations are responsible for responding to the increasing demands of society (e.g. stakeholder approach, corporate social performance); and (iv) ethical theories whereby corporations assume social values and obligations (e.g. normative stakeholder theory, sustainable development concept).²²

In the face of complex and dynamic social environments, corporations need to be more responsive in their stakeholder management. The stakeholder theory takes a dynamic approach to social responsibility and responds to the evolving demands from different stakeholders. This article employs the stakeholder approach to investigate CSR practices of government and corporations in rural China.

The stakeholder approach addresses organisational responsibilities in society. Organisations should take care of not only traditional stakeholders, such as shareholders, customers, suppliers and employees but also local communities and the environment.²³ CSR actions include, for instance, providing a family-friendly working environment, respecting consumer rights, engaging in community activities and fair business relationships and committing to sustainable development.²⁴ The stakeholder theory argues that corporations should manage their stakeholders responsibly beyond profit maximisation and increased total value-added.²⁵

²⁰ Ellina Osseichuk Russell, “CEO and CSR: Business Leaders and Corporate Social Responsibility”, PhD thesis, Aberdeen: Robert Gordon University, 2010.

²¹ Ibid.

²² Elisabet Garriga and Domènec Melé, “Corporate Social Responsibility Theories: Mapping the Territory”, *Journal of Business Ethics* 53, no. 1/2 (2004): 51–71; Domènec Melé, “Corporate Social Responsibility Theories”, *The Oxford Handbook of Corporate Social Responsibility*, ed. Andrew Crane, Dirk Matten, Abigail McWilliams, Jeremy Moon and Donald S. Siegel (New York: Oxford University Press, 2008), pp. 47–82.

²³ John Simmons, “Managing in the Post-Managerialist Era”, *Management Decision* 42, no. 3/4 (2004): 601–11.

²⁴ Ioanna Papsolomou-Doukakis, Maria Krambia-Kapardis and M. Katsioloudes, “Corporate Social Responsibility: The Way Forward? Maybe Not!”, *European Business Review* 17, no. 3 (2005): 263–79.

²⁵ David E. Hawkins, *Corporate Social Responsibility: Balancing Tomorrow’s Sustainability and Today’s Profitability* (New York: Palgrave Macmillan, 2014); Robert Phillips, R. Edward Freeman and Andrew C. Wicks, “What Stakeholder Theory Is Not”, *Business Ethics Quarterly* 13, no. 4 (2003): 479–502; James S. Wallace, “Value Maximization and Stakeholder Theory: Compatible or Not?”, *Journal of Applied Corporate Finance* 15, no. 3 (2003): 120–7.

The studies of stakeholder theory largely fall into two categories: (i) descriptive stakeholder theory that outlines the perceptions of participants of their organisations and different stakeholders;²⁶ and (ii) instrumental or normative stakeholder theory. Stakeholder theory terminology is well established in the current literature. In assessing the practices of CSR, researchers are able to easily identify the key stakeholders and evaluate CSR actions for their effectiveness.²⁷

CORPORATE SOCIAL RESPONSIBILITY AND RURAL GOVERNANCE IN CHINA

During the reform era, the Chinese government started to adopt CSR which serves as a useful mechanism to put pressure on foreign investors to produce environmentally friendly products, promote the welfare of labourers and participate in philanthropic events. As virtually all Chinese enterprises were state-owned when reform began in the late 1970s, formal regulations or laws related to CSR were lacking. However, with the exponential growth of private businesses and modernisation of most state-owned businesses, Chinese businesses started, on their own volition, to adopt principles of Western CSR in order to improve their overall performance.²⁸

The concept of CSR captured the attention of the Chinese government, which has been leading social development by ensuring equitable resources allocation, rather than creating economic miracles, although attaining economic prosperity remains its goal.²⁹ In addition, the Chinese government also recognised the significance of “environmental protection, labor rights, business philanthropy, and the shouldering of government obligations for stakeholders”.³⁰ This means that the government perceived the importance of providing institutional guidance and support for CSR. It has

²⁶ Shelley L. Brickson, “Organizational Identity Orientation: The Genesis of the Role of the Firm and Distinct Forms of Social Value”, *Academy of Management Review* 32, no. 3 (2007): 864–88.

²⁷ Mariolina Longo, Matteo Mura and Alessandra Bonoli, “Corporate Social Responsibility and Corporate Performance: The Case of Italian SMEs”, *Corporate Governance: The International Journal of Business in Society* 5, no. 4 (2005): 28–42; Rute Abreu, Fátima David and David Crowther, “Corporate Social Responsibility in Portugal: Empirical Evidence of Corporate Behaviour”, *Corporate Governance: The International Journal of Business in Society* 5, no. 5 (2005): 3–18; Lorraine M. Uhlaner, H.J.M. (Annemieke) van Goor-Balk and Enno Masurel, “Family Business and Corporate Social Responsibility in a Sample of Dutch Firms”, *Journal of Small Business and Enterprise Development* 11, no. 2 (2004): 186–94; Papisolomou-Doukakis, Krambia-Kapardis and Katsioloudes, “Corporate Social Responsibility”.

²⁸ Kristian H. Darigan and James E. Post, “Corporate Citizenship in China: CSR Challenges in the ‘Harmonious Society’”, *The Journal of Corporate Citizenship* 35, no. 19 (2009): 39; Joe Mullich, “Corporate Social Responsibility Emerges in China”, *The Wall Street Journal*, 2018, at <<http://online.wsj.com/ad/article/chinaenergy-responsibility>> [9 March 2018].

²⁹ Wang Lei and Heikki Juslin, “The Effects of Value on the Perception of Corporate Social Responsibility Implementation: A Study of Chinese Youth”, *Corporate Social Responsibility and Environmental Management* 18, no. 4 (2010): 246–62.

³⁰ Carlos Noronha, Si Tou, M.I. Cynthia and Jenny J. Guan, “Corporate Social Responsibility Reporting in China: An Overview and Comparison with Major Trends”, *Corporate Social Responsibility and Environmental Management* 20, no. 1 (2013): 29–42.

promoted the idea of CSR since 2006 and encouraged the practices of CSR at local government level.³¹ In 2009, at the government's request, 582 CSR reports— about three and a half times higher than in 2008—were submitted by various Chinese companies and released to the public. In China, CSR programmes usually dovetail with the priorities of local or provincial governments, including education, health care and environmental protection.³² For example, well-known Chinese businessman Jack Ma and his J.M. Foundation donated about RMB560 million to Zhejiang University for medical research in 2017, since his enterprise originated and is based in Zhejiang province.³³ However, it remains to be seen whether these CSR practices would bear intended outcomes. Hence, this study discusses the engagement of CSR and investigates the extent to which it has mitigated the problems of education in the rural area.

Zhao argues that developing “innovative CSR programs” could help corporations “cultivate a favorable policy and business environment and secure a lasting trust-based relationship with the state”, such as easy access to bank loans and opportunities to cooperate with state-owned enterprises with exclusive resources.³⁴ Therefore, Chinese business enterprises and the government have built both mutual trust and political connections,³⁵ because they need each other to make profits and promote a better society. In addition, CSR requires corporations to be responsible to their shareholders and stockholders, and any individuals or groups affected by their business.³⁶ In the context of China which is known as an authoritarian regime with strong centrality, NGOs and other civil society participants may not have as much flexibility as their counterparts in democracies. Compared with civil society, corporations have greater financial and human resources, which therefore make them more powerful. In China, the development of civil society is limited because the Chinese government associates collective actions with political sensitiveness. Moreover, investors in China tend to trust the corporations' quality of governance when they are seen to have made satisfactory social contributions.³⁷ Therefore, CSR is an asset to the economy and society.

³¹ Yin Juelin and Zhang Yuli, “Institutional Dynamics and Corporate Social Responsibility (CSR) in an Emerging Country Context: Evidence from China”, *Journal of Business Ethics* 111, no. 2 (2012): 301–16.

³² Mullich, “Corporate Social Responsibility Emerges in China”.

³³ China CSR, “Donations to Medical School of Zhejiang University by Jack Ma and Founders of Alibaba Group”, 2017, at <<http://www.chinacsr.com/cn/2017/06/19/8763>> [9 March 2018]

³⁴ Zhao Meng, “CSR-based Political Legitimacy Strategy: Managing the State by Doing Good in China and Russia”, *Journal of Business Ethics* 111, no. 4 (2012): 446.

³⁵ Wang Zhi, Daniel Reimsbach and Geert Braam, “Political Embeddedness and the Diffusion of Corporate Social Responsibility Practices in China: A Trade-off between Financial and CSR Performance?”, *Journal of Cleaner Production* 198 (2018): 1185–97.

³⁶ R. Edward Freeman, *Strategic Management: A Stakeholder Approach (Pitman Series in Business and Public Policy)* (Boston, MA: Pitman Publishing, 1984).

³⁷ Carlos Noronha, Guan Jieqi and Fan Jing, “Firm Value and Social Contribution with the Interaction of Corporate Governance: Social Contribution Value per Share”, *Sustainability Accounting, Management and Policy Journal* 9, no. 2 (2018): 165–200.

METHODOLOGY

This research adopts a qualitative methodology mainly by conducting in-depth structured interviews in Tongcheng and Huaining, Anhui province, between late May and early June 2018. The rationale for a case study approach is derived from the geographical, political and structural similarities between the two counties. As the study has shown, these similarities did not lead to similar ways of implementing national policies and developing cooperation. Tongcheng, a county-level city of Anhui province, was designated the “capital of culture” attributable to its cultural legacy from the Qing dynasty and its overall academic performance after the Cultural Revolution. However, according to local reports, the results of college entrance exams in recent years showed a significant drop in the academic performance of local students; these results were surpassed by neighbouring counties where poverty is still an issue. Huaining has not yet upgraded to a county-level city but is still perceived as Tongcheng’s competitor because of its rapid economic growth. Thus, the two cities were deemed appropriate case studies that would likely reveal implicit problems within the local education system. In addition to interviews, the authors also tapped into archival research to improve the accuracy and authenticity of research findings.

Structured Interviews

The selected interviewees were local officials in charge of the educational system, including two headmasters from rural schools, two representatives of the education bureau, and one from the Committee of the Communist Youth League (CCYL). Other interviewees include four individuals who oversee the philanthropic work of related corporations. All interviewees were chosen based on personal connections, using the purposive sampling technique, which may have some limitations but is more feasible than other methods such as random selection. The interviewees were all stakeholders in the provision of education services: government officials in charge of implementing policies and allocating government funding; educators including headmasters and administrators from schools in rural areas; representatives of the education bureau; individuals responsible for monitoring the philanthropic work of relevant organisations; and members of civil society (NGOs, foundations, corporations and individuals) who were either in business or endorsed by business. Interview questions were prepared and designed by the authors in accordance with the duties or nature of each category of interviewees, as explained in the ensuing paragraphs.

The first of the three groups of interviewees comprised three local officials: two from the education bureau and one from CCYL (Table 1). These government officers in the general bureaux of Tongcheng and Huaining were key interviewees, since they held executive power in the counties’ education sector. Structured interview questions focused on investigating the current mechanisms of governmental involvement in rural education, the approaches to connecting with corporations and the role of the government in philanthropic activities conducted in schools, civil society and corporations.

The second group of interviewees consisted of two junior high school headmasters (one of whom has since left the school and currently works for the education bureau) (see Table 1). The authors chose junior high schools that run programmes involving cooperation with corporations. The reason for selecting junior high schools was China's nine-year compulsory education policy, which stipulates that all children must be enrolled in six years of primary school education and three years of junior high school education. Upon completing the nine years of compulsory education, pupils can take exams that allow them the choice of study in a senior high school or a vocational school, or they could legally choose to work. Hence, the three-year junior high school education is a crucial point for rural students, because it may determine their future career and development. The authors selected pupil interviewees from schools that had received support from corporations. The structured questions focused on how these students made use of the support they had received and the avenues through which they obtained support from corporations. Additionally, questions relating to the difference between CSR assistance and other types of support were also asked.

The third group of interviewees were three individuals from corporations that were responsible for those school "philanthropic" programmes (see Table 1). The interviewee from the Anhui branch of Chinese Bank A, which is a joint-stock bank that largely holds state capital, revealed that the bank launched a philanthropic programme to give financial support to socio-economically disadvantaged junior high school students. Bank A was one of the first banks that adopted CSR principles as their operating strategy. The other two interviewees came from a company that is a big local taxpayer and does not allocate resources to adopt CSR principles but is involved in CSR practices indirectly. The structured questions centred on the aforementioned corporations' budgets and methods of fulfilling CSR in the education sector, as well as their motivations for involvement in rural education.

The authors also conducted an unplanned interview with the founder of Tongcheng's local NGO, the Tongcheng Loving Care Association (TLCA). The authors include the TLCA because it was founded by a local businessman who works in another province. The TLCA has received, in recent years, financial support from an association consisting of corporations and business owners born in Tongcheng. Besides, the TLCA interviewee provided much valuable information about the local government. Unlike other grassroots NGOs that often have to struggle with operations and registration, the TLCA has successfully operated for more than 10 years and achieved government registration. The questions formulated for the TLCA as an interview subject delved into the development of civil society in the county, income sources and other issues related to everyday operations.

The authors adopted the content analysis method to analyse the interview results and categorised them into two major subjects: government and civil society. The School Support Centre (SSC; *xuexiao zhichi zhongxin*) and the CCYL, both major representatives of local governments, were classified under the government. NGOs, foundations, corporations and individuals were four major stakeholders classified as civil society. The authors extracted from the data and interviews evidence of similar actions and

different cooperation options of the two selected counties. In coding the content of the interview notes, thematic analysis was used to classify actions that were mentioned by the interviewees. First, all governmental or non-governmental actions related to money, such as in-kind incentives, cash grants and cash allowances, are coded as “financial supports”. Second, other means of assistance, such as home visits and psychological counselling, are coded as “non-financial supports”. Also, tags such as “government guided”, “corporate guided” and “self-motivated” were given to differentiate different actions that local governments, NGOs and companies deliver to support rural education. The coded themes and tags in this research clearly demonstrate the relationship between different stakeholders, their past actions and the rationale behind their actions.

TABLE 1
PROFILE OF INTERVIEWEES AND GROUP CLASSIFICATION

| Interviewee | Group | Position | | Region |
|-------------|---|---------------------|---|-----------|
| No. 1 | Group 1: education bureaux/local governments | Officer | Student Support Centre (SSC), education bureau | Huaining |
| No. 2 | Group 1: local governments | Secretary | Committee of the Communist Youth League (CCYL) | Huaining |
| No. 3 | Group 3: individuals from corporations | Office Director | Huaining's largest privately owned local corporation (a wood-processing business) | Huaining |
| No. 4 | Group 3: individuals from/related to corporations | Owner | | Huaining |
| No. 5 | Group 2: schools | Headmaster | A junior high school | Tongcheng |
| No. 6 | Group 2: schools | Headmaster (former) | A junior high school | Tongcheng |
| | | Officer (Current) | Education bureau | Tongcheng |
| No. 7 | Group 3: individuals from/related to corporations | Office director | Anhui branch of Bank A | Tongcheng |
| No. 8 | Group 3: individuals from/related to corporations | Officer | Tongcheng Loving Care Association (TLCA) | Tongcheng |

Archival Study/Research

To obtain further corroborative evidence, this study reviews archives, which include reports, public documents and data released by the government. This research also mainly utilises government web pages, including those of the State Council, the National Bureau of Statistics, the Ministry of Civil Affairs and the official websites of Tongcheng and Huaining counties.

Limitations

The authors identified three major potential limitations of this research. First, there may be a sample or selection bias in data collection. Given that the research was based mainly on interviews and most interviewees were officials or administrators, the authors relied heavily on their family connections in the city to contact the interviewees—an

approach that is more feasible than contacting them via official channels. Second, local officials may not be able or willing to answer all the questions fully although they accepted the interview request. Thus, their answers may remain uncorroborated unless verification through various other sources is possible. Third, the number of interviewees that were conducted was limited. In this case, the seven interviews that the authors conducted may not fully reflect the overall situation of rural education. However, if time permits, a snowball sampling method can be applied for future research, which will provide more information from various sources.

Archival study is one of the secondary research methods adopted to overcome some of the limitations of interviews, such as the authenticity, reliability and integrity of the interviewees, which may have yielded inaccurate information. Nevertheless, these interviews covered representatives of all parties involved in delivering or supporting rural education services and drew a comparison between the two counties based on verified accounts from the interviews.

CASE STUDIES

Huaining and Tongcheng share similarities in their developmental trajectories. Huaining county, under the jurisdiction of Anqing city, has a population of 704,000. In 2017, Huaining's per capita gross domestic product (GDP) grew by approximately 12.5 per cent to RMB31,006.³⁸ Huaining has 29 high schools with about 25,000 students, three vocational schools with 5,800 students and 115 primary schools with a student population of about 30,000.³⁹ Tongcheng is also a county-level city under the jurisdiction of Anqing city and has a population of 756,000. In 2017, its per capita GDP grew by approximately 11.2 per cent to RMB40,202.⁴⁰ Tongcheng has one post-secondary school with 4,785 students, three vocational schools with 5,880 students, 51 high schools with 31,771 students and 186 primary schools with 29,961 students.⁴¹

In recent years, the two neighbouring communities have been seen as competitors in both economic and social sectors. Huaining is a young county that relocated its capital town and changed its development strategy in 2002; its low population density may have a negative impact on the development of its civil society. Tongcheng, on the other hand, has a longer history and has implemented solid development strategies since the 1970s economic reform. The redesign of Huaining made it more amenable

³⁸ Huaining Government, Statistical Communiqué of Huaining County on the 2018 National Economic and Social Development, 2019, at <<http://www.ahhn.gov.cn/public/2000001521/2008678631.html>> [20 September 2020].

³⁹ Education Bureau of Huaining Government, The Condition of Education, 2018, at <<http://www.tongcheng.gov.cn/pdy/tcsjyj/index.html>> [13 March 2018].

⁴⁰ Tongcheng Government, Statistical Communiqué of Tongcheng City on 2018 National Economic and Social Development, 2019, at <<http://www.tongcheng.gov.cn/public/2000002401/2008295331.html>> [20 September 2020].

⁴¹ Education Bureau of Tongcheng Government, The Condition of Education, 2018, at <<http://www.ahhn.gov.cn/bm/jyj/jyjk/index.html>> [13 March 2018].

to promoting urbanisation and modern infrastructure. Tongcheng is closer to Hefei, the capital city of Anhui province, whereas Huaining is nearer to Anqing city. Tongcheng, due to its proximity to the provincial capital, abounds with opportunities and resources. Huaining's development may be influenced by Anqing city, which is less competitive than Hefei. Data has shown that both counties have made significant progress in recent years.

The great similarity in geographic location and resources between the two counties is matched by many other aspects in common. However, in rural education, Huaining and Tongcheng have totally different strategies and the type of stakeholders involved, other than local governments, also differ. Huaining and Tongcheng are representative of many counties in China, especially in regions of central China that are less influenced by economic booms, foreign culture and preferential government policies. The following section briefly describes the interactions between the local government, corporations and social groups in supporting rural education in Huaining and Tongcheng counties.

The Case of Huaining County

There are three governmental agencies responsible for supporting rural education in Huaining county. The first is the School Support Centre (SSC; *xuexiao zhichi zhongxin*), which is responsible for the allocation of funds provided by central and local governments. The SSC is an informal, temporary agency under the supervision of the county's education bureau, which supports poor students from kindergarten to senior high school. The SSC follows a three-step procedure to allocate funds: (i) it collects information about students who need financial support from the local Poverty Relief Office (*fupinban*), village committees (*cunweihui*) and schools; (ii) it distributes and transfers funds to poor students' personal bank accounts under the supervision of the local Bureau of Finance, based on the standards set by the central and local governments; and (iii) it assigns selected local teachers to check the use of funds received by families of poor students.⁴² The SSC's employees are also regularly deployed to visit homes of students to ensure that the funds are spent appropriately. With limited funds at its disposal, the SSC has exercised a key unwritten principle in distributing funds since 2014, i.e. focusing on poor students who are being profiled as such under the national poor registration system (*jiandang lika*); these students come from the poorest family backgrounds in the county.⁴³ For instance, many so profiled and registered live either with their grandparents who may not have a stable income, or with disabled parents who may struggle to earn a living. Besides education sponsorship, poor students and their families are eligible to receive other supplementary funds, including cash payments from poverty relief and livelihood projects. Poor students profiled under the "*jiandang lika*" system are guaranteed to receive nine-year compulsory education, even for self-financed senior high school. Thus, in the SSC's opinion, a combination of funds from

⁴² Authors' interview with interviewee no. 1, officer of the SSC in Huaining, 15 July 2018.

⁴³ Ibid.

the central and local governments would be able to cover all students' financial needs for basic education.⁴⁴ Also, teachers who are assigned to coach needy students are responsible for students' mental health and for reiterating the importance of education to the students' families. Although the SSC plays a vital role in rural education and in the effective delivery of services, it remains a temporary department of the education bureau because of the potential criticism and scepticism from members of the public. For instance, an interviewee from the SSC highlighted that some parents questioned the fairness of the fund distribution method but the SSC was unable to disclose details of recipients in order to protect their privacy and confidentiality. Thus, the SSC's function is limited to distributing government funds and it has no connection to non-governmental stakeholders such as NGOs and corporations.

The second government agency that plays a role in supporting rural education is the county-level Committee of the Communist Youth League (CCYL). The CCYL's contribution to rural education is significant as it undertakes more duties than the SSC and is also required to organise social activities, manage volunteers and play a role in youth-related programmes. The CCYL at the county level faces certain restrictions such as the lack of a channel to receive funds, and only the provincial CCYL can have a bank account to receive various funds.⁴⁵ Therefore, the county-level CCYL often acts as an intermediary between individuals, social groups, foundations and corporations to support poor students. The county-level CCYL supports rural education via three major avenues.⁴⁶ First, it identifies poor students who need help and who have satisfied the requirements laid out by donors, and then links these students to individuals or organisations that wish to make donations. Secondly, it recommends students who have received admission offers from good universities to be sponsored by donors without preferences or conditions. Thirdly, it launches the "small wishes" (*weixinyuan*) programme and posts students' wishes for a gift, such as a new pair of shoes or a basketball, on social media platforms so that volunteers or organisations can help to grant their wishes.

The third government organisation that supports rural education is the Caring for the Next Generation Working Committee.⁴⁷ Despite its being under the supervision and management of the local government, the committee is weak as it has no fiscal appropriation and the panel consists of retired government employees who have no administrative authority.

Through these agencies, poor students are able to receive funds to see them through their nine-year compulsory education. If they demonstrate the potential to progress to higher education, the government will continue to help them. In addition, the SSC and CCYL do not impose restrictions on sponsoring students who already receive donations from different resources. For example, a needy senior high school

⁴⁴ Ibid.

⁴⁵ Authors' interview with interviewee no. 2, secretary of CCYL of Huaining, 16 July 2018.

⁴⁶ Ibid.

⁴⁷ Ibid.

girl may receive sponsorships from the SSC and the CCYL, and these funds do not exclude her from also receiving financial aid from a local company.

In Huaining, in addition to the three government stakeholders, various corporations and business owners also play essential roles in supporting rural education. Corporations typically use two primary methods, namely solo engagement and cooperation. In solo engagement, corporations directly contact students who need financial support, without using other platforms or agencies. In an interview with the largest privately owned corporation in Huaining, a 20-year-old wood-processing enterprise, the office director revealed that the owner of the corporation had, over the past decade, personally helped several students who had personal connections to the owner.⁴⁸ These students typically received financial support in the form of a one-time gift amounting to several thousand yuan that should cover their educational expenses for one year. Besides the owner's provision of direct support, the corporation has also supported rural education on other occasions.⁴⁹ For example, the corporation donated a few thousand yuan to a local school that caters to students with learning disabilities. In addition, the interviewee revealed that the corporation personnel were often invited to participate in various ceremonies hosted by schools and social organisations, such as a school's anniversary celebrations, but at the end of the event, they were required to make a donation as a way of giving back to the hosts.⁵⁰ Since then, the owner himself and the corporation have not supported any students or educational institutions for a long time with sustainable funds.⁵¹

Corporations and business owners in Huaining also often choose to cooperate and partner with other organisations, such as the chambers of commerce and hometown associations, to support rural education.⁵² While the Huaining hometown association in Guangdong province has played an essential role in financing needy students in Huaining, the hometown associations and chambers of commerce in other provinces usually choose to offer their support via local agencies instead of doing so directly. For example, in Huaining, the chamber of commerce is one of the CCYL's most regular partners, and the hometown association, which consists of Huaining business owners in other provinces, contributed 30 per cent of the donated funds distributed through the CCYL.⁵³ Local corporations also collaborate regularly with the CCYL to distribute various philanthropic funds. The owner of the local wood-processing enterprise added that the company also cooperates with and gives donations annually through the CCYL by sponsoring students whom the CCYL has recommended.⁵⁴ In Huaining, the sources

⁴⁸ Authors' interview with interviewee no. 3, office director of the largest privately owned local corporation in Huaining, 17 July 2018.

⁴⁹ Ibid.

⁵⁰ Ibid.

⁵¹ Authors' interview with interviewee no. 4, owner of the largest privately owned local corporation in Huaining, 17 July 2018.

⁵² Authors' interview with interviewee no. 2, secretary of CCYL of Huaining, 16 July 2018.

⁵³ Ibid.

⁵⁴ Authors' interview with interviewee no. 4, 17 July 2018.

of non-governmental contributors are mainly from foundations set up by successful business owners or their companies, the chambers of commerce as well as hometown associations founded by Huaining residents who have businesses in other provinces. These non-governmental groups have strong local attachment and desire to contribute to their hometown and may use the CCYL as an intermediary since there are no other reliable agencies to help facilitate the donations.

The Case of Tongcheng County

Tongcheng, like Huaining county, has three governmental agencies responsible for supporting rural education: the SSC, the CCYL and the Caring for the Next Generation Working Committee. While the SSC serves similar functions in both counties, i.e. distributing government funds for rural education, interviewees explained that the CCYL's performance in each differed. In Huaining, the CCYL's primary duty is to support rural education by serving as a bridge between donors and needy students. However, interviewees from the local education bureau and NGO criticised the CCYL's performance in Tongcheng as a regulator of civil society participants even though it lacks administrative authority.⁵⁵ They also claimed that the CCYL has little influence on rural education, since it does not have the financial capacity.⁵⁶ The CCYL's visible effort in Tongcheng is its participation in annual meetings and regular checks on the performance of civil society groups, such as the Tongcheng Loving Care Association (TLCA), since the CCYL also serves as an advisory agency. However, the interviewee from the TLCA commented that the CCYL's involvement is meaningless, since the association is self-regulated and does not enjoy any governmental support.⁵⁷ As CCYL's presence and involvement in rural education are relatively insignificant, schools in Tongcheng are actively seeking help from the wider society, instead of relying on governmental agencies.

In Tongcheng, corporations and individuals involved in supporting rural education do so via solo engagement or cooperation. The case of Bank A is a typical example of solo engagement. Bank A is a joint-stock bank with the majority of its state capital originating in a coastal province of China. Over the last four years, Bank A has had a philanthropic programme for disadvantaged students in one of Tongcheng's high schools. This cooperation, launched in 2016, was initiated by a senior manager who was born in Tongcheng and currently works in the bank's headquarters.⁵⁸ To date, Bank A had contributed three rounds of donations by providing direct cash payments to help about 30 needy students. The senior manager himself was a principal donor

⁵⁵ Authors' interview with interviewee no. 8, officer of the TLCA of Tongcheng, 19 July 2018; authors' interview with interviewee no. 6, former headmaster of a local high school, currently working as an officer in local education bureau of Tongcheng, 19 July 2018.

⁵⁶ Ibid.

⁵⁷ Authors' interview with interviewee no. 8, officer of the TLCA in Tongcheng, 19 July 2018.

⁵⁸ Authors' interview with interviewee no. 7, office director of Anhui branch of Bank A, 20 July 2018.

in the first round of support in 2016.⁵⁹ The second and third rounds in 2017 and 2018, respectively, were supported by the management of Bank A's branch in Anqing city. To avoid using collective funds held by Bank A's labour union, the management decided to pay out of pocket to support needy students who demonstrated excellent academic performance. Bank A's management promised that it would sponsor each student RMB3,000 annually until their graduation from secondary school.⁶⁰ However, the cooperation between Bank A and the local high school has not been institutionalised since the management made the donations out of pocket.

Unlike the situation in Huaining, corporations and individuals in Tongcheng prefer to cooperate with local NGOs rather than with the CCYL. The TLCA is the best-known NGO recommended by interviewees from different organisations because it has been the most stable source of support for local students in the past decade. In 2003, several local business owners and civil servants founded the TLCA with the goal of helping poor local children continue their education.⁶¹ In 2017, the TLCA had successfully registered with the government, and it currently has three professional managers and about 50 volunteers.⁶² Given the limited financial capacity of volunteers and founders, the TLCA has received help from various corporations and individuals. Its most prominent sponsor is a businessman who was born in Tongcheng and operates his business in Hebei province. Based on the authors' interview with the officer (also one of the founders) of the TLCA, this sponsor has kept a low profile since the founding of the TLCA, to which he lent support 10 years ago.⁶³ He donated RMB300,000 (or US\$43,000), which was considered a large sum of money to the TLCA as it was then a small organisation in 2003.⁶⁴ In addition, he let the TLCA occupy an office building for free for its day-to-day operations, and also provided accommodation and food to about 10 needy local students every year.⁶⁵ In return, volunteers and the NGO allow the advertisement placement of an alcoholic beverage company owned by this businessman in Tongcheng.⁶⁶ Similar to the situation in Huaining, the Tongcheng hometown association in Guangdong is also a major financier of the TLCA in rural education.

In sum, Huaining and Tongcheng counties have the same organisational structure as local governments, and the functions of the SSC and the CCYL in the respective counties are very similar, even though they have different performance outcomes. However, the civil groups in Tongcheng are more active and better developed than those in Huaining, and they are largely represented by corporations and various

⁵⁹ Authors' interview with interviewee no. 5, headmaster of a junior high school of Tongcheng, 21 July 2018.

⁶⁰ Authors' interview with interviewee no. 7, 20 July 2018.

⁶¹ Authors' interview with interviewee no. 8, 19 July 2018.

⁶² Ibid.

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

associations set up by business owners. Such well-established non-governmental organisations, chambers of commerce and hometown associations in Tongcheng are highly likely to hand over their charitable funds to NGOs to manage than to governmental agencies such as the CCYL. Despite the many commonalities in the civil and governmental groups' support of rural education in Huaining and Tongcheng counties due to their similar organisational structure, the performance of the same governmental agencies differs in both counties. The approaches that corporations or business owners in both counties take to support rural education also differ.

TABLE 2
COMPARATIVE ANALYSIS OF THE TONGCHENG AND HUAINING CASE STUDIES

| Stakeholders | Tongcheng | Huaining | |
|---------------|-----------------------------|---|---|
| Government | SSC | Responsible for distribution of government funds | |
| | CCYL | Supervises civil groups (NGOs) | Helps to build and bridge connections between corporations/individuals/foundations and needy students |
| Civil Society | NGOs (TLCA) | Build online platforms to collect funds and organise volunteers | No prominent and established civil groups (NGOs) |
| | Charitable Foundations | Cooperate with local NGOs (e.g. TLCA) | Cooperate with the CCYL |
| | Corporations (e.g. Bank A) | Cooperate directly with local schools | Cooperate with the CCYL |
| | Individuals (or businesses) | Cooperate with local NGOs (e.g. TLCA) | Cooperate with the CCYL or sponsor student recipients directly |

Notes: SSC denotes school support centre; CCYL, Committee of the Communist Youth League; NGOs, non-governmental organisations; TLCA, Tongcheng Loving Care Association.

DISCUSSION

As is evident in the comparative analysis of Tongcheng and Huaining counties (Table 2), many stakeholders are involved in supporting rural education and CSR apparently plays an important role. However, multiple challenges, such as trust issues, remain between the government, schools and corporations.

First, the basic understanding of CSR is still weak among the public in the two counties. Compared with county-level corporations, large enterprises, especially those listed on the stock exchange, have stronger knowledge of CSR. For instance, the interviewee from the biggest wood-processing enterprise in Huaining disclosed that the company personnel have very little knowledge of CSR, as this is limited to environmental protection, as is evident in the company's official website. This corporation considers its donation or compensation to government agencies, such as the donation of vehicles to the local Public Security Bureau, as part of the company's CSR activities. As Mullich has stated, CSR in China is not driven by consumers but chiefly by local governments.⁶⁷ Donations to government agencies by local small and

⁶⁷ Mullich, "Corporate Social Responsibility Emerges in China".

medium-sized corporations seem to be a rational approach, since such acts are linked to corporate interests such as securing loans at low interest rates from local state-owned banks. The interview with a Bank A employee revealed that bank staff, unlike those in local corporations, received training in implementing CSR, which emphasised the importance of contributing to communities.⁶⁸ According to Mullich's research, the Shanghai and Shenzhen stock exchanges have initiated movements to promote the awareness and practice of CSR among listed corporations since 2009, and require them to publish annual CSR reports.⁶⁹

Nevertheless, certain CSR practices are still not institutionalised, especially in non-business sectors, although listed corporations are required by the stock exchanges to release and publish annual CSR reports. For instance, Bank A's office director claimed, in the interview, that only management staff need to take responsibility in supporting poor rural students for the CSR programme, even though CSR participation should be corporation-wide and thus undertaken by the corporation rather than by individuals.⁷⁰ He also explained that the bank chose not to institutionalise the CSR programme due to the lack of special funds allocated by the corporation as part of its expenditure.⁷¹ Compared to smaller local corporations, Bank A is equipped with a better understanding of CSR programmes, but it still has difficulty applying a theoretical perspective to the real-world situation. Therefore, evidently, Chinese corporations and small enterprises lack a comprehensive understanding of CSR practices.

Second, corporations typically play a passive role and are under pressure to set up a CSR programme that supports rural education. Interviewees from both small (e.g. the wood-processing enterprise) and large (e.g. Bank A) corporations mentioned that there are no clear channels through which they might contribute to society. Most of their contributions are considered passive because they are either linked to local governments or are "alms" given to social organisations. According to Liu, the degree of dependence on governments is a key factor behind corporations' CSR performance.⁷² The wood-processing enterprise's office director highlighted in the interview that management staff often receive invitations to participate in various ceremonies hosted by local schools and organisations, which have to act in accordance with the local government's requirement.⁷³ At the end of the ceremony, attendees are expected to make donations as a way of giving back to the hosts. It should be noted that such donations are not entirely voluntary because large companies, such as the wood-processing company, are required by local authorities to attend social events and ceremonies, regardless of their reluctance to do so. In other words, in Huaining case,

⁶⁸ Authors' interview with interviewee no. 7, 20 July 2018.

⁶⁹ Mullich, "Corporate Social Responsibility Emerges in China".

⁷⁰ Authors' interview with interviewee no. 7, 20 July 2018.

⁷¹ Ibid.

⁷² Liu Haijian, "CSR Zhongguo jinhua lun" (The Evolution of Chinese CSR), *Beida shangye lun (PKU Business Review)* 1, no. 11 (2016): 78–86.

⁷³ Authors' interview with interviewee no. 3, 17 July 2018.

most of the local wood-processing corporation's monetary contributions are considered "instrumental behaviour" made to satisfy the requirements of local authorities and are not contributions that adhere to CSR principles.⁷⁴

The pressure to commit to corporate philanthropy is felt not only by local enterprises but also by large corporations such as Bank A. Bank A office director indicated that it is challenging to apply CSR theories in small places like counties although the importance of CSR was inculcated into employees by headquarters through meetings and information sessions.⁷⁵ He shared that in 2017, the government assigned his branch to support a poor village in Anhui province to lift it out of poverty, in alignment with Chinese President Xi Jinping's ambitious campaign to eliminate poverty in China by 2020.⁷⁶ He stated that the bank had invested about RMB4 million into the village at the government's request; however, the poverty alleviation outcome was so far limited, which implies that the bank may have to inject more investment, and this therefore placed the bank under considerable pressure.⁷⁷ Consequently, the bank is not able to assign additional funds to its preferred CSR programme. Since in its CSR efforts, the branch also commits to supporting needy students in Tongcheng, the management personnel have to pay out of pocket. The bank director believed that apart from the national policy restrictions imposed on banks, the local government had also stood in the way of the banks' preferred CSR activities.⁷⁸ The director added that the bank has to keep its donations a secret, because if the Huaining county government were to find out about the bank's donation in Tongcheng, it might ask for the same amount of contribution as a prerequisite for Bank A's future business under Huaining's governance.⁷⁹ The director also mentioned that pressure from other banking peers has increased Bank A's reluctance to be involved in CSR, since Bank A was doing extra work without benefits in addition to regular banking businesses.⁸⁰ Therefore, both the smaller local and larger national corporations tend to avoid choosing CSR programmes that support rural education, which involves a complicated process and may cause problems. While Bank A's objective in its CSR commitment is to improve its market competitiveness, attaining it is however potentially detrimental to its relationship with its banking peers and this increases pressure on the expansion of business in rural China, where CSR is not fully understood and recognised. Thus, governmental pressure and complex business considerations of a corporation are factors limiting CSR efforts and potential.

In addition, corporate leaders' motivation in pursuing CSR has chiefly driven the implementation of CSR programmes in rural education. According to Xu and Li,

⁷⁴ Liu Haijian, "CSR Zhongguo jinhua lun" (The Evolution of Chinese CSR).

⁷⁵ Authors' interview with interviewee no. 7, 20 July 2018.

⁷⁶ Ibid.

⁷⁷ Ibid.

⁷⁸ Ibid.

⁷⁹ Ibid.

⁸⁰ Ibid.

senior management of corporations and their chief executive officers (CEOs) exert a strong influence in this area, which is determined by their personal experience and background.⁸¹ The owner of the biggest local corporation in Huaining admitted that most of his contributions to rural education were made towards helping needy students he knew or came across. Due to the lack of reliable channels that reach out to needy people, corporate leaders prefer to help people with whom they have personal connections or people who are introduced by someone they trust.⁸² Corporate leaders' personal willingness also plays a key role in driving CSR. In the case of Bank A, its practice, particularly as regards social contribution, remains unclear. This is evident in the Tongcheng case study involving Bank A because the donation to poor students in Tongcheng was not a formal action agreed upon by the management but was adopted because one of the corporate leaders at the headquarters launched this initiative as a way of giving back to his hometown in Tongcheng county.⁸³ Bank A's office director initially intended to support only a few students but upon realising his efforts were limited and unsustainable, he roped in the entire corporation, or at least the local branch, which would be the most effective way of ensuring sustainable support for poor students in the area.⁸⁴ Bank A's labour union is the main body responsible for communicating with communities. However, the union's limited funds are designated for the provision of employee welfare and subsidies, and should not be used to support poor students. Instead of institutionalising this initiative, the senior manager used his own money to support needy students.⁸⁵ Xu and Li's findings show that corporate leaders who were born into low-income families or in poor regions are more generous in giving and active in fulfilling their social responsibilities than are others.⁸⁶ The two case studies, in which both the office director of Bank A in Tongcheng and the owner of the local wood-processing corporation in Huaining were from family backgrounds with weak financial capacity, corroborate Xu and Li's findings.

Local governments', civil groups' and corporations' lack of trust in schools is also a hindrance to CSR practices. According to the *Millennial Donors Report 2011* released by Achieve and Johnson, Grossnickle and Associates (JGA), 20 per cent of respondents ranked "honesty and ethics" as very important criteria for non-profit organisations (NPOs), and 90 per cent indicated that they would not support an organisation that they do not trust.⁸⁷ Thus, as beneficiaries of one of the largest non-profit organisations in China, rural public schools encounter the trust issue when they receive funds from

⁸¹ Xu Nianqing and Li Zhe, "Gaoguan pinkun jingli yu qiye cishan juanzeng" (CEO's Poverty Experience and Corporate Philanthropy), *Jingji yanjiu (Economic Research)* 51, no. 12 (2016): 133–46.

⁸² Authors' interview with interviewee no. 4, 17 July 2018.

⁸³ Authors' interview with interviewee no. 7, 20 July 2018.

⁸⁴ Ibid.

⁸⁵ Ibid.

⁸⁶ Xu Nianqing and Li Zhe, "Gaoguan pinkun jingli yu qiye cishan juanzeng" (CEO's Poverty Experience and Corporate Philanthropy).

⁸⁷ Achieve and JGA, *Millennial Donors Report 2011*, 2011, at <<https://casefoundation.org/wp-content/uploads/2014/11/MillennialImpactReport-2011.pdf>> [20 March 2018].

society and the government, between which there is implicit consensus that schools are not reliable in delivering funds to poor students. The authors' interviews conducted with government officials, a local NGO respondent and the Bank A's director demonstrated that they shared similar views that funds and donations given to schools have been used to benefit the school employees instead of needy students. As a result, the local governments prefer to transfer funds directly into students' accounts. In addition, corporations also request receipts from the schools to which they donate, and then check and verify the information. For example, in Huaining county, when the education bureau collects receipts from students who have received government money through the school, it also requests receipts from the bank to verify the authenticity of the school's report. By contrast, civil groups—even as legally registered NGOs—lack not only the connection to access local banks but also the administrative power to ensure their funds are channelled in full to needy students. To ensure that needy students receive the funds, these groups deploy volunteers from their respective human resources departments to visit each student's home. They also request receipts from the schools to prevent any financial issues. As disclosed by the TLCA interviewee, the association had successfully registered with the government because of its track record in complying with a rigorous system of fund disbursement.⁸⁸ However, corporations have difficulty building mutual trust with schools. For example, employees of Bank A chose to support needy students only because a senior manager at their headquarters pressured them to do so. Evidently, the bank's trust in the school is built on the senior manager's position in the corporation.⁸⁹

Nevertheless, Bank A office director voiced his concern about the CSR efforts, given the recent change in the school management.⁹⁰ For the first two years, Bank A's trust in the school was based on the headquarters director's personal relationship with the headmaster. However, the headmaster had left the school, together with most of the school personnel who were familiar with the students that received aid. While the office director distrusted the new management, he admitted that there was nothing he could do, apart from questioning the new management's capability to handle the donations in view of the school's limited human resources.⁹¹ Although there is no strong evidence to suggest that corporations lose trust in schools, the local government, civil groups and corporations still have doubts that the schools will deliver their funds to the students. Meanwhile, with the absence of tangible, visible and transparent channels for supporting rural education, stakeholders, including local governments and NGOs in this case study, apparently prefer to use their own resources to circumvent the trust issue between money providers (donors) and schools, instead of setting up a mutually sustainable and reliable system.

⁸⁸ Authors' interview with interviewee no. 8, 19 July 2018.

⁸⁹ Authors' interview with interviewee no. 7, 20 July 2018.

⁹⁰ *Ibid.*

⁹¹ *Ibid.*

The authors' comparative analysis of Huaining and Tongcheng shows a negative correlation between local governments' power and civil society's influence. According to Tang's research, the relationship between the Chinese government and NGOs is mostly considered as a "zero-sum game", in which growing non-governmental influence would decrease the power of government.⁹² Both government officials and corporate leaders in the authors' interviews conducted in Huaining claimed that there were no well-known civil groups, such as NGOs, operating in the county, so the government had to rely on its own channels to support rural education, and corporations too had to find their own ways to help the government.⁹³ In other words, local governmental agencies such as the CCYL are the only channels through which corporations intending to contribute to rural education connect. In addition, the authors' findings from the interviews have shown that the education bureau and Huaining government agencies had established a relatively sophisticated system and a clear division of labour to improve rural education. Interviewees from the Huaining government expressed their confidence that rural education will be improved with these achievements already made.⁹⁴

Interviewees from the local corporation in Huaining affirmed the reliability of the CCYL, based on the corporation's years of a collaborative relationship with the youth league committee.⁹⁵ By contrast, the TLCA in Tongcheng is a widely known social organisation that deploys various resources and has been operating successfully for more than a decade.⁹⁶ According to different interviewees, both local corporations and successful business owners whose birthplace was in Tongcheng, prefer to make donations to rural education and other philanthropic causes via the TLCA instead of seeking help from local authorities, which still suffer from the trust issue.⁹⁷ This lends a sharp contrast to the minor roles that social stakeholders in Huaining, which include NGOs and corporations, play in supporting rural education, given that the government agencies have proven effectiveness and efficiency.

According to Lin et al., in a densely populated region, information flow is facilitated and accelerated through social networks, thus further improving citizen participation in public affairs.⁹⁸ While interviewees from Huaining and Tongcheng claimed that the county's high population density has facilitated the building of

⁹² Tang Wenyu, "Ruhe shenshi Zhongguo shehui zuzhi yu zhengfu guanxi" (How the Relationship between Chinese Social Organisations and the Government Should be Examined), *Journal of Public Administration* 5, no. 4 (2012): 145–62.

⁹³ Authors' interview with interviewee no. 1, 15 July 2018; authors' interview with interviewee no. 2, 16 July 2018.

⁹⁴ Ibid.

⁹⁵ Authors' interview with interviewee no. 3, 17 July 2018.

⁹⁶ Authors' interview with interviewee no. 8, 19 July 2018.

⁹⁷ Authors' interview with interviewee no. 3, 17 July 2018; authors' interview with interviewee no. 7, 20 July 2018.

⁹⁸ Lin Yu-Ru, Ryan Kennedy and David Lazer, "The Geography of Money and Politics: Population Density, Social Networks, and Political Contributions", *Research & Politics* 4, no. 4 (2017): 1–8.

neighbourly relationships and strengthening of civil societies, Huaining, as a new county, has a lower population density and thus inadequate community-building, which has weakened its incentive to develop a civil society.⁹⁹ Besides, unlike the CCYL in Huaining, the CCYL in Tongcheng did not work well as an intermediary between rural education establishments and the public. The interviewee from the TLCA indicated that the CCYL did not initiate communication with participants, such as NGOs and corporations, and CCYL officials had a misperception that their job is to guide the development of civil society.¹⁰⁰ Although the two counties share the same structure of public administration, the performance of local governments and civil societies differs considerably. An analogy can be drawn in that social stakeholders appear to play a more effective role when the local government fares dismally in its role. Although data is inadequate to show a correlation between the power of public administration and the strength of civil society, empirical evidence has indicated a negative correlation.

In sum, the evidence obtained from the interviews conducted in Tongcheng and Huaining indicates that the implementation of CSR programmes to support rural education shares several similarities, which include the lack of awareness of CSR concepts and principles, and corporate leaders' personal willingness to contribute as a main driver of corporations' CSR efforts. Another observation is the absence of a healthy relationship forged between the local government, NGOs and corporations that would improve the efficiency of resource utilisation in rural education. Of the multiple factors hindering the development of CSR in rural education, the most significant is the clear division of labour between the government and civil society, thereby creating two distinctly different circumstances in Tongcheng and Huaining. Neither Tongcheng's nor Huaining's model of government–civil society relationship can be considered healthy or ideal. In fact, the Huaining government's dominance in delivering public services has constrained the development of civil society, whereas the Tongcheng government lost its credibility in managing the contributions of civil groups. Hence, under current circumstances, it is difficult to discern how CSR could achieve its full potential in supporting rural education.

CONCLUSION

Owing to accelerating urbanisation and marketisation, various social issues such as left-behind children and land ownership disputes have arisen in China's rural areas. In recent years, both the Chinese government and civil society have recognised that improving the quality of rural education could be a panacea for most rural problems. Also, China's disappearing demographic dividend and industrial transformation of the Chinese economy highlight the importance of improving the skills and capabilities of

⁹⁹ Authors' interview with interviewee no. 2, 16 July 2018; authors' interview with interviewee no. 6, 19 July 2018.

¹⁰⁰ Authors' interview with interviewee no. 8, 19 July 2018.

Chinese workforce, especially rural labourers. Thus, the Chinese government has injected huge government funding to ensure that every child receives basic education and professional training.

Besides the government, non-governmental stakeholders, such as civil groups and corporations, have become essential participants in improving rural education. In particular, corporations with CSR engagements have emerged as important actors because they usually have stronger financial capability and human resources, compared to civil groups like NGOs. In addition, as governments are wary of and concerned about collective activities, corporations are better equipped and favourably placed to gain the government's trust in order to conduct their rural education projects. It is, however, noteworthy that Chinese corporations have not fully grasped the CSR concepts and principles although many individuals and corporations in China have indeed made contributions to rural education by donating cash and providing teaching facilities. In recent years, the Chinese government and stock exchange have rolled out CSR-related regulations so that large enterprises and listed corporations could meet international standards, thus improving Chinese corporations' competitiveness in the global market.

This study has selected Tongcheng and Huaining counties in Anhui province to investigate the current level of CSR engagement in China's grassroots society and analyse the interactions between local governments, civil groups and corporations. Findings have shown that CSR is still a new concept in China, and mainly large enterprises have a deeper understanding of CSR principles and implement them when conducting business. Many corporations in rural areas have contributed to education via various channels but their understanding of CSR is limited to environmental protection and ensuring corporate responsibility in production and manufacturing processes. This is, however, a shallow interpretation of CSR in today's context. Currently, most philanthropic causes in rural education are not delivered through proper CSR channels, and are therefore not formalised and institutionalised. Hence, CSR has become sidelined as administrative orders often override the corporation's original plan. As is evident, corporate leaders' personal willingness to promote and engage in CSR is a key driver of CSR implementation. A major challenge for corporations and individuals in the business sector that show commitment to support rural education is to find a reliable agent to serve as an intermediary. This study has shown the negative correlation between local governments and civil society in their respective roles: if the local government has a powerful and sophisticated public administration, civil society is less influential and plays a weaker role.

To conclude, this study has demonstrated that CSR is a developing concept in China and that CSR has strong untapped potential in improving rural education if the challenges are overcome. The findings will be beneficial to all stakeholders involved in delivering rural education, or people with the passion to contribute to Chinese rural education. By utilising a combination of primary data from interviews and macro information from public data, this study explains the complicated relationships among different stakeholders in rural education and examines the causes of shortfall in various

resources in Chinese rural education. This article will also help researchers understand grassroots education in rural China, a field that is under-researched, and about which scarce resources and literature exist. The authors hope that this article will set a precedent for the study of the relationship between education, rural governance, civil society and CSR in China.