

社区投资

THE STATE OF
COMMUNITY
INVESTMENT
IN CHINA

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The state of community investment in China

In Europe, volunteering is now part and parcel of most major companies' community investment programmes. We're also seeing more companies trying to measure the impact of the full suite of community investment activities rather than simply looking at inputs (hours volunteered, money raised), and use the findings to inform their approach.

With these insights from our work with European clients, we wanted to review the community investment landscape in China. To do this, we looked at the activity of 26 major enterprises with operations in China; 13 Chinese enterprises and 13 with headquarters elsewhere (Annex 1). Using publicly available information, we reviewed the community investment programmes of these 26 enterprises.

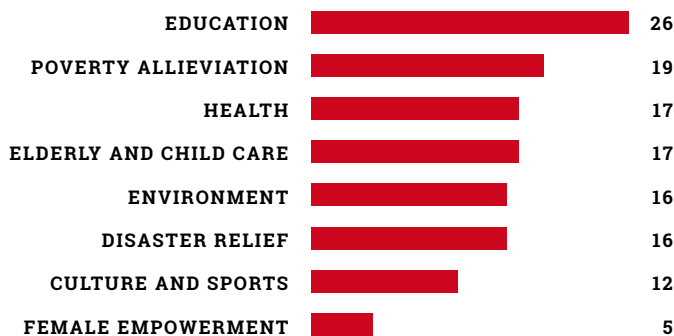
We found that community investment in China is highly influenced by the priorities of the Chinese Government. Companies, Chinese in particular, tend to invest almost exclusively in projects and causes endorsed by the Government, namely education and poverty alleviation.

Community investment in China is still largely about making cash donations or giving gifts in kind, but we're also starting to see more employee volunteering schemes with a few companies even starting to match employee skills with the needs of community groups.

Unsurprisingly, companies seem keen to partner with GONGOs (government-organised non-governmental organisations) in most of the community investment projects, with evaluation mainly based on inputs rather than actual impacts.

COMPANIES, CHINESE IN PARTICULAR, TEND TO INVEST ALMOST EXCLUSIVELY IN PROJECTS AND CAUSES ENDORSED BY THE GOVERNMENT, NAMELY EDUCATION AND POVERTY ALLEVIATION

Community investment remains largely philanthropic, rarely linked to what companies actually do



Number of companies in each focus area

Education is the most popular focus area.

All 26 companies included in our research have at least one community programme focused on education, followed by poverty alleviation. This perhaps reflects the fact that both areas are actively championed by the Chinese Government. "Develop the country through science and education" was devised as national strategy by Xiaoping Deng in 1995. The "Poverty Alleviation Plan" was launched by the Chinese Government the year before and has since been updated regularly.



Project Hope

Project Hope is a Chinese public service project organised by the China Youth Development Foundation (CYDF) and the Communist Youth League (CYL) Central Committee. Started in 1989, it aims to bring schools into poverty-stricken rural areas of China, to help children from poor backgrounds complete elementary school, to improve educational facilities and to improve teaching quality in poorer regions. By 2017, Project Hope had raised 14.04 billion RMB, helped more than 5.7 million students from rural areas and built 19,814 Hope primary schools.

© Project Hope promotion image "I want to go to school"

22 out of the 26 companies in our sample have invested in Project Hope, including all Chinese companies. Joining Project Hope is 'easy' for companies because local government across China supports the programme. Companies only need to donate funds and do not need to worry about project management, land issues, legal limitations, publicity, etc.

Poverty alleviation attracts support from all Chinese companies. All Chinese companies in the research sample, all of which are state-owned companies – invested in poverty alleviation. Six of the international companies we researched also invested in poverty alleviation. Most investments are via donations to assist local government on poverty alleviation projects.

As of February 2018, there are 585 "State poverty counties" (out of 2,851 counties) in China, mainly in the southwest of China. "State poverty counties" are specific titles for the county-level administrative districts that are partially supported by the People's Republic of China in terms of poverty alleviation. The qualifications are subject to the approval of the State Council Leading Group for Poverty Alleviation and Development.

More than half the companies invest in health-related programmes.

Projects vary from care for patient groups, donations to the Red Cross, to strengthening health facilities in rural areas. The majority of companies in the research pool have invested in care and donated to the Red Cross. Some companies, both Chinese and international, have invested in rural area health system development. For example, Samsung donated towards a medical equipment training centre together with the local government in Guizhou province in Southwest China while Ping An provided ambulances to rural areas in western China.

For **ELDERLY AND CHILD CARE** projects, more than half of the companies have carried out volunteering activities in nursing homes for the elderly and orphanages. Over half of the companies had at least one **ENVIRONMENTAL** project in their community portfolio. The activities were less about tackling strategic environmental impacts and, instead, focused on tree planting by employees (especially on Arbor Day, 12th of March every year) or environmental protection publicity and education.

JOINING PROJECT HOPE IS 'EASY' FOR COMPANIES BECAUSE LOCAL GOVERNMENT ACROSS CHINA SUPPORTS THE PROGRAMME

Examples of community investment aligned with company strategy



IKEA started the "I Care" project in 2016, aiming to reduce the number of migrant workers in their supply chain having to live separately from their children. So far, together with their supplier Dongguan MYS, Ikea has built 35 family dormitories and worked with local authorities to help the children of migrant workers get into local schools.



Lenovo has more than 3,500 employee volunteers in the Lenovo (China) Volunteers Association (LCVA). They partnered with China Social Welfare Foundation and NGOs (both international and domestic). LCVA mainly works on 4 topics, education, environment, poverty alleviation and disaster relief. The minimising digital gap project lends itself particularly well to Lenovo's core skills.

Volunteering is common, and a few companies are starting to use their skills rather than just their numbers

Nearly half of the companies carried out skills-based volunteering activities. For example, oil and gas companies had their technicians help fix motorcycles; car companies delivered traffic safety education for children; and banks provided financial skills training in rural areas.

Most of the other companies only carried out basic volunteering activities such as visiting orphanages. Some companies made donations to other social volunteer organisations or activities, instead of having their own staff doing volunteering work.

NEARLY HALF OF THE COMPANIES CARRIED OUT SKILLS-BASED VOLUNTEERING ACTIVITIES

Government-organised NGOs dominate the partnerships reflecting the lack of independent NGOs operating in China

Community investment projects in China mostly take place in cooperation with GONGOs, foundations and government agencies. This is especially true for projects closely associated with the Government, such as Project Hope. By working with GONGOs and Government agencies, companies can buy into ready-made packages carrying the seal of approval from the Chinese Government.

The following organisations were mentioned as partners by the companies covered in this report:

COMMUNITY INVESTMENT PROJECTS IN CHINA MOSTLY TAKE PLACE IN COOPERATION WITH GONGOS, FOUNDATIONS AND GOVERNMENT AGENCIES

ORGANISATION	ABOUT
<p>China Youth Development Foundation www.cydf.org.cn</p>	<p>GONGO established by the Communist Youth League of China in 1989. The foundation promotes education, science and technology, culture, physical education, health, social welfare, and environmental protection for China's youth and children. Project Hope is the biggest project from the foundation.</p> <p>Worked with all Chinese companies in this research, and Wal-Mart, Toyota, Volkswagen, Shell, BP, Samsung, Ford, Honda and General Electric. Raised 0.5 billion RMB in 2016.</p>
<p>China Social Welfare Foundation www.csweef.org</p>	<p>GONGO focusing on elderly and child care, poverty alleviation, disaster relief, social welfare education and international cooperation.</p> <p>Over 100 sub-organisations. Raised 0.56 billion RMB in 2017.</p>
<p>China Charity Federation www.chinacharityfederation.org</p>	<p>NGO started in 1994, with a strong Government connection. The first chairman of the foundation was the then Minister of Civil Affairs. It focuses on elderly and child care, poverty alleviation, disaster relief and health.</p> <p>Over 270 sub-organisations. Raised 3 billion RMB in 2017. International pharmaceutical companies are the top donors.</p>
<p>China Foundation for Poverty Alleviation www.cfpa.org.cn</p>	<p>GONGO started in 1989, focusing on poverty alleviation. Up to 2017, the foundation has raised 34.1 billion RMB (3.98 billion GBP).</p> <p>Sinopec, Samsung, Wal-Mart, Volkswagen, China National Petroleum and China Construction Bank were among the donors in 2017. Raised 0.58 billion RMB in 2017.</p>

There is no impact measurement taking place

Most of the companies we looked at can be said to take a relatively traditional approach to their community investment: focusing on cash donations, with some basic employee volunteering and, often, choosing projects or topics closely aligned with Government policy.

The assessment of these community investment projects is mostly based on input, such as the amount of donations, the number of volunteers and hours of employees. Some companies refer to the output, such as the number of beneficiaries, number of trees planted. None of the companies we looked at report on the impact of their community investment, i.e. positive changes resulting from outputs of the community investment, such as lives saved, jobs created or health improvements.

NONE OF THE COMPANIES WE LOOKED AT REPORT ON THE IMPACT OF THEIR COMMUNITY INVESTMENT

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Annex 1: companies studied in this article

COMPANY	COUNTRY HEADQUARTERS	EDUCATION	POVERTY ALLEVIATION	HEALTH	ELDERLY AND CHILD CARE	ENVIRONMENT	DISASTER RELIEF	CULTURE AND SPORTS	FEMALE EMPOWERMENT
Agricultural Bank of China	China	1	1		1	1	1	1	
Amazon.com	US	1	1	1	1		1		
Apple	US	1							
Bank of China	China	1	1	1	1	1	1	1	
BP	UK	1			1	1			
China Construction Bank	China	1	1	1	1	1	1	1	1
China Mobile Communications	China	1	1	1	1	1	1	1	1
China National Petroleum	China	1	1	1				1	
China State Construction Engineering	China	1	1	1	1	1	1		
Ford Motor	US	1						1	
General Electric	US	1	1	1	1	1	1		
General Motors	US	1	1	1		1	1	1	
Honda Motor	Japan	1				1			
Hon Hai Precision Industry	Taiwan (China)	1	1	1	1		1		
IKEA	Sweden	1	1	1	1	1	1		1
Industrial & Commercial Bank of China	China	1	1	1	1	1	1	1	
Lenovo (China)	China	1	1	1	1		1		1
Ping An Insurance	China	1	1	1	1	1	1	1	
Royal Dutch Shell	Netherlands	1			1	1	1	1	
Saic Motor	China	1	1						
Samsung Electronics	South Korea	1	1	1					
Sinopec Group	China	1	1	1				1	
State Grid	China	1	1	1			1		
Toyota Motor	Japan	1			1	1			
Volkswagen	Germany	1			1	1		1	
Wal-Mart Stores	US	1	1	1	1	1	1		1
Total		26	19	17	17	16	16	12	5