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ORIGINAL PAPER

Mapping the Level of Development of Grassroots NPOs in China

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Abstract Grassroots NPOs have emerged in China in large numbers. Although knowledge about the Chinese nonprofit sector, especially its relationship with the government is accumulating, knowledge regarding the operations of the grassroots NPOs is lacking. This study reviewed the level of development of 78 South China grassroots NPOs involving in rural education. By collecting organizational information on the NPOs' products, structure and management, governance, human resources, finance and marketing, we developed a framework to assess their capacity. Based on organizations' performance in the six domains, they were categorized into four different groups: the amateur do-gooders, the start-up charities, the grassroots in transition, and the aspiring young NPOs. We described the key characteristics of each group, and discussed how government policy and organizational leaders' attitudes influenced organizations' behavior and development. The assessment tool can be used to guide organizational capacity building in the future.

Résumé Les OBNL populaires sont apparues en Chine en masse. Bien que les connaissances sur le secteur à but non lucratif chinois s'accumulent, en particulier sur ses relations avec le gouvernement, les connaissances concernant le fonctionnement de ces OBNL populaires ne sont pas suffisantes. Cette étude a examiné le niveau de développement de 78 OBNL populaires de la Chine du sud, impliquées dans l'éducation en milieu rural. En recueillant des renseignements organisationnels sur les produits des OBNL, la structure et la gestion, la gouvernance, les ressources humaines, les finances et le marketing, nous avons élaboré un cadre pour évaluer leurs capacités. En fonction des performances des organisations dans les six domaines, celles-ci ont été classées en quatre groupes différents : les bienfaitrices

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amatrices, les jeunes organismes de bienfaisance, les organisations populaires en transition et les jeunes OBNL prometteuses. Nous avons décrit les principales caractéristiques de chaque groupe et examiné comment la politique gouvernementale et les attitudes des dirigeants d'entreprises influençaient le comportement et le développement des organisations. L'outil d'évaluation peut servir à guider à l'avenir le renforcement des capacités des organisations.

Zusammenfassung In China sind inzwischen zahlreiche Basis-Non-Profit-Organisationen hervorgetreten. Der Wissensstand über den chinesischen gemeinnützigen Sektor, insbesondere über seine Beziehung zur Regierung, wächst zwar, doch mangelt es an Kenntnissen über die Aktivitäten der Basis-Non-Profit-Organisationen. Diese Studie untersuchte den Entwicklungsstand von 78 Basis-Non-Profit-Organisationen in Südchina, die im Bildungsbereich in ländlichen Regionen aktiv sind. Wir sammelten organisatorische Informationen über die Produkte der Organisationen, ihre Struktur und ihr Management, ihre Steuerung, ihr Personalwesen, ihre Finanzierung und ihr Marketing und entwickelten ein Rahmenwerk zur Bemessung ihrer Kapazität. Die Organisationen wurden beruhend auf ihrer Leistung in diesen sechs Bereichen in vier verschiedene Gruppen eingeteilt: die Amateur-Wohltäter, die neu gegründeten Wohltätigkeitsorganisationen, die Basisorganisationen in der Übergangsphase und die ambitionierten neuen Non-Profit-Organisationen. Wir beschrieben die wesentlichen Merkmale einer jeden Gruppe und diskutierten, wie die Regierungspolitik und die Haltungen der Organisationsleiter die Handlungsweise und Entwicklung der Organisationen beeinflussten. Das Messinstrument kann genutzt werden, um den zukünftigen Kapazitätsaufbau von Organisationen zu lenken.

Resumen Las organizaciones sin ánimo de lucro de base (non-profit organizations "NPO") han surgido en gran número en China. Aunque el conocimiento sobre el sector sin ánimo de lucro chino, especialmente su relación con el gobierno se está acumulando, sigue faltando conocimiento sobre las operaciones de las NPO de base. El presente estudio ha revisado el nivel de desarrollo de 78 NPO del sur de China implicadas en educación rural. Mediante la recopilación de información organizativa sobre los productos, estructura y gestión, gobernanza, recursos humanos, finanzas y marketing, desarrollamos un marco para evaluar su capacidad. Basándonos en el rendimiento de las organizaciones en los seis campos, fueron clasificadas en cuatro grupos diferentes: los hacedores del bien amateur, las instituciones benéficas de inicio, las de base en transición y las NPO jóvenes aspirantes. Describimos las características claves de cada grupo, y analizamos cómo la política del gobierno y las actitudes de los líderes organizativos influyeron en el comportamiento y desarrollo de las organizaciones. La herramienta de evaluación puede ser utilizada para orientar la creación de capacidad organizativa en el futuro.

Keywords Organizational capacity · Grassroots · China · Organizational development

Introduction

The development of the Chinese nonprofit sector has been extensively studied in the past three decades (Kang and Heng 2008; Lu 2009; Ma 2006; Ru 2004; Shieh 2009; Spires 2011). The development of individual organizations within the sector, however, has received much less research attention. As a result, we have voluminous knowledge about Chinese nonprofit organizations (NPOs) on a sectoral/macro level but very little systematic knowledge on the organizational/ micro level. Important topics such as their management strategies, governance styles, and program impacts have been left unexplored.

Chinese NPOs, particularly those with a grassroots background, are like voluntary organizations in other countries: They are formed by groups of individuals to achieve a certain mission (Salamon et al. 2003). It is true that Chinese NPOs face unique challenges from the authoritarian government and its unfriendly nonprofit regulatory system. Nevertheless, their survival and development are also influenced by how effective they are in terms of achieving their mission. If an organization fails to achieve its mission, whether it is an internal one (member benefits) or an external one (market-based), the organization will lose its purpose of existence (Cameron and Whetten 1983; Edwards and Marullo 1995). Moreover, in China, it has been proposed that although the government is afraid of strong nongovernmental power, it tolerates and even encourages the development of voluntary organizations, as long as they help the government with welfare provision (Ashley and He 2008; Saich 2008; Spires 2011). Studies of grassroots philanthropic organizations have found that organizations with influential programs will often become absorbed by the government into the formal nonprofit system (Zhou 2011). Some studies have further shown that when organizations can occupy the social space created by the government's service gaps, they will have more leverage in negotiating with the government and can sometimes influence policy (Bentley 2004; Shieh 2009).

Hence, to understand NPOs in China, it is crucial that we explore the operations of the organizations, particularly to assess their capacity to achieve their mission. Literature on organizations and systems has identified various organizational characteristics, such as leadership and governance, structure and management, and financial stability that can help predict the effectiveness of an organization (Schuh and Leviton 2006). Researchers have further noted that these organizational characteristics are related to the organization's stage of development because at different development stages, an organization may have different priorities although its mission may remain the same (Quinn and Cameron 1983). In China, because the nonprofit sector is quite young, it is possible that the majority of the organizations are at an early stage of development. Thus, existing assessment tools may not be sensitive enough to detect the subtle differences among these organizations or to capture the unique organizational characteristics that might have been developed as a response to the unfriendly nonprofit regulatory system.

To fill the knowledge gap regarding the capacity of the Chinese NPOs, this study examined a sample of South China grassroots NPOs working in the field of rural education promotion. We collected data on their products, structure and management, governance, human resources, finance, and marketing, and developed a framework to assess their capacity and level of development. With the framework, we classified the organizations into different development levels and described the characteristics of each level.

Background

Development of Grassroots NPOs in China

Voluntary nonprofit organizations have existed in China for more than 2000 years (Zhou and Zeng 2006). Due to wars in the first half of the twentieth century and thirty subsequent years of tight communist control, these organizations disappeared for several decades and only started to reemerge when the Market Reforms brought about tremendous social and economic changes (Lu 2009; Ma 2006; Zhang 1996). The re-emergence of the nonprofit sector in China has attracted considerable political and research attention. Existing studies have revealed that the Chinese government, while eager to mobilize societal resources to help alleviate the rising welfare burden, is afraid of strong nongovernmental power (Kang and Heng 2008; Lu 2009; Ma 2006; Ru 2004; Shieh 2009; Spires 2011). Hence, it has created a nonprofit regulatory system that treats organizations with governmental, corporate and grassroots background differently: whereas the powerful government-organized groups enjoy favorable treatment such as exemption from registration, and the rich corporate-organized groups can also gain legal nonprofit status with ease, the grassroots groups are often kept out of the system—usually because they fail to meet the stringent requirements for formalness (Ma 2006). It has been estimated that several million organizations are operating without registration in China (China Daily 2011; Deng 2010; Watson 2008).

Organizations that are unregistered are considered illegal in China and can be dismantled by the government at any time. However, instead of mustering all of its police power to oppress these organizations, the Chinese government uses a strategy called "opening one eye and closing the other"; i.e., it tolerates and even encourages the grassroots NPOs that are providing much-needed social services and only selectively closes down those NPOs that challenge the authority of the government (Ashley and He 2008; Spires 2011). To survive in such an environment, grassroots NPOs have to practice self-censorship to avoid getting into conflict with the government, and/or to work in the officially designated needy areas in exchange for government support (Bentley 2004; Ru 2004). Evidence has shown that organizations that are considered to be helpful by the government may eventually be absorbed into the formal system, sometimes via the official registration channel, sometimes by becoming an affiliated entity of a public institution, and in recent years, via the government-organized nonprofit incubators (Zhou 2011).

In short, these previous studies provide us with valuable information on how the government shapes the landscape of the Chinese nonprofit sector: Among the registered NPOs, the vast majority are working in nonpolitical and nonsensitive areas (e.g., culture, education, social service, and professional associations); many grassroots groups do not have a legal identity but may eventually enter the formal system through various channels. Whether they can access these channels seems to depend on two factors: first, whether they can reach the level of formalness requested by the nonprofit regulatory system (e.g., full-time staff members, office space, financial resources, and a certain organizational structure) and, second, whether they are considered to be helpful by the government. It seems that the second factor is even more important because if an organization is considered to be potentially helpful, even if it does not yet meet the registration standard, the government can use the nonprofit incubator to help develop the organization's operations; if an organization is considered to be unhelpful, it is unlikely that the government will grant it a legal identity. In fact, the government may close it down if it feels that the "unhelpful" organization is so powerful that it may threat the government's authority.

Thus, it seems that for organizations that wish to survive and thrive in China, in addition to maintaining a good relationship with the government, it is crucial that they develop their capacity. It is through capacity development that they may improve their product quality and win the recognition of the customers, the donors, the general public, and the government. It is also through capacity development that these organizations may secure human and financial resources and establish the structures and systems requested by the registration system. Currently, there is little systematic knowledge about the capacity of Chinese grassroots NPOs. Without such knowledge, it is difficult to develop programs to help them with capacity building. This study aims to fill this knowledge gap by mapping the level of development in a sample of Chinese grassroots NPOs in terms of organizational capacity.

Assessing Organizational Capacity

Organizational capacity refers to an organization's ability to effectively achieve its mission (Sobeck and Agius 2007). Researchers have proposed that there are two levels of organizational capacity: individual expertise (i.e., the skills, knowledge, and experiences that employees and volunteers bring to the organization) and organizational procedures and resources, which permit the individuals to use their expertise (Schuh and Leviton 2006). Moreover, it has been proposed that organizational development follows a life cycle; at different stages of development, organizations have different priorities (Lester et al. 2003; Mueller 1972; Phelps et al. 2007; Quinn and Cameron 1983; Walsh and Dewar 1987). Thus, the criteria of effectiveness also change. For instance, organizations that are at an early stage of development prioritize resource acquisition and team building. Thus, an effective organization may be one that is flexible, is ready to take on new opportunities, is good at promoting employee morale, and places emphasis on internal cohesion (Bess 1998).Organizations at a relatively mature stage may focus on stability, control, productivity, and efficiency. Hence, an effective organization may be one that has a well-established management system and employs strategic planning and regular program evaluation (Quinn and Cameron 1983; Silvola 2008).

Using the organizational life cycle framework, various tools have been developed to assess organizational capacity at different development levels in both business and nonprofit organizations. Although these tools vary in terms of content and structure, researchers agree that as organizations move from start-up stages to mature stages, they tend to become more complex, formal, and sophisticated in the following domains. First, their products (programs and services) change from one or a few informal nonintegrated activities to a collection of market-based programs that are recognized by the community (Simon 2001). The process of production also becomes formalized, involving the design and implementation of work procedures, the establishment of rules and regulations, the development and adoption of manuals, and the endorsement of formal quality control systems (Hwang and Powell 2009; Lester et al. 2003; Quinn and Cameron 1983). These formal rules and procedures regarding the organization's production will replace personal considerations (Blauner 1964; Hall 1962).

Second, the structure of the organization will become more complex, increasing in both height (vertical role differentiation) and width (horizontal role differentiation) (Gumusluoglu and Ilsev 2009; Ogawa and Bossert 1995; Philip and David 1992; Quinn and Cameron 1983; Quinn and Rohrbaugh 1983). Different positions will be created to perform different duties, such as fundraising, volunteer management, and program implementation. In particular, administration and service roles become differentiated so that people will do the work that requires their highest skill levels most of the time (Schuh and Leviton 2006). At the same time, to specify the duties of the newly created divisions and how they should work together, organizations will develop certain overarching rules, regulations, or management systems (Silvola 2008; Sobeck and Agius 2007).

Third, in terms of human resource capacity, as the organization matures, its workers will develop from volunteering amateurs into full-time professionals (Jung et al. 2003; Wilensky 1964). Sometimes, the organization will have specific requirements for credentials and provide professional training and development programs (Hwang and Powell 2009). Personnel rules will be developed, providing guidelines regarding issues such as staff recruitment, appraisal, and rights and responsibilities (Davila 2005; Simon 2001).

Fourth, when organizations mature, their governance style also evolves. The way of decision-making changes from decision-making by the founder, to decision-making by a group of members, to governance by a board involving "outsiders" (Kreutzer 2009; Siebart and Reichard 2004; Simon 2001). In a way, the decision-making process becomes more participatory because it involves mutual stakeholders. It simultaneously also becomes centralized at the higher hierarchical levels within the organization, i.e., the authority for decision rests in controlling units with a small number of individuals as opposed to all members (Pugh et al. 1969).

Fifth, as organizations mature, their financial capacity becomes stronger. They progress from having unstable funding to having highly stable funding, and they diversify funding sources (Miller and Friesen 1984; Schuh and Leviton 2006). Organizations develop financial regulations to specify how funds should be received and used and how they report their financial performance to funders and the public (Moores and Yuen 2001; Simon 2001).

Finally, organizations grow to develop more sophisticated marketing strategies. Their promotional strategies will change from word-of-mouth to formal marketing plans, and public relations management procedures will emerge (Dart et al. 1996). The organization may set up a public relations department or designate some staff members to take care of related issues. With such moves, they are able to use diverse or strategic set of activities to promote both their products and their mission, and they also engage in routinized or predictable fundraising activities (Schuh and Leviton 2006).

Almost all organizational capacity assessment tools include the above six domains in various forms. The tools further assign different levels of development different features, providing detailed metrics to classify organizations into different stages (e.g., grassroots invention, start-up incubation, adolescence, maturity, stagnation, and decline) and to assess organizations' capacity in their respective development stage. Although these tools have been validated by many studies, they cannot be applied to the grassroots NPOs in China. The reasons are as follows: First, the contemporary Chinese nonprofit sector has a relatively short history of development (approximately 30 years). The grassroots NPOs have an even shorter history: Many are younger than 10 years of age. In other words, many Chinese grassroots NPOs are in the early stage of development. Thus, the existing tools may not be sufficiently sensitive to detect the subtle developmental differences among the young organizations. Hence, they would not be able to provide targeted information regarding areas that need improvement or areas that call for external intervention. Second, as discussed earlier, Chinese grassroots NPOs exist in a hazardous environment. Their illegal status prevents them from legally engaging in many activities. It is possible that the organizations develop some special features to respond to these challenges. The existing tools are not able to capture these special features, either.

To develop an assessment tool that is suitable for grassroots NPOs in China, this study adopted the existing frameworks but used a inductive strategy: By collecting descriptive data on the grassroots NPOs and comparing them with both the standards in the existing tools and with one another, we try to classify the organizations into different levels of development and provide descriptive features for the various stages of development.

Methods

This study used a mixed-methods approach, relying on both quantitative organizational data collected from organizational websites (supplemented by informal interviews), and qualitative data collected through in-depth interviews, as well as organizational documents.

Sample

The study sample came from a previous study that involved an exhaustive snowball sample of NPOs working in rural compulsory education promotion in China (Zhou

2011). The decision to limit the organization type to only rural education is twofold: First, the government has different attitudes toward different fields of nonprofit work. Charitable and social service organizations are promoted, while advocacy organizations and sometimes religious organizations may be oppressed. Rural education is a field that has received support from the government, corporate donors, and the public. The number of grassroots NPOs in the field is likely to be large and their operations are more open. This situation will provide us relatively easy access to data. Second, within charity and social services, different sub-fields have different strategies of work. For example, HIV/AIDS prevention groups and poverty alleviation groups may have different ways to raise funds and public awareness. At the explorative stage, we limit the sample to only the rural education promotion field so that we can make an easy cross-organizational comparison.

Considering the diverse political culture in China, only NPOs that work in South China (Guangdong, Fujian, Zhejiang, Jiangsu, and Shanghai) are selected. This region is believed to have a modernist identity and political culture and prefers strong civil society and minimal state interventions in social and economic affairs (Liu 2011). Furthermore, organizations that were created by government, public institutions, corporations, corporate executives, celebrities, and religious institutions were excluded. The sample consisted of only grassroots organizations, some of which are student organizations in universities. Because organizations may dissolve and new organizations may emerge, the snowball procedure was repeated in 2012. Ultimately, 78 organizations remained in the sample.

Coding Organizational Characteristics

First, we collected information from the organizations' websites, which provided descriptions on the organizations' products (e.g., program design, planning, implementation, and evaluation), structure and management (e.g., organizational rules and regulations and horizontal and vertical structure), human resources (e.g., full-time staff members and regulations for volunteers), governance (e.g., decision-making procedure and decision-making body), finance (e.g., financial resources and financial regulations), and marketing (e.g., marketing materials and marketing teams). Organizations with incomplete information were contacted. The informants were asked to describe their operation. Then, with these descriptions collected from the websites and the informal interviews, we developed codes that represent different ways the Chinese NPOs behave in each of the above domains. Some of the codes can be ranked according to the existing literature, e.g., having a clear vision behind their program design vs. having no clear vision. These types of codes were made into ordinal variables, with a lower score representing an informal method of operation and a higher score representing a more formal/sophisticated/bureaucratic arrangement. Some of the codes merely represent different ways of conducting business, e.g., evaluation via a focus group, evaluation via site visits, and evaluation via reflective diaries. These variables were treated as nominal variables. Every code was checked by three researchers to ensure inter-rater reliability.

Classifying the Organizations

The ordinal variables in each domain were summed up to obtain an overall score of each domain (Table 6 in Appendix). K-means cluster analysis was used to classify the organizations into groups (Kaufman and Rousseeuw 2005). One-way ANOVA was performed to compare the differences between each cluster in terms of products, structure and management, human resources, governance, finance, and marketing.

In-depth Case Studies

In each category, three to four organizations are selected for in-depth case studies; a total of 15 organizations were studied. Organizational founders, leaders, and other active members were interviewed to understand their perceptions of nonprofit work and their observation of the development of the organizations. All interviews were unstructured and lasted for 1–2 h. With the organizations' permission, online documents such as reflection journals, blog posts, and forum discussions were also collected to understand members' opinions on organizational capacity.

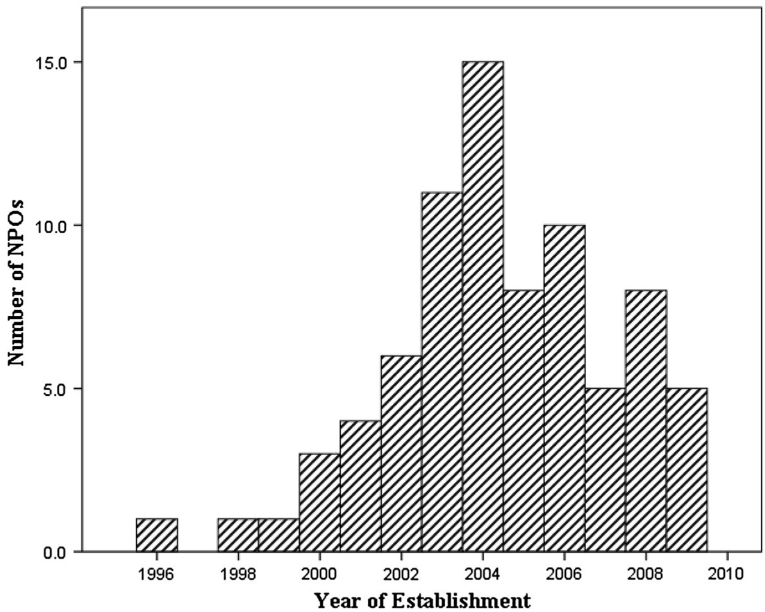

Fig. 1 Year of establishment of the included NPOs ($N = 78$)

Results

Demographics of the Sample

The sample included organizations from five South China jurisdictions: Guangdong ($n = 30$, 38.5 %), Shanghai ($n = 18$, 23.1 %), Zhejiang ($n = 14$, 17.9 %), Fujian ($n = 10$, 12.8 %), and Jiangsu ($n = 6$, 7.7 %). Guangdong, the home province for Shenzhen, which is the pioneer city in the nonprofit regulatory system reform, has the largest number of organizations. The majority of the organizations were established after 2000, with 2003 and 2004 as the peak years (Fig. 1).

Registration information was identified for 73 of the 78 organizations. A large proportion of the sample has no legal identity ($n = 30$, 38.5 %). Because the sample included many student groups, the second most commonly seen identity is the internal organization ($n = 20$, 25.6 %). Six organizations (7.7 %) are affiliated with other institutions. Sixteen organizations (20.5 %) are registered as NPOs, and one is registered as a company.

Organizational Characteristics

Products

Organizations in our sample offer a variety of programs. Those that are related to rural education promotion are illustrated in Fig. 2. This pattern of program

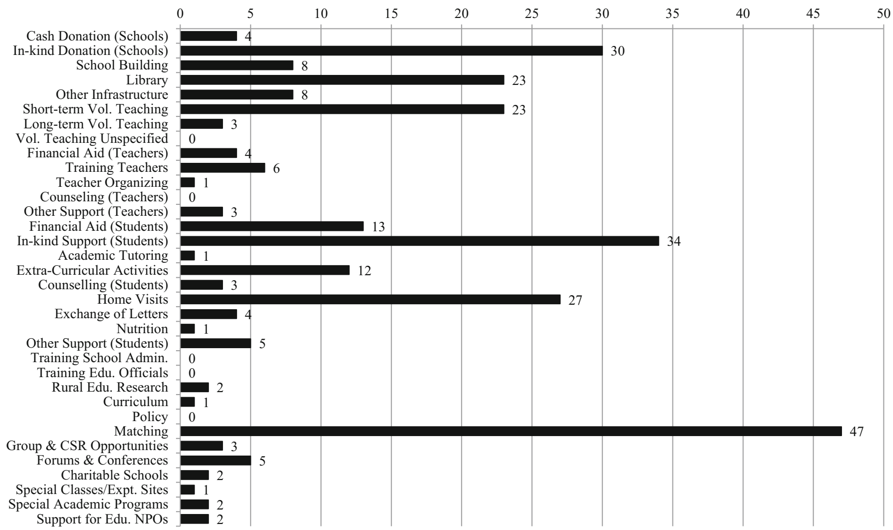

Fig. 2 Programs types of the NPOs included in this study. *Horizontal bars* show the number of organizations providing a certain type of program

Table 1 Program characteristics

Sub-domains	Characteristics	*N*	%
Number of programs	Single program	6	7.7.
	Multiple programs	72	92.3
Program type	The organization only has short-term, episodic, or ad-hoc activities.	10	12.8
	Example: *An organization calls for book donation, and deliver the books to a rural school. The program was never repeated either with the same rural school, or with a different school*		
	The organization has long-term program	68	87.2
	Example: *An organization has a rural library project. It collects books every once a while and delivers the books to one or several rural schools*		
Program design	The organization has no clear vision for its work, only ad-hoc responses to problems observed	20	25.6
	Example: *A student organization goes on a trip to rural area every summer. During the trip, they conduct some research, participate in volunteer teaching, and organize some art and cultural activities for the rural community. The organization also does environmental protection work, which is unrelated to their rural education work*		
	The organization has a population of interest or issue of concern, but there are no connections among the programs, or the organization cannot articulate the connections among their programs.	40	51.3
	Example: *An organization states clearly that they focus on the development of rural children, and they give out financial aid, books and clothing to rural students. They also participate in volunteer teaching, and help establish rural libraries*		
	Programs are connected, but do not have a conceptual framework	12	15.4
	Example: *An organization specializes in rural libraries. They collect books and deliver to the rural community. They organize reading programs, essays competitions, and sometimes, training for the teachers regarding how to promote reading*		
	The organization has a clear vision for the programs, and a conceptual framework behind their program design	6	7.7
	Example: *An organization (No. 374) states that its mission is to offer "holistic and happy education." It wants to change four aspects of the current education system, including the way teachers behave, the status of the students, the way schools develop, and the way education research is conducted. Guided by these objectives, the organization focuses on teacher training (reading, writing and self-organizing) and curriculum development (children's reading curriculum)*		
Program planning	The organization do not plan before programs	5	6.4
	The organization has some temporary planning each time before the program activities	37	47.4
	The organization has a program plan which can be replicated every time they need to implement the same program	36	46.2
Program implementation	The organization has no program implementation guidelines	16	20.5
	The organization has some simple program implementation guidelines	33	42.3
	The organization has formal written program manual	29	37.2

Table 1 continued

Sub-domains	Characteristics	*N*	%
Program evaluation	The organization does not evaluate its program	5	6.4
	The organization has some evaluation	73	93.6
	Evaluation strategies include:		
	Reflection and sharing among volunteers: $n = 68$		
	Project journal/Project report: $n = 67$		
	Site visits after the program: $n = 53$		
	User feedback: $n = 52$		
	Case review and discussion: $n = 38$		
	Qualitative field studies: $n = 40$		
	Other: $n = 6$		
	Quantitative evaluation = 0		

preference is similar to our previous study, which used a nationwide sample of grassroots organizations (Zhou 2013).

As shown in Table 1, most of the organizations in our sample have multiple programs and long-term programs. However, only a few organizations designed their programs with a clear conceptual framework. Most of the organizations engage in some type of program planning. Program implementation guidelines and program evaluations (although in rather primitive forms) are common.

Organizational Structure and Management

Forty-four organizations (56.4 %) in the sample have a written organizational charter. Sixty-three (80.8 %) have horizontal role differentiation; common divisions include a program implementation group (often more than one, if they have multiple programs), a marketing/public relations group, and a financial management group. Fifty organizations (64.1 %) have a hierarchical structure. Whether they have full-time staff members or are relying on volunteers, the majority of the organizations have someone specializing in administrative work ($n = 62$, 79.5 %).

Human Resource

Only 18 organizations (23.1 %) in the sample now employ full-time staff. The remaining organizations rely on part-time staff and volunteer labor. Forty-two of the organizations (53.8 %) have regulations for volunteers that outline volunteer recruitment procedures as well as the rights and responsibilities of the volunteers. Thirty (38.5 %) also have rules and regulations for staff members, whether full time or part time. Furthermore, 64 organizations (82.1 %) have developed something that represents the organization, such as an organizational logo, uniform, or songs, which can be seen as a type of solidarity measure.

Governance

More than half of the organizations in the sample have formal written rules regarding decision making. The majority are governed by a board or board-like entity. Furthermore, some organizations have a dual-board setting (executive board and supervisory board), which is typical in Chinese companies and also a required element of a Chinese foundation (although only one organization is registered as a company and only two organizations are registered as foundations). Even among those without a supervisory board, it is quite common for the organizations to adopt other types of accountability measures (Table 2). It should be noted that organizations in the sample have a variety of ways to make decisions. For example, 45 organizations (57.7 %) have a voting system. Some organizations have an annual meeting of the members, where they discuss various issues and take a vote. Some other organizations can call a meeting of all volunteers and vote on any issues that arise. A large organization even has a system that they describe as "similar to the National People's Congress," i.e., members in various regions elect their representatives and the representatives form a central committee to make decisions.

Finance

Although many of the organizations are not registered and therefore are not legally allowed to raise donations, organizations in the sample receive donations from individuals, corporations, and foundations (Table 3). Two of the organizations in our sample receive government funding. One is a student organization; the other is a formally registered NPO. Judging from the funding schemes, it seems that both organizations are benefiting from the local governments' recent campaign to promote volunteering.

Although only 15 organizations (19.2 %) have formal written financial regulations, 80 % of the sample has some type of guidelines regarding how to address financial matters. Twenty-seven organizations (34.6 %) have an independent financial department. Fifty-nine organizations (75.6 %) post financial reports online.

Table 2 Organizational governance

Sub-domains	Characteristics	*N*	%
Decision-making rules	No written rules regarding decision making	35	44.9
	Written rules regarding decision making	43	55.1
Governing body	No specific governing body	30	38.5
	Board-like entity	24	30.8
	Board	24	30.8
Accountability	No accountability measures	53	67.9
	With board of supervisors or other measures	25	32.1

Table 3 Source of income

Source of income	Number (%) of NPOs	Source of income	Number (%) of NPOs
Fee/donation from members	43 (55.1 %)	External individual donor	49 (62.8 %)
Corporate donor	12 (15.4 %)	Foundations	8 (10.3 %)
Charitable auction	12 (15.4 %)	Fee for service	1 (1.3 %)
Government funding	2 (2.6 %)	Other	10 (12.8 %)
Number of total sources	**Number (%) of NPOs**	**Number of total sources**	**Number (%) of NPOs**
1	42 (53.8 %)	2	20 (25.6 %)
3	12 (15.4 %)	4	2 (2.6 %)
5	1 (1.3 %)	6	1 (1.3 %)

Marketing

The majority of the organizations have marketing materials and a marketing team that is in charge of public relations (70 and 60 organizations, respectively). Thirty-eight organizations (48.7 %) have developed regulations for marketing and public relations management. Approximately, 80 % of the sample has been covered by local or national news media (either traditional or online). Twenty-four organizations (30.8 %) in the sample collect news stories about themselves, post these stories on their own websites, and use the stories to attract donors and volunteers.

Level of Development of Organizations

We calculated scores in each domain (calculation shown in Table 6 Appendix) and classified the organizations into four groups (Table 4). It should be noted that the four groups are not significantly different in terms of age. The detailed organizational characteristics of the groups are presented in Table 5.

Table 4 Levels of development

Domain	Mean scores			
	Group 1 ($n = 10$)	Group 2 ($n = 22$)	Group 3 ($n = 22$)	Group 4 (24)
Product	2.70	3.82	6.32	7.21
Structure and management	.40	3.23	2.64	3.67
Human resources	.00	1.41	1.14	2.50
Governance	.30	1.68	1.45	2.25
Finance	.60	2.50	2.50	3.17
Marketing	1.40	2.86	2.23	4.38

Table 5 Summary of four types of organizations

		Group 1 Amateur do-gooders	Group 2 Start-up charities	Group 3 Grassroots in transition	Group 4 Aspiring young NPOs
Sample size		10	22	22	24
Organizational characteristics—demographics					
Age	Mean age of the organization (SD)	9.3 (2.16)	9.82 (3.38)	9.09 (2.47)	9.88 (2.61)
Registration status (%)	Unknown	0	0	22.7 %	0
	Unregistered	70 %	31.8 %	40.9 %	29.2 %
	Affiliated entities	0	13.6 %	4.5 %	8.3 %
	Internal organizations	30 %	45.5 %	18.2 %	12.5 %
	NPO	0	9.1 %	13.6 %	45.8 %
	Business	0	0	0	4.2 %
Organizational characteristics—products (%)					
Long-term program	Short-term only	50 %	22.7 %	0	0
	Long term	50 %	77.3 %	100 %	100 %
Program design	No clear vision	50 %	50 %	13.6	4.2 %
	With a population of interest or issue of concern	50 %	50 %	50 %	54.2 %
	Programs are connected	0	0	31.8 %	20.8 %
	With clear vision, and a conceptual framework	0	0	4.5 %	20.8 %
Program planning	No planning	40 %	4.5 %	0	0
	Temporary planning before the activities	60 %	95.5 %	31.8 %	12.5 %
	A program plan which can be replicated	0	0	68.2 %	87.5 %
Program implementation	No guidelines	70 %	36.4 %	4.5 %	0
	Some simple guidelines	30 %	59.1 %	50 %	25 %
	A formal written program manual	0	4.5 %	45.5 %	75 %

Table 5 continued

		Group 1 Amateur do-gooders	Group 2 Start-up charities	Group 3 Grassroots in transition	Group 4 Aspiring young NPOs
Program evaluation	No evaluation	20 %	9.1 %	4.5	0
	Some evaluation	80 %	90.9 %	95.5 %	100 %
Organizational characteristics—structure and management (%)					
Vertical	Hierarchical structure	0	81.8 %	54.5 %	87.5 %
Horizontal	Division of labor	20 %	86.4 %	81.8 %	100 %
Charter	A written charter	0	68.2 %	40.9 %	87.5 %
Admin role	Staff/volunteer specializing in administration	20 %	86.4 %	86.4 %	91.7 %
Organizational characteristics—human resources (%)					
Staff	Full-time staff	0	18.2 %	13.6 %	45.8 %
Volunteer Recruitment	Open (no restriction, no application)	70 %	18.2 %	45.5 %	16.7 %
	Semi-open (application or referral needed)	10 %	50 %	36.4 %	75 %
	Closed (only allow certain individuals to join)	0	18.2 %	4.5 %	0
	Other	20 %	13.6 %	13.6 %	8.3 %
HR rules	Regulations for staff and/or volunteers	0	68.2 %	40.9 %	83.3 %
Solidarity	Organizational logo, uniform, song, and others	30 %	81.8 %	90.9 %	95.8 %
Organizational characteristics—governance (%)					
Decision making	With written decision-making rules	0	54.5 %	40.9 %	91.7 %
Governing body	No specific governing body	100 %	40.9 %	40.9 %	8.3 %
	Board-like entity	0	27.3 %	45.5 %	33.3 %
	Board	0	31.8 %	13.6 %	58.3 %
Accountability	With accountability measures	0	27.3 %	13.6 %	66.7 %

Table 5 continued

		Group 1 Amateur do-gooders	Group 2 Start-up charities	Group 3 Grassroots in transition	Group 4 Aspiring young NPOs
Organizational characteristics—finance					
Source of income	Fee/donation from members	70 %	68.2 %	50 %	41.7 %
	External individual donor	10 %	54.5 %	72.7 %	83.3 %
	Charitable Auction/yard sale	0	18.2 %	0	33.3 %
	Corporate donor	0	9.1 %	9.1 %	33.3 %
	Foundations	0	0	4.5 %	29.2 %
	Government funding	0	4.5 %	0	4.2 %
	Fee for service	0	0	0	4.2 %
	Other	20 %	13.6 %	0	20.8 %
Financial diversity	Single source	100 %	59.1 %	68.2 %	16.7 %
	Two sources	0	13.6 %	27.3 %	45.8 %
	Three sources and above	0	27.3 %	4.5 %	37.5 %
Financial dept.	With specialized financial department	0	27.3 %	9.1 %	79.2 %
Financial rules	Written financial regulations	0	13.6 %	4.5 %	45.8 %
Financial disclosure	Online financial disclosure to the public	40 %	77.3 %	72.7 %	91.7 %
Organizational characteristics—marketing (%)					
Marketing materials	Marketing materials, such a pamphlets	50 %	90.9 %	95.5 %	100 %
PR dept.	With specialized public relations department	10 %	77.3 %	81.8 %	100 %
PR rules	Regulations regarding public relationship	0	50 %	40.9 %	75 %
News	Collection and display of news articles	0	31.8 %	31.8 %	41.7 %
List of pseudonyms for organizations presented in the paper					
		Together for future	F-University Charity Club	Envelope; Bridge	Wheat; simple help; happy aid

Group 1: The Amateur Do-gooders

This group is primarily composed of outdoor activity clubs, for which rural education promotion is only one type of activity they engage in while hiking, trekking, or going on a trip by car. Hence, for them, charity is also leisure. The programs they choose are of low skill-level, such as book donations, cash donations, and rural home visits. This group engages in minimum planning for their program and often plan right before the activity. Although they do conduct some evaluations, the form of the evaluations is merely personal reflections (used by seven of the ten organizations). The expenses of the activities are shared among the members; cash and in-kind donations to the rural communities are also made the by members and their families. As a result, there is little need to engage in fundraising or formal fund management. These organizations tend to have an open and fluid membership: whoever wants to participate in an activity can come; there is no regulation for volunteers and no requirement for commitment. These organizations do not even aspire to become a formalized NPO (yet).

There is one exception in this group. Together for Future (pseudonym) once tried to formalize and even establish a board, which lasted for 1 year and a half. “We established various rules and regulations and tried to manage our team with these rules,” the leader told us in the interview. However, this arrangement “confused the volunteers and burdened them psychologically.” Neither did the new arrangements improve the organization’s performance. Hence, they decided to dismiss the board and go back to their “mom-and-pop-shop mode.” “We do not care about the ‘form of the organization’ now.” said the leader, “We are actually more efficient and happy now than before when we had the board.”

Group 2: The Start-up Charities

Group 2 consists primarily of two types of organizations: loosely connected volunteer networks and university student groups. There are also a few outdoor clubs, or to be accurate, the “charity sub-groups” in the outdoor clubs. Unlike the Group 1 organizations, which are set up for the purpose of leisure, Group 2 organizations are established by individuals who wish to contribute some time and money to promote social development and identify themselves as charities, philanthropic organizations, or volunteer associations. Compared to Group 1, Group 2 organizations on average are significantly more mature in all domains ($p < 0.1$ for products and $p < 0.05$ for all the other domains).

Many of the Group 2 organizations seem to be undecided about their focus of work and have not yet developed a mission for their groups. They engage in a variety of activities, such as visiting nursing homes and orphanages, picking up garbage in the city, raising funds for disaster relief, giving out financial aid to rural children, and teaching short-term in rural schools or urban schools for migrant children. Although the contents of the activities are similar to those of the Group 1 organizations, the Group 2 organizations have routinized these activities: Instead of a one-time clothing donation, they would have an annual clothing drive; instead of picking a village to visit based on the hiking plan, they would go volunteer teaching in the same school every summer. However, despite the long-term nature of the programs, none of the Group 2 organizations have long-term program planning. They engage in temporary planning each time before an activity. Only one organization has developed a written program manual. Most Group 2 organizations conduct some type of evaluation. The most commonly used types are personal reflection (18 of 22) and program journals (19 of 22). It should be noted that most of these so-called evaluations are about volunteers' personal gains rather than the program's impact on rural education. Leaders and members of Group 2 organizations, when interviewed, also tended to talk about "what they want to do" and "what they gain from participating in the programs" rather than "what the rural children need" or "what the rural children will get from the program." For instance, leader of F-University Charity Club told us that his organization would love to develop a volunteer teaching program because it would allow the volunteers to "experience the life in rural western China." Hence, in a sense, Group 2 organizations are promoting "self-development" rather than rural education.

As shown in Table 5, the vast majority of the organizations in Group 2 have a written organizational charter, division of labor, and a hierarchical structure. Approximately, half of them are governed by a board or a board-like entity and have written decision-making rules. Such a high level of formalness could be an artifact of the composition of the sample because university student groups are under the supervision of the university, and they have to follow some type of organizational format. Furthermore, some of the loosely connected organizations are affiliated entities and thus have to follow the operation guidelines of their hosting organizations.

Group 2 organizations tend to have some requirements for their volunteers/members. The majority have some type of member/volunteer recruitment procedure, such as application forms, referrals by members or teachers, and interviews. Eighteen organizations (81.8 %) in the group have regulations for volunteers or staff. As a result, Group 2 organizations' membership is more stable than Group 1. However, many student organizations in this group can only keep members in the organization for as long as they are students at the university. Thus, they still have fluid membership and leadership. This situation might explain why they do not engage in long-term planning despite having a long-term program.

In Group 2 organizations, members still share some of the program expenses and make donations to rural children. Nonmembers have also become an important source of income. Two organizations even received donations from corporate donors. Some organizations also tried to hold auctions or yard sales to raise funds. As shown in Table 5, to raise funds and promote their work in society, Group 2 organizations have invested significant efforts into marketing. Because there is now public money involved, and maybe large sums of funds, Group 2 organizations have to show that the funds are used appropriately. Nineteen organizations (86.4 %) in this group have some regulations regarding organizational finance, three (13.6 %) have formal written financial regulations, and six (27.3 %) have independent financial departments. Seventeen organizations (77.3 %) make financial disclosure online.

Croup 3: The Grassroots in Transition

Group 3 is very similar to Group 2, except Group 3 scored significantly higher in product ($p < 0.05$) and slightly lower in human resources ($p < 0.05$). The lack of differences in management, governance, finance, and marketing between Groups 3 and 2, and Group 3's slightly lower score in human resources could be an artifact of the composition of the sample: Compared with Group 2, there are significantly fewer student groups or affiliated organizations in Group 3, but more unregistered groups. This situation could indicate that whereas Group 2 might be forced by their hosting organizations to adopt some formal practices, Group 3 organizations are actively formalizing themselves. Some have just gained formal nonprofit status; some are looking to enhance their capacities to meet the standards.

Group 3 organizations are keenly aware of their charitable mission and emphasize program impact. This awareness is well reflected in the relatively higher performance in all sub-domains of their products (Table 5). Unlike interviewees from Group 2, Group 3 volunteers/staff members, when interviewed, tended to talk about various strategies they employed to improve their program quality and operational efficiency. For example, Envelope (pseudonym) is an organization that supports rural students by connecting them to college pen pals. We interviewed their project coordinator, who introduced us to their "letter exchange" system:

> "Centralized Mail" is a system that asks all ambassadors (the college pen pals) to submit their letters to their team leader, who will in turn give the package of letters to our supervising teacher. The teacher will mail all the packages through a private courier (to the rural school). We used to require all ambassadors use this system for the first year and then commutate with the rural children on their own. Now, we have extended the requirement to 2 years. The reason is that packages mailed through a private courier are less likely to get lost. The Centralized Mail system will reduce the chance of losing connection between our ambassadors and the children.
> The same coordinator also talked about establishing a database so that they could keep track of their cases with the names of children, the initial needs assessment record, the outgoing date of the letters, arrival date of the letters, and so on.

For Group 3 organizations, it seems that service quality is the most important thing in their work. The other domains that we measured in the study, such as management and governance, only become a concern if they interfere with quality control. Envelope, for example, is a university student organization. When it started, it was probably like any Group 2 organizations: Several students won a prize in a social innovation project competition and started their pen-pal project. After a couple of years, the project had grown out of their control: First, their volunteer membership grew from only one campus at one university to several universities in the same city. The organization did not have the capacity to handle students from other universities, which have different cultures and different ways of doing things. The organization could not even handle multiple campuses in their own university.

Second, as the founders themselves were graduating, they realized there was a “fatal shortcoming” of the university student group: They did not have consistency among their members or leaders. When their designated campus leader graduated, sometimes they were forced to close the team of that campus. The leaders thus started to question themselves: What would happen when they themselves graduate? How could they let the organization continue to exist? After attending some training, they decided to formalize the organization, standardize the program operations, and institutionalize the management and decision-making rules. They established a board and later a secretary department to manage the coordination of different teams and projects. In 2012, when the government changed its registration policy, Envelope registered and became an NPO.

A different organization, Bridge (pseudonym), had also tried various strategies to improve its services. The founder proposed that maybe they should try to obtain legal nonprofit status so that they might be able to raise more money and help more children. This proposal received support from some members of the organizations, but other members were rather indifferent. One of our informants, who described herself as “a fervent follower” of the founder, said

> A group of us felt that we do not care about organization or structure… If you think seeking registration is good for the children, we follow you and support you. If you think after registration, Bridge will face more restrictions, lose flexibility, and may not be able to help children as freely as we want, then do not register.

In the end, the founder decided not to pursue registration now. She said

> The idea was good, the proposal (to register) was good, too, but reality might be different. Especially now, Bridge’s vision, staff capacity and internal solidarity may not have reached the level (of a formal organization) yet. I have to rethink. If we are not yet at that level, and I force it, it will be problematic. We’d rather remain unregistered and engage in more self-development.

Group 4: The Aspiring Young NPOs

Compared with Group 3, Group 4 has a higher capacity for product ($p < 0.1$), structure and management, governance, human resources, finance ($p < 0.05$), and marketing ($p < 0.1$). Twelve out of the 16 legally registered NPOs are in this group. The mean time between the organizations’ establishment and registration is 6 years (standard deviation $= 2.9$), with one organization taking as long as 11 years to enter the system. Like Group 3 organizations, Group 4 organizations have a clear vision for their rural education promotion work. Informants shared with us various strategies they employed to ensure program quality. Their strategies are well reflected in their product scores. However, unlike Group 3 organizations, which focus only on product quality, Group 4 leaders also have a vision for the development of their organizations.

Wheat (pseudonym), for example, was established in 2004 and registered in 2010 as a foundation. It has close to 80,000 members and over 7500 licensed volunteers from all over China. To keep a high volunteer morale, the organization invests considerable efforts into volunteer development. Their project manager, when interviewed, explained that "love" is at the center of their organizational culture. Through various activities, they help their volunteers understand different stages of love, which include being grateful for having the opportunity to express love; loving oneself, one's family, and the organization; and promoting Wheat's work to people around them. Simple Help (pseudonym) was established in 2002 and registered in 2013. The founder said that the organization would like to be "a professional agency with a public team"; i.e., it would hire professionals to develop programs and recruit volunteers to carry out the programs. To attract high-quality workers, the founder aspires to make Simple Help a "proper work unit (a pre-market reform term, referring to a public institution)" that is comparable to any other respectable employers. These organizations' awareness in self-development suggests that their formalness is not only a result of passively meeting the requirement of the registration system but also a reflection of their active efforts to achieve organizational sustainability.

Furthermore, unlike the Group 3 organizations, which are only concerned with rural education promotion work, Group 4 organizations sometimes believe that they also have the responsibility to promote nonprofit development in general. Wheat, for example, established a program to help other grassroots groups with team building. Envelope is one of Wheat's grantees. Another organization, Happy Aid (pseudonym), used various occasions to advocate to the government that the nonprofit registration policy should be changed. The founder told us that he once suggested to the provincial government that to respond to the central government's call for social development, the provincial government should evaluate the city and county governments by counting the number of newly registered social service organizations each year. Such a strategy was indeed adopted as a measure for social development in some jurisdictions, forcing local governments to open the gate for registration for grassroots NPOs.

Discussion and Conclusion

In this study, we presented extensive organizational data on Chinese grassroots NPOs. This is among the very few quantitative studies that look at Chinese NPOs' operations, and the first to map out the Chinese grassroots NPOs' products, structure and management, human resources, governance, finance, and marketing strategies. With the data, we developed criteria to assess grassroots NPOs' level of development. Using the assessment tool, we identified four different groups and described their respective characteristics. Most of the organizations in our sample can be accurately classified into the four groups.

It should be noted that although we used the organizational life cycle theory to help develop the assessment tool, researchers have suggested that organizational development may not always follow a life cycle (Dart et al. 1996; Miller and Friesen 1984), and our findings seem to confirm this position. First, in our sample, an organization's level of development is not directly related to its age. Previous studies have suggested that organizations that are established to meet members' needs are less likely to formalize than organizations that are established to meet the needs of nonmembers or to influence society (Abel 1986; Panet-Raymong 1987). These explanations seem to hold true for our sample: The Group 1 organizations are established to benefit their members, and the Group 2 organizations, despite their written mission, are largely member benefitting. It is possible that with the change of mission, the organizations may change their practices, resulting in the change of group membership: For example, in the sample, the charity sub-groups of outdoor clubs are in Group 2. It is likely that they have migrated from Group 1.

Second, in our sample, organizations may move backwards from a more formalized stage to an informal stage. Some researchers have proposed that when members of an organization prefer solidarity, democratic decision making, and financial independence, rather than efficiency and money, the organization is likely to remain intimate, small, and informal (Riger 1984). However, in our sample, the organization, Together for Future, tried the formal practice and decided to go back to an informal structure, not because they wanted intimacy, but because they wanted efficiency. Of course, what they said they wanted may not be what they could actually achieve. Future studies could examine how organizations move from one group to another (both forward and backward) and identify the factors that facilitate or hinder the maturation of organizations.

Usually, as existing studies suggest, an organization's capacity for management, governance, human resources, finance, and marketing will influence its ability to provide quality services (Schuh and Leviton 2006). In most cases in our sample, the observations seem to confirm those of previous studies. Furthermore, our findings seem to suggest that for grassroots NPOs in China, the desire to improve their program impact is the driving force behind formalization. Organizations would try different strategies to enhance their capacity so long as it would help improve program effectiveness and efficiency. However, we also found that some organizations, such as the university student groups, seem to have a higher capacity for management, governance, human resources, finance, and marketing than the outdoor clubs. Because these formal features were forced onto the organizations, they do not seem to have a strong impact on the programs. Additionally, we found that the relatively mature NPOs not only are concerned about their programs but also take on the responsibility of promoting the development of the nonprofit sector. This finding was not included in our measurement metrics. In the future, the assessment tool can be revised to include this element.

Our study includes only the culturally liberal and economically developed South China jurisdictions. These are also the jurisdictions that have implemented the new nonprofit registration policy. Twelve out of the 16 legally registered NPOs in our sample registered after the new policy was introduced in their respective jurisdictions. Hence, it seems that the government's attitudes toward nongovernmental power have a significant influence on an organization's chances of obtaining a legal identity. Nonetheless, many organizations in our sample do not have a legal identity. The amateur do-gooders do not seem to care. Other organizations are sometimes not even aware that they are technically illegal. Even among those who know that they are "breaking the law," they do not seem to worry; i.e., they do not invest time or energy into exploring ways to obtain a legal identity. Simple Help, for instance, was registered in 2013. As early as 2007, some proposed that they could try to register or else their lack of legal identity may cause trouble for them. Simple Help's founder, however, brushed this proposal aside and answered: "Legally or illegally, we will do it. Whether we can register or not, the capacity of the team is the most important thing." Simple Help thus used the years that followed to enhance their capacity, and became the most influential NPO in the province.

The organizations' lack of concern about their legal (or rather, illegal) status and strong belief in capacity building said at least two things about the Chinese government's nonprofit regulatory system. First, as previous studies have already noted, the government has a high tolerance for illegal organizations, as long as they are perceived as helpful (Spires 2011). Second, the government expects the grassroots NPOs to reach a certain capacity level before they can be considered for the formal system; and the NPOs seem to agree. Thus, it is not surprising that it takes an average of 6 years for a grassroots NPO to formally register with the government. One of our informants commented that the government's way of managing emerging NPOs was the same as their way of managing emerging private enterprises in the 1980s and 1990s: In a free and competitive marketplace, only the fittest would survive. In various jurisdictions now, there are nonprofit incubators that have a mission to help grassroots organizations with capacity building. The influence of such a scheme is yet to be evaluated. In our sample, only one organization obtained its nonprofit status through the incubator. However, prior to entering the incubator, the organization already had a charter, a board, office space, and full-time staff members. In fact, entering the incubator was part of their strategic plan for development. Therefore, it seems that both the government and the NPOs believe that the development of the nonprofit sector depends on the NPOs' actively pulling themselves up by their bootstraps.

The fact that (some of) the NPOs can pull themselves up by their bootstraps implies that without legal status, the organizations can still access the market (e.g., implement their programs), mobilize resources (e.g., recruit volunteers and raise donations), and compete and/or collaborate with other entities (e.g., public institutions and formally registered NPOs). Wheat, for instance, raised RMB 2 million to register as a foundation. Simple Help, before gaining legal NPO status, was invited to provide training for the government. In a time when the public's trust in formally registered charities is dropping (China Charity Information Center 2011), how could the illegal organizations present themselves as trustworthy entities? One observation in our study is that except for amateur do-gooders, all other types of organizations seem to have a high capacity for marketing and public relation management. Moreover, online financial disclosure also seems to be a common practice, which gives an impression that these grassroots organizations are transparent and trustworthy. Future research may want to systematically look into the organizations' strategies to gain legitimacy without a legal identity.

To conclude, although our study is only based on South China organizations working in the area of rural education promotion, considering the Chinese government's attitudes toward social service and charitable groups, the findings may be generalized to all types of social service or charitable grassroots NPOs in other jurisdictions in China. Moreover, our methodology can be used to study grassroots organizations in other countries. In fact, China is not the only country in the world with a large number of unregistered grassroots organizations. Around the world, the majority of the voluntary organizations are unregistered grassroots groups (Smith 2000, 2010). These organizations are informal and unregistered not because those countries have unfriendly registration systems, but because they are in the early stage of development, and do not see the necessity to gain formal recognition, or do not yet meet the relevant requirement for registration. However, unfortunately, existing studies on social service and charitable organizations have not paid enough attention to this "dark matter" (Cornforth 2012; Grønbjerg et al. 2010; Smith 1997). Although we know that with time, some organizations will grow larger and more complex and become paid-staff nonprofits, we do not know much about the different stages that lead to such a transformation, or the characteristics of organizations at each development stage.

The framework developed in this paper is useful not only for understanding maturity in grassroots NPOs but also for detecting changes in maturity levels. For grassroots NPOs that wish to enhance their own capacity, the proposed framework will help them identify areas that need improvement. More importantly, in China, although the government has provided clear guidelines for registration, which primarily have to do with governance, finance, management, and human resources, our work identified that the major difference between the mature organizations and the less developed organizations is their capacity to carry out programs. Most of the grassroots social service and charitable groups in China are eager to improve their programs and understand that this improvement will be the crucial thing for them to win a ticket into the formal system (or the nonprofit incubator); our findings thus provide guidelines for program development. In the future, it might be helpful for the academic community and the nonprofit sector to work in collaboration to conduct case studies on successful programs. The cases, together with key points for best practice, can be circulated to the aspiring grassroots NPOs to help them improve their program management.

Lastly, we would like to clarify that even though we used the concepts of capacity and maturity in the proposed framework, we are not arguing that a higher level of maturity (as defined in this framework) is more desirable for all organizations. Globally, it has been observed that the volunteer-run charitable organizations are increasingly turning into formal NPOs run by professionals (Hwang and Powell 2009). Critical scholars pointed out that such as trend could be one of the manifestations of the hegemony of neoliberalism (Baillie Smith and Jenkins 2011; Bondi and Laurie 2005; Clarke 2009). Grassroots organizations that are once organized by the people and for the people could become "the shadow state," facilitating the extension of governance in the context of less government (Alvarez 2009; Edwards and Hulme 1996; Townsend et al. 2002; Tvedt 1998; Wolch 1990). In China, too, while the government is promoting professionalization of grassroots NPOs, and is making registration easier for them, it is not opening the gate for registration for advocacy and social movement groups. Our framework is developed mainly for social service and charitable organizations (rather than social movement groups), and the categorization in the framework merely reflects different forms of organizational operations. As our data show, organizations may choose to remain in one stage for a long period of time, or even move "backwards," as long as the members are satisfied with the arrangement. We believe that members of an organization should be empowered to choose the products, structure and management, human resources, governance, financial resources, and marketing strategies that best suit their shared vision, rather than being forced to submit to the agenda of donors or the government.

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Appendix

See Table 6.

Table 6 The calculation of scores

Variable	Operationalization	Score
Product		
Long-term program	The organization only has short-term, episodic, or ad-hoc activities.	0
	The organization has long-term program	1
Program design	The organization has no clear vision for its work, only ad-hoc responses to problems observed	0
	The organization has a population of interest or issue of concern, but there are no connections among the programs, or the organization cannot articulate the connections among their programs.	1
	Programs are connected, but do not have a conceptual framework	2
	The organization has a clear vision for the programs, and a conceptual framework behind their program design.	3
Program planning	The organization do not plan before programs	0
	The organization has some temporary planning each time before the program activities	1
	The organization has a program plan which can be replicated every time they need to implement the same program.	2
Program implementation	The organization has no program implementation guidelines	0
	The organization has some simple program implementation guidelines	1
	The organization has formal written program manual	2
Program evaluation	The organization does not evaluate its program	0
	The organization has some evaluation	1
Structure and management		
Charter	The organization has no written charter	0
	The organization has written charter.	1
Horizontal Differentiation	The organization has no division of labor	0
	The organization has division of labor	1

Table 6 continued

Variable	Operationalization	Score
Vertical Differentiation	The organization has flat structure	0
	The organization has hierarchical structure	1
Administration	The organization has no specific administration staff	0
	The organization has staff/volunteer specializing in administration	1
Human resources		
Staff	The organization has no full-time staff	0
	The organization has full-time staff	1
HR rules	The organization has no regulations for volunteers/staff	0
	The organization has regulations for volunteers and/or staff	1
Solidarity measures	No solidarity measures	0
	The organization has logo, uniform, songs, etc., that represents itself	1
Governance		
Decision-making rule	The organization has no written rules regarding decision making	0
	The organization has written rules regarding decision making	1
Governing body	The organization has no specific governing body	0
	The organization has a board or a board-like entity	1
Accountability	The organization has no accountability measures	0
	The organization has a board of supervisors or other measures	1
Finance		
Financial diversity	The organization has only one source of income	1
	The organization has two sources of income	2
	The organization has three or more sources of income	3
Financial department	The organization has no financial department or staff specializing in finance	0
	The organization has a financial department or staff specializing in finance	1
Financial regulations	The organization has no written financial regulations	0
	The organization has formal written financial regulations	1
Financial disclosure	The organization does not disclose financial matters to the public	0
	The organization discloses financial matter to the public	1
Marketing		
Marketing materials	The organization has no marketing materials	0
	The organization has some marketing materials, such as pamphlets, or posters	1
PR department	The organization has no public relations department or staff specializing in public relations	0
	The organization has a public relations department or staff specializing in public relations	1
PR rules	The organization has no regulations regarding public relationship	0
	The organization has regulations regarding public relationship	1

Table 6 continued

Variable	Operationalization	Score
News	The organization does not collect or display news articles about itself	0
	The organization collects and displays news articles about itself	1

Even though we have collect information on the number of programs an organization offers, since the majority of the organizations have multiple programs, we did not include this variable in the calculation

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