

# *Exploration on the Sustainable Development of Private Charitable Activities under the Auspices of Clan Associations*

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**Abstract:** In recent decades, lineage associations have continued to be active at various levels of society in the southeastern region of Guangxi as an important civil organization. Under the auspices of their respective lineage associations, many surnames have carried out activities such as building new ancestral halls, revising genealogies, grave-sweeping and ancestor worship, as well as awarding scholarships and honoring the elderly. The sustainable development of charitable activities under the name of lineage associations is closely related to fundraising, especially since scholarship and elderly honor programs require a certain amount of financial support. Fundraising and its management are key to understanding the charitable activities and sustainable development of lineage associations. The ways in which lineage associations raise funds include membership fees, social donations, and corporate sponsorships. The raising and use of these funds not only relate to the daily operation of lineage associations but also ensure that their charitable activities can continue, allowing them to play a role in social, cultural, and economic fields.

## **1. Introduction**

The development of modern clan organizations has undergone significant changes, retaining traditional organizational forms while also evolving to create models that are more suitable for current social development. After the reform and opening-up policy, the state gradually eased its management of traditional culture and civil organizations, leading to a resurgence of private clan organizations and clan activities. Additionally, influenced by overseas Chinese seeking their ancestral roots through clan associations, various surnames began to establish surname-based clan associations<sup>[1]</sup>. Their activities in China include fostering overseas and domestic friendships, conducting academic and cultural activities such as surname research, compiling genealogies, and seeking ancestral roots<sup>[2]</sup>. The activities of clan associations in southeast Guangxi are no exception, encompassing sacrifices, scholarships, and respect for the elderly. Firstly, sacrifices are conducted to fulfill cultural inheritance and clan cohesion by worshipping ancestors. Secondly, scholarships are awarded. The scholarship systems of various clan associations are similar, with the establishment of scholarship societies and the formulation of relevant rules, implemented by specialized departments. These scholarships aim

to encourage and support scholars within the clan, cultivate talent, and enhance the clan's image. Thirdly, respect for the elderly is demonstrated through various activities, which not only provide financial assistance but also distribute gifts to the elderly.

In recent years, scholars from various disciplines have taken note of the charitable and commercial activities of clan associations. For example, from an anthropological perspective, Chen Xiahan conducted research on surname-based groups in southern Fujian, exploring their organizational structure, social functions, and the social reasons for their emergence. She believes that the activity of clans is a result of the convergence of geo-based interests and merchant interests<sup>[3]</sup>. Pan Shuzhen and Wang Hong point out that the development of family businesses cannot be separated from the support of clan relationship networks, and the strengthening of their economic functions reflects the family consciousness of Chinese people<sup>[4][4]</sup>. From an administrative perspective, He Donghang and Huang Meiyuan note that overseas Chinese not only participate in public welfare undertakings in their hometowns, but also integrate into local economic and trade activities, earning significant economic profits<sup>[5][5]</sup>. Zhou Peidong and Han Qi believe that clan organizations have social mobilization and resource integration functions, and their "intermediate sociality" between the state and individuals is continuously increasing<sup>[6]</sup>. From a sociological perspective, Chen Wanting classifies folk charitable organizations into those based on kinship and those based on geographical origin. Their activities include honoring the elderly, education, and assisting the needy, with initial funds obtained through personal donations and fund transfers. They increase their capital through methods such as preserving the principal and earning interest, investing to increase income, and additional donations<sup>[7]</sup>. Zhang Siying and Sun Yanfei mention that clan associations take scholarship foundations as an opportunity, with local elites spontaneously organizing and establishing clan associations aimed at creating a liaison platform for political and business elites with a wide social network<sup>[8]</sup>. After drawing on theoretical and research findings from different disciplines on the charitable and commercial activities of clan associations, the author directs their focus to southeast Guangxi. They find that the phenomenon of clan associations in this region shares similarities with existing research but also has unique regional characteristics. As a form of social relationship, clan associations are not only used by businessmen to expand their connections and business circles, but they also influence personal economic decisions. Exploring the fund-raising and operational methods of clan associations is also a process of exploring their development and practice, and is key to understanding the charitable activities and sustainable development of clan associations. Based on a year and a half of field research in the Yulin area, the author notes that local clan associations face challenges in sustainable development and will analyze various fund-raising methods, aiming to provide a reference for the sustainable development of clan associations in the Yulin area and even clan associations in modern society.

## **2. The Legality of Fundraising by Clan Associations**

Clan associations rely on funding to support their main activities, such as scholarships, respecting the elderly, and ancestral sacrifices. To ensure that these activities are conducted in a legal and compliant manner, clan organizations take a series of measures to guarantee the legality and transparency of their funding sources. The prerequisite for this is legal registration and filing with the Civil Affairs Bureau. Although the Ministry of Civil Affairs does not directly recognize organizations in the form of clan associations, organizations with a clan association format can obtain legal registration by altering their organizational nature and activity content.

These organizations need to obtain approval from the competent business authorities, including drafting compliant organization names, formulating constitutions, appointing responsible persons, outlining purposes, and defining business scopes. The registered names of these organizations often

appear in the form of surname culture research societies, such as the "Yulin Wen Tianxiang Historical and Cultural Research Society" established by the Wen clan in Yulin in 2015, the "Yulin Zengzi Culture Research Society" established by the Zeng clan in Yulin in 2013, and the "Yulin Zhuzi Society" established by the Zhu clan in Yulin in 2007. Only socially recognized groups that have undergone legal registration with the Civil Affairs Bureau are qualified to legally raise funds within the scope of their business activities. Otherwise, organizations that operate in the name of social groups but have not undergone legal registration will be illegally disbanded by relevant departments as non-social group organizations. In most cases, due to issues such as missing procedures, non-compliant names and forms, and organizational methods, clan associations are not always able to obtain legal registration as desired. However, as informal social organizations, they internally select trustworthy managers to oversee the clan association, learn from other legally registered clan associations, draw lessons from their standardized management methods, establish leadership teams for different departments, and set up charitable foundations. These clan associations are often smaller in scale and conduct fewer activities. Besides scholarships and ancestral sacrifices, they do not organize other activities that bring clan members together. Instead, they primarily continue the functions of traditional clan organizations, such as compiling genealogies and repairing ancestral halls.

Legally registered and filed clan associations possess standardized organizational leadership structures and financial management practices. Even clan associations that have not successfully registered will establish councils. Council members are mostly retired employees who have previously served in government departments, schools, and other institutions. They not only possess educational qualifications, have financial security and free time, but also enjoy a certain reputation among clan members. Especially retired employees who once served as leading cadres in government departments, their years of government work experience have made them more familiar with laws and policies, understand how to handle the relationship between the development of clan associations and the law, and are also more adept at dealing with relationships with local functional departments and leaders. In terms of collecting and organizing information about surname culture and clan associations, they can issue more formal, complete, and comprehensive documents. At the same time, relying on the connections, horizons, and reputation accumulated by retired cadres, they can mobilize more clan members to participate in the clan association and support its endeavors. These factors not only legitimize the fundraising methods of the clan association but also enhance its credibility, attracting more people of the same surname and clan to participate in and support the clan association.

### 3. Ways of Fundraising for Clan Associations

Based on the information gathered from field investigations conducted by the author in the southeastern Guangxi region, there are currently three main ways of fundraising for local clan associations:

The first method involves clan association members pooling their resources to jointly establish companies or enterprises, which maintain the operation of ancestral halls and various activities of the clan association through industrial operations. Such clan associations have relatively stable and sustainable funding sources, enabling them to sustain long-term development.

The Li Clan Association located in the south of Beiliu City currently adopts this business model. The Li Clan Culture Research Society was established in 2012 and includes approximately hundreds of thousands of clan members. Since its establishment, the society has successively completed the construction of the ancestral hall, the compilation of the large genealogical tree, and the construction of a hotel. The first two projects were mainly funded through calls for contributions from clan association members, including membership fees, population fees for the ancestral hall, and voluntary donations. Considering that public welfare and charity require long-term stable income, it was

decided to establish a company. The hotel was the first project launched by the company, built through shareholding by clan members, with share capital serving as the initial capital accumulation for the hotel. The constitution of the clan association and the constitution of the company detail the rules for dividend distribution and financial management to ensure fairness and transparency: each year, apart from setting aside an 8% proportion of the fixed asset income and operating profit as public welfare funds, the remainder is allocated as dividends and distributed to shareholders before the Spring Festival each year. Additionally, 8% of the hotel shareholders' profit dividends is allocated for expenses related to scholarships, respecting the elderly, and poverty alleviation.

After several years of development, the hotel has entered a stable operational phase, with hotel revenue fully covering the maintenance of hotel operations, the routine upkeep of the ancestral hall, the annual awarding of scholarships and respect for the elderly, and year-end dividends for shareholding clan members, realizing the concept of "supporting the association through business" and thus further achieving a virtuous circle. However, at present, only a few clan associations have achieved this operational model. The author visited several surrounding counties and found that only one surname, or even none, in a county has been able to implement this operational approach, which is closely related to the population size of the local surname and the appeal of its leaders.

The second method involves using interest income for activity implementation, which can be further divided into two sub-methods: principal preservation with interest withdrawal and capital investment for income increase.

The funding sources for clan associations operating through this method are relatively limited, relying solely on the interest generated from donations by clan members. The funds are primarily used for the construction of ancestral halls and the compilation of genealogies, with the remainder being allocated for scholarships. Generally speaking, clan associations employing this method operate primarily on trust, resulting in their relatively small size and members typically residing in close proximity to each other. For example, Gaoshan Village, located in the urban area of Yulin City, is surrounded by seven mountains housing seven surnames, with the Mou surname being the most populous. Renowned as a scholarly family, the village has produced numerous talented individuals over the centuries and has always valued education. For the members of this family, the ancestral hall is not only a place for discussion but also provides a venue for funding and rewarding education. During the Ming and Qing dynasties, each surname within the village had communal lands, part of which were used to reward scholars, assist poor students with their education, and cover the expenses of traveling to take imperial examinations. This tradition of valuing education has been carried forward. After the resumption of the college entrance examination, even without communal lands or other public assets to encourage students, villagers spontaneously donated funds to establish an education assistance association, with the interest generated basically covering the scholarship needs without requiring annual donations. Currently, the village is also engaged in tourism development, but according to the village committee, income from tourism is negligible. Scholarships primarily come from donations, and education assistance has always been a cultural tradition in the village, maintained for over 500 years. The way villagers give back to their hometown and clan is mainly reflected in their support for education. Since villagers have a tradition of supporting education, it is not difficult to call for donations, and to a certain extent, the interest generated can maintain the scholarship activities.

Another category is small-scale villages dominated by a single surname (or where a single surname constitutes the majority), where the ancestral hall of the clan association is built within the village. With the unanimous consent of the clan members, the village collective's public assets can be directly converted into activity funds under the name of the clan association. A portion of these funds is used for scholarships, which the author also categorizes under the use of interest. For instance, the Beiliu Ling Clan Association, according to its president, "awards scholarships and provides support for the

elderly specifically for villagers of our own village. The money for rewards doesn't need to be donated; our village has its own funds from land leasing. We lease land to the traffic police department for use as a parking lot at several thousand yuan per mu, and to the government at over ten yuan per mu. These lands are resources left by our ancestors and belong to the collective fund. If the collective has money, it can directly allocate from the collective funds."

The Ling Ancestral Hall is located in the city center, and the collective income from leasing traditionally owned land for rent, combined with the interest from funds or deposits of other collective public assets retained in the village, is sufficient to cover the scholarship expenses of the clan association. Therefore, President Ling anticipates that the association will become self-sufficient within a few years without the need to solicit donations from clan members.

The third method is the simplest and most common: obtaining funds for clan association activities by appealing for donations from clan members and collecting membership fees.

Compared to the first two methods, this approach highlights its philanthropic nature and relies entirely on the willingness of clan members. Donations are solicited each time an activity is held. The shortcomings of this method are relatively obvious. Scholarship awards and activities for respecting the elderly are two major annual events within the clan, and whether they can be distributed on time is crucial to the continued development of the clan and the clan association.

The Beiliu Wei Clan Association was established in 2014, with a chamber of commerce formed in 2018 and scholarship activities initiated in 2019. Its initial purpose was to organize unified sacrifices and jointly worship the original ancestors. Donations were needed each time an activity was held, and there was generally little surplus funding within the clan association. If sufficient funds were not raised for the next activity, it would be difficult to proceed. When discussing the original intention behind establishing the clan association, Secretary-General Wei mentioned the funding issue: "...We found that no one was worshipping our ancestor. Since we had the family tree and knew who he was, we hastily established a clan association...The costs of worship were mainly sponsored, and in previous years, people didn't donate money...Later, big businessmen were unwilling to participate, and the incoming members were willing but unable to contribute. It was difficult to even organize centralized ancestor worship, let alone fund scholarship awards. So at that time, the clan association didn't have the money to distribute. All the businessmen in Beiliu gave tens of thousands of yuan but said they were busy, and later didn't even answer our calls. So the biggest problem was the lack of participation from businessmen."

Most members of the clan associations still harbor a passion for honoring their ancestors, and despite financial constraints, they manage to keep things going. The councils are actively seeking solutions and striving to mobilize clan members to participate. Whether motivated by "ancestral glory competition" or the desire to expand scale and influence, the Wei Clan Association is working hard to move beyond relying solely on donations for its development. The establishment of a chamber of commerce is aimed at organizing clan members to engage in commercial activities, hoping to achieve "sustaining the association through business." However, most small-scale clan associations are not as fortunate. Because membership in a clan association is more flexible than the traditional clan system tied by blood ties, members come and go as they please. Clan members also consider their own interests and are more enthusiastic about joining larger clan associations, which means that small-scale clan associations face "bankruptcy" due to lack of funds and member loss.

Therefore, a common problem for these small-scale clan associations with a single source of funding is that people are active and enthusiastic in the first few years, eager to do good for the clan and carry on the family legacy. But with only enthusiasm and no leadership, the funds quickly dry up. After a bustling two or three years, interest wanes, and the original members turn to other clan associations in different regions that seem more "profitable." For those that charge a fee for each event they hold, unless they are small in scale and do not have independent ancestral halls for worship,

it is difficult to sustain their own development.

#### **4. Dilemmas and Solutions for Fundraising in Clan Associations**

From my investigations, I have observed that many clan associations in the southeast Guangxi region are facing varying degrees of difficulties in their operations, with the primary issue being the source of funding.

For example, the Chen clan of "Nanmen Chen," which was on par with the Mou family of Gaoshan Village in imperial examinations during the Ming and Qing dynasties, also places great emphasis on scholarships and respecting the elderly. Although there is a per capita contribution from all clan members, the largest donations still come from businessmen primarily engaged in the real estate industry. Initially, the Chen clan established an investment company where clan members could participate in business ventures and receive dividends from their investments. The company's profile states: "...This company was established by the Nanmen Chen Clan Ancestral Hall Council, led by economically capable and caring business elites from our clan. It integrates Chen clan resources, raises funds, and operates through a corporate structure, ensuring capital preservation and profitability as a shareholding cooperative family economic organization..."

However, according to the manager of the investment company, due to the economic downturn in recent years, no one is investing anymore. If they were to call for donations from everyone, it still wouldn't be enough to sustain the scholarship activities, and they may have to cancel them next year. When asked about solutions, he just smiled and waved his hand, as both the investment company and the charitable foundation were initiated by the businessmen. Regarding the company's previous revenues, the manager said there was little income, and now they rely solely on donations from clan members to maintain operations. Compared to other clan associations, the Chen clan has been actively seeking measures to address the situation, but the effectiveness and outcome remain unknown.

In summary, relying solely on donations from clan members and support from wealthy businessmen, or attempting to obtain more funds through lending, has encountered various difficulties. Some clan associations have pooled money to establish production lines for local specialty beverages, only to end in failure. Others have invested their savings in lending to earn interest, but some have lost both their money and the trust of the clan members due to the business failures of the investors. For those who are enthusiastic about public welfare, investing more but receiving less in return, coupled with low participation and a sense of achievement, gradually makes them unwilling to participate anymore. Even for businesses like the Li's restaurant that rely on dividends to sustain themselves, the income barely covers the expenses. For ordinary members, it's no different from pooling money to do business with the boss, or some may simply see it as their contribution to the construction of the ancestral hall.

##### **4.1. Solutions for Fundraising Issues in Clan Associations**

During my investigations, I noticed that some clan associations have relatively stable funding sources that have barely been affected by the current economic downturn. For example, the Yulin Ning Clan Association has a council, a charitable foundation, and a chamber of commerce. The chamber of commerce serves as a guarantee among clan members, reducing the cost of trust and integrating commercial resources within the clan. For the clan association, collecting fees for facilitating cooperation not only maintains its development and expands its popularity but also allows businessmen to attend to their own businesses while participating in clan affairs. This approach of serving as a bridge without directly participating in operations has provided other clan associations with valuable insights for sustainable development.

Summarizing the few clan associations mentioned earlier that are now operating well, and



combining them with other research materials, it seems that there may be other more constructive approaches to fundraising for clan associations. Firstly, fully tapping into and utilizing clan internal culture can not only play an economic role but also focus on cultural inheritance, while also strengthening the cohesion and pride of clan members. Secondly, fully leveraging the social functions of the clan association to build a networking platform. By organizing various social activities, such as gatherings, tours, and charitable events, the connections and unity among clan members can be enhanced.

These strategies not only address the immediate funding needs of clan associations but also contribute to their long-term development and the strengthening of clan culture and unity. By exploring diverse fundraising approaches, clan associations can better fulfill their roles in promoting cultural inheritance, social networking, and community development.

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