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### *Comments to Charity Undertakings Law of the PRC (Draft)* 中华人民共和国慈善事业法 ( 二审草案 )

Larry Catá Backer

W. Richard and Mary Eshelman Faculty Scholar  
Professor of Law and International Affairs  
Pennsylvania State University  
239 Lewis Katz Building, University Park, PA 16802  
1.814.863.3640 (direct), lcb11@psu.

**Abstract:** Chinese authorities have invited commentaries on the Draft of the People's Republic of China Charity Undertakings Law of the PRC (Draft) 中华人民共和国慈善事业法 ( 二审草案 ) , which were have circulated in January 2016. I have included my commentary to the 2<sup>nd</sup> Draft Charities Undertakings Law, which follows. Considered from the perspective of the CCP line the 2<sup>nd</sup> Draft Charities Undertakings Law (CUL2nd) offers both challenge and opportunity. CUL2nd overall presents an important advance in Chinese rule of law. It is an important measure dealing with an issue tied closely to the direction and shape of socialist modernization, and as such, touches on sensitive matters requiring leadership from the Communist Party, especially as the CCP "unswervingly encourages, supports and guides the development of the non-public sector"(CCP General Program (GP) ¶ 14). Some key areas continue to merit further study. These include provisions dealing with corruption protection, the voluntary nature of service on charitable organizations, the role of foreign NGOs and NGO funding, along with issues of liability. As the state organs continue their important work of advancing the structures of Socialist rule of law, the important objectives of CUL2nd must be strictly connected to delivery and organizational structures that maximize the potential for the good works contemplated through the law.



COALITION FOR  
PEACE AND ETHICS

*Comments to Charity Undertakings Law of the PRC (2<sup>nd</sup> Draft)*

中华人民共和国慈善事业法

( 二审草案 )

January 30, 2016

Larry Catá Backer

W. Richard and Mary Eshelman Faculty Scholar  
Professor of Law and International Affairs  
Pennsylvania State University  
239 Lewis Katz Building, University Park, PA 16802  
1.814.863.3640 (direct), [lcb11@psu.edu](mailto:lcb11@psu.edu)  
<http://backerinlaw.com>

It was my great honor to deliver comments for the Charity Undertakings Law (first draft) this last November 2015. The First Draft Charities Undertaking Law presented then an overall important advance in Chinese rule of law in an important area of social development. It is an important obligation of both the Chinese Communist Party, and of the State organs that operate strictly under its leadership. It also served as a necessary as a demonstration by Chinese state organs of adherence to the great principles of Socialism with Chinese characteristics to ensure that all efforts to implement the important policy of rule of law and Socialist legality move forward the necessary objective of socialist modernization and the correct development of all productive forces.

The members of the CCP and state organs charged with this important task have now produced a second draft of the Charities Undertaking Law. It also represents an important advance over the earlier draft. It appears to have taken seriously the need to listen to the people and under the leadership of the CCP to discern truth from facts and as required under the CCP line, to “unswervingly encourage, support and guide the development of the non-public sector” (CCP General Program (GP) ¶ 14). I expect that much gratitude has been expressed for the hard work reflected in the Second Draft Charities Undertaking Law.

It is with this is mind that I offer here some small comments to the Second Draft Charities Undertaking Law (or CUL2nd). My comments are focused on a reading of the Second Draft Charity Undertakings Law both for coherence and for conformity to the CCP Basic Line. This, I believe, is a central obligation of all members of state organs involved in advancing the work of state organs. And it is an obligation that might be best carried out explicitly to ensure strict adherence to fundamental principles. “The general starting point and criterion for judging all the Party's work should be how it benefits development of the productive forces in China's socialist society, adds to the overall strength of socialist China and improves the people's living standards” (GP ¶ 9).

Many of my comments to the First Draft remain useful and might well be considered again in light of the important changes undertaken in the Second Draft. For that purpose I have included my earlier comment as an appendix to this one. I focus here only on the changes made to the Second Draft. In those respects I respectfully offer the following comments:

### *General Comments*

In the development of the productive forces of the nation, one might consider two great obligations of both CCP cadres and members of state organs—the first is to remain true to the overall direction of the CCP, and the second is to remain faithful to the goals to which state organs are directed. Those obligations are clear. China must build itself up as it progresses from the primary stage of socialism to later historical stages. “In building socialism, the basic task is to further release and develop the productive forces and achieve socialist modernization step by step by carrying out reform in those aspects and links of the production relations and the superstructure that do not conform to the development of the productive forces.” (GP ¶ 9). To that end, it is also clear that “The Party must respect work, knowledge, talent and creation and ensure that development is for the people, by the people and with the people sharing in its fruits.” (GP ¶ 9). This is to be accomplished through all around work to advancing economic, cultural, social, political and ecological progress “in accordance with the overall plan for the cause of socialism with Chinese characteristics.” (GP ¶ 9). These fundamental objectives serve to guide the review of the 2<sup>nd</sup> Draft.

With that as a guide, it might be important to consider the following overall points:

1. Is there a contradiction between the stated overall purposes of CUL2nd as set out in Chapter 1, and the overall objectives of the state to fully develop productive forces? The issue arises because it is not clear that a legal framework that narrowly defines charitable activity and forces its workers to labor for free can most productively meet its obligation to alleviate poverty (art. 3(1)). There are no reasons produced to justify the very narrow definition of charitable enterprises as organized on a voluntary basis and there is no indication of why it is that free labor strictly adheres to the CCP line. The fact that people willingly contribute in many cases does not solve the problem but merely points more acutely to the contradiction.
2. A core element of socialist modernization is shared prosperity. That must be built on respect for and the dignity of labor and the working masses. Just as core Socialist values abhor the exploitation of labor by capital, so it should abhor the exploitation of people. This presents two issues. The first, which is dealt with in a sensitive and very useful way by CUL2nd, concerns those who labor in other ways and in their free time also seek to contribute to the great national project of socialist modernization through charitable works. That is, as the CUL2nd recognizes a worthy and patriotic exercise that should be protected and recognized.
3. But there is another more important aspect, one lamentably overlooked. For some people, charitable work may present the principal or only way that they may be socially useful. It may represent their only means of employment. For those people, charitable organizations serve *two important purposes*. The first is recognized by the CUL2nd—to engage in those activities specified in Article 3 for the benefit of people and social institutions outside of the charity itself. But the second purpose of charitable organizations—one not recognized or supported in the CUL2nd—is that charitable organizations also serve to provide for poverty alleviation, socialization and other productive work within its organization and for those who work for the charity itself. It is thus possible to understand that a core role of charitable organizations is to provide charity through its own work internally for its own workers. That important element of developing productive forces, that important task of using charitable organizations for the strengthening of a solid path toward

socialist economy, socialist harmonious society, and socialist culture, appears wholly absent from the CUL2d. And it is unfortunate to lose this great opportunity to further the CCP's leadership objectives through an unnecessary limitation on the conception of meaning of charity, the importance of reducing labor exploitation and of providing a means for advancing socialist goals.

4. As such, the principle of “voluntariness only” built into the CUL2nd might usefully be reconsidered. No suggestion is made to eliminate the principle of voluntariness as a central element of charitable efforts, but rather to recognize that charity can be structured both externally toward objects of charity and internally toward reducing exploitation, helping people help themselves through work reasonably compensated and in this way serving as a better example of the value of the Socialist path toward improving the welfare of the people.

5. The issue of foreign charities must be considered. This issue might be usefully understood in two quite distinct aspects. The first involves the foreign funding of Chinese charities. The second involves the direct operation of foreign charities in China.

(a) *Foreign funding of Chinese charities should in the first instance be encouraged.*

It serves as a measure of the growing importance of China in the world and opens the door to Chinese funding of charitable works elsewhere. And indeed, Chinese efforts to fund charitable causes outside China, especially in Africa, is a model to be studied scrupulously and admired. But it also underlines the importance of mutuality in these efforts. With respect to these funding efforts, careful disclosure and the usual supervision of Chinese charities ought to be enough. *But in the second instance, foreign funding may be more sensitive.* Here I refer to foreign funding that comes from foreign governments, public international organizations and the like. This represents funding of a distinct character and touches on sensitive issues of sovereignty and respect for the integrity of national political orders. Funding of charities by foreign public bodies might be best controlled and supervised more carefully and in some instances, according to law, restricted.

(b) *Direct operation of charities of foreign charities in China should in the first instance be encouraged.*

Foreign charities that are strictly supervised in accordance with the provisions of the CUL2nd, for example, can do little harm and will contribute to the development of productive forces. In this case the law itself provides the basis on which foreign elements can be most usefully managed. Many foreign charitable organizations already serve the interests of China well even as they meet their own charitable objectives. That compatibility of purpose serves as the best reassurance of benefit—and well supervised by officials who act strictly but fairly and avoid corruption or personal aggrandizement, ensures sound operation. However, direct operation of foreign charities operated by or funded through foreign governments might require stricter supervision. In the case of foreign charities that are controlled by foreign states or political bodies strict supervision is required and in some areas, according to law, restrictions imposed. Foreign charities that are funded in part by foreign governments require strict monitoring, but as long as they work within the CUL2d they might still be useful. Political organizations from foreign areas require much stricter control. But that

requires a precise definition of the sort of activities that may be encouraged and those that might be prohibited. And it might usefully be written so that they appear consistent with the CCP line and understandable to foreigners who must be guided by its rules.

6. The CCP line suggests that it is necessary to draw a strict line between foreign charities, which when operating under law, contribute to the process of socialist modernization, and foreign civil society organizations whose work might be more strictly regulated with respect to its effects on internal politics. It might be less useful to conflate all foreign elements into one category; that would work to the detriment of socialist modernization. But it might be valuable to begin to distinguish, under law, between foreign efforts that are compatible with Chinese objectives and those that require more careful supervision.

In addition to these general comments, I offer these more specific observations and comments on CUL2nd in hopes that they might prove useful.

## Chapter 1

1. The change to Article 2 usefully centralizes the regulation of all charity through CUL2nd. Some efforts might be undertaken to ensure that all relevant rules do not conflict or overlap. Socialist rule of law is not advanced where in the rush to produce law many fail to relate to each other and create chaos rather than order. Article 6 is a partial but quite useful step in that direction.

2. The inclusion of public health incidents and the focus on poverty alleviation is applauded. It might be useful to consider protections for charities against local officials who fear loss of face for failures to alleviate poverty or respond appropriately to such incidents, and will then act against charities. A stronger connection to the work of the Central Disciplinary Committee's work, then, may be appropriate.

3. Article 5 is a very useful provision. It is to be assumed that socialist core values always represent the traditional virtues of the Chinese people now developed and advanced scientifically through the leadership of the CCP. To that end it may be useful for charities to articulate and be reminded of the overall importance of this objective in framing their charitable missions.

4. Article 7 designates "China Charity Day." That might also be a good day for charities and officials to report on the success of their efforts to put forward the goals of CUL2nd.

## Chapter 2

5. Article 10 provides some discretion in extensions of time to review of applications. It might be useful to develop a mechanism within the civil affairs department for ensuring that their obligations are carried out.

6. New Article 13 provides that charitable organizations carry out their work in accordance with their charters. It is not clear who or how that provisions will be enforced. It may be useful to permit the members of the charity itself the right to seek enforcement from the civil affairs

department, or it may be for the civil affairs department to investigate after complaint. Either way a specific mechanism would be useful.

#### Chapter 4

7. Article 56 references the standardization of rules for reporting the financial activities of charities. That is important. The revision that mandates greater cooperation among ministries is also important. But coordination among state organs is only half the issue. Unless these standards are communicated to charities in a uniform and simple way, the standards themselves may become either obstacles to the work of charities, or a trap for innocents unaware of the rules, and thus serve the dark forces of corruption. It is therefore useful to consider the means by which these rules might be clearly and completely distributed. And the distribution might extend not just to the managers of charities but among the people so that the masses may aid in the project of vigilant application of the law.

#### Chapter 9

8. It is not clear why the state would tax the charitable contributions that are made to charitable organizations. It is even less clear why the state would tax income received by charitable organizations and then applied to its charitable purposes. Because those purposes are significantly touched with a public purpose it seems to create an impediment to their work. It might be worthwhile to consider whether the better rule would be strict disclosure of all income and all expenditures and a strict application of the rule that all income must be applied for charitable purposes—a rule already written into CUL2nd.

9. What tax law might help prevent is corruption. Corruption here might be manifested in one of two forms. First the directors of the charity might divert fund to their own personal benefit and second the charity might divert funds to officials to obtain favors or special treatment or to avoid trouble with local officials. It would be useful for the civil authorities—and the Central Disciplinary Committee—to monitor such expenditures and tax accounting and reporting might be an efficient way to to that.

#### Chapter 10

10. New Article 93 represents a greater advance for the CUL2nd. The ability to establish charity organization standards among charitable organizations aids in strengthening socialist culture and harmonious society. It is assumed that such industry standards will be developed under the leadership of the CCP and in conformity to its line.

11. Industry standards might usefully be widely distributed among the people so that the CCP and state organs might make better use of mass line techniques to supervise and develop the productive forces represented by charitable organizations.

#### Chapter 11

12. The provisions of Chapter 7 suggest the scope of volunteer services. I have spoken to the unnecessary limits of that approach above. I speak here, however, of the liability of volunteers or of the charities themselves for damages or harm that might be caused by them in the provision of charitable services.

9. How does the law fairly apportion responsibility for harm caused by the work? It may not be fair to impose liability of volunteers for the harms they cause in carrying out charity work. That would impose a double burden on individuals—first working without pay and then paying as if they were working for an enterprise. At the same time it may not be fair to impose obligations on a charity where a volunteer deliberately or maliciously produced harm. As a general rule, though, it might be fairer to impose obligations for harms on the charity itself.

10. Another alternative would be to limit the liability of charities and their workers for any harm caused by their work. Exceptions might be made for acts that are intentional or malicious or thoroughly reckless. But such a limitation on obligation might be necessary to encourage charity work. And the issue of the responsibility of the charitable organization for the welfare of its volunteers might also extend to harms suffered while the volunteers are on the job.

11. The rules elaborated in Chapter XI “Legal Responsibility” suggest no special treatment in the event of harm. Article 102 provides a simple negligence standard for liability by charitable organization to others. It also provides that charitable organizations may recover from a volunteer under an intention or gross negligence standard. Lastly it provides compensation to volunteers on a simple negligence standard as well. This is a fair standard, though it puts the burden on those who suffer injury to go to the further expense and trouble of seeking to recover for that harm.

12. It might be useful, however, for the state to consider the creation of insurance measures to aid charities. Charities might contribute to a national insurance pool that might pay claims based on the negligent conduct of charities and because risk is pooled the overall cost to any one charity would be reduced—freeing more money toward useful charitable work.

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## APPENDIX

### *Comments to Charity Undertakings Law of the PRC (FIRST Draft)* **中华人民共和国慈善事业法 (草案)**

*November 2015*

Larry Catá Backer

W. Richard and Mary Eshelman Faculty Scholar  
 Professor of Law and International Affairs  
 Pennsylvania State University  
 239 Lewis Katz Building, University Park, PA 16802  
 1.814.863.3640 (direct), lcb11@psu.edu

The Charity Undertakings Law (draft) overall presents an important advance in Chinese rule of law. It is an important measure dealing with an issue tied closely to the direction and shape of socialist modernization, and as such, touches on sensitive matters requiring leadership from the Communist Party, especially as the CCP “unswervingly encourages, supports and guides the development of the non-public sector”(CCP General Program (GP) ¶ 14). My comments are focused on a reading of the draft Charity Undertakings Law both for coherence and for conformity to the Chinese Communist Party Basic Line. “The general starting point and criterion for judging all the Party's work should be how it benefits development of the productive forces in China's socialist society, adds to the overall strength of socialist China and improves the people's living standards” (GP ¶ 9). In those respects I respectfully offer the following comments:

#### Chapter 1

1. It might be useful to align the focus of Articles 1 and 3. Article 1 touches on the legislative *purpose*, which include developing the productive forces (GP ¶ 9) represented by charity, the protection of charities and their stakeholders, and the promotion of social harmony. Chapter 3 *defines* charity to include a broader scope of activity—enhancing sports, culture, education, environment, etc. One might read Article 1 as touching only on the laudable goals of building a harmonious socialist society (GP ¶ 17). Yet Article 3 also speaks to developing an advanced socialist culture (GP ¶ 16); environmental protection (GP ¶ 18); and in “taking economic development as the central task. . . country through science and education, the strategy of strengthening the nation with trained personnel and the strategy of sustainable development” (GP ¶ 11). It might be useful to align the two sections to better reflect the CCP’s basic line for developing China’s productive forces through charitable efforts and in the definition of charity.

2. Article 4 correctly situates charity within social morals, the legal rights of others and the focus on public benefit. To the extent that the intent is to restrict profit, then the provision makes sense. And, indeed, that should be the interpretation reading articles 4 and 9 together. But that applies to the institution, not the individual. The provisions of Chapter 7 appear to make that clear (§§ 63-68). But it may be too broadly rendered when it also suggests that people who devote themselves entirely to charity should do so without payment. To the extent it suggests that people work without pay, that itself might suggest a contradiction with the CCP’s basic line on worker dignity and the avoidance of exploitation. More importantly, if only voluntary and part time efforts are permitted for individuals, without pay, then the utility of charity as an important means of developing mass culture, the development of harmonious society, and worker training, may be adversely affected to no good end. It might be worth permitting individuals who labor for charities to receive a fair wage.



3. Article 5 is a very useful provision. It is to be hoped that such planning will be undertaken strictly to advance the CCP's Basic Line. It might be useful, in that respect, to consider the development of a reporting mechanism so that these plans might be reviewed and approved by the appropriate level of government. In that respect Article 6 quite correctly emphasizes the need for coordination, but might also benefit by including an assessment obligation as well.

## Chapter 2

4. Article 9 provides a valuable framework for managing charities. It is not clear, however, whether charities may acquire the necessary funds or property from individuals or organizations outside of China, and if so, the extent to which such contributions will be examined by the authorities.

5. Article 10 provides a reasonable approach to registration. Two additional considerations might be made: First, should a national registry of charitable organizations be maintained? Second, should an organization be given a chance to correct errors and omissions and apply again should its registration be rejected? With respect to the first, a national registry might be useful to reduce fraud and corruption, an important element of the Basic Line (GP ¶ 23). With respect to the second, the right to reapply is implicit but not explicit and it might help lower level governments better understand the law if this was made clearer.

6. Articles 11-16 appear sound. One might consider a few points. First, it is assumed but never stated, that the General Assembly has the responsibility for ensuring assessment and improvement of charities, but their power to make that happen are unspecified in Article 11. Perhaps requiring the Board of directors to submit annual detailed reports of activities to the General Assembly (and to the government at the level of charity registration) might make accountability stronger and reduce the temptations of corruption. Moreover, it is not clear what the relationship is between donors (§ 15) and the General Assembly (§ 12).

7. Article 17 is important and necessary if foreign NGO work is to be aligned with the overall obligation to adhere to the CCP basic line, develop productive forces and ensure the path forward through socialist modernization of economy, politics, culture, society and environment. It is not clear, though it might be assumed, that a foreign NGO need only establish a local organ within China to meet the requirements of Article 17. That is, once Chinese citizens establish a charity under Article 10, that organization can be affiliated with the foreign NGO, receive funds and other materials from the foreign NGO and adhere to the foreign NGOs basic line. This appears a necessary reading of §§ 10, 17 and 20. If that is the case, then Article 18 suggests the limits of foreign NGO influence—which is no different than the ordinary requirements applicable to Chinese charities. That is, foreign NGOs will be treated the same as Chinese charities and subject to the same rules and the same limitations. That is sound policy and accords with the CCP Basic Line (¶ 17, 25). It is also central to the CCP's Basic Line or reform and opening up (“the basic state policy of opening up and assimilate and exploit the achievements of all other cultures” (GP ¶ 13)).

## Chapter 3

8. The provisions on charitable donations are laudable and well written. However, they appear to emphasize collection mechanisms more effective in traditional systems and less useful in the great cities of modern China. It might be useful to permit, and regulate, new internet based collections.

9. There is no reason to limit the collection of charitable contributions from within China. Certainly Chinese charities ought to have the authority to make appeals for donations in other

countries. While it is to be expected that such donations would be carefully regulated, and that one would expect such appeals and the property collected to be effected in a wholly transparent manner, there is no reason otherwise to restrict. This is especially the case where overseas Chinese communities might be donors.

#### Chapter 5

10. Anti corruption protections must be at the heart of the Charities Law (GP ¶ 26). For this reason Article 48 is most welcome. However, it might be useful to elaborate on the nature of corruption and corruption activities for those entrusted with the objectives, work and property of charities. It is not merely a matter of conflict of interest, as Article 48 covers. It is also a matter of duty—here the duty to ensure that all charitable decisions are made solely to advance the objectives of the charity, inline with the overall objectives of socialist modernization, and that the directors of the charity can transparently demonstrate compliance with this duty. That touches on all aspects of the operation of the charity, as well as on the nature of the relationships among the members of the ruling councils of the charity itself. It is not clear that the Charity Law sufficiently deals with the issue of corruption in this respect.

#### Chapter 7

11. The voluntary nature of participation in charitable work (§§ 63-68) appears to take a traditional approach to the enterprise of providing charitable services to the masses. It is not clear that this narrow position fully embraces the CCP Basic Line of opening up and emancipation of the mind (GP ¶ 13). I have suggested that such an approach might hamper the full development of productive forces and thus create a contradiction with the core objectives of socialist modernization. This is particularly true with respect to the building of socialist harmonious society, socialist culture and socialist ecological leadership, all key elements of the CCP Basic Line. It is true that under traditional models, charity was thought to be an addition to the main work of individuals in contributing to society. But that ancient view fails to consider the importance of the *work of charity*, and the necessity of investing societal productive forces to produce substantial improvements to the lives of people who might then be better positioned to more vigorously contribute to the construction of a socialist market economy (GP ¶ 14; through training, socialization, and education), socialist culture (GP ¶ to “raise the ideological and moral standards and scientific and educational levels of the entire nation so as to provide a powerful ideological guarantee”); socialist harmonious society (GP ¶ 17 to “to create a situation in which all people do their best, find their proper places in society and live together in harmony”); and socialist ecological advancement (GP ¶ 18 “that leads to increased production, affluence and a good ecosystem”). It is useful, then, to consider permitting charities to hire and retain staff to further consolidate, improve and carry out their work. Indeed, it would seem that Article 11 of the Charities Law would itself require charities to press this point to improve their governance structures and the efficiency of their operations.

#### Chapter 8

12. Chapter 8 is an important element of the Charities Law and is well written and comprehensive. But it lacks an important connection between the obligations of charities to disclose, and the obligations of local governments to make those disclosures public. Moreover, the Charities law does not impose local governments any obligations with respect to the good order of their management of charities, and no way for the masses to communicate with local officials respecting the work of charities. “The Party follows the mass line in its work, doing everything for the masses, relying on them in every task, carrying out the principle of “from the masses, to the masses,” and translating its correct views into action by the masses of their own accord” (GP ¶ 26). It is not clear how the Charity Law fully further develops and applies

the mass line obligations to the operation of charities and to the responsibility of state organs in this critical arena. There might be room for improvement here. And that improvement itself can contribute both to socialist rule of law and democracy (GP ¶ 15 “effective measures to protect the people's right to manage state and social affairs as well as economic and cultural programs”). Local officials should be required to listen to the people in judging the effectiveness of charities and in considering proper management of charitable affairs. It ought to consider whether its own approach to charity disclosure is appropriate in light of mass opinion, appropriately translated as is its responsibility within the mass line itself. This is especially important with respect to statistical information (§70) and the content of disclosure (§ 71). It is not clear that there is a reason to withhold that information, restricting public reporting to those items listed in Article 72.

13. Article 78 on confidential information is important and correct. But in it lies a contradiction that the Charities Law does not yet overcome. That contradiction lies in the ability to use the broad categories identified in Article 78 as a way to enhance the ability of officials to engage in corrupt activities with impunity. That itself would constitute a severe breach of the CCP Basic Line, and should not be left unresolved without very good reason. Some facility must be created to ensure that Article 78 is not abused by corrupt officials. This would be especially important where corrupt officials might use their positions to operate through charities in ways that would hide their own bad actions. Tigers catch their prey under cover of darkness; they should not be allowed to feed with impunity on the donations intended to improve society. Senior officials should carefully consider the discretion built into Article 78 and build a cage of regulation around the discretion that they have provided—a discretion large enough so that any tiger can escape, and open enough so that even flies find its rules easy to avoid.

#### Chapter 9

14. These provisions are useful. But it might be worth considering that local officials may delay their duties. That delay could seriously impede the implementation of the law and the useful operation of charitable activities. Government officials who delay without cause ought to be subject to swift CCP discipline. Others ought to be disciplined appropriately and charities should be given the power to seek registration from a higher level of government where the failures of a lower level make registration, or operation, impossible.

15. Article 90 and 91 are laudable and reflect well on government. But again, they might create an opportunity for corruption. Especially when combined with the secrecy rules of Article 78, Article 90 and 91 can provide a large space where corrupt officials might operate with impunity. It is especially with respect to the entanglements of government officials, money and charities, that transparency must be much fuller. Alternatively, in such cases (Article 90 or 91 transactions)—local officials must be required to fully report on their activities to the next higher level of government—and to do so within a short period of time after they have engaged in such activity. In addition, the CCP disciplinary organs should be made aware and monitor such activities. It is only in this way that the state can truly achieve the excellent objectives of Article 92 (cultivation of charity culture).

#### Chapter 10

16. Article 100 achieves the objective of ensuring that localities can adjust their regulations to local conditions. But the central authorities ought to be able to review and assess local deviations. A central data bank of local regulations should be maintained by central authorities, at a minimum. And the central authorities ought to make inspection tours of local operations periodically. This is especially important with respect to the powers exercised under Article

101. The central government retains its responsibilities to ensure the development of socialist rule of law. And that responsibility might require as well substantial oversight and assessment of local government behavior in light of their own legal responsibilities under the Charity Law. The Charity Law already has a model for this sort of oversight—Article 109 speaks to supervision by umbrella organizations. The same might be extended to the oversight of central authorities.

17. Article 112 provides a useful means of helping fight corruption—either by charities or by local officials. But it might be useful to consider the mechanics of public reporting. Might it be more efficient to centralize the collection of such complaints at the provincial level so that the more sophisticated machinery of the provinces might serve as a more efficient point for local discipline? Perhaps a better coordination of Article 78, 90-92 and 112 would produce a more efficient system against corruption.