

Community Development Foundations in Grassroots Governance: Roles, Challenges, and Empowerment

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Abstract: Community development foundations are important carriers for modernizing grassroots governance and advancing community philanthropy. They are also key actors in integrating charitable resources, activating community public-interest vitality, and innovating grassroots governance in the new era. In grassroots governance, community development foundations can serve as aggregators of public resources and translators of needs. They can also act as weavers of collaborative networks and enablers of capacity. In addition, they can function as calibrators of governance norms and promoters of institutionalization. In recent years, the modernization of grassroots governance, the Five-Sector Linkage mechanism, and community philanthropy have created institutional space for these foundations to embed themselves in grassroots governance. Yet, from the perspectives of resource dependence and collaborative governance, community development foundations still face several challenges. These include blurred boundaries between government and society, limited organizational autonomy, weak resource mobilization, fragile public-interest ecosystems, and inadequate professional and digital support. To address these challenges, it is necessary to clarify the rights and responsibilities of government and foundations from the perspective of a governance community. It is also necessary to improve resource mobilization and public-interest ecosystem cultivation. Foundations should further strengthen their professional, digital, and platform-based capacities. In this way, community development foundations can shift from project funders to organizers of community philanthropic ecosystems and promoters of collaborative governance.

Keywords: community development foundation; grassroots governance; community philanthropy; collaborative governance; digital empowerment

0. Introduction

Since the 20th National Congress of the Communist Party of China, the modernization of grassroots governance has been placed in a central position in the modernization of the national governance system and governance capacity. Studies on the Five-Sector Linkage mechanism and grassroots governance modernization have shown that the linkage among communities, social organizations, social workers, community volunteers, and charitable resources has become an important mechanism for governance innovation^{[1][2]}. This means that community development foundations are no longer only fundraising tools in the traditional charity system. They now carry clearer governance functions.

Compared with community social organizations, community development foundations place greater emphasis on funding support and resource integration. They can receive support from multiple sources, form a charitable resource pool, and allocate charitable resources inside and outside the community to support community services^[2]. Their functions are therefore more oriented toward fund introduction, platform building, and resource weaving. By contrast, community social organizations contribute more directly through service delivery, resident participation, and grassroots collaboration^[3].

Existing studies have discussed the logic of community foundations in grassroots governance from the perspectives of organizational formation, governance mechanisms, and collaborative embedding. Research on the localization of community foundations has revealed the complex relationship among administrative promotion, organizational operation, and internal governance.

It has also pointed out tensions within their governance structures^[4]. Other studies have placed community foundations in the context of community philanthropy and grassroots governance innovation. They emphasize resource integration, multi-actor collaboration, Party-government empowerment, and the use of social resources^{[5][6]}. Studies on Three-Sector Linkage and Five-Sector Linkage also provide new perspectives for understanding the governance role of community foundations. Their function has gradually extended beyond funding support to resource linkage, platform building, and multi-actor coordination^{[1][7]}. In general, however, existing studies still focus more on institutional description and case presentation. They give insufficient attention to the concrete mechanisms through which community development foundations transform resources, connect actors, and empower governance. A comprehensive framework that combines role analysis, relational analysis, and empowerment analysis is still lacking. Based on the perspectives of resource dependence and collaborative governance, this article further analyzes the roles, challenges, and empowerment paths of community development foundations in grassroots governance.

1. Roles of Community Development Foundations in Grassroots Governance

1.1 Aggregators of Public Resources and Translators of Needs

The primary function of community development foundations is not to replace frontline implementers. It is to transform dispersed and fragmented resources into community public resources that can be absorbed by the governance system. These foundations can mobilize corporate donations, small resident donations, local institutions, and community members. They can integrate funds, spaces, time, volunteer services, and residents' experience. They can also transform these resources into public-interest projects and community participation mechanisms. This helps improve community governance capacity^[8].

This role is not simply that of a fundraiser. It is a governance-oriented role as a translator of needs. Community development foundations can build institutional platforms that connect government, social resources, and resident needs. They can translate dispersed community resources and public concerns into governance resources that can be absorbed through project-based operations. This lowers the threshold for participation in community public affairs. It also makes community governance more responsive to concrete needs^[4]. In this sense, the resource mobilization capacity of community development foundations is a form of organizational capacity within grassroots governance.

In this process, community development foundations also perform a clear agenda-organizing function. They turn residents' daily needs, public concerns, and governance demands into public issues. This allows community governance to move from abstract slogans to concrete settings. Issues such as environmental improvement, public-space maintenance, neighborly interaction, and service needs are often scattered. Through organization and translation by foundations, these issues can become governance plans that are open to discussion, negotiation, implementation, and evaluation. This ability to move from a list of problems to the generation of public issues is what distinguishes community development foundations from ordinary fundraising organizations.

1.2 Weavers of Collaborative Networks and Enablers of Capacity

If resource aggregation answers the question of where funds come from, collaborative empowerment answers the questions of who will act and how they will act. The core value of community development foundations in grassroots governance does not lie in replacing community actors in implementing projects. It lies in funding, linking resources, and building mechanisms. Through these functions, foundations encourage the two community committees, residents, self-organized community groups, social organizations, corporate donors, and the public to enter community public affairs. This creates a horizontal network of collaborative governance^[9].

The formation of this collaborative network is not only meant to increase the number of participating actors. More importantly, it improves the action capacity of community actors through sustained cooperation. This process is highly consistent with the direction of the Five-Sector Linkage mechanism. As urban and rural community governance increasingly focuses on community capacity building, the role of community development foundations is no longer limited to funding. Through project support, resource matching, organizational cultivation, and process support, they enhance the capacity of social organizations, community workers, resident leaders, and volunteers to participate in community affairs^[10]. Within this framework, community development foundations are not only financial intermediaries. They are organizers of collaborative mechanisms, adjusters of cooperation boundaries, and promoters of capacity growth. By connecting communities, social organizations, community workers, resident leaders, volunteers, and charitable resources, they help different actors build sustained cooperation around community public issues. In this way, dispersed actions can gradually become collaborative participation.

1.3 Calibrators of Governance Norms and Promoters of Institutionalization

The third role of community development foundations is to participate in the normative adjustment of grassroots governance through evaluation, feedback, and rule-based operation. Unlike traditional direct grant-making, community philanthropy increasingly emphasizes process supervision and governance feedback when it participates in community governance. This includes service standards, operating rules, process monitoring, project lists, and feedback mechanisms. These tools allow continuous observation and adjustment of project operations^[5]. Such evaluation is not only a check on the use of funds. It is also a calibration of the governance process. Whether residents truly participate, whether community relations improve, whether public spaces receive sustained maintenance, and whether projects generate replicable experience all become important criteria for assessing governance outcomes. In this way, community development foundations can identify problems and correct deviations during project implementation. Community public-interest projects are therefore not only completed. They also better respond to governance needs.

On the basis of this continuous calibration, community development foundations further act as promoters of institutionalization. Their institutional value lies in converting effective experience, cooperation methods, and feedback mechanisms into relatively stable rules. In this way, one-off and fragmented public-interest activities can become governance practices with rules, feedback, and continuity. Existing research and practice suggest that project evaluation should not stop at surface outcomes, such as whether a project has been completed. It should also examine whether resident participation has been activated, whether community identity has been strengthened, and whether a mechanism for continuous operation has been formed^[11]. Therefore, community development foundations do not directly formulate grassroots governance rules. Rather, through project evaluation, process feedback, and experience summary, they promote the standardization, transparency, and sustainability of governance actions. This is how they perform the role of institutionalization promoters.

2. Current Challenges

2.1 Blurred Government-Society Boundaries and Limited Organizational Autonomy

The development of community development foundations in China often has a strong administrative driving force. Government support can provide legitimacy, resources, and development space. Yet, when the boundary between government support and administrative intervention is unclear, foundations may become embedded in an administrative governance logic. They may then face blurred boundaries between government and society. Existing research shows that an overly strong administrative logic may bring risks such as excessive administrative orientation, single-source resources, and failure in resource network linkage^[12]. Therefore, the key issue is not whether government should support community development foundations.

The key is whether clear boundaries can be formed among government support, administrative management, and the autonomous operation of social organizations.

Blurred government–society boundaries further compress the autonomous operating space of community development foundations. In practice, some community foundations have relatively independent organizational forms. Yet their major decisions, project solicitation and release, process monitoring and evaluation, and daily management may still be influenced by street–level governments or other external actors^[4]. When foundations rely too heavily on the administrative system, they can easily be reduced to implementers of government–purchased services or outsourced administrative projects. They then struggle to perform their independent functions in resource integration and public–interest support. Over time, community development foundations may also face single–source funding, work agendas shaped by external tasks, and unclear functional boundaries with ordinary social organizations. These problems weaken their hub role as community public–interest support organizations and as bridges between government and social organizations^[13].

2.2 Insufficient Resource Mobilization and Fragile Public–Interest Ecosystems

The second challenge faced by community development foundations is the lack of sustained resource mobilization. Many community foundations still rely heavily on government–purchased service funds, small corporate donations, or project–based funding. Resident donations and long–term capital accumulation remain limited. As a result, foundations often lack a stable asset base and a sustainable donation mechanism^[13]. Once external funding fluctuates, their ability to support community public–interest projects is affected. At the same time, some residents still understand community public–interest action as merely participating in activities. They have not yet developed a strong understanding of continuous donation, co–construction, and long–term participation. This makes it difficult for community philanthropy to form a stable social support base^[11].

Insufficient resource mobilization also reflects the fragility of the community public–interest ecosystem. The sustainable operation of community development foundations depends not only on the scale of funding. It also depends on networks of actors, resource integration capacity, information disclosure mechanisms, and the culture of community philanthropy^[14]. Without regular donation mechanisms, transparent information disclosure, visible public feedback, and stable community partners, it is difficult for foundations to build a public–interest ecosystem in which resources can circulate and relationships can be sustained. In other words, insufficient resource mobilization is not only a funding problem. It also shows that community charitable culture, organizational networks, and trust basis have not yet been fully formed.

This fragile ecosystem also amplifies the limits of project–based governance. Many community public–interest activities can attract resources and resident participation at the project launch stage. Yet when the project ends, activity scenes, organizational networks, and resident enthusiasm may quickly decline. Community foundations may then experience a cycle in which participation appears when projects start but becomes difficult to sustain after projects end. Without long–term funds, regular donation mechanisms, and stable community partner networks, community public–interest action cannot easily grow from short–term projects into sustained community action.

2.3 Inadequate Professional and Digital Support

In the context of accelerated digital governance, the third challenge faced by community development foundations is the lack of professional and digital support. Digital transformation in grassroots governance is not simply the introduction of digital platforms or technical tools. It is shaped by the interaction of values, institutions, organizations, technologies, and environments^[15]. Digital technology can be transformed into governance effectiveness only when it fits

governance goals, organizational structures, and operating ecosystems^[16]. From this perspective, the digital construction of community development foundations should not remain at the level of publicity, online fundraising, or information release. It should serve core processes such as resource integration, project management, process supervision, and governance feedback.

Higher demands for digital governance also expose the insufficient professional capacity of some foundations. In practice, some foundations still lack professional staff. Their capacity for project evaluation, digital communication, and data analysis is limited. Digital empowerment of social organizations in community governance also faces digital resistance, subject constraints, and structural obstacles^[17]. Whether community foundations can embed themselves in grassroots governance depends on whether they can create stable bridging mechanisms among government, communities, social organizations, residents, and resource providers^[18]. Without professional capacity and digital support, foundations may have platforms and projects but still fail to connect actors, match resources, track projects, and provide feedback on outcomes. Therefore, digital transformation should not mean only opening platforms, creating accounts, or displaying information. It should shift toward capacity building that uses data to support resource mobilization, platforms to support collaborative participation, and technology to support governance feedback.

3. Empowerment Paths and Optimization Strategies

3.1 Administrative Empowerment: From Control-Oriented Logic to Service-Oriented Support

To truly perform its grassroots governance function, a community development foundation first needs stable and clear institutional support. Under Party-building leadership, government should further transform its governance role. It should move from being a traditional leader and manager to being an enabler and supporter^{[1][2][19]}. This means that government should not view community development foundations only as contractors for administrative tasks. It should view them as important platforms that connect communities, social organizations, residents, and public-interest resources. For this reason, local regulations, departmental rules, and operating guidelines should further clarify the legal status, business boundaries, and governance responsibilities of community development foundations. This can reduce role misplacement and administrative intervention caused by institutional ambiguity. It can also provide a stable institutional basis for their participation in grassroots governance.

On this basis, the key to administrative empowerment is not to strengthen administrative control. It is to enhance the autonomous operation of foundations through institutional protection, resource support, and appropriate delegation. Government can provide sustained support in fiscal assistance, service purchasing, tax incentives, public-interest project incubation, talent training, and capacity building. This gives community development foundations more predictable development space. At the same time, government should reduce excessive intervention in project operation, partner selection, and details of fund use. Under compliance-based supervision and clear boundaries, foundations should retain necessary organizational autonomy^{[4][20]}. This is especially important for community development foundations established through government promotion. Appropriate delegation should provide effective support. It can help these foundations shift from contractors of government projects to organizers of community public-interest ecosystems. This will enhance their organizational vitality and capacity for sustainable development.

3.2 Collaborative Empowerment: Building a Public-Interest Ecosystem and a Governance Community

The value of community development foundations does not lie in acting alone. It lies in connecting dispersed governance actors, public-interest resources, and community needs. The second empowerment path is therefore to embed community development foundations in a public-

interest ecosystem and a governance community. More specifically, Party-building leadership should provide the political core. The community should serve as the practical platform. Social organizations should act as professional carriers. Social workers should provide capacity support. Volunteers should form the participation base. Charitable resources should serve as supplementary elements. Together, these elements can form a relatively complete Five-Sector Linkage structure^[10].

In this process, community development foundations should become connectors rather than substitutes. Their function should not be to take over community affairs. Rather, through agenda setting, resource matching, rule negotiation, and process supervision, they should organize community social organizations, property management agencies, homeowners' committees, resident leaders, and professional institutions. They should also help resource supply move from external input to local co-creation^[7]. Multi-actor collaboration is an important condition for transforming charitable resources into grassroots governance effectiveness. The socialized operation of community foundations also depends on mutual support among Party-government empowerment, integration of social resources, and participation by community actors^{[5][6]}. In this way, community development foundations can bridge and coordinate among government, communities, social organizations, residents, and charitable resources. They can promote the shift from one-way management to multi-actor collaboration in grassroots governance.

3.3 Digital Empowerment: Improving Resource Allocation and Community Capacity through Smart Governance Platforms

In the digital era, the empowerment of community development foundations cannot rely only on traditional offline mobilization. It must enter a new stage that integrates online and offline action and values both data and relationships. Digital empowerment has three meanings. First, platform construction can support the coordinated operation of project management, resource allocation, service feedback, and process supervision. It can also form a relatively unified, transparent, and traceable mechanism for project and resource management. Second, digital platforms can connect government, communities, social organizations, resident leaders, and charitable resources. Community development foundations can use platforms to integrate needs, resources, and participating actors. This can move public-interest participation from scattered involvement to stable interaction. It can also expand the space for social actors to participate in grassroots governance^[15]. Third, digital training and digital literacy improvement can strengthen the ability of community workers, foundation staff, and resident leaders to use platform tools. This can reduce the risk of digital detachment.

Digital empowerment is not a simple attachment of digital technology to community governance. Digital tools must be embedded in the concrete governance settings of community development foundations. For example, community data platforms can be used to identify resident needs and match public-interest projects with community demands. Digital management can record project implementation processes and improve transparency and supervision. Data recovery and service feedback can support project adjustment. Public accounts, WeChat groups, short-video platforms, and other channels can be used for public-interest communication and community mobilization. Through these tools, community development foundations can integrate needs, resources, and participating actors more effectively. They can also improve project responsiveness, organizational transparency, and the social basis of trust^[17].

4. Conclusion

The participation of community development foundations in grassroots governance should not be understood simply as fundraising or project grant-making. It should be understood as a form of governance innovation. It uses public-interest resources as a medium, actor connection as a path, and community capacity growth as its goal. In grassroots governance, community development foundations mainly act as aggregators of public resources and translators of needs, weavers

of collaborative networks and enablers of capacity, and calibrators of governance norms and promoters of institutionalization.

At the same time, community development foundations still face practical challenges. These include blurred government–society boundaries, insufficient resource mobilization, and weak professional and digital support. This shows that whether these foundations can be truly embedded in grassroots governance does not depend only on funds and projects. It also depends on whether they can form reasonable boundaries between government support and organizational autonomy. It depends on whether they can build sustained mechanisms between resource input and community co-creation. It also depends on whether they can connect technical tools with governance settings.

Therefore, high-quality participation by community development foundations in grassroots governance requires joint efforts in administrative empowerment, collaborative empowerment, and digital empowerment. Through these paths, foundations can gradually shift from project funders to organizers of community public-interest ecosystems and promoters of collaborative governance. They can continue to release governance effectiveness through resource integration, actor collaboration, and community capacity building.

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