**Structuring an Authoritarian Country with Western Concepts of Human Rights: Institutional Entrepreneurship as "Symbiotic Transformation" between Actor and Context**

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**ABSTRACT**

Institutional entrepreneurship is an important mechanism for creating institutional change. While institutional change occurs over long time periods and in diverse socio-political contexts, institutional entrepreneurship research has largely been unpacking episodic activities in Western democratic countries. Extant approaches have resulted in a general treatment of contexts as given and exogenous to institutional entrepreneurship. In this paper, we explore the interplay between context and the institutional entrepreneur through a historical investigation of the efforts by the Ford Foundation (1975 to 2008) to promote Western concepts of human rights in an authoritarian China. We demonstrate how the Foundation's roles and actions were constrained by structures of China, and how it enacted a process of "symbiotic transformation": in each of its three strategic phases, the Ford Foundation transformed into a context-congruent role and adopted role-congruent actions; each role and related actions helped revise the China society, generating new opportunities and constraints that would fuel the next transformation of the Foundation. Through the unfolding of three continuous episodes, we show how the context is endogenous to the institutional entrepreneurship process. An additional insight of our inductive study is that institutional entrepreneurs can sequentially manage its paradoxical needs of pursuing actor legitimacy within the institutional context while also attempting to revise the context.


Keywords: Institutional entrepreneurship; Institutional change; Structuration; Qualitative research; Historical process research

The concept of institutional entrepreneurship highlights how actors leverage resources to create new institutions or transform existing ones (Battilana, Leca, & Boxenbaum, 2009; Maguire, Hardy, & Lawrence, 2004). It seeks to understand institutional change from the perspective of actors and their agency, which tend to be neglected in neo-institutional theory (Powell & Colyvas, 2008). By juxtaposing "institutions" and "entrepreneurship", institutional entrepreneurship research highlights the tension between social actors and the constraints imposed on these actors by institutional contexts (Garud, Hardy, & Maguire, 2007).

The emphasis on actor and agency has led to a body of empirical research on institutional entrepreneurship that largely uses the "actor-centric" approach, with a tendency of depicting institutional entrepreneurs as heroic actors (Hardy & Maguire, 2008: 211; Battilana et al., 2009). The constraints of institutional contexts, on the other hand, are typically marginalized. This asymmetrical theorization of actors and their contexts perhaps is partially a result of the choice of research contexts – extant studies have predominantly chosen to study institutional changes occurring in Western democratic states, which by design allow social actors to engage in a wide range of political actions to promote alternative ideas. For example, Maguire et al (2004) found that actors representing the AIDS community engaged in explicit theorization and bargaining with diverse stakeholders to build a national network of actors who openly and formally attempted to change AIDS treatment practices in Canada. Similarly, Creed, Scully, and Austin (2002) described how proponents of LGBT rights developed "legitimating accounts" – arguments intended to create meanings and identities around a new practice, and used them to argue for a new law. Even when an issue is located within closed boundaries that safeguard the interests of the elite, non-elite actors can leverage the independent court and media to create political pressures (Zietsma & Lawrence, 2010).

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In contrast, actors in authoritarian countries who are not part of controlling elites have far more limited access to resources (Lorentzen, 2014; Spires, 2007; Spires, 2011; Wilson, 2009). Channels for political participation (e.g., legislative hearings) are constrained or merely symbolic. Activism in the form of alliance building, free association, and demonstration are often outlawed. Media censorship and potential government retaliations further prevent change. Under these constraints, actors cannot readily draw on contextual resources to promote change. The extant actor-centric approach does not explain how institutional entrepreneurship can take place in authoritarian contexts. Specifically, two questions are raised: how do contextual constraints undercut entrepreneurial actors from instigating change? How do these actors take actions to bypass these constraints?

Further, although institutional change occurs over long periods, most research on institutional entrepreneurship views change as episodic (with a few exceptions such as Zietsma & Lawrence, 2010; Child, Lu & Tsai 2007). This "snapshot" approach has limited scholars from considering the full interplay between actions and context (Battilana et al., 2009). Viewing institutional entrepreneurship as an "ongoing strategic contest" (Levy & Scully, 2007:986) may help scholars develop a more nuanced understanding that counters the perception of institutional entrepreneurship as "neat, linear, often successful problem-solving activities … the new or changed institutions typically do not imply or reflect a radical reconfiguration of power relations in the field" (Hardy & Maguire, 2008: 211).

In this study, we examine how institutional entrepreneurship unfolds through ongoing episodes in an authoritarian context. In particular, we aim to show the effortful process though which entrepreneurial actors introduce concepts that attempt to radically reconfigure power relations. We conduct a qualitative study of the Ford Foundation (FF)'s grant-making activities

in China (1975-2008). From this historical case study we inductively developed a process model of "Symbiotic transformation", which explains how the institutional entrepreneur responds to contextual constraints and opportunities by continually transforming into context-congruent roles; Subsequent role-congruent actions, while appearing to support elite interests, also subtly transformed the context. A revised context then allowed the institutional entrepreneur to enact the next transformation. Thus, the institutional entrepreneur and its context are co-constitutive; the process of symbiotic transformation elaborates under what conditions, and through which mechanisms, co-constitution and co-evolution occurs (Barley & Tolbert, 1997) .

## THEORETICAL BACKGROUND

Neo-institutional theory generated insights about the isomorphic and convergent processes in organizational fields, societies and world systems (Scott, 2014), but has been criticized for its relative neglect of institutional change and actors' role in the change process (Powell & Colyvas, 2008). Institutional entrepreneurship research emerged as an effort to incorporate actor agency into neo-institutional theory (DiMaggio & Powell, 1991). DiMaggio (1988a) first introduced this concept to organization studies, which was soon followed by the emergence of studies of institutional entrepreneurs as actors who transform institutions (Hardy & Maguire, 2008; Maguire et al., 2004). A more recent and more comprehensive definition of institutional entrepreneurs refer them as "agents who initiate, and actively participate in the implementation of, changes that diverge from existing institutions, independent of whether the initial intent was to change the institutional environment and whether the changes were successfully implemented" (Battilana et al. 2009:72). According to the definition, a key function of institutional entrepreneurs would be to legitimize and to implement a divergent institution. In the following we review extant findings in light of institutional contexts, entrepreneurial actors

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and their actions. In the process we explicitly bring out the role of legitimacy and legitimation, despite the fact that these ideas are sometimes implicit in extant studies.

**Contexts and Actors: Concept Legitimacy versus Actor Legitimacy**

Institutional theory is intimately related with the concept of legitimacy. Legitimacy is defined as a generalized perception that a social entity, structure, action or idea is "desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574). It is an important condition for survival and for gaining other resources (Meyer & Rowan, 1977). For entrepreneurial actors, crossing a "legitimation threshold" leads to ability to mobilize requisite resources and grow (Zimmerman & Zeitz, 2002). Legitimacy has three dimensions: pragmatic legitimacy, where the organization is perceived to provide certain value to a constituency; moral legitimacy, when the actor is judged to do the right things; cognitive legitimacy, which is either based on comprehensibility or taken-for-grantedness (Suchman, 1995).

Institutional entrepreneurship research by definition implies that the end goal of the focal actor is to legitimize alternative concepts and practices (for example, Boxenbaum, 2006; Child, Lu, & Tsai, 2007; Creed et al., 2002; Déjean, Gond, & Leca, 2004). But a review of extant empirical studies suggest that legitimacy plays complex roles in institutional entrepreneurship process, and it may also be a starting point for entrepreneurial actions.

First, extant research suggests that institutional entrepreneurship is more likely to occur in contexts of low institutionalization and/or institutional plurality (Battilana et al., 2009). Most empirical studies of institutional entrepreneurship are in emerging fields with weak institutionalization (Creed, Dejordy, & Lok, 2010; Greenwood & Suddaby, 2006; Maguire et al., 2004; Mair & Marti, 2009), or in fields where plural institutional concepts coexist and contest

(Greenwood & Suddaby, 2006:537; Lounsbury, 2007; Zietsma & Lawrence, 2010). Weak institutionalization implies that existing institutions cannot eradicate alternative concepts or fully delegitimize them, and institutional plurality evokes a context in which multiple concepts and practices coexist, each endorsed by some actors (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011). In consequence, what makes these two field conditions conducive to change appears to be the pre-existence of a baseline degree of *concept legitimacy*, where the concept being promoted by the focal actor is comprehensible and normatively viable (Suchman, 1995) for certain actors that bear weight in the context (Vergne, 2011). This baseline makes it more likely for institutional entrepreneurs to openly promote these concepts and solicit resources from the context.

In contrast, a context of high institutionalization and low institutional plurality, such as an authoritarian country, implies a lack of legitimacy for alternative concepts. Ators interested in promoting these concepts may find it difficult to mobilize other actors and resources. While extant literature has emphasized facilitative field conditions for institutional entrepreneurship, it has been relatively silent for the follow-up question: How can institutional entrepreneurship occur in non-conducive contexts? This question is important, because promoting marginalized voice is a more pressing task exactly in contexts where this voice is systematically repressed.

Institutional entrepreneurship research has also explored what actor characteristics, such as social positions, determine an actor's propensity to engage in institutional entrepreneurship (Battilana, 2006; Battilana et al., 2009). Peripheral or low-status actors appear to be motivated to promote change because of their disadvantaged positions in the existing institutional order (Kraatz & Zajac, 1996; Leblebici, Salancik, Copay, & King, 1991; Seo & Creed, 2002). Yet, many studies have identified central, established organizations as more likely to be change

agents than peripheral ones are. For example, Sherer and Lee (2002) found that, although law firms were motivated to adopt an innovative practice to address their problem, high-prestige firms were more likely to adopt such a practice in the early diffusion window than less-prestigious firms were. They propose that the high degree of *legitimacy* of these firms shielded them from experimental risks. Rao, Monin, and Duran (2003) ascertain, for instance, that elite chefs with established professional credentials in the culinary field were more effective activists of an alternative logic because they enjoyed high socio-political legitimacy; other chefs were more likely to pay attention to identity-discrepancy cues from them, and subsequently defect from the traditional logic. In emerging fields where actors are still jostling for positions, Maguire et al. (2004: 658) recognize the importance of subject positions, defined as "socially constructed and legitimated identities available in a field … The normative and structural qualities of these positions provide the actors that occupy them with institutional interests and opportunities … and, in some cases, the 'capital' or resources to exert power over the field at a particular time". Actors who occupy subject positions to legitimately speak to diverse stakeholders are more likely to be institutional entrepreneurs. Specifically, in studying the emergence of HIV/AIDS treatment advocacy in Canada, the authors found that non-activist NGOs representing people with AIDS were best positioned to effect change -- they were non-threatening to one key stakeholder, big pharmaceutical companies, but enjoyed broad legitimacy with another key stakeholder, the HIV/AIDS community (Maguire et al., 2004). In summary, it appears that static characteristics, such as being peripheral or central, or being high or low in status, do not always explain which actors are likely to engage in institutional entrepreneurship. Nonetheless, to credibly promote divergent change, the focal actor needs to enjoy a degree of *actor legitimacy*,

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i.e., the actor needs to be considered somewhat comprehensible, morally viable, and deemed as instrumental in promoting the interests of other actors (Suchman, 1995).

Thus extant literature points to two types of legitimacy that are both relevant to institutional entrepreneurship process – concept legitimacy and actor legitimacy. Although Deephouse and Suchman (Deephouse & Suchman, 2008) have stressed that the subjects of legitimacy can be multiple and legitimacy dynamics can be complex, institutional entrepreneurship research has not explicitly addressed such multiplicity and their interplay. Because institutional entrepreneurship focuses on embedded agency, more explicit exploration of legitimacy dynamics throughout the change process (not only at the end point) may help us elaborate on the "embedded" aspect of this research.

Moreover, legitimacy is not only a static attribute, it can also be viewed dynamically from a strategic lens (Suchman, 1995). Strategic actions can be deployed to achieve legitimacy for either an actor or a concept. In the following, we turn to a review of actions.

**Actions: "bridging" strategy versus "diverging" strategy**

Extant research has depicted how institutional entrepreneurs use strategic actions to legitimate themselves as well as the alternative concepts that they promote. For example, in order to legitimate themselves in the eyes of pharmaceutical companies, HIV/AIDS treatment advocacy organizations adopted "business-like" practices, such as, incorporating themselves, issuing annual reports and audit reports, and convening regular general meetings (Maguire et al., 2004). Rao (1998:931) documented a similar strategy of "bridging" with the values and norms of key stakeholders to obtain actor legitimacy: the founders of Consumer Research (the first American Consumer Watchdog Organization) "framed their critiques of business and advertising

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around the ideas of *service to the customer* and *truth in advertising*—concepts that businessmen and advertisers had begun to implement in a bid to professionalize their trades".

Institutional entrepreneurs also deploy actions to promote *concept legitimacy*. Creed, Scully, and Austin (2002) described how actors promoting LGBT rights in the work place developed "legitimating accounts" that resonated with existing cultural accounts: at a U.S. House of Representatives hearing in 1996, proponents of the Employment Non-Discrimination Act (ENDA) created a hybrid account consisting of *good for business* and *civil rights* arguments. The former evokes core American cultural beliefs such as fair play and hard work, while the latter bridges with long-cherished ideas of equal protection and responsible citizenship.

Overall, extant research appears to suggest that bridging with values and norms of central players constitutes a key strategy to increase actor and/or concept legitimacy. Nonetheless, bridging with central players bears inherent risks such as goal drifting and cooptation (Wijk, Stam, Elfring, Zietsma, & Hond, 2013). In a study of how Edison's design strategy enabled his organization to gain acceptance for his innovation of electric lights, Hargadon and Douglas (2001) discovered that Edison used design details of the gas industry to "bridge" the idea of electrical light with the public's preexisting understanding of gas light. However, by choosing the model of centralized production of electricity over isolated production systems, Edison retained the possibility that the concept of electricity would expand from being merely a means of lighting parlors and streets to the source of power for a broad range of new products. While Edison combined "bridging" and "diverging" strategies, TiVo lost its ability to bring divergent change during the process of "hewing closely to existing institutions" (Hargadon & Douglas, 2001: 478). TiVo introduced its product as an advanced generation of VCRs to obtain quick acceptance among customers, network executives and advertisers; in aligning to dominant

interests, TiVo hid disruptive features, such as its ability to allow viewers to skip commercials, and it did not evoke new understandings among audiences many years after. Similarly, Bartel and Garud (2009) argued that in order to diffuse, a novel idea needs to go through a process of "translation", wherein it becomes relatable to different actors; the translation, however, needs to be "generative" so as to inspire other actors to "actively reconstruct these ideas" to find its divergent value (Bartel & Garud, 2009: 112). These insights illuminate the tension between bridging and diverging strategies that most other institutional entrepreneur research has glided over. They envision a skillful approach that simultaneously bridges with, and diverges from, existing institutions. Because such a strategy requires unusual imagination and far sightedness (Gavetti, 2012), we believe some institutional entrepreneurs might use other less heroic approaches to resolve the tension between "bridging" to gain legitimacy and "diverging" to implement change (see Winter, 2011).

Another approach to conceptualizing entrepreneurial actions is to divide them into discursive and non-discursive strategies (Battilana et al., 2009). Discursive strategies comprise diagnostic and prognostic framing to create a vision for change (Creed et al., 2002; Maguire et al., 2004; Suddaby & Greenwood, 2005), and "rhetorical strategies" or story telling (Greenwood & Suddaby, 2006; Suddaby & Greenwood, 2005; Wry, Lounsbury, & Glynn, 2011; Zilber, 2007) that persuade other actors to adopt the new vision. Non-discursive strategies highlighted in extant studies includes building allies, recruiting members, negotiating with other actors (Maguire et al., 2004), promoting new practices or breaking closed boundaries by leveraging courts and media to exert pressure on central players (Zietsma & Lawrence, 2010). These findings largely are not applicable to an authoritarian context, where censorship limits the use of discursive strategy, and the lack of political channels and constraints on activism forestalls the implementation of a large

portion of non-discursive strategies frequently deployed by actors in Western democratic countries.

**Institutional Entrepreneurship in Authoritarian Contexts**

Surprisingly few studies have explored how institutional entrepreneurship unfolds in authoritarian contexts, especially when the actors are not elites. For example, Khan, Munir, and Willmott (2007) investigate how powerful local actors recovered the reputation for a soccer ball manufacturing cluster in Palestine after the cluster was criticized by the international community for using child labor. Child, Lu, and Tsai (2007) examine how the China government acted as an institutional entrepreneur in developing an environmental protection system (EPS). The EPS as an institutional field went through distinctive stages in which the regulatory pillar was built first, then the professional/normative pillar; in the last stage EPS took on cognitive meaning to be considered as "social responsibility" by the public. This sequence is a reversal of the stages experienced in the U.S.. Child et al. (2007) demonstrated that national contexts significantly affect institutional entrepreneurship, but do not address our main research question: How does an entrepreneurial actor outside of the ruling elites instigate divergent change in a context where concentrated elite power and related institutional arrangements prohibit such change?

**METHODS**

When unanswered questions are identified within the boundaries of a well-developed theory, an inductive theory-building approach is appropriate (Edmondson & McManus, 2007). To address our research question, we conducted an inductive process study (Langley, 1999; Langley, Smallman, Tsoukas, & Van De Ven, 2013; Van de Ven, 1992) that covers 33 years (1975-2008) of the history of the Ford Foundation's institutional entrepreneurship in China.

**Empirical Context**

The Ford Foundation (FF) is one of the world's largest private foundations with assets over $10 billion and annual spending of about US$500 million. It has ten offices in Latin America, Africa, the Middle East, and Asia. FF's organizational focus is to promote human rights and development around the world through "chang(ing) social structure and institutions" (FF website). Specifically, FF addresses eight global human rights issues, including Democratic and accountable government, Economic fairness, Educational opportunity, Freedom of expression, Gender, sexuality and reproductive justice, Human rights, Metropolitan Opportunity and Sustainable Development. FF promotes these issues by working with grantee organizations, including research entities, civil society organizations (i.e., NGOs) and government institutions.

FF started to make grants to China in the 1970s and remains active today. With annual spending of US$15-20 million (since 2000), it is the biggest foreign non-governmental organization (NGO) in China dealing with issues related to rights, justice and democratic governance. FF was initially invited by Chinese elites to provide technical assistance in economics, law, and international relations, but has changed its focus. Since 2000, its Beijing Office has been openly promoting five out of the eight FF global issues.

FF's program officers are issue experts with deep ties to communities they work in. For example, almost all program officers of FF's Beijing Office, despite being expatriates, spoke fluent Chinese and had years of work experience in China or Asia before joining FF. FF's officers monitor issue domains to identify leaders and projects, favoring "bold ideas and scalable solutions" that tackle "structure and system" problems (FF website). Thus, they proactively construct issues and their grant making is strategic actions designed to catalyze systemic change.

**Data Collection**

Our data stretched over 33 years (1975-2008). 1975 constitutes a proper starting point for our historical study because FF made initial contact with China in 1975. 2008 was chosen because FF's unpublished reports after 2008 are not available to the public. Our data collection followed prior studies that used archival data to track the processes of institutional change (Greenwood & Suddaby, 2006; Maguire & Hardy, 2009; Munir & Phillips, 2005).

We obtained access to FF's archives (located in New York) in November 2012. During a ten-day trip, the first author collected all FF's "unpublished reports" related to China. In 2013, she again visited the archive center and conducted research there for 14 days in order to build an in-depth understanding of FF; she collected additional data, including FF grant lists (in spreadsheets) and annual reports. In the same year, she also traveled to China to conduct ten interviews with FF's grantees and FF's representative in China. These interviews augmented the data by adding other actors' perspectives on the activities discussed in the archival material.

In order to deeply understand FFs activities in China, we read about FF's activities in the United States and other countries (such as, Bresnan, 2006; Ferguson, 2013; Korey, 2007; Lagemann, 1999; Parmar, 2012) and the global human rights movement (for example, Dezalay & Garth, 2002; Keck & Sikkink, 1998; Korey, 1998) in which FF played a major role. We also read scholarly books about China's economic reform and social change in the past four decades (Day, 2005; Evans & Strauss, 2011; Hildebrandt, 2013; Hsiung, Jaschok, & Milwertz, 2001; Tai, 2015; Yang, 2004), so as to learn more about other actors that have influenced social change within China. These books served as important background knowledge that increased our trustworthiness as researchers tackling a highly complex research context. Moreover, from these scholarly sources we identified case studies of three grassroots NGOs that were mentioned in FF unpublished reports (Evans & Strauss, 2011; Hsiung et al., 2001; Tai, 2015). We included these

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three case studies into our data. As they were either written by FF grantees, or included rich interview data about a grantee, these case studies served the same function as our own interviews with eight FF grantees, i.e., to enrich and corroborate data contained in FF unpublished reports.

Nearly 70% of FF's unpublished reports, our core data, are internal memos written by its executives or program officers at the end of each fiscal year to summarize and reflect on activities in the past year. Historians prefer "non-intentional evidence" which means "anything remaining from the past that was not made with the intention of revealing the past to us, but simply emerged as part of normal life" (Rowlinson, Hassard, & Decker, 2014, citing Megill 2007: 25, 29). Internal reports that were produced while running an organization, which then go into the archives, are "non-intentional evidence" that captures the activities relative accurately.

We also used more subjective types of data -- documents that are "collected, processed and expounded according to the organization's criteria and for the purpose of social legitimation" (Rowlinson et al., 2014, citing Strati, 2000:158), such as FF's annual reports, brochures, and presidential remarks. We used the "non-intentional documents" to develop historical accounts and codes, and consulted the more subjective documents to inform and enrich our understanding, while bearing in mind that they were constructed to influence an external audience.

As summarized in Table 1, the data can be grouped into five categories.

INSERT TABLE 1 ABOUT HERE

***FF's unpublished reports on China*** were collected during the first trip to the archive center. We searched the FF internal database using the keyword *China*, and scrutinized the results to exclude documents that did not direct explain FF's China strategy. Of the 76 reports (about 1,600 pages total) retained, 52 are internal memos authored by FF staff. Other documents included program overviews and discussion papers prepared for the Board of Trustee meetings,

selective grantee narratives, program flyers and conference papers, and presidential remarks about FF's China programs.

*FF's Grantmakers Resource Handbooks.* This 120-page internal document (2002) about the "craft of grantmaking" explains internal FF practices that we encountered in the unpublished reports. It helped us to interpret our core data by taking into account the organizational contexts in which these documents were generated.

*FF's external communications.* This category contains several types of data. 1) FF's President's public remarks (non-China context): 10 reports containing the public remarks made by FF's president that explained FF's goals and strategies to external audiences. 2) FF annual reports (1975 – 2008): "Message from the president" and "Message from the Chair" allowed us to gauge the evolution of FF's missions and related organizational ethos; they also contained FF global financial information, allowing us to compare its Chinese portfolio vis-à-vis its grantmaking in other countries. 3) FF Brochure of China (2011) in English summarizing FF's key achievements in China toward an external audience.

*FF grants in China (1975-2004).* This spreadsheet contained 1,277 grants made in China from 1975 to 2004 (latest year to access FF internal grants database). Each case lists the grantee organization, grant purpose, date awarded, amount, program field (such as: environment, or sexuality) and the program officer who made the grant. This document helped us to corroborate the grant-making strategies being articulated in the textual data of FF unpublished reports. For example, if one officer in her memo highlighted her support to a particular organization, we would check out the same grantee in the spreadsheet to collect all grants made to it, thus more precisely "profiling" this grantee's relationship with FF. This allowed us to gather a few vignette cases about how FF supported Chinese actors.

*Semistructured interviews.* We interviewed eight NGO leaders who were FF grantees, the FF representative in Beijing, and a journalist covering the civil society in a leading Chinese newspaper. We used theoretical sampling to select informants who represented a variety of perspectives (Locke, 2001). Three grantee informants were in the Governance portfolio, two in the Environment portfolio, two in Education, and one in Sexuality and Reproductive Health.

*Books (or book chapters) with case studies about FF's Chinese grantees*. As mentioned earlier, we incorporated three books that contained case studies of three FF grantees in China. FF's role was clearly mentioned in these cases.

**Analytical Approach**

To make sense of our data, we took several steps.

*Step 1.* We used "temporal bracketing" to structure our longitudinal data. This approach is broadly used in historical research (Chandler, 1970; Rowlinson, 2004) and process research (Langley, 1999). We identified critical events that divided a longitudinal phenomenon into "phases", with a phase being "an interval of time in which qualitatively similar work activities occurred that differed from activities that came before or after" (Davis & Eisenhardt, 2011:167). Decomposition of data into phases enables "examination of how actions of one period lead to changes in the institutional context that will affect actions in subsequent periods" (Langley 1999: 703), thus facilitating the capture of reciprocal relations between institutional contexts and actions taken by actors to sustain or transform the context (Barley, 1986; Barley & Tolbert, 1997; Giddens, 1984).

Because our focus is on how FF promoted divergent Western concepts in China through its grant-making strategies, we looked for major changes in FF's strategies in China. We identified three strategic shifts that appeared to have significantly affected FF's approaches in

China. The first occurred in 1975, when FF's Asian expert explored China's "relevance to the Foundation." This shift triggered a series of trips and internal debates that led to formal grant-making programs with Chinese elites. The second strategic shift occurred in 1988, when the Chinese government allowed FF to establish an office in Beijing and began making local grants locally. In 1999, the third strategic shift ensued: FF departed from its pattern of grants, which had centered on supporting Chinese elites, and initiated a generic grant program to support emergent grassroots NGOs. These shifts demarcated FF's trajectory in China (1975-2008) into three phases. In Phase 1, FF was a "guest" that assisted Chinese elites with their reform agenda; in Phase 2, FF was a local actor and worked largely with elites; in Phase 3, FF worked with both elites and grassroots actors, but emphasized the latter. To understand what triggered these shifts and how each shift improved FF's ability to engage in institutional entrepreneurship, we then attempted to first reconstruct the historical account, next to identify abstract patterns from our data and the account, and finally to explain these patterns with a theoretical model.

*Step 2.* We reconstructed a historical account of FF's activities in China from archival data. For this step (and the next), our direct data sources were FF unpublished reports, interviews, and case studies from the three aforementioned books. We reviewed other sources, namely the FF Grantmakers Resource Handbook, FF's external communications, and FF's grant spreadsheet, to corroborate with the core data (Jick, 1979).

In this step, we embraced the historian's method of source criticism to keep analytical distance from the archival texts (Decker, 2013). First, we gathered biographical information about each author to gauge if her/his voice on a topic could be trusted; this step also made us cognizant of the ideological frames that the authors brought into the text (Howell & Prevenier, 2001). Second, we used other sources (books, papers, websites) and historical events mentioned

in FF's unpublished reports to establish the historical context. This move helped us "interpret" FF's interpretations of these events (Gunn, 2006). Third, while historical reconstruction is inherently inter-subjective, we iterated between texts and meaning. This effort allowed us to step into the shoes of archival authors and capture the "archival voice". Thus, we attempted to stay close to archival authors while keeping an analytical distance from them. Eventually we grew confident of our understanding of the data and started reconstructing a historical account of FF's activities in China (Decker, 2013; Kipping, Wadhwani, & Bucheli, 2014).

Historians seek to uncover contingencies and to establish complexity; historical methods, properly deployed, can enhance qualitative research, which is inherently reductionist (Burgelman, 2011; Rowlinson et al., 2014). We leveraged historians' methods to enhance the trustworthiness of our historical description of the phenomenon, but in Step 3 we resorted to the reductionist approach of our field.

*Step 3.* This step was informed by grounded theory (Glaser & Strauss, 1967; Locke, 2001; Strauss & Corbin, 1998). Specifically, we aimed to uncover patterns in our data by creating a data structure (Gioia, Corley, & Hamilton, 2013). We started by creating a large number of 1st order codes that simply described the phenomenon. For example, in the early data that described FF's initial direct contact with China, we identified data sections about FF's staff members witnessing interest in modern science and technology. Below is one such quote:

*"First, we saw and heard strong evidence, in four widely separated parts of China, of the widespread Chinese desire to reverse their isolation of the past thirty years, to catch up with modern science and technology, to decentralize and loosen up their rigid planning and control system, to introduce more incentives and market forces in their economy and more democracy in their political and legal system."*

To capture these patterns, we developed 1st order codes: "*China was eager to learn from the world*". From other data sections we developed a large number of other codes. Our coding

approach was iterative, and involved constant comparison between data and codes. After much iteration, we saw emerging patterns of data and started to cluster 1st order codes into 2nd order categories. For instance, 1st order codes including "*China was eager to learn from the world*", "*China's ability to learn was questionable*", "*Increased interactions with the U.S.*", "*China was extremely authoritarian*" and "*China was ignorant of Western concepts*" all described characteristics of the China context in Phase 1 (1975-1988), and we grouped them into a 2nd order category titled "*T1: China was extremely authoritarian, ignorant and eager to learn from the West*" (Because the data are longitudinal, we used time markers -- T1, T2, and T3 -- in the data structure). Accordingly, we established other 2nd order categories to capture the Chinese context in Phases 2 and 3: "*T2: Multi-faceted conflicts with the West and Western concepts*", and "*T3: Shallow adoption of concepts & deep conflicts*". Hence, evolving and multi-dimensional images of China emerged. We aggregated these "images" into an overarching theoretical dimension describing the context: "*China evolved vis-à-vis the West and Western concepts*".

In line with other qualitative research studies (Maitlis & Lawrence, 2007; Rerup & Feldman, 2011), we derived some of our codes from the theoretical perspective that we adopted, such as the aforementioned theoretical dimension about the institutional *context*. Also, a significant portion of our codes evoked *legitimacy*, such as "*FF lacked legitimacy*", "*FF faced scrutiny by the government*", and "*concept legitimacy emerged in ad hoc spaces*". Sifting through these codes, we recognized two distinct types of legitimacy with different trajectories, which we subsequently coded as: "*Actor legitimacy zigzagged*" and "*Concept legitimacy gradually increased.*" These two types of legitimacy constituted an aggregate theoretical dimension -- "*Dual legitimacy dynamics*".

Other aggregate dimensions – "*FF roles*" and "*FF actions*" -- emerged organically from our data. First, we found chunks of data elaborating on FF's overarching strategic positions in China, such as, "*Offering technical assistance to elites,*" "*Adopting elites' priorities,*" "*Being a local actor was a competitive advantage,*" and "*Systemically developing China's civil society.*" These codes largely corresponded to the three strategic phases we identified in Step 1. Overall, we captured the patterns of FFs strategic positioning in each phase with these 2$^{nd}$ order codes: "*An obliging guest*", "*An opportunistic change agent*", and "*An explicit change agent*".

Additionally, in each phase we identified tactical actions that supported FF's overarching strategic positioning. We used "*role*" and "*actions*" as aggregate dimensions to capture the strategic and tactical elements of FF's approach in China. Table 2 depicts our data structure.

INSERT TABLE 2 ABOUT HERE

**Step 4.** In this step, we attempted to explain the patterns of FF's interplay with the Chinese context. We thoroughly examined the relationship amongst "contexts", "legitimacy", "role", and "actions" in and between phases, investigating both differences and similarities across our three temporal units of analysis. This effort resulted in a dynamic grounded model that captured the process of "simultaneous symbiosis" between FF and the China context.

**FINDINGS**

Our research asks how FF promoted divergent institutional concepts in a context of tight elite control. We found that when FF first contacted China in 1975, it encountered an extremely authoritarian society in which grassroots actors had little autonomy or voice. Reform-minded Chinese elites, while eager to learn from the West, were ignorant of Western knowledge and concepts. In Phase 1, FF became an obliging "guest" that helped Chinese elites learn about Western economics, law, and international relations. This allowed FF to help develop a legion of

Chinese elites versed in Western knowledge, and build a relationship with Chinese elites. Enhanced actor legitimacy enabled FF to open its Beijing Office in 1988, transforming itself into a "local actor" and entering Phase 2. In this Phase, China as a rising economic power with spotty human rights records entered into an increasingly interdependent but terse relationship with the West. FF's legitimacy suffered due to its role as an American foundation. Still, being a "local actor" allowed FF to identify opportunities to introduce ad hoc rights-based concepts. While FF continued to work with elites, its emphasis shifted from ideological-neutral training to actions that enabled reform-minded elites to become change agents inside the elite system. These actions, along with those of other international or domestic NGOs in China, helped revise the socio-political context of China. Over time, rights-based concepts, such as *rule of law* and *transparent governance*, obtained face legitimacy, but inertia and resistance led to ineffective implementations of these concepts. At the same time, China's grassroots NGO sector (alternatively called the civil society sector) grew rapidly, spurred by domestic needs and growing access to international funds. Different from government-owned NGOs (GONGO hereinafter), such as the All-China Women's Federation, grassroots NGOs were created by Chinese citizens and run by them independently[1]. They emerged organically to tackle inequality and other grassroots problems. In 1999, FF decided to offer systematic support to these actors, breaking from its extant pattern of supporting elites. This shift catapulted FF to its third role as an explicit change agent, and marked its entry into Phase 3, in which FF restructured its programs to promote five rights-based concepts (corresponding to five out of the eight FF global human rights issues). In the following, we present our findings chronologically and structure our results from each phase around four key concepts: Context, Legitimacy, Role, and Actions.

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[1] We follow Tai's (2014:133) definition of NGO in China: "all social organizations that are not 'creatures of the state' in the sense that they enjoy the power to make decisions with respect to personnel, financial and other management matters". As Tai (2014:133) points out, due to the state's dominance in China, some NGOs or their founders may possess administrative connections to the state at some point of their

**Phase 1  1975-1988   FF as an Obliging "Guest"**

*The context: an authoritarian China eager to learn from the West.* The People's

Republic of China (hereinafter China) entered the world stage in the mid 1970s. Shortly after

Mao's death in 1976, the new Chinese leadership announced its policy of economic reform.

Chinese elites solicited western governments and institutions for technical assistance. As one

document noted: "The Chinese want to learn about other people's experience; they want some of

their people to become expert; they want to establish advanced training and research programs in

China. And they are in a hurry." (FF Information Paper, 1979). An FF memo, penned by one of

its top executives who had just visited China, echoed this observation:

*The desire for domestic change is accompanied by an equally strong desire for change in
relations abroad….An enormous curiosity about the United States has been released by the
opening of diplomatic relations. Officials in Peking spoke with quiet enthusiasm about sending
off their best younger people 'to learn from your successes and failures.' Students in Kunming
plied us unabashedly until late into the night with questions of every sort, from our opinions
about prospective Presidential candidates to information about our private lives.* (FF Memo,
Bell, 1979)

The United States was a major target of Chinese solicitations. In the middle of the Cold

War, the U.S. wanted to influence China. After establishing diplomatic ties in January 1979, the

two countries carried out a large number of exchange programs. The U.S. philanthropy sector,

believing that mutual understanding among nations was essential for world peace (FF Memo,

Sutton, 1985), also welcomed China's new policy.

In the 1970s, the China government controlled every aspect of citizens' lives. One FF

officer bemoaned after his trip to China:

*Coming from our society, where we put such a premium on individual discretion in making
choices, it is sobering to confront a situation where the individual's overall life choices are so
heavily influenced by the country's needs, such as, being told by the commune or the factory
where to go, what to train for, even in work assignments, place of residence, and permission to
marry. I find it difficult to understand how people would be comfortable over a sustained period
of time with such limitations on opportunities to change.* (FF Staff Newsletter, 1980).

FF, through its initial observation of China, realized that China was meant to remain an elite-controlled society where "one hundred rule one billion" (FF Discussion Paper, 1983). The economic reform was not meant to change China's basic characteristic as a "firmly hierarchical and authoritarian society" (FF Memo, Bresnan, 1980).

Three decades of isolation had made China naïve about Western concepts such as human rights. As one FF officer observed after a trip to China: "(China) is ideological and self-centered in the extreme – to the point of woeful indifference and ignorance about the outside world…" (FF Memo, Finkelstein, 1975). When another FF officer visited China in 1979 with a small group of American legal experts specializing in human rights, their Chinese host proudly gave them tours of prisons to showcase the socialist legal system:

*It was interesting in Bolge (?) to see extensive prison industries in which the inmates were involved in the manufacture of goods that were sold commercially under labels -- socks and shoes, for example. In the prison in Shanghai they were making men's suits (with proceeds going to the government). The work was very well organized and along with recreation and educational classes there was no idle time for anybody…We were told that the prisons were peaceful and that there was no problem of inmate homosexuality or any of the other tensions that plague American prison communities.* (FF Staff Newsletter, 1980).

The same officer also noticed that Chinese held no such concept of "presumption of innocence" in the criminal trial procedure, and had a limited understanding of capitalism and U.S. democracy. All these discoveries about China "grated" on FF's ideals and values as a human rights advocate, as FF's president, Susan Berresford, recalled later, "Ford's leadership believe it is important to be there and remain committed for the long term, as we have in other countries experiencing difficulties and long transitions" (FF Report, Berresford remarks at the National Committee on United States-China Relations Dinner, 1997).

***Dual legitimacy dynamic.*** From 1952 to the 1970s, FF was the largest funder of China studies in U.S. universities, which tried to enhance understanding of China during the cold war.

As a consequence, FF wanted to engage China directly. It believed that engagement rather than

isolation helped convert authoritarian countries. Its initial contacts with Chinese elites helped FF

realize that China did not see it as legitimate. The Chinese held only vague ideas about the role

of a foundation; many considered FF a semi-official government agency. Among well-informed

elites, FF was associated with "suspicious" activities:

*The Chinese suspicion of foundations in general probably has its origins in the 1930's when certain Rockefeller Foundation activities in China were regarded by the Communists as interference in domestic politics. This distrust…re-emerged in early 1961 with Chinese newspaper attacks on the Ford Foundation (and Asia Foundation) for 'neo-colonial' cultural and educational activities in Asia and Africa.* (FF Memo, Finkelstein, 1975)

As a consequence, FF reasoned "*it is necessary first to attempt to overcome the legacy of*

*distrust and to establish our bona fides*" (FF Memo, Finkelstein, 1975). When a FF executive

delegation visited China in 1979 to explore program opportunities, they figured the best starting

point was to partner with the Chinese elite:

*"…it seemed clear that a prudent and sensible place to begin would be with the Academy of Social Sciences. The Academy is a place of considerable potential influence, since it is being used as a policy analysis group for the top government agencies. It has strong and pragmatic leadership…They are well connected to the top leadership of the government. At the same time, the Academy is a step removed from the bureaucracy and has more freedom to explore new ideas and policy alternatives."* (FF Memo, Bell, 1979).

This relationship held the potential to be mutually beneficial: The Chinese Academy of

Social Sciences (hereafter CASS) was just resurrected after the Cultural Revolution and needed

help in training its scholars and institutes. Because it was not tenable to promote Western

concepts of human rights in the context featured by a high degree of institutionalization (under

the Communist ideology) and extremely low institutional plurality, FF focused on ideology-

neutral technical assistance programs, and signed an agreement of that nature with CASS.

***FF's role: a "guest" helping elites' reform agenda.*** CASS prioritized exchanges in

economic policy, especially the rural economy. FF endorsed this request, as well as CASS's

other priorities:

*"The Academy places next priority on law…and on international relations…We were happy to endorse these priorities…"* (FF Memo, Bell 1979*).*

FF soon dispatched economic, legal, and international relations experts to China to design programs, which were carried out throughout the 1980s. In this Phase, FF relied on its New York-based staff to manage its China programs. To facilitate communication with CASS, FF placed a U.S. agricultural economist as a visiting research fellow at CASS. The economist helped FF New York staff interpret developments in China, plan grant activities, and facilitate their implementations, and played "an equally important and equally appreciated role in helping the Chinese understand the Foundation" (FF Discussion Paper, 1983).

***FF actions: raising the technical capacity of Chinese elite.*** FF had a long tradition of leveraging knowledge elites as social change catalysts[2]. Based on its experiences in social change, FF believed knowledge elites would turn into important actors in China: Economists would be needed for reviving the agricultural sector and for transitioning China's industrial sector from centralized planning to a market economy, lawyers would be sought after amid foreign direct investments and legal reforms, and intellectuals in humanities and artists would stimulate social and cultural change. The Chinese knowledge elites as a social class were severely damaged during the Cultural Revolution. The FF law delegation in 1980 found China had about 600 lawyers for a population of one billion. Similarly, FF's agricultural economist delegation reported that the national Chinese Association of Agricultural Economists had 500 members, most with no post-graduate training. FF's program reviews described how FF helped develop Chinese agricultural economists and legal scholars to bring them to an updated understanding of Western knowledge:

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[2] Many FF executives and program officers were academics, and FF had an extensive network with U.S. knowledge elites.

*The program has included summer workshops in China, a visiting professor of agricultural economics in Northwest Agricultural University and master's 1evel education for staff members from the Academy (CAAS)'s Institute o Agriculture Economics.* (FF Program Review, 1983)

*During the first year of the new program (FY83) some 20 Chinese legal scholars received support for advanced study and research in the U.S.; delegations from the Ministries of Education and Justice visited the United States to familiarize themselves with the American system of legal education; and arrangements were made for American professors and prospective specialists on Chinese law to lecture and do research in China.* (FF Program Review, 1984)

FF initially sponsored CASS (and a smaller Academy in agricultural economics); after FF built trust and goodwill with CASS, it began to reach out to Chinese universities and to government-affiliated research institutes and agencies. The focus on economics, law and international relations remained unchanged throughout Phase 1.

**FF actions: "smuggling" concepts.** FF, despite the official agreement with CASS for technical assistance, wanted to promote human rights in China, as John Bresnan, the FF executive spearheading the Chinese initiative, described: "*We have continually borne in mind the desirability…that we maintain a clear interest in going beyond the transfer of technical expertise and try to contribute in anything we do to the broadening of human rights in China.*" (FF Memo, Bresnan, 1980). This was attempted through several mechanisms. First, in the process of transferring technical knowledge, FF believed it was also increasing the openness and plurality in China:

*It was understood that the projects…would be designed not only to bring increased technical expertise to China but also to contribute to increased openness and pluralism in the Chinese approach to economic and social issues.* (FF Discussion Paper, 1983)

By passing on technical knowledge, FF believed it could encourage respect for the ideological underpinning of such knowledge. For example, workshops on American legal system and foreign policy-making process would expose Chinese scholars to the guiding philosophies behind such systems and processes, as the below quotes subtly suggested:

*At the Academy's request, we have so far arranged lecture visits by two American legal scholars, both active in human rights, Alan Dershowitz of Harvard and Louis Henkin of Columbia.* (FF memo, Bresnan, 1980)

Second, in parallel with its program with CASS in economics, law, and international relations, FF funded humanities and arts exchange through its American grantees because it believed these disciplines would exert more direct effects on culture and mindset. Occasionally, FF explored the possibility of more explicitly promoting rights issues. For instance, through an American grantee, FF funded a group of U.S. women interested in women's issues to visit China in 1980, with an attempt to open contacts with the "rather hide-bound" All-China Women's Federation – a parastatal agency supervising women's issues (FF Memo, Bresnan, 1981).

A third mechanism was to support research projects that foreshadow rights-based concepts. For example, FF funded "one of the largest social science research projects ever undertaken in China", which involved scholars in China, the U.S. and the U.K. to investigate inequality in China (FF Grantee Report, Griffin and Zhao, 1992, Preface). Because the Communist ideology consecrated equality, the existence of inequality was never acknowledged in China. Thus this research would tackle a political taboo and introduce rights-based concepts of equality and social justice. CASS's Institute of Economics lent , institutional support to this project, and the rationale of this research was explained in technical terms, as a project of "applied economics" aimed to "train a group of young Chinese economists in Western methods of empirical research" (FF Grantee Report, Griffin and Zhao, 1992, Preface). This project would generate much research in the early 1990s; scholars uncovered how urban/rural inequality resulted from unjust policies:

*One might expect that in a socialist country such as China the system of direct taxation and subsidies would be progressive, the incomes of the poor raised through net transfers from the non-poor. Yet in practice the system is highly regressive: the peasantry is taxed in order to subsidize the incomes of industrial workers. Just how regressive is the present system can be*

*illustrated by comparing it with a hypothetical system in which total taxes and subsidies remain as now but the burden and benefits are neutral as between the cities and the countryside. Under such a system the average income of rural residents would rise by 23.5% while the average income of urban residents would fall by 30.9%. The difference in incomes between rural and urban areas would fall dramatically…and rural incomes would rise to 73.8 per cent or urban incomes (as compared to only 41 per cent now).* (FF Grantee Report, Griffin and Zhao, 1992)

Despite these efforts to "smuggle" rights-based concepts, opportunities were scarce or pre-mature. For example, when FF attempted to start a conversation on inequality, this concept became increasingly salient to China only in Phase 2 and 3. Meanwhile, the All-China Women's Federation were found to have no incentive for change in 1980; such incentives, however, would emerge and accumulate in next Phases to turn the parastatal agency to a change agent.

***Transitioning to the next role.*** In the 1980s the agreement with CASS satisfied both CASS and the FF. FF helped CASS to develop expertise and connect to international academic circles, while CASS helped enhance FF's name and influence among Chinese elites. In 1986, FF hoped to open a Beijing Office and asked CASS to help it make the request at the top Chinese government. This request was unprecedented for a foreign foundation. In 1988, the State Council issued "a special internal document approved by some eight ministry-level agencies that established the framework for the Office to open" (FF Discussion Paper, 2007). CASS was nominated as FF's "host" to supervise its work. The agreement granted FF unusual privileges for a foreign NGO: 1) it enabled FF to work directly with Chinese grantees, and 2) FF was required to report to CASS on its grants only at year's end, when almost all other foreign donors had to go through a process of negotiation and approval by a Ministry before issuing their grants (these were called bilateral or multilateral donors). The agreement allowed FF to assign five New York-appointed program officers to its Beijing Office. The subsequent opening of the Beijing Office enabled FF to expand its program beyond technical assistance.

**Phase 2  1988-1999   FF as an "Opportunistic" Change Agent**

***The context: multifaceted conflicts with the West and Western concept.*** By mid-1990s

China had climbed to be the world's third economy, with a $30 billion trade surplice with the

U.S. As China opened up, Western concepts started to come in and influence knowledge elites

and university students. In 1989, pro-democracy students protested on the Tian'anmen Square in

Beijing. The subsequent crackdown worsened relations between the West and China. In 1993,

the Clinton administration linked the renewal of China's Most Favored Nations trading status to

human rights, demanding that China make progress in seven areas of human rights (One of the

two primary areas was, ironically, prison labor exports to the U.S.).

Despite these conflicts, China was increasingly aware of its interdependence with the

world. It attempted to improve its standing in the international community. For instance, Beijing

hosted the United Nations Fourth World Conference on Women -- a high-profile event that

helped articulate women's reproductive health rights and other rights – in 1995.

The government also continued its economic reform agenda by restructuring State-

owned-enterprises and encouraging the growth of a private sector. These measures created a

business elite class and a middle class, as well as newly disadvantaged groups such as migrant

workers and unemployed city residents.

Although political elites moved boldly on the economic front, they shied away from

political reforms. Rather, they resorted to tightened social control to govern an increasingly

plural and stratified society, as illustrated by this comment in an FF report:

*Over the last two years, the Party has moved to tidy up what it sees as the messy and unruly*
*aspects of society that developed together with the more free-wheeling economy since 1992. As a*
*result, we have seen new curbs placed on newspapers and journals, social organizations, and a*
*greater wariness of the role of foreign organizations in China and tougher approval processes*
*for the receipt of foreign funding and for collaborative research with foreigners.* (FF Discussion
Paper, 1997)

Overall, in Phase 2, the China government was still dominant in the China society and

was in general defiant to Western values; but interactions with the West changed the government's attitudes: these pressures made concepts such as human rights, equality, and social justice increasingly salient. Meanwhile, economic reforms created social classes with interests and values that departed from the communist/socialist ideology, pointing to tensions between authoritarian governance and a plural society.

*Dual legitimacy dynamic.* In the 1990s, FF's legitimacy among elites appeared to grow. As it had anticipated, many elites it sponsored in the 1980s rose to power in government, think tanks, and leading universities. For example, when Zhu Rongji was elected as China's new premier in 1998, FF discovered that a number of Zhu's key advisors had been FF grantees.

However, two aforementioned historical contingencies diluted FF's legitimacy. The first was the government wariness of the role of foreign organizations in China. The second was the capricious Sino-U.S. relationship. An FF internal document explained this vicarious situation:

*Given the Foundation's history and previous funding pattern it is seen by many organizations in both countries as providing a key channel for promoting the relationship… It also means that the smooth operation of the Foundation's work in China can often be influenced by the shifting winds of the U.S.-China relationship. The downturn in this relationship over the last two years clearly increased suspicion about the Foundation and had an adverse impact on the regard in which the Foundation was held during that period.* (FF Discussion Paper, 1997)

While its actor legitimacy became somewhat ambiguous, FF found that some rights-based issues became possible to pursue. Although the degree of institutional control was still very high, concept legitimacy was facilitated by historical contingencies, such as: 1) Judicial reform that opened doors to issues about defendants' rights and rights of other vulnerable groups in society; 2) The Fourth World Conference on Women, which provided opportunities to promote women's rights; 3) Local governments gained more autonomy from the reform process, with some becoming receptive to experimentations to solve local social problems. As a consequence, while

FF's actor legitimacy became mixed, its presence in China allowed it to observe the emergence of concept legitimacy in ad hoc spaces.

**FF role: an "opportunistic" change agent.** After opening its Beijing Office, FF continued its earlier program to support elites' development and the reform agenda. Even the Tian'anmen Square crackdown did not diminish FF's determination to continue to collaborate with elites:

*At various times since 1988, the Beijing Office has faced a number of constraints and challenges. The most profound one came in the wake of the events of 1989, when the decision was made to remain engaged in China and to continue to work on the reform process, which had been shaken but ultimately not abandoned.* (FF Discussion Paper, 2007)

FF also launched initiatives that departed from ideology-neutral technical assistance and signaled rights-based programming. These initiatives could be grouped into two clusters. The first grew out of existing programs of law and economics, and promoted changes in the national political system, such as FF's extension of its law program to two new initiatives: one on judicial reform, which trained judges and conducted comparative research on Chinese courts, so as to raise Chinese awareness of Western legal institutions; and one on the "law-in-action", which supported *legal aid centers* inside the Ministry of Justice or university law schools to assist disadvantaged groups in legal processes. From its economics program, FF developed a new initiative emphasizing "plural voices" in economic policy-making; to do so, FF attempted to link independent research institutions (that were more mindful of plural interests of social groups) with policy makers.

The second cluster of new initiatives comprised FF's experimental projects in the remote Southwest Yunnan province. Continued economic reform led to the rise of local governments, opening up political spaces for local-based experimentations on leading-edge issues. In an internal document, FF called this move "*looking away from the center*":

*[T]he rapid pace of change demands that our thinking be flexible. While there may be a sense that the central authorities are not moving fast with reform, local administrations and society are very much on the move, experimenting with new approaches to the challenges facing them. As a result, the Foundation must continuously re-evaluate opportunities and priorities. In particular, it also means looking away from the "Center" to discover new and innovative project work.* (FF Discussion Paper, 1997)

In Yunnan, FF launched two major pilot projects: 1) A national reforestation project, in which the Community Forestry helped local forestation agencies achieve reforestation targets while accounting for local communities' livelihood. 2) Collaborating with local Family Planning agencies to improve the quality of reproductive health for rural women. Both projects addressed the target-driven and top-down approach of Chinese central government, which often generated conflicts between officials and communities, by introducing participatory and service-oriented approaches based on the Western value of protecting the rights of vulnerable populations[3].

***FF actions: enabling elites to be change agents.*** FF's activities supported some elites to become change agents. Two distinct approaches were applied to knowledge elites and political elites. First, FF encouraged knowledge elites to be brokers of grassroots interests. Knowledge elites in China traditionally participated in political processes, although political elites limited their role (FF Grantee Report, Wang, 1999). In the 1990s, grassroots actors had little voice, and leveraging knowledge elites was a way to give voice to their interests. Two examples illustrated this approach. 1) "Grafting" elites to create Chinese think tanks. In the aforementioned public policy initiative, FF wanted to link policy makers to independent research institutions couched in leading universities. FF helped "create" think tanks that were advantageously positioned for policy advising, such as the China Center for Economic Research (CCER), housed in Peking

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[3] The reforestation project later evolved into FF's Environment and Community Rights program, and the Family Planning project became the Sexuality and Reproductive Health program. Another new initiative in Yunnan, preserving ethnic minority cultures (Yunnan had a large ethnic population) to counter the dominant Han culture, was incorporated into the Environment and Community Rights program.

University and run by overseas returnees trained in neo-classical economics. The "grafting" of U.S. trained scholars with prestigious Chinese universities made CCER one of the most successful Chinese "think tanks"; its head, Dr. Yifu Lin, became the World Bank's Chief Economist in 2008. 2) Creating "legal aid centers" inside leading universities. Under its law-in-action initiative, FF supported a national network of legal aid centers to provide legal counseling to disadvantaged populations, including China's first non-governmental legal aid organization -- Wuhan University's Center for the Protection of the Rights of the Socially Disadvantaged, which in early 1990s brought hundreds of cases to court. The Ministry of Justice approved the Center as an innovative example and established its own legal aid center in a similar model.

The approach towards political elites was to provide practical Western methodologies to help reform-minded government agencies to implement change, and in the process become appreciative of these methodologies and their underlying rights-based philosophy. For example, FF's pilot reforestation and reproductive health projects in Yunnan were collaborations with local government agencies. FF explained its rationale this way:

*In sum, for the Foundation to have significant impact, work has to engage government agencies whether one is operating at a national or a local level. However, our work is geared towards making these agencies more responsive to the communities they serve and to listening to diverse voices, particularly those of the poor, the socially disadvantaged, and women…This also requires helping state agencies and social organizations develop dynamic interactions with the communities concerned to help think through needs as well as the means and partnerships to address them.* (FF Discussion Paper, 1997)

Both projects generated positive outcomes that enabled FF to "scale up" to reach central government agencies. For instance, the National Population and Family Planning Commission asked FF to support its reform of turning China's top-down quota-driven family planning system to a service-oriented program. Subsequent collaborations with the national agency allowed FF to help reform China's population control policy toward a reproductive rights-based model.

***FF actions: opportunistically introducing Western concepts.*** FF also began to explicitly introduce Western concepts, although it had to be selective in pursuing concepts that were sanctioned by elites or by prevailing socio-political climates. Its reforestation project, reproductive health project, and law-in-action initiative all promoted the rights of vulnerable groups, and introduced a series of rights-based concepts and related practices.

FF also engaged in other rights-based projects, such as promoting women's studies as an academic discipline in Chinese universities, investigating the situations of migrant workers in Chinese cities, and promoting ethnic culture. The quote below describes how FF in Yunnan promoted local ethnic culture, which had long been subjugated under the Han culture:

*(Since early 1993) FF has fostered an initiative to assist local communities to maintain and develop their own genuine culture and art forms and to introduce them on their own terms to the broader stream of contemporary Han culture. The aim of this initiative has been to enable some of the relevant centers of learning and training in Yunnan to come to terms with contemporary approaches to minority art elsewhere in Asia and the Western world. This is achieved through exchanges, discussion, workshops and other activities designed to put leading figures in the minority art world in Yunnan in direct contact with counterparts elsewhere.* (FF Discussion Paper, 1997)

These sprawling initiatives reflected the opportunistic process that had spawned them (for example, the ethnic culture project was initiated because earlier projects in Yunnan – a province with large ethnic groups -- made FF notice cultural discrimination). This approach was described by the head of FF's Beijing Office: *"...programming must remain opportunistic with the Foundation making grants in those areas which the Party-state licenses for experimentation or on which groups in society feel there is a need that requires acting upon"* (FF Discussion Paper, 1997).

***Transition to the next phase.*** Although FF attempted to enable progressive elites to become change agents, its ultimate goal was to foster grassroots actors that could directly voice their interests and also participate in political processes. In the 1990s, FF noticed the emergence

of grassroots NGOs across China and had involved some of them in its experimental projects. In 1999, it acknowledged this sector's importance to the social change in China, and began to support this sector more systematically. This program was spearheaded by the new representative (FF Discussion Paper, 2007) and marked the start of Phase 3.

**Phase 3  1999-2008   FF as an Explicit Change Agent**

***The Context: shallow adoption of concepts & deep conflicts with concepts.*** China's entry into the WTO in 2001 marked its increased interdependence with other nations. Western concepts of rule of law, social justice, equality, transparency, and good governance not only gained salience in the China context, but were incorporated into government policies. However, the implementation tended to be shallow. A typical example was the phenomenon of "rights on the book": In the legal system, laws protecting the rights of women, children and the disabled were in place, and criminal procedure protected defendants' rights in trial processes; but, the courts depended on the government and often "shut the courthouse door to sensitive cases or unpopular and powerless litigants" (FF Memo, Law, Belkin, 2008). Similarly, although the government had made efforts to be more transparent and "service-oriented", there were significant gaps between government rhetoric and actions, as another FF officer noted:

*For all the rhetoric in recent years about openness of information on governmental affairs and despite experiments with approaches like public hearings and press conferences, few institutionalized norms or procedures yet exist for ensuring that openness. Within the executive itself, mechanisms of transparency and accountability are often weak, and in rural areas in particular it is difficult for higher levels of government to monitor fiscal behavior or policy implementation by lower levels.* (FF Memo, Governance, Hartford, 2007a)

This officer also pointed out that, as of 2007, the practice of direct elections, initiated in early 1980s in southern villages, remained confined to this lowest administrative level, with little prospect of being expanded.

Yet another example was equality and social justice – these "taboo" concepts that FF had attempted to foreshadow in Phase 1 were acknowledged and even embraced by the government in Phase 3. One social impetus was social unrests that erupted across China due to deepened inequality and awareness. As FF observed, "(t)he fact that social disturbances have increased dramatically in the past 10 years (reaching some 87,000 protests in 2005) has led to a strong focus on maintaining stability" (FF Discussion Paper, 2007). As a result, the government announced grand programs to combat inequality, such as the "Harmonious Society" movement. Yet in reality, the state often used such rhetoric to shut off dissent, as one FF officer explained:

*While the leadership's call for building a "harmonious society" was previously taken to emphasize the need to redress widening inequalities resulting from the unfettering of market forces, it is now often encountered as a call for the dampening of debate or protest. (Chinese netizens have come to refer ironically to the closing of chat rooms or blogs as being "harmonized out.") Some local whistle-blowers have suffered severe legal repercussions. Our grantees have been feeling the pressures in a variety of ways, including visits from state security agents, denial of permission to hold some public meetings, and more complicated requirements for approval from higher level authorities before they can formally apply for grants from us or other foreign donors.* (FF Memo, Governance, Hartford, 2007b)

Despite the nominal adoption of Western rights-based concepts, deep political and cultural conflicts exist. In China, for instance, AIDS was stigmatized. Although the central government had acknowledged AIDS in China in the early 2000s (after long denying it), local politicians continued to deny AIDS because they feared that their region would be stigmatized and lose business and tourism. Surveys indicated that many senior party members believed that the disease was a consequence of immoral behaviour. As An FF officer bemoaned:

*Despite legal protection against discrimination, People living with HIV/AIDS in China have lost their jobs, been driven from their homes and disowned by their families. They have been barred from attending school, receiving health services, getting married, or visiting public swimming pools. Some HIV positive farmers have a hard time selling their agricultural products in the market, and their children are refused at school. HIV positive people are often reluctant to use the law to protect themselves from fear of negative and harmful exposure. Punitive measures are common, and PLWHA are labeled abnormal. It is impossible to say if the AIDS stigma in China is worse than that of other nations, but the lack of vocal advocates from among PLWHA speaks*

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*for itself: fifteen years after the first AIDS case was reported in China, and at a time when one million individuals may be infected, only a handful of people living with HIV or AIDS have voluntarily gone public.* (FF Memo, SRH, Lee, 2003)

Further, instead of recognizing the ecological, cultural and socio-economic complexity of poverty in China's upland regions populated by ethnic groups, officials blamed the "low quality" of local people. Ethnic farmers were also blamed for the degradation of natural resources.

*Ethnicity is one important dimension of marginalization of upland communities. Economic development patterns either tend to bypass minority groups or to lead to their assimilation into mainstream society. Cultural differences are commonly interpreted as backwardness and cultural characteristics invariably conceived as obstacles to "development."* (FF Memo, Environment, Mallee, 2002)

As the above examples illustrated, multi-faceted contradictions with rights-based concepts were manifest across issues.

***Dual legitimacy dynamic.*** In Phase 3, a debate over "color revolutions" in China diluted FF's actor legitimacy. The argument was that Western governments used international NGOs to implement regime change in China and Russia by funding domestic dissidents and NGOs. FF received increased state scrutiny, although its actor legitimacy remained high with government agencies it had worked with, such as the State Forestry Administration, because it delivered results that helped these agencies achieve their goals.

Concept legitimacy, on the other hand, improved for several reasons. The most obvious one was time – two decades of China's opening up had allowed elites and the public to deepen their understanding of Western concepts. For instance, an FF officer explained how the meaning of "governance" had changed several times. In the 1980s, this concept was tied to the Confucian tradition and implied a competent leader with a top-down style; then an emerging group of elites adopted the concept to explore innovative ways to deepen reform. In the early 2000s, grassroots activists then used this concept to explore mechanisms of citizen involvement in villages and

urban communities, thus bringing it closer to its Western meaning rooted in democratic political processes (FF Memo, Governance, Cook, 2002).

Several other factors also facilitated concept legitimacy. First, the government's partial adoption of concepts granted it face legitimacy. Second, more local governments were open to innovative approaches that helped solve practical problems. Third, grassroots NGOs, despite being small and structurally weak, advocated for issues. Lastly, many international NGOs that operated in China during the 2000s helped legitimize issues. For instance, UNAIDS "coordinated various donors supporting AIDS projects, provided important legitimacy and support to the Foundation's work on AIDS" (FF Memo, SRH, Kaufman, 2000). The entry of other private foundations, notably the Global Funds and the Gates Foundation in the late 2000s, further expanded concept legitimacy by bringing "a significant amount of new money" to China to combat AIDS (FF Memo, SRH, Lee, 2007). Significant improvements in concept legitimacy expanded political opportunities to promote these concepts openly.

***FF's role: an explicit change agent.*** The above factors led FF into its third role in China as an explicit change agent. FF diverged from the elites' agenda, which continued to prioritize economic reform at the cost of political restructuring, and it began to serve grassroots actors. Soon after FF adopted an office-wide program providing systemic support to China's civil society, it made another important decision – to transition its long-running economic program to a program of governance and public policy. An issue expert, Dr. Sarah Cook, was appointed as the new officer. This decision indicated FF's strategic intent of transforming its role from a supporter of state-led reform, to a "gadfly" prodding the state to redefine its role in alignment with Western concepts. This point was illustrated by Cook:

*Political and institutional change has lagged behind economic reform, and new forms of inequality and social exclusion are becoming increasingly visible. The Beijing office has*

*recognized this opportunity to shift its focus from capacity building in support of economic reforms, towards work on the appropriate role of the state in addressing the social and distributional consequences of transition.* (FF Memo, Governance, Cook, 2002)

Paralleling the launch of a Governance program, FF adjusted other programs to reflect a rights focus. Because of this restructuring, after 2000 FF Beijing Office managed five programs: Governance and public policy (Governance), Environment and community rights (Environment), Sexuality and reproductive health (SRH), Law and rights (Law), Education and culture (Education). These programs were aligned with FF's global issue areas. As the FF representative explained: "*while many of the issues…are sensitive, the work that needs to be done lies firmly within the core areas of the Foundation's mission*" (FF Discussion Paper, 2007). In accordance with its new role, FF's adopted new types of actions.

***FF's actions: "creating" grassroots actors.*** In Phase 3, FF began to develop grassroots actors in China. In the early 2000s Chinese grassroots NGOs were weak in capacity. FF's approach was to identify high-potential leaders, financially support their organizations, and continually expose them to Western concepts to broaden their awareness. We call this process "creating" grassroots actors, and we found consistent patterns across FF programs for elevating NGO leaders from individuals with vague awareness of Western concepts into actors who embraced and implemented these concepts.

For example, a young academic in a city plagued with environmental deterioration started a small NGO as a way to educate young city dwellers about environmental protection. He got to know the FF program officer of Environment through his initial funder. The relationship had developed over a few years, until one opportunity came up:

*In 2007 I wanted to attend an environment conference in Australia, I told this to the program officer, she said we could also support you to include some extra visits to Australian environment NGOs, government agencies, professors and research institutions. She personally made calls to government and environment institutions for me to visit…So I went as a Ford-funded researcher,*

*and I ended up making many visits. I felt that the Program Officer…had high expectations about me. I felt I hadn't done enough…after this trip, I quit my job in the local Academy of Social Sciences, and started to work for Westgreen full time.* (Interview, Westgreen[4], 2013)

Another NGO leader offered a similar experience. In the late 1990s, she worked with a small environment NGO which was an FF grantee, and encountered problems implementing her projects in urban communities. In 2001, FF sponsored her attendance at a workshop on city governance and community building in the UK. The NGO leader recalled:

*I realized at this conference that city governance can be a bottom-up approach, and it needed techniques…I realized, I had been working on community issues but I was not working to meet their needs…I was imposing my understanding upon them. I approached the Ford Program Officer in environment, telling him I wanted to work on city governance. He was enthusiastic, introduced me to his colleague in charge of governance. In 2002, I set up Bright Sky, and started to train community Cadres (the lowest level of government organs in China supervising urban communities) on participatory approach.* (Interview, Bright Sky, 2013)

In 2004, FF again sent this leader to a 2-month workshop in the U.S., through which she learned and appreciated the concept of resident self-governance. She felt these experiences helped her to be more innovative. In yet another case, the FF SRH officer got to know a young researcher in a provincial All-China Women's Federation who organized a sideline research NGO (Shaanxi Research Association for Women and Family) to study rural women's issues; the officer sent her abroad to study reproductive health and social research methods in 1994, "where she attended course on feminist research methods and began to develop an interest in action research. The Research Association…then began to change its research orientation and to initiate a series of interventionist projects" in Shaanxi Province (Gao, 2011:58-59). In 2002, FF funded this leader to visit India to investigate gender issues in rural governance. During 2008-2012, her NGO carried out a FF-funded four-stage large-scale project improving rural women's participation in village elections across Shaanxi province.

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[4] While names of NGOs from book chapters were their real names, pseudonyms were adopted for the organizations of informants we interviewed to comply with research ethics protocols of Western University.

FF's efforts also included leadership coaching: Its officers encouraged and pushed NGO leaders to build projects and organizations that could exert sustained influence. One FF officer described this approach as "fishing theory"—to help grantees learn "fishing" rather than to give them fish (FF Memo, Education, He, 2004). For example, FF challenged the leader of a small NGO to be bolder in the proposal she was writing:

*We were pushed to think how to make the solution replicable…how to grow the institutional capacity of our NGO, to increase its impact. The Ford officer… would ask: you say your goal is to spread the service to 500 schools in 3 years, you'll need more money than Ford could give you. How do you get it? What else do you have to do, with government, with media, with other foundations? Those questions made us think…I was used to seeing myself as a professional (a psychologist), but, confronted with those questions, I realized I had to build relations with local governments in order to push the project into local schools, and I needed to aggressively solicit funding. I have changed – I realized those were needed for us to grow.* (Joyful Children, interview, 2013)

FF also "created" other types of actors it deemed necessary for a rights-based society to function, including: 1) Public interest lawyers who represented grassroots plaintiffs. Public interest law in China was a politically risky and economically untenable career path, so FF launched an initiative called "Creating a career path for public interest lawyers" to create supportive conditions (salaries, political recognition, public prestige, etc.) for law students to pursue this path. 2) Issue beneficiary's organizations. In 2002, FF helped found China's first People Living With HIV/AIDS organization; in 2006, when funds from the Global Fund and other donors spurred many such groups, FF supported them to form a working group called "China Alliance for People Living with HIV/AIDS (CAP+)". 3) GONGOs which were transitioning into real NGOs. An example was the All-China Women's Federation, which was a "hide-bound" agency in Phase 1, but was increasingly representing women's rights after the government cut GONGOs' funding through the 2000s and "forced" them to seek social support. GONGOs, compared with grassroots NGOs, had elite backing and national networks; when they

began to behave more like real NGOs rather than government agencies, they turned into significant forces for social change. 4) Chambers of commerce that represented the rising business class. From 2000 to 2007, FF issued three large grants to Wuxi Market Association, to develop "its potential as a model in the emergence of civil society and the democratization of local communities", then "for research on reforming the role of the (Communist) Party in local governance", and lastly "for research on local government policies, institutions and practices affecting rural migrants' equitable integration into Wuxi and similar cities" (FF Grants Spreadsheet). These grants escalated the role and functions of this association of private business interests. 5) NPO support organizations. One example was FF's long-term funding of the China NPO Network, for "general support to build its capacity to act as a hub for training, research and information for NGOs" (FF Grants Spreadsheet).

*FF actions: promoting substantive adoption of concepts.* To address the problem of shallow concept adoption, FF emphasized mechanisms and processes to facilitate substantive concept implementation. In an initiative titled "Improving mechanisms of transparency and accountability", the Governance Program adopted a multi-pronged approach: 1) Supporting elite research institutions to engage in research, training and pilot projects to improve e-government practices (a key mechanism for transparency), and to investigate possible reforms in government complaints procedures (a key mechanism for accountability). 2) Supporting public watchdog type of NGOs that conducted public surveys to evaluate performances of government agencies. 3) Engaging international NGOs with specialized governance expertise to help China design concrete training programs. One example was multiple grants to Tiri, an international NGO specializing in developing anti-corruption measures, for it to assist Chinese public administration schools to develop anti-corruption curricula for training public officials. The other example was

grants to the International Budget Project for promoting transparent public budgeting in China.

Other FF programs also emphasized concept implementations. The reproductive health program, which scaled up to the policy level in Phase 2 by helping reform the national family planning program into a rights and health focused program, detected inconsistent local implementations of the new program, because "*many local family planning leaders and workers still fail to grasp their true meaning*", and thus were "*incapable of implementing a genuinely-people oriented reproductive health program*" (FF Memo, SRH, Lee, 2003). A two-pronged approach was adopted: to fund professional training to project managers and leaders in the family planning national network, and to design people-oriented, gender-sensitive criteria to include in family planning officials' work protocols and performance evaluation procedures.

## A PROCESS MODEL OF SYMBIOTIC TRANSFORMATION

Looking across FF's three phases in China, we use our second-order codes (See Table 2 Data Structure) and Figure 1 to offer a theoretical explanation about how an actor outside the ruling elite can promote divergent change in a context of tight elite control.

INSERT FIGURE 1 ABOUT HERE

**The Impact of Context onto the Institutional Entrepreneur: Restricting role choices**

Many organizations attempt to initiate and implement divergent change in contexts where a small group of powerful elites dominates. Such contexts typically involve authoritarian regimes, but might instead be a highly institutionalized field in which a small group of powerful elites implements a single dominant paradigm. They tend to impose substantial pressure on actors who seek to effect change (see downward block arrow in Figure 1). This pressure is moderated by the legitimacy of the focal actor (i.e., actor legitimacy) and the legitimacy of the concept that the actor intends to promote (i.e., concept legitimacy). We call them *dual legitimacy* and graph them together in Figure 1 because it is their combined effects that moderate the

context's pressure on the focal actor's strategic choices (we call this high-level choice "role choice", to distinguish it from the more tactical choice of "actions"). For example, in Phase 1 of our case, the China context determined that FF was unlikely to directly promote divergent concepts such as human rights; FF's low actor legitimacy and the negligible legitimacy of Western concepts further restricted FF's strategic choices. Hence FF chose to downplay its role as a change agent, and instead assumed the role of an obliging guest that assisted Chinese elites' agenda.

**The Impact of the Institutional Entrepreneur on the Context: Reconstituting Pluralism**

In a context of tight elite control, the institutional entrepreneur cannot directly promote divergent change because channels and formats for activism and means of influence such as independent courts or media do not exist. However, the institutional entrepreneur can indirectly stimulate change by reconstituting institutional pluralism. Our study suggests that institutional pluralism can be increased by incrementally adding new types of *actors* and *concept*s at a pace that is temporally aligned with the evolution of the context. FF helped create new actors that could comprehend (Phase 1- knowledge elites with technical proficiency in Western concepts of law and economics), support (Phase 2 – change agents from inside elites that brokered grassroots interests) or directly embody (Phase 3 – grassroots NGOs) Western concepts. Paralleling the process of creating actors, FF gradually introduced Western concepts, first by "smuggling" them in (Phase 1), then by opportunistically introducing them (Phase 2), and finally by promoting their substantive implementations (Phase 3). The cumulative presence of new actors and alternative concepts introduces pluralism into the social structure and meaning systems of China (upward line arrow from *Action* to *China*). Such a modification to the context is subtle, with its effects taking years to become palpable, but the change in actor constitution and meaning systems is

often irreversible, and can trigger complex new social-political dynamics that makes change self-sustaining or even self-reinforcing.

**Symbiotic Transformation**

Institutional entrepreneurs in authoritarian contexts can promote divergent change by enacting a process we call "symbiotic transformation". The institutional entrepreneur first assumes a role that is congruent with the initial context, and adopts role-congruent actions that revise the context in a way that is permissible given existing constraints and opportunities in the context. Simply put, the institutional entrepreneur pushes the envelope, but never too far. As the context evolves (due to role-congruent actions by the institutional entrepreneur, as well as other forces operating in the context), new types of opportunities and constraints replace the old ones, and the institutional entrepreneur can assume a new role that is congruent with the new contextual constraints and opportunities, and enact a new set of role-congruent actions, which further revise the context. Thus, at the core of symbiotic transformation is the institutional entrepreneur's need to periodically "morph" itself to be congruent with the context (Rindova & Kotha, 2001) in order to modify the context. Figure 1 shows the process of symbiotic transformation in three Phases, although this process leads to more Phases.

In Figure 1, China and FF were distinct but overlapping entities, interconnected by multiple arrows in the middle space. These arrows denote mechanisms through which symbiotic transformation takes place. Dual legitimacy moderated the relationship between China and FF, and was itself dynamic. Next, we examine more closely how dual legitimacy is revised.

**Dual Legitimacy Dynamics**

Entrepreneurial actions lead to direct and indirect changes in *dual legitimacy* (curved arrow toward DL in Figure 1). These actions prompt ruling elites to reevaluates the institutional

entrepreneur, leading to changes in *actor legitimacy*. Meanwhile, entrepreneurial actions change *concept legitimacy* by creating actors that support alternative concepts and by pollinating these concepts through programs and initiatives. Entrepreneurial actions also *indirectly* influence dual legitimacy because these actions revise the context, and a revised context often bestows *actor legitimacy* and *concept legitimacy* differently from the earlier time period (downward line arrow toward DL).

To illustrate the two paths between entrepreneurial actions and dual legitimacy, FF's actions in Phase 2 *directly* enhanced the legitimacy of concepts such as reproductive rights, community forestry, and women's rights, and they *directly* improved FF's actor legitimacy in the eyes of elites that FF's projects had engaged and benefited. Meanwhile, FF's actions amalgamated with actions of other multifarious actors (such as China government agencies, new social classes, Chinese grassroots NGOS and other international NGOs) to revise the China context; a modified context in Phase 3—more plural, less stable and more interdependent with the West – defined the legitimacy of FF and rights-based concept differently from the earlier context. Because actions of multiple actors pushed and pulled China in different directions, how the context evolved was largely beyond the control of any single actor. For example, the revised context in Phase 3 contained unexpected negative elements such as the elites' fear of color revolution, which diluted FF's actor legitimacy; the context also presented positive elements, such as increased participation by other international donors in a broad range of rights-based issues, which jointly boosted concept legitimacy.

## DISCUSSION

Our research contributes to institutional entrepreneurship research in two ways. First, our grounded model reveals a process of symbiotic transformation between contexts and institutional

entrepreneurs. As a result, our study demonstrates how contexts are endogenous to the process of institutional entrepreneurship, and thus revises how institutional entrepreneurship research has conceptualized the institutional context. Second, our research accentuated the role of legitimacy in moderating institutional entrepreneurship, which has rarely been explicitly theorized. Thirdly, we demonstrate how a global actor (FF) attempted to infuse a nation state with Western concepts of human rights; in doing so, it suggests how institutional entrepreneurship research, which thus far has applied to domestic phenomena, can be used to explain the micro process of globalization. We explore these contributions below.

**Contexts as Endogenous to Institutional Entrepreneurship Process**

The institutional entrepreneurship perspective is anchored in the tension between the institutional context and actors' entrepreneurial actions (Garud et al., 2007). However, extant research can imply "an instrumental and disembedded view of agency that is, arguably, incompatible with institutional theory", the challenge, thus, is "to be able to travel the difficult road that passes between a rational choice model of agency on one side and structural determinism on the other" (Battilana et al., 2009:73). In short, institutional entrepreneurship research has over-emphasized agency and under-theorized the role of structure. Institutional contexts are treated as static "field conditions", some of which are considered more conducive to institutional entrepreneurship (Battilana et al., 2009; Hardy & Maguire, 2008).

We used a process-oriented approach in order to bring the context back in and to treat it dynamically. We selected an extreme case in which we expected the authoritarian context would exert a high degree of pressure on the institutional entrepreneur. This case allowed the process of interest – the interplay between the context and the institution entrepreneur – to be "transparently observable" (Eisenhardt, 1989:537). Our model of "symbiotic transformation" illustrates how the

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focal actor enacts role/actions that transform the context, which in turn transforms the actor's role/actions. As a result, we were able to reveal how the context is endogenous to institutional entrepreneurship (Battilana et al., 2009).

The institutional entrepreneur in our model transforms into distinct roles to proactively adapt to the evolving context. The imagery of a vulnerable but agile and morphing actor contrasts with the imagery of institutional entrepreneurs as heroic actors who are rarely scathed, compromised, or altered by their contexts, as they are depicted in most existing studies. This new imagery thus conveys a new insight: the autonomy of the institutional entrepreneur and its outcome is dependent on the context it operates in. While in our case FF seemed to be able to triumph after decades of perseverance in China, the model allows us to see that its institutional entrepreneurship can be diminished or derailed in the future; forces that influence the China socio-political context and reassigning actor and concept legitimacy are largely beyond FF's control, especially so when the government continues to be the most powerful force while remains authoritarian and unaccountable.

**Dual Legitimacy**

Extant studies in institutional entrepreneurship have rarely theorized legitimacy explicitly. Those that have (Creed et al., 2002; Wry et al., 2011) tend to view it from the lens of concept legitimacy and as an end goal of institutional entrepreneurship. Our study reveals, however, that legitimacy plays a more complex role in institutional entrepreneurship.

First, we identified two types of legitimacy: actor legitimacy, which denotes whether important actors in the context deem the focal actor appropriate and instrumental, and concept legitimacy, which denotes whether the focal concepts are deemed appropriate and instrumental by other actors. Second, while legitimacy has often been conceptualized as an end goal of

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institutional entrepreneurship, we found that it moderates the pressure that institutional entrepreneurs endure from the institutional context. For example, in Phase 1 of our case, low actor and concept legitimacy magnified the downward pressure from China to FF, restricting FF's role choices. Our process model also reveals that dual legitimacy is asymmetrically dynamic; both actor legitimacy and concept legitimacy evolve, but not always in the same direction. The middle positioning of dual legitimacy in our process model reflects its role as both a moderator/enabler and an end point of institutional entrepreneurship. In other word, dual legitimacy co-evolves with both the context and the role/action of the institutional entrepreneur.

Third, in highlighting the tension between institutional entrepreneurs' needs to bridge with key stakeholders to gain legitimacy and their needs to diverge from existing institutional arrangements to promote change, prior studies require the actor to have unusual foresight in designing a strategy to "bridge with" and "diverge from" existing institutions simultaneously. They have suggested "robust design" or "generative" translation to resolve this tension (Bartel & Garud, 2009; Hargadon & Douglas, 2001). Whether strategic leaders can have such foresight is hotly debated (Gavetti, 2012; Porac & Tschang, 2013; Winter, 2011). We empirically identify a different, and arguably more plausible, approach: we found that FF sequentially addressed this tension. In Phase 1, FF bridged with Chinese elites; in Phase 2, FF largely continued the bridging strategy, but also diverged from existing institutions by experimenting on ad hoc rights issues; in Phase 3 FF emphasized a diverging strategy and became an explicit change agent. The sequential resolution calls for posteriori adaption to emerging temporal contingencies, rather than farsighted a priori strategy formulation. This finding connects with research that looks into how firms simultaneously or sequentially address paradoxical elements in their strategies or missions (Smith, 2014; Smith & Lewis, 2011; Tushman & O'Reilly, 1996).

**Globalization and Institutional Entrepreneurship**

The case of the Ford Foundation in China is inherently multi-dimensional. We investigated it from the perspective of institutional entrepreneurship in order to emphasize its agentic aspect. Nonetheless, this case also highlights the process and mechanisms of institutionalization in the world system (Scott, 2014). It illustrates how a representative member of the "world society" (i.e., FF) infused a nation-state with Western concepts. Meyer, Boli, Thomas and Ramirez (1997) use the term "world society" to refer to the world system, which comprises "world models" (e.g., human development, equality, justice and democracy) and actors using these models to shape nation-states (typically, international NGOs such as FF). The authors theorize that the world society accomplishes such "shaping" by constructing identity and purposes for a nation-state, by systematically maintaining such an identity through coercive, normative, and cognitive pressures, and by linking local NGOs and professions to world culture. Frank and colleagues test the world society framework by investigating how environmentalism is diffused in Asian countries and the world (Frank, Hironaka, & Schofer, 2000; Frank, Longhofer, & Schofer, 2007). As a related body of work, Djelic and Quack investigated the emergent phenomenon of transnational governance during the process of globalization (Djelic & Quack, 2003, 2010). While extant conceptualization has interpreted this process largely from the perspective of the world system, our level of analysis was inside a nation-state. We also cast this case as an agentic process and highlighted the micro-processes of one global actor's efforts to implement Western concepts. By taking a narrower but deeper approach, we revealed the micro-processes through which Western concepts can be locally institutionalized and become "sticky" (Scott, 2014, citing Colyvas & Jonsson, 2011:28). Typical processes included creating actors and promoting substantive implementation of concepts. Additionally, extant studies have implied that the

structuring of world society is linear and almost unstoppable, but our study emphasized

contestations and uncertainty. Specifically, we showed that the world society member (FF) can

be disadvantaged and vulnerable vis-à-vis a powerful nation-state like China, and the

structuration process can be discontinuous because a nation-state of tight elite control could

willfully impose constraints on the global actor that limit its actions. As such, our study lays the

micro-foundation for research on globalization processes centering on world cultural systems.

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**TABLE 1 Overview of Data Sources**

| Data source | Number of documents | Length and/or content |
|---|---|---|
| FF unpublished reports on China (1974[5]-2008) | 76 reports in total<br>- 52 memos, 8 program reviews, 8 grantee narratives, 8 other<br>- T1: 27 reports<br>- T2: 12 reports<br>- T3: 37 reports | Between 1-90 pages. Total pages: ~2000 |
| FF Grantmakers Resource Handbooks | 1 | Total pages: 120 |
| FF President's public remarks (non-China context; 1996-2002) | 10 | Between 1-30 pages. Total pages: ~180 |
| FF annual reports and other public report | 34 Annual reports (1975-2008)<br>FF brochure on China (2011)<br>Ford Foundation 70 Years: Delivering on a promise to advance human welfare<br>Many roads to justice: the law and related work of Ford Foundation grantees around the world | Between 12-372 pages each. |
| FF website | - Webpage of global programs<br>- Webpage of China programs<br>- Webpage of lists of China initiatives and grantees | |
| FF grants in China (1975-2004) | 1277 grants | Each grant lists the name of the grantee, grant purpose, date, amount, program field and program officer. |
| Interviews | 10 | Between 30-150 minutes. Total time: ~550 minutes |
| Books with case studies about FF's Chinese grantees | 3 books | Chinese women organizing: cadres, feminists, Muslims, queers *(Chapter 9: Strategies and space: A case study of the Shaanxi Association for Women and Family, p. 193-208; Chapter 10: The Women's Media Watch Network, p.209-233)*<br>Gender in flux: agency and its limits in contemporary China *(From the Heyang Model to the Shaanxi Model: Action Research on Women's Participation in Village Governance, p. 54-82)*<br>Building Civil Society in authoritarian China: Importance of Leadership *(case study of Rural Women: all through the book)* |

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[5] Although 1975 was the first year an FF officer visited China and was thus the starting year for the AF case study, I kept the 1974 report. This report was a review of FF's program supporting China Studies, and it foreshadowed and explained FF's proactive response to the initial opportunity of entering China in following years.

**TABLE 2 Data Structure**

| First order codes | Second order categories | Aggregate dimensions |
|---|---|---|
| China was extremely authoritarian<br>China was ignorant of the world<br>China was eager to learn from the world<br>China's ability to learn was questionable<br>Increased interaction with the US | T1: China was extremely authoritarian, ignorant and eager to learn from the West | China evolved vis-à-vis the West & Western Concepts |
| Controversy with the West over human rights, economic issues<br>China tried to be good international citizen<br>China tightened social control<br>China shied political reforms | T2: Multi-faceted conflicts with the West & Western concepts | |
| China adopted Western concepts<br>China adoption of Western concepts was shallow<br>China had deep conflicts with Western Concepts | T3: Shallow adoption of Concepts & deep conflicts with Concept | |
| T1: FF lacked legitimacy; partnered with CASS (elite research institute) to enhance legitimacy<br>T2: FF built relations with elites; affected by shifting political winds<br>T3: FF faced scrutiny from government | Organizational legitimacy zigzagged | Dual legitimacy dynamic |
| T1: Extreme ideological control disallowed the existence of divergent concepts<br>T2: Concept legitimacy emerged in ad hoc spaces<br>T3: Multiple actors and dynamisms jointly improved concept legitimacy | Concept legitimacy increased | |
| FF was invited to help China<br>Offering technical assistance to elites<br>Adopting elites' priorities in reform | T1: An obliging "guest" | FF's role in China |
| Continuing to support elites despite international doubts about China (after 1989 event)<br>Being a local actor was a competitive advantage<br>Experimenting in Yunnan Province<br>Experimenting with "safer" issues | T2: An "opportunistic" change agent | |
| Explicitly promoting rights-based concepts<br>Systemically developing China's civil society | T3: An explicit change agent | |
| T1: Raising elites' technical capacity<br>T2: Enabling elites to be change agents<br>T3: Creating grassroots actors; Creating other types of actors integral to rights-based society | Creating actors | FF actions |
| T1: "Smuggling" concepts<br>T2: Opportunistic introduction of concepts<br>T3: Promoting substantive adoption of concepts | Promoting rights-based concepts | |

**FIGURE 1 A Process Model of Symbiotic Transformation of Institutional Entrepreneur and Context**
*(DL denotes Dual Legitimacy, i.e., Actor legitimacy & Concept legitimacy)*



*China*

| Highly authoritarian, ignorant but eager to learn from the West | Multi-faceted conflicts with the West and Western Concepts | Shallow adoption of Concepts & deep conflicts with Concepts |

DL1    Action1    DL2    Action2    DL3    Action3

*FF*

| FF Role 1 (Obliging "guest") | FF Role 2 ("Opportunistic" change agent) | FF Role 3 (Explicit change agent) |