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Title
Government Spending, Marketization, and the Third Sector in China

Abstract
The growing third sector in China has attracted more and more scholarly attention, particularly on the influence the governments and the market exert over the third sector. Classic theories analyze the third sector-government relationships and the third sector-market relationships based on government failure theory, interdependence theory, and social capital theory. However, the application of these theories to non-western world has not been discussed thoroughly.

This paper explores how local government spending and the market participation influence the scale of the third sector in China. By analyzing the cross-section data of 31 provinces of China in 2015 and the data from Research Infrastructure of Chinese Foundations (RICF) which includes nearly 3000 foundations, the finding shows that government spending and participation of the market do have a positive impact on the size of the third sector in China.

Keyword