

Institutional Entrepreneurship in an Authoritarian Context: Promoting human rights and democracy in China

Research motivation: Institutional entrepreneurs are actors who leverage resources to create new institutions or transform existing ones (Battilana, Leca, & Boxenbaum, 2009; DiMaggio, 1988; Maguire, Hardy, & Lawrence, 2004). This concept juxtaposes two contradictory forces: Institution, a force for continuity; entrepreneurship, a force for disruption (Garud, Hardy, & Maguire, 2007). Thus, the core thesis of institutional entrepreneurship research is to explore the tension between the agency, as demonstrated by entrepreneurial activities of social actors, and the actor's embeddedness in institutional contexts. The majority of extant research, however, has adopted an "actor-centric" approach, backgrounding the tension between actors and institutional contexts (Battilana et al., 2009; Hardy & Maguire, 2008:211). This partly is because extant studies have largely portrayed or theorized institutional entrepreneurship in a western context, with the assumption that actors can lawfully engage in a wide range of political activities to promote alternative views and practices.

Unfortunately, for social actors aiming to stimulate change in authoritarian contexts, political channels are limited. Consequently, we understand very little how those actors instigate divergent change with a much more closed and constrained change context than in democratic settings. This gap is significant: First, we have little insights about how actors can initiate divergent change in unlikely contexts such as authoritarian countries (or more broadly, contexts of high institutional control), despite the fact that in those contexts, institutional change often is a pressing need for achieving social justice or other important social goals. Theoretically, for a theory whose *raison d'être* is to explain the tension between "institution" and "entrepreneurship", failing to explain this tension at its more acute form renders the theory incomplete.

Research context: I conducted a historical case study about the activities of an institutional entrepreneur - the American Foundation (hereinafter AF, a pseudonym) - in china during 1975 and 2008, promoting human rights and democracy. This case presents an extreme context. Such seemingly unusual contexts can expose the boundary conditions of extant theoretical findings. More importantly, such research has the potential of generating frame-breaking new understandings by removing the taken-for-granted assumptions that have unwittingly constrained our inquiries (Bamberger & Pratt, 2010).

Research question: In my study, I am particularly interested in the discursive aspect of institutional entrepreneurship. Previous research has generally acknowledged the importance of discourse and theorization in institutional change (Strange and Meyer, 1993; Fairclough, 1988, 1992; Phillips & Hardy, 2002). Phillips, Lawrence and Hardy (2004:635) argue that there is no way to modify institutions directly; instead, the institutional entrepreneur must aim to change the discourses on which institutions depend, through which to influence the process of institutionalization. This understanding is particularly insightful for authoritarian contexts, because there is indeed no way for a peripheral actor to directly contest or change the material aspect of institutions. As such, I raise my research questions: *How does a peripheral actor in a context of high institutional control, such as an authoritarian regime, stimulate divergent discursive changes?*

Methodology: I use several data sources (media samples, AF internal and external documents, AF grant files, interviews) and two analytical approaches (discourse analysis and inductive case study). As an initial analytical step, I read through AF documents to develop a chronology of key events, and I identified 3 critical events to divide AF's 33 year history into 3 phases: 1975-1990, developing

relations with elites by providing technical assistance; 1991-1999, deepening relations with elites and signaling interests in human rights and democracy; 1999-2008, venturing out of relations with elites to fund grassroots NGOs, meanwhile labeling and asserting issues.

In step 2, I conduct discourse analysis (Fairclough 1988, 1992) with media samples representing the dominant discourse in each of the 3 phases, to understand how divergent AF's discourse was at each of the 3 historical *contexts*. Media samples are from China Daily – a Chinese government mouthpiece – with search words *human rights*, *justice* and *democracy*, in year 1993 (earliest year in database), 1999 (the year AF started to fund grassroots NGOs) and 2008 (the last year of accessible AF unpublished reports).

In step 3, I use inductive case study method (Glaser & Strauss, 1967; Strauss & Corbin, 1998) to explore how AF promoted rights and democracy-related issues in China from 1975 to 2008. Data include AF unpublished reports (63, ~2800 pages) and external communications (33 annual reports, 12 presidents' remarks, websites, 35 media clippings on AF China officers).

In step 4, I analyze AF China grants (~1200) and 10 interviews (with AF China chief rep and 9 AF grantees in China) to corroborate with my findings in step 3 (Jick, 1979).

Preliminary findings: I find that three elements combine to explain AF's approach in each phase.

1. *The embedding process.* AF took pains to embed itself among diverse actors in China. In Phase 1 and 2, AF embedded itself in China's elites, by developing formal and informal networks with government agencies, think tanks and research universities. In Phase 3, when the dominant discourse became more plural (based on my discourse analysis), AF ventured to fund nascent grassroots NGOs, thus embedding itself in grassroots as well.
2. *The legitimation process.* In Phase 1, AF focused on pursuing *organizational legitimacy*. In Phase 2, it continued to solidify organizational legitimacy and started to signal *issue legitimacy*. In Phase 3, AF leveraged the strategic space it created for itself through accumulating *organizational legitimacy* to actively pursue the more controversial *issue legitimacy*.
3. *The tactics*, which explained what specific activities AF used to promote change. Instead of direct theorization and intervention, AF adopted the role of sense-making mediator. First, it *mediated the meaning of rights and democracy*, by introducing key concepts (such as, reproductive rights, legal rights, women's rights, minority's rights) and related models (such as, Sustainable Forest Management Framework, legal clinics model), and then opening up arenas (such as journals, conferences, workshops, joint projects) for local actors to richly debate and make sense of those meanings. Second, AF *mediated the structure of issue domains*, by including diverse actors in each domain (such as, progressive government agencies, academics, grassroots NGOs, foreign experts) and connecting them through field events. The increased plurality and connectedness enhanced the capacity of the entire issue field to make sense of rights-related concepts/models.

Implications to theory and practice: The findings show a pattern of institutional entrepreneurship that significantly differs from extant research. When operating in contexts of high institutional control, the institutional entrepreneur adopted phased *embedding* and *legitimation* processes, as a response to changing historical/socio-political contexts. It thus overcame disadvantages as a peripheral actor in accessing resources and in mobilizing other actors. Tactically, the institutional entrepreneur took the role of sense-making mediator to stimulate distributed discursive agency in issue domains. Such an indirect approach suggests to us how multinational organizations (both MNEs and INGOs), as outsiders to their host countries, can instigate incremental, but divergent, social change without alienating an authoritarian government (Donaldson & Dunfee, 1994; Matten & Crane, 2005; Scherer, Palazzo, & Baumann, 2006).