CASE STUDY FOURTEEN

An atmosphere of cooperation still exists and the European organisation believes the local partners want it to succeed and continue their good work

A key objective of this Ford Foundation-funded research project is to monitor and evaluate the state of implementation of China’s Overseas NGO Law by documenting the intended and unintended consequences of the new law for European non-profit organisations and their Chinese partners. This case study is based on an in-depth interview conducted after the enactment of the law. It has been anonymised to protect the identity of both the organisation and interviewee(s).

Short version

Past

This European organisation started cooperation with China in the 1990s based on the personal engagement of committed individuals. The portfolio of the organisation has since focused specifically children’s education, support for local schools, social care work with orphans and support for poor families in rural areas of Western China. It has been working in this field for about 20 years. Before the Overseas NGO Law (henceforth: the law) came into force, the organisation was working in a so-called ‘grey zone’ together with local government organisations.

It was working in Gansu with the Bureau of Education (Tianshui) and in Shaanxi partly with the Women’s Federation. Now the European organisation is successfully registered in Gansu and at the time of writing was applying for an extension of this registration for the children support activities which are undertaken in Shaanxi. This small support project includes around 20 children.

At the time of writing, the NGO waiting for an answer and are still supporting them ‘unofficially’ during this period. Prior to the registration the had been able to support children through a friendly cooperation with local authorities based on mutual respect and recognising mutual benefits.
One can say that during this period of successful cooperation a pragmatic policy of 'no recognition, no banning, no intervention' was applied to enable the organisation's programmes to address these urgent humanitarian social issues and educational needs of children. As a result there have been many achievements in terms of numbers of children who have had the chance to receive primary and middle school education, increased capacity of local schools and enabling orphanaged children to have a better life.

**Present**

The registration has not had significant impact on the organisation's activities. However, due to high administrative efforts and paper work required, some impacts could be expected in the future programmes. The organisation has only a very small structure and administration, and there is a lot of paper work to submit on a continuous basis, many approvals to wait for and some extra costs involved, including an office in Tianshui, new accountant as staff members, and many trips to the capital Lanzhou. At the time of writing, there is not yet a completely clear picture, what the additional costs will be incurred and extra efforts due to the new procedures will be. Until now the additional costs have been mainly the rent of a small office in Tianshui and an office in Baoji, Shaanxi province, where the two Chinese employees of the organisation live, the salary of an accountant, and many trips to Lanzhou for the local manager to manage the administrative aspects of the registration.

The assessment of the law on the relationship with local partners has to consider the longstanding partnerships in Gansu with the local partners, especially the local Civil Affairs Bureau. This partnership started two decades ago with the sponsorship of a center for street children and orphans. The local Civil Affairs Bureau did not interfere with the organisation's education initiatives and actions in the various villages. Then, almost ten years ago, the European organisation started to work with the Tianshui Bureau of Education, which has always been a friendly and supportive partner, recognising the important contributions of the CSO to local educational attainment.

**Future**

At the time of writing it is too early to say which direction the activities and engagement will take. One issue that is causing a problem under this new set up is the fact that the European organisation is not allowed to raise funds in China, as highlighted above.

The organisation has retreated on anything so far and continues with the previous programmes and agenda. This is mainly because the organisation helps orphans and extremely poor children to go to school and support them as far as they can go in their studies, an ongoing issue in the rural areas of Gansu and not a political issue. So far there are no red lines which have been crossed and repositioning was not required.

The organisation does not have the option, and has not considered, establishing a local representative offices in any other country. Due its very location specific programmes focused only on China, this is also not a viable option. Local presence is required to continue projects and deliver positive outcomes for the communities.
EU-China relations beyond aid

The organisation has not been directly involved in high-level People-to-People Dialogues or bilateral sectoral dialogues, not even indirectly by implementing partner organisations. Because the organisation is focused specifically on small projects in rural areas, there is little awareness of EU-China relations and the CSO did not participate in any initiatives which have taken place over the years.

Full version

Past

This European organisation started cooperation with China in the 1990s based on the personal engagement of committed individuals. The portfolio of the organisation has since focused specifically children's education, support for local schools, social care work with orphans and support for poor families in rural areas of Western China. It has been working in this field for about 20 years. Before the law came into force, the NGO was working in a so-called 'grey zone' together with local government organisations. It was working in Gansu with the Bureau of Education (Tianshui) and in Shaanxi partly with the Women's Federation.

Now the organisation is successfully registered in Gansu and at the time of writing was applying for an extension of this registration for the children support activities which are undertaken in Shaanxi. This small support project includes around 20 children. At the time of writing, the organisation was waiting for an answer and are still supporting them 'unofficially' during this period. Prior to the registration they had been able to support children through a friendly cooperation with local authorities based on mutual respect and recognising mutual benefits.

One can say that during this period of successful cooperation a pragmatic policy of 'no recognition, no banning, no intervention' was applied to enable the European organisation's programmes to address these urgent humanitarian social issues and educational needs of Chinese children. As a result there have been many achievements in terms of numbers of children who have had the chance to receive primary and middle school education, increased capacity of local schools and enabling orphanaged children to have a better life.

Regarding the registration under the law, the organisation did not face any particular difficulties: it followed the procedures and provided the required documents and information. Although initially it was not clear if the local partner would support the registration, the organisation gained the full support of the Tianshui Bureau of Education and had professional support from a consultancy based in Beijing in the registration processes. Now the organisation is successfully registered in Gansu and at the time of writing was applying for an extension of this registration for the children support activities which are undertaken in Shaanxi.
Present

**State of China-related activities.** The registration has not had significant impact on the organisation's activities. However, due to high administrative efforts and paper work required, some impacts could be expected in the future programmes. The organisation has only a very small structure and administration, and there is a lot of paper work to submit on a continuous basis, many approvals to wait for and some extra costs involved, including an office in Tianshui, new accountant as staff members, and many trips to the capital Lanzhou.

At the time of writing, there is not yet a completely clear picture, what the additional costs will be incurred and extra efforts due to the new procedures will be. Until now the additional costs have been mainly the rent of a small office in Tianshui and an office in Baoji, Shaanxi province, where the two Chinese employees of the CSO live, the salary of an accountant, and many trips to Lanzhou for the local manager to manage the administrative aspects of the registration.

**Impact of the law on Chinese partners.** The assessment of the law on the relationship with local partners has to consider the longstanding partnerships in Gansu with the local partners, especially the local Civil Affairs Bureau. This partnership started two decades ago with the sponsorship of a center for street children and orphans. The local Civil Affairs Bureau did not interfere with the European organisation's education initiatives and actions in the various villages. Then, almost ten years ago, the organisation started to work with the Tianshui Bureau of Education, which has always been a friendly and supportive partner, recognising the important contributions of the CSO to local educational attainment.

At the time of writing, it is still early to say if the local partners have become more cautious. It is certain that the local partners want the organisation to comply completely to the new law and is following the new procedures, but since the local partners agreed to register the organisation and serve as local PSU, an atmosphere of cooperation still exists and the organisation believes the local partners want the organisation to succeed and continue their good work. It is fair to say that there is some degree of co-ownership which developed through the two decades of cooperation, which has not eroded through the new law.

There are nevertheless difficulties and administrative hurdles. For instance, under the law international organisations are not supposed to receive donations for project implementation in RMB. In this specific case, the China branch of a French luxury brand wanted to support education initiatives as part of their Corporate Social Responsibility (CSR) activities, but being based in China they could only do so using RMB. Because of this regulation, the European organisation was not able to receive this donation and the project could not be implemented.

Future

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