CASE STUDY FIFTEEN

While there is generally now more cautiousness about working with INGOs, none of its partners fear political trouble or have withdrawn from projects

_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 international NGO based in Europe is an independent development and humanitarian organisation which works in over seventy countries across the world, including in Africa, the Americas, and Asia. It was founded over eighty years ago to advance children’s rights and equality for girls and has a proven track record of helping tens of millions of girls and boys every year across the world.

The portfolio for the work in China has not been very different than from other countries, while taking into account the specific Chinese conditions, focusing on children’s rights and equality, delivering childhood and community development. The organisation started in the mid-1990s to improve the lives of the most vulnerable children. It has been implementing programmes in many provinces, cities and autonomous regions including Shaanxi, Ningxia, Yunnan, Anhui, Sichuan, Qinghai, Hunan, Beijing and Jiangxi.

Main achievements to date have been contributions to children’s rights and community development with many improvements on local level, especially in rural areas in various provinces across China. Some of the areas of work include ensuring the most vulnerable children have a healthy start to their lives, providing quality pre-school education, preventing violence by supporting children and stakeholders to build safe schools and communities, and preparing adolescents for adulthood by supporting them to gain life and financial skills and helping migrant women to get good jobs._
The cooperation has been valued highly by Chinese partners, including official government associations and local partners. Beyond the direct positive impacts on the lives of children, families and communities, the development of organisational capacities and individual capabilities of partners and strong trust partnerships have been the main legacies of this long phase of cooperation.

Present

This international NGO (INGO) is operating in many developing countries. Since 2017 it has started rolling out a five-year strategy which is linked to the Sustainable Development Goals (SDGs). The INGO is working and financing local partners for implementation is the standard mode of operation in many countries, including China. The INGO is now officially registered as legal organisation on provincial level with the provincial Women's Federation branch. It was not a long or complicated process and the registration completed fairly quickly. The previous partners on local level offered support and are all linked to the All China Women's Federation on national level.

While the registration is on provincial level, the international organisation has the permission to work across provincial boundaries and implement activities in nine different provinces across China. In terms of relationships with partners, the Overseas NGO Law (henceforth: the law) does not seem to have driven a change. While there is generally now more cautiousness of working with INGOs, none of its partners have expressed that they fear political trouble or have withdrawn from projects. Possibly the reason is that the INGO's work on children's rights and development is not considered a sensitive issue by the government and the INGO work contributes to China's development goals. What is new is that the INGO and the local partners have to find a way to work with the Professional Supervisory Units (PSU) regarding the many administrative obstacles.

Future

The new Law has affected the internal discussion about the organisation's future China engagement and strategy. For the future work of the INGO in China, there is a degree of uncertainty on the European side, both in terms of pragmatic day-to-day operations of project planning, implementation and financial planning, but also about what is going to be possible and tolerated and what not.

There have been internal discussions about localization between the European side and Chinese staff members. This would mean also registering as local Chinese NGO, not as INGO, with a local board and local directors, thereby setting up a dual identity. The rationale behind this potential new approach is to increase the acceptance of the INGO work among Chinese government officials. The law forced some harder conversation about political independence as an organisation. For the INGO it is important to stand as an independent organisation. This independence is particularly important when it comes to agenda setting. The motto is 'constructive engagement, when in disagreement critically challenge'. One of the key challenges is not being able to work with public mobilisation that can be used in other countries. The PSU as gate keeper for projects raises important questions about ability to affect change. Internally there are ongoing conversation about the freedom to operate, but this is not necessarily a new conversation which only started with the new law. The INGO is, at the time of writing, engaged in a strategy process to identify the future direction of China engagement. There will be ongoing follow ups with senior leadership and the local project teams.
EU-China relations beyond aid

Some of the organisation's senior leadership have some limited engagement and experiences with national or European state-to-state dialogues. However, this is only sporadic and not in a strategic or structured way. The organisation is engaged in a range of international people-to-people dialogues including human rights dialogues, C20 and other international civil society forums, but the Chinese teams and partners have not been involved in these exchanges and dialogues. The European INGO staff would like to engage their local teams more into global developments and debates, or if this is not possible, at least do not want to cut off local team from global discussions.

Full version

Past

This international NGO based in Europe is an independent development and humanitarian organisation which works in over seventy countries across the world, including in Africa, the Americas, and Asia. It was founded over eighty years ago to advance children's rights and equality for girls and has a proven track record of helping tens of millions of girls and boys every year across the world.

The portfolio for the work in China has not been very different than from other countries, while taking into account the specific Chinese conditions, focusing on children's rights and equality, delivering childhood and community development. The organisation started in the mid-1990s to improve the lives of the most vulnerable children. It has been implementing programmes in many provinces, cities and autonomous regions including Shaanxi, Ningxia, Yunnan, Anhui, Sichuan, Qinghai, Hunan, Beijing and Jiangxi.

Main achievements to date have been contributions to children's rights and community development with many improvements on local level, especially in rural areas in various provinces across China. Some of the areas of work include ensuring the most vulnerable children have a healthy start to their lives, providing quality pre-school education, preventing violence by supporting children and stakeholders to build safe schools and communities, and preparing adolescents for adulthood by supporting them to gain life and financial skills and helping migrant women to get good jobs. The cooperation has been valued highly by Chinese partners, including official government associations and local partners. Beyond the direct positive impacts on the lives of children, families and communities, the development of organisational capacities and individual capabilities of partners and strong trust partnerships have been the main legacies of this long phase of cooperation.

Present

State of China-related activities. The international NGO is operating in many developing countries, since 2017 it has started rolling out a five-year strategy which is linked to the Sustainable Development Goals (SDGs). The INGO is working and financing local partners for implementation is the standard mode of operation in many countries, including China. The INGO is now officially registered as legal organisation on provincial level with the provincial Women's Federation branch.
It was not a long or complicated process and the registration completed fairly quickly. The previous partners on local level offered support and are all linked to the All China Women's Federation on national level. While the registration is on provincial level, the international organisation has the permission to work across provincial boundaries and implement activities in nine different provinces across China. In terms of relationships with partners, the ONGO Law does not seem to have driven a change. While there is generally now more cautiousness of working with INGOs, none of its partners have expressed that they fear political trouble or have withdrawn from projects. Possibly the reason is that the INGO's work on children's rights and development is not considered a sensitive issue by the government and the INGO work contributes to China's development goals. What is new is that the INGO and the local partners have to find a way to work with the Professional Supervisory Units (PSU) regarding the many administrative obstacles.

The law needs to be seen in the wider context of shrinking civic spaces across the world in multiple places. The international NGO has already seen their offices closed in other countries like Pakistan in December 2017. Shrinking civic space has forced many different changes, even in India where NGOs are operating mostly very freely there have been changes. In China the new Law is restrictive and limits what type of projects can be implemented. On the other hand, in some ways it has given the international NGO more legitimacy. An interesting contradiction emerged during the course of the last few years in China. While there is official talk by the government that emphasises openness to work with INGOs, but on practical level within the framework of the regulation the work of INGOs is tightly controlled: project work plans, budgets, meetings and visas all need to be signed off by the authorities. There has been significant tightening in terms of control and oversights. At the same time, as China's leadership is increasingly paying attention to its international reputation as development actor, it wants to engage and work with most INGOs organisations.

There have also been some indications and invitations from the Chinese government for the international NGO to move also into policy advocacy and support new policy development for protection of children. While project implementation is now being more tightly controlled, there is new space opening for this work on policy. This has previous not been within the scope of this international organisation and there is some uncertainty how to engage with the government while maintaining an independent position. To be able to influence policy, there is the need to speak from the accumulated expertise and practical experience on the ground. There seems to be realisation by the Chinese government, that the INGO can contribute this expertise to the Chinese policy processes. Working with the Chinese government partners and government think tanks, there have been invitations during 2017 and 2018 to participate and engage in policy discussion roundtables and forums.

Prior to the Law, the status of the organisation was different. It operated two separate representative offices under the Corporation Law of China, linked to the Administration for Industry and Commerce.

Impact of the law on Chinese partners. The law has not affected any of the projects categorically, but some projects have not received approval. Generally, the overall portfolio of the INGO can still be implemented as before, but some traditional programmes will be reduced. While the majority of former partners is still involved, as the traditional focus changes, some former partners might not be involved in the future. This is not only linked to the law, but also due to the changing status of China from a developing country to a major world economy which increasingly engages internationally. The work will be more focused on some specific areas and expand, including into the policy advocacy field. This will also require a new set of partners.
Across China the INGO has seventy people in the local teams, including local partners, to implement its projects. These are very strong relationships build on trust that developed over the years. The main role of the INGO is to be thought leader in programme design, then to bring in local partners for programme implementation. The strengths of individual relationships have been at the core of the cooperation model.

New areas of work to be explored is the policy field, based on practical experiences and examples from previous and ongoing project work both in China and internationally. An area that will be explored is policy in relation to children's rights and impact of the Belt and Road Initiative (BRI) on children. It is still very early stages regarding this and there are no specific policies looking at children's issues in this infrastructure focused multi-country initiative. The INGO plans to use their decade long on the ground experiences in other partner countries, and work with Chinese NGOs linked to girls’ rights.

**Future**

The new law has affected the internal discussion about the organisation's future China engagement and strategy. For the future work of the INGO in China, there is a degree of uncertainty on the European side, both in terms of pragmatic day-to-day operations of project planning, implementation and financial planning, but also about what is going to be possible and tolerated and what not. There have been internal discussions about localization between the European side and Chinese staff members. This would mean also registering as local Chinese NGO, not as INGO, with a local board and local directors, thereby setting up a dual identity. The rationale behind this potential new approach is to increase the acceptance of the INGO work among Chinese government officials.

The law forced some harder conversation about political independence as an organisation. For the INGO it is important to stand as an independent organisation, especially when it comes to agenda setting. The motto is 'constructive engagement, when in disagreement critically challenge'. One of the key challenges is not being able to work with public mobilisation that can be used in other countries. The PSU as gate keeper for projects raises important questions about ability to affect change. Internally there are ongoing conversation about the freedom to operate, but this is not necessarily a new conversation which only started with the law. The INGO is, at the time of writing, engaged in a strategy process to identify the future direction of engagement. There will be ongoing follow ups with senior leadership and the local project teams.

With its broad international presence in many developing countries, the European INGO is not dependent on their China programme. It is not necessary to expand or need to reach a certain number of projects. The INGO does not pursue a strategy to continue cooperation at any price. If the strategic criteria are no longer met or the independence of the INGO is significantly affected by changing political trends, the option of a complete disinvestment from China is not excluded as an option. Having said this, the INGO has not set any red lines which would define its future engagement and work in China or affect a withdraw. But some of the critical points are the ability to speak out about children's rights, the ability to engage in meaningful advocacy work, and practical issues like publishing press releases and reports.

The new law has not directly affected the organisation's ability to raise funds for the work and engagement with China. The bigger drivers regarding funds for China has been the perception of China as a developed country, China being rich enough to fund own projects.
The general strategic paradigm change from traditional development cooperation with China towards cooperation beyond aid taking into account that China is no longer a poor, developing country but the second-largest economy of the world, is also relevant for the future engagement of the INGO. This is also linked to the emergence of Chinese foundations and a Chinese charity sector which are working on children's rights, education and development issues.

In conclusion it can be said, in this case the strategy of future engagement and cooperation with Chinese partners is still under development. Drawing on other international experiences of closing civic spaces, the INGO is experienced in changing policy setting and flexible regarding its modes of operation. The global focus of the INGO and the global nature of the problem of children's rights is important for many developing countries, including China. Despite China's progress in terms of economic development, the topic is still important and offers many opportunities for meaningful and trustful cooperation.

EU-China relations beyond aid

Some of the organisation senior leadership have some limited engagement and experiences with national or European state-to-state dialogues. However, this happens only sporadically and not in a strategic or structured way. The organisation is engaged in a range of international people-to-people dialogues including human rights dialogues, C20 and other international civil society forums. Chinese teams and partners have not been involved in these exchanges and dialogues. The European INGO staff would like to engage their local teams more into global developments and debates.

From the global perspective, the trust for INGOs is at a very low level, the way it plays out in China can be seen in a stark way. As China's value is unity of society and of the country, the shrinking space manifests itself in high level control mechanisms, to ensure unity and minimise dissent. On practical level this means the PSU needs to be accountable for you as INGO and needs to maintain control over all aspects of the cooperation. Compared to other countries, the driver to shrink civic space in China national unity and securitisation, in India and Pakistan, for example, it is different where it is more value driven. International dialogues and debates around shrinking space are considered important, also for EU-China relations.

Project team (in alphabetical order)

Dr Horst Fabian, Dr Andreas Fulda (PI), Ms Nicola Macbean, Dr Patrick Schroeder, Mr Martin Thorley

Disclaimer

This publication has been produced with the assistance of the Ford Foundation. The contents of this publication are the sole responsibility of the University of Nottingham and can in no way be taken to reflect the views of the Ford Foundation.

This work is licensed under the Creative Commons Attribution 4.0 International License. To view a copy of the license, visit http://creativecommons.org/licenses/by/4.0/