



CASE STUDY EIGHTEEN

The aim of the European organisation is to be completely in line with Chinese government objectives

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 supports agricultural cooperatives and farmer organisations in developing countries in becoming more professional and productive. The organisation provides socio-economic development worldwide including in countries in Latin America, Africa and Asia through locally based approaches, so that agricultural cooperatives and organisations can be considered more trustworthy, provide high quality services to their members and develop into full-fledged trading partners.

The specific approach of this organisation consists of working with local cooperatives, a peer-to-peer approach (the so-called Agripool-network) and connecting global knowledge and business network. When the organisation started their work in China it was a small scale pilot project. At that time there were many international NGOs, some of which were registered as NGOs or companies while others were not registered at all. In 2016, when the information about the Overseas NGO Law (henceforth: the law) became known, the organisation was working on rural development projects but was not registered at the time. Local authorities and partners advised the European organisation to wait with registration, because the new law was already being discussed. The advice they were given, based on the draft law seen by local authorities, was to wait and register with the new law once it was being implemented, in order to avoid having to go through a new registration procedure once again. During this time the organisation already started expanding their work in the province, thereby already submitting project descriptions to local authorities and establishing contacts and expanding partnerships.

Present

Through the registration process the organisation deepened their relations with the Chongqing Agriculture Commission as its Professional Supervisory Unit (PSU), including visits and delegations coming to Europe, and other types of exchanges. The organisation always had a good relationship with all Chinese government agencies involved in the work. One important aspect which helped was good understanding of local culture and practices and to anticipate different kinds of unexpected twists, and to do what is expected.

After the registration many procedural practices have stayed the same. For example, prior to project missions to go to project locations it is required to send a copy of the passports of the experts who go there before hand. Some aspects of the cooperation have become easier, to implement the projects has become smoother because before they had to register every project separately. The registration process has somehow deepened the relationship between the organisation and the local administrations which now serve as its PSU because they did a lot of work for the European organisation. Through this they showed that the work of the organisation is valued and local government wants the organisation to continue their engagement.

Future

Once the law was in preparation, the internal deliberations of the European organisation about their future China engagement were about up-scaling and expanding, or stopping. However, these deliberations were not only related to the new law, but also about the 'business case' for the organisation's China engagement. The decision was made to increase their engagement with China and take it to the next level. The registration therefore was part of this process. With this hurdle taken, the organisation is ready to engage further and deepen existing networks and partnerships.

Working in rural areas there is some distance to the central bureaucracy in Beijing, the experience of the European organisation is that in the work with local partners there is some more freedom to decide which projects to implement. While the organisation's strategy is largely in line with the government's rural development strategy, there are also some innovations such as promoting that cooperatives are self-supportive and practice grassroots democracy based on 'one member, one vote' principles. All of this is also according to the Chinese law for cooperatives, so there is nothing illegal in promoting this type of self-government.

EU-China relations beyond aid

This organisation has not engaged in specific Europe-China civil society dialogues. There is no knowledge and no specific ideas about EU-China multi-track diplomacy, the organisation is just focused on their rural development projects in China. Some of the bilateral exchanges the organisation is aware of, although they never directly participated, are the main issues of these bilateral discussions focusing on cooperation topics like agricultural investment, import and export, trade barriers and intellectual property (IP) rights.

Full version

Past

This European organisation supports agricultural cooperatives and farmer organisations in developing countries in becoming more professional and productive. The organisation provides socio-economic development worldwide including in countries in Latin America, Africa and Asia through locally based approaches, so that agricultural cooperatives and organisations can be considered more trustworthy, provide high quality services to their members and develop into full-fledged trading partners. The specific approach of this organisation consists of working with local cooperatives, a peer-to-peer approach (the so-called Agripool-network) and connecting global knowledge and business network. The organisation aims to create work opportunities and economic development in rural areas, which allows local farmers to generate higher sales figures and a stable income. The organisation improves their business operations and distribution in the market with our peer-to-peer approach. Experts from the agricultural and food sector in Europe advise their international colleagues and put companies in contact with organised farmers. The result is a socio-economically strong rural area, better income distribution and strong, professional agricultural cooperatives.

Prior to registration the organisation already worked with Chinese government partners on provincial and local level in Chongqing with funding from a Ministry of Foreign Affairs of a European Union member state on providing better market access for small-holders and cooperatives, peer-to-peer advice, capacity building for structural development.

When the organisation started their work in China it was a small scale pilot project. At that time there were many international NGOs, some were registered as NGOs, some were registered as companies, some were not registered at all. In 2016, when the information about the new law became known, the organisation was working on rural development projects but was not registered at the time. Local authorities and partners advised the European organisation to wait with registration, because the new law was already being discussed. The advice they were given, based on the draft law seen by local authorities, was to wait and register with the new law once it was being implemented, in order to avoid having to go through a new registration procedure once again. During this time the organisation already started expanding their work in the province, thereby already submitting project descriptions to local authorities and establishing contacts and expanding partnerships.

The projects not only have a local component but also link Chinese agricultural cooperatives to international developments and networks by providing peer-to-peer advice and training, sending out information and updates to cooperatives in China and other countries and they give advice on their specific problems. With this approach the cooperatives are supported through capacity-building and help professionalise and strengthen their ability to do the organisational work themselves. The European organisation in the first place aims to provide methods and tools and not any financial aid.

Present

State of China-related activities. The organisation successfully registered for permanent activities and established a representative office in Chongqing. It now plans to expand their activities in China. After formal registration it has become easier to do projects and transaction costs per project are reduced. Although the registration process involved some high costs for translations, legalisation of documents and registration fees, now the project implementation process requires less bureaucracy, especially in terms of financial management which previously was managed through the Chinese partner.

Prior to the law there was little information and lack of clarity about the responsibility of different levels of administration, especially how it would relate to local, provincial and national representative offices. The European organisation started with submitting project reports, working together with a sponsor to submit your work programme each year for temporary activities. The legalisation of all kind of documents took two or three months and initially the organisation had problems getting all the documents submitted. After some time it became clear that the organisation could work directly with local authorities on the county level. In order to avoid the process of temporary activities on an annual basis the organisation decided to go for full registration. It took a long time to get everything translated and legalised, it was a complicated bureaucratic process.

In terms of programming, the European organisation closely monitors Chinese policy documents relating to rural development and the Five-Year Plans for the project planning. The way the Chinese government is organising the rural economy and the countryside, especially the structural reform of re-organising the agriculture cooperatives. The organisation follows the structural reform movement and supports the policy goals of strengthening the structural reform, ensuring there is enough employment in rural areas and ensuring long-term food security. What the European organisation is doing is aimed to be completely in line with what the Chinese government wants to achieve. The goals of the European organisation and the party-state in developing agricultural cooperatives are closely aligned.

One important thing that has changed in terms of project administration is that now it is more convenient because the European organisation has its own bank account and before it had to go through external consultants and organisations. This is not necessary anymore and the organisation changed their China operations to another structure, now using another consultant who has to work on the payroll and the organisation hired other new staff.

Impact of the law on Chinese partners. Through the registration process the organisation deepened their relations with the Chongqing Agriculture Commission as PSU, including visits and delegations coming to Europe, and other types of exchanges. The organisation always had a good relationship with all government agencies involved in the work. One important aspect which helped was good understanding of local culture and practices and to anticipate different kinds of unexpected twists, and to do what is expected. After the registration many procedural practices have stayed the same. For example, prior to project missions to go to project locations it is required to send a copy of the passports of the experts who go there beforehand.

Some aspects of cooperation have become easier, e.g. project implementation. It's smoother now since previously they had to register every project separately. The registration process has somehow deepened the relationship between the organisation and the local administrations which now serve as PSU because they did a lot of work for the CSO. They made clear that the organisation's work is valued and local government wants this cooperation to continue.

However, it is a reciprocal relationship and in return it is expected that the CSO helps with certain 'favours', such as preparing invitation letters and organising local government delegations to Europe.

It was decided to upscale the initial pilot projects and expand activities and engagement. The organisation decided that there was enough future potential in our projects and enough potential partners and growth opportunities. There is also ongoing interest among local Chinese partners and organisations to cooperate with the European organisation. The main focus of discussions now is how to acquire more funds. To find cooperatives to join projects has not been a problem, but it is necessary to get funding for this type of work in China, which is becoming more difficult as China is not eligible for many ODA funding programmes.

The current and future work of the organisation includes a female leadership programme addressing issues of marginalisation and social ex/inclusion. This programme includes supporting women to take leadership roles in cooperatives and advancing grassroots democracy and voting procedures in cooperatives.

Future

Once the law was in preparation, the internal deliberations of the European organisation about their future China engagement were about up-scaling and expanding, or stopping. However, these deliberations were not only related to the new law, but also about the 'business case' for the organisation's China engagement. The decision was made to increase their engagement with China and take it to the next level. The registration therefore was part of this process. With this hurdle taken, the organisation is ready to engage further and deepen existing networks and partnerships.

Working in rural areas there is some distance to the central bureaucracy in Beijing, the experience of the European organisation is that in the work with local partners there is some more freedom to decide which projects to implement. While the organisation's strategy is largely in line with the government's rural development strategy, there are also some innovations such as promoting that cooperatives are self-supportive and practice grassroots democracy based on 'one member, one vote' principles. All of this is also according to the Chinese law for cooperatives, so there is nothing illegal in promoting this type of self-government.

The organisation has had interesting experiences with Chinese partners about issues of voting in the rural cooperatives. For instance, in the beginning the organisation deliberated whether the word democracy should be used. In the first meeting with local partners from the cooperative one local man said 'I think there is too little democracy in the cooperative'. Often European organisations are afraid of saying something because Europeans think it maybe not suitable in the Chinese political context, but then local partners and project participants raise the issue themselves.

EU-China relations beyond aid

This organisation has not engaged in specific Europe-China civil society dialogues. There is no knowledge and no specific ideas about EU-China multi-track diplomacy, the organisation is just focused on their rural development projects in China. Some of the bilateral exchanges the organisation is aware of, although they never directly participated, are the main issues of these bilateral discussions focusing on cooperation topics like agricultural investment, import and export, trade barriers and intellectual property (IP) rights.

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