CASE STUDY SIX

A strategic learning effect of the law has been for the European organisation to focus on fewer, more resilient and trustworthy Chinese partners

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 its cooperation with China as early as the middle of the nineteen-eighties. It therefore has a long history of engagement including deep China know-how and emotional engagement with the country; diversified, local and national trust networks; as well as an excellent reputation. The sectoral priorities have changed in line with China’s fast transformation: starting with an exclusive focus on poverty alleviation, the organisation's portfolio later started to include activity areas relating to environment and climate, and lately has started to include a strong focus on support for marginalised social groups.

The organisation's 'business model' has been to co-facilitate, co-own and co-finance China-based activities without the support of a permanent representative office. At present there are about ninety projects being implemented in many provinces with a total budget of EUR 5 Million. Most of the European organisation's partners are Chinese grassroots NGOs. The volume, breadth and the bottom-up nature of their partners are signs that independent Chinese NGOs have welcomed the offer of cooperation and are appreciative of the support they receive. A decisive factor for this successful collaboration most likely was the supportive attitude of local governments because they also reaped significant developmental benefits from such activities.
The intrinsic values of civil society cooperation, e.g. horizontal cooperation, free choice of partners, genuine dialogue between equals, building of personal trust and of friendship and trust networks have developed well and are reflected in the volume, breadth but also the semi-autonomy and the bottom-up nature of their partners' work - all of this despite the autocratic political-institutional framework.

The Chinese civil society researcher Deng Guosheng has aptly pointed out that during what could be called 'semi-liberal' phase of cooperation the same 'hidden rules' were applied to grassroots NGOs and and their international partners: 'no recognition, no banning, no intervention' as long as state security and social stability were not threatened. For the European organisation the hidden rules of this period thus allowed for a fruitful cooperation. The question now is whether or not these rules are still valid and applied on the local level in the period of sharp authoritarianism at the national level.

Present

The organisation's China programme continued in the years 2017 and 2018 with a little bit less steam. They experienced selective withdrawals by former partners. Temporary permits were obtained by local Chinese NGOs. In their experience the impact of the law varies according regions, administrative levels and sectors: provincial levels are more difficult than local governments where the local partnership structure has been more stable. Universities seem to have more stricter rules in terms of seeking foreign funding. Most partners—in particular grassroots NGOs—continue to be interested, open and engaged. At the same time they try to adapt to the new more restrictive framework conditions and are creative in terms of framing their projects in an officially accepted language.

On the operational level the European organisation is still experiencing open, dialogical communication. It hasn't been subject to excessive gate-keeping yet. Nevertheless, the organisation has not yet succeed in finding a suitable Professional Supervisory Unit (PSU). One of the possible PSUs does not fully match the new priorities and portfolio of the European organisation. Working with this PSU thus would pose a risk for future cooperation with marginalised groups. As the European organisation is an urgently needed funder for Chinese grassroots NGOs there has been no erosion of co-ownership. Up until now administrative costs have not yet risen but they will after the establishment of a representative office. Nevertheless, as the European organisation is convinced that a permanent local presence would be useful in this more challenging phase of cooperation, it has launched the registration process for a representative office in December 2017 which had not yet been approved twelve months later.

Future

In stark contrast to most other European NGOs this organisation has not experienced major obstacles by the Overseas NGO Law (henceforth: the law) until now. This also means that there hasn't been a lot of disappointment or frustration to date. Up until now dialogue and cooperation has continued though regarding registration there are now unpredictable risks on the horizon. There are two possible reasons for this situation: a strategic repositioning prior to the enactment of the law and the still existing grey zone of interested and engaged grassroots which are well-connected with and known by the local governments, and therefore mostly not considered as risks to public security but as problem-solvers.
Because of the fast development of China there was a need of strategic reorientation and organisational adaptation even before the law came into force. The Chinese success story of poverty alleviation forced a shift in the strategic focus of cooperation from poverty alleviation towards support of marginalised groups. Nevertheless, the perception of some Chinese grassroots NGOs is ambiguous, as they are considered as both problem-solvers and—because of their relative autonomy—as potential trouble-makers. If what Chinese civil society researcher Deng Guosheng has called the 'hidden rules' of the local governments change in the future—either from within or by pressure from above—then the rather free, horizontal, trustful civil society cooperation would be threatened.

One strategic learning effect of the Law has been for the European organisation to focus on fewer, more resilient and trustworthy Chinese partner organisations. The organisation is convinced that it is important to continue support of Chinese grassroots NGOs and marginalised groups to encourage these groups, support the process of inclusion of the poor, marginalised groups and to consolidate the social capital accumulated by past civil society cooperation.

The organisations' red lines would be crossed if meaningful, free, horizontal, dedicated cooperation with grassroots NGOs and marginalised groups would no longer be tolerated. But the organisation hopes that this will not happen. Without continued international support financing of grassroots projects probably would dry out and the position of marginalised groups would be weakened. For all these reasons this European organisation is following Gramsci's strategic motto of 'pessimism of the intellect, optimism of the will' and thus is willing to give it another prudent try.

EU-China relations beyond aid

This European organisation has not been particularly involved in different dialogue formats, which exception of the C20 in Hangzhou. This meeting was perceived as 'rather strange' and only offered few possibilities of free exchange of diverse experiences and ideas. The organisation's main focus is and remains to be cooperation with grassroots NGOs and marginalised groups.

Full version

Past

This European organisation was an 'early mover' and started its cooperation with China in the middle of the nineteen-eighties. Its cooperation with China expanded much faster after the turn of the millennium, when Chinese civil society started to develop by leaps and bounds. At present the organisation is supporting about ninety projects in many provinces with a total budget of EUR 5 Million. Most of the partner organisations are grassroots NGOs. The volume, breadth and the bottom-up nature of their project activities are signs that independent Chinese NGOs have welcomed the offer of support and cooperation in an open and appreciative way. Over time bilateral trust and trust networks developed. Most local governments were open and supportive of the European organisation's work, as the improved participation and performance of local NGOs were instrumental and beneficial for the achievement of their own development goals.
The European organisation's 'business model' is based on direct cooperation with Chinese grassroots NGOs without any intermediary, mainly by co-facilitating, and co-financing project activities. The organisation's main sectoral priorities have shifted from an initial focus on poverty alleviation, to a gradual inclusion of other activity areas such as environmental protection and climate change. In recent years the rights of migrants and other marginalised groups have featured more prominently in the organisation's work. Many recent and new projects therefore focus on the support of marginalised groups (e.g. in the field of disability, health, ethnic groups, migrants, workers etc).

While the inclusion of marginalised groups dovetails with the official development agenda, at the same time the more or less autonomous organisation and advocacy of marginalised groups is perceived as a political risk to the party-state's monopoly of power. It is an open question therefore whether or not the Chinese party-state will continue to tolerate support for capacity development and advocacy of grassroots and marginalised groups in the future as well. It is worth reiterating that the intrinsic values of civil society cooperation, e.g. horizontal cooperation, free choice of partners, genuine dialogue between equals, building of personal trust and of friendship and trust networks developed especially well during the so-called 'semi-liberal' phase of cooperation, when party-state partners played a supportive or facilitating role.

Present

Registration. 2017 was a transition period as the European organisation continued its projects on the basis of temporary permits provided by their partner organisations. This process was perceived as 'relatively easy', since none of the applications for temporary permits were rejected. Only a few local partner organisations did not want to continue cooperation. At the end of 2017 the European organisation launched the process of registering a representative office. There is no official and reliable information whether or not the registration will succeed. This European organisation is convinced though that—just as for many other international organisations—finding a suitable Professional Supervisory Unit (PSU) will be the key challenge.

With some exceptions most project activities have continued in 2017 and are going on in 2018 on the legal basis of temporary permits provided by their partner NGOs. At the same time the political framework conditions in 2018 have become more narrow. A few partners have withdrawn. The relatively high degree of continuity might have two reasons: the European organisation is a much needed funder for poor and marginalised groups; besides, grassroots NGOs are not as relevant and visible as larger NGOs and therefore up to now less affected. There are also activities related to Hong Kong (especially worker’s rights) which have not been affected yet. Whether or not this ambiguity and grey zone can survive is highly uncertain.

Impact on Chinese partners. The impact of the law varies according regions, administrative levels and sectors: provincial levels are more difficult than local governments where the local partnership structure has been more stable. Universities seem to have more stricter rules in terms of seeking foreign funding. Most partners—in particular grassroots NGOs—continue to be interested, open and engaged. At the same time they try to adapt to the new more restrictive framework conditions and are creative in terms of framing their projects in an officially accepted language.
On the operational level the European organisation is still experiencing open, dialogical communication. It hasn't been subject to excessive gate-keeping yet. Nevertheless, the organisation has not yet succeed in finding a suitable Professional Supervisory Unit (PSU). One of the possible PSUs does not fully match the new priorities and portfolio of the European organisation. Working with this PSU thus would pose a risk for future cooperation with marginalised groups. As the European organisation is an urgently needed funder for Chinese grassroots NGOs there has been no erosion of co-ownership. Up until now administrative costs have not yet risen but they will after the establishment of a representative office. Nevertheless, as the European organisation is convinced that a permanent local presence would be useful in this more challenging phase of cooperation, it has launched the registration process for a representative office in December 2017 which had not yet been approved twelve months later.

Future

In stark contrast to most other European NGOs this organisation has not experienced major obstacles by the Overseas NGO Law (henceforth: the law) until now. This also means that there hasn't been a lot of disappointment or frustration to date. Up until now dialogue and cooperation has continued though regarding registration there are now unpredictable risks on the horizon. There are two possible reasons for this situation: a strategic repositioning prior to the enactment of the law and the still existing grey zone of interested and engaged grassroots which are well-connected with and known by the local governments, and therefore mostly not considered as risks to public security but as problem-solvers.

Because of the fast development of China there was a need of strategic reorientation and organisational adaptation even before the law came into force. The Chinese success story of poverty alleviation forced a shift in the strategic focus of cooperation from poverty alleviation towards support of marginalised groups. Nevertheless, the perception of some Chinese grassroots NGOs is ambiguous, as they are considered as both problem-solvers and—because of their relative autonomy—as potential trouble-makers. If what Chinese civil society researcher Deng Guosheng has called the 'hidden rules' of the local governments change in the future—either from within or by pressure from above—then the rather free, horizontal, trustful civil society cooperation would be threatened.

One strategic learning effect of the Law has been for the European organisation to focus on fewer, more resilient and trustworthy Chinese partner organisations. The organisation is convinced that it is important to continue support of Chinese grassroots NGOs and marginalised groups to encourage these groups, support the process of inclusion of the poor, marginalised groups and to consolidate the social capital accumulated by past civil society cooperation.

The organisations' red lines would be crossed if meaningful, free, horizontal, dedicated cooperation with grassroots NGOs and marginalised groups would no longer be tolerated. But the organisation hopes that this will not happen. Without continued international support financing of grassroots projects probably would dry out and the position of marginalised groups would be weakened. For all these reasons this European organisation is following Gramsci's strategic motto of 'pessimism of the intellect, optimism of the will' and thus is willing to give it another prudent try.
EU-China relations beyond aid

This European organisation has not been particularly involved in different dialogue formats, with the exception of the C20 in Hangzhou. This meeting was perceived as 'rather strange' and only offered few possibilities of free exchange of diverse experiences and ideas. The organisation's main focus is and remains to be cooperation with grassroots NGOs and marginalised groups.

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/