CASE STUDY EIGHT

This organisation can no longer continue its China-related activities and particularly regrets that the small grants programme has had to close

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).

Full version

Past

This organisation is an international NGO based in Europe. It was established over fifty years ago and supports a global network campaigning for the needs of sufferers, and their families, from a disease that can cause lifelong pain and disability. The organisation receives income from membership fees, corporate donors, trusts and foundations and individual donations.

The organisation's cooperation with China is relatively recent. They took their first steps in the country in 2011. Following a feasibility study on engaging with China, the organisation initially appointed a China-based coordinator to facilitate their work in-country. Although this European organisation had considered trying to work in China in cooperation with a GONGO, their organisational preference was to work with grassroots organisations. The organisation's activities in China were focused on providing capacity building and small grants to support the development of patients’ groups. The patients’ groups were largely interested in raising awareness of the disease and the needs of sufferers and their families. Most of these activities took place around the internationally recognised day to mark the disease. Grants were provided directly in cash or via an organisation that was locally registered.

The organisation's activities in China were only a small element of their global programme. Prior to the enactment of the Overseas NGO Law (henceforth: the law) the organisation had no office or staff based in China. Activities were supported at a distance and through an experienced Chinese-speaking consultant who travelled periodically to China to meet with local beneficiaries.
Facing the prospect of the enactment of the law, this organisation already knew that it would not want to try to register an office in China. As the organisation supports sufferers around the world, its way of working does not include setting up its own local offices. As an international NGO with a global network, the organisation has always worked through supporting local membership organisations.

After studying the law, the European organisation expressed interest in applying to register temporary activities, but this proved impossible. To register temporary activities in China an overseas organisation must partner with registered local not-for-profit organisations. The patients’ groups supported by the organisation were not registered minfei organisations in China. They were, therefore, unable to support the registration of temporary activities with the European organisation.

The need to partner with registered Chinese not-for-profit organisations has been a major stumbling block for overseas organisations wanting to organise occasional activities in China. Many Chinese civil society organisations (CSOs) have no form of official registration or were registered as small commercial companies. Neither status is now acceptable to the authorities and CSOs have been under pressure to register with the Civil Affairs Bureau or cease their operations. As the Civil Affairs Bureau comes under increased pressure to monitor the work of Chinese CSOs, some local organisations have been told that they need to re-register with an office at a higher administrative level.

Faced with these obstacles, the European organisation decided to explore the possibility of being able to continue supporting their local beneficiaries through teaming up with other international NGOs that had been able to register in China. They approached ten to fifteen INGOs, broadly working in the same field, to see if cooperation would be possible. Most of the INGOs did not respond. One organisation, a fundraising platform, was initially positive. Unfortunately, they later concluded that the European organisation's individual grants were too small. Not only were small grants administratively burdensome, but the organisation's own registration, apparently, did not allow them to make such small awards.

The European organisation commented that, prior to the enactment of the law, they were able to operate in a grey area where small grant giving was unregulated and appeared to be of little concern to the authorities. Since the law came into effect the organisation recognised the need to comply with the law. They have not made any further small grants and while the organisation's consultant used to make two to three trips a year to China, he made just one in 2017.

Present

State of China-related activities. This European organisation has not been able to continue its programme of China-related activities. They particularly regret that the small grants programme, which had been expanding prior to the new law, has had to close. These small grants of between RMB 5,000 RMB to RMB 10,000 (around EUR 650-1300) enabled small patients’ groups to hold awareness raising activities, particularly around the time of the relevant World Day.

The small grants were part of a strategy to develop local ownership of activities and assist the development of patients’ groups around the country. Local patients’ groups were small scale with members often in full-time employment and with many other calls on their time.
This European organisation was able to provide seed funding and help provide some advice to new teams. The organisation has heard that some of the small groups they supported are continuing to mark the World Day. They are now trying to help link local groups to possible corporate sources of support in order to avoid the problems of funding from overseas NGOs. Corporate funding brings its own challenges as the priorities and interests of a company’s headquarters often differ with those of the China office. The disease which this organisation addresses is also not one that easily attracts donor support either in China or internationally.

This European organisation was probably not the kind of target the Chinese authorities had in mind when they chose to regulate the overseas NGO sector. Nevertheless, one intention of the law was to reduce the amount of overseas funding reaching Chinese civil society. Small grant funding and capacity building among patients’ groups and others living with disabilities have helped to empower these communities and increased their visibility. Many of these groups are still too inexperienced to identify alternative sources of support.

Impact of the law on Chinese partners. Prior to the enactment of the Overseas NGO law, this European organisation saw itself as a collaborator with its local partner organisations. Following the new law, the relationships could now be characterised more in terms of involvement in a network.

The organisation commented on the very limited capacity among the local groups in China. Often they consisted of just one or two people. While they had tried to invest in individual development, small teams were not very sustainable if someone dropped out due to ill health or other responsibilities. The organisation had observed that their local partners were unaware of the law and their consultant had had to explain it to them. If the groups did not understand the law and its implications, there was a risk that groups would be vulnerable to police investigations. Patients’ groups lacked the political awareness of more activist groups which were keen to find ways to continue working despite the new law.

This European organisation's partners were not service delivery organisations and did not want funding to provide direct assistance to patients. Their objectives were primarily to raise awareness of the disease and its impact on individuals. They did not engage in any policy advocacy despite the fact that access to treatment for the disease is poor. Aware of the political risks with policy advocacy, the organisation had not encouraged this development. Local groups had little understanding of campaigning and saw awareness raising as a personal issue. Their focus was on supporting themselves and each other. Many sufferers faced livelihood issues, particularly employment discrimination since the disease created a perception of weakness. Increased public awareness of the disease was important to counter prejudice and invisibility.

Although some umbrella organisations for disease-related patients’ groups can be found in China nothing currently exists for this disease. The groups supported by the European organisation were still too small to be networked. The headquarters of the organisation noted that the small patients’ groups in China had not gone through the same NGO development process as in other countries. Elsewhere groups used small amounts of seed funding to try things out, raise awareness and build their profile, enabling them to begin raising their own funds. The Chinese patients’ groups were, in contrast, ill prepared to identify domestic sources of funding.
Future

This organisation has considered its strategy towards China at the Board level. The China programme, however, has always been a challenge. Funding has been difficult and it has been more difficult to identify an effective roadmap with tangible outputs compared to other countries. Even without the introduction of the law their programme in China was not straightforward. Unlike their work in other countries, the organisation has, also, not benefitted from a cheerleader for China at the Board level.

Although this European organisation's strategy includes a commitment to China, the country represents a very small part of their overall work. Their current approach involves trying to navigate the new environment while scaling down their level of engagement. Without an approved China programme staff were hesitant to support travel to the country, unsure whether even travel to China would constitute an activity under the law. This made it almost impossible to identify new opportunities.

The organisation has worried about the potential reputational risk from a misstep in China which may have led them to be overly cautious in interpreting the new law. They felt that without specialist knowledge of Chinese law it was difficult to understand what might be possible under the new law. It was particularly hard to identify what constituted an activity under the law and whether the provision of information and advice would be included.

As the organisation stopped the provision of small grants it was looking at other ways to provide support. In addition to helping patients’ groups identify other sources of funding the organisation was also looking to work more closely with health professionals. Members of this community had participated in World Day events and helping them to participate in international meetings might be a way forward. However, this European organisation also lacked the organisational capacity to identify people who could benefit from individual opportunities for international training or conferences.

EU-China relations beyond aid

This European organisation is an independent international NGO and does not seek engagement with governments at the national or Pan-European level. The focus of the organisation is providing practical and operational support to patients’ groups largely through a membership network; member organisations are expected to engage with their governments. The organisation is part of an international alliance of patients’ organisations and there is a possibility that this relationship has potential for engaging with China in the future.

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