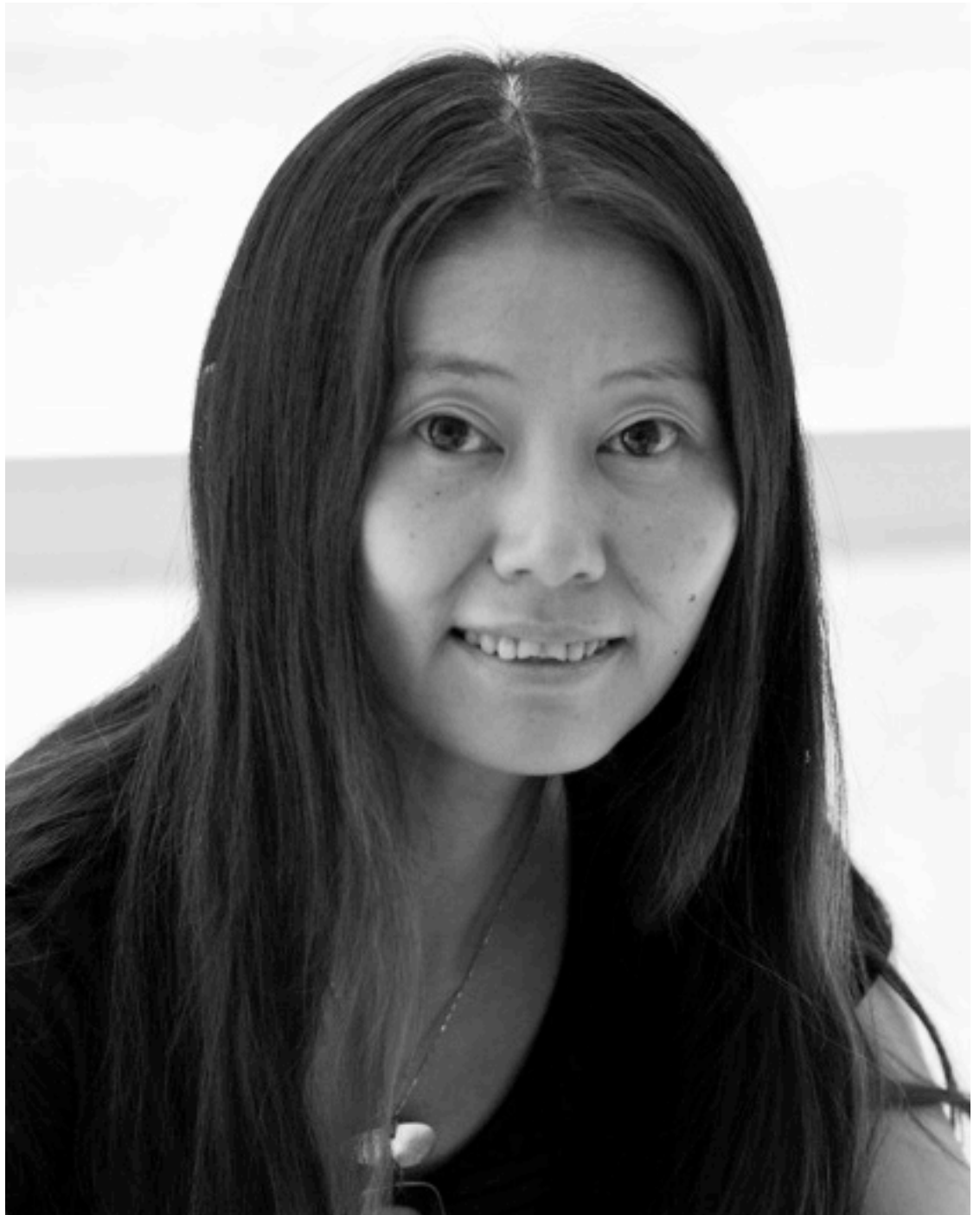


# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Just like as every person has the rights and responsibilities of a citizen, a corporation also needs to take over social responsibility**

Duan Tao, Sino-Ocean Charity Foundation,  
Secretary General



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**On 12 May 2008 a big earthquake occurred in Wenchuan, Sichuan province. This earthquake prompted our company, Sino-Ocean Land, to donate more than five million Yuan. At that time our CEO Mr Li Ming considered that apart from donating money Sino-Ocean Land could play an active role in the process of disaster reconstruction.**

**Sino-Ocean considers both education and environmental protection a source of motivation for the future which is directly linked with the issue of social development. We take societal needs as our starting point and pay attention to the fields of education, poverty alleviation and environmental protection.**

**We had the choice to either establish a grant-making foundation or a self-operating foundation. The CEO of Sino-Ocean Land stated that the main intention was to educate its staff. The performance of the foundation would be measured against the number of employees and executives participating in this line of work. In order to meet this request, we became a self-operating and not a grant-making foundation.**

**When we launch a project we do so as a self-operating foundation. But that does not mean that we do not collaborate with other cooperation partners. We would definitively realise them with the help of cooperation partners, such as government departments or even organisations such as NGOs, schools, including our own service organisations. We chose those work units, organisations or companies which have a good standing in society. We do not simply give money to an organisation. Instead we are in charge of overall planning and organisation and bringing all of the resources together.**

**Sino-Ocean Land is willing to take over its corporate social responsibility, for which its philanthropic and charity arm is its most important platform. Of course Sino-Ocean Land is also making a small contribution to the sustainable development of society through this organisation and by communicating with all sorts of stakeholders and enabling more cooperation. So why would we do this? This is because we believe that, just like as every person has the rights and responsibilities of a citizen, a corporation is also a legal person. As a person, we also need to take over our social responsibility.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 22 July 2014.  
Translated by Sujing Xu and Andreas Fulda.*



Disaster  
reconstruction

## Interview transcript | Duan Tao

**Andreas Fulda (AF): The Sino-Ocean Charity Foundation was established in 2008. What kind of societal problems did the founder intend to solve with its establishment? What was the motivation of the founder?**

Duan Tao (DT): On 12 May 2008 a big earthquake occurred in Wenchuan, Sichuan province. This earthquake prompted our company, Sino-Ocean Land, to donate more than five million Yuan. At that time our CEO Mr Li Ming considered that apart from donating money Sino-Ocean Land could play an active role in the process of disaster reconstruction. From its initial establishment in 1993 and until 2008, Sino-Ocean Land has simultaneously developed its main business whilst taking on social responsibility for communities and the public. As a very important aspect of social responsibility it has undergone an extensive cycle of learning and understanding of charity and philanthropy. Sporadic donations, paying attention to key issues and a focus on environmental protection have all been part of this stage. Through the accumulation of experiences, regardless whether in the field of human resources or our implementing capability the company's senior management eventually concluded that it already had a professional, specific and organized philanthropic and charitable arm of the company. Seen in this light the 12 May 2008 Wenchuan earthquake thus became a catalyst for the establishment of an independent Sino-Ocean Charity Foundation.

Against the backdrop of these two factors, our boss and company's senior management reached a mutual understanding to establish an organisation, an entity through which we could ensure the sustainable development of our philanthropy and charity. We thus established a foundation with the Department of Civil Affairs. When deciding on our philanthropic direction we not only considered our longstanding commitment to environmental protection but also decided to get involved in disaster reconstruction. We also considered education a good fit for our foundation. The first reason is that in line with its residential development, Sino-Ocean has accumulated excellent educational resources and we have a strong interest to develop "education-centric" real estate.

Secondly, our boss has always had a dream. Since he used to be an instructor at university, he has often been joking that once he retires he would like to go back to university as a teacher. The third reason is, and this is the most important reason, since the foundation has been established we engaged in disaster mitigation. In this field education is a relatively easy entry point for us, especially as we are a small enterprises funded foundation. Micro philanthropy was the fundamental value when the foundation was established. Since we are not a charitable organisation, our investment can not be too big.

I would like to emphasize that Sino-Ocean considers both education and environmental protection a source of motivation for the future which is directly linked with the issue of social development. We take societal needs as our starting point and pay attention to the fields of education, poverty alleviation and environmental protection.

This is the background to Sino-Ocean Land's establishment of the foundation and its decision to make environmental protection, poverty alleviation and education key areas of its philanthropic work. Ultimately, when we talk about the core motivation to establish the Sino-Ocean Charity Foundation this can be summarized in the words of our CEO Mr Li Ming. He gave us two aspirations or two achievements to aspire to. The first one was that once we establish the foundation to engage in the philanthropic and charitable sector, we hope that through this platform company employees and senior management can participate. Only by ensuring that everyone participates, that everyone participates in activities which are meaningful for society, this way employees can learn about a sense of responsibility and nourish it. Once a sense of responsibility has been nourished, employees thus will respect what the company offers for them, respect customers. In terms of our future reputation in society as well the products we develop the first required achievement by our boss is that we meet the expectation of society and our clients. The second expected achievement is that our philanthropic projects have a positive effect on the people we serve, that they actually yield actual results. We are not doing this to chase fame. One of our aspirations is to ensure that the money we spend, the small investments we make, aren't squandered.

Participation

**AF: That is very interesting. When you choose from your philanthropic projects, do you have some specific standards? You just mentioned some of the requirements of your boss towards your work. Do you have any further criterion? When you engage in your internal decision-making process, to what extent do you ask yourself how the Chinese government would see these philanthropic projects? Is this something that has an effect on your decision-making?**

DT: The core of the foundation is based on projects which realise their societal and philanthropic objectives. We had the choice to either establish a grant-making foundation (zizhuxing jijinhui) or a self-operating foundation (yunzuoxing jijinhui). The CEO of Sino-Ocean Land stated that the main intention was to educate its staff. The performance of the foundation would be measured against the number of employees and executives participating in this line of work. In order to meet this request, we became a self-operating and not a grant-making foundation. This means that we establish our own projects, which we also implement ourselves. In terms of the projects we fund, they need to come under the declared philanthropic direction of poverty alleviation, education and environmental protection. We focus on whether or not these projects help drive employee engagement and have an impact which leads to more people participating in them.

Self-operating  
foundation

This basically answers the first question about the selection standards for our projects. As a self-operating foundation our first step was to form projects. The established projects and the fact that the company funds them led us to consider the company background and the areas the company concerns itself with. In terms of its business background, as I mentioned earlier, Sino-Ocean hopes to include education in real estate. Secondly, we always pay attention to environmental protection. We hope that the products we produce represent the future and include environmentalist concepts. Finally, we hope that our products can have an impact on society and solve or prevent environmental pollution. So what the company pays attention to or where the business needs are informs which areas we will pay attention to and is decisive in terms of the direction of our projects.

Secondly, our choice is also based on research on what the government attaches importance to, this is very important. I should say that it is important to see what kind of policies the government supports, and what kind of societal demands there are. These are things we consider before we design a project, which are the companies' concerns, and the government's and society's needs. In this sense, when it comes to the question of how to design a project, we first need to resolve its general direction.

**AF: I am very curious to learn a bit more about self-operating foundations in China. I understand that more than 90% of China's foundations are currently self-operating and that only few are grant-making. I am sure that you must have had good reasons to choose the self-operating model, but why did you do so? Why would you go for this model? As a matter of fact Chinese society is pluralising, and there are more and more new community-based organisations, civil society organisations which differ in terms of their capabilities. Some foundations are willing to provide small projects to third parties. They then implement these projects. Arguably, foundations can increase their impact this way. Against this backdrop I am curious why you chose the self-operating model?**

Corporate  
Social  
Responsibility

DT: I think this has something to do with the reason why we set up the foundation. In the past our understanding of Corporate Social Responsibility was very narrow, and comprised of philanthropic and welfare investments. Between 1993 and 2005 our investments were very sporadic. When a big disaster struck we followed the principle of the leader of the company and donated money to some of the bigger foundations, including fundraising foundations. But this did not help the company to accumulate more experiences in this sector, and also did not help with culture change. In 2004/05 we started to incubate. By 2006 we started to operate and develop our own philanthropic trademarks. So we started from the perspective of our trademarks. At that time society also paid attention, for example to the issue of our environmental protection work. Our company also hoped that external forces would give an impetus for changed thinking among our employees. At that time we started to focus our attention on one point. To focus on one point had an impact. This impact had two sources, one was external and the other one was internal change among our staff. From this point onwards everyone's focus was on environmental protection, influencing our development and construction and marketing for example.

In terms of the external engagement we engaged with old communities which we previously had no relationship with. We did some environmental protection projects where community residents took the lead. We realised that people felt very close and devoted to our company. We have this saying "where water flows, a channel is formed". These activities were more important than if we had put up a lot of advertisements. At that time we thus realised that philanthropy can be a form of advocacy. This advocacy is about the cohesion of internal and external interests. So when in 2008 the earthquake happened we decided to establish our organisation. This is also why we were not hesitant at all to establish a self-operating foundation, just like our boss requested us to do. He hoped that through an organisation, a platform, more people could do this work and that we would not just give out money. In the past we would donate five million Yuan, ten million Yuan; it added up to quite a lot of money that we



donated. But it seemed as if we retained nothing. Later when we started working on our own projects, our employees learned a lot. Externally we also received a high appraisal, even though this was not something we deliberately pursued.

Based on this understanding our senior management considered this option the best solution to allow more people to participate. They considered this to be more effective than to provide funds. Secondly, there has been a trust crisis. When we gave money in the past, and with the exception of the Yushu earthquake, we have painstakingly requested that we get some pictures as feedback or that our name Sino-Ocean Land would be written on the emergency shelter tents. Apart from this we would get very little additional feedback.

**AF: When you implement projects on your own, how do you deal with bottlenecks such as access to communities? For example your headquarters is in Beijing but an earthquake happens in remote Sichuan province. So how do you access the communities in the disaster areas? It is quite likely that you are not very familiar with the local conditions in these communities. So are you working with some cooperation partners who help introduce you these community residents?**

DT: There are two things related to this. When we launch a project we do so as a self-operating foundation. But that does not mean that we do not collaborate with other cooperation partners. As regards the projects you are referring to, we would definitely realise them with the help of cooperation partners, such as government departments or even organisations such as NGOs, schools, including our own service organisations. We chose those work units, organisations or companies which have a good standing in society. We do not simply give money to an organisation. Instead we are in charge of overall planning and organisation and bringing all of the resources together. The following value guides our work which is “micro philanthropy, everyone participates, sustainability” (wei gongyi, gong canyu, kechixu). These nine Chinese characters are the values of the Sino-Ocean Charity Foundation. What we mean by “micro” is that we do not have much money, our projects are not big. But we hope that both internally and externally more and more people will make use of our platform and do more things together. What we want to achieve in the end is to combine various effects to promote sustainable projects, which in turn help us promote the country’s philanthropic sector and make a modest contribution to its development.

Stakeholder  
cooperation

**AF: When I prepared this interview I realised that particularly in Sichuan many of your project partners are affiliated with the Communist Youth League. I have trained some of their leaders in the past. Would you be at ease to tell me their mobilisation capabilities? Since you have chosen to work with them you must have had your reasons. What are the strengths of the Communist Youth League?**

DT: The Communist Youth League’s system is set up in a way that they can enter schools. These schools include universities, middle schools and primary schools. This is one of their key functions or resource strengths. Aside from environmental protection projects we also pay attention and provide support in terms of poverty

Communist  
Youth  
League

alleviation and the education of vulnerable groups in old liberation areas, minority areas, frontier areas, and poverty stricken areas (lao shao bian qiong). We hope that in terms of the disproportionate education we can contribute something which is within our grasp. The Communist Youth League's system has this strength, which is why we hit it off readily. Through referrals of the Communist Youth League we found it relatively easy to link up with their education commission. The education commission would recommend suitable schools which require assistance. We then contact these schools. In that sense the Communist Youth League's system acts as a bridge.

The Communist Youth League has its own university departments. This means that in the context of our university student project we could establish direct links with their Youth League and student committees. I would like to emphasize that the Communist Youth League Central has been instrumental in supporting the sustainable development of Sino-Ocean Charity Foundation's university student project over the past few years. They even put our project on the list of Communist Youth League projects for university students. This has bestowed a level of authority and professionalism to the project and school around the country realise that this is a project endorsed by the Communist Youth League and can chose it. This has helped tremendously in the implementation stage.

**AF: Do you have a preference of one type of cooperation model over the other? So for example do you prefer to work with one partner or many partners? You just introduced the Communist Youth League, which can be seen as a system (xitong). In terms of your projects do you always use the same cooperation model? Or do you have different cooperation models?**

DT: I think if we can find partners like the Communist Youth League system which has this kind of strength, then we can chose to cooperate with one partner. But if we look at all of our projects we do not only follow the single-partner cooperation model. Another available example is the university students social practice project. In this case we work with two partner units. They cooperate as supervisory units. One is the Communist Youth League and their university student office, the other is the Ideological and Political Secretariat of the Ministry of Education. As I just said, with the help of referrals by the Youth League and the education system it is much easier for us to get in touch with schools.

Green communities

Secondly, in terms of our environmental protection projects we have a big environmental philanthropic project which helps turn old communities green. Here we have been working with the Centre for Environmental Education and Communications at the Ministry of Environment. We also partner with a civil society organisation, the American Environmental Defense Fund. These two are our key partners. The Centre for Environmental Education and Communications has a massive system. They can reach every province, every city. They have their own propaganda and education system and can also access the Departments of Environmental Protection. This way they can publish these projects and let people know that we are planning to do environmental protection rejuvenation work in old communities, so that they can apply for environmental funds. Here the American Environmental Defense Fund steps in. They are always searching for good projects



and want to make investments in environmental protection. Once they step in they mostly provide funds, since our foundation does not have these funds. So here we cooperate with two or three partners.

**AF: Here you are cooperating with an International NGO which provides funding.**

DT: In terms of the American Environmental Defense Fund this is a foundation where the funding comes from American donors. They have chosen to primarily cooperate with the Chinese government, for example with the National Development and Reform Commission or the Ministry of Environmental Protection, in order to start environmental protection projects.

Environmental  
Defense Fund

**AF: They have also done the Green Commuting project.**

DT: That is correct. This is one of their projects. The American Environmental Defense Fund have worked with us and the Centre for Environmental Education and Communications at the Ministry of Environment on two projects. One is called “Cool China”; the other one is called “Sino-Ocean Land Community Environmental Protection Philanthropy Award”. In the past two years we have mostly worked through the system of the Centre for Environmental Education and Communications and reached out to more than one hundred communities in seventeen provinces and promoted environmental protection awareness and community environmental protection projects.

**AF: Does your foundation have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China’s civil society in your foundation and how?**

DT: This concept is quite big, so I am not sure I understand it correctly. From the perspective of the Sino-Ocean Charity Foundation it means that Sino-Ocean Land is willing to take over its corporate social responsibility, for which its philanthropic and charity arm is its most important platform. Of course Sino-Ocean Land is also making a small contribution to the sustainable development of society through this organisation and by communicating with all sorts of stakeholders and enabling more cooperation. So why would we do this? This is because we believe that, just like as every person has the rights and responsibilities of a citizen, a corporation is also a legal person. As a person, we also need to take over our social responsibility. Especially as a public company, as a listed company, to a very large degree investors assess the company not on its short-term returns, but they want to see whether or not it has a long-term plan. They want to see that it has development potential. I think that when such a company achieves its economical returns it will also hope to balance this with societal and environmental returns. This is why we can expect a legal person to take over responsibilities just like a citizen.

Sustainable  
development

**AF: When you think of Sino-Ocean Land and the Sino-Ocean Charity Foundation, what kind of changes are you expecting in the next five to ten years? Chinese society is in transition, so I would expect that when we meet again in five to ten years, there will have been changes to the way**

**you run your projects. I also expect more changes to occur in Chinese society. What kind of development trends do you anticipate?**

DT: I think that the foundation will stay connected to the demands of the company. Sino-Ocean Land does not have huge demands for its foundation, but it will hope that it can do things in a stable and sustainable way. Therefore I expect that based on our current projects that they will increase in quantity and quality. Every year we will continue to provide help to children and look at the regional coverage, performance and requirements of the program. In terms of the quantity of poor people served there will also be demands, just like we will have more demands in terms of finances. So when we meet again in three years and we have another conversation, I am sure that there will be obvious changes.

Secondly, we are also taking stock of the situation and reflecting on our own development. Last year, when our foundation was established for five years, we came up with a three year development plan which was not too ambitious. But at least we have been thinking, and this plan has allowed us to clarify the relationship between the foundation and the company Sino-Ocean Land. The foundation is an entity and we are doing things for society and for philanthropy. So in case we meet again we are likely to be clearer on this and more independent. In terms of independence the only thing that we lack in terms of independence is that all of our employees are working part-time. The fact that our staff only work part time is indicative of our approach of “one troop and two brands”. There are colleagues which are both responsible for the Corporate Social Responsibility Centre of the strategy department of Sino-Ocean Land and also deal with the foundation’s finance, administration, as well as communication. So we rely to a large extent on different people who work part-time. In the future we may have more specialised full-time staff working for the foundation. So this is the only aspect of the foundation which is not fully independent, since in all other aspects we operate independently.

Last year we also had time to reflect on our business direction. We realised that in the past poverty alleviation and education was essential to our work. Through our analysis we realised that the foundation’s mission was to work for society and philanthropy and that deep education (shenggeng jiaoyu) is at the heart of what we do. When we incorporated environmental protection, we considered this being part of our corporate social responsibility. But in recent years we have gradually come to pay attention to the issue of an ageing society. While we are paying attention to the issue, we do not yet have the man-power, capacity or funds to do something in this field. But we have now come up with a mission statement, which states that “deep learning lets young people grow” (深耕教育, 让少有所长). I think that it includes two meanings. When we help children grow up we hope that they will master a special skill which will make it more likely that they will develop even better. We have also deliberately added a sentence to our mission statement which states “A secure old age” (老有所依), which means that in terms of our foundations future direction we will get involved in this field. This is because China’s ageing society has already become a big societal problem. We also have a business field which is related to this issue, which has been operational for three, four years. In places such as Beijing, Shanghai and Dalian we have launched the Chunxuan Mao (椿萱茂) brand related to an ageing society, this

Ageing society

has just started. This is why I think that in three to five years we will have started a couple of philanthropic projects in the field of ageing society. It is also possible that some of the core projects on education may have developed into even stronger brands.

**AF: You just mentioned that most of your foundation's staff work part-time. Is this something unique to the Sino-Ocean Charity Foundation? Or are other Chinese foundations also using this model?**

DT: I think that foundations that have been established by companies may follow this model, but those are not too many. There are also fully independent company foundations. Their staff is completely independent and has been externally recruited through the board of directors.

**AF: In the following I would like to ask you a question about change processes. What conclusions do you draw when you realise that the anticipated change has not been achieved by the philanthropic projects supported by your organisation?**

DT: This is an excellent question. The Sino-Ocean Charity Foundation has now been developing for six years. One of the things we thought most about last year was the question whether or not our projects have been effective. The way we see this is similar to what you said before. We are very far from the poverty areas and may not have the best understanding of the local situation. But we can't increase our budget and investments even more. This is why we put our trust in local governments and schools to complete our projects. But in the end there does not exist a particularly good method to assess the results. Let me give you the example of one of our core philanthropic projects in the field of education, which is called the "Small Partner Growth Plan". What do we do in the "Small Partner Growth Plan"? Through referrals from the Communist Youth League Committee we got directly in touch with the children of very poor families. Once we established our relationship with them, we provided them with grants. These grants are for the state's compulsory education from grade one until nine. But for some children their life conditions may be very difficult, as their families do not have income, or only very little income. In such cases we would also provide an appropriate learning subsidy. Some other children manage to get into middle school or gain entry to university, but since they do not have any money, they can not go to high school or study at university. We hope we can give them additional scholarships for support, so that they finish their education and enter society.

Small Partner  
Growth Plan

In addition, we also realised that in many of our "Small Partner Growth Plan" projects the school children are from minority areas. In these rural places of China, the schools of minorities to a certain degree reflect the old liberation areas, minority areas, frontier areas, and poverty stricken areas (lao shao bian qiong). The key is that these minority areas have their own conditions. They have their own skills, for example folk songs, mountain dance, or music. But they often face the problem that old people who possess these skills are passing away and thus can not pass these skills to the next generation. Secondly, to a certain extent they may lack funds, and both schools and students may lack the motivation to learn. So in addition to grants and scholarships we also provide "Traditional Culture Training". We help schools to invite teachers to teach students these traditions, which helps with the preservation and

inheritance of traditional culture. Such trainings also build up comprehensive skills of the children and help them gain specific skills. All of this helps students to have hope for a better tomorrow where they have better conditions and more space.

#### Goal achievement

But do we achieve our goals? On the one hand time has been limited and only time will tell. Also, do we have a way to monitor the development of the children? These are all question marks. This is why this year we have changed some of our ways. We have started to rationalise and perfect our project design and rely on more channels and more assistance. On the one hand we have started to support some local NGOs. On the other hand we have enlisted and supported volunteer actions twice. In addition, we have created synergies between existing projects and participated in the “University Student Social Practice Award” teaching team. Through these channels we hope that this will help us control the implementation process of projects better. These efforts represent our ability to examine, interview and help us evaluate whether or not projects have achieved their objectives. This can also help us overcome the problem of high costs of monitoring of remote projects.

**AF: What do you consider realistic outreach goals for philanthropic projects funded by your organisation? If these goals are set too high, you may not be able to achieve them. If they are set too low, you will not have any impact. How do you set appropriate development goals?**

DT: Setting goals is not easy. But when we set an objective, this should not be considered a scientific process. But on the basis of trust we can provide help. For example in one year provide study grants to one school. We usually run such a project for three years. During each year we can help with the living and study costs of twenty children. As long as the school can provide the information to us that these families are on low-income and thus meet our conditions and standards we will provide support. In the future we need to think more about the following: We really hope that these children can complete their education. So we need to make sure that a child can complete the nine year compulsory education. We also think a child can go even further. So if a child has already left school for some reason, we should make sure that he or she gets back in. This is why we will continuously support these small projects, projects which are part of the “Small Partner Growth Plan”. A sub-project is called the “Care Fund” which is aimed at underprivileged children of migrant workers. While these children do not belong to the category of old liberation areas, minority areas, frontier areas, and poverty stricken areas, they may have dropped out of school because of illness or because their family conditions were very bad. It is our objective to enable these children to go back to school and to make sure that during their education process the foundation is fully engaged. This is what we have to do. We have just implemented a “Care Fund” project. At Beishida there is a child, who had nasopharynx cancer. This child lacked funds and thus could not go back to school. We asked our Sino-Ocean employees to raise money for charity and managed to provide a subsidy for the last treatment cost, which was quite high. All of this is happening on the individual level, one by one. He has now returned to school and since he has a particular skill he will be able to solve the problem of employment. This is an example of a very small objective.

**AF: Finally I would like to ask you about the issue of sustainability of**

**philanthropic projects. For example you support a middle school student who then manages to complete the nine years of compulsory education. But then as you said for some reason the student can not go on to study at high school. So the problem may be that you have no means to monitor the progress of your grantees. This could impact the sustainability of your philanthropic projects.**

DT: We look at this issue from an organisational perspective. Of course we need to consider the problem of sustainability. This is why in terms of our values we have set the bar high, which is “small philanthropy, everyone participates, sustainability”. This ensures that as an organisation we are aiming in this direction. Secondly, from a strategic perspective we are “one troop and two brands”, meaning that we are part of the Social Responsibility Operations Center in the Strategy Division. This enables us to run these projects as part of the whole company. For the foundation this is a great support, since we can announce some systems and issue some requirements through the CSR Center of the Strategy Division. This helps us to secure funding for our foundation, the support from employees, and support for all sorts of projects. I guess this is a special characteristic of Sino-Ocean Land. My third point relates to one of the slogans of our company, which is that to be a reliable partner is one of our core values. Here our foundation serves as a platform that engages with the outside world and offers a bridge for employee participation. In many of our activities we even include our clients, which enables us to live up to our commitment of being a reliable partner. To a certain extent this also helps us with the sustainability issue of our philanthropic projects, as everyone can participate. What is at the heart of this issue is that we need to pay more attention to the issue of sustainability in our project design.

Sustainability

So for example, in the case of our effort to promote deep learning, our “Small Partner Growth Plan” is key. But the “Small Partner Growth Plan” also needs additional support in order to be able to be in control of the process and in order to be able to evaluate its effectiveness. This is why we have linked up the “Small Partner Growth Plan” with the two other initiatives “University Student Social Practice Award” and the “Gardener Award”. How did we do this? The “University Student Social Practice Award” not only helps students to increase their social practice skills. But through their volunteerism we also learn about schools which need help. Every year we increase our understanding of schools in need and students have become a key source of information. To a large extent they lead us to the schools. They also help us conduct visits and do research. Student volunteers also help us understand how effective the “Small Partner Growth Plan” is. They help us obtain information.

University Student  
Social Practice  
Award

From the “Gardener Award” we learned that it really depends on the teacher how far children can go in the future. This is why we would like to provide more support for teachers in rural China. To be perfectly honest with you, the “Gardener Award” is the weakest project among the three. What we are planning to do is two things. First, we would like to invite some schools in Beijing and other places which are partnering with Sino-Ocean Land. There are many cooperating schools which are using the label of Sino-Ocean Land. We hope that together with us they can establish hand-in-hand relationships with schools in old liberation areas, minority areas, frontier areas, and poverty-stricken areas. The idea is that they learn from each other. We are already working on this. A school in Hebei has established very close relationships with the Jingshan Sino-Ocean School in Beijing. Their teachers can attend open lectures here

in Beijing, and the teachers here let them attend class. Secondly we have already started developing some teaching plans. Last year we did some experimentation, and invited the principals, teachers and administrative staff of migrant worker schools. We collaborated with Beishida and developed some teaching materials for them. After they learned about it we hope that this kind of curriculum, if it is suitable, can be taken to schools in the old liberation areas, minority areas, frontier areas, and poverty stricken areas. Thirdly, we of course hope that we can support some teachers in rural parts of the country and provide them with financial support. This is what we are planning to achieve next.

As you can see, these two projects nurture and support. The “Small Partner Growth Plan” serves as an interlocking mechanism and ensures their sustainability. As I said before, the core project is the “Small Partner Growth Plan” with its sub-grants for children from grade one until nine. The second project which we prepared last year will start this year, which is a scholarship which is primarily aimed at children which have previously been receiving study grants. Some of them may have been unable to continue their higher education since they could not afford the fees, so we are planning to support them. Among these children there are individuals which due to our support have been able to enter society and find jobs or been able to look after themselves. By acquiring new knowledge or skills they have changed their own fate. This not only reflects the better future of these children but is also a best indicator of the foundation’s project performance. ■



# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Serving the community through training volunteers  
and volunteer activities: Huizeren's contribution to  
civil society building in China**

Zhai Yan, Huizeren, Founder and Director



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**I founded this organisation together with another colleague. My first idea was to establish professional volunteer services on the community level. Our special skill was psychology, which is why we started by providing community counseling services.**

**We called this ‘to serve the community through training volunteers and volunteer activities’. After we did this for three months we began to realise that we are strongest when conducting trainings. Everyone really approved of our work. Initially our trainings were mostly for community members in need. We later found that when you ask volunteers to provide services, they really do not know anything. You have to teach them from scratch. When more and more people participated in volunteer services we realised that the needs of volunteers as a group was becoming increasingly big. This prompted us to specialize in volunteer training and to develop community counseling projects. The goal was to enable skilled professionals to serve the communities.**

**When you want to establish a non-profit organisation, partners are very important. This is the same as if you want to establish a business venture. You need a good partner with a like-minded philosophy which is consistent with yours. This partner’s ability and level need to be very similar. This way it is easier to make concerted efforts.**

**The majority of funding comes from foundations, probably about sixty percent. These foundations include foreign ones. Foreign funding makes up about one third of our funding. In the very beginning and during the six years from 2003 until 2008 you could say that about ninety percent of the funding came from abroad. Domestic funding was very limited. For example we would get a little bit of income from our trainings and services. In addition, the government would sometimes consign trainings to us. But this was not often the case. We mostly relied on foreign funding in the early years. Now our international funding support is about one third and domestic support is gradually increasing. Government support has also increased to about one third.**

**In present-day China 99% of the foundations are not grant-making organisations. They all want to do things themselves. This is why they see NGOs as their legs and feet which allow them to do things. But when you look at international foundations, the majority of them are grant making or of a venture capital type. They do not implement projects themselves. This difference reveals a different value.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 15 July 2014.  
Translated by Sujing Xu and Andreas Fulda.*



## Interview transcript | Zhai Yan

**Andreas Fulda (AF): I understand that the Beijing Huizeren Volunteering Development Center was established in 2003. What kind of problems did you want to solve by establishing Huizeren? What was your initial motivation?**

First generation  
of NGOs

Zhai Yan (ZY): This had something to do with me. In 1995 I was working for a women's hotline and did some research and psychological counseling for the Maple Women's Psychological Counseling Center in Beijing. I worked at Maple Women's for eight years. I found that we could not solve the women's problems simply through hotlines, by doing some research, and writing policy reports every year. This way we did not see any change. At that time it was quite exciting to see which people stepped forward from the first generation of NGOs, such as Song Qinghua from Shining Stone Community Action, Zhang Jufang from the Capacity Building and Assessment Centre or Li Tao from Facilitators. That was the time, 2002 until 2005, when the Ford Foundation supported Winrock International to deliver an NGO capacity building project. We all found this to be a particularly good project. It inspired an enhanced awareness among NGO employees and increased their ability to reflect.

Prior to this we only knew that we wanted to do something, but we did not know how to bring about change. I followed this capacity building project for three years. Following it for three years allowed us to learn about leadership, management, strategy, fundraising, project management. We also learned about volunteerism and governance systems. We realised that we learned was quite different from the way how the first generation funders thought about social problems and also quite different in terms of what we commonly refer to as their approaches.

Training

During the process of this training we acquired a new knowledge system and learned the most. This enriched us and opened our eyes. This was because eighty percent of what Winrock International introduced were very good international experiences and knowledge. This is why I think that this capacity building project had a huge impact on us.

At that time most NGO personnel had pretty much the same understanding of the social problems. They also agreed that trainings could help them increase their knowledge and help find solutions to problems. But in comparison to the former generation of NGO founders they had different ideas in terms of strategy. We also had a different angle on the problems. Our leadership styles would also differ. This is why so many people left the first generation NGOs.

My own key motivation to leave was the following. I saw the social problems not only as someone who had a background in psychology but also as someone who worked on women's issues. I was thinking whether or not it was possible not just to sit in a room and pick up calls from people but instead to go out to the communities and do something. At that time I participated in activities of other organisations. When going out I felt that actions had more value, at least more value than the rather passive services we provided in the past.

I founded this organisation together with another colleague. My first idea was to establish professional volunteer services on the community level. I no longer wanted to do research in my room, since I felt that made no sense. So we had to think about what kind of services we were going to offer. Our special skill was psychology, which is why we started by providing community counseling services. We started as simple as that. This coincided with the outbreak of SARS in Beijing. A lot of people were scared and ran away from the problem. Whole communities were deserted, many of which were locked down. At that time you could not see anyone and Beijing was an empty city. A lot of people from outside Beijing were isolated, and many schools and work units stopped working and producing. We could not do anything. There was a sense of panic. We thus thought we should do something within our own community. We were local people and we could not go anywhere.

Professional volunteer services

We initially started by trying to unite people in the face of a disaster. We called our first initiative the “Heart Great Wall” (xin chang cheng). The Chinese character xin means heart but is also the first character of the term xinli, which means psychology. The Great Wall was to represent unity and resistance in the face of these risks and events. We did this project for three months using our own money. We saw some great effects. All over Beijing we visited more than a dozen communities and street offices in Shijingshan, Dongcheng, Xicheng and Haidian. We met a lot of acquaintances and brought together about five hundred volunteers in about three months. What we did is we purchased some disinfection supplies, printed some small leaflets and told people how they could engage in preventive measures. We also told them how they could control their fears and work when they had to work, and to continue living their life. We also helped a number of disability groups. Since capacity building is our speciality we provided some community training for them.

Unite people

This is how we worked from the very beginning. We called this ‘to serve the community through training volunteers and volunteer activities’. After we did this for three months we began to realise that we are strongest when conducting trainings. Everyone really approved of our work. Of course we also ran a hotline, but we soon realised that hotlines were not our strong suit. We then constantly provided trainings. Initially our trainings were mostly for community members in need. We later found that when you ask volunteers to provide services, they really do not know anything. You have to teach them from scratch. When more and more people participated in volunteer services we realised that the needs of volunteers as a group was becoming increasingly big. This prompted us to specialize in volunteer training and to develop community counseling projects. The goal was to enable skilled professionals to serve the communities. After our organisation was established we did not receive any salaries for the first three years, we basically had nothing. We completely relied on our volunteers.

Volunteer training

### **AF: You relied on their passion.**

ZY: Yes, we relied on their passion. We did the trainings ourselves. Every month we would conduct a volunteer training. At that time we rented the room of a school. We did that every month. This is how we rapidly developed our volunteer training profession. This exploration took us about a year. In and around 2003 we basically understood our own position as regards to community volunteer service training.

That year we received small grants, among others from the Canadian International Development Agency as well as the World Bank. They asked us to provide trainings for volunteers, encourage citizen participation, and to mobilize community residents to provide services to themselves. It was all related to community mobilisation, this kind of work. So we did this on the grassroots and community level.

#### Board of Directors

We did this until 2005. In 2005 we realised that we had too many volunteers and that our organisation needed to become more standardised. That was when we started establishing a Board of Directors. We also established a strategic plan and started hiring full-time staff. This way we became more organised. Since I had worked for Maple Women's for eight years I had been thinking about many social problems for a long time. I also had some basic working skills, knowledge, ideas and quite a lot of connections. So when we started back then everything developed very quickly. These were the ideas we had when it all started.

When an organisation develops there are basically two pathways. One is the operation and management of an organisation and the building of a team. The other has its profession at the heart of its existence and provides social services. It can be said that initially we had no idea about our organisation. We knew how to manage volunteers, but we did not know how to run an organisation. So in the early years we focused on our core profession, the social services. This initially was one of the key ideas and motivations for us.

#### Partners

In this process I had two realisations which I found very interesting. When you want to establish a non-profit organisation, partners are very important. This is the same as if you want to establish a business venture. You need a good partner with a like-minded philosophy which is consistent with yours. This partner's ability and level need to be very similar. This way it is easier to make concerted efforts. When we started me and another colleague from Maples' Women left. The other person was teacher Shi Yue. She is really great. According to her she wanted to have some fun by engaging in philanthropy. She said that volunteering was making her very happy, which is why she was willing to provide some services. Her pre-condition was that all of this should not become too burdensome. The work should not weigh us down. But when we started we realised that while providing services was a lot of fun, looking after the organisation was rather painful. So this is my first point, the importance of partners and to be very clear that the organisation and the profession actually needs to develop together. This was my first realisation.

My second realisation was about the need to become more organised. This is something you can not achieve alone. This is why we consider the Board of Directors, this governance structure, to be so important in the growth of an organisation. At Maple Women's we did not have a Board of Directors and thus I had no idea about governance. But once I left and established my own organisation I realised the importance of governance. From 2005 onwards I paid more attention to how volunteer organisations are organised. Prior to 2005 we mostly provided volunteer training. 2005 thus was a turning point for us. This was the time when we started providing volunteer trainings. In 2005 we established our first Board of Directors and came up with our strategic plan. It was also an important juncture insofar as we developed a strategic partnership with Voluntary Service Overseas (VSO).



These were our initial thoughts. In the later process we constantly had to adjust and make changes. This process carries on until the present day. In fact we have experienced three major changes in the process. The first two years were the first phase. At that time it was still quite simple. Initially we just wanted to do some good.

**AF: So when you started to become more organised, you must have started to raise funds and tried to raise all sorts of resources. Which of the four sources of funding, a) government funding, b) foundation funding and c) corporate funding or d) donations are most common in your civil society work?**

ZY: The majority of funding comes from foundations, probably about sixty percent. These foundations include foreign ones. Foreign funding makes up about one third of our funding. In the very beginning and during the six years from 2003 until 2008 you could say that about ninety percent of the funding came from abroad. Domestic funding was very limited. For example we would get a little bit of income from our trainings and services. In addition, the government would sometimes consign trainings to us. But this was not often the case. We mostly relied on foreign funding in the early years. Now our international funding support is about one third and domestic support is gradually increasing. Government support has also increased to about one third. The government procures our services. Our services generate about two million RMB per year. Government procurement amounts to about 600.000 to 800.000 RMB. The rest comes from corporations. Since we do not have the right to raise funds from the public we can not accept individual donations. But we provide services for corporations. We also have our own service income. Then there is what we call joint outsourcing (lianhe waibao). The way it works is that we help to raise funds for NGOs. It is not us who apply for the funds but we do the capacity building on their behalf. We call this outsourced income.

Funding sources

**AF: More and more Chinese NGOs rely on domestic resources, whether they are provided by the government, foundations or corporations. Where do you see the biggest difference between international and domestic funding? Are there any fundamental differences?**

ZY: Their are huge differences. This is something I constantly discuss with domestic foundations and corporations. There are about three differences which I find most noticeable. The first difference relates to the issue of equality and respect. What I mean by this is their knowledge and understanding of NGOs and whether or not the relationship is equal. Here I see the biggest differences. In terms of domestic foundations there has been a big uproar online recently that the relationship is highly unequal. This is regardless of whether we are talking about public fundraising foundations or the private foundations of entrepreneurs or whether we are talking about government procurement. They all seem to see NGOs as tools. They do not treat you with equal respect. Corporations in particular add all sorts of conditionality. So this is the first point about the lack of equality. Let me give you an example. We tell them that we would like to do something. They respond by saying that this does not meet their objective and is not in line with their mission. They will find all sorts of reasons. And then they will get back to you and ask you to do what they want to do.

Equality and respect

This way they will let you do things and you get incorporated into their system. Some organisations may agree to go along and do what is required from them. But when they start working they will be subject to all sorts of interferences. If this organisation does not listen to them they will be threatened with funding withdrawal. This is why we think that fundamentally this is not an equal relationship. They treat you as second-class whereas they think they are first class. It is a highly unequal relationship.

#### Instrumentalisation

The second difference relates to issue of being instrumentalised. What do I mean with instrumentalisation? Let me give you an example. A foundation supports a community to increase children's basic knowledge about disasters and improve their disaster crisis response capacity. This support also includes relief supplies. They make it compulsory that everyone has to wear their shirts and hats. Everywhere they go they have to put up banners which state that this is an activity of the supporting foundation. What this means is that a lot of volunteers distribute the goods and do their good work and outsiders think that they are from the foundation, whereas in fact they do not know that they actually represent their own NGO or volunteer organisation. We call this a kind of original equipment manufacturer-style (OEM) procurement. The biggest problem with this kind of procurement is that it is a kind of neo-colonial ideology. Let me explain what I mean with neo-colonial ideology. We know the old colonialism which was part of globalisation. It meant that some would claim sovereignty over others, especially capitalists. They would claim ownership over places like Hong Kong or India. When these places were colonized they lost their own sovereignty. One can also include present-day practices such as OEM services into this category. So for example Nike has all of its factories abroad and none of them operate domestically any more. What we do is that we offer our cheap labour, whereas they reap the high profits. I think that this is a kind of exploitation. What happens to NGOs is tantamount to exploitation.

Thirdly, in terms of the guiding values we see some of the most fundamental problems. Grassroots organisations know best about the needs of the community. So the majority of grassroots organisations can represent the interests of the community. Foundations on the other hand share interests with those who represent the capital. This is why you have conflicting interests. When there are conflicting interests, the people who represent the capital will force NGOs to do things their way. This is how their values enter the system. We know that behind funds you will see what has been called the problem of ideology and the problem of values. This is also something the Chinese government cares about. But if your core values are good, we call them the concept of universal values, then they are very welcome to take root. Currently it can be said that we do not accept the values of those who represent the capital. They use very hard mechanisms to force ordinary people to accept the values of some interest groups. This is something we do not agree with.

#### Differences

So the three big differences are a lack of equality, the exploitation, and misguided leadership. They not only do not support grassroots NGOs but also reduce the management fee and labor costs to very low levels. They let you do things but they do not allow your organisation to develop. I think that this is actually hurting civil society rather than helping to build up the third sector. They want to completely put us into their low-cost workforce, which runs counter the spirit of civil society.

**AF: Chinese foundations have a rather short history of development. As a third party I am looking at these phenomena as an observer. I think that this may be a process. I have heard similar feedback from other NGO people. I have also interviewed various foundations leaders, such as a leader from the SEE Foundation. My impression was that in the past five to six years they learned a lot. Their reflective capacity seems to be very strong. So do you see room for some improvements?**

ZY: There will certainly be improvements. When I talk about these three differences the key behind all of this is learning. It is a process of learning about basic ideas, a process of learning specialised knowledge and the development of a viewpoint about society. But if we go back to the initial question about the differences between international and domestic funders there are certainly major differences. Their understanding of people and assumption about people is different.

In present-day China 99% of the foundations are not grant-making organisations. They all want to do things themselves. This is why they see NGOs as their legs and feet which allow them to do things. But when you look at international foundations, the majority of them are grant making or of a venture capital type. They do not implement projects themselves. This difference reveals a different value. Among the domestic donors I think that the Narada Foundation has been doing a good job. They are also pushing for changes among foundations. Of course I have also been in touch with many foundations. They all said that in the future they will definitely become grant making organisations, but that presently they need to do it themselves in order to learn. Only this way they will be able to engage in grant making. Or they say that they gradually start trusting you and will work with you. A lot of the foundation people I meet talk that way. But I do not agree with them. As someone working at the frontline I do not think this way. I think that you can learn a lot from other people's experiences. You do not need to experience everything yourself. But of course it is also a reality that in China a lot of people have never engaged in charity work. So as long as they have a charitable heart we can accept that. But I do not think that this an inevitable road.

Chinese foundations

**AF: They could consign projects.**

ZY: Absolutely, but the precondition is that they trust you.

**AF: They could ask for all sorts of reporting. There should be ways to go about this.**

ZY: Yes. But it does not matter. I can also accept that. It is only that in China there is a lack of social trust. Only when people engage in common activities do they gradually understand each other and build up trust. This change process has taken so many years and has been very slow. Yet I am actually quite pleased to see that more and more entrepreneurs are starting to pay attention to people and the social sphere. They pay more attention to the soul and practice, this level of things. So I think that this is a good trend for the future development.

Social trust

**AF: This actually makes me think of a concept that was developed in Europe. I am thinking of the principle of subsidiarity which was developed as part of catholic social thinking. The key idea is that what a smaller organisational unit can take care of should not be dealt with by a bigger organisation on a higher level.**

Conceptual and  
cultural differences

ZY: That is right. What you can see here is that behind all of this is a conceptual and cultural difference in terms of basic assumptions about people. We also say that China's feudal traditional culture is a top-down culture, where society pays respect to authority and not a culture which is people-oriented and where civil society functions from the bottom-up. This is why we are trying to do something in this regard.

**AF: You just mentioned that you sometimes jointly apply for project funding with other organisations. When you apply with other organisations, how do you ensure a reasonable allocation of resources? I am asking this questions because based on my experience with international projects, resource allocation is one of the greatest source of conflict.**

Relationships

ZY: Yes, this is the case. The resource allocation depends on the capabilities, position and the complementarity of the various parties. It depends whether or not two partners can complement each other in their functions. I think that complementarity rests on two basic conditions. The first is the relationship. We usually talk about resource allocation in the context of relationships. Especially in China we can see that if my relationship with you is good, then everything is fine. If our relationship is not good, than there will be a lot of competing interests. This is why we consider the establishment of a good relationship a precondition for resource allocation and cooperation. The way we establish relationships is that we start by having a loose cooperation with another organisation for at least one year. In the process of cooperation we examine whether or not both sides share the same key understanding and values. If this is not the case at critical points these issues would come up in the process of resource distribution. So this is the first condition, which is a good relationship. The second condition is the complementarity within a project. Our expertise needs to match and be complementary to what we are trying to achieve through the project. It should not be a competitive relationship. It also needs to be in line with our and their mission. These are the questions we need to ponder before we decide whether or not to cooperate.

**AF: Let us talk a bit more about cooperation. When you do your projects, do you usually work with one or various partners?**

Partnerships

ZY: We usually work with various partners in our projects. For example in the context of our new philanthropy leadership programme we work together with five to seven organisations. We also have a Board of Directors where everyone is involved in the decision-making. Once a decision has been made it is for me to host the application. We provide management fees to organisations in the various localities. These organisations are in charge of the specific implementation on the local level. When we work with various organisations we apply for funds, provide the core competencies, coordinate and then invite partners in. In terms of the one on one cooperation it is the other partner applying for funds, and we work for them by providing technical support.

**AF: Do you feel that in the past years there has been a change within China in the way domestic and foreign organisations communicate and cooperate? Have you noticed any significant changes?**

ZY: There are significant changes. By the way, you ask really good questions. This kind of changes are very significant. Why is this the case? If you look at the CSP the Canada Fund phased out their operations in China a couple of years ago. Also Voluntary Service Overseas has stopped providing funding in China this year. Also the Global Fund and international organisations have reduced or ended their assistance to China. We can see that the amount of funding resources provided by foreign organisations in China has been reduced greatly. This is my first point. Secondly, we can see that some new international funds are entering China. But they come in not in a formal way but in a very personalized and informal way. I know for example that in western parts of China or in other fields there are people using business approaches. There are now some innovative models, such as business investment. More and more people have also set up social enterprises and use this kind of mode. Some private equity funds have also started to provide funding to social organizations. This is very interesting, since this has not yet been incorporated into the government system. But I am aware that these kind of adjustments are under way in China.

**AF: NGOs are gradually moving towards the social enterprise model. Do you think that this is feasible or will there be many difficulties?**

ZY: First of all I think it is feasible and I agree with this development trend. It is just that we phase a lot of challenges in China. Let me continue talking about the changes in the way foreign and Chinese organisations cooperate with one another. International fundings support is decreasing, while a business approach is being introduced. So there are some changes. Secondly, if we look at the cooperating organisations we can see that in the past grassroots organisations benefited more from funding support, organisations which would engage in simple forms of charity. These days more business-minded social enterprises receive funding support. There has been an increase in the level of attention and level of funding to these types of organisations. After 2008 more and more business people and returnees have established social organisations. They receive more and more support, that is a second change.

There is also one more change which is very interesting. We maintain a lot of cooperative relations with international organisations, the traditional one's like Ford Foundation, World Bank, UNDP, and those under the UN system. We still engage with them. But I noticed that many of their strategies, and this is my personal observation, are not quite representative. Their interest in Chinese NGOs does not seem quite as strong as it used to be in the past. I have talked to various people about this change. They told me that the composition of NGOs in China has become quite complicated. Just think of the incubators of social organisations, which train a lot of government-funded organisations, social workers organisations, and help with the transition of public institutions (shiye danwei zhuanxing). They find it very complex and are not convinced that these are pure NGOs.

Interest in NGOs

With the influx of so many social enterprises and business people, both government and business have become very much involved. This is why some of these foundations, in terms of their funding, seem to be inclined to return to forms of support they used during their early years in China. So for example they support research and work with universities, and academic institutions and engage in advocacy. Or they provide funding to international organisations operating within China. Also there has been a lot of staff turnover in recent years. This is why we see so many differences. But let me get back to your question about social enterprises. I actually do not think that you have real social enterprises in China. 90% of their funding still comes from funding support. They can not sustain themselves financially. There are maybe one hundred organisations, certainly not more than one hundred, which can completely sustain themselves financially. Or you have something separate like a microcredit organisation. This was a business to begin with. They may now pull the banner of social organisation, but in fact they were a business before. They may be able to sustain themselves. Others engage in charity shops. Supplies which are donated by people at no cost can then be sold. This is also not a real business model. There is also a new model for volunteer service which is called zero operation cost (ling chengben yunzuo). It also is not a business model which provides you with funding cycles, since it still follows the common charity model. This is why I think that Chinese social enterprises are just about to develop. But that is very good. We need this kind of business model which can help support organisational services in the future. If they can charge more this would be quite transformational. I think that this is really needed. We are also increasingly charging fees for our capacity building trainings. This is a good direction.

**AF: In the following let us talk about your understanding of civil society. Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

ZY: We defined civil society at a small conference last year. My personal view was that civil society should meet human needs based on respect and independent freedom. It should also be based in citizen rights and promote a volunteer spirit and social responsibility. It should be a philanthropic society based on fairness and justice. In terms of our discussion of civil society or the research we carry out during our actions we can distinguish between three levels of understanding. The first level are the volunteers. We do capacity building for volunteer services. This is why we have a lot of communications with volunteers and people working for social organisations. We hear what kind of ideas and feelings they have. The second level is our own group. We think of ourselves as an organisation which encourages people to happily volunteer and serve civil society. We pay attention to the building and development of civil society. This is why we need to have a common understanding towards this. The third level are external experts, including the research groups that are cooperating with us. These are mostly from our professional volunteer service alliance, which includes businesses, research institutions, as well as some foreign and domestic donors. So we also have this external view on this issue. As such we discuss the issue of civil society on three levels which allows us to have a basic understanding. You could say we synthesize and thus have a fairly representative understanding of this problem.



**AF: So through your discussions and actions you are realizing the value of civil society rather than advocating a certain idea. Is my understanding correct?**

ZY: You are right. We emphasize the volunteer spirit and incorporate a lot of contents when advocating this volunteer spirit in our actions. We do not use the concept of civil society to preach.

Volunteer spirit

**AF: I noticed that when I have asked this question a lot of interviewees would talk about public participation. I think that this is a very interesting phenomenon, since public participation is something that benefits both the government and civil society. Is this what people mean?**

ZY: Yes, that is what they mean. Civil society should not be a politically sensitive term. It is a neutral term.

**AF: We have talked about grassroots NGO and how they are struggling. To a certain extent they lack resources. What is the key reason for this?**

ZY: This is something we researched last year with the help of the Narada Foundation. We did some research on NGOs that engage in joint disaster relief. In our research we discussed why these NGOs have formed an alliance. We also looked at the problems they face when forming such alliances. We found out that resources are the key reason for them to cooperate or not to cooperate. We consider grassroots NGOs to be groups which are naturally resource dependent. When we look at these people we see that the majority are not driven by material interests. They act as volunteers. This is why they have to be able to mobilise resources, this is quite natural. But since the related technical ability for and theoretical research about public interest work is not in place the public does not recognise their work. This is also due to the bad external environment for philanthropy in China. The public only recognises the government and they do not dare to donate to civil society organisations. Since members of the public have no trust, they do not know who you are. And the government and media will constantly propagate that the party is great. So in terms of the external environment grassroots NGOs lack access to resources.

Resource dependence

The second reason is that for entrepreneurs capital markets are king. They do not trust the grassroots, which in turn do not get any resources. But of course the skills and experiences of grassroots NGOs are also lacking. This leads to what we call the natural resource dependency of NGOs. This is why they need to integrate resources wherever possible in order to achieve an outcome where one plus one equals more than two. Only this way can they survive. Most the time NGOs like to do things on their own. This is why in China cooperation and alliances have been a huge problem within Chinese civil society. This problem has not been solved until today. But we also think that sometimes the lack of resources helps NGOs to form alliances. So resource problems are not always a bad thing. For example some grassroots NGOs used the mobile internet to raise public funds and achieved some good results.

**AF: That is right. But I have also noticed that the lack of resources among individuals and organisations can also lead to what could be termed the ‘rabbit eye disease’. I am thinking of people who are so jealous of more successful peers that they will seek to destroy their fortunes at any cost, just like a rabbit gone mad. Do you think that in China this is a society-wide problem or one that is confined to the world of NGOs?**

Unfair competition

ZY: This is what we call unfair competition. Unfair competition leads to such results. So how do NGOs face this problem? All in all I do not think that this is just a problem for the NGO sector but the current condition all over China. In businesses, the bureaucracy and all sorts of other sectors such as academia this holds true. So we think that this is a very common phenomenon. In Chinese culture this is called an “internal conflict over limited resources” (wo li dou).

Secondly, in terms of NGO competition this sector has not yet been established and does not have rules and regulations. People do not yet have this kind of mindset and many grassroots NGOs are still in their very initial phase. Everyone is competing in a very blurred market, which lacks segmentation and specialization. This is why we are trying to promote the whole sector and do not simply help with the maturation of some organisations.

In China we also have the saying ‘qiong shan e shui chu diao min’, which means that an inhospitable natural environment produces trouble makers. This means that when someone lacks resources and is poor it is easy for this person to be steeped in vice. Such people start slandering and attacking others and thus destroy the order. When NGOs engage in defamation or when there is unfair competition among them this should be seen both as a problem of the sector and the whole society. We should not consider this to be an issue of a person’s morality or say that an organisation is not good. Instead we should work to improve the overall environment. This is why I never quite agreed with those people who advocated industry self-regulation and high moral principles. We are not there yet. We need to go to the source of the problem and open up resources. We also need to improve policies and educate more and more people about charity. If you do not do this type of work you will never understand how hard it is. This is why I think that we need to open up and extend our reach and let more and more people participate. Rather than being monopolized by the government, more money should be provided through various philanthropic channels. This way the public will gradually understand what this is all about.

**AF: Where do you see Chinese civil society in 5-10 years?**

Social governance

ZY: This is something I am most keen to talk about. After the 18th Party Congress the Chinese party-state has started to advocate social governance. They call this social governance innovation. Social governance innovation is their term, whereas we call this the gradual opening of society. The government is transferring some functions back to society. Here it does not matter whether this society is civil society, we should not care too much about this. But at least they need to establish what could be termed a third sector. This is a very good signal. I am very positive about this, as it is not too far removed from our initial dream of a civil society. This should be quickly accelerated.

There are three types of evidence which can help us verify that in the next five to ten years we will see some better developments. The first is related to NGO registration. We are very happy that in 2013 we were the beneficiary of becoming one of the first 50 organisations, which no longer needs a sponsoring organisation (zhuguan danwei) and which the Beijing municipal Department of Civil Affairs has offered to register as a private non-enterprise unit. Due to these new policies the government can now procure NGO services more easily. Of course in terms of taxation and public fundraising there has been less progress. But we are currently proposing new legislation and I assume that these issues will be addressed when the People's Congress discusses the new Charity Law in 2015. We are participating in the discussion of the Charity Law. If it comes out in 2015 we may within the course of three years have received very preferential charity policies. This will also greatly benefit the development of civil society. This is the first point, that we may get this kind of policy, this kind of overall environment.

Secondly, there are people like us who have been active in philanthropy for twenty years. Then you have people who have joined after 2008 and accumulated experiences during the past six or seven years. I think that the Chinese people's citizen awareness is becoming much stronger and visible. The speed of this development has accelerated in comparison to a few years ago. Let me give you an example. When we tried to recruit people two or three years ago we would not be able to find people. But when I recruit these days I get a lot of applications from people with good backgrounds. I think that this is very representative. I think that when people are willing to work in this sector it means that they recognize the third sector. So I am very hopeful that talented people will join and participate.

My third point is that in terms of civil society we see that we currently can only provide services and we can not yet open other activity areas. But I also do some research. We also provide similar support. For example our Social Organisation Support Center has already been inaugurated. The local government has consigned Huizeren to do NGO development and support work. There is a lot of space for this since the government can not do everything, they will need to consign certain things to us.

Service delivery

In the past two years we did a survey all over China and went to fifteen or sixteen cities. In each of them we found three to five platform organisations (pingtai zuzhi). Let's not just talk about how many of such organisations are run by the Non-profit Incubator and us in Beijing alone. In every locality you find these type of organisations. These organisations in operation are really outstanding. I think that this is a very good development. It means that people like us have some room to operate. Over time, these people can help the localities. So for example our platform (pingtai) allows me to influence about one hundred organisations, which means that they will be able to proliferate very quickly. So in the next five to ten years you will see the construction of the infrastructure of China's civil society. By the construction of the infrastructure of China's civil society I mean that a number of people and organisations, some policies and government officials will be more open and walk in front.

**AF: You mentioned social governance. I have noticed that the government sometimes uses the term social management and other times uses the term social governance. I also noticed that in the Chinese language the terms ‘zhili’ for governance and ‘chuli’, which means dealing with something, sound quite similar. I once participated in a series of trainings conducted by the Party School in Ningbo. Most of the local government officials did not understand the term social governance. They thought that it meant solving problems. While you could say that social governance also implies the solving of problems, it actually refers more to multi-stakeholder cooperation and public participation etc. At that time I was under the impression that the Party School was trying to promote the concept of social governance and social policy. But if government officials do not understand this, the Party School may have good intentions but still not be able to implement related policies.**

Management vs  
governance

ZY: That is right. In order to address this problem we have started training government officials. That is very interesting. Before working on our project site I have already had almost a year of conversations with a Deputy Director of a Street Office. We especially discussed the difference between ‘managing’ (guanli) and ‘governance’ (zhili). We had strong arguments about the actual meaning of these terms. These days we have a much better communication. During this process I learned a lot about the government’s views on these issues and the language they use. The language we use and the language they use is quite different. My cooperation partner could learn from me and understand the meaning of the relevant terms.

We think that there are three differences between management and governance. The first is the role of the actor (zhuti). Who is going to do the operational management and problem-solving? The question of the qualified actor (zhuti zige) is very important since the government originally thought only they could engage in this kind of management and problem solving. Now they understand that social organisations and residents on the community level can also be involved. They realised that the services provided by corporations, for example those provided in the context of their Corporate Social Responsibility can also be considered. They can also be one of the qualified actors. What they realised is that these things are not singular, but plural issues.

The second difference between management and governance is the mode and pathway. In the past you only had the top-down approach based on authority. Now they understand that you can also self-organise, that you can solve problems on your own, that you can self-manage, that you can engage in mutual discussions. That is the second point. They now know that they can understand governance this way.

The third point is that discussing the difference between management and governance has allowed us to tell them that the key is to establish a legal system. We think that in a law-abiding society everyone is subject to the same rules and regulations. When everyone respects this kind bottom line then in governance processes you need to do so even more. But China does not have the rule of law, it

has the rule of men. If you are an official I need to listen to your orders. But this does not work anymore. It is not about listen to your subordinates or your superiors, but it is about basic rules and regulations that everyone needs to comply with. This is because we now have a plurality of actors. They may understand that this is the future, which is why they have accepted this direction. This is why I think that in this respect we are getting closer to the standard of governance.

So from a civil society perspective they have started to accept this understanding of governance. But this does not mean that they act on behalf of civil society. They have to understand that we are independent. They should not think that just because they procure our services they become our boss. We are actors on the same footing. So when they procure our services this means that NGOs have already acquired this skill or function to solve social problems and that the government can gradually retreat to the governance level. They no longer need to be active on the level of service provision. So this is my first point about independence.

The second aspect we strongly emphasize is the voluntary nature of governance. When we engage in this it absolutely does not mean that you can tell me what to do but instead this means that I am voluntarily doing something. So if I want to do something they can not simply interfere, unless I am breaking the law. In such cases they can require me to change. But otherwise they can not interfere into our public interest dealings, which are our rights, not obligations. We always tell them that providing social services is our right, it is not our obligation. So they can not interfere, which is my second point about the voluntary nature of governance.

The third aspect we emphasize in our service provision is our ability to innovate and our innate plural character. They can not say that all parts of civil society need to provide social services. We think that they need to safeguard and respect difference. We want to have an inclusive and accepting civil society. Of course they can not fully accept that. Just think of their attitudes towards rights-protecting organisations, or minority groups such as gay people, people infected with HIV/Aids or sex workers. These groups they accept even less. But in small ways we exist. So I think they will have to face this. But right now our entry point is service provision. I think that they are still in the process of accepting the concept of civil society and I am personally still optimistic.

**AF: Let us talk about your understanding of change. What kind of changes do you expect at the personal, societal and policy level?**

ZY: I think that change is a big characteristic of China. Especially in the past few years, changes have happened very quickly. If we look at the big picture we will see that one thing is unlikely to change very quickly. In the next three, five or ten years there will still be one party rule. So our understanding of changes are all based on this premise, the premise of one party rule.

One-party rule

**AF: Reform within the system.**

ZY: That's right. As we spoke about it earlier, the government functions are likely to become less, especially their service provision functions. These will be given to social

social organisations. The social service function and the qualification of social organisations will also increase. There is no doubt about this. So China's civil society can make good use of this kind of social organisations to gradually develop. We can nurture it little by little. This is something we can see.

#### Business

Secondly, in the process of civil society development we are seeing the impact of business on civil society. This is very obvious and clear. To use another term we are seeing a marketisation. When I talk of marketisation I do not mean the marketisation and consumption of public interest. What I mean is an independent, free and fair competition mechanism which will push the government to retreat. The 18th Party Congress stipulated that market actors should be strengthened. So when the second sector develops rapidly this will also affect the third sector. In terms of the development of China's economy we can see that it has peaked. In the next three decades it will certainly go downhill. This is something we all agree on. It will not be able to sustain a period of rapid growth. GDP will soon fall to 5%. The landslide of China's economy and the decrease of this type of growth will bring about economic crisis, especially financial crisis. China's current mortgage crisis carries a high financial risk, which is represented by the state of China's real estate. We think that the crisis of China's market economy will bring great uncertainty for society. This will not only include unemployment and capital problems but it will also create more social problems. We think that China's civil society needs to develop in sync with the development of the second sector's market economy. There should be some interactions and we should engage in some preventive work. To put it differently, if we can mobilise more corporate investments or make them pay more attention to civil society development, this could in fact help reduce future unrest triggered by the economy's landslide and financial crisis.

I am pretty sure that this will happen. This is the second big change. And I think a lot of Chinese people have not realised this. Those who have funds transfer assets in an evasive way. What they do not know is that if they were to use them in China to do some social investments, they could help relieve the dangers of an economic crisis. This is my second point.

#### Social organisations

Thirdly, we will see changes in the future as regards to the type of social organisations. Unlike in other countries the development of China's social organisations has not happened from the bottom-up. There is the existing stock (cunliang) and then there are the increments (zengliang). In terms of existing stock this is geared towards the interior of the government system, with their numerous industry associations and public institutions. When I am doing training these days - and I am very open about this here, this is the case with the social organisations - the government procures their services from - about eighty percent of the people are from within the system. They are from industry associations, they are the idle and the rich. Alternatively they are retired government officials, wealthy entrepreneurs or people pampered by our public institutions. They are the stock of NGO which are commonly referred to as Government-organised non-governmental organisations (GONGO). In China this kind of people make up the majority and represent tens of thousands of organisations. Millions of people work for these organisations.

And then you have the increments like those newly established social organisations. There are about 200,000 of these types of new organisations. You also have about



400,000 of the older type of social organisations. These new incremental organisations bring in vitality and new ideas as well as new techniques. They charge against the old. But the Chinese government will not let the incremental organisations become part of the old stock. About eighty percent of the government's funding is for their own stock, and only 20% goes to the incremental organisations. So only those things that the existing stock can not do will be given to the incremental organisations. But I think that in the coming five to ten years, the stock will be reduced or decoupled from the government and the increments will increase. The ratio will reverse to the opposite. Right now the stock may be the majority, but in the next five to ten years the increment will have stood up.

**AF: In terms of changes, where do you see that civil society had some greater impact? Where do you see some bottlenecks?**

ZY: As someone involved in an NGO I would say that impact happens in two ways. First of all among the service recipients. The majority of NGOs pay attention to whether or not the directly involved beneficiaries experience changes. In our case, since we serve grassroots NGOs by providing capacity building we care whether or not these NGOs have strengthened their capabilities and whether or not they can live longer. This is a standard which we can use to judge. This year we also added an impact indicator. Every year we train about one thousand organisations. After five years is it possible for us to identify one hundred out of these thousands of organisations, we call this the ten percent, which have undergone changes and which have become leading pioneers in the sector?

Impact

On a different level Huizeren pays attention to changes to the general environment for public interest work. We also pay attention to public policies. Every year we provide the government with two to three proposals regarding issues such as government procurement, registration, Charity Law, volunteer services or some very specific proposals regarding the process of government procurement. It is this kind of advocacy. This is why we also have an impact indicator which is related to our influence on the government.

Let me give you an example. In 2006 and 2007 our main concern was the overall environment for volunteer services and volunteer service legislation. At that time we pushed for the Beijing municipal government's volunteer service regulations. Later we helped the Ministry of Civil Affairs to promulgate a volunteer service documentation method. In 2014 we helped them to come up with the volunteer service group construction method.

Lastly, we have our organisational impact. Put in simple terms this is our visibility. Do people immediately know who we are when they hear the word Huizeren? This also includes whether or not the organisations that we have trained are able to share our ideas with more people. For example every year we train one hundred volunteer trainers. They conduct their own trainings and spread our ideas, thinking and knowledge. So how many people do they train? How many people can we indirectly reach? Has the citizen consciousness among

the public increased and is societal participation on the rise? These are the kind of impacts we should pay attention to.

Every year we engage in impact evaluation and look at these various levels. We now exist for ten years. In 2013 we did a ten year review. We found it quite gratifying. Initially we did not see this type of changes. In the process we had quite a lot of staff turnover, so they could not see it. After these ten years we invited everyone back. We looked at how many people Huizeren has affected during the past ten years. We later found out that we have indirectly affected about 1 million people. We also influenced about ten thousand grassroots NGOs. They all still exist. We also had an impact on tens of thousands of volunteers. And through our trainings the people we have trained have become the backbone for NGOs. We also participate and support the development of policies and regulations in the field of philanthropy. We promote cooperative relations between the government and NGOs and encourage public procurement, thereby enhancing the ecological environment for philanthropy.

Civil society only exerts a very weak influence on society. Public participation through volunteering only stands at 7%, which means that many people do not know NGOs. When we develop philanthropic services on the community level, we often do not receive acknowledgment and support by the local residents. We are still very unfamiliar in the public's eye.

**AF: Last but not least I would like to discuss with you the issue of sustainability. A lot of NGOs find it difficult to survive. Huizeren has also faced some challenges, but it still exists today and has played a very significant role. Among your various initiatives you have conducted, how sustainable are they?**

Sustainability

ZY: We see it this way. In terms of the sustainability of an NGO we do not believe that this depends on resources. We think that for a real NGO the most important foundation is whether or not their solutions can serve societal needs. Frankly speaking I am not concerned that Huizeren will not have any money. During the past five to six years we have never thought about this problem. We could not meet all the demands. All the time there would be people asking whether we can do this or that. We had to think of ways how to reject them. Of course this does not mean that this will go on forever. So how did we achieve this outcome? In our analysis this is because we directly linked up with the societal needs and we found ways to solve some problems. As long as you occupy this spot, you will find endless resources.

The second aspect of the sustainability question is essentially speaking a form of relationship. In this relationship you need to show the capabilities of your organisation. You need to have good solutions. The second factor in terms of sustainability is whether or not you can have a relationship with the stakeholders. In terms of the stakeholders the Chinese government is still the most important one. If you do not manage this relationship well you could go down anytime. This is why each time we train NGOs we tell them that they can use all sorts of ways to express their dissatisfaction, even use radical rhetoric. But they have to have a good relationship with the government, this is the precondition. So in China only if you know how to protect yourself will you be able to change China.

The third point I would like to make about sustainable development is related to NGO leaders or the core backbone of such organisations. These people are very important. Without these people it is hard to talk about the organisation. This is why I put people at the first place. This is also why we do leadership trainings. We want to keep these valuable people. We need to bring out the power of this backbone, these groups of people. You can have a career prospect and have some people continuously replicate your good work as long as you get the relationship with the government right. This also solves the problem of sustainable development. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Helping the poorest of the poor in China through projects which are informed by the needs of the local communities they serve**

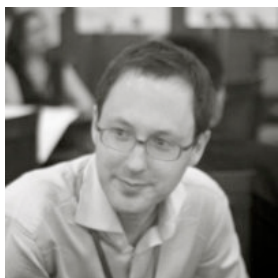
An interview with Wolf Kantelhardt, Finance and Evaluation Officer, Misereor



CHINA  
DEVELOPMENT  
BRIEF



This interview was conducted by Dr Andreas Fulda as part of a research project commissioned by Geneva Global. It is published by China Development Brief and Geneva Global. Geneva Global is an innovative social enterprise that works with clients to maximize the performance of their global philanthropic and social impact initiatives. The interview reflects the independent opinion of the interviewee and does not represent the views of the publishers.



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## Highlights from the interview

Misereor initially engaged mainland China through partner organisations in Hong Kong, Macau and Taiwan. These partners were culturally similar to the mainland Chinese recipients and thus were not as noticeable when visiting project sites or carrying out trainings. Direct partnerships were established in 1995.

Misereor's key goal is to help the poorest of the poor. In China there are still more poor people than in the whole of South America. This is also the reason why there is no internal discussions about pulling out of China. For Misereor it does not matter what kind of political system a partner country has or what kind of diplomatic relations exist.

Since Misereor cares about the poorest of the poor it believes that what is good for them is the right project. This means that a project supported by Misereor can also be implemented by a state partner. The state is also capable of embracing participation. Misereor's mission is to provide examples to the state in order to influence its decision making process rather than promoting a political civil society.

As Misereor can not sign project contracts with private persons only organisation can apply for project funding. One selection criteria is how experienced the applicant is in their line of work. Another important aspect is that the project initiative should come from the target group itself, and not from someone who is only close to a target group.

Some traditional partners of Misereor such as the China Foundation for Poverty Alleviation (CFPA) have underwent a major transformation. CFPA used to be an organisation with a very strong government background who often implemented projects through the governments poverty alleviation offices. Now they have become a strong supporter of local NGOs.

Misereor likes to support ambitious projects which tackle deep-seated problems, e.g. in the field of old age poverty in rural areas. One problem is that prices in China have risen considerably. Misereor's funding limit of 25.000 Euros was enough to support a two-year project in the past. But nowadays this is hardly enough for a one year long project.

In China it is very difficult to have partner organisations which work on an equal footing. Often one of the partner organisations which is able to deal with project funding in a very accountable way takes the lead. This partner would receive a big project and then would be in charge of providing small projects or trainings to grassroots NGOs.

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 23 July 2014.*





## Interview transcript | Wolf Kantelhardt

**Andreas Fulda (AF): Misereor has been active for more than 50 years. When did you also start engaging mainland China?**

Wolf Kantelhardt (WK): Our engagement started in the late 1980s. Back then we did not have any direct partnerships in mainland China. We partnered with organisations in Hong Kong, Macau and Taiwan. We started establishing direct partnerships in 1995.

**AF: What explains Misereor's engagement with mainland China through Hong Kong, Macau and Taiwan?**

WK: In the 1980s there did not exist sufficient knowledge about China's civil society for Misereor Headquarters in Aachen to identify good partners in mainland China. Instead, Misereor chose to work through partners which were culturally similar to the mainland Chinese recipients, such as Caritas Hong Kong. Our colleagues in Hong Kong also had the advantage that they would not be as noticeable when visiting project sites or carrying out trainings.

**AF: Misereor has been very active in Africa and South America. What was Misereor's motivation to also engage with mainland China?**

WK: Misereor's key goal is to help the poorest of the poor. This includes all countries, and of course also China. In China there are more poor people - even today - than in the whole of South America. This is also the reason why we do not have any internal discussions about pulling out of China. It does not matter what kind of political system a partner country has or what kind of diplomatic relations exist. Such questions are fairly irrelevant to us.

**AF: China has changed quite a lot in the past twenty years. To what extent have the projects of Misereor changed?**

WF: In the beginning we supported projects which were implemented by Caritas Hong Kong or Caritas Macau. These were church-based partner organisations. They partnered with other church-based organisations in mainland China. Local church partners in mainland China mostly applied for funding for kindergarten, rural clinics, or retirement homes. We would no longer fund such projects. This has something to do with the changed partnership models. Since Misereor directly engaged with mainland China we also started partnering with secular organisations, e.g. NGOs, research institutes at universities, even state organisations or GONGOs. The partnership spectrum has expanded greatly in recent years. Also we are active in more sectors than before. Traditional church-led project proposals usually asked for building costs of kindergartens or retirement homes and did not even include management costs. The focus was very much on hardware. For a while we constantly received water project proposals. It seemed that many Chinese dioceses were convinced that we were keen to support water-related projects. So many of the local partners applied for such projects, even if they knew that this had very little to do with their real needs.

In China there are more poor people than in the whole of South America

It is a slightly paradoxical situation, which can be explained by our strong partner orientations. If you ask farmers in northern China what they need they usually say that they need a well. So in this sense there is nothing wrong to start with a water project. The problem we often encountered was that many projects stopped at the level of providing a water well, the water group disbanded and water fees were also never asked for. This means that no real development took place but instead there was one more well. These days we see that dioceses which have been working with us for a long time have undergone a major transformation. They are no longer donor-driven but develop project proposals which are informed by the needs of the local communities they serve. Let me provide you with an example from Wenzhou. We had a catholic social centre which had applied for an HIV/Aids project. They knew that western people consider this a serious problem. But their priest established contacts with a centre for disease control and found out that many more people die of rabies rather than HIV/Aids. This led him to change his project proposal and to apply for funding for a rabies awareness raising project. We decided to fund this project which we later considered quite successful. Once you know the partners better and they understand why some projects are being supported or rejected, and they no longer consider project applications as a kind of lottery then you witness a big qualitative development in terms of the project proposals.

Project proposals have to be informed by the needs of the local communities they serve

**AF: What are your key criteria for the selection of civil society initiatives in China? How do you set priorities?**

WK: When we are being asked this question by potential partners we usually reply that there are only two criteria: you have to be an organisation, since we can not sign project contracts with private persons. This is the first criteria. The second criteria is that we require some previous experience of our prospective partners. If someone was to start anew, without any kind of previous experience, we would not consider his or her project proposal. We have never done this. Apart from these two criteria we are very flexible. Another important aspect is that the project initiative should come from the target group itself, and not from someone who is close to a target group. We had an interesting case with the China Foundation for Poverty Alleviation (CFPA), a very good and long-term partner of ours which we have been working with for twenty years. They applied here in China with the Asia department of Misereor for a project they were planning to carry out at the horn of Africa. They are also very active in Africa. In response our Africa department made the case that Misereor was unable to support this initiative. If a project was to be implemented in Africa an African partner needed to apply for funding, not a Chinese organisation. This is the same here in China. We also would not support the project proposal of someone who identifies problems in China but can not guarantee the local ownership of such project initiatives. Of course we are also aware of the problem that when we are saying that we want to work with the poorest of the poor and at the same time we ask for structured budgets and English-language project proposals with logical frameworks and impact monitoring there is a huge tension. This is also why we need intermediary organisations such as NGOs which can bridge the gap between our headquarters in Aachen, Germany and the poorest of the poor in China. What matters most is that the initial idea has to come from the local population.

The experience of a partner organisations is an important selection criteria for project proposals supported by Misereor

**AF: Let us talk about some of your partners, and in particular about the organisational form of your partners. You mentioned the China Foundation for Poverty Alleviation (CFPA). CFPA has a strong government-background.**

WK: This is true only to an extent. The CFPA used to have a very strong government background. A lot of old revolutionaries went there to contribute their share. But by now, I consider CFPA to be one of the strongest supporters of China's civil society. Among China's foundations they seem to enjoy some license, which can be explained by their political backing. After the Yushu earthquake the provincial government of Qinghai asked that all donations should be transferred to government accounts so that the government could coordinate the reconstruction effort. CFPA was the only foundation which refused to do this, but implemented its own projects. CFPA also initiated a study to find out how much of the money that was donated for the Wenchuan earthquake made its way into government-held accounts. My impression is that CFPA has undergone a major transformation. They used to be an organisation which was raising funds for the government's poverty alleviation bureaus so that they could implement projects. Now they have become a strong supporter of local NGOs. They implement a number of fascinating projects in the fields of rural social work, e.g. elderly care in rural China or rural cooperatives. Just like we do they are checking very carefully that in the project implementation team there is at least one person who is from the project location and who can ensure the sustainability of the project once it comes to an end. The project which I find best is being funded by Intel. They tendered the project and did not choose the project themselves but instead invited representatives from fairly experienced NGOs such as Heifer International and OXFAM to do the project selection. Of course they also have their own representative in the selection committee, but they did not make up the majority. In the long run they want an NGO consulting agency to work with the partners at the local level. CFPA thus is not directly involved in the project implementation. So in comparison to the past they do some fantastic work. Think of their previous work, such as the aixin baoguo, the backpacks for children. They are perfectly aware that such a project is hardly help for self-help. But on the other hand this is what people donate money for. This highlights the problem to find out what people really want.

Misereor's partner organisation CFPA has undergone a major transformation

**AF: There are indeed GONGOs which have become more grassroots-oriented. According to your experience how much of your funding support is geared towards Government-organised non-governmental organisations (GONGOs) in comparison to grassroots NGOs?**

WK: What about universities? If you include universities and GONGOs one third of our funding goes to such partners. These are our big projects, not in the sense of the number of projects but in terms of the funding value. Another one third of our funding is being provided to church organisations and the remaining one third is geared towards the grassroots. When I talk about grassroots level this includes a great number of very small projects.

Misereor's funding priorities in China

**AF: Do you provide seed funding for Chinese civil society organisations (CSOs) or do you mostly cover activity costs for projects and programmes? If you provide both, what is the funding ratio?**

**and programmes? If you provide both, what is the funding ratio?**

WK: There is no fixed rate for NGO overheads. We do not limit management costs in relation to project costs. On the other hand we also do not have a fixed rate for overheads. This means that overheads can exceed 10%. When I speak of overheads this also includes training costs of co-workers, capacity building, English-language courses etc. When the overhead costs exceed 10% they need to be justified in detail. What a prospective partner can not do is to simply state overhead costs of 15% without providing a justification. It can be more but it needs to be explained. We handle this differently from other foundations. This becomes an issue when a partner is seeking co-funding. This makes it very difficult for a partner. In the case of Misereor they need to produce a receipt for everything they claim. Another funder may stipulate that they can take 10% of the overall project sum and this sum is yours. This can also lead to misunderstandings. Partners have sometimes assumed that if they reduce the overhead costs, e.g. by paying their staff less that they can use the savings to buy an office for their organisation. This is something they can not do with our project funding. Only incurred costs with receipts will be reimbursed. Whatever has not been spent has to be returned to Aachen. This led to great disappointment among some partners who had not been told about this clearly enough prior to the beginning of the project.

Not all Chinese partners were aware that underspent project funds need to be returned

**AF: What is the source of Misereor's funding? Do you primarily work as a client of the German Federal Ministry for Economic Cooperation and Development or do you also raise funds through church donations?**

WK: There are three sources. The most important source is the German government. The German Federal Ministry for Economic Cooperation and Development provides more than 70% of the funding sources. This is the money can only used for relatively well established partners. With these partners we can be rest assured that they will be able to implement three year projects and provide us with bi-annual audit reports. In some years we can draw on church resources. Such funding is provided by the catholic church in Germany. Such sources are not available every year and it mostly depends on their budgetary politics. The remaining sources of fundings are raised by Misereor itself through donations. They are provided from private people. They donate mostly before Christmas or Easter in the context of fundraising campaigns. We like this source of funding best since it allows us to support very creative and innovative initiatives on an experimental level.

Sources of funding

**AF: Can you provide some examples of a very experimental initiative?**

WK: Sometimes we have people who want to engage in advocacy. HIV/Aids infected people often can not obtain services at hospitals in China and have to go to special clinics provided by the CDC. The latter are specialised for people with HIV/Aids but do not have the technical appliances for surgeries on the heart or liver. These clinics are only there for infectious diseases. This means that health services for HIV/Aids infected people in China are effectively restricted. We had someone approaching us who said that he had been doing similar work for haemophiliacs. This person managed to get a number of medication included in state-approved lists so that insurances would pay such costs for haemophiliacs. He proposed to do similar work

Pros and cons of  
experimental projects

for HIV/Aids effected people in some counties in Henan province. It is possible that he will be successful since he employs a very cooperative approach. But it is also entirely possible that he will not succeed at all. After all it is Henan province and it could be that he will not even be able to enter the communities. In such a scenario nothing would be accomplished during the two years. If we would support such a project with government sources we would need to explain in our reports on impacts that we did not achieve anything. That would not be a good result for Misereor. But on the one hand we do not consider a project that did not achieve its goals as a failure, since people at least tried and tried to explore new pathways to solve problems. We really like such more ambitious projects and support them wholeheartedly. One problem we see is that prices in China have risen considerably. Our funding limit is 25.000 Euros, which means that this was enough to support a two-year project in the past. But nowadays this is hardly enough for a one year long project. Our project partners have to rent an office space, hire a finance person and a part-time accountant and then most of the funding is already used up. This is a problem which all donor organisation have to face that prices have gone up. Only our catholic sisters are capable of running a three year project with this amount of money. They hardly use any money for their house visiting project, and they don't take any salary for it.

**AF: Let us continue to talk about innovative partnership models. Do you prefer a particular type of partnership model over another, e.g. a single entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners?**

WK: We only support one partner as an implementing agency. There is no space for two implementing agencies. For government-funded projects, the grantees have to provide a contribution of 25%, which they either provide themselves or through third party funds. In a sense this is a multi-stakeholder project since it involves another funder. Also, this makes it very difficult to account for costings. When another funder gets involved they usually sign project contracts with a different kind of budget. Or they sign the project contract one month in advance or six months later than us. It is then very difficult for the partner to produce one audit report for such a co-funded project. If third party funds are provided by government sources this means that such funding is bound by the calendar year. This is also why we do not support project networks. But of course we have some partners who manage their own network.

**AF: Does this mean that the partnership model is mostly shaped by budgetary constraints or do you also have other pragmatic reasons to opt for a single-entry model?**

WK: I think in China it is very difficult to have partner organisations which work on an equal footing. We have tried once to let three dioceses jointly manage a training fund for sisters. This did not work out at all. The key question was who would be leading the project. To my understanding this is also the case among projects run by NGOs. In pragmatic terms you would need to decide to let one of the partner organisations take on the lead and justify this by pointing out that you have been working with this organisation for quite a while. You could further point out that this partner has been able to deal with project funding in a very accountable way.

Why Misereor has  
opted for a single-  
entry model of  
cooperation

This partner would receive a big project and then would be in charge of providing small projects to grassroots NGOs or provide trainings for grassroots NGOs with local trainers. This could make sense when you need a trainer who is more accustomed to the local circumstances in comparison to someone from Beijing. So while we like such cascading projects we do not support network projects as such. But let me think. We once had a project with Friends of Nature. It was about environmental awareness raising for children in primary schools. They started by training volunteers in Beijing which they subsequently sent to all parts of China to engage with schools. Their approach was quite unique since they would not simply go into the classrooms but would take the children out into nature. Over time they realised that the whole project budget was consumed by the travel costs of the volunteers.

This led to the realisation that it is better to select small local environmental NGOs to do this work. They are better positioned to do this kind of work, since they can visit the schools every week or arrange for school trips. Environmental education in the very arid Gansu also needs to be conducted differently from the coastal regions of Zhejiang. This is a network of sorts but for us the partner remains Friends of Nature.

Trickle-down effect of capacity building projects

Friends of Nature played the role of a big brother in relation to the smaller organisations. I never heard that smaller organisations would complain about such a partnership model, for example that they felt that they were being dominated by the implementing organisation. I guess the absence of such complaints can be explained by the willingness among our local partners to learn. Whenever they have a chance to learn something they do. Whenever a trainer from Beijing visits them they are very grateful. Also in the case of one of our partners in Gansu which is providing capacity building for organisations in Ningxia, Qinghai and Gansu I have never experienced during any of the trainings that smaller partners were unhappy about this arrangement. It is actually quite the opposite. We often hear that our smaller partners ask us to provide funding through a bigger organisation, so that they can communicate everything in Chinese with this bigger partner. The latter then communicates with Misereor in English. This also means that the money is no longer coming from abroad and is being disbursed in RMB. All of this helps to reduce the sensitivity of funding. I do not see a lot of complaints among grassroots organisations.

**AF: Does Misereor have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

WK: We now have a new department at our headquarters in Aachen, which deals with global issues. I think that this is where they will have a more theoretical debate about issues such as this. They have subject specialists which are attending international conferences. I am not quite sure though how much this affects our partners in China. This is something we can not do for linguistic reasons. I also think that our partners are also not that interested in such debates. I have often participated in trainings which describe the three circles representing state, business and ourselves in the civil society sector. This exercise is useful since it shows that we have a right to exist. I have never experienced that someone would challenge this conceptualisation and provide a different point of view.



**AF: Not just from a theoretical point of view, it would be possible to define civil society in very political terms. With such an understanding you could include democracy, human rights, constitutionalism to be also included in such a political definition of civil society. What you are describing is a very broad sociological definition which is very inclusive and which from my point of view makes a lot of sense in the Chinese context. This is why I am asking about your specific understanding of civil society in China. Do you feel you have a more political view of civil society or are you more motivated by a humanistic orientation?**

State partners can also be effective in pro-poor projects by using participatory methods

WK: We care about the poorest of the poor. What is good for them is the right project. This means that a project can also be implemented by a state partner. At the moment this is not the case but we do not exclude this possibility. I remember we had government people working a project in Sichuan which involved the Yi minority group. They were very much engaged with the target group and tried to use participatory methods in their work. Farmers were actively involved in their planning process. The state is also capable of embracing participation. This is our mission to influence the state rather than promoting a political civil society.

**AF: In a way you are emphasising participation...**

WK: ... in order to make a project successful. I would say that without such participation a project is likely to fail. It is a means to an end. It is about involving all relevant stakeholders. In the case of the Yi minority for example this also includes shamans. The government official I was thinking about also involved the shamans. I think that people in the West have a slight misconception of the situation in China, thinking that cadres want people to suffer. That is not the case.

**AF: I also picked up from the other interviews that the inclusion of people is very important, not only for instrumental but also other reasons.**

WK: Let's say we had a proposal for a community-based project which provides services to twenty mentally disabled people. Misereor would consider such an initiative as useful but would not support it since services for twenty people is too small a number given the sheer size of China. This means that a project needs to have a component which will lead to higher societal acceptance for people with mental disability, for example by providing more information about people with mental disabilities. If we make this one of the project goals we also need to be able to monitor the outcomes and impacts of project activities. This means that we need indicators for monitoring the project's ability to influence society or for the project's effectiveness of spreading knowledge about people with mental disability. It is very difficult to come up with good indicators for such outcomes and impacts. I think that each project should have a component such as this. You could call it human rights although we would not necessarily label it this way here in China. But I really wonder whether respecting the dignity of human beings is very political. Should this not be considered a very natural thing to do?

Respecting the dignity of human people

**AF: You talked about how people are being involved in projects. What are your expectations for the next 5-10 years in the way project initiatives will be implemented or in the way civil society actors will be included?**

WK: More and more donor organisations are phasing out their work in China. Arguably this leads to a greater dependence of NGOs on Chinese government funding. This is a negative view of this development trend. At the same time you can also see this as a positive development since state institutions seem to increasingly realise that NGOs can do certain things better than government agencies, for example managing a second hand supermarket. This means that there is a greater willingness to support NGOs. I think that this is the key change that is taking place. More and more NGOs rely more on Chinese government funding and less and less on foreign funding. This could lead to an increased emphasis on services rather than rights. Whether or not this is a bad thing for people in target groups is hard to say. In a sense you need both services and rights. This is why I think it is too early for western donors to retreat from China. But you can also hardly complain about Chinese NGOs turning to the state. Just imagine a community-based service NGO which is offered a 120 square meter office space from the state-backed China Disabled Persons' Federation in a high rise building at the outskirts of a big city - for free. What are they supposed to do? Shall they accept this offer or not? If you reflect on the rising rents in the inner cities it could be very difficult for them to find an equivalent space which allows the organisation to make disabled people more visible in society. The parents of these disabled children who have to pay monthly fees for having their children looked after would not appreciate the constantly rising fees. They would probably accept the offer and try to influence the China Disabled Persons' Federation to realise that it is better to work in small groups of disabled people. I am not the person to judge such decisions, since I am not the one who has to pay the salaries of the co-workers. I think that this is one of the major changes that Chinese civil society will have to deal with. In western parts of China many NGOs had to close down, in particular those who had taken American funding in the past. I do not think that they will remain shut infinitively. They will reemerge with Chinese funding. On balance it appears to me that these organisations hardly worked in very political ways in the past. Let us take a rotary water project. This was just a water project. For the Chinese government to fund such an initiative will not make a huge difference. But of course there will be small differences.

Pros and cons of Chinese CSOs turning to the state for funding opportunities

**AF: What kind of change would Misereor like to see on the individual, organisational, societal and/or policy level?**

WK: In the case of China one change that one could hope for is that the economic system will become more people-centred. Just have a look at Beijing, even on a clear day. It is not a very nice city. In addition things have become very expensive. People work so hard for their money. Then you realise, this is the country that everyone seems to look for in terms of double-digit economic growth, and despite all this people do not enjoy much improved living standards. I think that more and more people are expressing their discontent with this. People feel less secure, they need spend enormous amounts of money in hospitals in case of sicknesses, they feel that there is very little social protection. In a way the money exists for a better rural pension system, for a comprehensive rural health insurance system. If changes could be

Need for a more people-centred economic system

Gap between desirable system-level changes and the limited contribution projects can make

be brought about in these areas we could consider the development aid successful. In such a case no more foreign funding would be necessary. In that case the Chinese people would do this for Chinese people. But the current situation is unsustainable. Take air pollution in northern parts of China as an example. Or look at the wealth gap which clearly does not benefit anyone. For neither of the two problems there are quick fixes. This is not unlike in some parts of the west where we also struggle to deal with the widening wealth gap. This is the great vision so to speak. It would be desirable if we could make some progress in these areas. These are topics for our partner Centre for International Business Ethics, but they are university-based. Their work is fairly removed from target groups though. Of course it also all depends on the people involved. Sometimes you have people who motivate their students to care for migrant workers. But then you have project initiatives which are centre exclusively around the question which kind of CSR indicators are best. These activities often remain at the theoretical level and implementation is not even discussed. In a way more should be done or better ways need to be found.

**AF: In a way there is a huge discrepancy between the vision and the reality of projects and programmes. From a humanistic perspective this is not a big problem. At times it is not quite logical how the project's contribution on the individual and organisational level leads to outcomes and impacts on the societal level.**

Ways of scaling up successful pilot initiatives

WK: This is always very difficult to measure. We have provided support to a small elderly home in Hubei. Arguably this is only one elderly home. But then there can be possible synergies, for example if the project links up with the Women's Federation. If they consider the project successful and see that all beds are occupied and that fees are being paid - not much, just 500 RMB per month - and that the project receives visitors from the provincial or national level Women's Federation, in such a case the project is quite successful. This is what happens quite frequently.

Sometimes it also helps for our partners to show to that foreign donors have helped drill a well, which puts pressure on the government to also become more active. This can lead to reactions by the government to build roads between the village with the well and the next bigger motorway. That has happened before. Of course the ultimate goal of restructuring China's economic system still remains fairly distant.

I do not think that this can be achieved by western people asking China to change its economic system. This desire needs to come from within China and be articulated by Chinese people themselves. If a service project gives voice to these people this is a very legitimate role for us to play. But it is not our role as a Germans to tell the Chinese which economic system fits best in the Chinese case.

**AF: What conclusions do you draw when you realise that the anticipated change has not been achieved by the civil society initiative supported by your organisation? Do you accept failed projects or projects that could not achieve their objectives?**

WK: The problem here is a different one. Sometimes the partners themselves realise that the groups they help come into being with project funding immediately disband after the end of the project cycle. When they realise this they start making changes to the project without giving us a heads up. One of the problems is that we are then informed after the fact. It very seldom happens that we have to tell a partner that the given project is not achieving its stated goals. The project partners are the first to realise this. And if a project partner was trying to disguise this fact they could think of ways to blindside us. Most of the time our partners are very committed to the project goals. The only problem we see is that once they have signed project agreements they are a bit too flexible in adjusting the projects to new circumstances, to make sure that the project has as great an impact as possible. We very seldom see that people implement projects according to the originally devised plan although they have already realised that the project no longer makes any sense. Our problem is a different one. We may have someone who is a coal worker himself and Misereor has been providing funding for his work. The project was discussed one and a half years ago and the funding was approved six months ago. This person may state that the past agreements are no longer binding since new opportunities have emerged, for example the possibility to work with a labor union. In such a scenario it can happen that such a partner works on something entirely different to what was previously agreed. From his point of view this may be the best to achieve progress for his fellow sick coal workers. Such a project we would not consider as failed. But of course this would make the financial management of such a project quite complicated.

Sometimes project partners tend to be too flexible in adjusting project goals without informing Misereor

**AF: What do you consider realistic outreach goals for civil society initiatives funded by your organisation? Sometimes project goals may be too ambitious or not ambitious enough. How do you have a conversation with your partners which makes sure that you are neither overburdening them nor demanding too little from them.**

WK: The biggest challenge for our partners is to come up with the 25% matching fund. This is very difficult, in particular for migrant organisations or NGOs working on HIV/Aids. Very few people would donate to such causes. It is a different situation altogether if we are talking about scholarships for talented rural children. But this is not something Misereor is supporting any more, since this is something that rich Chinese are happy to donate for. At best we support the administrative costs for such initiatives. We would never cover the school fees. Asking for 25% matching fund is something where we run the danger of overburdening our partners. In terms of the outcomes or impacts it is important to note that the goals were set by the partner organisation itself. Here we only point out when they are too ambitious, e.g. when a partner wants to provide a great number of small grants to other organisations or a certain number of trainings per year without considering the scope of such a heavy work load. We remind them of some of the practicalities. For example if they suggest a particular trainer who is very busy we may point out that they may not be able to get hold of him or her. My feeling is that a lot of Chinese people do not really like our understanding of outcomes or impacts. In a way what we are asking them to do is to commit to an outcome or impact which they can not bring about by themselves alone. While it is easy to organise a vocational training and to enable thirty people. But whether or not these people will find jobs is an entirely

Matching funds are a big challenge for Chinese civil society organisations

Donors at times try to pre-determine outcomes

Monitoring and evaluation is another challenging task for many of Misereor's grantees

different matter. This depends on the situation on the market. These are goals our partners are very reluctant to commit to, but such goals are very high on the priority list of our government funders such as the German Federal Ministry for Economic Cooperation and Development. They really care about indicators on the outcome and impact level. In such a situation we would not ask our partners to commit to a goal which states that 99% of the trainees will find a job and get a higher salary as a consequence of the training. A mere 50% would suffice as well. But arguably this is a very theoretical debate. I am not quite sure that what is being stated in a project proposal in terms of monitoring and evaluation is necessarily being implemented according to plan. Let me give you another example. In one of our projects there was a component with a fundraising training. In this case we had an indicator that at least 50% of the participating organisations would receive government funding within a year. That was probably too ambitious. It is also very difficult to monitor. For example you would need to see whether organisations have received government funding previously. Here I am not sure whether or not we are overburdening partners with reporting requirements. After all they are already doing what they are supposed to be doing. They do their job well since they are experienced and locally connected. I am not sure about the wisdom of forcing partners to do all this monitoring and evaluation. They may consider this a waste of time and resources. They would need to follow-up with a lot of people in order to learn about the outcomes of their project activities. Arguably a partner could use their time in a more useful way. Of course we also have partners who themselves have very clear ideas about desirable outcomes and impacts. One partner for example suggested that all Chinese should have the right to choose their own doctors. In practice this would mean that someone from Guizhou can come to Beijing to see a doctor and later claim the expenses with their rural health insurance. To this applicant we said that while this is a worthy goal we also see too many problems in implementing a project with such a goal. Generally we have an open discussion with our partners. Sometimes partners can be quite persistent. We may object to parts of the project application. But if we realise that they are keeping coming back to us with a certain core idea this gives us second thoughts. After all they are Chinese who know their own country better than we do. So then we reconsider such project proposals. So we appreciate the commitment and persistence of our partners. All they need to do is to convince us of their ideas.

**AF: What are your requirements in terms of project and programme documentation? On the one hand this is something that is a must for partner organisations in order to be transparent and accountable to their funders. On the other hand this is also a possibility for grantees to reflect on their practices. Project and programme documentation is not just a bureaucratic act.**

WK: We seldom see reflections in partner's reports. Reports are mostly limited to the description of project initiatives. This is a shame. I noticed that many of our projects are in reality much better than they come across on paper. When you visit project sites and you realise that in a village there has been a major transformation, for example a year ago people would be very shy but a year on they are very happy to interact with you. They may have already started additional initiatives by themselves, e.g. by sending a delegation to the Department of Religious Affairs to apply for funding in order to rebuild their mosque. This is something we would never be able fund, but of

to fund, but of course we are happy to see such developments. The interesting thing is that such developments are seldom mentioned in official reports. They only mention that a water project has been implemented and that each household now has access to running water. They don't make the next step to describe what happened after they stopped having to fetch water for themselves. What did they do with the time savings and how have they tried to improve their village in other aspects? Our project partners are often surprised that to hear that we are interested in these outcomes as well. We do not have requirements for project reporting. If someone provides pictures in a report we are already quite happy. Of course we also point out to our grantees that good reporting can help secure follow-up funding. Also we sometimes ask them why they are doing their work the way they do. What are people thinking about your work? In the case of a priest this may be obvious, but in the case of someone with a good university degree it is not that obvious why they chose to work in a village. Since we do not always obtain good reports we actually visit project sites very regularly. This allows us to quickly gain an impression of the overall project situation. For example when I visit a migrant organisation in Zhejiang and every five minutes my project partner has to take a phone call of a migrant asking for help or every twenty minutes someone enters the room with a bandaged hand. This to me is of more value than someone who writes in his annual report that he provided 200.000 telephone advices and then when you visit the project site and you sit in his office the telephone never rings. Of course it could be that you visited the partner organisation at the wrong time, for example just after the Chinese New Year. But it is also possible that this partner does not really enjoy strong ties with the target group. It is also quite instructive to see how project partners interact with their target groups. Do they sit down with them and people come over or do they sit down and know the names of the various people. Do they speak the local dialect? These are things to look out for. Such people do not only visit the village when I am coming to visit but these are people who are there every week. Maybe the project partner even lives in the village. Misereor is supporting about 60 to 65 projects right now. If you include the travel time it is impossible to visit each project every year. In some cases we can only do so every two years. If we support a one-year project it can happen that we will never be able to visit the project. Of course that is not an ideal situation.

Good reporting can help secure follow-up funding

**AF: In a way the project visits are of crucial importance to learn about the projects.**

WK: Of course we also hear from other NGO activists what they are doing. We also meet them when they come to Beijing. This way we can see how participatory they are. Often they come in pairs of two. I observed that often only one person speaks. This allows me to see that this organisation has not really internalised the spirit of participation. In human encounters you can learn much more than by simply reading reports. Telephone conversations are even less useful for this kind of work.

Face to face encounters with project partners are often more important than written reports

**AF: I noticed a lot of Anglo-Saxon donor organisations introduce concepts such as benchmarking or impact monitoring.**

WK: Misereor has deliberately chosen not to publish an official project proposal document. We think that by asking such questions we would be too prescriptive. We had someone working for an HIV/Aids project and they did not include any women.



Why standardized  
project proposals may  
be counterproductive

When we realised this and asked about the lack of female participation the partner said that he was not aware that we were requiring female participation. The problem is that next year you can be rest assured that there will be a token female representative in the project. This woman would be involved not because our partner considered her an asset but because he realised that the foreigners are asking about this. What is problematic about this kind of approach is that we will never find out how much this woman has to say in the given project. In a way this is the case with many project requirements. If you are defining too many things a priori through schematic project proposals this may speed up the application process but we think that this also reduces the authentic nature of the project. We usually recommend people to first write a very brief project proposal in Chinese. This proposal does not need to be long, maybe one or two pages and should include a short budget. This will provide us with a rough idea what the person is planning to do. This allows to see which of our budget lines could be used. This way the applicant can write what he or she considers important, rather than just filling in a project proposal document. In a way it is the same with project reporting. For us gender is a cross-cutting issue. If we were to insist that gender to be mainstreamed in every project then our partners may do a lot and tell us a lot. But I am not sure whether would this really improve the project. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Aspiring to be the leader of China's public interest and charity as well as citizen participation and societal innovation: the China Foundation for Poverty Alleviation**

Wang Yi, Assistant Director, Program Cooperation  
Department, China Foundation for Poverty Alleviation



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**Our foundation was established in 1989 as a public institution (shiye danwei) under the supervision of the State Council Leading Group Office of Poverty Alleviation and Development. Ten years later our administrators started taking on a bigger role (qu xingzhenghua) and we were decoupled from the former public institution. We also returned the specific public institution status (shiye bianzhi) to the government. In the following ten years we basically operated based on market and business principles. As such our foundation now incorporates both the vitality of the market as well as the management system of a company. At the same time it enjoys very close ties with different tiers of the government, including the State Council Leading Group Office of Poverty Alleviation and Development as well as the Poverty Alleviation Bureaus on various levels.**

**In terms of our project selection criteria our focus is still on poverty alleviation. This includes projects on livelihood development in poverty-stricken areas, community service provision, as well as care for vulnerable groups.**

**Our funding support consists of the three parts project funds, implementing costs and administrative management fees.**

**You can say that we as a foundation are playing the role of a steward. We provide services for a donor. We then provide a platform for supporting organisations (zhichixing jigou). Finally we provide support for NGOs.**

**The way we understand this is to be the leader of China's public interest and charity as well as citizen participation and societal innovation. For once we will certainly do the traditional charity work. But at the same time we also promote citizen participation. Citizen participation is something we have been putting forward for a long time, the idea that everyone can get involved in public interest work.**

**On the policy level we definitively hope for progress on the legislative front. We would like to see a charity law which safeguards the legality of public interest and charity work. It should clarify how much of a right foundations or social organisations have to engage in this type of social activity. It should also outline our role and function in these social activities.**

**We are also aware of the United Way model in the United States, which has developed a global standard. They encourage corporations, volunteers and NGOs to develop together. This is also a pathway, and we may choose to go down that route.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 24 July 2014. Wang Yi's colleague Mi Zhijiang, Program Director at CFPA's Program Cooperation Department was the second interviewee.*



## Interview transcript | Wang Yi

### **Andreas Fulda (AF): Could you please introduce the background and development of the China Foundation for Poverty Alleviation?**

Wang Yi (WY): Our foundation was established in 1989 as a public institution (shiye danwei) under the supervision of the State Council Leading Group Office of Poverty Alleviation and Development. Ten years later our administrators started taking on a bigger role (qu xingzhenghua) and we were decoupled from the former public institution. We also returned the specific public institution status (shiye bianzhi) to the government. In the following ten years we basically operated based on market and business principles. As such our foundation now incorporates both the vitality of the market as well as the management system of a company. At the same time it enjoys very close ties with different tiers of the government, including the State Council Leading Group Office of Poverty Alleviation and Development as well as the Poverty Alleviation Bureaus on various levels. In terms of our project work we have undergone three development phases.

#### First phase

The first ten years mark the first phase. At that time our foundation did not quite know how to run projects. When the foundation was established China's reform and opening up process was still in its early stages. A lot of foundations were established at that time and we were no exception. Back then most of the funding came from overseas Chinese returning to China and work was carried out by retired cadres. Their posts allowed them to make good use of their seniority. When there was funding they would implement projects. They had not yet developed a continuous and developmental project model.

#### Second phase

Under the leadership of our foundation's president He Daofeng the foundation underwent reforms and entered the second phase. This was in fact the time when we developed our skills and started designing our own projects. Let me give you two examples. Back then we had two projects, one of which was supported by the World Bank. In the Qin Ma mountain region they supported an experimental microcredit project. These days we are the public interest organisation in China which provides the most microcredit. Moreover, a couple of years ago we established CFPA Microfinance which specializes in microcredit projects. In 2013 the overall credit amounted to 2.1 billion RMB. Another project at that time, the Maternal and Infant Health Project, corresponded with the health situation of women and their children in the South-Western mountainous and poverty-stricken regions. These kinds of projects basically relied on business donations or relied on matching funds from the government. So in terms of the project design and project implementation, we often said that we were the governments' effective supplement. The Maternal and Infant Health Project was very typical of these sort of project. At that time in the western part of China serious problems existed in terms of hospital delivery. A lot of mothers which could not afford to see a doctor died at home. Our project and a project of the Ministry of Health were initiated in Yunnan at the same time. Ten years later and through the efforts of our public interest organisation and by accumulating data the Ministry of Health issued a policy for free hospital delivery in Mid- and West-China. For us as a public interest organisation to change a national policy through a public interest project and funding meant that this was one of our foundation's very important initiatives.

1997 marked the beginning of the third phase. Our foundation developed a very clear transformation strategy centered around grant making and internationalisation. This strategy was in line with China's future development trend, which is about expanding overseas. In terms of grant making this is linked with the development of the whole sector. At that time both our president, He Daofeng, as well as the whole organisation realized that even as a big foundation you still can not lead the development of the sector. The current percentage of donations in relation to overall capita in China is still very small if you compare it with the United States. If you look at the total number of donations you see that the percentage of donations by individuals is very low. In China mostly corporations donate, even state-owned enterprises. This is why we need to promote the development of the sector. We need to increase the number of people involved in public interest work. So rather than leaving this work for the foundations to do, everyone should get involved. This is what we did from 2005 until 2012. We had been doing these kinds of NGO-supported projects and altogether invested 54.22 million yuan, which is quite a substantial amount of money. That is also when we developed a mode of public interest bidding. We had a sum of money and would choose a particular area. We would then invite the public for bidding. Grassroots public interest organisations which had potential would be given grants. They became the carriers for public interest projects. Subsequently we provided training support and helped increase their overall capacity. By progressively building up and strengthening their implementing capabilities we enhanced their societal credibility as service organisations delivering public interest projects.

Third phase

In terms of our project selection criteria our focus is still on poverty alleviation. This includes projects on livelihood development in poverty-stricken areas, community service provision, as well as care for vulnerable groups. During the selection process we focus on the clarity of the project goal and the proposed project's feasibility. We then pay attention to the qualifications and implementing capacity of the organization that's implementing the project. We also audit the project implementation cycle and see whether or not the project budget is reasonable. We basically work with NGOs in our projects. We are committed to the NGOs we support and nurture their development. We share with them the experiences with them we have gained in the field of poverty alleviation during the past twenty years in terms of project management and operating skills. These are the main approaches we use to support social organizations.

Poverty alleviation

**AF: How much of your funding support is geared towards government-organised non-governmental organisations (GONGOs) in comparison to grassroots NGOs?**

WY: In terms of our project funding, we basically provide one hundred percent for grassroots NGOs.

Grassroots NGOs

**AF: Is it hard to find partners, for example in rural areas? Through what kind of mechanism do you identify your partners?**

WY: Before the Wenchuan earthquake in 2008 we had one particular kind of mode of operation. At that time there was a kind of circle of grassroots organisations. In fact these NGOs mostly relied on foreign funding. You can see this for example when



looking at what kind of organisations we supported in 2005. In 2005 we received some money from the World Bank which enabled us to support 9 projects. In 2007 we implemented projects in Jiangxi Province. The NGOs we identified and partnered with were in fact all from the circle of poverty alleviation NGOs. Before 2008 it can be said that in China we did not have so many social organisations. There were only a few organisations engaging in poverty alleviation. So we had to find partners in the given spectrum of organisations.

After the 2008 Wenchuan earthquake and after we experienced the Yushu and Lushan earthquakes—after these three earthquakes and particularly in 2008—we saw the flourishing of social organisations. From then on when we selected NGOs it was very different from our previous practice. It was very open. This process of opening up coincided with projects that we would run ourselves. After each of these disasters we worked not only with NGOs but also set up camp ourselves in the disaster area for three years. We established a post-disaster construction office. At the front line we provided disaster relief, temporary shelter, engaged in reconstruction and pre-disaster assessment, etc. In that sense you could say that we have been fighting with our comrades on the same battle field. So quite naturally we would know which of the social organisations had been working in the disaster area for a long or short time and which organisation has what kind of skills. At least until the present stage we are quite clear about this, at least in the given area.

2008

**AF: It is interesting you mention 2008 being the turning point in your work.**

WY: That's right. When we invited bids in 2013 after the Lushan earthquake many of the bidding NGOs were volunteer groups which had developed after the 2008 Wenchuan earthquake. So we could observe how they developed from these kinds of groups step-by-step into slightly more mature organisations which have their own team, strategy, project and tactics. This kind of continuation of funding was also valuable to us.

**AF: Do you provide seed funding for Chinese civil society organisations (CSOs) or do you mostly cover activity costs for projects and programmes? If you provide both, what is the funding ratio?**

Funding methods

WY: Currently we have various funding methods for supporting NGOs in mainland China. One method is called organisational support. This is non-directional support where you give money to the organisation so that it can use it to develop. The second method is talent support, something the Narada Foundation is specifically providing for leaders. Then there is another method which is the government procurement of services. As the China Foundation for Poverty Alleviation we do more classical project support which revolves around projects.

After the Wenchuan earthquake and from the 200 million RMB we received in public donations we provided 5.211 million yuan in funding support. After the Lushan earthquake in 2013 and from the 207 million RMB we received we provided 20 million in funding support. This shows how in a period of five years our funding has grown. Now you have asked how project funding is being used. Let us start talking

from our most recent model. First of all we support projects. All projects have their own budgets. For example when an organisation provides us with a one year budget for child support work in a disaster area it needs to outline how many strategic activities it plans on and how many people it needs. They need to outline their material support requirements and draw up a budget. Every project has an overall budget line and this amount of money supports them to do their project. Apart from project funds you also have implementation costs (zhixing feiyong).

Mi Zhijing (MZJ): Our funding support consists of the three parts project funds, implementing costs and administrative management fees. The implementing costs include everything that is directly related to the project, such as personnel costs, monitoring and evaluation, travel or costs related to dissemination and popularization. These are all directly related to the project. The third part includes administrative management costs. The latter are not directly related to the project and are called supportive costs, for example for an organisation's finances, administration and office supplies.

Funding support

### **AF: How do you calculate the supportive costs?**

WY: In principle such administrative support should not exceed five percent of the project amount. So the project amount makes up a large proportion of the funding.

MZJ: That is right. The key is that the project amount makes up a large proportion. In terms of the implementing costs they depend on the nature of the project. As long as they are verified and considered appropriate there is no specific ratio for this type of costs.

WY: Correct. There have been some changes in this regard. According to foundation regulations the management fee for foundations should not exceed ten percent. This is also the case when we raise funds from corporations. So when you donate 10 million RMB it means that you spend 1 million RMB for the management of the donation. This was also our standard when we supported NGOs in the past. But then we realised a problem, which is that funding a portion of the foundation is much bigger. If you only provide a partner only ten percent for a 300,000 RMB project, this amount of 30,000 RMB may be not enough to cover all of their costs related to project management and implementation. This is why in 2013 we changed the management method in order to facilitate the growth of NGO organisations.

While we have loosened the restrictions somewhat, this does not mean that we have no standards. What we have done is that we no longer have very strict regulations for implementing costs. When verifying the project budget we are very strict. Let us say a partner reports that five people will work on a project. Here we will see if these five people are working full time for the project or whether they are allocated to several projects. So we still control the share of personnel and administrative costs, which currently works pretty well.

First of all, what we do is that under the umbrella of a big programme we support a lot of small grant projects. Our foundation designs the post-reconstruction projects. An example is the "NGO Cooperation Community Development Plan". This

programme was designed for three years and supported the Lushan disaster area. With the help of social development and social service provision and through the method of NGO cooperation we promoted community development.

#### Training

The second funding method is the training. Through our work with NGOs we train talented people in rural China. The last method is the incubation of rural organisations. For all of this you need to spend money. So we have these three models. The first is the provision of funds, techniques, service and dissemination by foundations and corporate donors. The second is the growth of NGOs, their projects, rural constituencies and brands. But this is not the final step, since we aim to promote community development in rural China. If we can walk down this path unobstructed we also try to influence government strategy and aim at policy change. We hope that through our efforts we change rural mindsets, grow the ecology, improve livelihoods, enhance services and help the environment. We conduct research on these various aspects. If we can align them better we can even submit some policy advocacy reports. If you take a closer look at how we are using project resources you will see that our overall project budget amounts to about sixty to seventy percent. Everything else is geared towards serving our projects.

In the first place we establish a community center in order to provide both soft and hard infrastructure. Secondly, we support workshops which help provide advice to the projects. These take place on the local level and help to connect various resources, for example during sharing sessions. The third is our “Sharing Salons” which can be used by our partners. So you may have sixteen or twenty partners who may have some experiences, who want to promote something, who want to share with others, who need some methods or funding etc. And then you have capacity building, which is mostly geared towards NGOs. We are currently discussing with some international organisations whether or not they can provide such training. Then there is third party monitoring and evaluation of our partner’s projects. Finally, you have case studies and training of talents in rural China. Taken together this is why we consider our support to be a very comprehensive support.

**AF: How do you square the circle of donorship (e.g. the definition of key criteria for the selection of civil society initiatives in China by the funder) and ownership of civil society initiatives (e.g. the steering competency of Chinese partners and their desire to pursue their own goals)?**

#### Big public interest projects

WY: First of all we provide a coherent design under a big principle, direction or objective. So for example for our big public interest projects, our overall objective is community development in the disaster areas. In terms of community development we distinguish between two parts. The first focuses on the development of people’s livelihoods. The background to this is that many social organisations have been incubated by international organisations, in particular organisations like Heifer International etc. They have their own set of means to promote the livelihoods in rural villages. They also simultaneously set up rural cooperatives and help promote changes at the community level. And then there are other social organisations which may not have these particular skills. They are better at providing care for the elderly or providing education for rural children. So when we see these two big activity areas we

would invite project bids in these two areas. When looking at these bids we realised something very interesting. Similar sheep raising or beekeeping projects are actually quite different in terms of their contents and methods. But the key is that their overall objective is aligned with ours and that their key methods are the same as ours. These kinds of projects we accept. There can also be projects which have laudable goals, but their methods are too different from ours. In such cases we ask them to reapply next time or we observe them for a while, and the next time we support them.

A mutually agreed NGO objective, combined with our selection standards as well as feasibility principles, form the foundation of cooperation. I often say that you need to want to do the project and I need to also want to do that project. If only one of us wants to do the project there might be no way for us to come together. So we need to understand each other. We need to respect our NGO partners' project designs, direction and implementation methods. Meanwhile we need to assist them in increasing their capacities. While we need to make sure that they achieve their objectives we should also explore new poverty alleviation methods as well as cooperation models among social organisations. For example in terms of elderly care, our foundation may not developed such projects in rural parts, whereas an NGO may have been active in this area much earlier on. In such cases our support is not just the provision of funds but also a form of learning. And then it is also a form of joint exploration.

**AF: Do you prefer a particular type of partnership model over another, e.g. a single-entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners?**

WY: We are currently more inclined to support multiple partners. Of course the management costs of such multiple partnerships are higher and they are more difficult to manage. There are also some risks involved. I know that a lot of international organisations get deeply involved in the planning stage of a project. In this preparation stage they painstakingly care but may in the end decide to go for a single partnership.

Multiple partners

But for us we do not only want to deliver a good project. What is more important is that we bring in more social organisations to participate in this kind of work. This is our key objective, which is why we still prefer multiple partners. Of course you also need to take into account the aspirations and influence of donors. For example we had a corporate donor which in China is a leader in societal innovation. With their kind of broad support and approval we can work very well.

**AF: Is it because the former approach focuses more on sustainable development whereas the latter is more geared towards attaining outcomes and impacts? Do you pay special attention to the capabilities of prospective implementing organisations in your selection process?**

WY: In the case of the first approach we emphasize process and outputs and the formation of standards. We also care how we can add value for our NGO partners. The focus here is more on the external environment. Even if a project was a failure a

partner may have increased their capacity, and this kind of capacity increase can be evaluated. In such cases we still consider the project to be successful. If we are talking about the second approach we pay more attention to the internal environment. In this case we need to pay more attention to the project contents. We are currently in the process of identifying these different approaches. This will help us in our communications with corporations. Of course this also an experimental process of trying out new things. We will see to what extent they will understand these differences.

#### Role of CFPA

You can say that we as a foundation are playing the role of a steward. We provide services for a donor. We then provide a platform for supporting organisations (zhichixing jigou). Finally we provide support for NGOs. For the donor they do not only provide funds but also their wisdom. They also promote their brands. In terms of the supporting organisations they all have something that they are good at. Between the two we play the role of a steward and coordinator. This kind of service provision and coordination work can be quite a lot of work. For example you need to coordinate the work of implementing NGOs every month, produce monitoring reports and study the report's contents. You also need to organise meetings, publish monthly bulletins. As an intermediary we are thus very familiar with the work of the various organisations.

#### Corporate donors

Why do we want to get the support of corporate donors and other domestic foundations? Our current funding all comes from disaster area reconstruction funds. As you know disaster reconstruction is limited by time. So for example the in case of Wenchuan, the saying went three years reconstruction, two years completion. When the overall reconstruction is finished you can say that the project will go on and on. This is why a lot of NGOs have come up with suggestions. They hope that we can increase the scope of funding to include areas outside the disaster area. Secondly, they hope that the funding periods can be prolonged. This is currently quite difficult for us. But there have also been some breakthroughs. When we received funding after the Lushan earthquake it was the first time that corporate donors would provide funding for NGO cooperation to public fundraising foundations (gongmu jijinhui).

**AF: I have heard that after the Yushu earthquake the government asked public interest organisations to give the donated money to the government. I was told that the China Foundation for Poverty Alleviation quite courageously stood up and refused to do so.**

#### Yushu earthquake

WY: That is not really the case. This was because the region where the Yushu earthquake happened is quite special. It inhabits a lot of minorities. It is also a high altitude alpine region. So for many social organisations, especially the smaller ones, implementing projects there would be quite difficult. So the government came up with this idea. That time not only the China Foundation for Poverty Alleviation but also many other foundations jointly took the initiative and suggested to work with the government but to continue to manage the funds themselves. Based on this pledge our foundation set up camp in Yushu for three years. We later became the only social organisation which still has not left and who is working to complete the projects. I would like to emphasize that the Lushan earthquake was a historical breakthrough for the development of China's public interest sector. The Ministry of Civil Affairs

changed their criteria for donations and no longer issued documents about who could or could not participate.

**AF: Does your foundation have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your foundation and how?**

WY: The way we understand this is to be the leader of China's public interest and charity as well as citizen participation and societal innovation. For once we will certainly do the traditional charity work. But at the same time we also promote citizen participation. Citizen participation is something we have been putting forward for a long time, the idea that everyone can get involved in public interest work. We have also designed citizen participation projects where people can donate 1 RMB, 10 RMB, or even more. We also engage in societal innovation. Social innovation is basically social governance, the type of innovation brought about by societal forces. We hope to become a leader in all three areas. In 2009 and after the Wenchuan earthquake our President He addressed the issue you are so interested in during a publicly delivered report. He emphasized that the development of China's civil society differs from the West, since in the West this had much to do with the accumulation of wealth and the mature function of markets. China's civil society development on the other hand is marked by a stronger involvement of the government. Given the different backgrounds it is quite possible that we will walk different paths. As our president said, China's civil society approaches will inevitably lead to a completely different route from the conventional path of civil society development.

Civil society

**AF: How does your organisation pick up signals about changes in China? How much do news reports, academic journal articles and project progress reports inform your colleagues' thinking?**

WY: Since our organisation is quite open we have ample exchange and communication with media and academic organisations. In terms of academics we have many interactions with Professor Deng Guosheng from the Tsinghua University or Professor Kang Xiaoguang from Renmin University. In terms of the media we have some exchanges with the Peace China Foundation (Anping Gonggong Chuanbo Gongyi Jijin). Our leaders also observe the changes occurring in China. We also gather information in our work. This is how we observe the changes in China and how they relate to the work in our sector.

Media and a  
academia

**AF: Where do you see Chinese civil society in five to ten years?**

WY: If we want to talk about the future we can also look at the past, for example you can look at the changes during the past five to ten years. During the past ten years we have seen the development of private foundations, which have considerably contributed to the development of social organisations. I am talking about private foundations like the Narada Foundation and the SEE Foundation. The development of these private foundations is due to the greater space for donations and also due to the accumulation of private wealth. They have promoted the growth of social organisations. When you look at the past five years we need to talk again about social organisations. After the various disasters a lot of young people have found a cause to

Future



engage with. In terms of our historical development we have been making some steps forward. In 2012 the 18th Party Congress proposed to stimulate the vitality of social organisations. There have been also some policy changes. For example in many localities they no longer require you to register with a sponsoring organisation (zhuguan danwei). This is a good policy change that will allow more interested individuals and groups to engage in this sector. Also the government has started to procure services. In this area they are still exploring. I think that in this process of exploration there will be no change in the historical direction. Instead we will see a more standardized and large-scale development. But in the process of moving forward there will be twists and turns and the process will not always be smooth. This is because there is not yet a very mature path or very mature model to follow, unlike in the United States where such a mature path already exists. But I think that in the next five to ten years these models will gradually be developed and perfected. You will see that China will come up with its own United Way model where foundations, the government and civil society organisations cooperate. This is something we could already observe during the various disasters, where the cooperation model developed from chaos to order. So when these things happen again in the future, this will further promote the development of this type of integrated social governance.

**AF: That is very interesting. So in this process of change, what kind of specific changes does your foundation hope to see on the individual, societal and policy level? What are the changes you would like to bring about with your series of projects? For example on the individual, organisational, community and societal and policy level?**

Policy level

WY: On the policy level we definitively hope for progress on the legislative front. We would like to see a charity law which safeguards the legality of public interest and charity work. It should clarify how much of a right foundations or social organisations have to engage in this type of social activity. It should also outline our role and function in these social activities. This is one thing. We hope that it can guarantee our rights and position and allow us to participate in an even more legitimate way. This kind of law can also standardize our conduct. This law should also deal with taxation and the ins and outs of this sector. So these are our hopes for progressive legislation. We also hope that the government procurement can become increasingly standardized and increasingly open and transparent. On the societal level we are basically talking about our sector. When you speak about society here, we distinguish between our sector and the public. We hope that our sector will increase its self-discipline and cooperation. It needs to first increase its self-discipline and secondly strengthen cooperation. Through self-discipline, capacity building and project cooperation it should promote an increased societal awareness for our work. What should not happen is that there are scandals today and scandals tomorrow. They only undermine the credibility of the whole sector. Only through more self-discipline will society change their view of us.

Organisational level

On the organisational level, for example on the level of our organisation, we have already come up with our fundraising and grant-making strategies. We hope that we as an organisation can clarify our strategy of supporting social organisations and the corresponding theoretical system. Just like you asked in the beginning: How do you support NGOs? How do you spend your money? Why do you do things the way you



do? By doing the things you do what kind of benefits do you bring to other organisations? Or to put it differently, how do you enable other organisations to develop opportunities in the future? We are constantly working very hard as implementers. But we hope that we can align our work more with our strategies. Of course in this process we hope to partner with more international organisations, since international organisations have very their proven experiences. At the same time we want to enhance our own organisational capabilities so that when we are engaging in the joint development of society we are optimizing our organisation's cooperation with NGOs.

On the individual level we hope that our organisation takes practice as the starting point and then engages in continuous learning, continuous summaries and exploration. This is because the type of organisation we are is constantly engaging in a process of exploration and is learning from practice. This is why we hope that the NGOs which are funded by us can receive support from corporate donors and foundations. Only this way do we have the ability to constantly engage in practice. That is actually quite simple. If no one donates money, we can not practice. We hope to continuously practice and learn.

Individual level

**AF: This relates to the issue of sustainability.**

WY: That is right. In terms of sustainable development this is an issue what we are currently facing. As a public fundraising foundation we are different from the non-public fundraising foundations. For a public fundraising foundation a lot of funds originate from corporate donors. So if we want to achieve sustainable development we need to educate corporate donors and make sure that they agree with our way of doing things.

**AF: The next question is related to the issue of goal setting. How do you know that the goals you are setting are feasible and attainable?**

WY: We set objectives in broad terms. We have three objectives. For example in terms of project support this systematic support is geared towards NGOs, the upgrading and development of regions as well as community projects. We achieve this overall goal through the realisation of the goals of our partners. These objectives are set by the partners themselves. As long as they are experienced they should be able to meet their objectives.

Objectives

Secondly we engage with rural communities through our partners and locally train talents within social organisations. This is a slightly more demanding objective, but we have our own strategy and means to achieve it. The last and our most demanding objective is the incubation of rural organisations. The way it works is that we enter the disaster areas and NGOs follow suit. But this is not where it ends, since our ultimate goal is change in rural parts of China. Our most demanding objective is that the rural communities incubate their own organisations, be they cooperatives, social worker organisations, interest groups or elderly care associations. So when we as the foundation retreat after three years, when the NGOs leave, we ensure the ongoing vitality of the rural areas. The less demanding our objectives are the easier they are to realise, the more demanding our objectives are the more challenging it becomes.

**AF: The way I see it you are trying to achieve community self-governance. This is a very good ideal.**

WY: So when we put this in percentages, in terms of our project support for this aspect we hope to achieve about 70%-80% of the objective. This allows for a certain amount of failure. For example if within a sheep raising project the sheep suddenly die it could be that there is nothing we can do about it. Within our conventional projects we try to achieve 70%-80% of the objectives. In terms of talent cultivation the key is to find people, to nurture their talents and the process of accompanying them. If we can support five people this may already be quite ideal. When it comes to the incubation of community organisations I would already find it quite ideal if in the end one or two of them would stay on in the rural area after the project finishes. So we are not blindly optimistic when we set our objectives.

**AF: What conclusions do you draw when you realise that the anticipated change has not been achieved by the civil society initiative supported by your organisation? It may very well be that after three years you have not been able to promote the growth of a single social organisation. It could be that the people you trained all leave. While you have increased their individual capacities they think it is too hard to work in the countryside. So they may leave to work in the cities to find a better job. How would you respond to this? Do you accept failure?**

Risks

WY: We can accept failure. Since we are providing grants we know that there are implementation risks. We anticipate such risks early on. In order to minimise risks we actually set goals on various levels. For example the smooth operation of a project is our minimal goal. It could be that the project can not be implemented due to natural disaster, some human factors, disrupted funding or because there were flaws in the project design. Secondly, based on the pre-condition that the project runs smoothly we are seeking to realise the objectives. So for example in the context of a beekeeping project it is easy measure how many boxes of bees you have after two years. Our intention is to help farmers with their income, followed by the establishment of an interest group around beekeeping. This is how we try to realise the objective. Thirdly, projects tend to have an influence on the creation and fluctuation of social capital. Once everyone is engaging in beekeeping and you have these NGOs from outside establishing cooperative relations with them you need to see if such cooperation is run by two or three individuals or whether or not everyone is benefiting. This is the hardest bit. On the condition of meeting the minimal requirements we pursue the realisation of our more demanding objectives.

So our minimal requirement is the smooth operation of a project. If in the midst of a project there are objective reasons why this project can no longer be smoothly implemented we can also put an end to it. In such a case they can apply to stop the project. It is not a problem if they demand the project to be stopped. We will respect the will of the NGO and also respect the will of the donor who provides the funding and allow the project to be stopped.

**AF: How do you assess the ability of implementing agencies to reach out to primary and secondary stakeholders?**

WY: For this we do not seek grant making organisations (zizhuxing jigou). We look for supporting organisations (zhichixing jigou). We are the ones who provide grants and we decide about the use of funds and how they should be allocated. The supporting organisations assist us to better allocate the funds. They help with fairly independent monitoring; provide consultancy services and policy research. These three types of supporting organisations provide feedback to our foundation. We act as a platform for them.

**AF: What are your requirements in terms of project and programme documentation?**

MZJ: We require resident staff to write a work log. Every organisation also has to submit monthly briefs. We also have third party monitoring and evaluation organisations. Every month they provide monitoring reports. These monitoring reports and their briefs inform what we here at the foundation call a project feedback form (jijinhui de xiangmu yuedu fankuibiao). Depending on the feedback on this form we will provide support to those organisations where we have identified problems. After providing such kind of support we will have a briefing on the main public funds or a consultation record. These documents all exist.

Documentation

WY: We also require our project partners to provide monthly reports. Our demands in terms of these reports are not very high. The real work happens here at the foundation where we analyse the data. We have monthly briefs. Every month our partners tell us about their progress and the problems they may face. So they also engage in monitoring and tell us about the problems they have identified. In the end it is us who summarise what kind of comprehensive problems a project faces and how they can be solved.

Our foundation has also cultivated a certain kind of culture. We call it “services change the sunshine” (fuwu gaibian yangguang). As you can see we emphasizeservice orientation. We are leading our cooperation partners. But no one can say we let them work for us. In fact we are providing services to them. The concept of service provision needs to accompany our work.

**AF: Finally let us talk about the issues of impact and sustainability. Do you require applicants to include social impact design and an evaluation strategy in their funding bids?**

WY: We do. But we do not require applicants to do this, since currently most project applicants find it very hard to come up with a very clear social impact design and evaluation. This is why we invite professional third-party organisations to help us conduct social-impact design and evaluation strategies. For some projects we have invited a team of the Beijing Normal University to analyse and compare community influence from various angles.

Social impact design  
and evaluation

**AF: This shows that many NGOs are not very strong when it comes to monitoring and evaluation.**

MZJ: Their own capacity to monitor and evaluate is still quite weak. Right now it seems that everyone is quite used to inviting professional third party organisations to conduct monitoring and social impact evaluation. This is also something that we need to transfer through our grants to NGOs or something we need to improve ourselves. We need to internalise these skills for our own organisation.

WY: Before we provide the grants we are often not quite sure what to include in terms of social impact or how to set the baseline. Once we have set a baseline we need a strategy which is in line with the social impact. The skills and standards of Chinese NGOs are still uneven. Some organisations which have been doing international projects and been involved in externally funded projects have accumulated these skills. But most grant-making organizations need to improve in this regard.

**AF: How do you learn both from successful and unsuccessful civil society initiatives?**

WY: Sometimes problems occur even before the project officially starts. Other problems occur during the process of cooperation. A good project needs to be community-oriented and has to engage in multi-stakeholder cooperation for community development. I talked about social capital before. First of all you need a standard and some rules. Everyone needs to understand that you are going to do things for the community, and that this is not about you doing something for me or me doing something for you.

Respect

Secondly, you need to be clear about the position and rights of the donor and recipient and respect both sides' right to speak. Regardless how you put it: since we control the funds we have a certain power. This power naturally exists. While you can not avoid it you need to manage it. So you need to ask what kind of rights the recipient has. What kind of responsibilities? What are our responsibilities? First of all it is important to give both sides the right to speak and let everyone express themselves.

Thirdly, there is the process of realising project objectives. Under the condition that the funding principle has not changed it should be possible to change the funding strategy in a flexible manner and in accordance with the project progress. It is important to strengthen the communication between donor, recipient, and supporting organisations and to ensure that the project is fair, just and open throughout. The way we conduct our projects right now, we usually ask the partners to provide a project proposal. Only after we have approved it do we go to the community. Maybe in the future our partners should jointly apply with communities. If you successfully mobilise the community in the very beginning you may stand a better chance of a successful project later on. And if there are things that are beyond your control, this raises the question whether or not you allow the partners to make changes to the project. As long as your underlying principles do not change, and there are no changes to the overall direction and your project goal has not changed I think that we should be flexible. Otherwise many things can not be done.

Fourthly, it is important to establish a good management and dialogue mechanism. It is important to explore the standards and specification of a project without being too

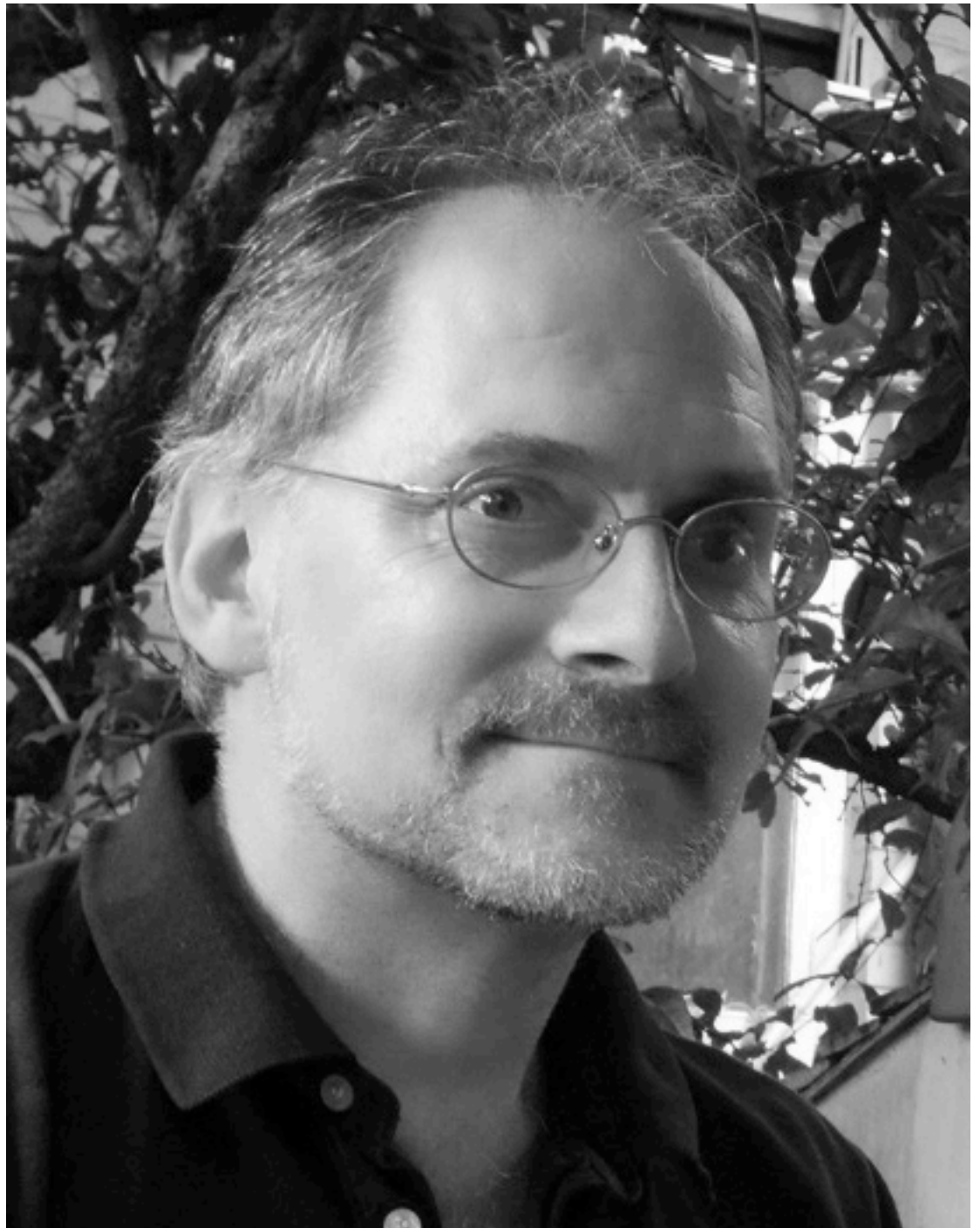
rigid. When you research standards and specifications of a given project you could easily become too rigid. If you always expect yourself and your partners to reach one hundred percent, if you manage this way, you may create some form of rigidity. So what we want to do is to explore some form of standard specifications, rather than being too rigid. This will allow the project to remain its innovation capability. Because once you have come up with your standards you get the problem how of to ensure the project's ability to innovate.

**AF: My last question is how you ensure the sustainability of successful civil society initiatives?**

WY: We have been thinking about this from the very beginning of our work. In the past two years we have established a theoretical system and standards for the China Foundation for Poverty Alleviation as a grant-making organisation. In terms of our standards we have emulated how some international organisations have been raising funds for other organisations. Following this we have been advocating our ideas to the government, members of the public and corporate donors. Right now when you engage with these stakeholders and you do not have a clear standard, you will have a hard time explaining what this is all about. Many corporations are still stuck in this hard infrastructure mindset. So we will still have some convincing work to do and show that there is a need for a more diversified sector. We also need to show them that cooperating with us is important and meaningful to promote social development. This is how our foundation currently operates. We are also aware of the United Way model in the United States, which has developed a global standard. They encourage corporations, volunteers and NGOs to develop together. This is also a pathway, and we may choose to go down that route. ■

Sustainability

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**How China Vision helps disabled people in China to  
articulate their own authentic voices**

Stephen Hallett  
China Vision  
Chair and Co-Founder





CHINA  
DEVELOPMENT  
BRIEF



This interview was conducted by Dr Andreas Fulda as part of a research project commissioned by Geneva Global. It is published by China Development Brief and Geneva Global. Geneva Global is an innovative social enterprise that works with clients to maximize the performance of their global philanthropic and social impact initiatives. The interview reflects the independent opinion of the interviewee and does not represent the views of the publishers.



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## Highlights from the interview

**China Vision was set up first in London. It was inspired by a talk given at the Great Britain-China Centre by Mr Xu Bailun, who set up the Golden Key Foundation in Beijing. He was talking specifically about the problem of access to schooling for visually impaired children in various parts of China, particularly in Inner Mongolia and Guangxi. What Golden Key was doing was trying to find ways to integrate children at the most basic level within primary schools.**

**I knew very little about disability in China at that time but having a visual impairment myself, a progressive visual disability, having come from working on documentaries for many years and having a deep interest in China, and having been around China since 1980 this suddenly made sense to me. It connected a lot of my own experience of social exclusion in China, having made documentaries with quite marginalized groups, such as rural women, people with disabilities, and with other groups around the country, including minorities. But I actually began to understand that disabled people were a very large excluded group, not a community, because they were not cohesive in that sense, but a group without a voice and very often being ignored in the whole discourse of human rights in China.**

**We certainly try to engage with a multitude of partners. Initially we were working with one particular group, because our own background is in visual disability. But now we are working across pan-disability. The longest-term partner we have is Beijing One Plus One, which is an organisation set up by disabled people, many of whom have a visual disability but are now working with people across the disability community. So we are drawing from our experience and their experience of using media and being very innovative in using social media and other means to reach a very large audience. So that I would say is our most solid long-term partner. We have also been working with a mixture of smaller organisations, small new start-up NGOs, some of whom are now registered as non-profits, and some of whom have gone down the corporate registration route.**

**Those organisations that I have seen that are most successful have had very strong leaders, but not overly authoritarian leaders. They have a perception that part of the bentuhua — the nativisation process — is also inclusion, is including different voices and listening to their staff. The organisations that have often fallen apart are those that maybe have a strong leader with a strong strategy but who are not listening to their community. You need to bring the two together.**

*This interview was conducted by Dr Andreas Fulda in Nottingham, UK on 25 September 2014.*



## Interview transcript | Stephen Hallett

**Andreas Fulda (AF): What motivated you and your co-founders to establish the UK-based charity China Vision in 1999?**

Stephen Hallett (SH): China Vision was set up first in London. It was inspired by a talk given at the Great Britain-China Centre by Mr Xu Bailun, who set up the Golden Key Foundation in Beijing. He was talking specifically about the problem of access to schooling for visually impaired children in various parts of China, particularly in Inner Mongolia and Guangxi. What Golden Key was doing was trying to find ways to integrate children at the most basic level within primary schools. I knew very little about disability in China at that time but having a visual impairment myself, a progressive visual disability, having come from working on documentaries for many years and having a deep interest in China, and having been around China since 1980 this suddenly made sense to me. It connected a lot of my own experience of social exclusion in China, having made documentaries with quite marginalized groups, such as rural women, people with disabilities, and with other groups around the country, including minorities. But I actually began to understand that disabled people were a very large excluded group, not a community, because they were not cohesive in that sense, but a group without a voice and very often being ignored in the whole discourse of human rights in China.

Disabled people

I attended that lecture together with four other people, some of who I knew at the time and some of who I did not. One or two were from the BBC Chinese service, for example Paul Crook, who is one of our own trustees now who had grown up in China himself and who worked for the BBC for many years. Also Sue Walker, another of our trustees, who came from a special education needs background and who had taught for many years in schools for the blind in the UK. She had also worked in developing countries, but not in China. Chris McMillan, who herself has a visual disability, was also very interested in China. There were also several other people who attended that first meeting. At the end of the talk I was very moved by it and very impressed. I stood up and said “If there is anybody else here who is interested in lending some support to what Mr Xu is doing, we would like to set up some kind of support group in the UK”. That is how it began. A few months later we registered China Vision, which is the English name we collectively agreed upon. We set up the organisation at that time, with a very simple intention to support educational opportunities for people with visual disabilities in China.

Over the last fifteen years I guess we sort of metamorphosed in various ways. We have broadened our remit. We initially did not run projects. The initial work we did was raising small scholarship funding for individual Chinese blind teachers to come over and study in the UK. We had very modest intentions to begin with. I was still working in the media in the field of documentary making and radio. But China Vision absorbed more and more of my time and we still have the original caucus of people, the original founders. Most of them are still our trustees. But we have expanded to people with other backgrounds and other disciplines, who are now part of our board of trustees. We are still UK-based. We are fully non-profit. Ninety-eight percent or more of the revenue we raise around the world goes directly into projects in China, all

Modest intentions

of which are small to medium-size projects. But these projects are quite impactful. The model which we use is quite unusual in a sense since we do not have running costs in this country.

**AF: You mention that you raise funds globally. Over the years, in terms of the sources of funding, how much actually came from government funding and how much from private foundations? And have you also tried to access corporate funding? How much is the ratio?**

SH: The ratio is about 85% to 90% foundation funding. We have had money from the Big Lottery Fund. We have worked in collaboration with other groups, working with the EU. We have had some EU funding. We have had and we still have some individual donations. We have worked with some US-based funders. It's mainly foundation funding. In terms of corporates we had very minimal corporate funding. But it is an area which we are developing now. Because one of the problems is that there are projects which do not fit any clear remits of the foundations. This is one of the issues: in order to broaden our own remit and to meet the needs which have been identified by our associates in Chinese civil society we need to broaden our base. We need to be more flexible so that we can work beyond the remit of some of the foundation funders.

Funding sources

**AF: What you seem to be suggesting is that only very little government funding is being provided for the work that you are doing. Would you consider UK and EU funding for civil society work in China adequate?**

SH: Let me put it this way. I think for the EU firstly, the whole process of applying for EU funding, especially for a very small organisation like us, is very difficult. Where we have worked with EU funding and EU money it has been in a collaborative way with other organisations. We have actually tried in the past to apply individually for EU funding but it seems that we are being perceived of not having the capacity to manage projects on that scale. So that is a problem for small organisations. And I would say that part of that is the model which I referred to earlier. We are determined that with the funding that we do raise, however large or modest, that most of it is seen to be put directly into work on the ground in China with our partners. We have such minimal costs.

EU funding

There is a sort of chicken and egg thing here. If we were to grow our administration so that we had greater capacity to take on larger EU-based projects, things like that, we would have to change our modus operandi. I think all of our trustees feel that this would be breaking a certain mold. We are very comfortable with the way we operate in a rather modest way. The model that we use, and coming back to the question you asked me about both corporate and government funding, it is relatively small funding with a degree of flexibility built in which is often not available through EU or government funding. But big impact is possible. Put in very simple terms: we can train ten blind radio producers in China, but they are reaching possibly a hundred million people. So the simplest way, working through the media, through social attitude change, by capacity building for a small number of people, we can have quite a big impact.

**AF: When you work with your associates in China, do you work with individuals, for example one particular organisation, or do you try to also connect some of the Chinese partners to each other? To rephrase my question slightly, is your cooperation with China based on a single-entry model where you work with one partner or do you also try to engage with a multitude of partners at the same time?**

Partners

SH: We certainly try to engage with a multitude of partners. Initially we were working with one particular group, because our own background is in visual disability. But now we are working across pan-disability. The longest-term partner we have is Beijing One Plus One, which is an organisation set up by disabled people, many of whom have a visual disability but are now working with people across the disability community. So we are drawing from our experience and their experience of using media and being very innovative in using social media and other means to reach a very large audience. So that I would say is our most solid long-term partner. We have also been working with a mixture of smaller organisations, small new start-up NGOs, some of whom are now registered as non-profits, and some of whom have gone down the corporate registration route.

Rong Ai Rong Le

One group, for example, is Rong Ai Rong Le, a parents-based group who work to provide supported employment for people with intellectual disabilities. For example young people with autism or with Down syndrome who would like to integrate more in the community, but who would have no real employment prospects. They have been using models of supported employment which have been learned from Malaysia, from Japan, from Taiwan and also from the West. It is a very interesting development. We have been working with Rong Ai Rong Le for two years now. The work they are doing is very path-breaking. They are a fully-fledged non-profit, fully registered and they are a growing organisation.

Talang

But we also work in different ways with individuals, some of whom are registered in the most basic way as *getihu*, as self-employed individuals, in areas like Inner Mongolia, but who have established their own networks of self-advocates, people with particular skills. For example one group we work with is called Talang. Talang was set up by an individual, Ye Zijie, in Inner Mongolia. He has some English skills. He was one of our grantees who came to study in the UK for six months. He is a teacher in a school for the blind. He is now using his language and translation skills to set up a magazine which has been running since 2008 and has developed a network of individuals around the country, some of whom are blind and some of whom have other disabilities. They are also very interested in honing in their translation skills. So they are providing their services and they are paid a very modest amount of money for their work translating large amounts of information from around the world on disability, how inclusive education is conducted in Cameroon, for example. It might be on very progressive models of social inclusion in America or in Europe and the UK. It is a window on the discourse of disability around the world. It is reaching a very large number of readers through the internet and through social media. So that is a different kind of model. It is not a big organisation. It is an individual who is doing remarkable work.

**AF: It is very interesting that you mention these developments. Have you seen in the past five years that there are significant changes in the way foreign organisations like China Vision, which is primarily UK-based, and domestic organisations how they communicate and cooperate with one another? Do you feel that there are changes occurring?**

SH: I think that there are very interesting changes. We know that there are large numbers of organisations like China Vision that work in collaboration with Chinese partners who have a legal status. For example One Plus One is registered both as a company and as a non-profit. So it stands on two legs, which is a very effective model. But the fact that One Plus One is legitimately registered means that it has a bank account and all of that. This means that we can work in collaboration. We have not gone down the registration route in China for China Vision. Organisations like Save the Children took many years to register as non-profits in China, or to register as foundations. There are all sorts of questions about that. Handicap International which has been operating in China for many years now is registered in affiliation with the China Disabled Persons' Federation, the CDPF. The whole question of registration is a complex and interesting one, as you know better than I do. But we found that since we want to channel our resources directly to our partners in China, it has not really been part of our planning to go down the registration route. I think that a lot of organisations are doing this.

One Plus One

I think the other side of this is something happening in the disability world. Organisations that do have some real official status in China, or who operate openly in offices there for many years, like Handicap International or Save the Children, in the past could do so thanks to their close affiliation with government-based organisations like the CDPF or the Ministry of Health or other organisations like that. Now they are beginning to branch out. A lot of the projects that Save the Children is running are run directly with small Chinese NGOs. This is happening particularly in the disability world. One reason for that - and this applies to Handicap International too - is that they recognise the limitations of working with a quango or a GONGO. Now there are different types of GONGOs, and there are different ministries and they will retain their affiliation with government ministries for a number of reasons. At the same time there are individual, autonomous projects with a different range of funders, which have no government affiliation. I think that is a change, a very interesting one.

Chinese NGOs

**AF: There are these changes happening. In terms of China Vision, do you have an organisational view of civil society? If that is the case, how would you describe it? If not, who is framing the discourse about civil society in your organisation and how? Because this will also inform your operations to a certain extent.**

SH: This is very interesting. If we have an organisational view it is something that has developed organically over time. It reflects some of the changes in China. I think initially we had a very pragmatic view. It was simply a question of supporting a group of individuals or supporting people where the need was—finding tools and strategies together with our partners in China which had a practical application. There was no broader concept of us doing something meaningful within Chinese civil society.

Civil society

I think as an organisation we now have a much clearer view that firstly within the area of disability there is a certain freedom or opportunity to explore new approaches in civil society which may not exist within all areas of activity. That is partly because disabled people are seen as a highly marginalized group, possibly as less threatening to the government. There are a number of political reasons, that is true. But it is also because some of the organisations of disabled people have been highly strategic in the way that they operate. They may have a rights-based agenda, but it can be framed in terms of service provision; it can be framed in a way which is more acceptable to the powers that be. That is one aspect.

Community building

In terms of civil society more broadly, what I think we have discovered is that civil society can be characterised in many ways. In a sense the official identity of organisations - whether they are registered as non-profits or as companies, or whatever - is actually much less important. It is the way they relate to their constituency. It is about community building. I think that the organisations within the disability field that have been most effective are firstly those that have found multiple sources of funding. So that is the way they relate to the international funding community. But they also have some form of sustainability within China. So that might relate to social enterprise. And that is difficult, but it is something that is developing. But they also have a very strong footprint within their community and a great community loyalty. So they are identified as serving a particular constituency.

Strategy

The organisations - and I don't want to name names here - that are rather flagging or finding it very difficult are those that have taken a very strong rights-based approach but without necessarily being embedded to the same extent in their communities. They may also be less strategic in the way they frame their rights-based argument. I will say this in general. On the organisational side, strategy is number one. I am very impressed with how some organisations have developed their relationships with their communities and with the government. They are spanning these two areas. The other aspect of it is capacity building. The organisations that have been the most sustainable and most effective are those that actually operate with professional values, that can do the accounts, that can do the reports, that have a well-trained staff. That is very important.

**AF: In a way you suggest the best way for NGOs is to both professionalise but also build up their constituency, something that I understand is often seen in the Chinese discourse as mutually exclusive. So you either nativise or professionalise, but actually these two things are not mutually exclusive.**

SH: I agree. I think that very often that depends on leadership. Those organisations that I have seen that are most successful have had very strong leaders, but not overly authoritarian leaders. They have a perception that part of the bentuhua—the nativisation process—is also inclusion, is including different voices and listening to their staff. The organisations that have often fallen apart are those that maybe have a strong leader with a strong strategy but who are not listening to their community. You need to bring the two together. But there also has to be an ear to the broader political context. I think that is one of the concerns at the moment, because the political context is very changeable. The role of NGOs, even under the new guidelines as far as



registration for non-profits is concerned, is still very variable. It is very regional; there is a huge disparity between different areas, and the degree of tolerance given to them. There is also almost a day-to-day change in the way the government is monitoring and perceiving NGOs. This leads to people feeling nervous. That heightens the need for a strategic approach.

**AF: What does that actually mean in terms of your own hopes and dreams but also maybe fears for civil society in the next five to ten years? I know that it is very hard to make predictions, but you do have your finger on the pulse and have a good idea what is currently happening in China. So maybe you could extract a little bit from the developments you see on the ground and make an informed guess?**

SH: My feeling is that there are two almost conflicting energies around this. One is at the power level where there are many interest groups. For example in the disability world you have the special education sector. There are very strong interests. They have been highly privileged in many ways over many years. Many special needs teachers have been trained by the government. A lot of policy initiatives and energy have gone into that. The world community and even many people in China within education are saying that is all wrong. We should go for full inclusion which immediately negates a lot of the earlier policies. So you have this interest group and it is very difficult to break it. To some extent they are holding up policy change and progressive moves. The way civil society relates to that is by firstly listening to the community - but not challenging the government directly on these issues - and coming to some informed conclusion.

Interest groups

We always say amongst the group of partners that we are working with in China that professionalism is also very important, but we always have to be at least two steps ahead of the government in our understanding of the discourse of disability. Now that is not trying to criticize the government, it is simply saying that we are part of the much bigger discourse that goes beyond China. The Convention on the Rights of People with Disabilities (CRPD) is a convention which China has signed up to. So it is a very useful tool. The way that civil society can operate most effectively is not by challenging the government head on these issues. It is by saying that we have solutions. Now these solutions may be very practical. They may be informed by the discourse of the CRPD. They may be informed by an anxiety that there are these big interest groups that are trying to hold back change. But at the same time this is the other power or force in Chinese officialdom, in Chinese society, which is promoting change. So we have the interest groups, which are holding back change, and we have the force of solving problems and social contradictions. One reaction is to clamp down on social progress - the knee-jerk reaction. But the other is to try and find real solutions to social contradictions. My optimism, as far as it goes, largely comes from the feeling that at many levels Chinese officials, certainly people within the Chinese professional world, within education, and people within civil society, have a common objective in trying to find solutions to some very intractable problems. Now we have seen this in the past in the question of rural management and rural taxation—the abolition of agricultural tax, issues which were identified by civil society. PM 2.5 and the issue of urban pollution was again raised by civil society and the government eventually responded to these demands in various ways.

Professionalism

Within the field of disability we have seen similar things. I will give you an example. I mentioned earlier an organisation called Rong Ai Rong Le that works to empower people with learning disabilities. They aim to bring people into employment, real employment. Supported employment is a technique which has been developed around the world, which provides a transition. Someone with a disability can be given the training. The employer can be trained and worked with. There can be a bridge between rehabilitation, education and employment. It is often very successful. I was in Taiwan recently and learned about what they call the *zhuanxian gongcheng* or *zhuanxian shouduan*. In English we call these transitional methods. It might be the transition between pre-school and mainstream primary school. So you have a child with disability who needs help in primary school. There is a huge amount of manpower in China. People need more training. In some areas, in Guangzhou for example, and now in Changsha local authorities are listening to NGOs like Rong Ai Rong Le who are coming in and saying ninety-eight percent of people with learning disabilities have no employment opportunities. And this is a social problem. These kids have nowhere to go. Parents can't work. People are forced into poverty. You have potential social instability, all of these issues. But a solution can be found. There are very good tools out there. So with something as very specific as that gradually - and this is very new - some local authorities are responding. They are putting money into training what they call job coaches, *jiuye fudaoyuan*. It creates a new area of employment, a new profession within social work. Job coaches can fulfill a very important role. That can also be applied in very few cases, in Guangzhou for example, and in Zhengzhou to some extent, to children with disabilities entering mainstream schools. They would need classroom assistants, they would need accessibility. There would be support given to them so that they can integrate into the mainstream. You tick your box. If you do that you are meeting the needs of the CRPD. You are ticking a lot of boxes. You are also solving a lot of social contradictions. What we need is less hyperbole. We need less top-down ideology, both from the West and from China. We need more basic groundwork, solutions which civil society can provide, but informed by these broad values. So that is how I perceive the growth of civil society in China.

**AF: In a sense your answer outlines your philosophy of change. Is that correct? Or is there anything you would like to add from China Vision's point of view? How can people who are not Chinese—but who want to assist in these kinds of processes of problem solving and innovating—how can they make sustainable and useful contributions to these processes?**

'Chinese uniqueness'

SH: Number one, most of the issues that come up in disability in China are universal. So the notion of 'Chinese uniqueness' I take great issue with. I think that there are certain issues which have to do with Chinese history and to do with attitudes. But I think that most of the issues we find in disability, and I suspect in most areas of social life, we can find universals around the world. The solutions which have been developed in many countries - for example in the West over many generations, and in many other developing countries - are relevant to China. They simply have not been applied and they have not been thought of. Particularly the solutions which have been filtered through, for example, societies like Taiwan and Japan and other Eastern societies which may come from a similar philosophy. These experiences are extremely

valuable. And Chinese people within civil society and also within various professions and within the government are now looking to Taiwan, for example, for some of these practical solutions. Transitional measures are one example of that. So from China Vision's point of view what we would like to do and what we would advise to anybody outside who is interested in interacting with this process, is for people to draw from the very practical skills they have.

For example, in the UK we have a huge body of retired or prematurely redundant Special Education Needs teachers, and sadly many of these are not employed effectively in this country because of cut-backs. Now this is a huge resource which could be applied in many other areas. They have very useful practical skills. I would like to see people particularly from Western societies, where there has been a long history of development, but also from other countries like Malaysia, where there has been more recent application of these methodologies, to engage with NGOs and also with professionals in China. I think it can often happen on a very small-scale, grassroots basis. You establish one model which becomes the basis for application. It does not have to be big and grand: I think very often this is where projects have failed, and there are some examples of that. It would be very interesting to see, for example, how effective the inclusive education projects of Save the Children in southwest China will be. My worry about it - and this is no criticism of the project, it is simply an anxiety - is that the scale and the vested interests makes it very hard to succeed. The big scale and the vested interests will most likely make it unsustainable. This is my worry. Whereas I think very small, focused projects often can be made to be sustainable and can be made to inspire social change in other areas. That is very much our approach. Small input, big impact.

Practical skills

**AF: I find it fascinating when you talk about China potentially benefiting from closer regional integration and exchange. I have this idea of organizing a cross-straits civil society roundtable next year or the year thereafter. My feeling is that people can learn a lot from each other. There are less linguistic barriers and also as you mention culturally there is more similarity. Based on your observations, to what extent are mainland Chinese scholars and civil society practitioners engaging with their Taiwanese counterparts and vice versa?**

SH: It is beginning to happen now. It is very recent. A number of our colleagues both within NGOs but also on the academic level - for example Wuhan University, Zhang Wanhong who has a very strong department working in disability law. He has been running a project funded by the Raoul Wallenberg Institute, which is working in the field of disability. But he has extended it beyond the academic field to bring in disabled self-advocates. That project is working very closely with Taiwanese universities. On that level there is a lot of cross-straits dialogue. A number of NGOs working in disability have recently paid visits to Taiwan. I have been in Taiwan myself earlier this year. What has been very interesting is how, despite any baggage of cross-straits relations in the past, it is very much easier to establish that kind of dialogue, whether it is on the academic or the governmental or the civil society level, without being put on by ideology, if you know what I mean.

Taiwan

One reason for this is that we have found that because Taiwan itself for so many years has been outside the international discourse on human rights (it has been part of it in some ways, but in other ways it is not part of the UN Conventions or CRPD, it is not part of any of the conventions; they can not be), but it has developed its own home-grown discourse. A lot of that discourse is about practical solutions. So they embrace the idea and say that social inclusion is very important, but it will not be expressed in abstract human rights terms. It will be expressed in practical action. We have seen this in many areas. People are much less hung up in Taiwan about whether or not a child goes to a special school or a mainstream school. The question is whether that child is getting the education that is best for that child. I have met many ideologues from Western countries who will say that this is irrelevant. What is relevant is that this child is in an inclusive setting. But the inclusive setting may not be providing what that child needs. Yes, of course inclusion is the ultimate aim. But how do we get there, what are the steps? And one of our worries, for example in mainland China, is if the government adopts inclusive education as a slogan, we will end up with a lot of victims.

**AF: Because it does not work?**

SH: It does not work at this stage. What you need is a much more comprehensive, well-thought out system which can give the child the support that it needs within any setting. But I think in China Vision we have this very practical approach. We do not necessarily see eye to eye with everybody within the international discourse on this. Because often it is framed purely in terms of inclusion or non-inclusion. I think we all agree on the desirability of inclusion. It is how we get there.

**AF: For me it seems from my interviews that especially foundations representatives, but also some leaders of implementing organisations, consider impact on the policy level being a kind of ‘gold standard’ of their work. But then there have been others who say that it does not actually matter whether a project is big or small, what matters is that the people who are involved benefit from it. Think of scholarship schemes for example or study tours or other small initiatives which clearly benefit the individuals who are directly involved. What is your take on this? How should we measure success?**

SH: I would characterise that in two main ways. I said earlier that building relationships with the community is very important. Now you can only build relations with the community if you are seen to be bringing about positive change. Individuals need to benefit. You do not need to have a lot of individuals, but you have to have examples of people who have benefited from a new approach. So it might be that one child has been given the support it needs to enter a school. Now that is already one success. Over time there are multiplier effects. Beginning with that practical approach is very useful since it helps communities. On the policy front you can only effect policy change - and obviously policy change is desirable in the long term - but you can only effect policy change if you have got the examples to show. So you need to build effective models on one level. NGOs that are not seen as threatening by the government but are doing real work for the community are key. They may not be subscribing simply to a service-based model. Their main agenda may be rights-based, but the way they perform it is seen as acceptable. That is part of the strategic approach.

On the other level, finding very clear solutions like supported employment, which provides a model for the government to consider within its policy framework, takes a long time. I would say the worst kind of policy is policy which ticks the right boxes but has no implementation potential. In other words you have got a policy framework but no relevant laws, for example no clear anti-discrimination laws, no clear advocacy, or no legal advocacy at the grassroots. There are many policies like that in China which are framed in such broad terms that, however well-intentioned, are not applicable. And we have seen that certainly with the Disabled Persons Protection Law. We have seen it with many of the education statutes that have come out over the years. And even within the Chinese Constitution, which suggests that discrimination is not acceptable and that everybody is equal before the law. But it is very hard to apply. So I feel a policy has to be informed from the bottom-up. And I guess that characterises a lot of the work as we see it in China Vision. It is about helping disabled people to articulate their own authentic voices. It is about finding a voice, so that they can identify the issues which are of most concern to them and also help to find solutions to address them, and then turning that into a kind of force for change. That's what our experience has taught us. It needs to be driven from the bottom-up. ■

Bottom-up

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Supporting people, pilots and policy innovation for  
China's children to attain the right to survival,  
protection, development and participation**

An interview with Perrine Lhuillier  
Director Communications and Donor Relations  
Save the Children in China





CHINA  
DEVELOPMENT  
BRIEF



This interview was conducted by Dr Andreas Fulda as part of a research project commissioned by Geneva Global. It is published by China Development Brief and Geneva Global. Geneva Global is an innovative social enterprise that works with clients to maximize the performance of their global philanthropic and social impact initiatives. The interview reflects the independent opinion of the interviewee and does not represent the views of the publishers.



**Dr Andreas Fulda is an academic practitioner with an interest in social change, organisational development and documentary filmmaking.**

During the past ten years Dr Fulda has helped design and implement three major capacity building initiatives for Chinese CSOs: the *Participatory Urban Governance Programme for Migrant Integration* (2006-07), the *Social Policy Advocacy Coalition for Healthy and Sustainable Communities* (2009-11) and the *EU-China Civil Society Dialogue Programme on Participatory Public Policy* (2011-14).

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## Highlights from the interview

**China has become the second biggest economy in the world and corporations are increasingly willing to partner with Save the Children initiatives. Their motivations to enter a partnership vary from having to implement a Corporate Social Responsibility strategy, aiming to build a better brand image, or wanting to improve their government relations.**

**Save the Children also cooperates with local government partners. This is because Save the Children aims at systemic changes in the delivery of public services, which are essentially run by the government. At the same time local governments have started to procure the services of civil society organisations providing basic services to children.**

**Save the Children is willing to engage with Chinese emerging private foundations, who are increasingly important players. Such foundations have resources and they are also doing a lot of work with children, particularly in the fields of health and education. They do not necessarily have the capacity to deliver quality programmes that keep children safe.**

**Following press reports about child abuse in China the Ministry of Civil Affairs (MoCA) has rolled out a national project to build a nation-wide child protection system. The national child protection system will protect children from abuse, neglect, violence and exploitation. Save the Children have been asked to provide technical assistance to this MoCA initiative.**

**Save the Children is building the capacity of people such as teachers, front-line health workers and social workers. It also aims at system strengthening, e.g. the referral system between different levels of the health system. It provides capacity building for civil society organisations and engages in policy advocacy on behalf of children.**

**Much of Save the Children's advocacy work is aimed to to bridge the policy to practice gap. In the context of local pilots new policy approaches are tried and tested and when seen successful then scaled up on the national level. Local pilots are being thoroughly monitored and evaluated to inform national level policy debates.**

**Lessons learned from ten years of project work on youth justice informed the new Criminal Justice Law that came into effect January 2013. Likewise, Save the Children's work on inclusive education led to changes to the 1994 regulations on the education of people with disabilities, which now encourage children with disabilities to go to mainstream schools.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 23 July 2014.*



## Perrine Lhuillier | Full interview script

**Andreas Fulda (AF): Save the Children has a long history of engagement with China which dates back to Republican period. In much more recent history Save the Children first moved its program office from Hong Kong to Kunming in 1995 and later to Beijing in 1999. Given Save the Children's longstanding engagement with China, what is its vision and mission?**

Perrine Lhuillier (PL): Our vision and mission in China is the same as our global vision and mission: a world in which every child attains the right to survival, protection, development and participation. Our mission is to inspire breakthroughs in the way the world treats children, and to achieve immediate and lasting change in their lives.

**AF: When you go about your work here in China, which of the three sources of funding are most common in your work: government funding, foundation funding or corporate funding?**

PL: We have seen a change in China starting in 2008. China now has become the second biggest economy in the world and institutional funding has phased out of China. On the other hand it is becoming a key market for big corporate investors. We have seen an increased willingness for corporations to partner up with Save the Children initiatives. Right now our main source of income growth is actually the corporate sector - in China. This is slightly different from other countries in which Save the Children works. Globally speaking, we are still engaged with a broad range of donors, ranging from institutional donors, trust and foundations and corporate partners as well.

**AF: When you apply for funds, do you do so on your own or do you partner with Chinese organisations such as Government-organised non-governmental organisations or grassroots NGOs, for example in the case of compulsory competitive tendering bids?**

PL: First of all we do not raise funds in China because our registration status does not enable us to do that. Also because within the bigger world of Save the Children we are a country office. Country offices have the mission to implement projects and to do advocacy for children, not to fundraise. Fundraising is done by thirteen national organisations and funding is then channeled to the country offices. Having said that we do partner up with different organisations to craft proposals that will then be presented to donors. But we do not do fundraising in China.

**AF: When you craft these proposals with other partners, how do you ensure that once you succeed with your application that funding sources are distributed in an equitable way? It can be a source of friction in joint project applications that a partner at one point may feel that they do not benefit enough. Do you have some good practices in how to ensure an equitable distribution of resources?**

There is an increased willingness among corporate partners to partner with Save the Children in China

Due to its registration status Save the Children can not yet raise funds in China

PL: First of all, we often lead the design of a proposal. We manage expectations from very early on. Both sides are very clear what each side is supposed to bring to the table. Let me give you an example. We work a lot with local government partners. In the long-standing relationships that we have we also have local government partners that are willing to contribute in kind to the project. They do so because they trust us and want to work with us. They will contribute people's time, meeting rooms, different kinds of things. I do not feel we are running into this problem of equitable distribution of resources at all. Of course our partners - just like ourselves - could always do with a little bit more of funding (laughs). But we work very hard to ensure that the proposal works for everyone. Otherwise implementation becomes very problematic.

It is important to manage the expectations of prospective partners in the design phase of a new project

**AF: When you design initiatives, do you see advantages and disadvantages of single-entry and multi-entry partnership models, e.g. initiatives where you cooperate either with one partner organisation (single-entry) or two and more partner organisations (multi-entry)? Does Save the Children have a preference of one model over the other?**

PL: I think it really depends on the field of work. It also depends on the amount of funding available. What we found over the years is that if there is too little funding available it makes multi-location and multi-partnership projects very difficult to implement. You need to have a reasonable amount of resources available to implement a decent project. I guess it also depends on how the partnership is structured. If a big share of the funding is allocated to a sub-grant then maybe that sub-granted partner can involve other organisations. But it really depends mostly on the amount of funding.

**AF: You mentioned that during the past five years there have been changes in the sources of funding. For example you mentioned that there are more and more corporate funders. Have you observed any significant changes in the way donors and implementing organisations communicate and cooperate with one another?**

PL: I can see differences in the way corporate donors communicate with domestic implementing organisations, but I do not think that there has been a drastic change in the past five years. They are just different players which contribute in different ways. They have different things to offer and are also expecting different things out of a partnership. Corporate partners have very different motivations to enter a partnership. They might have a Corporate Social Responsibility strategy or focus that they need to implement, they might need to build a better brand image, or they might want to improve their government relations. It is really about working together with the partner and to find out what it is that they want to gain out of the partnership with Save the Children and to find out how we are going to make it successful for both sides. This is very different from institutional donors that have a strategy and objectives in China that they need to meet. With regards to foundations it is very different. We work with foundations which come from all over the world. Some are very structured, like the Ford Foundation. They have very structured objectives and are clear about what they are trying to achieve. Other foundations do not have a strategy which is as well constructed. In such cases it is again a matter of trying to understand what everyone wants to achieve and how we can achieve it together.

Corporate funders have different motivations from foundations to enter into a partnership with Save the Children

**AF: To what extent has the growth and maturation of Chinese civil society led to a market of CSOs competing for funding? Do you make good use of the market mechanism to allocate resources, for example through sub-grants which are competitive?**

Increasingly capable Chinese civil society organisations can engage in competitive bidding

PL: We are looking into that. We have done very little of that to date. The reason why we have not done that is that in our line of work there were not many organisations that could have actually gone for competitive bidding. That has changed a lot. There are now many more local civil society organisations that have an increased capacity. We are exploring different models of partnerships now also with local government authorities. Maybe we need to decide on project locations also in a more competitive way. This is something we are considering at the moment. We have not decided on this yet. Of course we are also competing with other international NGOs in the same field. We are often engaging the same donors. We are increasingly competing with domestic organisations as well that have the capacity to tap into international funding. It is definitively a new trend.

**AF: Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

There is a need to engage both with local governments and civil society organisations which provide services on behalf of local governments

PL: We work with civil society organisations. I do not know whether we have an organisational view of civil society. In the longer term the aspiration of Save the Children is to become very much a Chinese civil society organisation. We are increasingly working with local domestic civil society organisations. But it also depends on the area of intervention. When we are trying to improve the quality of services delivered to children they might not be the best partners to engage with. This is because we are looking at systemic changes in the delivery of public services, essentially run by the government. In that sense it does not make a lot of sense to engage with civil society organisations. Having said that, the Chinese government is now expecting that some of these services should be delivered by local civil society organisations. This is why we are expecting more partnerships with those organisations that will be providing basic services to children. Another trend we are following is the emergence of domestic foundations. They are increasingly important players. They have resources and they are also doing a lot of work with children, particularly in the fields of health and education. What we found is that they do not necessarily have the capacity to deliver quality programmes and particularly programmes that keep children safe. We see very low awareness of child safeguarding issues. We would love to engage more with the sector as a whole to build their capacity as implementers. A lot of private foundations are both grant making bodies and direct implementers. We are seeing an opportunity for us to engage and to help build the capacity of the sector.

**AF: It is interesting you mention the point of child safe-guarding. In a previous interview I learned that there is indeed a low awareness for child safe-guarding in China. This is a global issue, as we learned from the Jimmy Savile scandal, where children were abused by a TV host of the BBC. How are you promoting child safe-guarding in China?**

PL: First of all, we systematically do capacity building on child safe-guarding with our partners. That is something we have to do directly with the partners we work with. Secondly, I think it is a broader issue which is reaching beyond the civil society sector. We are doing a lot of work on child protection in China. It is one of the major focus of the government now to build a child protection system in China. We have been doing for the past ten years work on child protection that was mainly focused on youth justice and anti-trafficking issues, but not on the construction of a child protection system. This was because traditionally the way child protection was understood was along the lines of child welfare, rather than in terms of protection. We define child protection as protection from abuse, neglect, exploitation and violence. In the past 10 years, China has seen the emergence of the social work profession. But it has not been until quite recently, until about two years ago, that the press has reported of absolutely ugly cases of child abuse. Those cases triggered public outrage in China and the government reacted. Now the Ministry of Civil Affairs has rolled out a national project to build a child protection system with a properly trained social workers workforce, an adequate coordination between the different government bodies involved, a case management system etc. They have rolled out twenty pilots at the national level and we have been asked to provide technical assistance to that initiative. This is why I think it is a broader issue than just for the civil society sector. Child protection is an issue that was and still is not very well understood. But we can see that it has moved up much higher on the government's agenda. They have started to tackle it at the central government level. I think it will trickle down to the civil society sector, but it will take time. Overall, I am quite optimistic, given the changes taking place at the national level.

Save the Children provides technical assistance to the Ministry of Civil Affairs, which aims to build up a nation-wide child protection system

**AF: Where do you see Save the Children, where do you see the civil society sector in 5-10 years?**

PL: My very personal view is that we will see a lot more domestic organisations that provide services to children, ranging from education to child protection services as well. We will probably also continue to see an increase in the number and power of private foundations. I do not necessarily see that there will be strong advocacy or networks of civil society organisations developing. Not quite yet in the next five years. So maybe we will see a focus on service delivery still, but with actors with reinforced capacity.

**AF: So in that process of capacity building, what kind of change processes are you supporting on the individual, organisational, societal and/or policy level?**

PL: All we are about is building the capacity of people. Save the Children in China and also elsewhere in the world focuses a lot on the capacity of adults that care for children. We train teachers, front-line health workers as well as child protection staff such as social workers on child-centered interventions etc. We are also going to train parents. Let me give you another concrete example. We now that frontline health workers are crucial in preventing children from dying from preventable diseases. One of the main cause of death of children under the age of five is still pneumonia. A lot of frontline health workers do not know how to diagnose it. So we are training them to better diagnose the illnesses. So that is individual capacity building.

Save the Children's work is all about building the capacity of people



System strengthening

In terms of system strengthening - to stick with this example - in our health projects we also strengthen referral systems between the different levels of the health system, from the village level to the township level to the county level. So that when doctors are faced with a case that they can not treat they have the system in place that to refer the child to a higher, the better hospital on the township or county level. So that is system strengthening at the local level.

Capacity building of CSO partners

In terms of organisational capacity building we do work with civil society organisations. We do a lot of capacity building of our partners. We have done trainings on financial management, we have done trainings on the specific technical aspects within education or health. We do also organisational capacity building to have them come up with a strategy for example. So depending on the needs and the project requirements we do very different things.

Local pilots informing policy dialogues on the national level

As regards to advocacy on the national level there is the example I just mentioned, our collaboration with the Ministry of Civil Affairs on the child protection system. In these initiatives we often bring in expertise from outside, so that top policy makers can learn from experiences from other countries. It is also about bringing in evidence that we gather from our project sites. Because what we seek to do in our projects is to basically improve the way things work by demonstrating how they could work differently and better. Every time we do that we have a very strict and thorough monitoring and evaluation procedure that enables us to gather evidence that can feed into different policy dialogues on the national level. In terms of policy change we have been really successful in our youth justice work. We have worked in this field for ten years. We have introduced the appropriate adult model that was originally from the UK, whereby an adult accompanies a child from the first confrontation with the law and throughout the whole process. Those adults are basically like social workers. They are present during the police interrogation and at every step of the judicial process. They are seeking to collect information on the child that they put in a social file, with a view to try and divert children from incarceration at every stage of the process. Our project work has been so successful that the new Criminal Procedure Law that came into effect January last year has a chapter on youth justice, for the first time. It is referencing the need to have appropriate adults. That is as a result of the work that we have done. We have been working on that in Yunnan and now our office in Yunnan is getting phone calls from other provinces with questions like "How do we implement this in practice?" and "What does it mean to be an appropriate adult?".

**AF: Can you explain a bit more what kind of people qualify as an appropriate adult?**

PL: Initially they were volunteers, similar to social workers. The experience we drew upon was from Panlong district in Kunming. What our project partners have done is that they have registered as a local civil society organisation. They are now get subsidies from the local government to continue to provide this kind of services.

**AF: Let us delve a little bit further into the practicalities of your development work in China. How do you assess which kind of instruments are most appropriate to achieve your goals (e.g. study tours, trainings, local pilots etc)?**

PL: We use all of these instruments in the tool box (laughs). What we found is that to achieve durable change for children it requires time and committed partners. We have a range of tools, ranging from local pilots on the ground with very good monitoring and evaluation to get the good evidence. And then of course bringing expertise from the outside, but not exclusively. We also work a lot with universities in China. There is expertise available here. We do promote learning between different projects and getting partners for example from Xinjiang to visit partners in Yunnan who are working in the same sector. This way they can see how things are being implemented in practice and see how things can work. But I think the key to success are long-standing solid partnerships. It took ten years in the case of the youth justice project. It was very well spend ten years I think.

Promoting learning  
between different  
projects

**AF: This is indeed a very successful project. What do you when there is resistance in project and programme implementation? How flexible are you in meeting new demands of your partner organisations? What kind of demands would you not meet and thus consider ending the project or programme cooperation?**

PL: That is more a question for our budget holders, they are the people who are managing the projects. They have to deal with these things. Something we really need to keep focus on before the start of implementation is the choice of the right partner. This is absolutely crucial. Engaging partners early on is very difficult if funding opportunities suddenly crop up, for example when we need to submit a proposal in a week. What we have tried to do is to differentiate the project design from the funding cycle. This allows us to take some time and engage with our partners before even identifying the funding opportunity. As a result we have a very clear idea what we would like to achieve. It is very tricky to do though. Things change very rapidly here. So even if we have agreed on something, if the funding does not come quickly then we have to restart the conversations. It is not an easy process. But that is what we are trying to do. And I guess the lesson that we have learned as well is that unless there is a very substantial amount of funding to build something solid over at least three years, if we want to pilot new initiatives we try to weave it into our current work so that we can learn and start engaging people and have a better idea of what needs to be done and what could work before engaging or before setting up a stand-alone project. All of this is very difficult to do though since we work with very restricted funding.

Decoupling project  
design from the funding  
cycle

**AF: Let us talk about Save the Children initiatives in China. How many individuals and CSOs do you typically involve in your civil society initiatives?**

PL: It is a difficult question. It is interesting in that sense that in financial terms we do work on projects which are over three years. The biggest grant is 2 million Euros for three years, which is quite substantial. We also have a lot of grants are a 150.000 Euros over one year. In terms of results or beneficiaries reached I think that the number of beneficiaries reached is not necessary the best indicator for our impact. It is an important indicator, but not the only one. We work in very different regions. Let me again give you an example. We are running an important project in Tibet on neonatal resuscitation. When babies are born they have one minute to start breathing, otherwise they suffer very bad consequences for their health and sometimes die.

Numbers of beneficiaries  
reached are not the the  
only indicators of a  
successful project

Policy change can potentially reach many more beneficiaries

There is a very simple technique you can teach village doctors to resuscitate babies that are born not breathing. And that is what we are teaching Tibetan doctors to do. But we are working in a region of Tibet that is very sparsely populated. And it is a very expensive project. There are not many beneficiaries and it is a lot about training doctors. But it is very successful because we now that it has already helped save children lives. So that is a measure of success.

Let me also give you another example. Apart from the youth justice project we also had quite a lot of success in informing policies around inclusive education, for example in the field of education for children with disabilities. Again, we have taken the pilot example on the ground to the Ministry of Education and let them see how inclusive education in mainstream schools could work. They were revising the regulations from 1994 on the education of disabled children. We showed them that children with disabilities could go to mainstream schools, and that it could work, provided that the teachers have the proper resources available. And now the revised regulations that will come to into force very soon should have a focus on inclusive education and are encouraging children with disabilities to go to mainstream schools. So our inclusive education project was quite a substantial project in monetary terms. It was a grant of around 1 million Euros. The result makes it very powerful, because the policy change potentially could affect all the disabled children in China. As we know, a lot of them are still not going to school. Because the official policy was to have them in special schools, but there were not enough of them.

**AF: In a way what you are describing here is a combination of pilots, scaling experiences from the pilots up to the policy level, seeking policy change.**

PL: This is the best way we can operate in China. Because even if we are one of the biggest international NGOs in China we are still very tiny compared to the sheer size of the country. If we really want to create change for children we need to engage on the policy level. But we do it with our feet on the ground and on the community level. So we are thinking on our feet.

**AF: The interesting thing about policy change is that once you have succeeded in having some input arguably the question of policy implementation will always crop up. So do you feel that once you have a bit of an impact - let us say on inclusive education - the potential impact may actually not realize since local governments do not know about the new policy or do not have the means to implement it?**

Bridging the policy to practice gap

PL: You are absolutely right. The fact is in general for children the central government has got a good set of policies. In health for example policies are there but they are just not known at the local level at all. Or local governments lack the capacities to implement policies in practice. So a lot of our advocacy work is to bridge the policy to practice gap. Local governments need practical tools to just make it happen in practice. Also the policy framework is sometimes very broad and it does not really help at the local level to understand what needs to be done.

**AF: You have mentioned the importance of monitoring and evaluation of local pilots for your policy advocacy work. Would you mind sharing some of the technicalities of how you measure the social impact of your initiatives?**

PL: I may not be the best person to do that. We have technical experts that are assisting with it and the monitoring and evaluation lead as well. We have a team which is overseeing this type of work. In a nutshell it is about having a proper design at the beginning with a very strong logical framework and then deciding on a monitoring and evaluation plan at the beginning. We are very careful with the design of our indicators and what we want to measure. We have got a monitoring and evaluation plan which is agreed upon at the beginning of a given project. We work with technical advisors to design the relevant indicators. We have got a programme and development quality team in house that is able to perform evaluations, but we also sometimes involve external evaluators.

**AF: How do you learn both from successful and unsuccessful initiatives?**

PL: In the past we have run evaluations fairly frequently. I think we have not been so much of a learning organisation and we are becoming better at that. Our programme development and quality team was quite recently set up. Part of its mandate is going to be to facilitate that learning process. As a global organisation our monitoring and evaluation initiative is not called monitoring and evaluation but goes by the acronym MEAL, which stands for monitoring, evaluation, accountability and learning. As a global organisation we have put a lot more emphasis on learning. We are starting to see evaluations being shared and discussed at the national level. That is a process that is starting now and it is a process that is becoming more systematic.

Linkage between monitoring and evaluation, accountability and learning at Save the Children

**AF: That is very interesting. In a way it requires Save the Children as an organisation to own up to failure as well and to accept failure as a learning opportunity.**

PL: Absolutely. That is what we are seeking to do and that is what we are also seeking to do at the senior management team level, to learn and to do better.

**AF: Finally, how to you ensure the sustainability of your initiatives?**

PL: We have exit strategies. In order to be sustainable you need long-term engagement. Sometimes we have been more successful than others. Again choosing the right partner is essential and making sure that they have the capacity to take things on board, including the financial capacity after the project is finished. This is also why we have engaged with the local government because for service delivery - and that is also why we engage on the policy level - it is really crucial to have the government involved if you want to create sustainable change. So we build the capacity of the partners throughout the project, we have an exit strategy at the end, but sometimes it does need a second phase of work for it to be completely sustainable. ■

Government partnerships are crucial to ensure the sustainability of Save the Children initiatives

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Supporting China's internal reform processes as a long-term, reliable and stable partner**

Oliver Radtke, Robert Bosch Foundation, China Program Officer





CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**In 2006, the Stiftung officially established a focus area: “German–Chinese relations”. The first long-term media exchange project was established in 2008 and by now some initiatives have been running for more than six years. Key criteria for the selection are certainly the demand for and the impact and long-term sustainability of a given initiative.**

**Our China program is still a young one. We have matured from the start-up period to the next stage, but we are still new to the game and are still exploring new initiatives. This is one of the advantages of being a private foundation. It gives us a higher credibility— since people, and rightly so, do not assume we have a hidden political agenda— and provides us with high flexibility. We are most interested in designing projects that address specific needs of people in China and Germany. In the last seven years we mostly cooperated with German partners who have long-term experience on the ground in China.**

**The Robert Bosch Stiftung is a foundation that values collaboration a lot. We have all kinds of project set-ups, ranging from funding a project with minimal involvement to an intense cooperation partnership on an eye-to-eye level. Especially with the latter case, it is crucial to build trust and to be very specific about the goals and your own ideas. We are very much concerned about efficiency.**

**In general it could be said that the reason why the China programme was established was exactly to support China fledgling civil society and China as a transitional country par excellence, to support China’s internal reform processes and act as a long-term, reliable and stable partner. In terms of civil society a lot of things are very much in the early stages and that means, it is also a great chance to act as a platform between the EU and China and act as a mutual provider of a chance to meet, discuss, and exchange views.**

**The strict bilateral focus on German-Chinese or German-Japanese relations is in certain ways a very 20th century concept, characterized by a western liberal order. In a multipolar world things have changed. The Robert Bosch Stiftung is currently shifting the focus more towards the regional approach. For example, with our EU-China NGO Twinning program, we involve more than just German and Chinese partners but also NGOs from other EU member states. We are working on regional strategies when it comes to projects in Asia.**

**Our funds are limited. Therefore we are always looking for ways of handing over projects at a certain stage or reallocating our funds at the moment we feel we have a new partner which can take over the project, e.g. the state or other private organisations. Of course, this is always easier said than done. This is why the cooperation between foundations is essential.**

*This interview was conducted by Dr Andreas Fulda via Skype on 7 August 2014.*



## Interview transcript | Oliver Radtke

**Andreas Fulda (AF): Since when has the Robert Bosch Stiftung been active in China and what are your key criteria for the selection of China-related initiatives? In case you support civil society initiatives, to what extent do you consider the Chinese government's position on civil society in your internal decision-making process?**

Sustainability

Oliver Radtke (OR): In 2006, the Stiftung officially established a focus area: "German–Chinese relations". The first long-term media exchange project was established in 2008 and by now some initiatives have been running for more than six years. Key criteria for the selection are certainly the demand for and the impact and long-term sustainability of a given initiative. What we do in China, but also in other areas in the world, are activities focused on long-term effects. Our activities in and with China concentrate on the fields of media, education, good governance, civil society and culture. In the case of civil society in China the, at times, rather flexible position of the government is often crucial for the feasibility of projects. What the Chinese government is handing out in terms of new regulations is of vital interest to us; not in terms of blindly following government recommendations, but in terms of understanding what the government's position on certain topics is. In some areas we have close cooperation with the state, such as with our German-Chinese judge exchange program that we run in collaboration with the GIZ and the Supreme People's Court of China. In other areas, for example with our EU-China NGO Twinning project, together with Stiftung Asienhaus, we focus on the grassroots level of both EU and Chinese societies.

**AF: If you reflect on the partners the Robert Bosch Stiftung has engaged with over the past years, do you see some changes with the partners you are working with? So for example, do you work a lot with government organisations, intermediary organisations which could be termed government-organised non-governmental organisations (GONGOs) or also grassroots NGOs?**

No hidden political agenda

OR: Our China program is still a young one. We have matured from the start-up period to the next stage, but we are still new to the game and are still exploring new initiatives. This is one of the advantages of being a private foundation. It gives us a higher credibility— since people, and rightly so, do not assume we have a hidden political agenda— and provides us with high flexibility. We are most interested in designing projects that address specific needs of people in China and Germany. In the last seven years we mostly cooperated with German partners who have long-term experience on the ground in China. The basic reason behind that is German tax law, which makes it rather difficult to directly support Chinese partners. We mostly work with local German partners who have offices in China, such as the GIZ, or who know the situation on the ground very well, such as Stiftung Asienhaus, who are implementing the EU-China NGO Twinning Programme.

**AF: You are based in Stuttgart and work with German partners, who are either based in Germany or based in China— I understand GIZ still has**

**an office in Beijing. What are your experiences of “remote-controlling” initiatives in China from afar? To what extent do you as the Programme Officer China meet your partners? Do you travel to China every year, once or several times? To me it seems to be very important to have a personal impression of the projects and how they are going on.**

OR: In the case of our international relations programs it is a very smart decision to have regional specialists working as program officers. First, there is the language issue. Secondly, you also need certain experience on the ground. I travel regularly to China, three to four times a year. The discussions with our German and Chinese partners are vital for all the projects that we do. We are in touch via telephone and email, but of course nothing beats the impressions on the ground. Visits to China not only allow me to express our appreciation to our partners on a regular basis, but also to experience atmospheric changes first-hand. I treasure these opportunities immensely.

**AF: How do you square the circle of donorship and ownership of civil society initiatives?**

OR: The Robert Bosch Stiftung is a foundation that values collaboration a lot. We have all kinds of project set-ups, ranging from funding a project with minimal involvement to an intense cooperation partnership on an eye-to-eye level. Especially with the latter case, it is crucial to build trust and to be very specific about the goals and your own ideas. We are very much concerned about efficiency. We want to know exactly how the money will be spent. Although we are often the main donor, we make sure that there is no David and Goliath situation but a mutually respectful approach. Often one side brings in the specialist knowledge, the other side the management expertise.

Efficiency

**AF: When you work with external partners, in terms of the partnership model do you prefer a particular type of partnership model over another, e.g. a single-entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners?**

OR: The only way to succeed in international understanding is to approach everything as a two-way street. Projects themselves are also about mutual understanding and mutual learning. In that case, there is no preferred standard model of cooperation. We rather approach the identified demand very pragmatically. For example, in the framework of “Media Ambassadors China-Germany”, an exchange program for young journalists from both countries, we cooperate with the International Media Centre in Hamburg, which is an international cooperation platform of the University for Applied Sciences (Hochschule für Angewandte Wissenschaften) and Tsinghua University in Beijing. Both organisations implement certain project aspects for us, such as the design of seminar or the organization of the selection interviews. In this case the multi-entry partnership model fits nicely. I prefer the kind of partnership model that works best for the task at hand. The key criterion is to find a partnership model that works most efficiently.

Media Ambassadors  
China-Germany

**AF: Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

Civil society

OR: China-related questions in the Robert Bosch Stiftung all land on my desk (laughs). Of course we do not rely on our in-house opinion alone. We are all in close contact with external partners. In general it could be said that the reason why the China programme was established was exactly to support China fledgling civil society and China as a transitional country par excellence, to support China's internal reform processes and act as a long-term, reliable and stable partner. In terms of civil society a lot of things are very much in the early stages and that means, it is also a great chance to act as a platform between the EU and China and act as a mutual provider of a chance to meet, discuss, and exchange views. We want to provide experiences from Germany that are of relevance to China. And of course while Germany has a longer history of civil society engagement it did not invent the concept. This is why the exchange of information, the exchange of experiences on a level of mutual understanding is the most important starting point for us.

**AF: You point out that it is still early days in terms of civil society in China. Where do you see Chinese civil society in 5-10 years, based on your observations?**

OR: As we all know with China, it is a very challenging undertaking to make any kind of prognosis that goes beyond the next year. In terms of the official discourse the idea is that the Chinese state is retreating from certain areas of social welfare and this is a great chance for Chinese civil society to step in. At the same time I see the danger that the official discourse understands civil society initiatives as mere substitutes of former state-run welfare activities, a kind of corporate, entrepreneurial substitute for services that were originally state-run, e.g. community services. This definition is, of course, rather narrow. There is great potential for Chinese civil society if the concept is less politically loaded. It could be thriving but I also see the present-day boundaries that Chinese civil society at the moment is not allowed to cross.

**AF: Do you have a strategic plan for your programme activities? When you support initiatives you must have some kind of change objectives or a philosophy of change in areas where you would like to see some progress on the individual, organisational, community, societal and/or policy level? A lot of foundations seem to consider influence on policy as the gold standard of their work. Do you have some similar objectives?**

Individuals

OR: The change we want to enable is the change of the individual, at least the change of perspective. There cannot be any change without the change of the individual. You need people to be on-site, and experience things on a personal level. A very successful example is the Media Ambassador programme. The young Chinese and German journalists live and work in the other country three months, during which you see change already happening. They are inspired to get an insight into very different media systems and take home a lot of ideas, stories and a better understanding of the other. If an organisation understands itself as a learning organisation and they are generally open to new ideas and ways of doing things, then

I think there is a good chance that they will profit from the experience of the individual as well. On the policy level, let me mention the judge exchange programme again. In the Supreme People's Court of China (SPC) we have people who are extremely supportive of this project. Because they understand this idea of bringing Chinese judges to Germany and the other way around, not just for the sake of exchanging information on how to handle certain things, but also to allow Chinese judges gain an awareness of the self-understanding, self-worth and the role of judges in German society. The judge exchange programme is only in its fourth year and it is thus too early to talk about influences on the policy level. But the support the judges get from this programme and the SPC shows that they are very interested in using the experiences within this programme to see change happening on their side as well.

Judges

**AF: This is a good example how international understanding can be promoted through exchange programmes. Over the past years my thinking about EU-China civil society exchanges has evolved. While mutual visits can be enlightening for the people involved in such exchange programmes, I also noticed that some of the language barriers and cultural differences remain major barriers to be overcome. Also I sometimes wonder about how the insights generated can be truly applied in organisations. If we talk about the rule of law for example the situation in Germany and China is very different. I increasingly see the need to connect Chinese practitioners and Chinese professionals with let's say Taiwanese counterparts or people in East- and Southeast Asia, people living and working in societies which are more similar to China. So my question is whether you are trying to connect China to East- and Southeast Asian countries?**

OR: This is a very good point, indeed. The strict bilateral focus on German-Chinese or German-Japanese relations is in certain ways a very 20th century concept, characterized by a western liberal order. In a multipolar world things have changed. The Robert Bosch Stiftung is currently shifting the focus more towards the regional approach. For example, with our EU-China NGO Twinning program, we involve more than just German and Chinese partners but also NGOs from other EU member states. We are working on regional strategies when it comes to projects in Asia. With one project we bring young Korean, Japanese and Chinese counterparts together with German, French and Polish ones to talk about memory culture. Together with a number of partners, we run the program "Global Governance Futures— Robert Bosch Foundation Multilateral Dialogues", a young leaders program with participants from India, China, the US, Germany and Japan. With regional programs you are forced to think much more multilaterally. On the other hand, not every project is suitable for this kind of approach. For example, when Chinese judges are interested in "Law made in Germany", it does not make much sense to make them also learn about the Polish and Dutch model on top of it. In that case the bilateral approach is still very useful.

Regional approach

**AF: We have just talked about regional approaches. Talking about more China-focused projects and programmes, what do you consider realistic outreach goals for initiatives funded by the Robert Bosch Stiftung? How transformative are your goals, how ambitious are you?**

Step-by-step  
approach

OR: This raises the question how we evaluate our programmes. The key is to have realistic goals. We will not be able to reach any short term fundamental change of any kind. We do not run programmes that nobody needs. In terms of the eight year old focus area “German-Chinese relations” it is probably too early to tell how fundamental the impact will be. If you take the engagement of the foundation with Poland, France or the United States you can very clearly see the results of thirty, forty years of engagement. Of course, China is a different story, but most important is that we do our work there in a step-by-step approach and that we present ourselves as a reliable partner who is there when needed, a partner with an open ear and an open mind. This is a value in itself and in China’s high-speed society a lot of people appreciate this rather down-to-earth approach.

**AF: You are talking about long-term effects. In terms of short to medium-term effects many foundations are struggling to build up a comprehensive monitoring and evaluation system. In terms of reporting many partners have no problem in describing inputs and outputs, but they may struggle to explain the outcomes and possible impacts of their work. Do you require applicants to include social impact design and an evaluation strategy in their funding bids? If yes, can you provide specific examples?**

Effectiveness

OR: We design and fund more than eight hundred projects a year. Therefore there is a whole spectrum of how we evaluate our programmes. Within the grant application process we are already very much interested in how our partners are planning to measure the project’s outcome. If you take the judge exchange programme it is very difficult to put down the effectiveness of this programme with numbers or with hard facts. We support twenty judges a year and once they go back to China with in-house trainings they are able to reach a couple of hundred judges more. Based on such calculations we could argue that we reach a thousand judges with the programme on a direct or intermediate basis. That is the statistics. As much as I love statistics, it is however much more important to see what the individual has gained from the experience. It is also important that results are formulated in a way that we know exactly what the project’s specific contribution has been. We are talking about contribution, not attribution. This means that when we evaluate our projects we should not take credit for developments outside the actual scope or intention of the project. That is a very essential question and part of a foundation-wide new approach to redesigning our evaluation strategy.

**AF: I am asking this question about monitoring and evaluation not necessarily because I am particularly interested in the technicalities of it. Arguably, monitoring and evaluation can help a foundation to become a learning organisation. How do you learn both from successful and unsuccessful initiatives?**

OR: It is within human nature that you have a certain positive bias towards your own efforts. Especially in the area of the work of foundations which per se is perceived by outsiders as “doing good”. Within this framework of doing good, it is important to not lose focus. Sometimes you might think it is enough to continue with a project because it is intended to do good. I think it is good practice or a good management philosophy to have a constant self-reflecting process and ask yourself whether you are actually reaching the goals.



**AF: How do you generally think about projects? Do you have an exit strategy, where you no longer want to support a certain line of work, where you would like the government or other funders to take over? This was also the beginning of our conversation, where you mentioned the importance of sustainability. Arguably, every project or programme will inevitably come to an end. When funding stops it is not uncommon that what have been funded falls apart. How do you deal with this problem?**

OR: Our funds are limited. Therefore we are always looking for ways of handing over projects at a certain stage or reallocating our funds at the moment we feel we have a new partner which can take over the project, e.g. the state or other private organisations. Of course, this is always easier said than done. This is why the cooperation between foundations is essential. You might talk about a shift in strategy, and situations where other foundations are interested in getting involved in a certain field of engagement. Then you reach an agreement and they might continue programmes in a modified way with slightly different goals. We have an exit strategy in mind the moment we start a project. This way funds can later be made available for other projects in other areas. ■

Cooperation between  
foundations

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Working with people in China who we think share our values around human rights, diversity and participation**

Nicola Macbean, The Rights Practice, Founder and Director



CHINA  
DEVELOPMENT  
BRIEF



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During the past ten years Dr Fulda has helped design and implement three major capacity building initiatives for Chinese CSOs: the *Participatory Urban Governance Programme for Migrant Integration* (2006-07), the *Social Policy Advocacy Coalition for Healthy and Sustainable Communities* (2009-11) and the *EU-China Civil Society Dialogue Programme on Participatory Public Policy* (2011-14).

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## Highlights from the interview

**Our approach to deciding what kind of initiatives we are going to support is primarily determined by our overall strategy. We have a process within The Rights Practice of developing our own three to five year strategy, setting out what we are trying to achieve and think we can do. Of course as part of this strategic review we look at the external environment in which we are working. When developing this strategy we would therefore need to think of all relevant stakeholders. That would clearly include the views of the Chinese government. It would also include Chinese civil society.**

**We have identified a number of programming priorities. Through our work we want to improve access to justice. We also want to protect people who are facing any kind of detention. More specifically, we want to protect their personal integrity rights. Finally, we support the right to participate.**

**We are primarily interested in building the capacity of our partners and encourage them to take the lead on activities. Our staff in China liaise and work with local partners on the ground. They meet them regularly and identify what help they need from us; this may be international experience, for example, or how to design a training course. It is very much about having regular and open lines of communication and sharing ideas.**

**All our projects try to reference international human rights law and standards. We also share the experiences of other countries. This does not necessarily have to be Europe or the United States, but increasingly we also share experiences from countries in the Asian region. How do they tackle the same problems? Essentially we are dealing with very similar challenges that all societies and all countries face. Obviously, every country has its own history and experiences of how to address these challenges, but there is always a potential to learn from other countries.**

**Policy sustainability is probably the most challenging area. A couple of our projects work on policy issues, but at the moment they haven't experienced significant breakthroughs. They are still trying to shore up policy support on the official side. In terms of some of the other projects we are focusing more and more on organizational sustainability, both at the individual and organizational level. Does the organisation feel more empowered? Does it feel that it has acquired improved skills and capacity and will be more effective? Can it be more strategic? Does it recognise what it can and what it cannot do? How does it contribute to the change they want to bring about?**

*This interview was conducted by Dr Andreas Fulda through Skype on 16 September 2014.*



## Interview transcript | Nicola Macbean

**Andreas Fulda (AF): Please tell me more about your motivation to establish The Rights Practice in 2002.**

Nicola Macbean (NM): My initial motivation was job creation (laughs). I was living in Paris at the time. Previously I had been working with the Great Britain-China Centre. In Paris I wanted to carry on working with China on human rights questions. I realised that I needed to set up an organisation in order to do that. There was not a lot of interesting work available as a consultant. The key question that interested me was how do we put human rights into practice? I felt that there was a gap in the way international organisations worked in China. To succeed, they would need to work more in partnership on specific issues.

Practice

**AF: You have both a UK- and a US-division of The Rights Practice and two boards. How did this come about? It is quite unusual for a non-profit organisation to have two branches in two different countries.**

NM: This was due to good luck. Jennifer Eikren, who now works for us in the US, originally worked with me in London. She has a China background herself and when she moved back to New York we decided to set up an office in the US. This would not only enable us to apply for US funding, but also access more contacts. Legally, we are two distinct organisations. But we are working towards the same objectives. The two organisations have separate boards which each make their own decisions.

**AF: You now have been working on China for the past twelve years. When you reflect on the projects that you have been conducting since 2002, what kind of changes do you see? What are your key criteria for the initiatives that you support in China? To what extent do you consider the Chinese government's position on civil society initiatives in your internal decision making processes?**

Strategy

NM: Our approach to deciding what kind of initiatives we are going to support is primarily determined by our overall strategy. We have a process within The Rights Practice of developing our own three to five year strategy, setting out what we are trying to achieve and think we can do. Of course as part of this strategic review we look at the external environment in which we are working. When developing this strategy we would therefore need to think of all relevant stakeholders. That would clearly include the views of the Chinese government. It would also include Chinese civil society. We would also reflect on the donor environment. We have identified a number of programming priorities. Through our work we want to improve access to justice. We also want to protect people who are facing any kind of detention. More specifically, we want to protect their personal integrity rights. Finally, we support the right to participate. Those are our three priority areas. We would be looking to support people and groups who are also working towards goals in those three areas. We would also be looking to work with people who we think share our values around human rights, diversity and participation. Also, we are not a donor. We act as an intermediary organization and try to bring more than just money to the partnership. Our added

value may include sharing international experience on a specific issue. Or we help build our partner's capacity to carry out effective projects. We are also looking at fairly long term partnerships.

**AF: When you tender for a bid, do you do that on your own or do you partner with a Chinese civil society organisation, be it a government-organised non-governmental organisation or a grassroots NGO or an academic institution? This could be necessary in the context of compulsory competitive tendering bids.**

NM: We will always be working with somebody on the ground in China. The programmes we run always involve partnerships since our work is about building local capacity. But partnerships may be more or less formal depending on the type of funding and the nature of the local implementing organizations.

Partnerships

**AF: How do you determine who is taking the lead in a cooperation project?**

NM: It should be determined by what it is needed to achieve the project's objectives. We are primarily interested in building the capacity of our partners and encourage them to take the lead on activities. Our staff in China liaise and work with local partners on the ground. They meet them regularly and identify what help they need from us; this may be international experience, for example, or how to design a training course. It is very much about having regular and open lines of communication and sharing ideas.

**AF: I am curious to learn more about your partnership models. Do you usually establish partnerships with one organisation? Or depending on the scope of the project or programme have you have also tried to engage with various partners simultaneously? Or do you find this too cumbersome and difficult in the Chinese context?**

NM: Some of our projects have multiple partners. Again, this is usually driven by the particular needs of the project and based on what each of the partners would be bringing to the cooperation. In some projects we are working with quite small and young NGOs. They all have their own specific capabilities. Working with a couple of partners is advantageous because between them they may be able to work with a range of stakeholders across the country. And they can learn from different types of experience and different approaches. Some partners are aspiring to be specialists, whereas other organisations are better connected with local communities. We find that our partner organisations are quite complementary in what they are trying to do; the complexity of social change seems to require the participation of different kinds of organisations. In a sense you are right that working with many partners can make things a bit more complicated. But we try to be quite clear about who is doing what. We do not have a single cooperation model for all our projects.

Capabilities

**AF: Do you feel there is also a change in the way foreign and domestic organisations communicate and cooperate with one another? I have noticed - and I am painting a picture in very broad brush-strokes now -**



**that there is a tendency among some Chinese grassroots organisations to become very nativist. By nativist I mean that they insist that in China things have to be done the ‘Chinese way’, whatever that means in practice. And then there are other people who are quite open to international practices and ideas. Do you come across this kind of dichotomy? Does it exist in your experience? Or do you have a different experience?**

Human rights

NM: I have not found a huge tension in this respect. This could be because our projects are about promoting human rights. All our projects try to reference international human rights law and standards. We also share the experiences of other countries. This does not necessarily have to be Europe or the United States, but increasingly we also share experiences from countries in the Asian region. How do they tackle the same problems? Essentially we are dealing with very similar challenges that all societies and all countries face. Obviously, every country has its own history and experiences of how to address these challenges, but there is always a potential to learn from other countries. We certainly encourage that. We have no intention to come in and impose a solution to a problem that has worked in the UK. Instead we would first ask what are the questions or problems that you are currently dealing with. We then ask ourselves what kind of knowledge and experience could be shared with our partners? What we bring to a project has got to be able to speak to the level of awareness and thinking that is currently going on in China. Certainly among the groups that we are working with I have not found any reservations about learning from overseas experience. But we are not trying to impose any model or tell people how they should do things. We encourage people to go back to the fundamentals. In our work on combatting torture we have to think about fundamental issues, for example, how people in detention should be treated. Then, we can look at how different countries have approached this question.

**AF: If I understand you correctly you apply an improvement-oriented perspective. You seem to be trying to improve what exists rather than come in with a very strong normative and judgmental perspective. Is this a fair characterization of your work? To me it seems that you are trying to do two things at the same time. On the one hand you seem to be keen to introduce human rights ideas which are global and multi-national. And then you see that these norms are not necessarily always shared by all stakeholders in China. So it seems to be quite difficult to square this circle.**

Influencing people's thinking about human rights

NM: The people we work with do not object to any of the human rights principles. None of them. We would not directly partner with people who reject human rights and the idea that there are universal values. However, there will always be some differences when we discuss what these principles mean in practice. But I think that is separate from the normative judgment. Our partners try to influence other people's thinking about human rights. They raise awareness and want to improve practices. In this process they may encounter some resistance. But we have not experienced much rejection of human rights ideas. Most of the problems concern practice. I have attended meetings with Chinese officials, lawyers and academics and found a large degree of consensus around the normative issue of rejecting torture. But then in terms

of the actual implications for practice, for example the transparency and accountability of institutions, opinions diverge. I think if you can try to work from these normative principles, where there is usually agreement, you can then try to address the specific questions of what this should mean in practice. Of course this is how international law and standards emerged, but most Chinese lawyers, scholars and officials were not part of this process. Involving people in thinking through these ideas for themselves can help to establish consensus and avoid some of the kinds of tensions you imply.

**AF: I understand that you are not only having these conversations with officials, with people who make decisions in China but that you also work with people in China's civil society sector. Do you have a particular understanding of civil society in your organisation? If not, how do you frame your discourse about civil society?**

NM: My original academic background was the study of anthropology. I try to understand empirically what is happening on the ground. Based on my observations over time I would say that there is definitively some form of civil society in China. If you are thinking of that as a society emerging which is really independent of the state it is relatively weak. But civil society has definitely grown in size; it has spread across the country and also has become more diverse in terms of the issues that interests it. Over the years groups of people have emerged who recognize that they need to have the substantive expertise to challenge government perspectives. For instance they want to provide alternative views. Of course the capacity of people varies and civil society organisations are spread rather unevenly across the country. I remember one of our partners once talking about a province in China and saying "there is no society there" (mei you shehui). They just didn't see any kind of independent social actors. But we work with a whole range of people. We work with lawyers, community-groups or some of the small NGOs. They may not even be registered as charities. As you know the regulatory environment for CSOs is not very welcoming. We would also include universities where they have centres and groups that are working on human rights issues, usually within law schools. That is the kind of spread of partners we work within civil society. Some of our partners are then working with more grassroots groups, which may be difficult for us to contact directly. We also do not think that this is necessarily our role. If our partners are building the capacity of other grassroots groups then it is probably more appropriate for us to support them to do that, rather than doing this ourselves.

Alternative views

**AF: You are talking about capacity building. From your experience over the past twelve years, and previously you worked for the Great Britain-China Centre as well, what kind of instruments do you feel in international cooperation, particularly in the human rights field, are the most powerful instruments? For example instruments such as study tours, trainings in the UK or in China, or local pilot initiatives? Could you provide me with one or two examples where you felt you really had an impact or effect on your partners and other stakeholders based on the added value that you created through your work?**

NM: This is quite a complex issue. I would say that all those instruments, as you call them, can play a part, but I think that they are only effective if they are integrated into the organisation's strategy. An organisation needs to have a clear idea of what they are trying to achieve. Again, that will vary according to the specific circumstances. Let us take pilot initiatives for example. In this regard the external environment in China has changed a bit.

#### Juvenile justice

When I first set up the The Rights Practice we were working on juvenile justice. We had a very receptive partner in Shanghai. Through a number of different types of activities, for example very participatory workshops in China, or by bringing people over from the UK working on aspects of juvenile justice we introduced UK pre-trial practice. There was a huge interest in the UK's institution of 'appropriate adults'. When children are being interviewed by the police they need to have an appropriate adult present. Chinese law allowed for this possibility. Our partner at the Chinese university led on this and made the case that they could do this in China as well. What I found to be really essential was that there was a local champion. There was a professor there who I had known for many years and he championed not only the ideas but also the participatory methodology. We brought over people who had a variety of experience and ran workshops which enabled our Chinese colleagues to fully engage with the issue and ideas. We also included a study tour for our Chinese colleagues. So over a period of a couple of years we had a range of experience sharing. And that work has now found its way into Chinese law. It may not look exactly the way it does in the UK, but that is ok because it is a Chinese version of the appropriate adult approach. And it is there in the new Criminal Procedure Law. In the future it will be harder to have that kind of impact and say "look what we have done".

#### Policy environment

I think that it is a more difficult policy environment in China now. It is harder for universities to be as innovative in the pilot work and the policy advocacy they do. They are a bit more constrained, particularly when there are foreign partners involved. Each of the instruments you mention does different things and can reach different people. Often you would need a whole mix of different ways in which you can try to help the people involved in pilot projects gain a new understanding. You may need to start by doing some awareness raising that there is actually a problem which needs to be addressed. And then you need to start discussing possible solutions. This needs to be followed by a process of reflection and thinking and how the proposed solutions could work in China. This would often involve bringing together people with different backgrounds. You would involve academics, but you would also include officials who are actually working on the ground. Maybe you would also include lawyers and others who might see the problems differently and who are partners in the process.

We always emphasize that all of this is a process, a learning process for everyone. But then again pilot projects may not necessarily be the best instrument for independent NGOs. That may not be something they aspire to. They may not have the capability to sit down with the government the way a university centre can.

**AF: Let us continue talking about pilots and the related issue of policy innovation and policy change. It seems to me to be a kind of ‘gold standard’ in foundation work or NGO/NPO work. On the other hand, as you pointed out yourself, it is not always possible to influence or shape policies and laws. With your emphasis on learning, how have you tried to facilitate that learning apart from these instruments? For example what role does reporting and documentation play in your work? To me it seems a very important in this line of work to document.**

NM: Absolutely. We have expectations of our partners in terms of the kind of reporting that they do for us. Partly that is to capture a certain amount of information which we may need just to be able to report to donors, in order to be accountable. We have model reporting forms and adapt them for different partners. We ask them to document what actually happened within an activity and to reflect on whether or not it achieved its purpose. We also ask the question “how would you do it differently next time”? And then we will try to periodically reflect overall on what the project is trying to do and what our partner’s experiences have been. This allows them to reflect whether or not they need to adjust their approach to things. We try and encourage our partners to do this not just because we are asking them to do it but so that they begin to realise that this is useful. Sometimes we have to spend some time explaining to our partners what we are looking for. If you are asking your partners whether their activity has been successful they will reply yes. But then we would ask them what their criteria of success are. We tell them that they would learn more if they were completely honest. We don’t mind if they report that something did not quite work. They can say that they did not actually prepare an activity well enough. Or we did not think about this or that or the right people did not attend. These learning processes are very important.

Reporting

**AF: In this line of work it seems clear to me that some activities will be very successful, whereas other activities— for a variety of reasons— will not be quite as successful. How do you learn from successful and unsuccessful initiatives? Do you encourage your staff to also look at cases of failure and try to learn from things that have not worked?**

NM: Yes. Within our organisation at least two staff members are working on a project. This ensures that there is a conversation going on between them. One person has an oversight role and primarily asks questions. I will also engage in that process on all of the projects. We try to look at what seems to be working. We also ask where the problems are. If there are problems, we ask ourselves whether we conceived the project properly. Or are there problems for which we have not yet found the right way to address them? Sometimes the issue may be with the partner’s own organisational capacity. In that case we realize that they are part of the problem and we need to help them. We have regular meetings with partners in which we look at what they are doing and whether it seems to be working. We hope through trusting relationships we can all better understand what works, what does not and why.

**AF: Sometimes projects and programmes have been critiqued for their lack of sustainability or the long-term viability of project-based inputs. You mentioned one very successful example of juvenile justice innovation**

**that you were facilitating through your work. Do you have any other examples where you felt that with your emphasis on procedure and process-oriented work you have been able, in a very sustainable way, to gradually move towards improvements in a certain area?**

Policy sustainability

NM: Policy sustainability is probably the most challenging area. A couple of our projects work on policy issues, but at the moment they haven't experienced significant breakthroughs. They are still trying to shore up policy support on the official side. In terms of some of the other projects we are focusing more and more on organizational sustainability, both at the individual and organizational level. Does the organisation feel more empowered? Does it feel that it has acquired improved skills and capacity and will be more effective? Can it be more strategic? Does it recognise what it can and what it cannot do? How does it contribute to the change they want to bring about? We usually find when we first start engaging with partners that there is an impressive analysis of everything that they want to change, that there are many things they think are wrong. But what is much harder for them is to be able to focus and identify where they are, as lawyers or academics, or as an NGO, where they can leverage influence and what they can actually do. I think that if people are quite clear about that they have a much better chance of having an impact with the work that they do. I also feel uncomfortable taking credit for what another organisation has done. After all they have done the work. We hope we might have helped inspire them a bit, mentor them a bit, helped with the process. But there will be many other influences on them as well. Especially in the context of a project I am hesitant to point at something and then say "we did that". We are happy if partners demonstrate increased effectiveness to do what they want to do to improve the human rights situation.

**AF: This kind of capacity building for individuals and organisations arguably could be done not just by The Rights Practice but principally by any foreign organisations that engages with China. Do you have some specific ideas how civil society engagement, participation and human rights could be mainstreamed in the more conventional development projects or international cooperation projects with China?**

Mainstreaming

NM: I am sure that more could be done. We have not had the time to really look into it, but I think we take some of our approach and methodology from the development NGOs and the way they work. In this respect we may differ from other organisations which work on the rule of law. In our human rights capacity building we are very much driven by context. We are not just delivering training on an international convention, like the Convention on the Rights of Persons with Disabilities. For us the question always is "what does this mean for China"? What does it mean for people working in China? How can we make it real and relate it to day-to-day practice? I think you could mainstream specific ideas such as civil society engagement, participation and human rights across many areas of engagement with China. You can share your philosophy and approach on how you are trying to do your work. You can also reflect on the kinds of values that guide your work. We are part of a network of British NGOs working in development, who are trying to improve their effectiveness; this has been helpful in reflecting on the way we work in China. I think that there is a growing body of relevant experience out there, but perhaps those of us working on China are less used to sharing practice with people working in other countries. This maybe because we fall into a trap of Chinese 'exceptionalism', but I think it is a shame. ■



# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**A healthy society should have the three sectors government, business as well as the third sector, which is the development of civil society**

An interview with Dr Liu Zhouhong, Former Secretary-General of Narada Foundation





CHINA  
DEVELOPMENT  
BRIEF



This interview was conducted by Dr Andreas Fulda as part of a research project commissioned by Geneva Global. It is published by China Development Brief and Geneva Global. Geneva Global is an innovative social enterprise that works with clients to maximize the performance of their global philanthropic and social impact initiatives. The interview reflects the independent opinion of the interviewee and does not represent the views of the publishers.



**Dr Andreas Fulda is an academic practitioner with an interest in social change, organisational development and documentary filmmaking.**

During the past ten years Dr Fulda has helped design and implement three major capacity building initiatives for Chinese CSOs: the *Participatory Urban Governance Programme for Migrant Integration* (2006-07), the *Social Policy Advocacy Coalition for Healthy and Sustainable Communities* (2009-11) and the *EU-China Civil Society Dialogue Programme on Participatory Public Policy* (2011-14).

Dr Fulda is also the editor of the book *Civil Society Contributions to Policy Innovation in the PR China* (Palgrave Macmillan, April 2015).

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## Highlights from the interview

**In all of its activities the Narada Foundation considers its mission and strategy. When they say they support civil society organisations (CSOs), they actually mean it. So they would not support government bodies, for example. Secondly, the Narada Foundation has strategies in terms of how to support CSO development. For instance, supporting projects, supporting the development of talent and the development of organisations in this sector. Moreover, they organise conferences or activities to influence the development of this sector, for instance increasing transparency or capacity building.**

**One of the key principles of the Narada Foundation's funding criteria is that the grantees need to share the same goals as they do. If everyone shares common goals, they then check if the organisation is professional enough and then look at the team capacity. Take migrant children's education for example. The common goal is to provide better education for these migrant children. In terms of implementation, the foundation is quite flexible and would not interfere too much. Some organisations may provide activities in the community. Some may provide training to the teachers of the migrant children's schools. Others may provide new curriculum, such as English, art, physical education or music.**

**In the case of projects related to the development of the sector as a whole, it would be better to collaborate with as many organisations as possible. A good example is the China Private Foundation Forum, which was initiated and funded by fifteen foundations. The development of private foundations relates to everyone in this sector, therefore it is necessary to get support from everyone. Another example is the China Foundation Centre. In this case there are more than 30 foundations collaborating together.**

**On the one hand, it will get easier to get registered as an CSO in the next ten years. Thus, the numbers of legitimate CSOs is likely to increase significantly in the future. On the other hand, whether the quality, professionalism and the capacity of these organisations will equally improve is another question. Many factors need to be considered. Are there enough resources to promote the development of this sector? Will enough new talent be drawn into this sector? How supportive will the government be towards this sector?**

**More citizen rights should be given to people, especially rights in philanthropy and public service provision. CSO registration is now gradually being relaxed. Public fundraising can be opened up in a next step. Currently, the government monopolises public resources.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 8 July 2014. Translated by Sujing Xu and Andreas Fulda.*



## Interview transcript | Dr Liu Zhouhong

**Andreas Fulda (AF): Let us start with the question on funding. What are your key criteria for the selection of civil society initiatives in China? To what extent do you consider the Chinese government's position on civil society initiatives in your internal decision-making process?**

Liu Zhouhong (LZH): We consider more the mission and strategies of our foundation. Firstly, when we say we support civil society organisations (CSOs), we mean it, so we would not support government bodies. Secondly, our foundation has strategies in terms of how to support CSO development. For instance, supporting projects, supporting the development of talents and the development of organisations in this sector. Moreover, we organise conferences or activities to influence the development of this sector, for instance increasing transparency, capacity building. These are our own strategies. If the government would like us to do something that is not related to our mission, we would not consider doing it. Saying that, many issues we care about the government also cares about, for instance migrant children's education, disaster relief, pensions, environmental protection, etc.

**AF: Do you provide grants to GONGOs (Government-organised non-governmental organisations)?**

LZH: We mainly provide grants to grassroots organisations, not to GONGOs.

**AF: Do you provide overhead cost to your grantees as well as activity costs? If you provide both, what is the ratio of the two?**

LZH: Our grants include three types: one type supports projects, for instance supporting a charitable organisation to provide services to migrant children, or supporting an NGO for disaster relief. These types of grants take up to 30%. The remaining 70% are grants to support sector development, investments in the training of personnel through our Ginkgo Fellow Program as well as supporting the growth of grassroots organisations through the Bright Way Program. By supporting organisations to grow, they promote the overall service quality of their respective fields. We also support the China Foundation Centre to increase the transparency of the philanthropic sector. Furthermore, we have organised the China Private Foundation Forum to promote collaboration and communication in this sector. We support research projects too, including government procurement of public services, information disclosure etc.

The Narada Foundation primarily supports grassroots organisations

30% of overall funding is provided to support projects implemented by CSOs

70% of the remaining funding is provided to develop the philanthropic sector as a whole

**AF: That's very interesting. For these projects funded by Narada, how do you square the circle of your donorship and your grantees' ownership of civil society initiatives? It is quite likely that while Narada and your partners sometimes will share similar goals, sometimes you will not. How do you make sure your partners share similar goals to yours?**

Liu: One of the key principles of our funding criteria is that the grantees need to share the same goals as we do. If we share common goals, we then check if the organisation is professional enough and then look at the team capacity. Take migrant children's education for example. The common goal is to provide better education for these migrant children. In terms of implementation, we are quite flexible and would not interfere too much. Some organisations may provide activities in the community. Some may provide training to the teachers of the migrant children's schools. Others may provide new curriculum, such as English, art, physical education or music.

There needs to be a clear overlap in terms of the goals of the Narada Foundation and its grantees

**AF: Do you prefer a particular type of partnership model over another, e.g. a single entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners ?**

Liu: We would like to have more opportunities to form multi-entry partnerships. We are considering to have more partners to do something together, which is not about money, but about influence, hoping more organisations in the sector pay attention to an issue and expand the influence. For instance, we are doing a survey on the status quo of the development of personnel in the public service sector. We thought it would be better to collaborate with other foundations. Eventually, the research was funded by eight foundations, including Narada Foundation. We will work together and publicize the report together. The rational behind this is to have more people paying attention to this particular issue, and once the report is published, these eight foundations will be able to use their own networks to disseminate the report. This project does not require much funding -- 200,000 RMB should be enough -- which means that each organisation provides a bit more than 20,000 RMB each.

Multi-partnership models are more common in projects aimed at the development of the philanthropic sector in China

Another point, as I mentioned earlier in our supporting approach, is not just to provide funding for projects. We also have the Bright Way Program to help develop grassroots organisations. We help build contacts and networks according to the needs of the specific organisation.

We also use our network advantage with enterprises, other foundations and funders to provide a platform or to introduce other resources to our grantees. For example we produced a catalogue which introduces fifty partner organisations to prospective funders. This allows funders to identify suitable partners for their work. Currently, we do more of this type of bridging work, not so much of multi-funders supporting one organisation doing one particular project.

**AF: You said you do not have so many multi-partnership projects. Is it difficult to have multi-partnerships in China?**

LZH: It really depends on each case. For these small projects, there really is no need to get other organisations involved. On the other hand, in the case of projects related to the development of the sector as a whole it would be better to collaborate with as many organisations as possible. A good example is the China Private Foundation Forum, which was initiated and funded by fifteen foundations.

The development of private foundations relates to everyone in this sector, therefore it is necessary to get support from everyone. Another example is the China Foundation Centre. In this case we have more than 30 foundations collaborating together. We are working on a forum to promote social enterprises and social investment at the moment. We are hoping to collaborate with at least ten organisations to do it together, with the aim to promote the development of our sector.

**AF: Talking about civil society in China, do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in Narada Foundation?**

LZH: We would like to promote the development of Chinese civil society, since we believe a healthy society should have the three sectors: government, business as well as the third sector, which is civil society. Since the opening-up policy, the government sector and business sector have developed significantly; however, civil society has not yet been developed fully. It is actually still quite weak.

Therefore, we would like to see the development of the third sector. We believe that in order to develop civil society, it is necessary to develop CSOs. With the development of CSOs, citizen awareness can thus be strengthened. This is why Narada Foundation supports the development of CSOs, including projects, personnel development, organisational as well as sectoral development.

The China Foundation Center is not only supported by Narada Foundation alone, but receives the support of thirty foundations

A healthy society requires the three sectors government, business and civil society

**AF: How do you notice changes in China? Through news, academic articles or project reports? Are there any other ways to get the information you are looking for? And how do they influence your thinking?**

LZH: Since we are in China, we can feel the changes directly. Yes, we learn and understand changes through the ways you just mentioned. Besides, we meet colleagues and friends everyday, sharing and learning from each other. For example, if we are interested in the topic of pensions, we would read research reports, including those commissioned by the government or CSOs. We would also talk to professionals in the third sector, or go to their meetings or conferences.

**AF: What kind of changes do you foresee for Chinese civil society in the next ten years?**

LZH: On the one hand, I think it will get easier to get registered as an CSO. Thus, the numbers of legitimate CSOs is likely to increase significantly. On the other hand, whether the quality, professionalism and the capacity of these organisations will equally improve is another question.

It will become easier for Chinese CSOs to register in the future

I am not particularly optimistic about it. Many factors need to be considered. Are there enough resources to promote the development of this sector? Will enough new talents be drawn into this sector? How supportive will the government be towards this sector?

**AF: What kind of change would you like to see on the individual, organisational, societal and/or policy level?**

LZH: I would like to see more citizen rights given to people, especially rights in philanthropy and public-service provision. CSO registration is now gradually being relaxed. I hope public fundraising can be opened up in a next step. Currently, the government monopolises public resources.

The government still monopolizes the right to raise funds publicly

Civil society actually is very creative. If given the right to publicly raise funds and if it is being provided a less restrictive environment, with tax and policy incentives, there is a lot of potential to explore in public fundraising.

At the moment, there is only about 100 billion RMB being raised annually in China. Such public resources should be harnessed by the market, not monopolised by the government. The government should withdraw from public fundraising.



**AF: What conclusions do you draw when you realise that the anticipated outcome or change has not been achieved by the civil society initiative you have supported? For instance some projects supported by Narada Foundation would be successful, whereas some others may to certain extent be a failure.**

Foundations which support public interest projects need to accept the possibility of failure, too

Liu: We can accept failures and are willing to take the risks of supporting many innovative projects. It is our philosophy to take risks, and allow the making of mistakes. Only in this way we can encourage innovations. However, we should try our best to avoid mistakes and failures.

Therefore, it is important to evaluate a project in the beginning stage to check the feasibility, the capacity of the team, as well as risks. If a project fails despite all the evaluations, we would learn from the failure, analysing the reasons behind it and avoiding similar mistakes in the future.

**AF: Another question is also related to the civil society initiatives supported by your organisation. What would be feasible outcomes or goals? How would you find suitable ones? If the goals were set too high, they would not be reachable; if the goals were set too low, they might not affect meaningful change.**

Why it is difficult to set good goals and outcomes for leadership programs like the Gingko Fellow Program

Liu: It is not easy to set goals or outcomes for the projects we fund. Take the Gingko Fellow Program for example. It is a program to invest in talents and cultivate future CSO leaders in particular fields for China, such as environment protection, education, or social service delivery.

However, how do we define leaders' and CSO leaders' success and influence? They are not easy to define. Our goal for this program is not high. The grantees should have study plans with a development goal for each year. Each grantee would receive a 100,000 RMB grant each year and he or she can decide how to use the grant.

In return for our support our fellows have to write reflective reports every year, including reflections on what goals they have achieved and what they can do to improve. If there are goals which have not been achieved, what were the reasons? Were there too many goals or were the leaders too busy with other work?

In terms of this fellowship program, we discussed our expectations. For instance if we supported 100 Gingko fellows, how many of them would become CSO leaders in the future? 70% or 50%? In the end we thought it was pointless to set such goals.

I personally think that if 10 out of 100 fellows would become CSO leaders in the future, it would be already an incredible achievement. I think in the end it is about the improvement of each fellow's capacity, e.g. leadership, management, professionalism, communication and collaboration skills. In the meantime, the improvement of his or her team and organisation is also a goal. Achieving this goal is good enough.

**AF: What follows is a very specific question. Do you have any particular requirements in terms of the reporting, for instance, the format of the report?**

LZH: Generally speaking, we require an interim report at the mid-point of the project's implementation. We also require a final report when the project is completed.

Reporting requirements

For some projects, such as disaster relief, or the new citizen program, we have evaluation forms that are filled out by the grantees themselves, including their goals and achievements. There are two purposes with these reports: one is for project management, the other one is for self-assessment.

**AF: I noticed that most of the project reports are for internal use. Just as you just mentioned, for example, for project management purposes. However, it would be very valuable to have some of these reports published in public, so people from the outside can read them too.**

LZH: Yes, we would be happy to share the reports with the public. They are not online yet. I will see if it is possible to have them online.

Considering the possibility to share project reports with the public

**AF: Do you require applicants to include social impact design and an evaluation strategy in their funding bids? If yes, can you provide specific examples?**

LZH: Yes, we do have evaluation section in our application form, which includes self-evaluation and third party evaluation of the given projects.

**AF: How do you learn both from successful and unsuccessful civil society initiatives?**

Importance of needs assessments

LZH: For those unsuccessful civil society projects, one of the main reasons was wrong judgement of the demands on the ground. Because of the wrong judgement of the real demands, the projects needed to be redesigned and the needs had to be re-investigated, which caused big trouble.

As for those successful projects, they normally had a good judgement of demands. Besides, they had a good team to implement the projects, who were enthusiastic, idealistic and determined. They would treat the projects as their mission. Also, they would involve different stakeholders in their work.

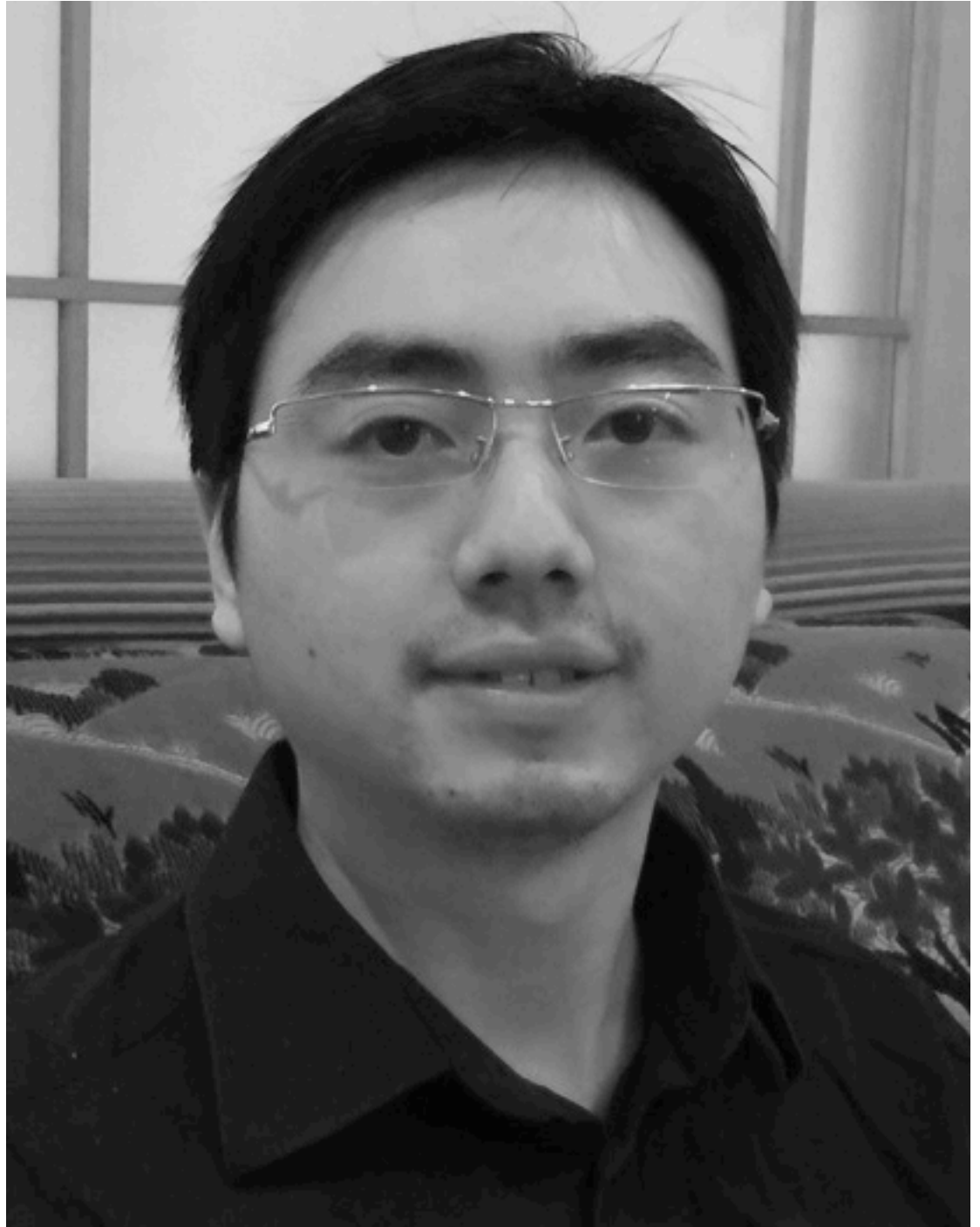
**AF: Finally, I would like to ask you how you ensure the sustainability of successful civil society initiatives?**

Why projects need an exit strategy

LZH: We have a withdrawing mechanism. We do not support any given project forever, even the good ones. On the one hand, we consider how we would withdraw from a project at the beginning stage of implementation. One solution could be getting more funders to support a particular project, a particular organisation. Even if we had to withdraw in the end, other funders would be able to continue supporting the project.

Secondly, it is important to raise the organisational capacity, which enables an organisation to get more funding support from other funders. We would introduce resources of our partners or networks to our grantees. We would also encourage our grantees to seek for additional funding. We might say to them that we are going to support them for the three years. We would also ask what they will do after these three years. They need to think ahead. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Ensuring that children have an equal opportunity and are not marginalized, regardless whether it is because of a disease, their status, their family, their body or their IQ**

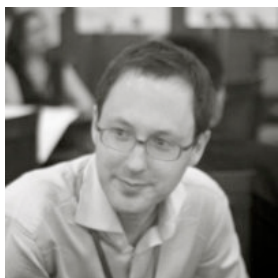
Liu Jingtao, China Charities Aid Foundation for Children,  
Program Development Department, Director



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

We are a grant-making foundation (zizhuxing jijinhui). We have been supporting innovative public interest projects of civic public interest organisations in order to help specific groups of children. In terms of selecting projects and organisations we have about six criteria. They include the project's level of innovation, whether or not a project is open and transparent, the implementing capability of the prospective project organisation, as well as its likely social impact. It also includes whether or not it has an oversight mechanism. For all these criteria we have specific explanations for why we chose a project. We give scores for project applications. As we are engaging in children's work we look for projects which deal with children.

Ninety percent of our funding goes to grassroots NGOs. They have no government background. Maybe ten percent have a government background. When we started providing grants in China, grassroots-level organisations were very weak. Their implementing capabilities were lacking. This is why we initially supported some government agencies or organisations with a government background doing public interest projects. But in the past two years the power of the grassroots has increased. This is why in the past two years we have almost not supported any public interest organisation with a government background.

Last year we have also started promoting the Children's United Way Programme, which is a bit similar to the United Way in the United States. United Way helps to raise funds for civic public interest organisations. Only public foundations like us are licensed to do public fundraising. I think that this restriction is unreasonable. This is why we are now promoting the United Way Programme. So if an organisation wants to organise an activity and has to raise funds for it but can not do this themselves, they can partner with us. We thus act as their supporting unit, which solves their problem of not being licensed to raise funds. Once we raise funds we use all of these funds to support their projects.

We have an internal statistic which we are very proud of. Last year the personal donations made up 54% of all of our donations. Do you know the average percentage of people donating in China? In China about 10% of the people donate. Company donations make up about 70%. If you look at the statistics in the United States you will see that about 70% of the people donate and that 10% of the total figure comes from companies. We feel that our foundation is very grounded. We are very close to grassroots-level NGOs and the public.

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 8 July 2014. Translated by Sujing Xu and Andreas Fulda.*





## Interview transcript | Liu Jingtao

**Andreas Fulda (AF): My first question is related to your philanthropic approach. What are your key criteria for the selection of civil society initiatives in China? To what extent do you consider the Chinese government's position on civil society initiatives when reviewing your project proposals?**

Liu Jingtao (LJT): That is a good question. Let me first talk about how we as a foundation provide funding. First of all we are a grant-making foundation (zizhuxing jijinhui). I am sure you are aware that most foundations in China are self-operating (yunzuoxing jijinhui). This means that the latter type of foundations implement specific projects. So for example the Project Hope foundation is building schools. They also support the Care Package project, which provides clothing for children. In the case of our foundation we have been saying from the very beginning that we will be a grant-making foundation. So from the very beginning we have been providing grants. We have been supporting innovative public interest projects of civic public interest organisations in order to help specific groups of children. So in most cases we have been fundraising, followed by the selection of good projects and organisations. This is how our foundation operates.

Grant-making  
foundation

In terms of selecting projects and organisations we have about six criteria. They include the project's level of innovation, whether or not a project is open and transparent, the implementing capability of the prospective project organisation, as well as its likely social impact. It also includes whether or not it has an oversight mechanism. For all these criteria we have specific explanations for why we chose a project. We give scores for project applications. As we are engaging in children's work we look for projects which deal with children. The reason for this is that first of all we consider children a vulnerable group. Secondly, in China you have regions of poverty and marginalized urban places, for example in terms of the children of migrant workers, where we see the most vulnerable people. This is why we have chosen to work for this group of people.

Support for three  
hundred civic public  
interest organisations

Until now we have supported different types of projects of about three hundred civic public interest organisations in the fields of education, psychological counseling, environmental protection and community activities. We have also supported some disease prevention projects that relate to the well-being and education of children. Our projects are very diverse. In terms of the last part of your question about our position on the projects and the government's position on projects, I think that there is no fundamental difference between our project choices and the government's standpoint. At least I can not see much of a difference. This is because the projects we choose are helping children; they are projects for a vulnerable group that people in society think should be helped.

Of course when we make our choices we pay attention to some particularities, for example we hope that through a specific project and its implementation a specific societal problem can be solved. As such it is a kind of explorative work. Through this process of exploration we hope that a project can come up with a way of solving the specific problem, for example the education of children of migrant workers.

We support a few projects aimed at the education of migrant workers' children. In these projects we try to explore new ways. For example we encourage teachers to provide extra-curricular activities for children. Or we let volunteers look after children on weekends, when the parents can not take care of them. This way they can assist the healthy growth of these children. All of this helps children to establish the confidence to enter society. We hope that through our projects, through the implementation of our projects we can come up with some good practices. Or we can influence the policies of the government. This is what we pay attention to when selecting our projects.

**AF: You just mentioned three hundred civic public interest organisations. How much of your funding support is geared towards government-organised non-governmental organisations (GONGOs) in comparison to grassroots NGOs?**

LJT: Ninety percent of our funding goes to grassroots NGOs. They have no government background. Maybe ten percent have a government background. When we started providing grants in China, grassroots-level organisations were very weak. Their implementing capabilities were lacking. This is why we initially supported some government agencies or organisations with a government background doing public interest projects. But in the past two years the power of the grassroots has increased. This is why in the past two years we have almost not supported any public interest organisation with a government background.

Grassroots NGOs

**AF: Do you provide seed funding for Chinese civil society organisations (CSOs) or do you mostly cover activity costs for projects and programmes? If you provide both, what is the funding ratio? I am asking this question because I am aware that there exist some differences in China in comparison with other countries.**

LJT: In the past the majority of our funding was for project activities. We almost allocated no seed funding for the organisations. What we did is that within the project expenses we allocated a portion for administrative costs or subsidies for staff members. So all of our projects followed this format. In the beginning we felt that the public would not understand this. As a private foundation we wanted to avoid any suspicion from the public. This is why we only provided project funding. We have now also started to transform our way of doing things. In which ways are we transforming? We are now providing capacity building. Last year we have also started promoting the Children's United Way Programme, which is a bit similar to the United Way in the United States. United Way helps to raise funds for civic public interest organisations.

Seed funding

I am sure that you are aware that in China the majority of organisations are not licensed to raise funds. Only public foundations like us are licensed to do public fundraising. I think that this restriction is unreasonable. This is why we are now promoting the United Way Programme. So if an organisation wants to organise an activity and has to raise funds for it but can not do this themselves, they can partner with us. We thus act as their supporting unit, which solves their problem of not being licensed to raise funds. Once we raise funds we use all of these funds to support their projects. This way we raise funds from the public. This is different from the past when

Public fundraising  
licenses

the majority of the NGOs were raising funds from foundations, companies or the government. This led to a situation where their impact on society was very negligible, more like a one-way street. This meant that they only needed to provide a project report and that was it. Now that we are starting to raise funds from the public you need to solve a couple of problems. First of all, your projects need to be very professional since people are watching you. Secondly, the transparency needs to be high. Otherwise nobody is going to donate to you. Thirdly, the effect is that in this process the project group's skills, including financial skills are gradually improving.

United Way  
Programme

We have realized that by helping to raise funds for organisations and providing training to them we have massively increased their organisational capacity and their impact on the public. We currently do not give the funds directly to the NGOs. Instead through all sorts of programmes and platform services (pingtai fuwu) they can recover costs. This way we have helped them in an indirect way. What we will do in the future is that with all organisations participating in our United Way Programme we will chose those with the best projects, which are transparent, innovative and impactful. We will incentivize them. How will we incentivize them? Through seed funding. By giving them an incentive fund we provide support for their organisation. They can spend it on project activities, but they can also allocate it for administrative costs or subsidies for their staff. They can come up with their own plans for this. As such I feel that there is a change happening in our way of thinking. This is also a change to the way of thinking in the whole of China's public interest sector.

**AF: In your answer you touched upon the issue of cooperation. How do you square the circle of donorship (e.g. the definition of key criteria for the selection of civil society initiatives in China by the funder) and ownership of civil society initiatives (e.g. the steering competency of Chinese partners and their desire to pursue their own goals)?**

Respect

LJT: Until now we are basically respecting the project plans of our cooperation partners. We do not meddle in their affairs and tell them how to do things. As long as a project fits into our overall direction and meets our criteria we are willing to provide funds or all other kinds of support. As such we concentrate on our role as funder and try not to interfere too much on the project side.

**AF: I would like to ask you a related question. Do you prefer a particular type of partnership model over another, e.g. a single entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners?**

LJT: Until now we have not provided funds in multi-entry partnerships. On the one hand it is more convenient that way. It is easier if you only have one funder. If you have more than one funder it may be difficult to coordinate the different interests and different ways of working. Of course we are aware that in many projects that we support our partners also receive support from other foundations. But in case we support them, the project may be conducted in one county, whereas the other foundation supports project work in another county. So there will be differences in the localities or contents of the projects. This prevents that there is a mix-up of our project and the projects supported by other foundations.

**AF: How do you assess ability of implementing organisations, for example of Chinese civil society organisations? When you consign a project to a grassroots NGO they may not have such a big network or contacts to begin with and may not be able to achieve big impacts. How do you assess your cooperation partners?**

LJT: This also causes some headaches for us. In the early stages of our grant making we saw that many projects were not very successful. In the beginning we may have not been familiar enough with the projects or we could not assess the ability of the project groups. This led to a situation where projects spent their money but did not achieve outcomes. We have a third party which helps us evaluate projects. I really hope that there will be an organisation in China which will be able to combine all these evaluations in one place. This would really help us before we provide grants. Just like when you go online on Taobao or Amazon and buy goods you can see how other customers have rated the product or the company. You can see the scores and feedback. Such a system would help us make choices in our grant making.

Third party  
evaluations

**AF: Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

LJT: First of all, when we talk about civil society, we do not use this term. Everyone has a different understanding of what it means. This can lead to conflicts on the conceptual level. Of course we are aware that in the West a lot of people talk about civil society. In present-day China, but also for some time now, this has been a sensitive term. This is why we usually say that everyone should have equal rights. We hope that especially in terms of civil society or a better society that everyone will obtain an equal opportunity to develop.

In our work with children we ensure that we start with children and ensure that they have an equal opportunity. They should not be marginalized, regardless whether it is because of a disease, their status, their family, their body or their IQ. So the civil society we envisage or the goal that we want to accomplish is to let more and more people participate in public interest work. Especially in China, very few people participate in public interest work. They do not understand public interest work and the social organisations in China. A lot of people make a name by critiquing them, yet we would like them to participate in public interest work.

Participating in  
public interest work

When everyone is pursuing a more equal society and everyone is participating in public interest work they participate not just because they have sympathy for vulnerable groups. They participate also for their own rights and interests. If you engage in environmental protection you do not only help the children of your community but also your own children. So in this sense you are also protecting your own rights and interests. Once everyone protects their rights and interests we would consider this a civil society. When everyone participates to protect vulnerable groups in society we may experience that one day maybe your own relatives or your friends may be among them. So in this sense you are combining your own interests with the interests of the society. We think that this is the public interest. So through our work with children they benefit. By enabling the public to participate the participation levels

increase and there is a greater impact. We think that this kind of civil society is in a process of constant maturation and development.

**AF: In 2012 we saw a couple of cases of child abuse. Some Heads of School and teachers harassed children. Since you work with children do you see these kinds of risks? For example, when you support organisations it could happen that in the implementation process some people may harass children. Have you thought about this danger? Do you engage in some risk analysis or do you provide training? We can see reports about child abuse both inside and outside China. Once these things happen they can have a huge impact.**

Preventing the sexual  
abuse of children

LJT: Honestly speaking we do not yet have such a prevention mechanism. You are reminding us of something very important. Even within China's more established education sector there is no such mechanism. So in the public interest sector, most people are still thinking how to alleviate poverty. They have not yet thought about setting up such a system. Of course I have also seen that in some of our public interest projects these projects specifically aim at protecting the security of children. For example there are projects which aim to prevent the sexual abuse of children. These projects do exist, but there are no specific criteria for project staff members or the people that engage in such public interest work. We do not yet have a more complete system for these people.

**AF: Let us talk about social development. What are your views on the development of China's civil society and public interest sector in the next five to ten years?**

LJT: You should ask Xu Yongguang this question (laughs). Do you know Xu Yongguan? In my personal opinion, and I may not be right, in the next five to ten years we will see a massive growth of non-profit organisations. More and more people will want to join public interest work. They will need to establish an organisation as a vehicle. In the beginning they may work in concert with a few other volunteers and participate in some activities. Over time they may work with more people and form a group. They then register an organisation to do this kind of work. We will see an explosive growth. This includes foundations. To my knowledge last year the number of foundations increased by about 1,000. This means that basically you see that every day a couple of foundations are coming into being in China. This kind of speed is very rapid.

Public participation

My second observation is that in the next five to ten years we will see a big trend in terms of public participation in public interest work in China. In the past we saw a rather passive participation model. When there was an earthquake the government would issue a call, work units would also issue a call and people would donate money, for example 100 RMB per person. It is this kind of way, which is a passive participation model. I think that in the future we will see a lot of active participation.

We have an internal statistic which we are very proud of. Last year the personal donations made up 54% of all of our donations. Do you know the average percentage of people donating in China? In China about 10% of the people donate. Company

donations make up about 70%. If you look at the statistics in the United States you will see that about 70% of the people donate and that 10% of the total figure comes from companies. We feel that our foundation is very grounded. We are very close to grassroots-level NGOs and the public. In our work during the past two years, more and more members of the public are very enthusiastic. They are willing to participate. We think that public participation and public fundraising has a lot of potential. The fact that in the past so far people lacked trust and understanding and thus did not participate does not mean that China's public does not care about public benefit work. This is why I think that we will see this as a major trend in the next five to ten years.

**AF: Let us continue to talk about your philosophy of change. What kind of change would you like to see on the individual, organisational, societal and/or policy level?**

LJT: The first change we hope to see is that the NGOs that we support can engage in public participation. We do not want them to simply do their project. Instead, they should call on the public to participate, regardless whether it is in the form of volunteering, public fundraising, or public advocacy. In the past NGOs were rather weak on these fronts. Of course this also has to do with various policy restrictions. This is also why we do our United Way Programme. It helps the NGOs to change. In this change process they realize that they become more impactful this way. So this is about the organisational change.

The second change we have always advocated for is related to our peers in other foundations. We hope that more and more people can share their resources. We especially hope that more private foundations will join the United Way Programme, work with our NGOs, help them raise funds and assist them to allocate resources. When we run our forums we call on other colleagues to do this kind of work.

From a policy level we hope that the Ministry of Civil Affairs and their department which manages the affairs of civil society organisations, including the Charity Law, which governs how foundations should run, will allow social organisations to have a license to engage in fundraising. They should simplify the procedures, and make it easier to register. In a sense this is like thirty years ago, when China engaged in market economic reforms. Our reform and opening up is the same. Back then a lot of people had concerns that when we allow people to engage in commercial activities that something bad may happen. Because in the past the government was involved in all kinds of commercial activities. Nowadays our social organisations are in the same situation. We have realized that in the past thirty years there not only have not been any major incidents, but instead China's economy has steadily developed. Once you have a good policy, and the state manages affairs well you will see that even if some things happen, they are small things. There will always be a minority of people who cause trouble. But that is not a problem, as long we see that on the macro level everything is ok. The majority of public interest organisations are keen to see society develop in a better direction. So we hope that on this level, the policy level, that the government and its management of NGOs and social organisations can become more open. This is also something which China's current leadership is constantly exploring and calling for. But I think that this is a process.

Charity Law



**AF: What conclusions do you draw when you realise that the anticipated change has not been achieved by the civil society initiative supported by your organisation?**

LJT: In terms of unsuccessful projects in the past we used the grant-making mechanism. Most of the time the money would be already spent. But of course if we realize half way through the project that there are problems, we could also stop it immediately. We would stop the cooperation in order to minimize the losses. Nowadays we approach this issue more from the perspective of capacity building. We use the United Way Programme to support projects. We are more flexible now. For example when we sign a contract agreement for a year and you have been doing some good work we can prolong your project contract and give you even more support. If your project is not working well we can stop the cooperation at any time or decide not to prolong the contract. We are now a bit more flexible.

**AF: What do you consider realistic outreach goals for civil society initiatives funded by your organisation?**

LJT: When we support a project and in the cooperation with our NGO partners we initially do not talk about big objectives, or say much about the impact. We do not tell them to work in how many counties and reach out to how many people. What is first and foremost on our mind is whether or not your project is going to help promote change for children. We look at whether you can bring about change for a child, a classroom, a whole school. So we analyze this point by point. We first look at the effectiveness of the project and whether or not it can bring about change. Only then do we try to quantify things. In terms of quantity this is something that can be solved with increased inputs and increased resources. But for our projects our theme is “small and beautiful”. Maybe the project is very small, but it is very good and practical. Such a project can be replicated and promoted elsewhere. So we usually do not require our projects to aim big. Instead we ask people how they will solve one small problem. We will then begin by first investing a small amount of funding and provide a few resources. Only if they can solve the problem we will look at bigger aims. So we are moving forward step by step. Of course it is possible that you will not achieve your objective. In such cases we will analyze the situation jointly and see what the underlying reason is. Is it a problem of project design or is the problem one of lack of communication skills? Or is it that we invested too few resources? We then jointly solve these problems.

**AF: What are your requirements in terms of project and programme documentation?**

LJT: We require a monthly project progress report. In the case of a one-year project you also need to submit a report after six months, a mid-term report. We also require a final report after the end of the project. At every step our third party evaluation organisation will also provide us with a report. Based on these two types of reports we will decide whether or not to we should continue supporting the project. So there is continuous documentation. In terms of project progress, if there are good stories or news, we require our partners to send them to us in a timely fashion. This way we can inform the media and public about the progress of the projects.

Promoting change for children

Reporting

**AF: Do you require applicants to include social impact design and an evaluation strategy in their funding bids? If yes, can you provide specific examples?**

LJT: I have to say that the majority of grassroots NGOs do not have an evaluation system. First of all they do not have this kind of skills. They may have the group of people which can implement a project well, but they usually do not spend much time to evaluate their work. Those who do are a minority. They may have existed for a long time and have the capacity to learn quickly. They have a way and thus do this kind of evaluation. So currently we see that for a majority of Chinese NGOs evaluation is a blank sheet. They are still in the stage of applying for funding and making sure that they implement the project quickly. Once the project is implemented they ask the funder to evaluate and see whether it is good or not. It is quite rare that they evaluate the project themselves. But as I said, there is a minority which has been doing this work for quite a while who are able to do these kind of evaluations. They can present themselves and let the funder see that their work has had some outcomes. Organisations which have this kind of evaluation capacity will be seen by more people, and funders will pay more attention to them. They will also get more funding support.

Evaluation

**AF: How do you learn both from successful and unsuccessful civil society initiatives?**

LJT: In terms of successful initiatives it is usually because of the project groups. When we decide on grants we pay most attention to the group and their project. Actually a lot of people can design these types of projects. For example there is a project which someone can design. Another organisation can also design it. But the capacity of a project group you can not design. It actually exists. So in the grant making process we pay a lot of attention to whether or not the group is reliable, whether its team members are reliable. If they are we will support them. Even if the project is not so successful in the beginning we trust that the group will do all necessary changes to turn the project into a successful one. So the groups behind projects are very important. The second success factor is public participation, something I spoke about earlier. A good project design allows for public participation. These kinds of projects are usually more successful. If the project is only done by the few people who are implementing them, these kinds of projects are usually not very successful. Even if you implement your project well such projects only have a limited impact on people. So the two things you need are a good project group with a project design that allows more people to participate. This is what we consider a very good project. Such projects often can even influence policy.

Success and failure

**AF: My last question is how do you ensure the sustainability of successful civil society initiatives?**

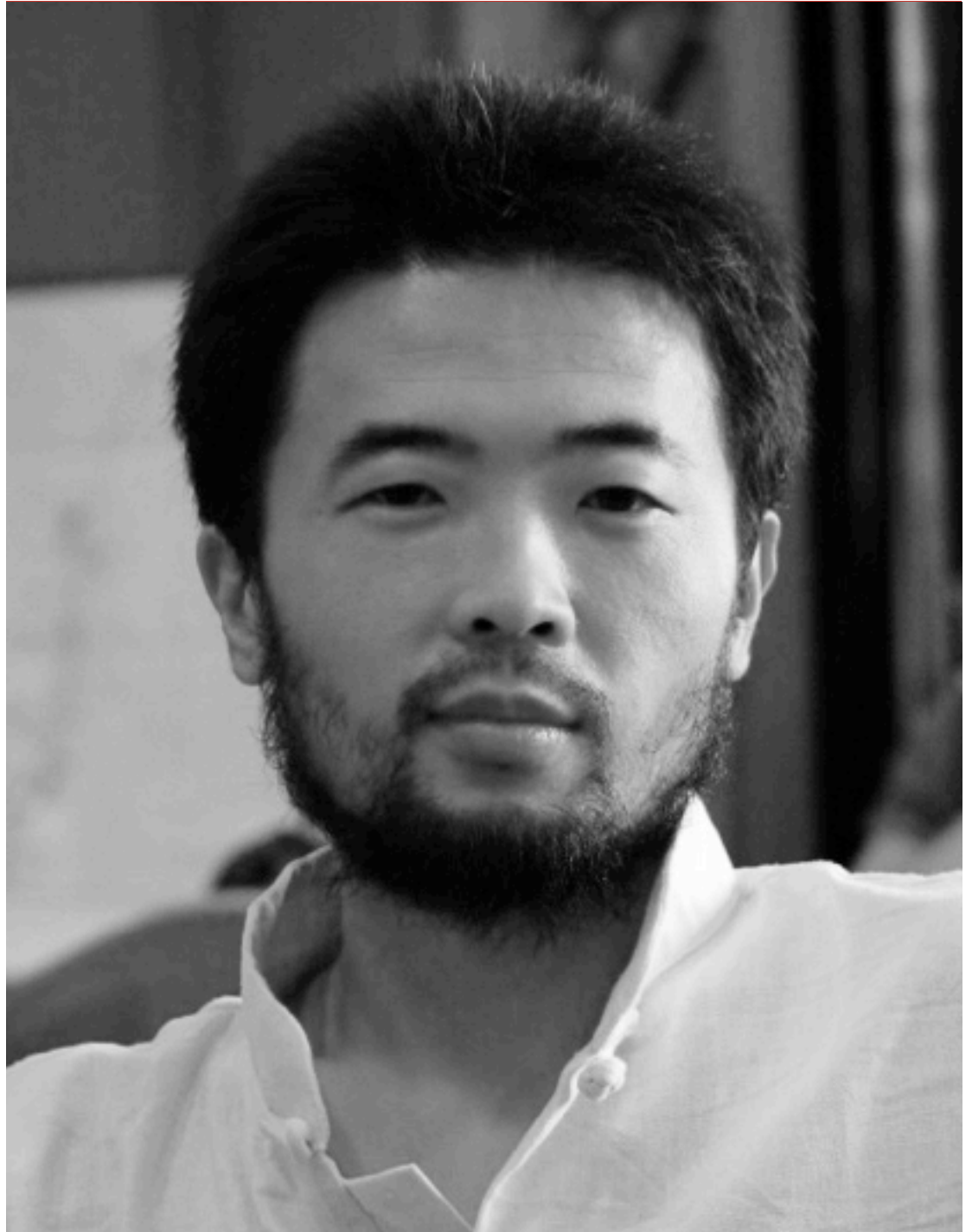
LJT: This is currently our weak spot, just like it is a weak spot in the development of China's public interest sector. For a majority of NGOs it is all about guerilla warfare. If I can get this project, and there is funding available, I will then do this project. If next year nobody pays attention to this and there is no funding available I will do another project. So if this year education is the hot topic and next year it is all about

about psychology and the year thereafter it is all about disaster relief, I will see what the hot topic is, and do work in this field. This is how you get problems with sustainability. So when we select projects we will always see whether or not the project design has potential for sustainability. The second thing we look at is the capacity of the project group. We see whether or not they have been always doing this kind of projects. This is how we look at projects.

#### Sustainability

The second aspect is how we think about our own sustainability. Is our current work sustainable? This also involves our grant making. We have supported a lot of organisations by providing project funds. How can we ensure that we can continuously support them? It is also a problem if the public does not understand our work. They may not give us money to continue providing grants. This is also why we have started to promote the United Way Programme and to do capacity building. This way we provide our resources and platform and ensure the sustainable development of projects. We also help with fundraising, which in a kind of invisible way becomes the sustainability of the project. In this process, the public learns about more projects. They also develop a connection with us and develop trust. This way they are willing to donate money to us, which in turn allows us to support projects. These are some of our experiences and thoughts about sustainable development. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**China's first independent public charitable fundraising organisation provides disaster relief, children's welfare, and contributes to philanthropy development**

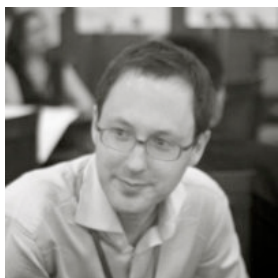
An interview with Li Hong  
Deputy Director General  
One Foundation



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**The One Foundation's Board of Directors provides both strategic and management ideas from their management perspectives. They also help to raise funds through the platforms of their enterprises, such as Alibaba, Tencent and China Merchants Bank, and mobilize the public to participate. This is even more important for One Foundation's vision of "It Starts with One" than making enterprise donations.**

**The One Foundation was the first private fundraising foundation to become an independent public charitable fundraising organisation in China. In this pioneering process the One Foundation received a lot of attention from the public, the academia, the media, and the government.**

**The One Foundation's traditional focus of supporting disaster relief, children's welfare, and philanthropy development has seen some changes. While in the past three years the funding ratio in the three fields was 5:3:2 more recently the percentage in disaster relief is getting bigger. In this year's budget, it stands at around 80% to 90%.**

**Support for grassroots NGOs has been an important part of the One Foundation's work. About 600 grassroots NGOs were supported each year from 2011 to 2013. The foundation also supports GONGO. Different fields have different needs and choosing suitable and professional partners is very important in order to deliver better and more professional services to the beneficiaries.**

**Since 2011 the One Foundation has been pursuing a new three dimensional strategy, which means that the same funding strategy is being used with all of its selected partners in the three fields. The One Foundation integrates with the organisations in the field and discusses their strategies and action plans together.**

**Li Hong does not think the concept of civil society matters that much. Instead the One Foundation considers it more important to see the actual effects of social organisations and public interest organisations. At different stages, these organisations should play different roles. At the current stage, it is vital that these organisations take the role of actors and enhance professional capacity and the development of the sector.**

**The One Foundation designs its programmes together with its partners. One of the foundation's strategies is that besides rescuing and responding to the needs of the community residents, it works on public education and designs advocacy activities together with its partners.**

*This interview was conducted by Dr Andreas Fulda on 21 July 2014 through Skype. Translated by Sujing Xu and Andreas Fulda.*





## Interview transcript | Li Hong

**AF: I understand that One Foundation founder Jet Li visited the Buddhist Compassion Relief Tzu Chi Foundation in Taiwan before he set up the Red Cross Society of China Jet Li One Foundation Project in 2007. Media reports suggest that he was inspired by his visit to Tzu Chi. Because of this background, do you feel if there is anything in common between the One Foundation that was registered in Shenzhen in 2010 and the Tzu Chi Foundation?**

LH: I am sorry but I am not that familiar with the Tzu Chi Foundation. Therefore, I am not able to answer your first question.

**AF: I noticed the board of directors of One Foundation are all famous Chinese entrepreneurs. As a member of the secretariat how would you describe what kind of suggestions and contributions these members have made towards the development of the One Foundation?**

LH: As the most successful entrepreneurs in China, one of the biggest contributions our board of directors have made is to provide both strategic and management ideas from their management perspectives, which give clear direction to the organisation. Besides contributing their own wisdom and capacities, our board members also help to raise funds through the platforms of their enterprises, such as Alibaba, Tencent and China Merchants Bank, and mobilize the public to participate. This is even more important for One Foundation's vision of "It Starts with One" than making enterprise donations.

**AF: What was the biggest challenge One Foundation has encountered, turning from a private foundation to an independent public charitable fundraising organisation in China?**

LH: The biggest challenge was that One Foundation, as a pioneer in this field, there was no precedent, no experience to learn from. We received a lot of attention from the public, the academia, the media, and the government. There were some expectations and some doubts. Allowing the One Foundation to be registered as a public charitable fundraising organisation in China itself was a big reform in China's development process. It was a microcosm not only of the philanthropy sector, but also of China's social development as a whole. In a way it resembled the situation 30 years ago, when China was just opened up and started to develop its market economy. To be the pioneer meant that we had to face more pressure.

**AF: Your main supporting fields in the past included disaster relief, children's welfare, and philanthropy development. What was the proportion of the financial support towards the three fields?**

LH: In the past three years the ratio was 5:3:2.

Role of the One  
Foundation's board of  
directors

What it means to be a  
pioneering  
organisation

**AF: Are you going to continue supporting these three fields? Are there any changes in terms of the proportion of your funding?**

LH: The percentage in disaster relief is getting bigger in this year's budget, which stands at around 80% to 90%. We will continue supporting the other two fields though.

Disaster relief has become a key priority for the One Foundation

**AF: Can this shift be explained because there have been so many earthquake disasters in recent years?**

LH: It was partly because we got a lot of donations for Ya'an earthquake last year. Also, our board have made the decision to focus more on disaster relief.

**AF: Do you support more GONGOs ( Government organisation of non-government organisation) or grassroots NGOs in disaster relief?**

LH: We started supporting grassroots NGOs in 2007, which has been an important part of our work. We also support GONGOs. Different fields have different needs and choosing suitable and professional partners is very important in order to deliver better and more professional services to the beneficiaries. We have supported about 600 grassroots organisations each year from 2011 to 2013.

Grassroots NGOs have been supported since 2007

**AF: In terms of funding, do you provide both management costs as well as activity costs? I heard that many many foundations in China have a slogan of zero management cost. What is it like with your organisation?**

LH: We provide both the activity costs and management costs.

**AF: In terms of collaboration model, how do you square the circle of donorship as the funder and ownership of grantees as implementation organisations?**

LH: In 2011, after the founding of Shenzhen One Foundation, we developed a new three dimensional strategy. We used the same funding strategy with all of our selected partners in the three fields. We integrated with the organisations in the field and discussed their strategies and action plans together. Take the NGOs in the field of autism rehabilitation for example. We sat down with more than ten partners in the western and middle part of China, to discuss the issues we faced and what strategies and plans should be adopted. We then provided funding, training, capacity building and technical support.

The One Foundation develops its funding strategy in partnership with NGOs

**AF: Do you prefer a particular type of partnership model over another, e.g. a single entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners?**

LH: Let me explain this with an example. Take autism or disaster relief for example: we think that this kind of topic requires public participation. The more people

Importance of participation

participate the better. Therefore we adopted the strategy of building networks and providing a platform to have more organisations getting involved and taking action together, to have more volunteers supporting the local organisations and providing services to beneficiaries.

**AF: Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, what kind of discourse does your organisation adopt?**

Civil society is not seen as a concept but as an activity area

LH: We do not think this concept matters that much. Instead we think it is more important to see the roles of social organisations and public interest organisations. At different stages, these organisations should play different roles. At the current stage, it is vital that these organisations take the role of actors and enhance the professional capacity and the development of the sector. For instance, in two of our projects, the Ocean Heaven Plan and the Corporate Disaster Relief Platform, our role should be to promote the development of autism rehabilitation as well as the development of disaster relief. What is more, our role is to enhance professional development as well as the technical development in the sector. There is an urgent need for technical and professional development and contribution of this sector, the form is not that relevant. We want to provide real help to autism groups and offer practical support in disaster prevention or mitigation. Therefore, what we have been trying to do is to provide technical support and capacity building.

**AF: Currently many NGOs in China are service providers. Where do you see China's NGO sector in 5-10 years?**

LH: I hope that at least in these areas that we have been working there will be more and more public organisations getting involved, for example in disaster relief, disaster prevention, and disaster mitigation. I hope they can assume a greater role, can help more people, engage with the wider community, and will be able to effectively deal with disasters. We hope that we all have made great progress in terms of professionalism and numbers.

**AF: What conclusions do you draw when you realise that the anticipated change has not been achieved by the civil society initiative supported by your organisation?**

Nurturing the growth of NGOs in China

LH: We have a very clear positioning of our programmes. On the one hand, we support NGOs to provide services in disaster relief and rescue operation; on the other hand, our programmes provide a hatching and nurturing opportunity for these NGOs to grow. Apart from trainings in the process of relief operations, to ensure the integrity of the programmes and the achievement of the goals, we also pay a lot of attention to nurture the growth of the NGOs. We have not got any case that our outcomes were not achieved. In the past three years, we have supported many organisations from scratch, teaching them basic skills in disaster relief. During the process, we discussed with them the needs and made a more accurate analysis of the issues to develop a more targeted plan. Through this way, we have avoided the problem you inquired about.

**AF: What do you consider the realistic outreach goals for public interest initiatives funded by your organisation?**

LH: For our projects, we have an action mechanism, which is the emergency rescue mechanism. We have local NGO partners spread out in more than ten provinces in China. In every province, we cooperate with local NGOs to develop an action mechanism. Once the action mechanism is established, we provide relief supplies, support funds, and a preparatory warehouse, etc. This way, the local organisations can react quickly when facing a disaster. We standardise the procedure and make it a model that can be copied in other provinces, especial in terms of the methods and tools used. Fifteen provincial level NGOs have adopted this model and formed a disaster relief co-operate.

**AF: If the model you mentioned can be copied, it means other foundations can learn from your model too.**

LH: Some foundations have been learning from us and have adopted a similar method to fund, though we did not promote it.

The One Foundation's Emergency rescue mechanism has been adopted by other foundations

**AF: My last question is related to impact monitoring. Do you require applicants to include social impact design and an evaluation strategy in their funding bids? If yes, can you provide specific examples?**

LH: We design our programmes with our partners and when we set the programme outcomes, we also include the evaluation of social impact. Take disaster relief and mitigation for instance. Apart from the affected community residents, there is another issue behind that should not be ignored: the degree of socialisation of disaster relief and mitigation is not enough. In other words, disaster relief and mitigation has not become the mainstream. Therefore one of our strategies is that besides rescuing and responding to the needs of the community residents, we work on public education and design advocacy activities together with our partners. For instance we did an online and off-line campaign on *Everyone Participates in Mitigation*, to promote the topic in the public and social realms in order to let more people understand and be aware of the importance of disaster mitigation. In a way, we have developed this programme together with our partners at the initial stage. We do not simply ask our applicants to design an initiative, rather we make a proposal together. Afterwards, the One Foundation works on financing and funding, and our partners implement.

Public education and advocacy as part of disaster relief efforts

**AF: You mean the beneficiaries make the final evaluation?**

LH: Yes. On the one hand, we report to our community beneficiaries, mainly children and schools. On the other hand, we report the progress of our programmes to our donors. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Building bridges between China and the World: How CANGO contributes to poverty alleviation and civil society building through international cooperation**

An interview with Huang Haoming, Vice-Chairman & Executive Director, China Association for NGO Cooperation



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**CANGO does not receive any government funding. Secondly, CANGO's main funding sources come from domestic and international foundations. Corporate funding is still quite limited, according to our statistics it only accounts for about 3%.**

**In terms of collaboration models, CANGO has currently three models. In the first model the CANGO headquarters implements a project directly. The second model is to leave the implementation to other organisations, which is more of a multi-entry partnership model. The third model is to implement a project together with another organisation. Take the Green Commuting Fund and the Green Commuting Fund Network for instance. We implement these together with the American Environmental Defense Fund.**

**If your project funding comes too easily, you may not give it enough thought. This is why marketisation is the new development direction. I think it is correct to say that a market mechanism allows for the allocation of resources. For example the Ministry of Civil Affairs has supported disabled persons service and support projects. This is part of the government's procurement of services.**

**In terms of our understanding of civil society we think that the right to associate is a key element. This is something that is enshrined in the constitution. There is also a link between civic associations and culture. Unlike Europe and America, China does not have a long history of associations. Furthermore, in comparison to the West there are cultural differences in the way associations operate in China, which is related to the issue of basic rights of citizens.**

**I think that if you look at something from the societal perspective, whether it is nativisation or internationalisation, these are all processes. The way our understanding is constituted we should not overemphasize either one of them. We need to look more systematically at the link between internationalisation and localisation.**

**In the case of successful projects we need to look at factors such as feasibility studies and feasible project design. The second success factor is related to implementing capabilities. The third factor relates to the partners. The fourth is about sustainability. These four standards are key.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 9 July 2014.  
Translated by Sujing Xu and Andreas Fulda.*



## Interview transcript | Huang Haoming

**Andreas Fulda (AF): Which of the three sources of funding, a) government funding, b) foundation funding and c) corporate funding are most common in CANGO?**

Sources of funding

Huang Haoming (HHM): First of all CANGO does not receive any government funding. Secondly, CANGO's main funding sources come from domestic and international foundations. Corporate funding is still quite limited, according to our statistics it only accounts for about 3%. There is actually another funding source, which you did not mention. It is CANGO's service income by providing service charges, such as management fees, staff costs and project finance.

**AF: Do you apply for funding on your own or do you partner with Chinese CSOs (e.g. GONGOs/grassroots NGOs), e.g. in the case of compulsory competitive tendering bids?**

HHM: The two types you mentioned are both applicable to CANGO. In terms of grant allocations, it depends on the project design. Take the EU-funded project "Employment Promotion and Rights Protection for Women Migrant Workers in Beijing" for instance. We allocated the grant while we designed the project, so there were not so many contradictions. Also in the case of another European project on volunteerism, the application was very clear. Both the European partner and CANGO knew how much money we could allocate for both partners.

**AF: What do you think are the advantages and disadvantages of a single entry partnership model or a multi-entry partnership model of two or more partners?**

Partnership models

HHM: In terms of collaboration models, CANGO has currently three models. In the first model the CANGO headquarters implements a project directly. This is the case with our capacity building projects. When implementing projects this way the financial management is relatively simple and low risk. The disadvantages of this model are that we have a lot of workload and need to be very careful. There should be no problems because we will be audited in the end.

The second model is to leave the implementation to other organisations, which is more of a multi-entry partnership model. In the case of some of our projects in Xinjiang or Qinghai, the distances are quite far and it is not practical for us to implement them directly. Thus, we entrust local partners to implement these projects. We give priority to CANGO members, followed by recommended partners. It is relatively simple from the management perspective if we leave the implementation to other organisations. This way we are just responsible for the monitoring of the project, including managing the project procedures, project auditing and supervision as well as financial auditing and supervision. However, the second model can be risky. If we choose the right partners, the risks are relatively small. If the partners we choose are not that reliable, they may make mistakes during the project implementation.

The third model is to implement a project together with another organisation. Take the Green Commuting Fund and the Green Commuting Fund Network for instance. We implement these together with the American Environmental Defense Fund. For this model, it takes a long time at the designing stage of a project, because both sides need to consider the project goals and strategies, which can differ in different organisations. Therefore, it needs a kind of run-in period (mohe), which takes longer than other models. However, the advantage is that once the run-in period is over, it is quite effective in terms of implementation. The goals and responsibilities are also clearer that way. Moreover, the costs are relatively easy to control too as both sides can continuously communicate and consult with each other.

**AF: Do you see any changes in terms of the cooperation styles between Chinese and international organisations during the past five years?**

HHM: This is a good question. When we collaborate with some European organisations or European people, for instance yourself, the communication is effective and efficient since we are familiar with each other. However, when we collaborate with new organisations that CANGO does not know well, the collaboration gaps can be quite big in terms of management approaches, including project monitoring, financial monitoring and funding monitoring, etc. This is the first point.

Secondly, there are cultural differences too, which actually are quite considerable. For instance, European, Asian and Chinese people tend to do things differently. If the staff are on holiday on the European side, the project can not run since the holiday time is sacred. Whereas in China, if someone is on a vacation, other colleagues will cover the person's tasks.

Cultural differences

Thirdly, changes to the way we collaborate also depend on the project goals. Of course they can also depend on project outcomes. These two models are different. I think that these kinds of changes are challenging for CANGO, including in terms of the capacities of our staff. New staff need to get familiar with such changes and continuously learn and train.

**AF: Do you feel that foreign foundations as well as bi- and multilateral organisations sometimes set the project goals too high? Do you communicate with them about such issues?**

HHM: This is actually caused by the fact that both sides do not know each other's national situations or differences well enough. When we say the goals are too high or too low, it is because these international organisations do not know China's situation. I do not think that goals are often set too high. It is more about whether or not we are able to implement. We emphasize feasibility. If a project is not feasible, even with low goals, it can not be implemented. I think there is a difference on both sides in this matter.

Knowing China

**AF: To what extent has the growth and maturation of Chinese civil society led to a market of CSOs competing for funding? Do you make good use of the market mechanism to allocate resources?**

## **good use of the market mechanism to allocate resources?**

Marketisation

HHM: I think that the marketisation is quite a good method. In China we now have a new word called 'forced mechanism'. You need to adjust objectives, and in case your capabilities are not good enough, you need to improve your capabilities, which leads to a good performance. Secondly I personally think it is a good thing and also more scientific if an organisation increases its core competitiveness through bidding or other market mechanisms. This way project design and project management are being taken more seriously. If your project funding comes too easily, you may not give it enough thought. This is why marketisation is the new development direction. I think it is correct to say that a market mechanism allows for the allocation of resources. For example the Ministry of Civil Affairs has supported disabled persons service and support projects. This is part of the government's procurement of services. When we discussed this bid with our local partners we had a very clear idea about our respective funding needs. This is why I think that the market mechanism is more scientific. The downside is that it still does not prevent the misallocation of funds. The cooperation partner should not use funds to fill its coffers. After all, this is a public fund. It is does not originate from a company or institutional organisation (shiye danwei) or from a civil society organisation itself. It is a public fund. This is an obstacle on the local partner level. On the other hand there are also obstacles in the way the government treats the taxation issue; they treat you like a company.

### **AF: Meaning that they do not provide any management fees.**

HHM: Exactly. The government has not gone down the route of full marketisation. To some extent they use the market, but in other ways they don't. This is the phenomenon we can observe right now.

### **AF: Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

Civil society

HHM: In terms of our understanding of civil society we think that the right to associate is a key element. This is something that is enshrined in the constitution. There is also a link between civic associations and culture. Unlike Europe and America, China does not have a long history of associations. Furthermore, in comparison to the West there are cultural differences in the way associations operate in China, which is related to the issue of basic rights of citizens. The second point I would like to make is that principle of civic respect and understanding. When CANGO provides services to our groups or when we do fundraising with donors we insist on the principle of equality, the principle of mutual respect. We do not think that donors are giving a gift; that is not what we are advocating. What we advocate is that donors and groups that receive services both need to be respected; it is all about mutual respect. This is what we consider a working requirement and fundamental principle. My third point is that civil society really is a social collective (gongtongti) where different interests are part of the game. We often characterise associations as being based on common interests or shared objectives and missions. But in practice this is not always the case. We can observe some variations in terms of how democratic citizen organisations are or how mutually respectful citizens act within

these organisations. Sometimes we can even see cases of mutual discrimination—all of this exists. I think that civil society has three big elements: the first one being rights, the right to voluntarily participate or not participate. Secondly, it requires respect and equality. Thirdly, it is about the games of interest groups aiming at a new objective.

**AF: Do you think that civil society building over time could help overcome the problem of low trust in China's society? First of all I am curious whether you agree with this point of view. If you do, do you think that it is possible to increase the levels of trust in China through citizen behavior and actions, leading to more trusting relationships between people?**

HHM: I partly agree with your assumptions, but not fully. The reason is that China has a long history of feudalism, which dates back 2400 years. So in terms of the interactions among citizens, the basis was the family made up by family members. So the family is the foundation of civil society. We are talking about kinship here. So how come there is a lack of trust? In fact Chinese society has undergone changes. What kind of changes? Due to family planning, the structure of Chinese families has changed. Urban families tend to only have one child. Of course in China's countryside you can see families with three or four children, but overall the structure of families in China has become smaller. I think that the impact of families is on the decline. In the past it formed the firm foundation of society and the foundation of trust was the family. Families would then transmit to society. This is no longer the case these days. Families have become smaller and the interaction and trust with society has changed. China has become a society in transition and there is a crisis of trust. The reason is that some of the links no longer exist. An only child will not experience aunts or uncles or other family relatives. People in our generation still have them, but the generation of my daughter certainly will not have them. They are all the only children and do not enjoy these kind of family ties. This is one element.

Issue of trust

Let me talk about the second element, which explains why I only partly agree with your assumption. Trust has been affected by the import of market competition. The pursuit of money and a better of quality of life and social values is understandable. On the other hand, in this pursuit many traditions have been forgotten and the issue of low trust has emerged. For example think of three children disputing about the property and estate of parents. But why do I not fully agree with your assumption? When there is only one child, this dispute no longer arises. In this case trust is like a curve, it is not totally flat or straight. Trust levels may go up and then down and then up and down again. This is why I think that the debate about low trust society is not totally accurate. It makes some valid points, but there are also some aspects of the debate that neglect the factors of a Chinese culture in transition, a society and population whose structure and resources are changing, and an external environment which has led to a crisis of trust.

**AF: My next question is related to the issue of under-resourced NGOs and how this can affect community development. Whether it is a rural or urban community or any other kind of group of people which requires services, if they can not rely on the support of the government, and enterprises and also NGOs lack resources to help them, this could be a real issue.**

HHM: Let me first talk about communities. Thirty years ago communities were very simple. You had all sorts of compounds, for example the university compounds, office compounds, factory compounds and military compounds. In addition there were places like Beijing's hutongs with their hutong culture. At that time communities were relatively simple. This is no longer the case these days. With the development of the market economy, the community structure has become much more integrated. Its composition is no longer unitary but pluralistic.

My second observation is that there is a widening wealth gap. During the Maoist period there was not much of a wealth gap in communities. With the development of new communities, the wealth gap has increased.

My third point relates to the relationship between new and old residents. There exist conflicts between migrant workers and the original residents. These three factors together have led to changes in Chinese communities. But let me get back to your question about the problem of under-resourced grassroots organisations. In a unitary community it is possible to mobilise the community rather quickly, since it is a society of acquaintances (shuren shehui). These days it is no longer a society of acquaintances but a pluralistic society, a society marked by a great disparity and wealth gap. All of this leads to conflicts in society and makes it harder for NGO to raise funds since trust levels are not only changing but on the decline.

**AF: I have interviewed several foundation leaders who would like to see private foundations in China to become public fundraising foundations. They also expressed their hope that NGOs should be able to publicly raise funds. But based on what you just said this could be quite difficult, since a lot of citizens may not trust civil society organisations. Are you aware of some good practices and ways how NGOs can increase the public's trust in them?**

HHM: This topic is quite big. In general, whether levels of trust in China are high or low is directly related to changes of societal structures. For instance, China's external environment has changed quite a lot in comparison with the China of thirty or forty years ago. This is the first difficulty.

Secondly, information gathering among people who are able to gain information and those who do not get the information is imbalanced due to information technology. This is the second difficulty that affects Chinese society.

Thirdly, the changes of social structures and imbalanced information consequently caused a distance among people. This distance is the reason why people choose to use WeChat (weixin) in China, rather than micro-blogs or blogs. WeChat solves the issue of receiving information, while micro-blogs only solve the issue of expressing yourself freely. WeChat has direct restrictions and can only be seen by one's own circle of friends, which is an acquaintance society, whereas on micro-blogs people say what they want to say and speak to themselves.



Therefore, NGOs can not solve the issue of low-trust society. I do not think this can be described through simple language. This needs a re-construction of the trust system. What I meant by trust re-construction is that, firstly how can one create a new acquaintance society? Secondly, how to build a new group that is based on mutual trust? Thirdly, how to build a community that shares mutual interests? These three points are all linked and have their inner logic. But why is it not so simple? The inner side affects the external side and vice-versa. We call it a time with contradictions. When there is a contradiction, some people will first prioritise the main contradiction, then the less important contradictions. However, some other people will try to solve the simple issues and then the more complicated ones. Therefore, there are many approaches and choices. If we think from this perspective, we need to consider the changes of the Chinese society and look at it from a more macro-perspective. We can not only use trust as a measurement of the changing external environment.

**AF: Let us move on to the topic of change. What kind of changes would you like to see on the individual, organisational, societal and/or policy level?**

HHM: Firstly, the services provided by CANGO members have changed. In the beginning, we had members focusing on poverty alleviation, environment, disabled, women, rural development. The focuses of our members are not the same now. For instance, the climate change project has become a network. We use the network to influence policy, for instance helping civil society organisations propose climate change legislation to the government. When you worked at CANGO, we did the 26 Degree Campaign, which was a single campaign, which had no strategic angle. But now we think from the perspective of a network, a sector. This is a change.

Services for CANGO members

Secondly, the external circumstances have also changed. The government also needs civil society to make comments and suggestions. For instance, CANGO did research on the internationalisation of social organisations in 2013. The government was also interested in this research topic. We were awarded the first prize by the Ministry of Civil Affairs when we finished the research. This is a big change. It shows that there are demands for this kind of research, while there was no such kind of need in the past. It is much more of a two-way relationship between the government and civil society now, while it was a unilateral relationship in the past.

Thirdly, there are divergences within civil society. Some choose the professionalization route, some choose the grassroots route, and others choose the internationalization route. Why are there these divergences? Because the macro-environment has changed, the technology information and internet technology have made the Chinese society more complicated. Civil society itself is diverse, and with the external changes, it becomes even more diversified. This is another difference.

**AF: You mentioned the trends of internationalisation (guojihua) and nativisation (bentuhua), but how do you view them? To what extent do Chinese civil society organisations need to nativise and in which aspects do they need to internationalise? When we talk about this topic, there seem to exist two views. One view emphasises nativisation, everything needs to be localised, whereas another view is everything needs to be**

**internationalised, or westernised. I don't think it is as simple as that. What do you think?**

Internationalisation  
vs nativisation

HHM: Personally, I think these both of these two views have a systematic logic. From the system perspective we could look at the example of Chinese restaurants. All around the world there are Chinese restaurants. This is the internationalisation of Chinese restaurants. However, these restaurants originate from China, they have their local roots. Only then are they being promoted all around the world. It is a bit like Hollywood movies. They originate from Hollywood in the United States and are then promoted globally. Some people in France may resist and they may not like watching these movies, even say that they are not going to pay for these movies. But in fact there still are people watching them. So first of all I think we should not see internationalisation and nativisation as conflicting concepts. I think that these concepts are interlinked.

I think that if you look at something from the societal perspective, whether it is nativisation or internationalisation, these are all processes. The way our understanding is constituted we should not overemphasize either one of them. If you do we tend to say that people are a bit overbearing and need to constantly defend their argument. They do not want to hear other people's ideas, which is really annoying. I think that one should not go to extremes. It is a matter of degree. For example if you insist on only buying local products and not international products, for example an iPhone. So you buy Samsung, but Samsung is from Korea. Huawei is from China, but the chip inside is from Japan and the technology is from the United States. This is why we should not consider nativisation and internationalisation as mutually incompatible but as something which is interlinked. We need to look more systematically at the link between internationalisation and localisation.

**AF: How do you deal with resistance in project and programme implementation? How flexible are you in meeting new demands of your partner organisations? What kind of demands would you not meet and thus consider ending the project or programme cooperation?**

Feasibility studies

HHM: This is fundamentally a problem of the design phase of a project, the feasibility study. If mistakes are made in this phase, a lot of problems will emerge at a later stage. If the feasibility study is being done properly, you will see less problems. The key in this stage is to consider the wish of the donors, the absorbing capabilities of the beneficiaries as well as the capabilities of the implementers. These three factors are essential. The three pillars of donors and donor organisations, beneficiaries and implementers are often at odds with each other.

For example some donor organisations have very demanding requirements which implementing organisations can not meet and recipient organisations can not live up to either. In such cases you see contradictions. In such situations implementing organisations need to tell donors that only some but not all of their ideals can be realised. This way the contradiction can be solved. Implementers need to avoid giving the impression that they lack capabilities. Because if you do not have the capability, donors will certainly not agree to support you, and this would be a kind of extreme phenomenon.

So to me the key is to study the relationship between donors, beneficiaries and implementing organisations. If all are pulling in different directions it will be impossible to accomplish anything. In such cases you may have no option but to stop the project or not even start it, which would be another extreme option.

Most times it is possible to reconcile the various positions. It is key to talk frankly about the existing problems and the wish of the donors. If there is a gap between the two we need to seek common objectives. Alternatively everyone needs to compromise, both the donors and recipients. This way the gap can be decreased. I consider this the only way out. If none of this works, it is going to be rather painful. It means that everyone's efforts are to no avail. In such situations it is necessary for donors, beneficiaries and implementers to compromise.

**AF: This is what you referred to as the run-in period (mohe).**

HHM: That is right.

**AF: But are most foreign organisations willing to engage in this kind of run-in period? Or are there some organisations which consider this process too cumbersome and thus stop their engagement?**

HHM: The run-in period is key to project design and the search for cooperation partners. So for example we may find you a great cooperation partner in Jiangxi province, but the one in Sichuan is not living up to your expectations. So the choice of partners is very important. If this kind of preparatory work is not done well, you will not be able to achieve much at a later stage; that is for sure. So the key is to make the right choices. The feasibility study is also very important. It is also important to be very professional. You need to be able to convince people, no matter whether it is in rural or urban communities or whether you are speaking to ordinary people. They all need to be convinced that what you are doing is worthwhile.

Run-in period

**AF: Let us talk more generally about outreach on the national and local levels. You mentioned that the whole sector has shifted from a uni-directional relationship to a two-way relationship. Would you mind elaborating on this a bit?**

HHM: What you are referring to is indeed very intriguing. When we as organisers think about scaling up we think about the feasibility of a project. We think about whether or not it is exemplary. If a project is not exemplary, we think we should not do it. If it is exemplary, we will do it. Let me give you an example. We did a project on straw vaporization. Straw vaporization is very common in minority regions. The costs, however, are very high. The refining process of refining straw into pellets for heating brings pollution with it. Of course there is also the by-product of gas, which allows ordinary people to use it. But the problem is that straw vaporization can not be done everywhere due to resource constraints. Also the process of straw refinement brings pollution with it. The third issue is that it is costly. In some areas it can work very well, but it will not work in places without straw, where there is insufficient money or technology available. So these kind of factors can influence the feasibility of a project.

**AF: You are talking about local pilot initiatives. If they rely too much on specific local conditions they can not be scaled-up nation-wide.**

HHM: That is right. That is because they are determined by the local conditions. Let me give you an example of how primary and secondary stakeholders participate in such pilots. In silk farming the primary stakeholders who breed the silk worms need to plant mulberry plants. By protecting the water and soil and by raising silkworms they can make profits. But if you can not sell the silkworm cocoons than you had better not raise silkworms—do not even start planting mulberry trees. It is this kind of chain. We call it a philanthropic market virtuous cycle or double loop cycle, not a single loop cycle. NGOs need to study double loop cycles.

**AF: This also relates to the question of whether or not NGOs are learning organisations. To what extent do you require your member organisations or other cooperation partners to record their work, for example in the form of project reports? Are these internal documents or do you publish them? Have you experimented with new forms of documentation, for example blogs, micro-blogs, or documentaries? If NGOs do not record their work, they may not learn from successful or unsuccessful pilot initiatives.**

Organisational  
learning

HHM: These are good points. In the past project reports were the norm. Nowadays we also have blogs, micro-blogs, documentary or audio recordings etc. In general we at CANGO are quite diligent and pay attention to document management. But we have also encountered problems. One problem is that during project implementation it is not that convenient to announce things to the public, for the fear of misleading the public. The second issue is policy direction. The third issue is the degree of sensitivity, for example if this work relates to human rights, sex workers, HIV/AIDS. When we do this kind of projects we are very careful. It all depends on the relationship between your project and the public, society and government.

**AF: My next question is related to the issue of impact and sustainability. How do you measure the social impact, how do you evaluate your own projects? I am sure every implementing organisation is convinced that its own work has great value and is successful to a certain degree. But how do you write your reports? If they sound too good to be true neither donors nor ordinary people are likely to believe you.**

HHM: We usually have three standards of evaluation. The first is customer feedback, which is the feedback from our beneficiaries. They say things like “our income levels have improved” or “thank you”, etc. The second one is an evaluation of the project once it has come to an end. We invite experts to come and visit us and to go to the project sites. We also invite journalists to do research. This is a good way to spread information; it is a way to combine both evaluation and dissemination. The third standard of evaluation is that we engage in interactions with our partners. In these interactions we explore what kind of problems exist and see how we can help them. This is also related to the issue of sustainability. Our funder may not come with us, but we can provide some methods. This way our support shifts from financial support to providing methods, helping our partners to become more self-reliant. This kind of

supports allows them to continue to develop in a sustainable way. Recently we have started to provide individual coaching for our member organisations. In the past we provided training for a lot of people at once. Not any longer. These days we organise a group of experts to approve and evaluate. This is comparable to a doctor who is providing them with a diagnosis and who checks whether there are any problems.

**AF: What do you think can be learned from successful and unsuccessful projects?**

HHM: In the case of successful projects we need to look at factors such as feasibility studies and feasible project design. The second success factor is related to implementing capabilities. The third factor relates to the partners. The fourth is about sustainability. These four standards are key. It is the same with unsuccessful projects. If they are not feasible, something went wrong during the feasibility study. Or the implementing capabilities were lacking and the cooperation partners not well chosen. Such projects are unsustainable and can not be exemplary. All these factors are related. When we look at the interrelatedness of these factors we realise that we need leadership. All four factors in the end depend on leadership. Of course this also relates to professionalism, something I have written about, and professionalism is part of the implementing capability, the use of methods. But the real problem is leadership.

**AF: I remember you once said a sentence which left a deep impression on me. You said that failure is the beginning of success.**

HHM: It is like that. It is a trial and error process. Even if we know that something is very likely to be unsuccessful, we still engage in experimentation. For example when we did bid for the poverty alleviation project in rural Jiangxi tendered by the ADB and the Chinese Ministry of Finance this project ultimately was a failure. But this project had a big impact on the national level. In fact CANGO made a loss, quite a significant loss with this project. We call this trial and error. In Chinese we have this saying that failure is the mother of success. What it means is that we need failures. Quite a lot of our projects have failed; I will be very open about this.

Trial and error

**AF: If that is the case donors also need to accept failure.**

HHM: Donors have a different understanding of failure. Donors look at objectives, tasks and evaluation. We look at more angles, for example we look at financial support, whether or not there have been personnel changes, and whether staff have been able to improve their capabilities. The two standards are not the same. Donors care whether or not the objective has been reached, tasks have been completed, and they look at results from the evaluation. These are the three core issues. As organisers or implementers, we concern ourselves with income; see whether there is a balance in payments and whether or not staff members have increased their capabilities. The third issue is project sustainability. Of course evaluators also talk about sustainability, but sustainability in our context is whether or not the project has generated new revenue for CANGO. This is a different perspective.

This has different effects on the sector. The two perspectives of donors and implementers are not the same.

**AF: This reminds me of our EU-China Civil Society Dialogue Programme (2011-14). In my opinion these dialogue forums were our outputs, but for the European Union, they were outcomes and impacts. They were quite content with the dialogues themselves. I always thought that dialogues are only the beginning and that the key question is whether or not they can generate follow-up projects. This could be an example of differing perspectives.**

HHM: That is right. You make a very good point here.

**AF: Finally, I would like to ask you about sustainability. CANGO has done a lot of projects. When you finish them, what stays? Sometimes people working in this sector have a sense that projects may not make a real difference. At times it can be hard to see any outcome or impact. At the same time I know that there are outcomes and impacts. Sometimes the implementer simply does not know about them, or they occur at a later stage. How do you view this?**

Impacts

HHM: I think that there are two outcomes. One is an intangible asset, the other one is a tangible asset. In terms of the intangible assets, first of all they show that your organisation is able to accept new challenges. It shows that you are not afraid of difficulties or new things. The second intangible asset is credibility. We also commonly refer to this as social integrity. The third one is trust. You create trust through innovation, and through your credibility you also create trust. This in turn allows you to have more cooperation partners. All these are intangible assets. But of course there are also tangible assets. There are many tangible assets such as your project income, which is real money. The second one is the enhanced capabilities of your staff. All these things can be seen. The third is that through successful projects you can get new projects. ■



# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**The problem of poverty can not only be solved through relief work or charity but also needs the protection of the rights of vulnerable people**

An interview with Dr Howard Liu  
OXFAM China Programme Director



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**As an international poverty agency, Oxfam considers its target group's objective needs, its own experiences and strengths, work philosophy and core values. For example in recent years Oxfam has emphasized that poverty alleviation needs a rights-based approach. The problem of poverty can not only be solved through relief work or charity. Both are needed, but they are not enough.**

**It is also important to take the national circumstances (guo qing) in China into consideration, especially the government's policy orientation. In both aspects Oxfam integrates the international perspective and national circumstances. Oxfam then locates its own work scope, work aim and partners.**

**From 1987 to the present, which is the end of March 2014, the poverty alleviation funds Oxfam has invested in China amounted to 1 billion yuan. However, Oxfam did not allocate the 1 billion funds in the same way during different stages.**

**From the late 1980s to the 1990s to the present, Howard Liu examined how the roles of international NGOs in China have evolved. When previously there was relatively little financial support from the government, international NGO funding was of great help. At the same time, international funding helped to bring in new international development experience in the field, such as gender equality or participatory development. This has been helpful in terms of the development of the philosophy and working methods of China's poverty alleviation.**

**The term civil society is currently maybe a bit sensitive. But overall the terminology is more or less the same. The official discourse uses the term social organisations, and social organisations are indeed part of civil society. From an international perspective civil society is a central concept of poverty alleviation. Where there is no active civil society, you see the phenomenon of unjust policies and there will be greater poverty and more poor people. An active civil society where citizens participate is at the heart of solving poverty and developing social justice.**

**Oxfam believes that the government would like to relinquish more space for social organisations to participate in poverty alleviation, but it will have to take on a lot of responsibilities. Howard Liu thinks that we can not go extreme and think that the market can solve all the issues, or the government, or civil society. These are not appropriate solutions. Instead, it should be a negotiation and joint responsibility among different stakeholders.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 28 July 2014. Translated by Sujing Xu and Andreas Fulda.*



## Interview transcript | Howard Liu

**Andreas Fulda (AF): The first question is about Oxfam's projects in mainland China. Oxfam has been promoting poverty alleviation and relief work in China since 1987 and established the Oxfam China Development Fund in 1992. From 1991 until the end of 2008, Oxfam has carried out work in 28 provinces in China and invested more than 500 million yuan for poverty alleviation funds. What are your key criteria for the selection of civil society initiatives in China? To what extent do you consider the Chinese government's position on civil society initiatives in your internal decision-making process?**

Rights-based approach

Howard Liu (HL): This is a very complicated question. When we carry out our poverty alleviation projects in China we consider many different angles. As an international poverty agency, we at OXFAM consider our objective needs, our strengths, our work philosophy and core values etc. This is crucial. For example, during the past ten years we have emphasized that poverty alleviation requires a rights-based approach. We believe that the problem of poverty can not only be solved through relief work or charity. Both are needed, but they are not enough. We need more capacity building for vulnerable groups, and the protection of the basic rights of these vulnerable groups. If their basic rights are not protected, then even relief work may not be able to solve the problems. For example, problems in primary and secondary education can not be solved by simply donating a school building. The most important thing is that the basic rights of children of poor people are being protected, including their right to basic education, health care, and social security etc. Our work is to advocate for their rights protection. In this regard we are following international experiences while analysing the national circumstances (guoqing) in China.

Importance of policy advocacy

We follow the concept of integrated projects. On the one hand, we will continue to do our humanitarian relief work and community development, for example when a large disaster occurs. When the right to security of vulnerable victims is damaged, we protect their survival and livelihood rights through disaster relief and community reconstruction. At the same time we also do a lot of community training and development projects to enhance their capabilities. This way they do not have to rely on outside intervention to solve their problems. We also do a lot of policy research and advocacy. In terms of policy research, advocacy is very important. We do not simply decide our work in accordance with international concepts, we also combine them with the development situation in China. For example, in the early nineties China's rural areas were still very fragile and poverty widespread. This is why in the nineties we did a lot of relief work and supported rural community development in the Northwest and Southwest of China. At that time we saw an increasing number of Chinese laborers moving from rural to urban areas. This made us realise that we could not just confine our work to traditional rural communities, but we also need to develop new activity areas in

accordance with the overall changing situation. This is why we started to develop "urban livelihoods" projects, which were the equivalent to a migrant workers project. In the mid-1990s we started paying attention to urban poverty, which was the result of the migration of poor people. Besides developing community development projects in rural and urban communities, we also pay close attention to national policies aimed at eradicating poverty. Think of the protection of livelihood rights and interests of migrant workers. Migrant workers in cities have contributed hugely to China's development, while their fundamental rights may have been restricted. The government may initially not be concerned about these problems. Through a constructive approach we would let government agencies realise these issues and ask them to put forward solutions to these problems. NGOs have done a lot of work in this regard. Often they have engaged in explorative work much earlier than the government. This is why we engage in a lot of policy research and advocacy. Such work can provide constructive solutions to the problem of poverty.

Generally speaking we observe national circumstances (guo qing) in China - especially the government's policy orientation - before we set our work priorities. In both aspects we integrate the international perspective and national circumstances. We then locate Oxfam's own work scope, work aim and partners. When the state is doing things well, we support this. For example the Chinese government has a strong commitment and sense of mission when it comes to disaster relief. It also wants to do more in the field of poverty alleviation. We also look at what can be improved in terms of the way the government implements its poverty alleviation policies and the outputs it produces. We have an internal five-year strategy plan for which we conduct an overall policy environment and national circumstances analysis. Once we have completed our strategy plan, we then choose which kind of initiatives and categories would contribute mostly to the issues of poverty. This determines what Oxfam would be able to do in this regard.

Integrating an international perspective with national circumstances

We also analyse the role of government. We believe that we can have a very constructive cooperation with the Chinese government. We look at how we can join the poverty alleviation work of governmental departments. We also see how many grassroots NGOs can participate and whether they have the appropriate skills and a similar mission to ours. We would not stop just because there is no NGO which pays attention to our initiative. If only few NGOs exist which pay attention to the issue, we foster NGO development in this area. If there are many NGOs who deal with similar issues, we would find a way to interact with them. Our work is informed by international experiences and perspectives and involves interaction with the Chinese government and its national policies, interaction with NGOs in civil society, as well as the interaction with communities. Whether we cooperate with the government or NGOs, ultimately we need to pay attention to the affected communities. This brings us back to my first point about community development work.



**AF: How much of your funding support is geared towards Government-organised non-governmental organisations (GONGOs) in comparison to grassroots NGOs?**

Since 1978 OXFAM has invested 1 billion yuan in China

HL: This has been a process of change. According to our latest statistics, from 1987 to the present, which is the end of March 2014, the poverty alleviation funds we invested in China amounted to 1 billion yuan. However, we did not allocate the 1 billion funds in the same way during different stages. In the early nineties we focused mainly on relief work and rural development. In addition, at that time, the number of China's NGOs was relatively small, and our main partners thus were government departments. During the mid-1990s and the appearance of more NGOs we supported many migrant workers projects. So from the mid-1990s to the present, it has been a process of shifting our focus from rural to urban China, a gradual shift from government-led development cooperation to more participation of NGOs. There has also been another change. Before the 1990s, whether in rural or urban areas, disaster relief work and development projects happened mainly at the community level. The proportion of policy research or advocacy was relatively low. After 2000 this has been slowly improving. Of course there have been some unexpected factors, such as the Wenchuan earthquake. Since the earthquake was so large, we spent 160 million yuan in the past five years just for the Wenchuan earthquake alone. This was a big proportion of the 1 billion yuan. This proportion is now changing, and each stage is different, but generally speaking we are aiming to maintain a good balance. Cooperation with the government is very necessary because they play a very important role in terms of relief work, rural poverty alleviation and rural development. Cooperation with some of the grassroots NGOs is the core of our work. However, this aspect is also changing in recent years since the number of China's private foundations has increased and the fundings to support grassroots NGOs has become more diversified than before. We feel that this change is very good and should be encouraged.

**AF: Do you think China's domestic NGOs are going to replace international foundations? Or do they just play different roles?**

INGOs have helped to bring in international experience in the field, such as gender or participatory development

HL: This is a good question. In July 2014 I attended an international forum on eco-poverty alleviation in Guiyang. The title of my talk was very simple. I looked back on the past few decades, from the late 1980s to the 1990s to the present, and examined how the roles of international NGOs in China have evolved. When previously there was relatively little financial support from the government, international NGO funding for disaster relief and poverty alleviation was of great help. At the same time, international funding helped to bring in new international development experience in the field, such as gender equality or participatory development. This has been helpful in terms of the development of the philosophy and working methods of China's poverty alleviation. Furthermore, local NGOs initially mostly relied on financial support of INGOs to conduct their work, of course this could also include support from other international organisations. These roles may well change in the future. For example, the share of disaster relief and poverty alleviation initiatives funded by INGOs may now be smaller than what the government and domestic



foundations fund. But this does not mean that importing international new and good concepts or methods does not have any impact. It is exactly the opposite. In fact, China is still facing many problems of new types of poverty. China still has the second largest amount of poor people in the world, and the gap between rich and poor is large. The government has invested a lot of poverty alleviation funds, but its effectiveness and sustainability may not be as good as it could be.

Therefore, many good concepts and experiences of international poverty alleviation foundations can still be imported and explored in dialogue. In addition, although China is internationalising, there is still a long distance for China's civil society to internationalise too. At the present only a few domestic NGOs are considering and exploring ways to internationalise China's approach to poverty alleviation. Most domestic NGOs do not have this experience or mission. Often this is because of the lack of such a global perspective. Another reason is a lack of experience. In addition, this is due to a lack of available space or resources. INGOs have played a very important supporting role in nurturing the ability of Chinese NGOs to internationalise.

A long way for China's civil society to internationalise

**AF: How does the internationalisation of civil society benefit China?**

HL: Each organization has its own position, but the Chinese government has a lot of influence overseas. The Chinese government wants to become a responsible international big nation, Chinese enterprises want to expand their influence abroad too, and companies want to become socially responsible. If these two are not accompanied by NGOs, the possibility of China becoming a very strong and responsible international power is still very remote. Many civil society organizations are very small and every organisation can have its own position. Of course it is okay to operate on a very specific scale, however if we see civil society as a whole, there needs to be this perspective and exploration. Thus we have encouraged and supported many local NGOs to internationalise.

If China wants to become a responsible international big nation, apart from the government and companies it also needs NGOs

**AF: Do you provide seed funding for Chinese civil society organisations (CSOs) or do you mostly cover activity costs for projects and programmes? If you provide both, what is the funding ratio?**

HL: Since we provide integrated support for NGOs we do not completely separate the seed funding and project funding. However, when we engage and work with a small NGO, we do not give it big projects at the very beginning, that is for sure. Instead, we start with small projects, which after a process of cooperation can gradually become bigger. In fact, those projects supporting NGOs contain both project activity funding as well as personnel funding. We want NGO staff to have a basic income security. We can also cover the cost for study and training. We feel if NGO staff can not have a guaranteed livelihood, it may not be fair for the NGO and its staff. For these NGOs that have developed well and which have a lot of experience, we are happy to support

Starting small

Importance of training

them to work with small NGOs and help them develop. They can even work with us to work out seed funding. For example, we have an NGO training centre at our partner organisation Sun Yat-sen University in Guangdong. They have conducted a lot of trainings over the years. If NGOs which have attended such trainings want to apply what they have learned in practice, we will give support through seed funding as well. We have similar practices in other regions. So in this regard, we do not look at quantity, but we will see if there is potential and needs.

**AF: How do you square the circle of donorship and ownership of civil society initiatives?**

The vision of OXFAM and its collaborating NGOs must be same

HL: This is a good question. Our practice is like this. First of all, our cooperation partners (including NGOs or government agencies) must share the same mission and a similar strategy and goals as ours. If the gap here is too large, there is no basis for cooperation. Besides a consistent mission, strategy and position, there should also be consensus about the project's activities, goals, scope and evaluation. We discuss projects with our partners all the time, from project design to project implementation and evaluation, and from project budget to project auditing. The whole process is participatory and we will not take it apart, because otherwise it would be hard to reach consensus if we dealt with things separately. And in the process, besides building a shared goal, we also need to make sure that we are working in a participatory way. We try to put all agreements in writing. A project proposal and project contract helps to protect both sides. We also need to adhere to some bottom lines such as honesty, which cannot be vague, otherwise both sides could be damaged.

Once we agree and sign a project proposal and project contract, which includes a project activity plan, budget and reporting plan, it is up to our partners to implement. They have to bear the main responsibility for the project. This does not mean that after signing the contract they do not have any flexibility or space to change things. During the implementation process, if there are a number of factors that have changed, we can work with them together to discuss what can be adjusted. This is better than seeing project implementation as a mechanical process, which we think would not be good for the quality of projects. So we encourage our partners to independently own this project, but if there is any problem, we have to discuss together and jointly adjust and then co-own the results.

**AF: This reminds me that NGOs as grantees can at times be a bit too flexible and may not report back to their funders on major changes to project design and project implementation.**

Donor and grantees need to engage in continuous communication

HL: Every funder has different requirements. Some funders may require their grantees to submit one report per year. We respect the various funders and implementers. In our case we hope that we can maintain mutual trust as well as mutual communication and consultation. What we do not consider an ideal procedure is that we receive an annual report in return once we have signed the contract and transferred the funds. Together with our cooperation partners we engage in periodic monitoring and evaluation. At times we even jointly solve

problems. In fact we are mutually growing. Neither a foundation nor NGOs are superman. It is not good if there are problems and both sides declare the other side responsible for them, regardless whether this is the foundation or the NGO. In fact everyone needs to be open and sincere and aim to solve problems together. Ideally, we can grow together.

**AF: Do you prefer a particular type of partnership model over another, e.g. a single entry partnership model of a maximum of two organisations over a multi-entry partnership model of two or more partners?**

HL: In fact our work is very diverse. Our initiatives, the intervention levels and working mechanisms as well as our project partners are all very diverse. We have some traditional projects in the field of direct disaster relief. Disaster relief means to publicly procure materials followed by local dissemination and testing. Such projects can be completed in one month. We also have some very theoretical research projects, for example on climate change and poverty or on communication and cooperation in the field of China's and international poverty alleviation as well as other policy advocacy projects. We are happy to discuss and explore projects which match our strategic objectives, the annual plans and the key requirements of our project management. As far as our cooperation partners are concerned they would ideally have a legal status and be registered. But in China it is not possible for a lot of grassroots NGOs to register. We can also consider cooperating with them. The key is that they share the same ideas about poverty alleviation, have project implementation capabilities and act in an accountable way. We have also engaged in multiple partnerships, for example with the Gender and Development Network (GAD), the Anti-Domestic Violence Network (ADVN) etc, all of which involve various collaborators. One of the early networks we supported was the South-Western Participatory Rural Appraisal (PRA) network.

Examples of multi-entry partnerships

**AF: Regarding networks I would like to ask you another question. At times the idea of a network can be very good, but in practice they sometimes develop into factions, into groups of people that convene annually and who provide resources to their friends. How do you prevent this from happening?**

HL: Another good question. Of course the concept of so-called factions is a bit unclear, but we hope that such networks have diverse perspectives and intervention methods. We also require that they can produce some tangible outputs. The networks we support usually have some very specific project objectives. So we do not simply support them to organise annual events. While annual gatherings are important we would ask what kind of problem they hope to discuss and solve by organising it. What kind of consensus or objectives do they try to reach? Do these networks have the mechanism and capability to push the project objective forward and realise it? We do not think that this is exclusive, or that this excludes people with different opinions. In the process of realising a common objective they may need to find commonality and allow for differences. Some people may not accept the specific objectives of a network and may not participate, this possibility exists. But overall we hope that there can be a clear project objective, that is the same for network, research or advocacy projects.

Networks need to be pluralistic and produce tangible outputs

**AF: Does OXFAM have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

Domestic and international perspectives on civil society

HL: The term civil society is currently maybe a bit sensitive. But overall the terminology is more or less the same. The official discourse uses the term social organisations, and social organisations are indeed part of civil society. From an international perspective civil society is a central concept of poverty alleviation and participation. Where there is no active civil society, you see the phenomenon of unjust policies and there will be greater poverty and more poor people. An active civil society where citizens participate is at the heart of solving poverty and developing social justice. So this is our position also in China and of course we encourage and support the growth of NGOs to enable them to participate in poverty alleviation and relief work in Hong Kong, China, and globally. In order to avoid that people misunderstand what we mean with the term civil society in some of our reports we may use the term social organisations.

**AF: So in fact it is just different stakeholders using different language.**

Mainstreaming of gender and civil society are key objectives of OXFAM

HL: That is right. The key is civil society's contribution and participation. This is also why we made civil society and the mainstreaming of gender equality key positions of our organisation. This is also the case in China. As I mentioned earlier when talking about the practicalities of implementation, the scope and objective of every project is a bit different. The project partners are different, but we still hope that every project - and in this case I am referring to programmes which are bigger in scope - that they have the perspective of gender mainstreaming, that they all have the perspective of supporting the growth of NGOs. When implementing projects we form project groups, of which we have currently have about eight. All project groups can employ diverse objectives and approaches but they still need to think about how to support NGOs in their respective field to build up their capacities and to participate, whether this is in the field of gender NGOs, labour NGOs, or rural development NGOs or advocacy - this is the core objective of our work.

**AF: Where do you see Chinese civil society in 5-10 years?**

Government procurement of CSO services is a good development trend

HL: I am cautiously optimistic. Of course, there are a lot of objective factors influencing NGO development, including policies or whether the government holds a tolerant attitudes towards them, or how much attention or support the government provides. Overall, in recent years the government has started to pay more attention to NGOs and support them. For instance the government has been procuring a lot of social services from NGOs, which also led to the emergence of a lot of new NGOs. Of course in the process of government procurement of CSO services a lot problems still exist, certainly when seen from

the micro perspective. However, from the macro perspective, as long as the government recognises that NGOs are helping to provide social services, or even solve some social issues, NGOs will have a special value and will have space to make contributions. This is more from a macro perspective. But are there going to be any changes in the next 10 years? Will more professional NGOs be able to register? Will more and more NGOs be able to engage in fundraising? In terms of these aspects, I can only say that I am cautiously optimistic. In addition, NGOs' own capacity-building may also be very critical. If they simply complain that there is no official recognition, no fundraising, and therefore NGOs can exist without developing their capacities and accountability, this would be another dilemma and cause more distrust. The question is not just whether the government trusts the NGOs or not, but also whether society and the public trust NGOs or not, including whether these NGO institutions are professional and able to follow their mission and goals. In general, China has to solve so many issues during its social development and it requires a lot of NGOs. In terms of what methods can be adopted and what steps need to be taken, it really depends on multi-stakeholder interactions.

In order to gain the trust of society NGOs need to be accountable

**AF: There will definitely to be changes in the future. What kind of changes are you expecting on the individual, organisational, societal and/or policy level?**

HL: Change and improvements should start from individual citizens and NGOs, that is, from the individual to the social organization, and from the community to policy. This is a big topic and trend. In China, the development of citizen rights and responsibilities still needs some time. We can not say we have no awareness for rights and responsibilities. Once some Chinese consumers complain about certain issues, they can actually be quite powerful. The most typical case is the problem of airline delays. In Europe and America or in Hong Kong, it is rare to see visitors occupy planes because a plane has been late. Whereas in China, when some flights are delayed, a lot of people may sit on the plane for dozens of hours in order to protect their interests. However, they would ignore the broader interests, which is rather strange. Though all care about consumers interests, some interests would be protect through collective action, whereas some other public interests would not not be fought for, which could be because consumers were afraid or did not know how to do it, or did not have this habit. I think their awareness of rights protection and their awareness how to claim rights has yet to be improved.

Change should start from within

Uneven rights awareness

The processes and channels of negotiating and having dialogues are still developing. If we look at the case of the United States, where a person might get hurt with a cup of boiling coffee at McDonald's, he would go to court to sue McDonald's. Damages to a person's interests are solved through courts in the United States, while in China a lot of people still feel that the court may either not be able to help solve or they do not trust the court and would rather solve the problem through another route. Should China follow the American way to solve everything through a lawsuit or seek compromises one by one? Or should problems be solved through community consultation and strategic game playing (boyi)? Or should these problems be solved by government agencies playing their traditional role of taking on everything? In China, how do individuals and society, including how business and government reach a more reasonable dialogue mechanism through a more rational and effective way? I think this still needs to be explored.



In China, many common people's understanding of charity is to donate money

In terms of the development of philanthropy in China, currently many common people's understanding of charity is to donate money. Very few people think about how to improve the public welfare for the whole society. Of course, this is not only the responsibility of citizens, not just the responsibility of NGOs, it also depends on the government. Does the government allow and encourage people to solve problems in a positive way, or do they think that problems should be suppressed? I think the responsibility of citizens is their concerns for the rights of others. In fact, it reflects civic rights and draws attention to civic responsibility, which I think needs to be developed slowly.

**AF: What conclusions do you draw when you realise that the anticipated change has not been achieved by the civil society initiative supported by your organisation?**

Government policies can sometimes change very quickly

HL: We have annual evaluations and plans every year. We also evaluate every project and see whether or not it has achieved its originally stated objectives. We also make adjustments to work objectives according to external circumstances. Sometimes some policies are changed much more quickly than we think. I often give the following example: when we designed the aims of the rural development programme in 2002, we also noticed that the government started thinking about reducing agricultural tax. We wanted to participate in this process, too. We therefore agreed on a goal to use three years to engage in policy advocacy, advocating agricultural tax reliefs. Only half a year after our project's strategic plan, ex-premier Wen Jiabao announced the total exemption of agricultural tax, which was much quicker than we had thought. Our original plan was to advocate a reduction of the tax, but then the State Council announced to abolish the agricultural tax. Therefore, many policies are improved much more quickly than we think. We then need to follow-up and get used to this.

For programmes, we need to observe the changes of external circumstances every two to three years and decide whether or not to make some changes to the programme objectives. For project objectives, they need to be even more detailed, as a project cycle is normally every year or every half year. We need to see whether a community has the capacity to reach the project goal or not. If not, is it because of unrealistic goals or is it because of bad approaches of our partners? Or is it because of the huge changes of external circumstances? Take the Wenchuan earthquake in Sichuan for example. The amount of the government resources invested in these communities has had huge impacts there before and after the earthquake. We need to find out what kind of objective factors affect the project and how we can adjust to these changes and get used to them.

**AF: What do you consider realistic outreach goals for civil society initiatives funded by your organisation?**

Goal-setting as an art or strategy

HL: Setting a goal is an art or strategy, as it involves different kinds of issues and problems. If we would like to reach a policy change or attain a big macro goal, we



need to get different interest groups involved so that they can contribute to this. We may also need to start with micro project experiment sites and promote them in broader contexts. We can also discuss with relevant government agencies or policy makers, as there may be many community experiences which already exist and we just need to learn from them and promote them. We have a wide range of models. Sometimes we start from community experiments and then scale up. We can also learn from current good experiences. Sometimes we need to wait until a policy emerges that provides the space for local experiments. In general, we like to stick to a comprehensive approach. We do not just refer to international rules or national policies and ignore practices in the community. We also would not just look at the community level and ignore the macro level. It is a very essential strategy to start from rural community to county, city, provincial and then to national levels. For policy advocacy, we do not only collaborate with NGOs, but also with researchers and relevant departments in the government who pay attention and share similar goals.

**AF: A lot of NGOs seem to consider policy advocacy as a kind of ‘gold standard’. But in order to influence policy making, NGOs need to be active on the local level, for example by pursuing pilot initiatives in communities. Arguably these initiatives first and foremost benefit direct participants, whereas successful policy advocacy at a later stage usually has beneficially impacts for more people who were not necessary involved in the pilot. How do you view the process of policy advocacy?**

HL: It would be ideal if what we do can influence policies. However, we need to think of the following points. First of all, we need to analyse what kind of policies we would like to influence and prioritise them. Secondly, we need to think about how to influence the policy. If there is no community involvement in the policy exploration stage, a good policy may come out but the way it is implemented is not necessarily good. Some policies sound good, but do not pay enough attention how stakeholders are likely to be affected by them. They also do not provide space for stakeholders to participate, which could lead to injustice.

The ideal of policy impact

A typical example is that some scholars thought that since China lacks water Chinese agriculture was to blame for waisting a lot of water. Consequently they suggested raising water fees or to reduce water allocation for agricultural industries. These two suggestions were made only from one perspective, rather than from a comprehensive perspective which takes vulnerable people into account. We need to think from the perspectives of different stakeholders. and ask the following questions: How can the rural areas get involved in water saving efforts, who would bear the cost if water fees were raised?

**AF: It is not just a technical issue.**

HL: It is neither just a technical issue nor simply a market issue. We believe that the government would like to allocate resources, but it will have to take on a lot of responsibilities. I think we can not go extreme and think that the market can solve all the issues, or the government, or civil society. These are not appropriate solutions. Instead, it should be a negotiation and joint responsibility among different stakeholders.

**AF: In a sense your position could be described as the fourth position, a position between the government, market and NGO. Is this a concept or value of Oxfam or more reflective of your personal attitude?**

HL: I think we still position ourselves within society. We hope our government and enterprises are responsible and good and pay attention to vulnerable groups in society.

**AF: As such you are actually reminding both government officials and entrepreneurs of their responsibilities.**

HL: I am not sure if reminding is the best word, it is more about encouraging. Of course since the government and businesses have the public resources, they have public policies. To use the public resources and public policies well, you need the involvement and contributions of society. Society pays attention to public affairs. It is not about pressure, although pressure groups are a common feature in western societies. In China, we do not call them pressure groups. Sometimes it is called consultation and feedback, sometimes it is called dialogue and participation. Unfortunately, currently the weight is more towards strong actors such as the government or even enterprises, whereas there are not so many channels for society to make their voice heard or to be paid attention to. We hope more and more civil society organisations will pay attention to public policies, and all of its members will not only participate in micro-level specifics but also participate in macro-level policies. During this process, we hope that we can coordinate. Of course we also have our own positions, but most of the time we advocate communication and cooperation between government and communities, enterprises and NGOs which leads to a situation where everyone pays attention to vulnerable people's interests and voices.

**AF: Do you require applicants to include social impact design and an evaluation strategy in their funding bids? If yes, can you provide specific examples?**

HL: Firstly, we need to set the macro-level goals for a programme. Our team and partners can then implement the programme together. Then we will go down to the details of the procedures of every project. The ideal situation is that our partners share our big goals and vision. If the outcomes of the programme eventually reach our over-arching goals, this is great. However, we do not consider it our only objective that every programme has huge impacts. Even if some programmes have a huge impact, we do not usually brag about it. Basically, we measure our work by checking whether or not specific programme goals are achieved and whether or not they are sustainable.

More CSOs should participate in public policies

**AF: How do you learn both from successful and unsuccessful civil society initiatives?**

HL: Depending on your perspective it can be said that there were unsuccessful cases. Some unsuccessful cases were extreme. For example we once had a rather unusual partner that was not accountable at all, even violated their mission, which we could not accept. Let me give you an example. We had a partner that was working on the rights protection of workers. We supported this organisation. However, this organisation saved quite a big amount of money that was supposed to be used for the salary for their staff. They allocated the saved money for their organisational development fund. Their finances not only violated our agreement, but also seriously hurt their employees basic labor rights and interests. They saved the salary and could not keep their staff. Once the staff left they could not get any protection from this “organisational development fund”. If we followed this kind of logic, does it mean the enterprises can save workers’ salaries as the development fund for their factories? I think this case was unsuccessful, though these kinds of cases are rare. If there are programmes that have not reached their goals, it was not because of financial moral hazard. Instead it would be due to the fact that external factors had changed too quickly. Sometimes these would be changes on the community level. For example, a long-term community development project may have to change because during the process of project implementation a natural disaster occurs. These are objective reasons where the external environment suddenly changes. We also understand that the capacity of our partners needs to grow gradually and this takes time and it is a learning process. I think the main thing is to see if the partners follow the programme goals. As for the result, it can be assessed during the review and evaluation periods.

Why some projects fail

**AF: The last question is about sustainability. Do you think about what happens when you stop providing funding? In such cases your cooperation partners may struggle, since they do not know how to sustain themselves.**

HL: We normally do not support a partner for some years and then suddenly stop. While we do not change our partners, our collaboration goals and collaboration areas change all the time. No matter whether the partner is an NGO or the government, they also constantly change. They reposition themselves and adjust their collaboration models with us. We also encourage partners to diversify their funding streams. If the conditions allow, we encourage NGOs not just apply for foundation support, but also apply for government or enterprise funding. What is crucial is that the organisation applies for funding for specific programmes, rather than using funding to do something totally different. I think that currently there are very few big grassroots NGOs in China. The majority of NGOs are still in the learning

Encouraging grantees to seek multiple sources of funding

and growing period. If they can diversify their funding streams, their resources will become more stable. This comes back to the point you mentioned. It is better not to be too dependent on a department in the government, or on the funding support of a particular enterprise. The best thing is to diversify funding streams. Furthermore, in terms of their sustainable development NGOs should also not be overly reliant on their leaders. They may consider it worthwhile to learn from the management of International NGOs. International NGOs do not rely on one leader but instead have a good team and system. This way they avoid becoming overly dependent on charismatic organisational management. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**How citizen diplomacy and civil society cooperation  
can reinvigorate the EU-China partnership and help  
develop a shared sustainable development vision**

An interview with Horst Fabian  
EU-China civil society ambassador  
and independent researcher



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**The main institutional logic of fast Chinese development has been state-driven and is characterised by market liberalisation, with state-owned enterprises and a state-controlled civil society development. However, alongside support from the state, Chinese civil society has also expressed the need for support from non-state actors. This not only includes domestic private enterprises and civil society institutions, but also international organisations.**

**Such support could come in the shape of European and Chinese citizen diplomacy. Such citizen diplomacy facilitated by the internet includes all kinds of social, economic, cultural dialogical and cooperative encounters which contribute to mutual understanding and trust. Citizen diplomacy has the potential to turn the EU-China relationship into a horizontal two-way dialogue.**

**In China and in Europe there are very detailed and well-designed plans, but the general public does not know about them. Civil society can make a big contribution in developing and communicating a shared vision of sustainability development and cooperation. This could be a big goal of mainstreaming of citizen diplomacy.**

**In the past decade the German Center for International Migration and Development (CIM) has been supporting China's transition through the placement of European experts in Chinese state, private sector and civil society organisations. This was a very different instrument in comparison to the prevailing concepts of development cooperation. These were not CIM projects steered by CIM. The role of CIM was screening and deciding the requests and supporting and monitoring the placement. As the Chinese employees employed the CIM experts as so-called integrated experts the Chinese partners were at the steering wheel and therefore the CIM were in the midst of the Chinese reform process and experimentation. This very special CIM architecture has been especially useful in politically sensitive areas.**

**The European public begins to understand that China is on a common but differentiated journey towards a sustainable innovation economy. If people look at China not from the democracy perspective but from the sustainable development perspective then they see that China is generally investing heavily in sustainability innovation.**

**Citizen diplomacy and civil society cooperation is no magical solution for everything. There are certainly some limits. One limit is that civil society movements - international movements, too - are one-sided single-purpose movements which therefore - because they are focused only on some issues and look at it from one perspective - sometimes lack a balanced strategic view.**

*This interview was conducted by Dr Andreas Fulda via Skype on 2 September 2014.*



## Interview transcript | Horst Fabian

**Andreas Fulda (AF): Between 2007 and 2013 the European Union allocated 224M€ for development assistance to China. The EU has provided funding to Chinese CSOs through the European Instrument for Democracy and Human Rights (1,9M€), the NGO Co-financing mechanism (7,1M€), and the thematic instrument Non-State Actors and Local Authorities for Development (7M€, 2011-13). This amounts to 7,1% of overall funding of 224M€. You call on the European Union to significantly increase its support for Chinese civil society. Why should the EU get more involved at a time when increasing numbers of bilateral development organisations are phasing out their development assistance to China (AusAid, GTZ/CIM, DFID, CIDA)?**

Development cooperation with China has traditionally been a state-to-state affair

Horst Fabian (HF): As you already mentioned civil society development cooperation has been lagging behind. Most development cooperation with China, not only of the EU but also of its member states has been state-to-state development cooperation. This was due to pragmatic reasons. Secondly, my view is that China has developed fast but in a very uneven way, mainly economically. The main institutional logic of Chinese development has been state-driven and is characterised by market liberalisation, with state-owned enterprises and a state-controlled civil society development. Civil society has developed fast as well but in a controlled, restricted way and not as fast as China's economy. Therefore civil society is far from mature. The Chinese civil society actors are in need and have expressed the need for further support. In comparative terms small investments would have a potentially big impact.

Supporting a citizen-orientated development that is driven in part by Chinese civil society

At the same time the state has treated various sectors of China's civil society differently, leading to uneven legal reforms. Lastly, there have been reforms which have facilitated registration and state financing for social service organisations and social enterprises. But there is still no legally protected space for religious and civil rights NGOs, and the status of environmental NGOs is far from clear. Further, it can be argued that civil society can make an essential contributions in most partnership projects. Let me give you an example based on my experience. The EU environmental project was always eager to cooperate with European experts supported by the German Center for International Migration and Development (CIM) which worked in Chinese civil society organisations - their only possible civil society allies. Finally, from another point of view the support of Chinese civil society by the EU is more than development cooperation. It is a contribution to a social and politically inclusive, citizen-orientated development that is driven in part by Chinese civil society. Last, not least the EU-China strategic partnership can only live up to its expectations if both societies are involved. Otherwise, the partnership will be an elite and commercial project or just a partnership on paper. A partnership has to be lived in regular societal interactions. Today the conditions in terms of easy transport and communication are in place.

**AF: Civil society is still a relatively new activity area for the European Union and its member states. What could be new and innovative funding models for supporting China's civil society actors?**

HF: Here I refer to your proposal regarding [innovative funding models](#) for people-to-people dialogue between Europe and China, which is very well designed. Therefore I limit myself to some short comments. First of all, civil society cooperation needs funding, needs a funding mechanism which is open to broad applications and facilitates the engagement of European mainstream civil society. It should also comply with the following requirements: clear and realistic criteria for supporting problem-focused, goal-oriented and geographically limited projects. Funds should be professionally managed by third parties, not by the EU administration itself. Therefore it should be transparent and fair. The example of Northern Ireland can serve as a real success story in this respect. The peace process accelerated after the US provided a fund, proposed by Senator George Mitchell, which allowed a multitude of small, cooperative and very effective projects. This approach could also be brought to fruition in EU-China civil society cooperation.

EU-China civil society cooperation needs funding

The Northern Ireland Fund for Reconciliation could as a good model for a new EU-China civil dialogue facility

**AF: I understand that in terms of your vision of EU-China relations you place a great emphasis on citizen diplomacy and civil society collaboration. You think that it is a good way of reinvigorating the EU-China partnership. What is your understanding of citizen diplomacy and how citizens can play a role in the EU-China partnership?**

HF: First I would like to stress that the concept of citizen diplomacy is rather new in the European context and follows largely in the cultural tradition of the United States. The rise of this concept in the European context might be fruitful since we now see the emergence of a Common Foreign and Security Policy (CFSP) of the European Union. In my understanding of citizen diplomacy I refer to Joseph Nye, an author who also coined the concept of soft power. He wrote a short piece about citizen diplomacy in the New York Times in 2010. It starts with the observation that in the information age soft power is on the rise, though other aspects of power remain important. Soft power means the capability to develop and promote globally credible narratives and the capacity to frame events and trends for a global audience.

Value of citizen diplomacy

Similar to Joseph Nye I prefer a rather broad understanding of citizen diplomacy. It includes all kinds of social, economic, cultural dialogical and cooperative encounters which contribute to mutual understanding and building of trust. This means that we are not only talking about direct political endeavors such as peace movements. The main effects of citizen diplomacy are the international promotion of ideas by horizontal dialogue and the change of attitudes and values by co-learning. We cannot understand the rise and potential of citizen diplomacy without analyzing its subterranean driving forces: transport and communication revolutions facilitating rapidly growing economic interdependence, the rise of a global internet and dramatically growing global travel. China and Europe exchange goods and services worth about 1 billion euros a day. The global internet now has three billion users, about 550 million each in Europe and China. Ten years ago travel between Europe and China was largely restricted to professionals. Now the number of Chinese tourists to Europe is rising exponentially from 2 million a decade ago to probably 12 million in 2015. Nevertheless, the global internet and personal encounters create rather different impacts. Communication via internet leads to the spread of and access to information and facilitates mutual debate and understanding, but it is rather

Development of trust and trust networks

Transport and communications revolutions

Why personal encounters matter

weak in terms of creating trust and trust networks. Personal encounters on the other hand facilitate mutual understanding, the development of trust and trust networks and shared group identities. I think that this has been also the case in the core group of the EU-China civil society cooperation. A recent study about China's image in the European public has shown that personal intercultural encounters of every kind including tourism promote more complex and balanced images of China. Nevertheless, the main drivers of citizen diplomacy on both sides are not tourists and touristic encounters but professionals, scholars, researchers, business owners, managers, politicians, public administrators whose experiences are based on often regular, routine encounters. But the growing density of the economic, cultural, etc. network between Europe and China is not only facilitating citizen diplomacy; there are strong arguments and evidence to assume that the expansion of citizen diplomacy is contributing heavily to the legitimacy and stability of the EU-China strategic partnership.

**AF: In a sense you are advocating the combination of online and offline activities...**

Two-way dialogue

HF: Yes, but I think it was rather important that a core group of civil society "ambassadors" met several times. This way within this core group personal ties and trust could develop. The advantages of citizen diplomacy in comparison with other kinds of diplomacy, including public diplomacy, which tends to promote narratives reflecting national interests, is that it values two-way dialogue. It starts from difference as a matter of fact and tries to understand and respect difference. There are no hierarchies and communication occurs horizontally. It is an open-ended reflection starting from group-specific prejudices based on primordial "national" ties reviewing them in a process of dialogue. There are no fixed, ready-made messages and no previously agreed results. This is why it has a large potential to change perceptions, attitudes and values. Citizen diplomacy can also help develop shared goals and narratives in cooperation projects from the bottom-up. Therefore EU-China citizen diplomacy means at least two things: it is, in cooperation with dedicated, promotional state agencies, an excellent incubator of common projects, designed and managed from the bottom-up. Another lesson learned from the latest EU-China Civil Society Dialogue Programme is that it enables the co-creation of shared narratives.

Developing shared goals and narratives in cooperation projects from the bottom-up

**AF: What specific contributions can citizens make to help reinvigorate the EU-China partnership?**

Bridging the gaps between Europe and China

HF: We need to bear in mind that there is a rather big distance between Europe and China, not just geographically but also culturally and politically. The potential for mutual misunderstandings thus is high. This could provoke the challenge of rising economic conflicts in the context of a changing international constellation. The impact of China is rising, for example when we look at the share of global GDP, which is likely to rise from 17% in 2011 to 27% in 2060. In relative terms Europe will lose some of its importance. The combined percentage of France, Germany, Great Britain, Italy of the global GDP will decrease from 24 % in 2011 to less than 10% in 2060. Therefore the key task is to create shared goals and values as well as trust and trust networks to counter this threat. In these areas I see key contributions of citizen diplomacy to the strategic partnership between the EU and China.

**AF: You have been talking about citizen diplomacy but equally you are very keen to mainstream the inclusion of civil society actors in the partnership. How could civil society collaboration be mainstreamed across the broad portfolio of EU-backed initiatives in China?**

HF: By my latest research on China's transition towards sustainability I have been convinced that civil society can make a big contribution in developing and communicating a shared vision of sustainability development and cooperation. In China and in Europe there are very detailed and well-designed plans, but the general public does not know about them. So this could be a big goal of mainstreaming of citizen diplomacy. But then of course the question remains how to do it? A first step should be the political institutionalization and formalization of such endeavors.

Why Europe and China need a shared vision of sustainability development

The current People-to-People agreement between the EU and China is rather vague. It might be useful to update it by establishing formal civil society partnerships between Europe and China. This could be accompanied by an agreement among leading European and Chinese umbrella civil society organisations. In terms of political-administrative procedures there should be routine screening procedures in every new and continued EU-China cooperation project to ascertain the possible space for civil society cooperation. Besides there should be procedures and formats on how to include civil society cooperation in existing institutions. For instance there is an EU-China Renewable Institute in Beijing and they are cooperating in fact with civil society. But I really doubt that there is a department in this Institute mandated for this strategic task and a section in the European Union which keeps track of such practices. I think that such tasks and practices should become formalised. We talked earlier about the idea of funding civil society cooperation so I will not repeat this point here. I also think that it would be very useful if an institutional infrastructure of cooperation could be created with node institutions and competency centers on different levels in the science and in the civil society realm and with interfaces to economic organisations. They could function as information relays and could have linking functions as well. Last but not least I suppose that because of the big cultural differences, every kind of effective cooperation with China presupposes the labour of cultural translation and intercultural management. Therefore it might be useful to have a network of institutionalised cultural translators and intercultural managers, just as Germany had the CIM experts in our civil society portfolio. If these steps would be realised this could make a rather big difference.

Limitations of the current people-to-people dialogue

Creating an institutional infrastructure of cooperation

**AF: You were in charge of the East Asia portfolio of a German personal cooperation programme of the Centre for International Migration and Development (CIM/GTZ). In a recent publication you have stated that “in terms of resources the CIM portfolio was probably the biggest European public investment to support the development of Chinese civil society. From 2001 until 2014, when German development cooperation was phased out, CIM placed in total 30 CIM civil society experts on demand within Chinese partner organizations”. Please explain the CIM model and how it has contributed to the maturation of Chinese civil society.**



Supporting the growth and maturation of China's civil society through the placement of European experts in Chinese infrastructure institutions

Promoting organisational development and small social innovations

How the CIM model worked

Reconsidering commonly held views about Chinese GONGOS

HF: It was a rather interesting experience and an unplanned and unexpected success story. In the beginning our civil society portfolio was totally demand-driven. The idea was not mine or one of my consultants. It was the idea of a Chinese partner, Huang Haoming, the head of CANGO, an NGO umbrella organisation. At first I had been rather skeptical. Actually I was not only skeptical but rather ignorant before the first placement in 2001. After we gained some experiences we developed a clear concept. Our support for Chinese civil society was focused first on cluster development by creating what I call infrastructure institutions - for example capacity building, research, consultancy, building networks, etc. - and then on preparing or promoting experimental social innovations on a rather small scale. Our support for cluster infrastructure development for the Chinese civil society sector was focused at capacity building capabilities at organisations such as CANGO in Beijing or NPI in Shanghai. We also supported networking or setting up NGO research institutions at Tsinghua University and Xiamen University. Supporting the development of thematic or sectorial networks was important as there was no tradition of horizontal cooperation between NGOs in China. The second focus was developing small experimental innovative models of instruments, for instance your experiments with participatory instruments such as the Future Search Conferences in China. Another expert in Guangzhou, Professor Gransow, developed social impact assessment tools and supported the introduction in China. In the Chinese context it was an important innovation to have tools for civil society to gauge the social impact of big infrastructure projects.

Nearly all CIM civil society experts have been fostering international cooperation between Europe - in particularly Germany - and China. The best example for this has been in the field of EU-China Climate NGO exchange and cooperation. To understand the suitability of this instrument we have to remember that this is a very different instrument in comparison to the prevailing concepts of development cooperation. It is demand-driven. These are not CIM projects steered by CIM. The role of CIM is screening and deciding the requests and supporting and monitoring the placement. As the Chinese employees employ the CIM experts as so-called integrated experts the Chinese partners are at the steering wheel and therefore the CIM are in the midst of the Chinese reform process and experimentation. This very special CIM architecture has been especially useful in such a politically sensitive area. Though it is a rather sensitive sector there have never been real political problems.

This forced me to review the dominant image of Chinese NGOs: GONGOS, by which I mean NGOs which are closely embedded in state and party relations are classified as dependent and therefore bad, whereas small grassroots NGOs are considered as independent, contentious and good. By my on-the-ground activities I learned that GONGOS can be rather open, active, modernizing partners with a horizontal NGO culture, if managed by engaged, open-minded leaders full of integrity. In contrast, we selectively made not so good experiences with rather small NGOs led by charismatic founders which did not allow consultancy towards transparent, participatory and professional organization development, because they wanted to stay in control.



**AF: Let me get back to your idea about intercultural managers and translators. In a way the CIM programme was a means to embed European experts in Chinese organisations. This required good intercultural communication and cooperation skills. You have been promoting this role for the general EU-China partnership. But what would be key pre-requisites to play this role well? Among those thirty experts you must have seen both light and shadows.**

HF: In real life there is always light and shadows. Nevertheless, in my view the shadows have been small and did not obstruct the general positive performance and feedback. While in China you always need good intercultural competencies; this is particularly true in the civil society sector. You are right if an expert does not possess these capacities of cultural translation the expert's effectiveness will be rather low in terms of contributions to projects and international cooperation. Nevertheless, if I consider the overall feedback of our partners about the performance and record of the CIM experts, they have been rather good. In the civil society sector it is really useful that German or European experts have Chinese language capabilities, though I do not think that if he or she is really strong in terms of intercultural competencies this is a condition *sine qua non*. But if possible Chinese language capabilities are really useful for a qualified communication with the staff and partners without intermediaries.

Added value of language and intercultural competencies

**AF: This brings me about our following segment about perceptions of China in general and perceptions of Chinese civil society in particular. It seems that it is quite debatable whether those people who are already playing the role of intercultural managers or translators are doing their job very well. It appears that a lot of European policymakers do not seem to have a good understanding of the current state of China's civil society. What are common perceptions and misconceptions of China's civil society?**

HF: Let me start with the misconceptions. Not only for politicians but even more for the general public Chinese civil society is often nearly invisible. They do not see what is going on in mainstream civil society. There are some exceptions. If civil rights activists face repression then it is reported here. Lately there have been many social conflicts and movements which have been perceived here, as for instance the Wukan incident. The dominant impression the public and politicians get from China is that China is a repressive state. These perceptions in my view are mainly framing China in terms of Western democracy. Chinese political reality is measured only in terms of our model of democracy.

A Chinese civil society which is invisible to most Europeans?

The questions asked are whether the Chinese system is in line with or whether or not it converges with ours. From this perspective and this frame people are not able to see the big potential of mainstream Chinese civil society to push for change. The challenge is to reframe our understanding of China by sticking to democracy as goal and universal norm but considering the Chinese context and supporting our Chinese partners to explore a Chinese way to democracy and an adapted but not an exclusive in the sense of a unique Chinese model of democracy.

I think that citizen diplomacy, because of its dialogical capacity to question one-sided frames and to develop co-narratives, can contribute to a more substantial understanding of China – including its risks and negative aspects.

**AF: How could European policymakers gain a better understanding of the possibilities that Chinese civil society pose for the EU-China strategic partnership?**

HF: Let me answer this question by addressing the issue of the general low China competence in relevant European institutions on all levels. According to the brochure on the [German Bundesland NRW's relationship with China](#), which was produced by Nora Sausmikat of the Stiftung Asienhaus, the China competence on the communal level is rather low leading to an under-utilization of potentials of cooperation. The European Greens did not even have a China expert within their faction. It would be a big step if the EU on all levels and in different kinds of institutions would invest more in expanding its China competences. Other steps in this direction, for example when European politicians travel to China, could be routine exposure to Chinese civil society organisations. An inspiring example for this could be the visits of the German minister for the environment. During his stay there as a rule was a meeting with environmental NGOs organised by CANGO and with support of a CIM expert. Chinese civil society should also be a standard theme in the mass media and in schools. The high possibility that environmental movements and conflicts will accompany China during the next decades should help to make this feasible. There are other resources and opportunities which could be used as well. For instance most of the German Bundeslaender have small but relevant civil society departments which could be mandated to research information and to diffuse information about Chinese civil society. These are some very first practical ideas.

**AF: Are there any other good ways that Europeans can gain a better understanding of Chinese civil society?**

HF: My first point is the observation that there are cracks in the above mentioned China image, especially among the well-informed public, including politicians. The European public begins to understand that China is on a common but different journey towards a sustainable innovation economy and society. This crack could facilitate the development of a new perspective and a new perception and framing of China. If you look at China not only from the democracy perspective but from the sustainable development perspective then people see that China is generally investing heavily in innovation. Most of this innovation, e. g. the development of five of seven so-called strategic emerging industries, are related to the sustainability issue (i.e. energy efficient and environmental technologies, new energy technologies, new-energy vehicles; new materials and high-end manufacturing at least partly). A lot of people already know that China is the biggest producer and the biggest market in terms of wind and solar energy. This trend probably will be reinforced by the forthcoming Paris conference on climate change. There are good reasons of hope that the role of China will change from that of a laggard and brakeman and that China might take the role of a climate policy leader in cooperation with the EU, and maybe even with the US. China is increasingly seen by the EU as an interesting cooperation partner in

Need for Europe to enhance its China competency

European politicians can learn about realities on the ground by talking to Chinese civil society practitioners

Looking at China from the sustainability perspective

sustainability fields as documented by several policy agreements with China within the framework of strategic partnership. This leads me to my most important point. Policy experts are well informed about what is going on in China in terms of sustainability innovation and the possible role of civil society. What is lacking is a shared sustainability vision that convincingly shows and argues why Europe and China are well positioned to become the leaders of a renewed third industrial revolution towards a new model of sustainable development. Such a shared vision would enable Europe and China to convince and mobilize their respective publics. The European vision should consider that sustainability reforms often pose the question of building blocks of gradual, selective democratisation, not in the Western sense of elections and multi-party systems but nevertheless of small but real steps towards democratisation.

Sustainability challenges are also opportunities for small steps of democratisation

**AF: It is very interesting that you juxtapose electoral democracy with what could be termed more participatory forms of governance, where citizen participation plays an important role to bring about sustainable development. Would you mind elaborating on this a little more?**

HF: I do not plead for participatory democracy as an alternative model to electoral democracy. This kind of juxtaposition is an outdated debate. Some varieties of democracy, such as people's roles as "contentious veto public", "supervising public" and "legal actions of the public" - which is still weak but since the new Environmental Law of 2014 with enlarged legal spaces - have developed recently in China. My starting point is that we have to acknowledge and in a certain way respect the Chinese leadership's policy decision on priorities of their agenda, if it is not political reform.

In the setting of principled debates about political models with our Chinese partners we should elaborate the advantages of full-blown democracy: But in pragmatic cooperation initiatives the focus should be on lower level goals of cooperation which are shared by our Chinese partners – not losing out of sight the perspective of a virtuous circle of co-developing more ambitious projects with shared, more higher-level goals. This step-by-step approach based on shared goals and the potential dynamic of a virtuous circle is one of the building blocks of citizen diplomacy as elaborated by Marc Gopin, an ardent practitioner and a theorist of citizen diplomacy, in *To Make The Earth Whole*.

Taking a step-by-step approach based on shared goals

Here my argument is that, as a matter of fact, the path of sustainable development chosen by the Chinese leadership not only is a focus of fruitful cooperation in itself but at every step and in manifold ways it poses questions of democratisation, not the big question of a democratic breakthrough but of gradual steps facilitating sustainable development innovations and of building blocks laying the foundations of a future house of democracy. This is a perspective not unfamiliar to the Chinese philosophy of change and reform. The CCP political scholar Yu Keping even developed a theoretical concept and strategy of incremental democratization within a theoretical discourse of universal democratic values when he postulated "Democracy is a good thing".

#### Eco-city experiments

Let me just name and explain some of the sustainability challenges which will be opportunities for such small steps of democratisation. Sustainable development pilots and innovations as a rule require stakeholder and citizen participation. The Chinese are beginning to learn this insight by their failures. For instances many of the low-carbon city experiments and eco-city experiments have been failures because they were designed and implemented without any relevant citizen and stakeholder participation. In China there have been some first selective participatory experiments but these have not yet been scaled up. EU–China cooperation could contribute to consolidate and mainstream sustainability experiments with institutionalized stakeholder and citizen participation. If and as China strides ahead on the sustainable development path more opportunities will arise. Sustainability science and innovation, in contrast to traditional concepts of science, are based on trans-disciplinarity, meaning the co-learning of science, state and society actors. There are other interesting trends within China.

#### Aircopalypse

The dramatic urban air pollution crisis, often named Airpocalypse, an expression indicating the dramatic dimensions and impacts, has developed into a crisis of trust and legitimacy of the Chinese government. To regain trust the government had to introduce relevant reforms. An interesting example, which only got scarce attention in Europe, is the mandatory, real-time environmental information disclosure for cities but also for the biggest polluting enterprises, of which there exist about 15,000. This will have a big impact in terms of transparency and of pollution control as these enterprises produce 70-80% of Chinese air pollution. The Chinese NGO Institute for Public and Environmental Affairs (IPE), led by Ma Jun, which in a Green Choice Alliance with other NGOs is at the forefront of several environmental initiatives, has developed pollution maps and apps which are nowadays widely used in China. Every morning the educated Chinese in the big Chinese cities look at their apps to learn about the current level of air pollution and how they and their children should react to it. What is at stake in the Airpocalypse are not only pollution issues alone but challenges of democratic governance such as public participation and monitoring, transparency and accountability. As the improvement of air pollution can only be realized within the next two decades or so these democracy issues will accompany Chinese development for some time.

#### Renewables

Another relevant issue in this context is the Chinese way or the institutional logic of renewables development, which has so far been rather state-centered. While this has facilitated the big success of the last decade, the next phases of energy transition will be increasingly based on so-called distributed energy. This will require decentralisation and democratisation as communes are involved in energy production and as buildings are used as decentralised entities for efficient energy production and consumption. The path to distributed solar energy has been prepared by new policy incentives for distributed solar energy at the beginning of September. All these developments will mean big steps away from the current, centralised state-controlled energy model in China.

**AF: This is really fascinating and ties very well into our next segment about philosophies of change. What kind of contribution**

**could the European Union and its member states make in China's transition towards what you call a "market-driven, innovative, knowledge-based, more inclusive, more just and more sustainable economy and society"?**

HF: First I would like to hint to the fact that this quote of mine has been a summary of the development vision of the new Chinese leadership for the next decade. The first challenge and step is to try to understand the vision of the Chinese leadership on its own terms without denying our conviction of and commitment to full-blown democracy. Then we have to acknowledge as a matter of fact that democracy in the Western understanding is no priority in the next decade of the Xi Jinping reign, at least if the leadership can control the agenda, though this is not sure. The real national priorities of the leadership are market reforms, transition to an innovation economy, environmental reforms, gradual social innovations towards a better balance of state and civil society including the reduction of social inequalities.

Understanding the vision of the Chinese leadership for the next decade

Referring to the last point the new law regarding registration of social enterprises and social service NGOs is a first step in this direction, just like the gradual reforms towards social inclusion, e. g. of urban migrants. China has one of the worst Gini coefficients of social inequality world-wide. These issues of economic innovation and viability, social inclusion and environmental sustainability are framed as building blocks of a transition towards a sustainable development path. When we consider the strategic relevance of these sustainability issues it is evident that China has a great interest to cooperate with Europe. In terms of environmental sustainable development and social inclusion Europe is the reference model. Though Europe is in the midst of an economic crisis it can still make some significant contributions towards these goals. I suppose that sustainable development in terms of social and economic and ecological sustainability can, should and will be the overarching issue of the EU-China strategic partnership. If we look at the sectorial bilateral partnership agreements it is already the base line of cooperation.

Europe is a reference model for China in terms of environmental sustainable development and social inclusion

**AF: Are there any preconditions for Europe to play a positive and constructive role in China's development?**

HF: The preconditions for Europe to play a positive and constructive role is to be able to look at Chinese development scenarios, both from the Chinese, including the Chinese leadership, perspective and the European and global perspective of sustainable development. This empathetic change of perspective is the first precondition and would enable Europe to explore a number of cooperation opportunities which are not visible from a narrow European perspective.

Need for an empathetic change of perspective

The second precondition and biggest challenge for Europe is to develop a shared sustainability vision together with China. This not only would facilitate EU-China sustainability cooperation but also enable Europe and China to act as global leaders and locomotives on the path to global sustainability. It will only be possible to develop such a shared vision if civil society on both sides has an institutionalized and legally protected voice as an integral part of this process of generating and communicating a sustainability vision.



Future role of the  
energy internet in EU-  
China relations

Only if we develop a shared vision will it be possible to bring the issue out of the offices of well-informed policy experts into the global public and marketplace. For me this is not just a challenging but also an exciting perspective. A shared sustainability vision has the potential to mobilise the European and Chinese citizens to be part and agents of this process. To give you a short example: Just as Chinese and European youth are fascinated by the internet they will be also fascinated by the energy internet, which can and must be built up in the next decades as one big building block of sustainable development. This and other issues framed by a shared vision of sustainable development have the potential to electrify the respective publics in general but in particular the European and Chinese youth.

**AF: You need briefly explain to me what you mean by *energy internet*? Is this a metaphor or should we understand this term literally?**

Third industrial  
revolution

HF: I refer here to the concept of the third industrial revolution as elaborated by Jeremy Rifkin who consulted both the EU and China concerning industrial restructuring towards a sustainable economic development model. Rifkin's concept of the third industrial revolution has four building blocks: First, a shift to renewable energy; second, the distributed, decentralised production of energy within each building unit; third, as solar and wind are not as steadily available as fossil fuel sufficient and cost-effective storage capacities at different levels in the energy net are critical; fourth, to make disposable these new sources of energy you need to connect these new sources of energy with the demand of the energy consumers by a smart energy grid. This is what I refer to as Rifkin's 'energy internet'.

**AF: Let us talk about how could existing partnerships between Europe and China be leveraged to enhance the impact of citizen diplomacy and civil society collaboration initiatives?**

Linking European civil  
society with city  
partnerships

HF: First of all there is a huge untapped potential on the local level for strategic cooperation between European civil society and city partnerships. The leverage would be rather large because there is not only an agreement between European and Chinese mayors but there are many EU-China city partnerships and also several, mostly thematic networks of European cities and big global city networks, all with a focus on low-carbon and sustainable development. Civil society cooperation with these city networks and bilateral city partnerships would be win-win situations and could be very strong leverages for European and Chinese cooperation as such. Additionally big leverage possibilities can be mobilized if European civil society and science activities, especially sustainability science activities, are systematically linked. I suppose that sustainable science actors are conceptually quite open to such ideas. An important precondition of broad and effective cooperation would be to explore and decide how to create effective interfaces between science institutions and civil society actors.

**AF: What you are suggesting is that groups of very well informed insiders need to open up. These people need to engage with the wider public, whether it is in Europe or in China. We started our conversation talking about citizen diplomacy and civil society collaboration. But realistically, what kind of impacts can be achieved by these means?**



HF: The main contribution will be that cooperative civil society projects for pragmatic low level goals will establish trust and trust networks, which are essential but scarce ingredients for effective international cooperation. In terms of trust networks we have made very constructive experiences within the EU-China Civil Society Dialogue Programme in general and within the climate NGO cooperation between Germany and China in particular. Stored trust accumulated by past regular civil society interaction is a big asset on which future cooperation can be built.

The second big contribution of citizen diplomacy is developing shared goals and values on the societal level which no other actors are able to make. A precondition of this is the institutionalization of regular and ongoing dialogue and cooperation and a steady mutual flow of ideas. Shared narratives cannot be developed in the context of one international conference. Flows of ideas can only take place, as Alex Pentland and his team have verified in *Social Physics*, within social networks. These cultural transformations are only feasible if cooperation is institutionalised within durable networks and structures.

A third pragmatic but effective contribution of civil society can be made when stakeholders and citizens are included in cooperation projects. They can mobilise the necessary societal acceptance, legitimacy and support for often challenging political and economic projects. If such projects are embedded in popular participation there is a chance of establishing a kind of virtuous circle by building storages of support and trust for future bigger challenges. The mutual flow of social innovation ideas between European and Chinese innovation societies can be another contribution of citizen diplomacy because innovations are facilitated by dense interactions, a large number and diverse ideas within the context of consensus building.

Including relevant stakeholders and citizens in EU-China cooperation projects

To sum up and put it simple: A conflict of interests between political, economic and societal partners who are accustomed to work and communicate jointly, who know and appreciate each other and who share some common perspectives is easier to resolve. We have to acknowledge that we are starting from a situation where we cannot agree on all values. Nevertheless, even with a minimalist “ethic of strangers”, the way it is understood by Kwame Anthony Appiah, we will be at least be able to work and live together in a sustainable way without endangering global stability – with the perspective of future rounds of virtuous circles by co-developing shared norms and values.

**AF: In a way the vision you lay out is very clear. Would you mind giving a few more examples of what you consider sustainable civil society partnerships between Europe and China?**

HF: This is not so easy because mainstream European civil society is not yet broadly engaged with China. When I talked to one of the leading members of a European association of civil society organisations he researched within this organisation about European-Chinese projects and there was not one positive reply. It is much easier to name some sustainable US American civil society partnerships with China, for instance the successful campaign against Apple. This campaign was directed specifically against the IT supply chain of Apple where toxic materials were used in the IT production. This campaign was organised in China by Green Choice, which

Learning from US-Chinese civil society partnerships

received support from two big US NGOs, Natural Resources Defense Council (NRDC) and Pacific Environment. There are many opportunities of such kind of NGO cooperation for European mainstream NGOs but these opportunities now still are used only selectively and marginally. Nevertheless, in Europe I can think of two specific examples. My favorite example is the cooperation between Germanwatch including other German climate actors and the China Climate Action Network (CCAN) which was facilitated by Patrick Schroeder, a CIM expert working with CCAN. There also has been a smaller project of the Global Nature Fund, the international arm of Umwelthilfe, which set up the China chapter of the global Living Lakes Network. It was supported by CANGO and some other Chinese environmental NGOs and coordinated by Mountain River Lake Sustainable Development Organisation (MRLDO) in Nanchang. However I do not know the actual status of this project. Some international NGOs, so-called INGOs, play really significant roles in China. In the context of the big issue of global energy transition, the fight against what is called coal lock-in is decisive for future energy scenarios. The China chapters of WWF and Greenpeace are playing a leading role within the rising renewable and sustainability advocacy coalition in the Chinese and global conflict against the fossil fuel advocacy coalition - mainly coal. Recent reports and activities of WWF and Greenpeace supported by very knowledgeable international professional networks such as Carbon Tracker have been very effective. If we reflect on the dimensions of this conflict we have to acknowledge that some of the conflicts regarding sustainability issues are of global nature though with national variations because of different national landscapes, e.g. in terms of resource endowments. You may know that the Koch brothers, which own a huge US coal conglomerate, are leading a heavily financed campaign against renewables, not only in the US but also globally, since the Koch brothers are interested to export coal to China. Viewed from this perspective the promotion of sustainable development and the fight against the still incumbent anti-sustainability coalition in many countries is a global task and another reason to reinvigorate EU-China civil society cooperation.

**AF: Finally, you have been talking about possibilities and constructive and pragmatic approaches. Do you see any limits to this approach based on citizen diplomacy and civil society cooperation? Are there certain things that people need to be aware when they chose to go down this path?**

HF: We already spoke about light and shadows before. Citizen diplomacy and civil society cooperation is no magical solution for everything. There are certainly limits and also some demanding challenges or even threats. One limit is that civil society movements - international movements, too - are sometimes one-sided single-purpose movements which therefore lack a balanced strategic view if they are focused only on one issue and look at it from one – often a Western - perspective. Let me give you an example. Several years ago I spoke with human rights advocates interested in China. They really had a somewhat fundamentalist Eurocentric perspective on China and they did not know anything about the rising Chinese civil society. Nevertheless, when I told them some concrete civil society stories they were eager to hear about it. Besides, as can be learnt from Charles Tilly, civil society movements sometimes can express exclusive group-centric views and loyalties, e. g. an assertive nationalism, instead of developing balanced and broader views embracing an open identity, mixing national and cosmopolitan beliefs. In such a setting nationalist citizen movements tend to

polarise by expressing their special national group-centered, exclusive views, discriminating other ethnic and national groups, instead of building international bridges. Some manifestations of Chinese nationalism during the last decade in its aggressive form, which is not conducive to international dialogue and cooperation, were a popular and not primarily an elitist phenomenon. Therefore Chinese civil society and citizen movements – as everywhere - have to choose between aggressive nationalism or to continue opening up by international exchange, cooperation and dialogue.

A last challenge relates to the way the Chinese government will position itself towards EU–China citizen diplomacy in the future. The credibility of citizen diplomacy presupposes that the states involved loosen their control. States can promote citizen diplomacy and build state–society alliances. But if they try to control citizen diplomacy activities in an authoritarian way the credibility of these are questioned and finally damaged. This doubt is shared by many European mainstream NGOs towards China which probably explains a large share of their low level of engagement. For several reasons I am rather optimistic regarding the mid-term perspectives, though there might be occasional frictions. In my view the broad picture will be that of smooth and expanding civil society cooperation. Why? First, the history of EU–China civil society cooperation has proven that the Chinese government in principle is open and interested in developing this kind of cooperation. Second, the new era of reform after the leadership change is defined by Li Keqiang as an era of innovation, including social innovation and a rebalancing move towards greater autonomy of society in its relation with the state. The facilitation of the registration of social service NGOs is a first step on this reform trajectory. The Western media and public have underrated the learning and reform capacities of the Chinese state both in 1978 and 1990 because they were tilted towards a linear interpretation of Chinese development.

Will the Chinese government allow citizen diplomacy?

In both cases they have been surprised and did not anticipate the reform paths. Maybe we have to learn that lesson not to extrapolate linear trends of Chinese development and to develop a precise understanding of possible alternative Chinese development scenarios. Very knowledgeable energy policy experts did not anticipate that China would enter the era of decentralized solar power so soon, as it did in September. They simply supposed that the institutional model of the solar industry during the last decade because of an in-built institutional logic, which was state-driven, export-oriented and centralized, would continue. Besides, the new era is defined by the new leadership as transition towards a sustainable development model based on innovation. Both, on the national and international level this strategic view implies social innovation, horizontal social learning and co-learning of state, science, economy and society. Innovation is facilitated by a high density and diverse multiplicity of innovative ideas, often developed bottom-up via horizontal debate and lateral learning. Last not least sustainability innovations cannot be implemented without public participation and public supervision. In terms of promotion of sustainable development Europe now is the natural strategic partner of China. During the first 30 years of the reform era this role was played by the Asian tiger economies and in particular the Chinese diaspora which no longer is the main agent to mobilize the know-how and the resources for the era of sustainability.

Why the learning and reform capacities of the Chinese state should not be underrated

Need for public participation and public supervision

In terms of sustainability innovation incentives and commitment, advantages of scale in terms of market and resources, policy innovation and learning capabilities, etc. China is an appropriate partner of the EU. To inhibit EU–China civil society cooperation by authoritarian control would China cut off from the international professional and civil society networks needed for the new era of sustainable and innovative economic, social and environmental development. To co-develop sustainability capacities and to co-grow and co-reap the fruits of mature sustainability technologies, culture and social practices will only be possible in the framework of an expanding EU–China partnership model including public participation and citizen diplomacy. The European partners should be aware of these potentials and focus their cooperation on viable sustainability cooperation and within this strategic focus position themselves as constructive, demand- and needs-oriented, dialogical and flexible partners. I hope that European and Chinese citizen diplomacy will be able to combine such a vision with pragmatism and realism and to practice the art of the possible. ■

# THINKING STRATEGICALLY ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA



**Encouraging people with skills and resources to solve the environmental problems we have created**

Guo Xia, SEE Conservation & SEE Foundation, Deputy Secretary General



CHINA  
DEVELOPMENT  
BRIEF



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## Highlights from the interview

**We are a special kind of environmental public interest organisation. Normally, foundations are either family-based or come into being through public donations. Our organisation, on the other hand, was established on 5 June 2004 by various entrepreneurs.**

**From 2004 until 2008 we focused on combating desertification. In 2008 everyone felt that we had already worked on this for many years and that we now understood how to run a public organisation. We learned how to set up our internal governance and how to reach a consensus among a lot of people. We learned how to move forwards and also gained a lot of experiences and lessons with our projects. We gradually learned how to do environmental protection projects from a civil society perspective. By 2008 everyone felt that we should establish a foundation. This would allow us to realise our initial plan to engage in environmental protection all across China.**

**We are very specialized and only do environmental protection projects. This means that in the field of environmental protection we are very complete and provide both project support as well as personnel support. This includes support for leaders as well as support for the development of their organisations. We even provide support for the establishment of environmental public interest organisations, a little bit like an angel investor. In terms of these start-ups we mostly provide support for individuals and organisations.**

**Our donors care a lot. They care about the money, but they also care about more than just money. They are very idealistic in that they hope that through their participation and effort they can help Chinese society to develop a healthy and sustainable public interest model.**

**I think that there is a big trend in civil society or public participation. More and more societal elites want to do something or get more involved in this kind of work. I personally think, regardless of whether it is environmental protection or whether it is manifold social initiatives, it should not be about vulnerable people helping vulnerable people. It should be about societal elites who do this by spending their money, energy, wisdom and technical skills. Especially with environmental problems, they are not something which can be tackled by people who basically lack everything. We should not let people who should receive help in the first place, for example victims of environmental degradation, we should not ask them to tackle these problems. Such problems should be dealt by people who have more skills and more resources.**

*This interview was conducted by Dr Andreas Fulda in Beijing, China on 14 July 2014. Translated by Sijing Xu and Andreas Fulda.*



## Interview transcript | Guo Xia

**Andreas Fulda (AF): SEE Conservation was established in 2004, followed by the SEE Foundation in December 2008. What kind of problems did the founders of the SEE Conservation and SEE Foundation try to solve? What was their motivation?**

Sandstorms

Guo Xia (GX): We are a special kind of environmental public interest organisation. Friends from home and abroad may consider us a special organisation, not only within China but also internationally. Normally, foundations are either family-based or come into being through public donations. Our organisation, on the other hand, was established on 5 June 2004 by various entrepreneurs. This all dates back to 2003. Starting from 2002 Beijing experienced severe sandstorms. Of course this problem existed before as well. During this time some entrepreneurs convened a business meeting in Alashanmeng in Inner Mongolia. They learned that this region was the origin of most of the sand storms that affected Beijing.

The desert left a deep impression on people. The key reason may be that Chinese businesses began to develop 20 or 30 years ago. Initially, they were uncertain whether they could survive or make money. By 2003 a number of businesses had developed rather well. During their everyday struggle to survive they suddenly looked up and realised that for all those years they had only cared about money making. They had not considered how they could really solve some societal problems and give back to society.

Chinese  
philanthropists

Some of the entrepreneurs felt that during the past ten or twenty years they had developed their companies but at the same time also destroyed the environment. They saw that as they had built an economic foundation, found some stability and were doing rather well, they also needed to think about how they can help improve the environment rather than simply destroying the environment and making money. Previously Chinese entrepreneurs or philanthropists had mostly donated money to children or for education. They had not yet become actively involved in public interest work or involved in the process of solving problems of the public. At that moment of time everyone felt moved and wanted to do something. They thus decided to establish an environmental protection public organisation. When they went back to Beijing they started to prepare and asked a lot of entrepreneurs to join this organisation.

When our organisation was established on 5 June 2004 we already had 60 to 70 entrepreneurs participating. We sat down and held a meeting and discussed our constitution. We discussed the process of how to elect our board. At that time there were some debates. Some people said that we should only combat desertification in order to help Beijing with the sand storms. Other entrepreneurs said that they came from other parts of China and represented all kinds of companies. They argued that there were so many entrepreneurs which together had great capabilities and could have greater social impact. They asked whether it was possible to engage in all sorts of environmental protection activities. They wanted to promote environmental protection in their given localities. We had a big debate and when it came to vote, the decision came down to three or four votes. In the end everyone decided that we

should start with projects which help combat desertification in the Alashan area. No one had done this work before, since we were very pragmatic private entrepreneurs. So we first established an association, the Society of Entrepreneurs & Ecology (SEE). We started with projects that aimed to combat desertification. Once we gained some confidence and learned how to go about this work we started to look at environmental problems in other parts of China. It was not that we did not want to do more, but it was a question of sequencing our work.

From 2004 until 2008 we focused on combating desertification. In 2008 everyone felt that we had already worked on this for many years and that we now understood how to run a public organisation. We learned how to set up our internal governance and how to reach a consensus among a lot of people. We learned how to move forwards and also gained a lot of experiences and lessons with our projects. We gradually learned how to do environmental protection projects from a civil society perspective. By 2008 everyone felt that we should establish a foundation. This would allow us to realise our initial plan to engage in environmental protection all across China. In the second half of 2008 we organised 20 members to go to the United States and visit various big foundations. For example we also visited the Rockefeller Brothers Fund and learned from the example of such big foundations. That was probably the first time Chinese people went to America to learn how to spend money. We visited a number of big foundations, such as The Nature Conservancy. All in all we visited ten organisations. They were really excited to host Chinese entrepreneurs for the first time who were not interested in making money but keen to learn how to spend money. So in the second half of 2008 we established the foundation. From 2008 onwards we started to explore. We started to fund projects in earnest in early 2009. This work continues until the present day. Of course we are still running projects in the Alashan region. So by now we have two organisations: one is the association and the other is the foundation. Both are moving forward. The association has its own vision and goals, whereas the foundation has its own goals and activity fields.

Combating  
desertification

**AF: After the establishment of the foundation and for the past five years, how did you select your projects and programmes? When making your decisions, did you consider the position of the government? Or is this something you would not give much thought? After all this is what you are planning to do.**

GX: Of course we consider this, but it is maybe not the most important thing for us to consider. After working on these issues for so many years, we ourselves want to solve some environmental problems. The more professional you are as an organisation to solve some problems the less likely the government is going to consider you as a sensitive organisation. We focus on our projects, we look at the capacity of an organisation, their projects as well as the long term development. This problem is therefore even less relevant, and there are naturally very few problems.

**AF: When you provide project support to what extent do you support government-organised non-governmental organisations (GONGOs), and to what extent do you support grassroots NGOs? What is the ratio between the two types of partner organisations?**

Blurred organisational boundaries

GX: When we provide support we usually do not only look at the organisation's background. We start from our own project objectives and strategies and see whether or not there are suitable organisations. In terms of the results we can see that until now we have mostly supported civic organisations at the grassroots level. I feel that the organisational boundaries are quite blurred. In many places an organisation may have been initially established by the government. But then the government has pushed these institutions outside and they have become more and more civic in nature. When providing funding we have also encountered such organisations. A government has established an association ten years ago, but for all this time this organisation has sat there idly. It never really sprang into action and only after some civic-minded individuals took over these brands from the government they started to operate them as civic organisations. They do so whilst hanging on to the government's original name of the organisation. This is why I think that the boundaries are not that clear cut anymore.

**AF: Many changes have occurred among Chinese foundations in recent years. Some foundations provide seed funding, whereas others provide project funding. Do you provide both types of funding? If this is the case, what is the ratio? How much can cooperation partners claim in management fees and human resources costs? What is the funding ratio?**

Environmental protection projects

GX: We are very specialized and only do environmental protection projects. This means that in the field of environmental protection we are very complete and provide both project support as well as personnel support. This includes support for leaders as well as support for the development of their organisations. We even provide support for the establishment of environmental public interest organisations, a little bit like an angel investor. In terms of these start-ups we mostly provide support for individuals and organisations. Of course they can also do some projects. Such support falls under the rubric of our projects or our various platforms. We make very clear distinctions. We gained a lot of experiences and now separate different objectives according to different lines of work. We have some big programmes which entirely look at environmental initiatives. We also have some programmes that specifically aim to support people and help with organisational start-ups.

Three Rivers

When you apply for a grant you will see that we have specific indicators according to which we will assess the proposal. So in terms of your questions we address this within each of our various segments. So for example we support projects. Here we only focus on projects, for example the Three Rivers protection project. In the context of this project we support a great number of cooperation partners. When these partners implement their projects we support their personnel and office costs, they are all part of the project support. We also have a separate line of support for personnel. So we support leaders, their own development, and the development of their organisation as well as some training. For all big projects we provide funding for capacity building trainings. So we have it all included. We have not yet calculated the ratio of all these various expenses, but I estimate it is about fifty-fifty. This means that the investment for projects and the support for people, organisations and the management are about fifty-fifty.

**AF: Let us talk a bit more about cooperation models. You just mentioned that in some projects you are cooperating with a number of partners. How do square the circle of donorship (e.g. the definition of key criteria for the selection of civil society initiatives in China by the funder) and ownership of civil society initiatives (e.g. the steering competency of Chinese partners and their desire to pursue their own goals)? Sometimes donorship and ownership are at odds. It can be that the foundation's goals and the goals of your partners may overlap but that they are not exactly the same.**

GX: I understand. This is indeed a very complicated and complex problem. When we go about our work this problem often puzzles us. When moving forward we always try find a good balance between donorship and ownership. This problem can be seen from two angles. The first is what you referred to as the objective. We are most likely to have our own objective. For example in the context of the Three River protection project we have a project that aims at industrial pollution control as well as a project to protect the wetlands. For us as a foundation this is a big objective. Under this objective we support a lot of partners. But as you say it can be that we have our own objective and the partners have different objectives. Maybe there is some overlap, but I am sure that there are also differences.

Donorship and ownership

But there is also a second problem that puzzles us, where we see problems in balancing donorship and ownership. Even when our objectives are the same, when we are sitting down to discuss a project and we are implementing it, there can be problems. Just last week we had a discussion among our colleagues about the problem of backseat driving. What is the role that foundations should play? What is the role for NGOs? There is a grey area in between. Is the problem that sometimes the arms of the foundation are too long? Does the overreach of the foundation lead to a situation where although the goals are the same, the partners feel that it is very hard to implement the project? They then ask the question whether this is your project or mine. At times it may be the opposite and we are too far removed. The NGO partner then moves forward too quickly. For us as a foundation, especially as a foundation which has to raise funds, we face the questions of our funders who ask us what we have done. So what role should foundations play? And of course we can ask the question whether the NGOs have done their work according to their commitments? This raises the question about the brands of foundations. If you as a foundation do not have a brand, your donors are unlikely to continue to provide you with funding. Because all they see is a bunch of scattered NGOs doing something, they will then ask where the brand of the foundation is. When a foundation does not have a brand donors are unlikely to agree with you.

For both problems we need to find a good balance, which is a real challenge to our work. Whether or not we work well as a foundation depends to a large extent on whether or not we can solve these problems. In terms of the first problem of goal setting I feel that we have performed rather well over the past couple of years. The reason is that at the very beginning, we did not set ourselves any goals. When we started providing funding in earnest in 2009, the road we travelled did not include fixed goals. Instead we supported whoever was applying. This meant that it was all their goals, their projects, and we provided funding support. At the beginning this is

Goal setting

how we worked. So in terms of the NGOs, we did not tell them what they had to do or what they should not do. Only gradually did we realize that this approach was too broad. Our funders could not understand what we were doing. They were asking how we spend their money. We could not tell them that we were supporting projects with one hundred different objectives in different localities. They would not listen to such long explanations. If you do not find a common objective and a way to measure it, you will have a hard time communicating with your donors.

But I am glad we started out with this approach, since it allowed us to see what kind of environmental NGOs are dealing with what kind of environmental issues in China. We realized that in fact there are many common initiatives. Although in terms of environmental problems we can see that China is very big, but since these problems occur under the same system and under the same model of economic development, we can see that there also exist many similarities. For example we realized that in various parts of China there were people working on water pollution, industrial pollution or environmental information disclosure. A lot of organisations do very similar things, for example some are trying to protect wetlands. The destruction or atrophy of wetlands is a problem that we can see all over China. So gradually and in cooperation with our partners we turned these into big programmes. Since everybody is working on similar issues, the projects are also very similar, and there is only so many ways you can go about your work. What we thus did is to build on the work of our partners. We put their work in order to make it more clear to everyone involved. We identified the common objective and our common strategy. Under every strategy our partners then would come up with their own specific objectives. We then try to quantify things or try to describe their successes as much as possible, discuss with them how to measure success. When we set up a system like this, our cooperation partners can see how they fit into the system. This way they naturally find something in line with their work, and within this system they have some choice. So for example a cooperation partner, an NGO, if they want to act as an NGO in Hunan doing pollution control, they can enter the big project of SEE. They do not have to do everything, but within the framework provided by SEE they can choose their activity area. Every organisation has its choice. From our end this allows us to combine together the activities of everyone and describe all activities under one objective. When we realised that our projects are now conducted this way we saw that this way we created a network.

In the past everyone would do things independently from other organisations. This meant that in every locality organisations would go about their own affairs. They would have to find out by themselves whether what they do is right or wrong and would have to build up their experiences and lessons all by themselves. Only through trial and error would they gradually learn how they can do things better. But under the umbrella of a big programme where many organisations do similar things in different localities, there are organisations with different functions. Some organisations are measuring pollution levels and have contacts with the local Environmental Protection Bureaus. Other organisations such as Ma Jun's organisation in Beijing do some data analysis and promote work in certain sectors. Within a network like this, we can promote mutual communication, mutual learning and help everyone learn from each other. Some organisations are very specialized and can measure pollution levels. Other organisations focus more on the mobilisation of the public and volunteers and



are less specialized. They can invite other specialized organisations to provide volunteer training for example. This way a lot of organisations at the periphery, organisations which have not yet joined the network, can look at organisations supported by SEE and see what speciality they have and learn from them.

**AF: Networks seem to have become a new development trend, which differs from the past. What you have just described is a learning process. It can also be described as a process of mutual adaptation. When preparing for this interview I also read a couple of reports about the SEE Foundation. If you do not mind I would like ask you about this process of mutual adaptation. Feng Yongfeng published an article in 2011 in which he criticized the SEE Foundation.**

GX: He always criticizes us in his articles.

**AF: The way I understand his critique he considers the SEE Foundation to be a very modern foundation, comparable to the One Foundation. He made the case that during the growth process of the foundation changes to the internal governance structure may have affected the grantees. He also touched upon the relationship between the board and the secretariat. As a third party observer I am not quite clear what the specific issues are. Would you be at ease to describe the relationship between the board of directors and the secretariat? This could be useful since you also mentioned the importance of donors previously.**

Feng Yongfeng's  
critique of SEE

GX: No problem. We actually have cooperated with Feng Yongfeng on various specific issues. We always feel that all the things he writes about in his essays actually reflect the high hopes that many Chinese grassroots NGOs have towards SEE. They do have very high expectations. In the field of environmental protection there are not too many foundations. In China there are even less foundations. This means that everyone has very high expectations towards SEE and hopes that SEE can support everything. But as a matter of fact we are a very small foundation. If you compare us with the big American foundations, we are actually a very small foundation. Also, we are very new; we have only existed for five years now. As a foundation, we also need to gradually learn and develop in order to grow our sector in a sustainable way. Only in this way can NGOs obtain support in a sustainable way. We take the issue of sustainability very seriously. We do not want to simply disburse money in one go and think that we have been very impressive, that we are the big boss among the NGOs.

You must not forget that foundations have the function to provide a sustainable platform which adds value and allows for the interaction between NGOs and donors. When Feng Yongfeng wrote his piece in 2011 we had only started as a foundation in 2009. Up until now no one had actually worked at a foundation. So we went to America to conduct visits and learn. There people have been doing this kind of work for many decades, a century even. And then you learn about certain principles, but the moment you come back you are facing different circumstances. Also we are quite special insofar as we have 300 donors. Every donor donates 100,000 RMB per year. They also participate in our internal governance. They have the right to elect and to be elected. Every two years they select their board of directors as well as a president.

Interaction between  
NGOs and donors

We do not only have a board of directors, but also a board of supervisors, as well as a rules committee. Here we have learned the separation of powers from the United States. I have been working in this organisation for about ten years now. Working as a member of the secretariat has been quite a complex struggle. It is as if every day there are a couple of hundred eyes staring at you. Every day different people come to you and ask you whether a certain project is working fine or whether it is encountering some problems. This is a difficult job. But on the other hand this process is also very important. First of all this shows that the donors really care about the work, which is very hard to come by. A lot of donors, once they have donated their money, are quite content with their enhanced reputation. When you give them a brand, when you have a commercial exchange, they then go away and do not bother you any more. I think that this kind of donor behavior is not very good for the initial development of the sector of Chinese foundations or of the public benefit sector. Only when donors care about their money, only when they care about the work, only this way can they objectively help build a more healthy and benign mechanism and system.

#### Role of donors

Our donors care a lot. They care about the money, but they also care about more than just money. They are very idealistic in that they hope that through their participation and effort they can help Chinese society to develop a healthy and sustainable public interest model. This is why they are all very careful, since public interest work is a new thing. When 300 people come together and a problem arises, they may all disband and the platform would no longer exist. As this organisation is growing up, more and more people care about this platform. They all feel that this is something they helped build and they treasure this platform a lot. Since our initial beginning in 2009, we can see that our board of directors have elected all sorts of committees. Every board member has been leading some kind of committee. The board members have also attracted a lot of new members. These are the donors who are now joining this cause. Since we established the foundation there has been a committee called the project review committee. This committee is specifically dealing with the daily review of projects and also looks at our work flow structures.

What we can see, especially during the initial stage, is that everybody is very cautious, very careful. Of course they also gave us a lot of space. The initial committee, including our board of directors, did not tell us what kind of theoretical system we should establish before we spend the money. They told us to start first, to give money first. I just told you how we started our work, and the board of directors gave us this space. If we had not made this decision, and decided that we would need to develop a scientific and professional system like the one of the World Wide Fund for Nature (WWF), I think we would not have spent any money in the first three years. We would have only done research at home. But this is not how we thought about it, we simply started giving. But at the beginning we also did not give much. We tried first and learned along the way. We did not want to follow something highly imaginative. In this process, we wanted to find out how we do things. We wanted to see what can help us establish a genuinely good system. This is why we asked our donors to join in the decision making process. In the very beginning we asked the committee to review very small projects. These projects were sometimes worth only 50,000 RMB. Later this sum was increased to 100,000 RMB. Now we have projects worth more than 500,000 RMB.

This means that below 500,000 RMB there is not much space left. Back then and before 2011 our projects were still very much scattered. Back then a lot of people would come to review projects. There would be our own project officers, the entrepreneurs who support us and also the NGO people who applied for the grants. They would jointly discuss the projects. The specific knowledge of our entrepreneurs was limited, but as entrepreneurs, they would be able to judge. For example they could assess things like the organisation, the management and other common sense topics. In the case of some topics, such as climate change for example, they may not fully understand them. It is very difficult to understand these issues in a very short period of time. Since they did not understand, they would ask a lot of questions. Since they do not understand, they would continuously ask questions. I think this is where things get complicated. On the one hand the problem is that donors do not fully understand environmental protection. At the beginning, the donors were very impatient. After all they are entrepreneurs. They saw that China's economy developed very fast. Once a property was build it could be sold. Maybe they also hoped that public interest projects would also yield some quick results. So this could be part of the reason.

Impatience

But on the other hand there is also another reason. A lot of grassroots NGOs are not very professional. They may see parts of the problem and then speak about it. The entrepreneurs are actually very smart people. Even if they do not fully understand the issue at hand, they can ask all sorts of questions to learn about the part they need to understand. They can see if people are professional. They can see if something is clear to them or not. A lot of entrepreneurs engage in investments. When you invest, you may not fully know about the technology of the company that you are investing in. But when they invest they ask all these questions. This allows them to see whether the leaders who receive their investments have or have not thought about these things. That is why they ask. A lot of NGOs are not used to this type of questioning. In fact asking these kinds of questions does not mean that this is an unequal relationship. When these entrepreneurs engage in commercial investments, they also ask a lot of questions. But Chinese NGOs often feel very uncomfortable about this. They may see this as an unequal relationship. From the perspective of the entrepreneurs, from the perspective of the donor, they do not ask these questions to control you. They do not want you to do things in a particular way. Instead they want to understand, they want to learn about this. Only when they understand and acknowledge they will give you money and stop asking. But if they do not understand, they are unlikely to donate money. This is how people from a business background are.

This is why some NGOs feel uncomfortable with this. In addition, a lot of NGOs lack professionalism. They are asked some questions by entrepreneurs who themselves do not fully understand, but they still ask questions. The entrepreneurs may ask questions about the extent of polluting industries or they want to know about the extent of the problem all over China. Take the example of chromium, of which China has very little. They want to know what is going on about chromium, but then the NGO practitioners can only say very little. When you are not able to shed light on these issues, donors may think that since they do not know these things they also can not solve all kind of problems. They start questioning whether you have the capability to solve the problem through your actions. This also includes the problem that many NGOs are not yet very mature in their actions. From my point of view both sides face some complex problems. And both sides have different ways of expressing themselves,

Lack of  
professionalism

different ways of doing things, a different logic, including language. It appears that they are all speaking the same language and that they have some things in common. But even where they have things in common, since the language they use is so different, this leads to mutual misunderstanding. They can not mutually understand and trust one another, thus creating a rather complex problem.

Solving problems

But through the development of the past few years things have improved. Our donors have really touched me. They are all very successful in their business and they are fairly old. I think that people at older age find it difficult to change their way of thinking. But in recent years I have seen major changes among our donors. They have also changed very quickly, something that goes beyond my imagination. In the past an entrepreneur would come and selectively talk about an issue. But now the entrepreneurs come and sit down and ask us what they need to look at, what kind of problems need to be solved. What kinds of problems have already been solved by the secretariat. They do not think that they need to challenge us on those things. We solve the problems people asked us to solve. So when they want to know more about them, they would first ask us or ask our NGO partners before making up their mind. I think that this situation is already a huge improvement over the past. It is not just a technical progress, but a big step forward in terms of people's attitudes. Of course this is also because a lot of people have scolded us, this certainly had some effect. But I feel that in the whole process people have gradually learned something. Since 2010 and 2011 committee members are working very closely with us. Initially, they were very cautious. Why were they so cautious? Because they too were given the trust of a couple of hundred people and asked to do this work. They took the money of everyone and were in charge to spend everyone's money. This is why they were nervous. The money we are talking about is very little in comparison to the money they are dealing with in their companies. But it is not just about money. It is that everyone's hopes and trust is given to them, and they have this power. They want to use this power very carefully. Once they have this power, people become very nervous. Because if you mispend the money, a couple of hundred people around you will blame you. Since not everyone is clear about the whole process, some mistakes are bound to happen. It is the same with investments, you will always make a few wrong investments. Since there are checks and balances, we can check on each other. For example the board of supervisors can check what you are doing.

Checks and balances

**AF: They investigate whether there are some wasteful or unsuccessful projects?**

GX: They are less concerned about wasteful or unsuccessful projects. They are more afraid that people overspend or that that people embezzle funds. That is what people are most concerned about. When you have a couple of hundred rich people coming together you have a small society. This is a society where many things can happen. But from 2009 until 2011 we have been doing our work slowly and steadily. There have been successes and failures. This couple of hundred people are constantly discussing and they have now found a normal state of affairs. They understand that commercial investments are also sometimes successful and sometimes fail. Over time they have learned to deal with the psychological pressure and to release this pressure. In 2011 a committee members said to me not to worry too much and just continue working. He said that this decision was his. In case the project was to fail, he would explain this to

everyone else. This is what he had to do. So over time they have woken up to the fact that there are risks and responsibilities they have to bear. This moved me a lot, too. They actually provided a lot of space for us, and let us proceed. So from 2011 until 2014 the sums we have been dealing with have constantly increased.

**AF: I am very happy to see that everyone is learning. In the public benefit sector the most important thing is to solve social and environmental problems.**

GX: I agree. We at the secretariat, our members, donors and our partners, the NGOs, we are all moving forwards and we are all learning. For all actors involved this is a new thing we are dealing with. Take the NGOs for example who felt uncomfortable when we all came out and asked these questions. Why is that? What I have seen and based on my analysis I think that most organisations received support from international organisations in the past. These international organisations often resided abroad and did not have a representative office or people on the ground. So they simply transferred money to China. Their only requirement was that you communicated effectively. So as long as you did that they were satisfied. For these international organisations, the project funds were very small anyway. So for example they would implement many projects worth many million RMB. So when they supported projects worth 10,000 RMB they would not spend a lot of effort to manage a small project like that, to look into it, chase up reports and engage in auditing. This is how I see this. This does not mean that the requirements of international organisations are not high. But at that time it seemed that the strategy of international organisations was that civil society in China is still too weak.

Organisational  
learning

It is similar to angel investments. When you spend projects worth a couple of 10,000 RMB you want people to first do something. There is no need to do too many audits and manage these initiatives. But the thing is that people get used to this way of doing things. In addition, while some international organisations do have offices in China and they provide funding, these offices are actually project offices. The people who work in these offices do not face the donors themselves. They deal with their headquarters abroad. Only the people in their headquarters deal with the donors. This means that much of the communication with the donors is being taken care of by the people in headquarters. This means that people in the project offices only deal with part of the bigger picture. They do not have to face the pressure from the donors. Their pressure is to spend the money. At the end of the calendar year a lot of international organisations have to spend the remaining money, so that is what they do, they spend it very quickly. So when people take this money, take too much of this money, they get used to this. People then naturally start thinking that the role of foundations is to give money. And once you have received the money they should not interfere anymore. They should not interfere at all. People then think that their own objectives, their strategies and project activities can all be changed at will. Consequently even the finances do not need to be very clear, since people believe that they do not need to engage in financial reporting.

Angel investments

In terms of our projects we insisted that all projects needed to be audited. When we carried out the audits, a lot of people felt very uncomfortable about this. We also realised that among the great majority of NGOs the financial management capacities

Audits



have been very low for a very long time now. In the long run this has limited their development. Because now you have more and more domestic donors, like Alibaba for example or other foundations set up by entrepreneurs. These Chinese enterprises, these donors are sitting just in front of you, and they live on the same area as you. They may understand society even better than you. So there is no way you can simply use written reports to avoid engaging with them. In terms of the finances, due to the overall situation of the charitable and public benefit sector, a lot of people do not trust charity.

## Finances

A lot of donors can accept that a project is not successful. But your project finances need to be very clear. If you misspend these funds, you are kind of defeating the whole purpose. What we are trying to do is to encourage Chinese donors to donate even more money. But when our finances are not in order, this will hurt our donors most. They will no longer dare to engage in this activity. They will no longer trust you and do not dare to give money. This outcome would mean that we all lose. When a society develops you need to have these Chinese foundations developing. It is a comprehensive process where you need to find people who are committed, whether it is within foundations or among donors. You also need to spread the word about these activities. This is something we need to confront together. It is not just a task for foundations, but this is something we need to confront together with the NGOs.

**AF: Does the SEE foundation prefer one particular type of cooperation model? For example do you prefer working with a multitude of partners or do you prefer to work with one partner at a time?**

## Networks

GX: We are still in a phase of exploration. Initially we supported pretty much any kind of initiative. We later we structured our work more. We now have different objectives and clear strategies. We also work with partners in networks. This year we have moved further still. We have identified a topic for our own work. In comparison to our previous work we now have the advantage that our thinking is much clearer now. We now have to spend less energy on managing close to one hundred different projects. This also allows us to state much clearer what we have achieved in every activity area and what our networks do. But we have also encountered a new problem. The new problem is that while we have these networks, there are still many things that do not quite add up. The management costs of these networks are still quite high. In addition, every network is still quite weak. None of them are particularly strong, they are all still in the growing stage. What are the biggest problems with these networks? Once established, they have a tendency to become closed networks. The network members just do this kind of work on a daily basis. And while in the first year you have four partners, in the second year six and in the third year eight partners - that's pretty much it. It is very hard to develop this network into an open system. Once a network is closed there will be problems. So for example you have a partner who knows that you are going to support him. So they have a lot of space to engage in negotiations with us. They will then say that apart from the support you already provide you also need to help them develop. They will ask for support for this development.



In the beginning we were quite relaxed about this. But we later found out that once you have eight cooperation partners, they all will come and talk to you and say that they have special demands. They will say that they have a special plan. This then makes it hard to manage. What it leads to is that they will ask why do you support the plan of this person and not the plan of another person? This is a big problem. Our funds are limited and we do not have infinite amount of funding to disburse. So what shall we do? So I would assume that in the next one or two years we will update this form of funding. This is what we hope to do. We hope to build on our organisation and provide more support for some important platforms. What do I mean by platform? We have defined it to mean a specific topic for which we have an objective as well as an overall strategy. On the basis of this, we hope to develop open platforms. The idea is that everyone can come and try to get some resources. These platforms should be open to NGOs and donors alike. Such platforms should attract more and more donors who are willing to support this kind of initiative. Only this way will we be able to open up resources on both sides. This way we can overcome the problem that it is only us providing a little bit of funding for everyone. This will require our platforms to add some value. It is no longer sufficient to say that here is some money donated by our donors that we can give you and then we will manage this. It will require us to add some value. We need to make it easier for donors to donate. It also needs to be easier for NGOs to receive resources. At the same time we need to ensure the quality of the work. This is the challenge we will need to face. We need to develop new support mechanisms. From this year onwards we are exploring these new possibilities. So for example for air pollution control projects, we are planning to develop such a platform by the end of this year or beginning of next year. Of course we also want to do this with the help of the internet and utilize some new ideas and techniques to go about this. The principle that will not change is that we will give NGOs sufficient space. Of course we will still have our own big objective, which will help explain what we are doing. But we will still give them sufficient independent space. At the same time we will ensure an effective management. What matters most is that on this basis we enhance the efficiency and that we enhance everyone's impact on society. This is the problem we need to solve next.

Platform

**AF: Have you thought about using market mechanisms to run these platforms or networks? Maybe some more competition would help.**

GX: This is something I am really looking forward to. This is also something that we have learned while providing funds. We realised that this problem exists. NGOs need some form of competition. Many people with rich experiences in this sector have said this before. Some NGOs are not actually starving to death, but they have been overfed. Of course there are two types of situations. There are some NGOs who are starving to death despite doing great work. They just can't get money, which makes their lives very difficult. The more they struggle to survive the more they lack resources. For them it is very hard to improve their work and they encounter a vicious circle. But the vicious circle can either be that they lack resources or that they have too many. If you constantly provide resources, this inhibits the organisation's ability to move forward. This is also a problem that we ourselves face. From the perspective of our foundation in the past five years we have been spending the money of our regular donors. Every donor provides 100,000 RMB per year. This means that every year we can spend a couple of million RMB. This has also led to a situation where we

Competition

ourselves have only thought about how to spend the money. We have not thought about how to raise more. After we spend the money we need to think of ways to make the donations more sustainable. So even we ourselves have not thought about this.

Fundraising

Starting from this year, our board of directors have given us some pressure. They have told us to find more money. Only this way have we realised that there are many functions that we should have in the first place, but which we now need to develop, for example in terms of communication or fundraising, in order to operate on a sustainable basis. All of this actually also applies to NGOs. For NGOs what matters most are their work standards, their degree of professionalism, and whether or not they are able to solve problems. If in the long run they can not say with certainty that they are making a difference, giving them money will become a problem. For these two problems I see only one solution, which is to use market mechanisms. But in terms of the market mechanism, we also need to carefully investigate it. The reason is that it will differ from the market mechanism in markets. In businesses there exists only one standard for a market mechanism, which is profit. Once you make money you can live on. When you do not make money, you are an unsuccessful company. This is a good measure. So the market itself provides the measurement. But in the case of NGOs, the market mechanism needs to provide a very clear basis of how to assess their results. Only this way can you introduce a market mechanism in a fair way. You will need to define what is success or failure, and you will need to be very careful. Otherwise you will only exacerbate the problems that already exist.

**AF: This also relates to the problem of how to set appropriate goals. If the goals are set too high or too low this can all create problems. Your NGOs may complain that if you set the goals too high that they can not achieve them.**

Goal setting

GX: That is right. But on the positive side we can argue that the objectives are not set by us. We only provide a general direction, an ultimate goal for all these initiatives. Our partners define on an annual basis how to quantify progress. They determine how much they want to move forward year by year. So they have to measure up to their own objectives, not our objective.

**AF: Civil society is something new. Do you have an organisational view of Chinese civil society? If yes, how would you describe it? If not, who is framing the discourse about China's civil society in your organisation and how?**

Civil society

GX: Generally speaking we do, but we basically do not use the term civil society. We are not an organisation that promotes development. We do environmental protection work. So we essentially fall into the category of civil society. When dealing with all sorts of initiatives we usually emphasize the importance of public participation. So for example when talking about air pollution, we would propose certain bottom-up policies. Here we would refer to various local NGOs, since NGOs are representing the public. We also discuss how NGOs can mobilize the public to participate. In our view civil society is very broad. It includes our donors, rich people, they are also citizens. A lot of private entrepreneurs in China are very vulnerable. Their development is constrained by various unjust or unfair or not very market-based systems. It also

includes our NGO partners. It also includes normal members of the public. We are now seeing the development of a middle class in China. We see all sorts of professionals, for example lawyers. These professionals are all citizens. So in terms of all of the various initiatives we see where we stand. SEE is an organisation that supports NGOs. When we support each individual initiative we have NGOs in mind. But when we support NGOs, we also value how to mobilise the public to participate in these initiatives in order to truly impact and promote these initiatives. This is something we emphasize. We have some common expressions within our organisations. For example we often talk about how to develop a platform for societal participation. This societal participation should include entrepreneurs, companies, NGOs, the public, local or specialized management departments. We want to see them jointly promote things. This is how we understand civil society.

As an environmental protection organisation, we do not see civil society for the sake of civil society. In a sense it is not very clear. When you look at history, when you look at global history, you could say that it works well in America but maybe not in other countries. And when you are too keen to develop it may not work out. For us, the key question is whether or not civil society participation can help promote some public initiatives, help them move forward and develop. If we do not have this ultimate result the whole process is meaningless.

**AF: Whether we talk about civil society or public participation, what kind of changes do you anticipate in the next five to ten years? Will there be any changes? What kind of initial changes and trends can you already discern? One could argue that public participation these days differs greatly from five years ago.**

GX: The difference is great.

**AF: In which ways?**

GX: I can think about something related to our own work. I just mentioned in the context of the “Green House Plan” we provide the first investment for environmental organisations. This is what we call an angel fund. It is a bit similar to angel investments by businesses. With this support of up to 200,000 RMB we cover annual operating cost of an organisation that is just coming into being. We give everyone an opportunity to give it a try and see if they can achieve things.

Future trends

We started with this platform at the end of 2012. Since then we have already supported close to seventy new groups. Among them some people had been involved in environmental NGOs before. They may have been department leaders in another organisation or some other form of partner. Once they obtained this kind of support they could do the kind of different work they always wanted to do. This allowed them to become more independent. But there are also other people. These people did not know what an environmental NGOs is. They were what we use to call members of the public. Maybe they were engineers before, or lawyers. Or maybe they were just an old lady from the community. So we are talking about all sorts of people here. Once we established this platform we promoted it quite extensively. Our hope was that we wanted to find such kinds of people. They just had to make up their minds and have

the desire to engage in environmental protection, regardless whether this is the separation of waste on the community level or something more specialised, such as a jewelry designer who wants to promote environmentally friendly pearls. It is people with these kinds of ideas we were looking for, all sorts of people. You then realise that these people are really able to run an environmental organisation, an environmental NGO. They are not satisfied simply being a volunteer for Friends of Nature or to be someone else's short term volunteer.

#### People with skills

While China's environmental problems are becoming more and more serious, China's propertied class is also increasing. These people have money, they have societal resources and societal experience. There are more and more people with skills. Under these conditions they are rethinking what it means to live. Some people are no longer simply satisfied by money. They want to do something meaningful. Among these people there are some who are interested in environmental protection, they have this specialty. These people are very happy to do something, but they may not be aware about environmental NGOs. They often think that they are the only people in China who want to do this kind of work. Through our projects we hope to find these people. The project helps them find a group of people, find the sector. This is often a big inspiration for people. They thought that it was only them wanting to do this kind of work. But then they realize that there is a whole environmental public benefit field, with many people and many organisations. This way they have more confidence to run an organisation. They see that there are many foundations and that there is both foreign and domestic funding available for people to apply for. They realize that they do not have to take out money from their own pocket and that this is originally a public topic. They then can use these public funds and do something and give it a try.

#### Social responsibilities of elites

I think that this is a big trend in civil society or public participation. More and more societal elites want to do something or get more involved in this kind of work. I personally think, regardless of whether it is environmental protection or whether it is manifold social initiatives, it should not be about vulnerable people helping vulnerable people. It should be about societal elites who do this by spending their money, energy, wisdom and technical skills. Especially with environmental problems, they are not something which can be tackled by people who basically lack everything. We should not let people who should receive help in the first place, for example victims of environmental degradation, we should not ask them to tackle these problems. Such problems should be dealt by people who have more skills and more resources. They should solve the environmental problems all of us created. I think that this is a new development trend. We will see more public participation. We already see this in the past two years in terms of environmental education, especially the education of children. Young parents already have a different level of education. They want a more comprehensive education for their children, too. In China many values are gradually precipitating. This is different from the past, where some new rich wanted their children learn a lot of technical skills. The younger generation of parents care about the psychological growth of their children, the growth of their mind and a healthy growth of their personality.

#### Environmental education

We have seen that environmental education, education about nature, has become part of children's education. This way it has also become an issue that more and more parents care about. It is not only an anxiety about the environment, but they see this

as beneficial for the mental and physical growth of their children. In the next two years we will see a new trend, a very positive development in terms of education. It will allow more and more members of the public to embrace these ideas and make them become part of the mainstream development.

**AF: In a sense you have already answered my next question about what kind of changes you would like to see on the individual, organizational, societal and/or policy level. You mentioned the trend towards the mainstreaming, which could impact all of these levels. How do you assess which kind of projects and people are most appropriate to bring about such changes? Do you feel that to a certain extent you are also promoting social change?**

GX: If we look at things from a wider angle, when we look at things across greater space and time, I think that not a single individual or organisation can promote such changes. It is a process involving a lot of people who have a sense of responsibility. This is something god has decided. All of the people and organisations which engage in this line of work, we only decided to follow the direction of god. No single person can decide these things. Let me give you an example. In the 1980s I said that we should not go the old way of developed nations of polluting first and cleaning up later. But when you see the present, we still went down that road. No one could do things differently. A market economy is such a development process, this is something god has decided. So all we can do is that during this process we try to find things that we can do. We use our strength to move forward along this development. When you look at things from the macro perspective this is what you will see.

When you look at specific issues such as our organisation, we of course need to be at the forefront of this trend. We should not be dragged behind, which is a horrible feeling. This is why I think that we have started talking about the 3.0 donor era. In the 1.0 era we were supporting any kind of initiative. The 2.0 era is the global network at work. We are now exploring the 3.0 way, which is the establishment of platforms. This is very much in line with the global development. We now have an open society marked by an increasing individualization. It is a society where more and more people with skills can do this kind of work. In this process we as a foundation need to reconsider our role. We need to provide better services, not just for the people who do things but also those who want to support such work. This is a task not only for Chinese foundations but also for American foundations, a global task. In this era, in this internet era, we all need to reconsider our position and think how we can create new value, I think this is absolutely necessary. When we went to the United States last year I could see that many of the older foundations are already contemplating this question.

3.0 donor era

**AF: In terms of the future development of the SEE Foundation - or any other foundation for that matter - it appears to me that the biggest challenge is to become a learning organisation. Only this way you can achieve breakthroughs.**

Learning organisation

GX: I think that this is not only the case for foundations but also for businesses. All bosses of companies can not sleep very well, Ma Yun also can not sleep well. We are

guarding these entrepreneurs, but even business face this challenge. In this era changes happen too fast. If today you can not create new value, if you do not find something where you can create value you may be overtaken by someone else the next day. Then you do not have any value and meaning anymore. As a foundation like ours we are carrying the expectations and ideals of more than three hundred very influential Chinese entrepreneurs. This is why we even more need to search for the best way to realize these ideals. Otherwise, if this organisation does not exist, we would give up the hopes for society of so many people. If this was the case I would feel we have not done our work properly.

**AF: But as you said before, when reforming the market, China followed the old way and made mistakes, just like western nations. So maybe an organisation will also make mistakes, which are part of the growth and learning process.**

GX: That is right.

**AF: What conclusions do you draw when you realise that the anticipated change has not been achieved by the projects supported by your organisation? Do you allow failure? How do you view failure? Is failure the mother of success?**

Success and failure

GX: Here we would distinguish between ourselves and our NGO partners. If we are talking about the project cooperation and an NGO was not that successful in some ways, I think that this is very normal. In such cases we would sit down with them and see whether the problem lies with the setting of the objective; or whether there are problems with the chosen approach; or whether there have been changes to the bigger environment which prevent using your original approach. All of these things can be discussed. When you proceed with the first, second and third phase of a project you will see that most cooperation partners will perform better and better and will be able to achieve their objectives. If under a big programme a lot of cooperation partners can not achieve their joint objectives then we need to review whether or not the problem lies with us. It could be that there is a problem with the programme design or that there is a problem with the whole set-up of the system. If the problem lies with us, we will then engage in a timely review and change our way of doing things. All of these things are quite normal for us. As an organisation supported by entrepreneurs, the entrepreneurs understand this perfectly well. They know that not everything will be successful. The key is that on this road you learn your lessons, and that you learn to quickly renew yourself.

**AF: What do you consider realistic outreach goals for projects funded by your organisation? How do you ensure that the goals you set are not too high or too low? For example, you could have a project which in terms of public participation focuses on one urban community, one NGO, one partner organisation which can mobilize about 100 people. Or you could have another project which is a kind of campaign. Such a project may be able to reach out to millions of citizens through their cooperation partners, just like the 26 Degree Campaign in 2004. This was a nation-wide project which managed to achieve a great result.**



GX: I think this is very difficult to achieve in China. Until now we are still in a process of exploration. It may be that you will never know whether the goals you are setting are too high or too low. Let me give you an example. In the beginning of 2013, or even in the second half of 2012, we and one of our partner organisations established a goal for the environmental information disclosure policy, more specifically about pollution information disclosure. Back then why did we decide to set such a goal? At that time we thought this was a very ambitious goal. Why would we set up such a goal? We saw that under the promotion of the public the PM2.5 figures were not only detected but also disclosed. This was something that even many NGO practitioners thought would take the government five to ten years to do. But then we saw that they would do this in one to two years.

Outreach goals

So we saw a possibility there to open this channel and go down this road and disclose pollution information. We thus set a very high project goal. We hoped that the government would detect and disclose all major pollutants. We also wanted to establish a very open platform to let the public inquire about pollution levels of factories at any time. This is something that has been gradually established in Europe and North America during the past few years. Some platforms are not established by the government but voluntarily by the companies. Of course they have a different foundation in terms of their civil society. At that time we felt that our goal was very ambitious. We thought that it would take five years, in the most optimistic scenario at least three years to accomplish. In early 2013 we engaged with all sorts of people, including entrepreneurs. The entrepreneurs did not have a special status, since they are also part of the public. They appealed, advocated and took the initiative. Later our NGO partners joined this initiative, too. We managed to mobilize the public. We engaged in policy research or promoted the sector. We had interactions with people within the system, always with an eye on our objective. We later used all sorts of means, including proposals submitted during the two sessions of the National People's Congress (NPC) as well as the Chinese People's Political Consultative Conference (CPPCC). We published all sorts of reports. Through the media and during all sorts of business meetings, especially meetings that the media would pay a lot of attention to, we would let entrepreneurs talk about these issues. Later some of the NGOs we support would engage in interactions with local governments and apply for information disclosure. Of course this was not all our effort, and of course the central government also wanted to promote this, so this was an effort by a lot of people. The unexpected result was that in 2013 the Ministry of Environmental Protection established this new rule which was the same as the one we had outlined. They requested that any locality should disclose this information, that all businesses should disclose this information.

Pollution information

We then quickly changed our objective and focused on the implementation of these new regulations. We then thought about how we can assist the government. We even thought about establishing a platform which would collect all this data, so that the public can see the situation in all parts of China. This was a big challenge for us, since our initial goal was to be realized in five years. But then we realized it in one year. Just yesterday we were discussing this with a project partner in Guizhou. When your victory comes too quickly the ball is in your field again. You also need to prepare for this. But what will you do next? You can not just say that the government made their move and now you are here not knowing what to do. Rather than to simply stop we

then need to update our plans quickly, set up new objectives, and reconsider what we plan to do moving forward.

**AF: That is a great example. To a certain extent it shows that in the fields of environmental protection it is possible to have an impact on policy. While many people complain about the present system and consider it to be imperfect, it may be that because of the particularities of the system such policy advocacy is possible. How do you view policy advocacy more generally?**

Policy advocacy

GX: In terms of policy advocacy, it is difficult to talk about this in abstract terms. In terms of every initiative we first and foremost need to study their policy. We need to be professional and understand what we are doing. Look at organisations which aim to prevent water pollution for example. I think that a foundation like ours together with our NGOs we can add value. There are so many local organisations, but they can only say that along their river there are one thousand polluting factories. It will be close to impossible for them to check all these factories and to ask the Environmental Protection Bureau to fine these factories. So if we were only to do this kind of work, it would be hopeless. While you can manage to check one company, there are three new companies springing up at the same time. So what is this all good for? Every day you would be chasing the tail of the polluters. This is why we study policy. Which kind of policies can be further institutionalized and solve a lot of problems at once? In addition, what are the means to engage in both top-down and bottom-up supervision so that these problems can be solved? We need to see what happens above, what kind of policies are relevant to the environmental problem, which policies are very important. This is a very important stage. Once we understand the policy this provides a lot of space for the work of our NGOs. What are the policies that NGOs can use to promote specific work on the local level? This is what we need to study. During these studies, we need to constantly engage with our NGO partners and probe these questions with the help of professional organisations. We need to discuss this together with the entrepreneurs and donors. The question is how we can jointly promote these policies. This is also one of the strengths of an organisation like SEE, which is quite unique in China. We do not only have grassroots organisations representing civil society but we also have many societal elites who have the capacity and right to speak. Many of them are National People Congress delegates, or members of the Chinese Political Consultative Committee. They can engage with the government. And the government does care about their voices. So while they can engage with the government this is different from many NGOs who are trying to dodge the government. They don't want to touch the government but want to actively promote these causes. So when our donors promote policies and move us forward, this is a measure of our success, maybe even the biggest indicator.

**AF: When talking about impact and sustainability we also need to talk about policy advocacy. In China it can be said that policies are party policies. Do you think that NGOs or foundations have the capability to influence party policies? What kind of channels do you find most obvious for this kind of work? You mentioned the NPC and CPPCC. Or do you think that local governments are a better entry point? Local governments often have to engage in innovation work. This may allow NGOs to get**

**involved in pilot initiatives. They can work with local governments and when they succeed with their pilots these experiences can be scaled up to the national level.**

GX: In my opinion these channels are not the most important. For NGOs the most important thing is that they need to first do their research and be clear about it. You first need to identify which kind of policies you are going to promote. I think it is possible to push policies either at the local level or from above. This will depend on the resources you have as an organisation. The question is, what kind of policy are you promoting? It could be that you do not understand the system or the Chinese government, that you are the only one taking this stand and advocating a certain type of policy. You need to understand the general environment around a given policy and which departments have what kind of interests. You need to see whether this is a policy in the general development trend that everyone wants to promote, or whether this is a policy which you can not really engage with.

Actually, NGOs are not at the heart of policies. In China the government is at the heart of policies. This is how the situation is under China's current system. So the things we can do are similar to the example I gave you about the pollution information disclosure. We need to study these issues. If this issue faces too many obstacles due to various interest groups you will not be able to do anything about it. You can try whatever you want, whether it is top-down or bottom-up approaches. You can submit proposals or work through the media, all of this is very difficult. Unless you deal with an issue like the PM 2.5, which affects the livelihoods of everyone: This was an issue for the whole population, an issue for all Chinese. But as an NGO, when you want to influence a policy as such a weak force, whether it is about policy formulation or policy implementation, you really need to be clever and do your research. You need to decide what kinds of factors are most important for you work. But within the system, there might be some departments which are willing to cooperate whereas other departments pose stumbling blocks. But then you can often see that the promoters and blockers are engaging in a sort of game with one another, and there is not a great disparity. It does not mean if the obstacles are huge there is a game going on. Our participation may help the side on the policy formulation end. If we get involved in policy promotion, they may be able to succeed with their policies. In terms of what kind of method you use to push policies, whether it is a CPPCC proposal or an NPC proposal or whether you work through the media and let some stars speak on your behalf, whether you work through NGOs or the public to promote policies, I think all of these approaches are valid. I think in China there is not one kind of method that will do the trick, you could say that all methods are ineffective. But all these methods, when you hit the right spot, may be useful. ■

Government