

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 organizations, 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?

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.

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

Rights-based approach

Importance of policy advocacy

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.

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.

Integrating an international perspective with national circumstances

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?

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.

Government policies can sometimes change very quickly

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.

More CSOs should participate in public policies

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.

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. ■