China’s economic reform which began in late 1970s led to rapid growth of NGOs in China. The NGOs are growing because they are needed to fill the social space that both the government and business sector cannot or would not fill. NGOs offer many type of social services to the public and as they flourish, they become an indispensable component of the Chinese society. This paper reviews the roles of the NGOs in China’s recent development. Among the issues the paper focuses on are: the definitions and structure, the recent developments, the challenges, and the future roles of China’s NGOs. The paper concludes that the path towards to a civil society in China is rough.

Introduction

The last two decades have seen fast growth of the non-governmental organizations (NGOs) in China, sometimes called non-profits organizations (NPO). The recent rapid
growth of the number of NGOs is largely due to its economic reform which was begun in the late 1970s (Qin, 2004). According to the Ministry of Civil Affair’s statistics (China NPO, 2007), there were 4,544 registered social organizations in 1989. By the end of 2006, there were more than 354,000 NGOs registered with the Ministry. On the other hand, it has also been reported that that 90 percent of NGOs operating in China are not registered (Unleashing the NGOs, 2005). The World Bank (2004) estimates there were more than a million “unregistered’ or “unofficial” grassroots or community-based organizations operating in China.

The proliferation of NGOs in today's China reflects a trend that the NGOs are filling the social space that both the government and business sector cannot fill (Economist Intelligent Unit [EIU], 2003). The NGOs also are flourishing where the government does not function effectively and efficiently (Liu, & Fang, 2000; Wang, 2006). NGOs in China provide a wide range of social services including basic education, health, disabled services, elderly care, and poverty alleviation. Some of the services also involved are education and advocacy on issues, such as environment protection, HIV/AIDS prevention, workers rights, or religious rights (Edele, 2005; Yang, 2005). The government generally sees NGOs as an indispensable component of the society and has created more social space in recent years for NGOs to address social problems (Davis, 2005; Wang, 2006). However, governmental political control over NGOs remains tight (Congressional-Executive Commission on China [CECC], 2007; Gadsden, 2008).

This paper reviews the roles of the NGOs in China’s recent development. Among the issues the paper focuses on are: the definitions and structure, some recent developments,
challenges, and the future roles of China’s NGOs.

**Definition and Structure of NGOs**

Generally, a non-governmental organization is literally an organization not part of the state. Other NGO features include: it is a self-governing legal person that is relatively independent; it is voluntarily based; and it is non-profit, or no profits can be distributed to individuals directly or indirectly (Salamon et al., 1999; Keping, 2000; Irish, Jin, & Simon, 2004). However, many China’s NGOs are government-led and carrying both official and civil duties (Keping, 2000).

In China, the Nongovernmental Organizations Administrative Bureau of the Ministry of Civil Affairs (MOCA) is responsible for overseeing and administering the NGOs operating in China. MOCA (Chen, 2001) defines NGOs as “organizations formed by citizen volunteers which carry out activities aimed at realizing the common aspirations of their members in accordance with organizational articles of association” (p.1). MOCA (Chen, 2001) considers “trade associations, fraternities, business associations, foundations, advocacy associations, academic associations, research associations, and friendship associations” (p.2) as NGOs. Such definition may seem to be broader than and different from those defined by the Western scholars (Anheier, 2005).

Most NGOs in China belong to one of the following three legal forms: social organizations, non-governmental, non-commercials enterprises, or foundations (Irish, Jin, & Simon, 2004). Social organizations are mostly local level member-based voluntary organizations such as academic associations, trade organizations, professional associations, or groups that share some common interests. Non-governmental, non-commercial
enterprises are non-state-owned, non-profit organizations that provide social services to the public. They include social service organizations, hospitals, schools, labor unions, cultural and recreation groups and scientific research institutions. Foundations are non-governmental organizations that manage and distribute funds donated by domestic and foreign sources. Chinese law and regulations require all NGOs register with MOCA. Of those 354,000 registered NGOs in 2006, there were 192,000 social organizations, 161,000 non-governmental, non-commercials enterprises, and 1,144 foundations (CNPO, 2007).

Another way to categorize NGOs in China is by defining their relationship with the government (Edele, 2005). The true NGOs are those grassroots organizations that receive little or no funding from the government. Because they are self-supporting and do not depend on government funds, they tend to be more independent in their operations (Ma, 2002a).

The other type of NGOs are known as government-organized NGOs (GONGOs) which are either organized or funded by the government to carry out official duties (Zhang, 2003). GONGOs tend to have close ties with the government because many of them are led by retired high ranking government officials. Some national level GONGOs also overlap their personnel with the government (Gallagher, 2004). Some of their employees are even on the government payroll (Lu, 2007). Because of this relationship, GONGOs are considered the least independent organizations. Apparently, those NGOs that are not funded by the government and/or unregistered have the most autonomy (Ma, 2002a).
NGOs in China are a product of its market reform, which began in the late 1970s (Qin, 2004). China’s open-door policy brought tremendous political, economic, and social changes to the country (Gallagher, 2004). During the transition from the centrally planned economy to a “socialist market” economy, the size of the Chinese government has been downsizing and thus so did its’ responsibilities (Ma, 2002b; Young, 2002). As a result, the government has been turning over many functions and services to the third sector that it previously offered and performed.

Because the government is more focused on maintaining the growth of the GDP rather than social services, the switch of national priorities has caused many conflicts and social unrest (Mooney, 2006). The emergence of the recent “rights defense movement” which has been reported widely domestically and internationally is an example of this painful transition (Tao, 2006). The growing of rights protection activities were mostly organized by grassroots groups, such as consumers or farmers. This growth is a result of the social injustice created by the imperfect reform (Liu, 2006). Some of the activities in this movement have ended in violence with casualties (Chen, 2005).

Another product of the economic reform is the growth of the Chinese urban middle class, many of whom are professionals and intellectuals (China Labour Bulletin, 2007). As the middle class benefits from the reform, they also realize that many of their own people are becoming marginalized and vulnerable in the process. The middle class’s increasing concerns about the disadvantaged groups and consciousness about the recent social unrest has led to the emergence of many new NGOs that are focused on the welfare of migrant workers, women of domestic violence, and victims of forced resettlement (EIU, 2003;
Howell, 2007). Most of these new NGOs are organized by activists and lawyers who are dedicated to aiding the disadvantaged groups by seeking justice or compensations through the legal system (China Labour Bulletin, 2007). Unfortunately, since the government perceives these legal challenges as a disruption of social harmony, many activist and lawyers have suffered along this process (Kahn, 2006; Ford, 2007).

Many Chinese government officials and state owned news media have openly stated that NGOs are making positive contributions to the society (Xinhua News Agency, 2006; Wang, 2007; Du, 2007; Xiong, 2007). They have urged for more partnerships between the government and NGOs in order to address the high demand for social services. Early this year, MOCA established the China Association for the Promotion of Non-profitable Organizations to promote the nonprofits in the country (Li, 2008). Chinese government senior officials have also stated that laws and policies related to NGOs will be revised to encourage further development of the NGOs in China (Guan, 2007). However, the reality is that the suppression of outspoken NGOs continues (CECC, 2007).

**The Roles and Functions of NGOs in China**

Many scholars from the West believe that the third sector exists to fill the social space left by the government and market (Anheier, 2005). The case in China though, is different (Edele, 2005). Mr. Guangyao Chen is the Deputy Director of the Nongovernmental Organizations Administrative Bureau, Ministry of Civil Affairs. According to Chen (2001), “The function of China’s NGOs is to represent the common aspirations and interests of a group among the general population and carry out activities that intend to achieve these aspirations and interests. The role of Chinese NGOs is to serve
as a bridge for mutual communication that will link government and society and set
definite standards for social behavior (p.1).” The government’s view of the NGOs is well
documented in the literature and there has no significant change yet (Chen, Pan, & Wu,
2006; Lu, 2007).

In essence, the Chinese government wants to use the voluntary groups to maintain
stability of the society during the economic reform (Lu, 2007). Since NGOs are being seen
as corporatists (Gallagher, 2004), they are expected to function as “helpful assistants” to
the government in delivering social services (Xinhua News Agency, 2007).

Because the government desires that “the development of NGOs goes hand in hand
with social progress and the building of a harmonious society” (Li, 2005, p.2) most NGOs
in China do not openly advocate their causes or pressure the government (Lu, 2007). The
“realistic” NGOs do not take part in the governance of the society and, of course, do not
challenge or threaten the party-state political system (Li, 2005). To survive, they need to
have a good partnership with the government (Gadsden, 2008).

Given current conditions, this explains why there are more Chinese NGOs working
in certain areas than others. Most NGOs in China focus on areas such as general education,
environment, public health, services for the disabled and elderly, children, technology, or
poverty alleviation (U.S. Embassy Beijing, 2003; Gadsden, 2008). These areas are less
politically sensitive and therefore NGOs are encouraged by the government to get involved.
There are few NGOs involved in politically sensitive areas such as education and advocacy
on human rights, labor, and religion issues. The government’s tight control over the NGOs
creates many challenges that the NGOs must address while they are trying to expand their
roles or services (Schwartz, 2004; Lu, 2007).

Challenges

The major challenges that China’s NGOs are facing include: legal issues, funding, accountability, public perception, management, human resources, and political risk. Some of these challenges are similar to those that the Western world faces, but some are more unique to China.

Legal

Unlike the legal systems in democratic countries, Chinese laws and regulations relevant to NGOs do not protect or promote the growth of its third sector (Davis, 2005). Instead, the main purpose of the laws and regulations are to control the voluntary groups and limit their roles, particularly in some disgruntled groups, like Falun Gong which might challenge the communist party’s rule (Whiting, 1991; Edele, 2005; Zhang, 2003).

Current Chinese laws require all NGOs to register with the MOCA or its local branches (Lu, 2007). While the number of NGOs is growing, however, not all NGOs are registered with the MOCA (World Bank, 2004; Howell, 2007). The main reason for a large number of organizations not registering with the government is because of the complexity of the registration process and bureaucratic maze (Lawrence, 2003; Schwartz, 2004).

One of the major obstacles in forming an NGO in China is that one must find a “supervisory unit” to sponsor and supervise its activities (Howell, 2007). These “watchdog” or “mother-in-law” sponsors are usually Party or government agencies that have similar functions with the applicant (Edele, 2005). For example, an education group would need an education agency from the government to be its sponsor. However, such
sponsorship is difficult to find. There is really no incentive for a governmental agency to sponsor an NGO because the agency is liable for the misconduct of the NGO it sponsors (EIU, 2003). But, without a sponsor, the civil affair authorities will not register and approve a start-up NGO’s application (Zhang, 2003).

For those NGOs that still want to gain a legal status but not through MOCA, they can find short-cuts (Cooper, 2003). Some are “affiliated” with the universities (Edele, 2005). Some register with the Bureau of Industry and Commerce as a business entity (Zhang, 2003). The registration as a commercial enterprise costs more but the process is much easier and faster. However, because of the legal restraints, still more NGOs choose not to register (Edele, 2005; Howell, 2007). They continue to operate and carry out their projects by keeping a low profile. For example, the Sanchuan Development Association (SDA) is a rural NGO, located in a poor, remote, mountainous region of northwest China (Zhang & Baum, 2004). Because SDA has little connection with the government and is partly funded by international donors, the local officials are more cooperative, particularly since the SDA addresses their critical poverty issues.

Funding

Chen, Pan, & Wu (2006) point out that the most pressing challenge China’s NGOs face is neither government control nor the high level of demand for social services. The authors believe that the most pressing challenges Chinese NGOs have are the lack of financial resources and weak management skills. According to their analysis, in 2005, charitable donations given by domestic sources to Chinese NGOs only accounted for 0.05 percent of the nation’s GDP. This percentage is lower than some of its neighboring
developing countries, such South Korea or India. The article also estimates that contributions from international organizations, foundations, and corporations account for 80 percent of all donations to Chinese charities. The authors suggest that the Chinese corporations should be encouraged to offer more financial support to the NGOs.

There are many reasons to explain the low donations made by the Chinese corporations. Poor public perception and lack of trust are the crucial reasons behind many NGOs’ inability to raise funds (Zhang, 2003; Lu, 2005). Until they can significantly improve their poor record of credibility and accountability, raising funds from corporations and public will remain a difficult task for NGOs in China (Lu, 2007). Corporations and individuals also find no incentive to contribute to NGOs because of the current Chinese tax laws (Irish, Jin, & Simon, 2004; U.S. Embassy Beijing, 2003). In addition, corporations also find that it is risky when giving charitable donations to small and unknown NGOs for political reason (EIU, 2003). These conditions post special challenges to the China’s unregistered grassroots NGOs that are mostly small in operations and poor in financing (Gadsden, 2008).

Political Risk

There are few NGOs in China that focus on political sensitive subjects, such as human rights, migrant labor, and religion (U.S. Embassy Beijing, 2003; Edele, 2005). This is because the communist government has consistently repressed any social organizations that it perceives to be dangerous to its rule. The government’s insecure attitude also extends to international NGOs such as the Ford Foundation and the World Wide Fund (Zhang, 2003; Edele, 2005). INGOs receive the same level of close scrutiny and
monitoring that apply to domestic organizations despite their contributions to China’s social and economic development. Last July an influential independent NGO publication, China Developing Brief (www.chinadevelopmentbrief.com) was ordered by the Beijing government to close down its Chinese website. The order was based on an accusation that the newsletter has violated the China’s statistics law (Reporters Without Borders, 2007).

While successful examples have been reported that, despite all the restrictions imposed by the government, unapproved and unregistered NGOs can develop and transform into “formal” NGOs (Keith, Lin, & Huang, 2003; Edele, 2005) and foreign organizations can get involved in domestic projects (He, 2006), running an NGO in China is still a risky business if an NGO steps out the boundary (Oster, & Zhang, 2007). In early April, a well-known Chinese HIV/AIDS activist Hu Jia, was sentenced to jail for three and a half year for inciting subversion of state power and the socialist system (Yardley, 2008). The charge and the sentence are believed to be linked to Mr. Hu’s opening critique about the China’s hosting of the Olympics games. Mr. Hu has used the Internet to campaign for human rights improvement in China, arguing that the government has yet to fulfill its Olympic promises. Because Mr. Hu overstepped his boundary, he is now jailed and his family, including his wife and his new born baby are currently under house arrest (Xiao & Kei, 2008).

**Conclusion**

Many indications have shown that the Chinese government values the role of its’ third sector to fill the gap that it has been unable to fill (Davis, 2005). In fact, more NGOs would appear to be needed as the demand of services continues to rise, and neither the
government nor the existing number of NGOs can handle the rapid growth (Chen, Pan, Wu, 2006). The recent Sichuan earthquake has demonstrated that the government needs NGOs to aid the relief efforts and allows them to play a larger role than they used to accustom with (Fan, 2008; Ford, 2008). This growth pattern of NGOs suggests that they will play an increasingly important role in future Chinese society.

NGOs will also play a more important role in the Chinese society because of the rising tide of the people’s civic consciousness and civil rights concerns (EIU, 2003; Ford, 2008). The rapid increase of the number of NGOs, especially those in human rights, religious rights, consumer rights, and property rights protection, demonstrates that people are organizing to advance their interests (CECC, 2007).

Liu (2006), who is a long time Chinese human rights activist at Columbia University, cautions that the Chinese government must offer relief to its people due to the negative impact of the long standing economic reform. He suggests that the government needs to provide a public sphere to guide the rights protection movement toward a nonviolent expression, or an all-out explosion may be imminent. Experts in Chinese NGO research also point out that the Chinese government needs to see the value of the third sector and allow it to grow, so that it can play a role in easing tensions between the people, the government, and the market (French & Fan, 2007; Lu, 2007).

For foreign observers and donors, however, they need to be careful when using the Western concepts of civil society to view a non-Western society like China. It may be true that the government’s capacity to control the growth of social organizations is diminishing and there is a growing number of NGOs enjoying considerable independence and
autonomy in carrying out their projects (Ma, 2002b; Lu, 2007). However, because of the Chinese history, culture, and unique socio-political condition, the development of a civil society in China would not necessarily follow a path similar to that of Eastern Europe or Central Asia, nor does it mean that it can promote democracy in China (Beja, 2006; Mooney, 2006; Gadsden, 2008). When it comes to power sharing, no one should underestimate the will of the Chinese authoritarian regime to protect itself as it had shown to the world in Beijing on June 4th, 1989. Therefore, the interaction of push and pull forces between the government and society in China will continue as it moves towards a civil society.
Reference


