Capacity Building of Non-Governmental Organisations in China.

Berthold KUHN and Yangyong ZHANG

Abstract

This paper discusses the challenges faced by NGO capacity building organizations in China. The analysis is based on in-depth interviews with Chinese and international experts. The major obstacles for the development of the independent Chinese NGO sector include the restrictive regulatory framework, tight bureaucratic oversight, and fundraising restrictions. The Chinese NGO sector has still grown in size and many independent organizations exhibit a growing degree of professionalism. Relations with government are a crucial factor for all NGOs in China. Advocacy and right-based organizations face more difficulties in overcoming restrictions from government authorities than service providing NGOs. Recent developments suggest that the independent Chinese NGO sector is at crossroads. Support by foreign donors and international organisations is gradually declining in the context of China’s economic rise. The government is providing more funding to local NGOs and has set up or supports programmes for capacity building, in particular in the mega cities.

Key Words: NGOs, China, capacity building, international cooperation, leadership, fundraising, advocacy.

中国非政府组织的能力建设

摘要：本文研究中国的非政府组织能力建设服务组织面临的挑战，分析基于对中国和国际非政府组织能力建设领域专家的半结构深度访谈数据。研究发现，中国的草根非政府组织部门，其发展面临着包括法规约束、官僚主义影响以及筹资限制等方面的障碍；其在规模上不断增大，专业性明显提高；与政府的关系是影响中国所有非政府组织发展的一个至关重要的因素，相较于服务型的非政府组织，倡导和与权利为本型的非政府组织在克服政府限制和授权方面面临更多的困难。近况表明，中国的草根非政府组织总在发展的十字路口，在经济崛起的背景下，来自国外的捐助和国际组织的支持正在逐渐下降，中国政府将为当地非政府组织提供更多的资金支持，并已设立和支持不同的能力建设项目，尤其是在大城市。

关键词：非政府组织；中国；能力建设；国际合作；领导力；筹资；倡导

1 Berthold M. Kuhn, Otto-Suhr-Institute, Department of Political and Social Sciences, Freie Universität Berlin, Germany, Email: berthold.kuhn@t-online.de. Dr. habil. Berthold Kuhn is Professor adjunct and Ph.D. supervisor at Freie Universität Berlin, Otto Suhr Institute of Political Science. He also works as advisor and consultant in international cooperation, currently with GFA Group, Hamburg. www.gfa-group.de
Yangyong Zhang, School of Public Affairs, Xiamen University, P.R. China
Email: charleszhang@xmu.edu.cn. Zhang Yangyong is Director of the Social Work Practicum and Assistant Professor at Xiamen University, School of Public Affairs. He also provides training and advisory services and works as NGO manager.
1. Introduction

Many independent Non-Governmental Organizations (NGOs) in China which have been launched without any involvement of government or party authorities still face restrictions and a lack of trust by the government. For a long time they existed in the shadow of larger government sponsored social organizations, so called GONGOs (Government organized NGOs). However, the number of independent NGOs in China has significantly grown in the past decades, especially after Wenchuan Earthquake in Sichuan Province at 2008. Newly established independent NGOs – often called grassroots NGOs in China – have for a long time received a good deal of international support in terms of project-based and capacity building support. Donor agencies and international partner organizations regarded independent NGOs as instrumental in promoting citizens’ participation, participatory development, civil society, and democratic values. Many of the former independent grassroots organizations, in particular social service oriented organizations, have grown stronger and entered into partnerships with government and private sector organizations. They received capacity building support from different sources.

We observe different kinds of capacity building support of NGOs. Capacity building may encompass skill development of leaders and staff (individual focus), support for program and organizational management, internal processes, communication, accountability and transparency (collective focus), and advocacy work for improving the legal and regulatory framework and the political environment affecting the freedom and activities of NGOs (context factors).²

Relatively little research is available on the issue of NGO capacity building in China, in particular on issues of internal processes of organizational development. Brown & Hu (2012) examined how international resources can be used to strengthen local support for civil society initiatives in China to improve the circumstances of poor and vulnerable populations. Wu, He and Simon (2013) reviewed the support for development of civil society organizations (CSOs) under the Governance of Equitable Development (GED) Project (GED’s CSO component). This international co-operation project was sponsored by the European Union (EU) and the United Nations Development Programme (UNDP) from 2007 to 2012. Like other research works of international experts (Simon 2013, Harvard Kennedy School 2014) the project focused on the development of the legal, regulatory and policy environment for NGOs in China. It provides examples for increasing government support to NGOs, e.g. by the China Association for NGO Cooperation (CANGO). The report concludes that the “GED project has been remarkably effective” (Wu, He, Simon 2013: 31) and recommends ongoing cooperation among the partners to ensure continuation and sustainability of policy changes and practical impacts.

Since the mid to the late 1990s, with the rapid development of Chinese NGOs, a number of NGO capacity building structures and projects have been developed and have led to

² This distinction reflects discussions at the ISTR Conference 2014 in Muenster, Session B 11 on Strengthening Capacity Building in Nonprofits.
increasing scholarly interest on the topic in China (Wang/Li 2012). The United Nations, Department of Economic and Social Affairs, first addressed the issue in China with workshops and a comprehensive mission report in the year 2002 (UN 2002). While many Chinese NGOs have received funding and capacity building support from international donor agencies in their early years of their existence, national level capacity building structures have developed more recently leading to growing support and cooperation with government departments and private stakeholders. In 2012, the Chinese central government for the first time allocated 200 million Yuan to finance non-governmental organizations. With this funding, 377 social work projects and more than 120 training programmes were carried out (Xinhuanet, 2013). Local government has since stepped up their own efforts in supporting NGOs, in particular in Shanghai and Guangdong province. The prospects that growing support from government or business may transform some NGOs into bureaucratic agencies and support unit for government programmes or into overtly business friendly charities or consulting ventures has been discussed in the context of NGO development in other countries and regions (Kuhn 2005/2009).

2. Methodology

First, this paper comments on the key features and the recent evolution of the NGO sector in China. Second, it introduces different types of institutions, initiatives and programme activities that aim at promoting the capacity of NGOs in China. Thirdly, it analyses interviews with twelve international and national NGO experts from different institutional and regional background. The methodology is based on in-depth semi-structured interviews. Interviews were carried out with the following experts:

- Ms. Ding Li, Vice-President of Non Profit Incubator (NPI), Shanghai, former Programme Manager with Conservation International, former Marketing and Sales Executive with L’oreal and Unilever, Shanghai, July 1st, 2014
- Ms. Zhang Aiyiing, Programme Head of Habitat International, Chengdu, former Programme Manager Wan Tong Foundation, Beijing and Grants Manager, Plan International, Xi’an, June 29th, 2014
- Ms. Dorit Lehrack, Consultant and former German Development Cooperation Expert with China Foundation Centre, Beijing, June 5th, 2014 in Berlin
- Ms. Ma Tiannan, Founder and Chief Executive, Xiamen Green Cross Association, former Managing Consultant in Xiamen, June 30th, 2014
- Ms. Xu Tian, Director, NPO Development Centre, Shanghai, July 3rd, 2014.
- Ms. Titiana Toto, Project Coordinator for the Danish Human Rights Institute, July 3rd, 2014
- Mr. Bjarne Andreasen, Programme Manager, Danish Institute for Human Rights, June 30th, 2014
- Mr. Francesco Castellani, Senior Advisor, Danish Institute for Human Rights, June 24th, 2014
• Dr. Horst Fabian, free lance social and political scientist, Programme Coordinator East-Asia (1992-2012), Centre for Migration and International Development (CIM), German International Cooperation (GIZ), Frankfurt, Germany, July 20th, 2014

• Dr. Wang Run, Professor of Resources and Environmental Science, Hubei University, Wuhan, P.R. China, July 19th, 2014

• Mr. Tao Ze, Vice-President, China Foundation Center, July 17th, 2014

• Mr. Zhang Yangyong, Assistant Professor and Director of Social Work Practicum, School of Public Affairs, Xiamen University, NGO Advisor and Trainer; Director, Xiamen Warm Sunset Counseling and Services Center, Xiamen, June 29th, 2014

The interviews were conducted by Berthold Kuhn in July 2014 in Germany and China. In some cases face-to-face interviews were substituted by phone calls. Zhang Yangyong contributed to the analysis through his in-depth knowledge of Chinese NGOs based on his frequent interactions with NGO leaders and NGO staff in the context of training sessions, workshops and an action-research project with Tongxin Foundation in Fujian province. Both authors have worked with many international and Chinese NGOs in the past years and both attended twice the nation-wide China Charity Fair in Shenzhen where they discussed with many NGO leaders and staff about NGO capacity building needs and constraints in China. Both authors taught courses together at Xiamen University’s School of Public Policy and Administration and jointly conducted a research project on climate protection awareness with involvement of international and local NGOs in Xiamen, Chengdu and Beijing.

3. Key Features and Evolution of the Chinese NGO sector

The Chinese NGO sector encompasses a large number of diverse organizations, including traditional social organizations still affiliated and heavily influenced by state or party authorities, the so called GONGO’s (Government organized NGOs), interest groups representing professional interests (IGOs), government affiliated and private foundations of corporations founded by wealthy business people or VIPs of the cultural or sports industry (FWPs), grassroots organizations at the community level (GROCs), as well as independent and more or less specialized non-governmental organizations focusing on specific issues. NGOs in the field of nature conversation, environmental and climate protection (ENGOs) are among the most prominent independent NGOs in China (Friends of Nature, Global Village Beijing, Centre for Pollution Victims, Green Zhejiang, Green Watershed, Green Earth Volunteers). Others working on disadvantaged people such as migrant workers, people with HIV-AIDS, disabled persons, children and the elderly (social work NGOs or Social Organisations, SO) are also of growing importance to the Chinese NGO sector and have in some cases received significant support from the Government. International cooperation has in some cases played a facilitation role in the development of government-NGO relations in China (Kuhn 2006). Furthermore, network and umbrella NGOs have also emerged in China. Some play an influential role, even at international level. The most outstanding example is probably the Chinese Association of NGO Cooperation which has developed from a closely supervised GONGO to a well networked, service-oriented and more independent organization which has received a lot of support by German development cooperation and represented the
Chinese NGO sector at international conference, including the Rio+20 summit. The case of CANGO confirms the propositions of Brown/Hu (2011) that international resources play a role in supporting NGO platforms and umbrella organizations and contribute to reduce sector fragmentation and competition.

The number of international NGOs has continuously grown in China and nowadays accounts for about 4000 organisations. It comprises large foundations, such as the Bill and Melinda Gates and Ford Foundations as well as some renowned advocacy oriented NGOs such as Oxfam and Action Aid. China Development Brief which appears in English and Chinese is the leading information platform for NGO development in China and offers directories, features and statistics of NGO development in China (www.chinadevelopmentbrief.cn).

The number of registered organizations in China as reported by the Ministry of Civil Affairs (www.mca.gov.cn) and the Chinese Philanthropic Institute (www.bnu1.org) has grown to more than 500 000 organisations registered as social organizations (she hui tuan ti), non-profit enterprises (min ban fei qiye danwei) and foundations (ji jin hui).

Social organizations are membership based organizations which include only few privately founded organizations. Political authorities are usually more skeptical about organizations with a membership base. The registration is still a cumbersome process requiring the support of state or party organizations. Registration as non-profit enterprise is often the preferred choice of organizations independently founded by individuals or group of individuals with an intrinsic motivation for social change or protection of the environment. For practical reasons many of such organizations have started off as ordinary business organizations without any tax privileges and many of them are still struggling with a proper registration as a non-profit enterprise. Since the Government passed a temporary regulation for the registration of independent foundations, around 2200 organizations have registered as foundations at national, provincial and city level. Capital requirements are relatively high and differ according to the level of registration.

The legal and regulatory framework of Chinese NGOs has been thoroughly studied by both Chinese and international scholars, including its historical evolution and present day challenges (Simon 2013). The long awaited liberalization of the double-registration systems for NGOs has eventually been announced by the National People’s Congress in March 2012 (Zheng/Xu 2012). Four types of NGOs – industrial associations, charities, community services and organizations dedicated to the promotion of technology – are supposed to be allowed to register directly and without the need to find a government partner organization. Since then, many smaller independent organizations have benefited from a more liberal approach of local authorities but the experience of NGOs in different cities and provinces vary greatly and include some critical feedback, even in the city of Shanghai. Ding Li (2014) recalls experience of Shanghai based organizations which have found local authorities more skeptical in registration affairs since the requirement for an official partnership with a Government agency has been abandoned in the context of the new regulations.

The growing financial support of the Government to NGOs, mainly in form of project-based partnerships but also including capacity building initiatives, has been one of the most
significant evolutions of the Chinese NGO sector in the past years. The more liberal approach to registration of NGOs fits in the context of growing awareness of Government authorities on the role of social organizations as service providers to disadvantaged communities. Such developments have been facilitated by the rising numbers of social enterprises in modern cities of mainland China, in particular Shanghai, Shenzhen and Guangzhou and the extraordinary commitment of many local NGOs after natural disasters, in particular the Wenchuan earthquake in Sichuan in 2008. The Government started to launch service parks for NGOs providing incubation, capacity building and financial support to community-based NGOs. From a liberal democracy perspective, however, the reforms on NGO governance and growing financial support to independent NGOs in China, should not be understood as a promotion of democratic values, civil and political rights in China. The key concern of the government is a more effective provision of social services and an inclusive approach to managing issues of social concern and community development.

4. Examples of Capacity Building Initiatives

There is now a variety of organizations in China with a specific mandate of NGO capacity building. The following section briefly introduces six organizations with a capacity building programme. There are many more organizations engaged in capacity building of NGOs, including international organizations and initiatives emerging from Government-NGO project co-operations at the level of local governments, in particular in Beijing and in Guangdong province. The diversity in terms of capacity building approaches and cooperation with NGO start-ups and more mature organizations is increasing. The below featured organizations represent different types of organisations and approaches including nation-wide, provincial level, city-based and international programmes.

4.1 China Foundation Centre (CFC)

CFC was founded by 35 Chinese foundations as an online service platform and subsequently developed in a service-oriented body promoting transparency, accountability and networking of foundations in China. It makes data about the philanthropic sector available for the public with the purpose of building trust and credibility of the foundation sector in China.

With the launch of the Foundation Transparency Index, the China Foundation Center is setting a new standard for the ethical conduct of foundations, not only in China, but around the world (Smith, Bradford, email July 17, 2014).

The index (www.fti.org.cn) was established in 2012 and updates rankings on a weekly basis. CFC has launched discussions about the transparency of the sector and its cooperation with authorities by liaising with various media.

China’s Foundation Transparency Index is by some experts regarded as a model for the world – “unique and impressing” (Lehrack, Dorit, Interview June 5th, 2014). The transparency of the sector increased from 16 percent to 90 percent and the transparency of the managing authorities increased from 4 percent to 16 percent according to a set of criteria developed by national and international experts (www.fti.org.cn). Donations to foundations/NGOs, in particular in the context of emergency assistance after natural disasters, has strongly increased.
Those who often express surprise upon learning that foundations are rapidly growing in China, will be even more surprised to learn that they are being held to high standards of transparency by government regulators and now, a rigorous and publicly available index. At the Foundation Center in the United States we plan to learn from the efforts of the China Foundation Center to improve our own efforts to help foundations meet growing demands for transparency in the digital age."

### 4.2 Non Profit Incubator (NPI)

NPI is a relatively large and professional body with representation in different cities and regions (NPI). NPI has registered legal entities in nine cities and set up five more subsidiaries, in form of capacity building programmes. In Shanghai where it was founded in 2005 and registered as non-profit enterprise in January 2006, it has now four legal entities. NPI initiative is a relatively large and increasingly professional network which has pioneered capacity building of non-governmental organizations in China. NPI operates as a cluster of several intermediary agencies to support the emerging third sector in China. NPI has worked to promote social innovation and cultivate social entrepreneurs by granting crucial support to start-up and small to medium sized NGOs and Social Enterprises (www.npi.org.cn). It has mobilized over USD 40 million from government agencies, corporations and foundations and is represented in Shanghai, Beijing, Chengdu, Shenzhen, Nanjing, Suzhou, Tianjin, Jiaxing, Zhuhai and Jinan etc. It is planning to establish offices in more cities (Ding, L. 2014).

### 4.3 NPO Development Centre, Shanghai (NPODC)

NPODC is a well networked small to medium size organization with a focus on capacity and accountability building for nonprofit organization in China. It engages in networking, conducts trainings and evaluations and provides research and consulting services. It was founded in 2004 in Shanghai by Dr.Ailing Zhuang. NPODC serves local NGO committed to vulnerable groups, environmental protection and community development. It cooperates with foundations, corporations, government and international development organization which support NPOs mentioned above. The mission and vision of NPODC consists of "building capacity and accountability of NPOs, enhancing professionalization of NPOs and Promoting sustainable development of NPOs."

### 4.4 Chengdu NGO Service Park

The Chengdu NGO Service Park was launched by the government in June 2012 after Chengdu had earlier piloted other support structures for social services such as the Jinjiang Citizen Service Center. In 2011, Chengdu wanted to expand and further develop the incubator capacity building model. The Service Park acts as an integrated support network for NGOs, social workers and public welfare projects. It provides incubation, capacity building and community outreach services for NGOs at different developmental stages. The Service Park’s operations include recruiting 15 organisations every three months, with the goal of incubating 60 organisations a year. The Service Park provides integrated administrative support, including venue, office space, funding, capacity building and policy support. It works with grassroots organizations but also extends its cooperation to more mature organizations. China Development Brief (2014) interviewed the Service Park’s Advisor Xu Qizhi who
originally comes from Taiwan and developed training courses and set up the Social Enterpreneurs College at NPI, Shanghai in 2010.

4.5 Tongxin Charity Foundation (TCF), Fujian

TCF is a newly established foundation providing capacity building services to grassroots NGOs mainly in Fujian province. It was founded in November 2012 as a private foundation approved and supervised by the Civil Affairs Bureau of Fujian province with a registered capital of 2 million RMB donated by eight individuals and companies, including female entrepreneur Su Hui. The organization is inspired by Buddhist values. Its capacity building programmes include the following initiatives: an Executive Master of Philanthropy for leaders of NGOs and social enterprises which is executed in cooperation with the China Philanthropic Research Institute at Beijing Normal University; the Fujian NPO Learning Network, a network of cooperation between various stakeholders of social service provision and research in Fujian province, including Xiamen University; small grants programme and capacity building programme for grassroots NGOs in mainly Fujian and also Jiangxi and Guangdong province. The purpose of the first phase of the programme lasting from August 2013 to December 2014 is to improve social innovation capabilities and capacity building of project management.

4.6 Danish Institute for Human Rights

The Danish Institute for Human Rights is Denmark’s national human rights institute. It has a relatively large international programme. The Institute currently supports seven programmes in China in the field of civil and social rights in the areas of migrant workers’ rights and environmental protection. Among the partner organizations in China are the Migrant Workers Home, the Transition Institute and Xiamen Green Cross Association. Together with Xiamen Green Cross Associations, the Institute launched the Environmental Advocacy Network China in 2011. The ongoing programme has entered into its second three year phase and focuses on legally-based environmental advocacy work. It provides knowledge, capacity building and some funding support to members and grass roots organizations. The program of the Danish Institute for Human Rights aims at strengthening civil society based advocacy dialogue approaches and public participation.

5. Key Findings of Interviews with Chinese and International Experts

5.1 Key challenges for NGOs in China

The twelve national and international experts mainly referred to the following challenges for NGOs in China:

- restrictive legal and regulatory framework,
- bureaucratic hurdles imposed by government authorities, including extensive reporting, tax and accounting issues,
- lack of public trust,
- funding and fundraising constraints, and
- human resource development.
The legal and regulatory environment in China is still considered to be a major obstacle for the development of independent NGOs in China. Historically, Chinese communist governments have regarded NGOs as subsidiaries of the state or party bureaucracy. It still remains difficult to clearly define “NGOs” or “independent NGOs”. Some organizations have gradually evolved from heavily influenced non-governmental bodies into organizations with little interference from government administration or party authorities, e.g. the China Association for NGO Cooperation (CANGO). Others have voluntarily opted for closer relations with government authorities in order to enlarge the impact of their work, e.g. Green Zhejiang in Hangzhou.

The viewpoints of the interviewed experts on the regulatory framework vary according to the focus of their work. Those with closer ties to service oriented NGOs have a less negative view than those providing advisory services and support to advocacy oriented NGOs. The following statements summerise the viewpoints of the expert whose name is given in brackets:

Andreasen (2014) stated that “organisations with a rights-based and advocacy oriented approach are more concerned about the restrictive regulatory framework than organizations primarily involved in the provision of social services.” Experts agreed that NGOs working on politically sensitive issues experience more bureaucratic obstacles than others. Some experts, including Fabian (2014), Ma (2014) and Xu (2014) reported progress regarding registration of grassroots organisations with a focus on community-level work, but they admitted that “more advocacy oriented organizations still experience problems with registration or extension of registration.”

Relations with government departments are crucial. Ma (2014) concluded that “it occurs that NGOs have good relations with some government departments in the context of project work, but they still face problems with other departments over administrative issue.” My experts reported on the challenges that their organization faces in cooperation with government departments. The Ministry of Civil Affairs assesses NGOs by grouping them into five categories mainly depending on the political affiliations and relations of leaders and board members to the party or government. However, the assessment is not based on very transparent benchmarks.

Bureaucratic hurdles include extensive reporting requirements, in particular regarding relations with foreign organizations. Tax and other financial issues are time consuming challenges for many organizations.

NGOs have not yet achieved a high level of public trust in China. Thus, not only government authorities but also educated middle-class people know little about NGOs and some express skepticism regarding their true motives and commitment. The Chinese term for NGO, fei zhengfu zuzhi (非政府组织) has a rather ambiguous connotation in the sense that fei zhengfu (非政府) also means “anti-government” (反政府) (Ding, L. 2014).

Funding remains a serious problem for many NGOs in China as international funding support in the context of development cooperation has dried up and fundraising regulations in China are very restrictive. NGOs are generally not allowed to do public fundraising with the
exceptions of public fundraising organizations such as a Red Cross and other GONGOs. Most independent NGOs are registered as non-profit enterprises and, thus, have no income from membership fees. All interviewed experts highlighted fundraising as a major constraint for independent NGOs in China. Wang (2014) considers it the single most important issue.

Some NGOs have been able to tap resources from the private business sector, including multinational as well as Chinese companies. The government is currently in the process of enlarging its funding support of NGOs. It has invested in NGO capacity building by setting up so-called NGO Service Parks and is also extending support to umbrella organizations and specific projects, in particular at the community level.

Human resource development is a major issue for NGOs in China. Fabian (2014) who worked for many years with smaller and larger NGOs in China put special emphasis on this aspect: “While it is not so difficult to recruit volunteers for specific projects and events, it is a major challenge to find and retain good staff. Young people might join NGOs for a few years after graduation, but they would ultimately look out for better career prospects.” Salary and working conditions in the NGO sector currently cannot compete with the private sector and the government. Young people in China, in particular young male graduates, mostly look for a stable job with good career perspectives in order to meet the high income expectations of their parents and girlfriends. Some NPOs in the field of capacity building have benefited from a “reverse” trend. In this case highly educated and experienced business managers leave the world of private gain and profit in pursuit of the public good.

NGO leadership succession is another burning issue for many NGOs. Friends of Nature, the Beijing-based leading environmental NGO, has experienced a shaky time of succession of leadership after the death of the charismatic founder and long-time leader Liang Congjie. Many other well-known Chinese NGOs, including Global Village Beijing and Shining Stone, are also largely driven by the charisma of their founders, Ms. Liao Xiaoyi in the case of Global Village Beijing and Ms. Song Qinghua in the case of Shining Stone Community Action. Xin Hao (Green Zhejiang) and Ma Tiannan (Green Cross Xiamen) still belong to the younger generation of Chinese NGO leaders but will also face the challenge of delegating activities to the next generation in the context of growing maturity. However, experts acknowledge that leadership requires more than professionalization. “A leader must have many qualities which cannot be taught by professional courses though these are important.”

5.2 Capacity building approaches for NGOs in China

The following areas of capacity building were prioritized by the experts:

- NGO identity building, towards the public, the government, and internally
- Human resource development, in particular leadership style and staff training
- Knowledge and methodological issues, in particular regarding rights-based approaches and advocacy work

According to the interviewed experts, the success factors for NGO capacity building comprise:
- Fostering shared values and mutual learning on the basis of long-term partnerships
- Process-oriented coaching approach
- Specific interventions on project management skills, including proposal writing, monitoring and reporting

NGO identity building, vis-à-vis the public, the government and internally, is viewed as a key area of NGO capacity building in China and as a precondition for successful fund-raising. Relations with the government are of crucial importance in China. The growing opportunities for receiving financial support from government have an impact on the identity of NGOs, in particular social service-oriented NGOs. Zhang (2014) highlighted that “Government authorities are driven by the accomplishment of targets while NGOs focus more on participatory and process oriented work with local communities.” Government tends to regard NGOs as implementing agents or junior partners, and exercises pressure. It stipulates stringent monitoring and reporting and puts NGOs with less professional structures and more participatory work ethics in difficult situations. Experienced government officers and social workers can help NGOs to better understand the reality of project management by government. The young generation of social enterprise leaders seems to have a more pragmatic relationship with government authorities than the more intellectual first generation leaders. However, there seems to be no doubt that involvement in Government programmes might have a strong transformative impact of NGO identities with the risk of neglecting the work at the community level while stretching out to pleasing government and business interest.

Trust with the public remains a key issue even after many decades of the growth of the NGO sector. Ding (2014) referred to one of the biggest scandals which hit the Chinese NGO sector in the past years. She stated that “the posh life style of a Red Cross employee has done a lot of harm to the NGOs sector.”

Some NGOs have built good reputation in post-disaster situations. The involvement of VIPs in NGO activities such as Jet Li and his One Foundation has helped NGOs to improve their reputation. The special attention that impoverished elderly people got from NGOs has also contributed to raise the image of NGOs. However, many still consider NGOs as unprofessional organizations dominated by the personal agenda of selfish individuals.

Human resource development, in particular leadership style and staff training, is a priority area for capacity building in China. Many NGOs follow a patriarchic or matriarchic model and do not recognize the role of the individuals as the strength of the whole team. Experts consider it necessary that NGOs are changing some customs and behavior. Participatory approaches such as defining mission, vision and strategies may help in this process.

“Staff of NGOs is not just staff – but the NGO! Develop a ‘we feeling’, based on strengths is a key success factor” (Lehrack 2014).

Recruiting competent staff is difficult for NGO and the staff turnover is considered high by the experts. Good salaries are considered to be a crucial factor for attracting competent staff. People matter. Result-oriented management culture could improve if more businessmen
joined into the sector.

Experts engaged in rights-based and advocacy work observed that Chinese NGOs still lack exposure to and experience with such approaches in other countries and regions. Few of the NGOs would have a sound legal and methodological knowledge, in particular regarding rights-based approaches and advocacy work. Castellani (2014) mentioned the work of the Environmental Advocacy Network in China that would address such issues with “both patience and vigor”.

The fostering of shared values is of particular importance for developing long-term partnerships and networks that are crucial for fostering mutual learning. Despite friendly interactions it takes time to build trust and shared values. In interaction with international organizations cultural and language barriers can be significant obstacles. Chinese NGOs are mostly run by self-confident leaders, which sometimes resent comparison with capacity building of NGOs in other countries and regions. However, the caution or carefulness of Chinese NGO leaders in having their methods compared to NGOs in other countries and regions is partly justified by the very different context of operation between China and other countries.

Several experts highlighted that a process-oriented coaching approach is key to build competencies and capacities of NGOs. The complex relationships that Chinese NGOs have to entertain with government and other stakeholders make it difficult for outsiders, in particular foreigners, to make appropriate suggestions. Chinese NGOs need to observe the political and social environment and carefully calibrate their interventions according to the expectations, needs and constraints of many stakeholders. Some experts, including Ding, L 2014 and Toto D. 2014, however, mentioned that specific interventions on project management skills, including proposal writing, monitoring and reporting, are also appreciated. Chinese NGOs often show a strong committed to develop professional skills if opportunities are provided by trainers or larger Chinese and international organizations.

5.3 The Role and Relevance of International Cooperation for NGO Capacity Building in China

International cooperation, in particular international funding support, remains a sensitive issue in China. Activities of renowned international foundations and other NGOs with established partner organizations in China, however, seem not to be threatened according to the interviewed experts. The government of Guangzhou, one of the most progressive cities on international cooperation, revised a regulation covering foreign-funded non-governmental organizations in October 2013 after a stricter draft version had triggered public concerns (Wang 2014).

The assessments of the interviewed experts differed on the role and relevance of international cooperation. Tao Ze (2014) provided the most positive answer: “Crucial, it connects the world class practices to the local context.” Ma (2014) and Toto (2014) referred to the skeptical attitude of the Government which makes it difficult, in particular for advocacy-oriented NGOs, to engage in extended international cooperation.

Lehrack (2014) referred to the “decline of international funding support by traditional donors”
and the “gradually diminishing role of former big international players in NGO capacity building in China such as Ford Foundation and German International Cooperation.”

Xu (2014) highlighted the “many special opportunities of cultural exchanges through personal networks, special events and the work of foundations”. Ding (2014) referred to the “growing number of opportunities with multinational companies.”

The international experts, in particular Andreasen. (2014), Castellani. (2014), Lehrack 2014, and Toto (2014), highlighted the continued need for funding support along with the importance of international networks and specific trainings. Zhang, A.Y (2014) and Ding (2014) underscored the relevance of international cooperation in building project management capacity while Zhang Y.Y (2014) expressed more doubts on the relevance of international cooperation given the growing financial support of the Chinese government and the unique features of the Chinese NGO sector. “It is difficult for international experts to grasp the complex reality of NGOs unless they spend a long time in China.” (Zhang, Y. Y. 2014). The opinion that most of the literature on NGO advocacy work is specific to the North American or European political context resounds well in mainland China.

International organizations see their support from a different perspective and would mostly agree that international NGOs still have their role to play, in particular in promoting platforms, networks and umbrella organizations (Brown/Hu 2011). Toto (2014) explained that “international NGOs are playing an important role regarding the promotion of rights-based approaches.

Castellani (2014) said that “Chinese authorities are particularly skeptical of networks” Informal networks and social media are all the more important in China. There are of immense practical use. Weibo and, more recently, Wechat, have even replaced email communications. Ding (2014), Ma (2014) and Xu (2014) put special emphasis on the role of social media. “ Not to forget, international organizations can also learn a lot from Chinese NGOs, in particular in the field of communication (Ding. 2014).

6. Conclusions

The independent Chinese NGO sector has for many years benefited from capacity building initiatives by international partners. International cooperation of independent NGOs is still closely monitored in China. However, it has expanded in a significant way. While networking of independent Chinese NGOs at international level is still growing, funding support to Chinese NGOs is set to decline in view of China’s economic rise.

Many independent NGOs have matured in the context of international cooperation. Central and local government departments and private foundations, including those operating at provincial and city level, have started to involve independent NGOs in the implementation of mainly social work projects and also engage in NGO capacity building.

According to the interviewed experts, the main challenges for independent Chinese NGO consist of balancing their relations with the government, stepping up fundraising, developing leadership and human resources, and to further professionalize their project management and communication.
The Chinese NGO sector exhibits some features which make it difficult to transfer approaches and best practices from other countries. Chinese NGOs act in a complex environment of social and political relations including both supporting and mistrustful government departments, communist party authorities, academic institutions and private businesses. Many of the interviewed experts opinioned that effective capacity building requires a coaching approach with a long partnership perspective based on shared values and common experiences.

The new generation of social enterprise NGOs seems to be more pragmatically engaging with government department than some of the independent NGOs of the first generation which have experienced more hostile attitudes of government in their early years of existence. Few independent NGOs have so far managed to earn a good reputation with the public who still knows little about their motives and activities. Traditional media seldom cover their activities. Most Chinese NGOs are aware of it and make extensive use of social media to spread information about issues of their concern and their activities.

Independent NGOs in China face the challenge to keep their identity as value driven organizations while engaging in different kinds of partnerships with government departments, business and larger foundations, international organizations and international NGOs. The impact of such different kinds of partnerships on the identity of Chinese NGOs, their degree of independence and their strategic choices may inspire further research into what we see as fundamental challenge for NGO development in an increasingly complex socio-political environment in China.
References:


Ding Li, 2014: Interview with Berthold Kuhn, via telephone on July 1st, 2014


Smith, B. 2014, opinion forwarded by email to Berthold Kuhn. Bradford Smith is the President of the Foundation Center in New York.


The Economist (21 June 2014), *Doing Good! A foreign charity shows how to thrive in China, (online).*


Annex: Questionnaire for Experts

*International Society for Third Sector Research, presentation at World Conference in Muenster, Germany on July 22nd, 2014 and research project: NGO capacity building in China: Questionnaire*

**General Questions**
1. What are the key external and internal challenges for Chinese NGOs?
2. Which are the key areas and success factors for NGO capacity development in China?
3. What is the role and relevance of international cooperation for NGO capacity development in China?

**Specific questions**
4. Regulatory framework:
   4.1. How do you perceive the regulatory framework for NGOs in China?
   4.2. Did you come across any major legal or administrative hurdles in your work?
5. Relations and cooperation with Government
   5.1. How did Government-NGO cooperation evolve in the past years?
   5.2. How important is Government support for NGO and at which level?
6. International cooperation
   6.1. How can international cooperation contribute to NGO capacity building?
   6.2. What are the opportunities and constraints of international cooperation for NGOs?
7. Fundraising
   7.1. Where do you see opportunities and constraints for fundraising for Chinese NGOs?
   7.2. How could capacity building support fundraising skills? Any examples?
8. Leadership
   8.1. How do you perceive leadership of Chinese NGOs, what are the characteristics and challenges?
   8.2. How could capacity building support leadership development?
9. Human resource development
   9.1. What kind of people join NGOs as staff and volunteers?
   9.1.1. What are the key challenges for human resource development?
10. Project management and evaluation

1.1. How do you rate the competence of project management of Chinese NGOs, what are the challenges?

1.2. How could capacity building address weaknesses and build strength?

11. Social media

1.1. How important are social media for Chinese NGOs?

1.2. How could NGOs benefit from capacity building in making better use of social media?