How do People in China Look at “Governance” of Third Sector?

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How do people in China look at “governance” in third sector? And what does “governance” mean for them? People from different sectors have different understanding. Whatever, “governance” is a new saying for Chinese people, such as government officials (at present the governance is being introduced into governmental work, the government officials will familiar with this word soon, not only because of more advocating from international community, but also because of speeding up government reform in China), some researchers, and grass-root NGOs leaders except for those international organizations or international NGOs. “It is important that NGO’s are accountable for their actions. Given the nature of their organization and work, however, that accountability and the regulations needed to assure it are complex. This is because NPO’s need to be accountable to many different parts of society”¹. Dr. Yu Keping² is one of the scholars who used “governance” in his political writings. Based on his understanding, “governance” means a decision making process in which public participation should play very important role, that was the time of the Mid of 1990s, then “governance” under this explanation was very sensitive, because it had something to do with democracy³. “So far as political is concerned, the various civil organization begin to emerge and the villagers ‘self-governing system’ based on civil organizations is gradually implemented’, which is a repugnant word by the Party in power. The dissemination of his ideas was limited in very narrow circle-academia, not all of the academia, but small pioneering scholars in which most of them have western education background. Dr. Yu also distinguishes “governance” with “government” on two aspects, one from public participation and control, governance means public participation, government means a small group control public. Second, he distinguishes it with down-top and top-down, he pointed out that governance is the process of down-top, means decision making on the basis of public meetings.⁴

The Project on Asia’s Third Sector: Governance for accountability and Performance is the first one which launches a research in third sector to look at the governance conditions in China, including accountability, transparency and performance, etc. Fortunately, not like in political circle, the third sector organizations in China are more open and more straightforward, people here can talk more governance issue and they want to talk it either. This gives us a wonderful opportunity to watch governance for accountability and performance in China. Definitely, a lot of people in this circle are not familiar with governance, including its meanings and functions, even though they have been working in this field. By this survey, we have known how to promote good governance, at least, to know the direction in the future.

¹ Andrew Watson, Regulation and Self-Regulation: the Right and Responsibilities to NPOs, Shanghai International Seminar on Development and Administration of NPOs, November, 2002.
⁴ Yu Keping, Governance and good governance, the Publishing House of Social Science Literature, December, 2000.
Methodology
During the last 24 months, the China Country Research Team on ASIA’S THIRD SECTOR: GOVERNANCE FOR ACCOUNTABILITY AND PERFORMANCE under the Research Center for Volunteering and Welfare at Peking University implemented the survey plan on key informants in three locations in China, Beijing, Guangdong and Xian, according to the guideline made by the Third Sector Unit, UTS. Dr. Xin Qi conducted the survey with five questionnaires last summer in Xian, Shanxi Province of West China. Dr. Liping He and his graduate students from the Department of Social Work at Zhongshan University completed fifteen questionnaires last summer in Guangdong Province, North China. In Beijing, the Capital of China, Dr. Yuanzhu Ding worked together with Dr. Yongping Zhou, Ms. Lin Guo and Ms. Carmen Xu to carry out this survey with twenty-four informants.

To clarify the concept of governance under the special background of China, a nation is transforming from centrally planned to market system, China Country Research Team had organized two workshops to discuss the issues of defining governance and third sector organization in this country. The first workshop was held on June 21, 2002 in Peking University, 15 board members of China Country Research Team participated in the workshop. The second workshop was held on September 19, 2002 in Peking University also, with more than 30 participants from 4 provinces. Mr. Yan Mingfu, the chairman of China Country Research Team Board, the former secretary of the Party Central Committee of the Chinese Communist Party and the president of China Charity Federation attended the workshop. Mr. Yan also made some important comments to this research project. The two workshops clarified some questions on third sector organization and governance in China, and laid a foundation to the survey and the study on governance issue.

For getting more information and knowledge of governance and third sector organizations in the Country, the China team used all its strength to participate in various workshops and seminars that were held in China, such as the Shanghai International Seminar on the Development and Administration of NPOs in 2002, Seminar on Legal Environment organized by the Law School of Peking University in 2003, and the Training Program on Third Sector organized by China Information Network for NPOs in 2003.

A seminar is worth us to mention is that the Legal System Office under State Council organized a small discussion on February of 2004, to announce that the Premier Wen Jiabao will sign the Regulations on Foundation, which approved by the State Council on February and will be implemented on June. At the same time, the Office has started another work that is to amend the Regulations on Social Organization Registration and Administration and the Regulations for Civilian Non-Enterprises Registration and Administration. In the seminar, the officials from the Legal System Office and the Ministry of Civil Affairs announced that they will consider the non-profit enterprise funded by government when revise the Regulations.

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5 Workshop on Governance, Research Center for Volunteering and Welfare, Peking University, 2002.
6 Workshop on Governance, Research Center for Volunteering and Welfare, Peking University, 2002.
In this survey, we tried to look for those who familiar with NPO’s development, from different sectors, like government, private sector as well as non-profit sector. Not like other countries, private sector in China is not familiar with non-profit sector and their governance issue except a few enterprises that have donation or volunteering service. Most of the informants come from civil society organizations (61.4%), they are the leaders or staff from CSOs, the secondly, they come from government (20.5%) departments, especially, they are officials from the department of civil affairs that in charge of NGOs, private sector organizations leaders (11.4%) and international organizations leaders or staff (6.8%), are as above (see figure-1).

Conclusions
Governance is a new saying in China. Most of people are not familiar with its connotations. It can indicate different things to different people. Until now, governance in third sector organizations is more popular in third sector than in government, although some government documents began using this word. But the common understanding in the third sector organizations, governance refers to internal management, this is very clear, including who makes decisions, how to make decisions, etc. For making decision, organization should have a legal environment. So, legal environment is part of governance.

However, the past two years, have seen continuing changes in governance and institutional structure characterized by:
--International organization and donors request good governance as pre-conditions for funding;
--More and more researches, training programs have and are being launched, the concept of governance is disseminating among third sector organizations;
--Rule of regulation instead of rule of man, growing self-regulation among grass-root NGOs;
--A gradual shift from government’s functions to societal functions.

Whatever, from introducing the concept of NGOs in the Mid of 1990s to introduce the concept of governance, this marks Chinese third sector organization has entered a new stage. The development of governance for third sector requires a time and a process of institutional building including a sound legal environment. A lot people both from China and international NGOs are making unremitting efforts.