

NGO Development trends in China

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NGO development in China – an overview

The official classification of NGOs in China is based on the regulation approved by the States Council. They can be divided into three categories: social organizations, private non-enterprise entities, and foundations. Most of them are social organizations which can be put into four subcategories: academic, industrial, professional organizations as well as federation organizations.

According to official statistics, there were 354,000 NGOs registered in China at the end of 2006, including 192,000 social organizations (including 16 foreign chambers of commerce in China) 161,000 private non-enterprise entities and 1,144 foundations.

China also has a great number of NGOs not registered due to their different situation (around one million at present), including NPOs registered with industrial and commercial authorities, urban community organizations, public benefit and mutual aid organizations in rural communities, farmers' organizations, religious groups, foreign-funded organizations. , etc.

How do NGOs work in China?

At present, Chinese NGOs are involved in many fields of work related to social development. According to a report by Prof. Wang Ming of Tsinghua University, we can see that NGOs are active mainly in: social services (45%), survey and research (43%), industrial associations' and societies' work (40%), legal counseling and service (25%), policy consulting (22%) and poverty reduction (21%).

NGOs are most active in those fields where there is a strong social demand but difficult condition for government and business to provide services. With little government intervention, NGOs will quickly grow and play an indispensable role. At present, Chinese NGOs concentrate their activities on fields such as women and children's rights and interests, environmental protection, poverty reduction, education, floating population, and AIDS prevention and treatment.

The NGOs' main advantage is their extensive social network. They raise funds to provide services to the public, particularly to disadvantaged groups in social sectors where government has withdrawn, and furthermore to influence the direction of policy making.

The role of some NGOs is partly to promote reform of government policies. Some top-down NGOs make suggestions directly to government bodies, while some

bottom-up NGOs often influence government policies through media.

In terms of influencing public policy, NGOs are most active in fields such as environmental protection, education and poverty reduction.

The most striking social influence of NGOs is to help people become aware of their situation and problems.

The number of NGOs increases every day. In the mid 1990s, NGO was still an unknown word to most Chinese people, and NGOs played a very limited role in society. Starting with the 4th UN Women's Conference in Beijing in 1995, there have been a lot of international meetings in China, and NGOs and their outstanding performance have gradually been perceived by the public.

SWOT analysis for NGO development in China

It is very difficult to predict the NGO development in China. But I would like to make a SWOT analysis for future trends.

Chinese NGOs' strengths comprise an increased capacity of most organizations, a revised focus towards demands from the grassroots level, more experts but also more volunteers entering NGO work, and better interaction with other stakeholders such as government agencies, the business sector and the international community.

Their weaknesses can be described as a lack of a clear mission and long-term strategy, a lack of operational experience, of transparency and accountability as well as of professional human resources. Low rates of pay make it hard for NGOs to attract qualified people.

The opportunities for NGO development in China lie in their adjustment to international criteria against the background of globalization. Chinese NGOs are able to receive international funding and to work according to international donor regulations. There is still room for improvement in the legal environment, particularly, the new political guarantee for building socialistic harmonious society - the essential decision of the Chinese's Communist Party's 6th plenary of sixteen sessions in 2006. Chinese Government is encouraging NGO development on the basis of this decision. For example, the new enterprise income tax law approved by the National People's Congress in March 2007 states that in terms of enterprise expenditures for public welfare donations, up to 12 per cent of the total annual profits can be deducted. This is four times as much as before, a real important change for NGO development in the future. The introduction of WTO mechanisms will further deepen the market economy reform and promote NGO development in China. And economic progress in East China, changing moral values and a growing middle-class will all encourage NGO development in China.

Concerning the threats, one has to consider that the social recognition of NGOs in China is still rather low. There is still an insufficient system to measure their accountability. NGOs lack a strong network of support. The legal framework lacks policy regulations and a functioning legal environment. Research on and support for

the NGO sector lag behind its development. The existing administrative system also limits the development of NGOs. The awareness of civil society is still weak, and donation is government-driven.

In conclusion, the NGO sector in China is still in its initial development phase. Given the dynamic economic development in China, NGOs will have more opportunities to develop in the future. They will play an increasing role, in cooperation with international NGOs and donor organizations.

I believe that NGOs can play an important role in Chinese economic development and social progress in the future. The social impact will be achieved through changes in the work environment and further NGO activism.

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CANGO is a non-profit membership organisation, operating nationwide and registered with the Ministry of Civil Affairs. With 137 member organisations; CANGO's mission is to create a strong, empowered network of Chinese NGOs to address poverty alleviation, environmental protection and social development.

www.cango.org/english

*Wang Ming, *China NGO Study 2001* United Nations Centre for Regional Development, 2001,

Haoming HUANG, China Association for NGO Cooperation (CANGO), 2001



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