THINKING STRATEGICALLY
ABOUT CIVIL SOCIETY ASSISTANCE IN CHINA

A healthy society should have the three sectors government, business as well as the third sector, which is the development of civil society

An interview with Dr Liu Zhouhong, Former Secretary-General of Narada Foundation
This interview was conducted by Dr Andreas Fulda as part of a research project commissioned by Geneva Global. It is published by China Development Brief and Geneva Global. Geneva Global is an innovative social enterprise that works with clients to maximize the performance of their global philanthropic and social impact initiatives. The interview reflects the independent opinion of the interviewee and does not represent the views of the publishers.

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In all of its activities the Narada Foundation considers its mission and strategy. When they say they support civil society organisations (CSOs), they actually mean it. So they would not support government bodies, for example. Secondly, the Narada Foundation has strategies in terms of how to support CSO development. For instance, supporting projects, supporting the development of talent and the development of organisations in this sector. Moreover, they organise conferences or activities to influence the development of this sector, for instance increasing transparency or capacity building.

One of the key principles of the Narada Foundation’s funding criteria is that the grantees need to share the same goals as they do. If everyone shares common goals, they then check if the organisation is professional enough and then look at the team capacity. Take migrant children’s education for example. The common goal is to provide better education for these migrant children. In terms of implementation, the foundation is quite flexible and would not interfere too much. Some organisations may provide activities in the community. Some may provide training to the teachers of the migrant children’s schools. Others may provide new curriculum, such as English, art, physical education or music.

In the case of projects related to the development of the sector as a whole, it would be better to collaborate with as many organisations as possible. A good example is the China Private Foundation Forum, which was initiated and funded by fifteen foundations. The development of private foundations relates to everyone in this sector, therefore it is necessary to get support from everyone. Another example is the China Foundation Centre. In this case there are more than 30 foundations collaborating together.

On the one hand, it will get easier to get registered as an CSO in the next ten years. Thus, the numbers of legitimate CSOs is likely to increase significantly in the future. On the other hand, whether the quality, professionalism and the capacity of these organisations will equally improve is another question. Many factors need to be considered. Are there enough resources to promote the development of this sector? Will enough new talent be drawn into this sector? How supportive will the government be towards this sector?

More citizen rights should be given to people, especially rights in philanthropy and public service provision. CSO registration is now gradually being relaxed. Public fundraising can be opened up in a next step. Currently, the government monopolises public resources.

This interview was conducted by Dr Andreas Fulda in Beijing, China on 8 July 2014. Translated by Sujing Xu and Andreas Fulda.
Andreas Fulda (AF): Let us start with the question on funding. 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?

Liu Zhouhong (LZH): We consider more the mission and strategies of our foundation. Firstly, when we say we support civil society organisations (CSOs), we mean it, so we would not support government bodies. Secondly, our foundation has strategies in terms of how to support CSO development. For instance, supporting projects, supporting the development of talents and the development of organisations in this sector. Moreover, we organise conferences or activities to influence the development of this sector, for instance increasing transparency, capacity building. These are our own strategies. If the government would like us to do something that is not related to our mission, we would not consider doing it. Saying that, many issues we care about the government also cares about, for instance migrant children’s education, disaster relief, pensions, environmental protection, etc.

AF: Do you provide grants to GONGOs (Government-organised non-governmental organisations)?

LZH: We mainly provide grants to grassroots organisations, not to GONGOs.

AF: Do you provide overhead cost to your grantees as well as activity costs? If you provide both, what is the ratio of the two?

LZH: Our grants include three types: one type supports projects, for instance supporting a charitable organisation to provide services to migrant children, or supporting an NGO for disaster relief. These types of grants take up to 30%. The remaining 70% are grants to support sector development, investments in the training of personnel through our Gingko Fellow Program as well as supporting the growth of grassroots organisations through the Bright Way Program. By supporting organisations to grow, they promote the overall service quality of their respective fields. We also support the China Foundation Centre to increase the transparency of the philanthropic sector. Furthermore, we have organised the China Private Foundation Forum to promote collaboration and communication in this sector. We support research projects too, including government procurement of public services, information disclosure etc.
AF: That’s very interesting. For these projects funded by Narada, how do you square the circle of your donorship and your grantees’ ownership of civil society initiatives? It is quite likely that while Narada and your partners sometimes will share similar goals, sometimes you will not. How do you make sure your partners share similar goals to yours?

Liu: One of the key principles of our funding criteria is that the grantees need to share the same goals as we do. If we share common goals, we then check if the organisation is professional enough and then look at the team capacity. Take migrant children’s education for example. The common goal is to provide better education for these migrant children. In terms of implementation, we are quite flexible and would not interfere too much. Some organisations may provide activities in the community. Some may provide training to the teachers of the migrant children's schools. Others may provide new curriculum, such as English, art, physical education or music.

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?

Liu: We would like to have more opportunities to form multi-entry partnerships. We are considering to have more partners to do something together, which is not about money, but about influence, hoping more organisations in the sector pay attention to an issue and expand the influence. For instance, we are doing a survey on the status quo of the development of personnel in the public service sector. We thought it would be better to collaborate with other foundations. Eventually, the research was funded by eight foundations, including Narada Foundation. We will work together and publicize the report together. The rational behind this is to have more people paying attention to this particular issue, and once the report is published, these eight foundations will be able to use their own networks to disseminate the report. This project does not require much funding -- 200,000 RMB should be enough -- which means that each organisation provides a bit more than 20,000 RMB each.

Another point, as I mentioned earlier in our supporting approach, is not just to provide funding for projects. We also have the Bright Way Program to help develop grassroots organisations. We help build contacts and networks according to the needs of the specific organisation.
We also use our network advantage with enterprises, other foundations and funders to provide a platform or to introduce other resources to our grantees. For example we produced a catalogue which introduces fifty partner organisations to prospective funders. This allows funders to identify suitable partners for their work. Currently, we do more of this type of bridging work, not so much of multi-funders supporting one organisation doing one particular project.

**AF:** You said you do not have so many multi-partnership projects. Is it difficult to have multi-partnerships in China?

**LZH:** It really depends on each case. For these small projects, there really is no need to get other organisations involved. On the other hand, in the case of projects related to the development of the sector as a whole it would be better to collaborate with as many organisations as possible. A good example is the China Private Foundation Forum, which was initiated and funded by fifteen foundations.

The development of private foundations relates to everyone in this sector, therefore it is necessary to get support from everyone. Another example is the China Foundation Centre. In this case we have more than 30 foundations collaborating together. We are working on a forum to promote social enterprises and social investment at the moment. We are hoping to collaborate with at least ten organisations to do it together, with the aim to promote the development of our sector.

**AF:** Talking about civil society in China, do you 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 Narada Foundation?

**LZH:** We would like to promote the development of Chinese civil society, since we believe a healthy society should have the three sectors: government, business as well as the third sector, which is civil society. Since the opening-up policy, the government sector and business sector have developed significantly; however, civil society has not yet been developed fully. It is is actually still quite weak.

Therefore, we would like to see the development of the third sector. We believe that in order to develop civil society, it is necessary to develop CSOs. With the development of CSOs, citizen awareness can thus be strengthened. This is why Narada Foundation supports the development of CSOs, including projects, personnel development, organisational as well as sectoral development.
AF: How do you notice changes in China? Through news, academic articles or project reports? Are there any other ways to get the information you are looking for? And how do they influence your thinking?

LZH: Since we are in China, we can feel the changes directly. Yes, we learn and understand changes through the ways you just mentioned. Besides, we meet colleagues and friends everyday, sharing and learning from each other. For example, if we are interested in the topic of pensions, we would read research reports, including those commissioned by the government or CSOs. We would also talk to professionals in the third sector, or go to their meetings or conferences.

AF: What kind of changes do you foresee for Chinese civil society in the next ten years?

LZH: On the one hand, I think it will get easier to get registered as an CSO. Thus, the numbers of legitimate CSOs is likely to increase significantly. On the other hand, whether the quality, professionalism and the capacity of these organisations will equally improve is another question.

I am not particularly optimistic about it. Many factors need to be considered. Are there enough resources to promote the development of this sector? Will enough new talents be drawn into this sector? How supportive will the government be towards this sector?

AF: What kind of change would you like to see on the individual, organisational, societal and/or policy level?

LZH: I would like to see more citizen rights given to people, especially rights in philanthropy and public-service provision. CSO registration is now gradually being relaxed. I hope public fundraising can be opened up in a next step. Currently, the government monopolises public resources.

Civil society actually is very creative. If given the right to publicly raise funds and if it is being provided a less restrictive environment, with tax and policy incentives, there is a lot of potential to explore in public fundraising.

At the moment, there is only about 100 billion RMB being raised annually in China. Such public resources should be harnessed by the market, not monopolised by the government. The government should withdraw from public fundraising.
AF: What conclusions do you draw when you realise that the anticipated outcome or change has not been achieved by the civil society initiative you have supported? For instance some projects supported by Narada Foundation would be successful, whereas some others may to certain extent be a failure.

Liu: We can accept failures and are willing to take the risks of supporting many innovative projects. It is our philosophy to take risks, and allow the making of mistakes. Only in this way we can encourage innovations. However, we should try our best to avoid mistakes and failures.

Therefore, it is important to evaluate a project in the beginning stage to check the feasibility, the capacity of the team, as well as risks. If a project fails despite all the evaluations, we would learn from the failure, analysing the reasons behind it and avoiding similar mistakes in the future.

AF: Another question is also related to the civil society initiatives supported by your organisation. What would be feasible outcomes or goals? How would you find suitable ones? If the goals were set too high, they would not be reachable; if the goals were set too low, they might not affect meaningful change.

Liu: It is not easy to set goals or outcomes for the projects we fund. Take the Gingko Fellow Program for example. It is a program to invest in talents and cultivate future CSO leaders in particular fields for China, such as environment protection, education, or social service delivery.

However, how do we define leaders’ and CSO leaders’ success and influence? They are not easy to define. Our goal for this program is not high. The grantees should have study plans with a development goal for each year. Each grantee would receive a 100,000 RMB grant each year and he or she can decide how to use the grant.

In return for our support our fellows have to write reflective reports every year, including reflections on what goals they have achieved and what they can do to improve. If there are goals which have not been achieved, what were the reasons? Were there too many goals or were the leaders too busy with other work?
In terms of this fellowship program, we discussed our expectations. For instance if we supported 100 Gingko fellows, how many of them would become CSO leaders in the future? 70% or 50%? In the end we thought it was pointless to set such goals.

I personally think that if 10 out of 100 fellows would become CSO leaders in the future, it would be already an incredible achievement. I think in the end it is about the improvement of each fellow’s capacity, e.g. leadership, management, professionalism, communication and collaboration skills. In the meantime, the improvement of his or her team and organisation is also a goal. Achieving this goal is good enough.

**AF:** What follows is a very specific question. Do you have any particular requirements in terms of the reporting, for instance, the format of the report?

**LZH:** Generally speaking, we require an interim report at the midpoint of the project’s implementation. We also require a final report when the project is completed.

For some projects, such as disaster relief, or the new citizen program, we have evaluation forms that are filled out by the grantees themselves, including their goals and achievements. There are two purposes with these reports: one is for project management, the other one is for self-assessment.

**AF:** I noticed that most of the project reports are for internal use. Just as you just mentioned, for example, for project management purposes. However, it would be very valuable to have some of these reports published in public, so people from the outside can read them too.

**LZH:** Yes, we would be happy to share the reports with the public. They are not online yet. I will see if it is possible to have them online.

**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?

**LZH:** Yes, we do have evaluation section in our application form, which includes self-evaluation and third party evaluation of the given projects.
AF: How do you learn both from successful and unsuccessful civil society initiatives?

LZH: For those unsuccessful civil society projects, one of the main reasons was wrong judgement of the demands on the ground. Because of the wrong judgement of the real demands, the projects needed to be redesigned and the needs had to be re-investigated, which caused big trouble.

As for those successful projects, they normally had a good judgement of demands. Besides, they had a good team to implement the projects, who were enthusiastic, idealistic and determined. They would treat the projects as their mission. Also, they would involve different stakeholders in their work.

AF: Finally, I would like to ask you how you ensure the sustainability of successful civil society initiatives?

LZH: We have a withdrawing mechanism. We do not support any given project forever, even the good ones. On the one hand, we consider how we would withdraw from a project at the beginning stage of implementation. One solution could be getting more funders to support a particular project, a particular organisation. Even if we had to withdraw in the end, other funders would be able to continue supporting the project.

Secondly, it is important to raise the organisational capacity, which enables an organisation to get more funding support from other funders. We would introduce resources of our partners or networks to our grantees. We would also encourage our grantees to seek for additional funding. We might say to them that we are going to support them for the three years. We would also ask what they will do after these three years. They need to think ahead.