

## Background

- Over the past decade there has been an explosion of nongovernmental organizations, or NGOs, working on a broad range of issues the government has been unable or unwilling to address. Such bottom-up activism was facilitated by the passage of new laws in the late 1990s that created a legal framework for NGOs.
- According to official statistics, there are approximately 3 million NGOs in China, though only about 381,000 are registered. The majority of those are actually “government organized nongovernmental organizations” or GONGOs.
- Some 40,000 new NGOs are approved annually, but about another 20,000 cease operations every year. There are over 11 million other social service organizations across the country. Some outside estimates suggest there are more than 8 million registered and unregistered nongovernmental and quasi-governmental associations in China.
- As of 2005, some 6,000 foreign NGOs had set up offices in China, most in the environmental sphere. The next five top areas of international NGO work are rural development, education, health, HIV/AIDS, and disability.
- In spite of some greater openness toward NGOs, recent years have seen a steady tightening of Chinese government regulations on such groups. In order to register as a charity, an organization needs an office, the names and addresses of 50 members, a legal representative, 100,000 yuan in funds, and a government sponsor.
- Only a handful of Chinese NGOs approach a budget of \$1 million, and most are without regular funding.

## NGOS AFTER THE SICHUAN EARTHQUAKE

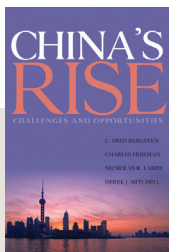
- The Sichuan earthquake in May 2008 killed an estimated 80,000 Chinese and resulted in over \$150 billion in direct economic losses. However, it also galvanized Chinese society and led to a dramatic upsurge in volunteerism and charitable donations, as well as a loosening of government control over the activities of NGOs operating in the earthquake-hit areas, including international NGOs.
- At a press conference Ouyang Song, a senior CPC Central Committee official, praised the work of NGOs following the earthquake, stating that they had “raised funds, helped treat the injured and carried out disaster relief and reconstruction work, and served as a bridge between the CPC, the government, and the public.”
- Following the earthquake, the official media reported that the Ministry of Civil Affairs had put in a new rating system for NGOs in order to strengthen their accountability and to provide references for those who wish to contribute.
- In addition, several new regulations to increase donations to charitable causes are under consideration. One would be a new corporate tax policy under which companies could get write-offs for donating up to 20 percent of their yearly profit.

## Current Situation

- NGOs, both domestic and international, present a conundrum for the Chinese leadership.
- The Party appears to allow and even encourage operations of organizations carrying out charitable, social welfare, poverty alleviation, and other “nonpolitical” work.
- The Chinese government has encouraged the creation of NGOs, under the slogan “small government, big society,” hoping private groups can raise funds to help provide social services the state no longer offers. However, organizations that are deemed “political” or seen as critical of the Party still face suppression. It is up to Party officials, often at local levels, to determine which groups are “political” and which are not.

## Implications

- NGOs can help fill the space that has opened as the government has pulled back from social services and the market has increasingly taken over.
- These growing numbers of social entrepreneurs are essential to China’s future, not simply because of the services they provide, but because they are forming the foundation for a more vibrant civil society.
- On the other hand, the more independent and well-organized NGOs are, the greater the perceived threat they pose to the Party.
- U.S. government agencies should work closely with their Chinese counterparts to encourage and support the work of international and local NGOs in China, building on ties already established in areas such as global health.



FOR FURTHER INFORMATION:  
SEE CHAPTER 3: “CHINA’S DOMESTIC TRANSFORMATION: DEMOCRATIZATION OR DISORDER?”  
IN *CHINA: THE BALANCE SHEET: WHAT THE WORLD NEEDS TO KNOW NOW ABOUT THE EMERGING  
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