A Comparative Study of NGOs in China and South Africa

JIANXIN ZHANG

A research report submitted in partial fulfilment of the requirements for the

degree of Master of Public Administration in the School of Government,

Faculty of Economic and Management Sciences, University of the Western

Cape

April 2005

Supervisor

Professor John Bardill

TABLE OF CONTENTS

CONTENTS

CHAPTER ONE

INTRODUCTION & BACKGROUND TO THE
RESEARCH REPORT

CHAPTER TWO

BACKGROUND & CONTEXT OF NGOs IN
CHINA & SOUTH AFRICA

CHAPTER THREE

THE ROLE OF NGO's IN DEVELOPMENT – CHALLENGES & CONSTRAINTS

CHAPTER FOUR

RELATIONSHIPS AND CO-OPERATION BETWEEN NGOs & CIVIL SOCIETY

CHAPTER FIVE

SUMMARY, RECOMMNEDATIONS & CONCLUSIONS

DEDICATION

This research report is dedicated to:

--- Mr. Zhixiong Zhang , my father;

--- Ms. Xunhua Ling, my mother;

--- Ms. Huiling Ding, my wife;

--- Miss Ye Zhang, my daughter.

DECLARATION

I declare that A Comparative Study of NGOs in China and South Africa is my own work, that it has not been submitted before for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged as complete references.

JIANXIN ZHANG

April 2005

ACKNOWLEDGEMENTS

At the completion of this research report, I would like to express my sincere thanks and appreciation to Professor John Bardill for his constant guidance and advice during the course of writing this research report. I am grateful to him for being readily available for consultation and for his critical comments which helped me to improve the quality of the work.

Secondly, I would like to express my gratitude to all my lecturers and professors for the academic exposure they afforded me during the course of my studies at the School of Government, U.W.C. My gratitude runs very deep for the support, encouragement, inspiration and motivation they have given me throughout my years of study.

I would also like to thank my daughter who assisted me with typing even when she was busy with her high school studies. Finally, I would like to thank my wife and my parents for their encouragement.

ABBREVIATIONS

AWM	Air and Waste Management Association
CAFDA	The Cape Flats Development Association
CBOs	Community-Based Organizations
COCO	Coordinating Committee for Relief & Development
GEAR	Growth, Employment and Redistribution
GOs	Governmental Organizations
GONGO	Government Organized NGO
GVB	Global Village of Beijing
IDF	Institutional Development Fund
MCA	(Chinese) Ministry of Civil Affairs
NAMDA	National Medical & Dental Association
NDA	National Development Agency
NEC	National Education Conference
NGOs	Non-Governmental Organizations
OMEGA	Oversea Mediate Graduates Association
POs	People's Organizations
RDP	Reconstruction and Development Program
RWKA	Rural Women Knowing All
SAHSSO	South Africa Health & Social Services Organization
SAHWCO	South Africa Health Workers' Congress
SANGOCO	South Africa National NGO Coalition
SDC	Swiss Agency for Development and Cooperation

SSACI   Swiss South African Cooperation Initiative

WWFN   Worldwide Fund for Nature

WESSA   Wildlife and Environment Society of South Africa

YOHO   Youth Health Organization

YAN   Youth Activist Network

ABSTRACT

This research report presents a comparative analysis of non-government organizations (NGOs) in China and South Africa. The study focuses on the similar and different roles that the NGO sector plays in the two countries together with the challenges they face.

The report is divided into five chapters. The first chapter consists of the statement of the problem, hypotheses/assumptions, objective of the study, literature review and limitations and organization of the study and conclusion.

The second chapter provides background perspectives, together with a historical overview of NGOs in China and South Africa, and an analysis of the legislative and regulatory framework under which NGOs operate in the two countries.

The third chapter explores the roles of NGOs in development. The fourth chapter provides a critique of NGOs and civil society, and an analysis of NGO cooperation with other countries.

The fifth and final chapter examines the prospects for future development, summarises the main challenges facing NGOs in the two countries, and provides recommendations for addressing them.

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE RESEARCH REPORT

1.1 INTRODUCTION

In China, in recent years, there has been an explosive emergence of non-governmental organizations (NGOs) playing major roles in development activities. Although NGOs are not a novel social phenomenon, the proportion, scale and pace at which NGOs have been multiplying and expanding, the new functions and roles that they are taking up, and their increased sophistication and mobilization capabilities, represent new and significant trends. In South Africa, the profile of NGOs has been reduced to some extent as a result of changes in the political context and the priorities of donor funding.

NGOs are usually understood to be those organizations engaged in development and poverty reduction work at local, national and global levels. The standing of NGOs has increased steadily among development policy-makers, development activists and researchers, in both the rich industrialized countries and in developing countries. NGOs now feature prominently in efforts to secure social and economic aid packages for marginalized populations through collaboration with international agencies involved in donor funding to foster assistance towards poverty reduction and other social demands.

In the field of international relations and politics, there has been a growth in non-governmental networks in environmental, gender and human rights campaigning

organizations. NGOs also play a huge role in providing international humanitarian relief to victims of war and natural disasters. They also play a role in mediating conflict between warring factions. In issues affecting health and population development, there are many NGOs that are assisting in the fight against HIV/AIDS, in population development program work and in the provision of international cooperation.

1.2 STATEMENT OF THE RESEARCH PROBLEM

Distinct differences have been identified between NGOs in developing countries. In China, NGOs operate in a more controlled and centralized way than they do in South Africa, and are closely linked to the political infrastructure of the regime. This research report will show how these critical distinctions or differences shape the way NGOs operate in the two countries.

The central research question, therefore, is whether scope exists for closer interaction between NGOs and government research and extension services in the implementation of participatory methods and, if so, what form such interaction might take. This can conveniently be subdivided into a number of interrelated issues.

Firstly, China's NGOs experience in developing and implementing participatory methods might, if adequately documented, serve as material from which government services could learn to develop participatory methods of their own or, in the case of many public sector services, whose mandate is not yet broad enough to embrace notions of participation, in the development of more political and social activities.

Secondly, from the evidence reviewed, NGOs appear to have developed a strong array of participatory methods in problem diagnosis and, to a lesser degree, in the evaluation and dissemination of technologies, but have fewer methods to offer in the screening, testing and adaptation of technologies and resource management practices.

Thirdly, NGOs awareness of country conditions and their familiarity with role requirements, place them in a strong position to articulate needs and opportunities for public sector research and extension services.

1.3 HYPOTHESES / ASSUMPTIONS

The study is guided by the following assumptions:

- Without the work of NGOs in China and South Africa, the Government would not be able to addressee poverty or promote effective development by itself.

- The role of NGOs in China and South Africa may enhance democratization at the grassroots level.

- The work of NGOs will lead to a more efficient and effective service delivery in China and South Africa.

1.4 OBJECTIVES OF THE STUDY

The main objectives of the research report are:

- To critically examine the origins and historical development of NGOs in China and South Africa.

- To illustrate problems and opportunities at different times in the historical development of NGOs in both South Africa and China.

- To describe how the global nature of NGOs influences the local context within which these organizations operate.

- To investigate the linkages between, and functions of, NGOs and government.

- To develop options for a clear and well-classified role of NGOs in the development process, with specific reference to China and South Africa.

1.5   RESEARCH METHODOLOGY

The basic methodological framework comprised the use of relevant literature on NGOs in China and South Africa, including books and journal articles, official documents and reports, websites and newspapers. In addition, interviews were carried out with government officials in South Africa, in particular from the Department of Social Development and local community groups in the Western Cape. It was not possible for the researcher to carry out interviews in the Peoples Republic of China. However, the report draws upon the practical experiences of the researcher from his previous work as a government official in China.

1.6   LITERATURE REVIEW

A review of the literature on NGOs in China and South Africa reveals that there are major differences in the nature and operation of NGOs in the two countries. This reflects the different historical, political, economic and cultural experiences of the two countries. In China, NGOs have tended to be controlled by and to be dependant on the Government. The majority of China's NGOs are government organized NGOs, which have close ties with the Government, though they have show increasing signs of independence in recent years. In South Africa, not only are NGOs regarded as more efficient, innovative and dynamic than state bureaucracies, they are also seen as important for the institutionalization of mechanisms of democratic accountability, similar to those which emerged in the liberal democracies of the West about one century ago. "Democracy, it is argued, flourishes if it is sustained from below by a vibrant civil society" (Putnam, 1993:65). Theoretically, the growing popularity of the NGOs in the development field seems to be associated with the emergence in recent years of a so-called "New Policy" agenda (Clayton et al., 2000:26).

As extensive references to the literature on NGOs in China and South Africa are made throughout the main body of this research report, a detailed summary of the literature used for the study has not been included in this part of the research report.

1.7   SIGNIFICANCE OF THE STUDY

There have been few if any previous comparative studies of the role and operation of NGOs in China and South Africa, and of the lessons that can be learned. It is

anticipated, therefore, that the study will be useful for future researchers, as well as for policy makers in the two countries.

1.8   LIMITATIONS OF THE STUDY

It was difficult to complete an exhaustive comparative study between China and South Africa within the given time constraints. The historical, political and cultural contexts of the two countries are very different. This sometimes caused the study to become too broad in its basic assumptions about the interpretation of NGOs in various contexts. The research results demonstrate that using China and South Africa to study the nature and characteristics of NGOs has its own interpretative problems.

To describe how NGOs are defined and viewed in China, the author has made use of his own experience as an official working for the Chinese Government. This was to some extent a limitation in the research, since the comparative interpretations of NGOs are biased towards Chinese organizations. The findings are specific to South Africa and China, and therefore cannot be directly applied to NGOs in all other countries.

1.9   DEFINITION OF TERMS

NGOs have been variously referred to as Third Sector Organizations, Non-Profit Organizations, Social Organizations and Grassroots Organizations (United Nations, 1990:12). According to the World Bank (1990:15) an NGO is:

- "a Non-Profit making, voluntary, service-orientated, development orientated organization, either for the benefit of members (grassroots organization) or of other members of the population (an agency)."

- "an organization of private individuals who believe in certain basic social principles and who structure their activities to bring about development to communities they are serving."

- "a social development organization assisting in the empowerment of people."

- "an organization that is established by and for the community without or with little intervention from the Government."

The above definitions are applicable to most if not all NGOs in South Africa. China's definition of NGOs is in some ways broader than the above World Bank definitions, including as it does industry associations, academic associations and trade unions, as well as community-based public welfare and friendship organizations. In other ways it is narrower, particularly when it comes to the question of government intervention. Although there are grassroots NGOs in China that are formed with little or no government intervention, many NGOs are organized and sponsored by the Government. These are known as GONGOs (Government Organised NGOs). This is a major difference between NGOs in South Africa and China.

1.10 DIFFERENT TYPES OF NGOs

According to Barnard and Terreblanche (2001:12-14), there were 2560 NGOs in South Africa in 2001. These NGOs were engaged in a number of activities including adult basic education, HIV/AIDS, capacity building, childcare, community development, early childhood development, education, entrepreneurship, health, information, job creation, research, rural development, and the empowerment of women and young people.

Although some NGOs are involved in more than one such activity, many specialize. Of the NGOs mentioned above, 188 deal with women's issues in South Africa; 143 with HIV/AIDS; 138 with Adult Basic Education; 134 with Rural issues; 115 with Early Childhood Development; 99 with Disability; 56 with the Environment; 52 with Gender; 29 with land; 17 with Science and Technology; and 13 with Voter Education issues (Barnard & Terreblanche, 2001:13).

At present, there are approximately 165,600 NGOs in China (Sengmin, 2003: 9). Of these, about one-third are industry associations and another third are academic groups. The remaining one-third are public welfare and friendship organizations.

1.11 ORGANIZATION OF THE STUDY

The organization of the study is as follows:

Chapter One introduces the study. It consists of an introduction, a statement of the problem, guiding assumptions, a literature review and an overview of the organization of the study.

Chapter Two provides background and context of NGOs in China and South Africa.

Chapter Three deals with the roles of NGOs in development in post-colonial China and post-apartheid South Africa.

Chapter Four critiques NGOs in China and South Africa. The focus will be on their respective strengthens and weaknesses as well as the challenges they face. This chapter also examines NGO cooperation with other countries.

Chapter Five summarizes the challenge and constraints under which NGOs operate in China and South Africa, and examines their future prospects. This chapter also provides recommendations and conclusions.

CHAPTER TWO

BACKGROUND & CONTEXT ON NGOs IN CHINA & SOUTH AFRICA

2.1 INTRODUCTION

This chapter provides a background perspective on NGOs in China and South Africa. China is not a fully democratic country, therefore NGOs developed differently from the way in which they developed in South Africa. The chapter will also focus on government reform policies in both South Africa and China that could affect the status and roles of NGOs.

2.2 BACKGROUND PERSPECTIVES ON NGOS IN CHINA

The Communist Party victory over the Nationalist (Guomindang) Government in 1949, and the establishment of the People's Republic of China, had enormous consequences for the subsequent fate of the country. From 1949 until 1978, when China functioned under a planned economy system, social welfare was the responsibility of the Gvernment, leaving little or no role for NGOs.

Since 1978 the situation has changed quite dramatically. The reform process and the opening up of China's economy has spurred economic growth, but it also led to some serious social problems which the Government itself does not have sufficient ability to deal with. The Government's policy of "small government, big society," has opened up space for quite a rapid development of NGOs in China. However, the Government is afraid that this rapid development might release social forces it is not

able to control, and so it has sought to maintain quite a strict control over these NGOs. China's NGO legislation controls and limits NGOs by requiring NGOs to find a government or party sponsor for registration. The legislation is also insufficient and ambiguous in many respects, failing to keep up with the needs of NGO development. Whilst the majority of China's NGOs have close ties with government, many have shown increasing signs of independence in recent years. Individually organized NGOs have emerged and some have become quite influential in society. NGOs are playing an increasingly important role in addressing social problems. However, still at an initial stage of development, they face many serious problems which remain to be solved.

Since the beginning of reform process in 1979, great changes have taken place in almost every aspect of Chinese society. The transition from a planned to market economy has drawn attention from the rest of the world. China's economic reform has been largely successful, as reflected in the spectacular GDP growth rate in the reform period. In the rural areas, family responsibility systems increased the productivity of the agricultural sector and led to the rapid development of rural industry. In the cities, private enterprises and foreign owned enterprises became the fastest growing and most vibrant sectors. Ordinary people's standards of living in both urban and rural areas keeps on increasing. However, there are also serious problems and challenges in China's economic development.

China's large population puts great pressure on China's natural resources. In the reform period, the rapidly growing and industrialized economy has further exacerbated the situation. For example, coal remains the dominant source (70% of all

energy sources), which is the key cause of air pollution. Rising incomes of people led to 15% national vehicle growth rate" (China Facts & Figures, 2000:p26). The use of leaded gas in these automobiles is another major source of air pollution. In pursuit of profit, enterprises are reluctant to adopt waste management systems, especially small rural industries. More and more fertilizers and pesticides are used in agriculture to increase production. As a result, air and water pollution has become serious in both urban and rural areas. The water pollution further adds to the shortage of water, which already plagues many cities and villages. "Seven cities in China are among the 10 most polluted cities in the world. In resource conservation, the situation is not better, especially in the less developed western regions" (Xiaohua, 2002:23). Due to unsustainable practices, deforestation, soil erosion and desertification threaten the agricultural land and add to the severity of natural disaster. "Biodiversity is damaged and about 5000 species are on the verge of distinction." (Xiaohua, 2002:1)

Income disparities between urban and rural areas, and between the eastern and western parts of China have increased in the reform period. According to China's Annual Statistic Book, "in 1985, per capita annual income in urban areas was 1.7 times of that in rural area (685.3 Yuan vs 397.6 Yuan: 1 Yuan =R0.72), while in 1990 this increased to twice (1,387.3 Yuan vs 686.3 Yuan), and in 2001 to three times that of the rural areas (6,860 Yuan vs 2,366 Yuan)" (China Facts and Figures, 2003:p54). A direct result of this disparity is the massive emigration from rural to urban areas. These migrants do not have legal residency status and cannot enjoy the social benefits city residents have. They are a disadvantaged and neglected group in the cities. Statistics also show a huge regional gap. "In 2001, the most developed region, Shanghai had a per capita annual income of 12,883 Yuan in urban areas, 2.4 times of

that of the poorest province Guizhou (5,451.91 Yuan). In rural areas, the per capita annual income in Shanghai was 5850 Yuan in rural areas, 4.1 times of that of Guizhou (1,411.93 Yuna)" (China Facts and Figures, 2003:p32).

During the reform period, China's education has been developing very fast. However, the gap between the society's demand for education and the resources available remains huge. The shortage of funding has plagued China's education sector for many years. With the largest school age population in the world, China's education expenditure as a percentage of GNP has been much lower than in other developing countries. Schools increasingly rely on tuition fees and profits from school-owned businesses to generate more funds. There are huge differences among regions and, within each region, the rural-urban divide is also prominent. Women's education lags far behind that of men, especially in the rural areas. Illiteracy rates and dropout rates are high because of a variety of factors. There is also discrimination against migrant children. They have to pay much higher fees to get into public schools than city residents, and the less expensive private migrant schools do not have legal status in many major cities. In addition, the quality of education is significantly lower than in public schools.

2.3   BACKGROUND PERSPECTIVES ON NGOs IN SOUTH AFRICA

South Africa's dramatic transition to democracy began with the historic election of April 1994. However, the transition and transformation agendas of NGOs still needs to be developed and consolidated through building a popular human rights culture, through fostering lasting reconciliation, through the transformation of inherited state

institutions – particularly in the criminal justice and social welfare fields – and through consolidating democracy and development in South Africa. "Formal political change has simply provided the context for transformation in South Africa, and this is a fundamental process that will reach well into the new period." (Graeme, 1997:2)

NGOs have a critical ongoing role to play in consolidating democracy in South Africa. Far from being an irreversible process, "the democratization of South African society remains vulnerable to future government abuse of power, as well as to the re-emergence of residual sources of racial and political conflict" (Graeme, S. 1997:p3). Furthermore, burgeoning violent crime continues to present a fundamental threat to an embryonic human rights commitment on the part of government. Ultimately, it is the responsibility of organizations such as the NGO to play an ongoing role in building sustainable reconciliation strategies and sustainable civil society institutions, as it is only these vehicles that can truly secure democracy and good government in South Africa. "The institutionally complex relationship between government and NGOs means that government's commitment to the NGO sector is likely to be increasingly tenuous in the future. It is therefore critical that capacity building is built into the operations of NGOs." (Perssend, 2002. http://www.google.com)

Among the key challenges presented by the South Africa transition has been the process of translating new policy development by government into direct service delivery to previously marginalized and impoverished South Africans. Whilst substantial strides have been achieved in generating visionary policy development, less success has been attained in translating this into effective service provision. Therefore, whilst formal governmental accountability has been substantially achieved

through constitutional means, accountability of government in the delivery of services and development processes remains incomplete.

The sustained prospects of conflict and violence in South African society at the end of the 1990s also posed fundamental challenges to the agenda of human rights organizations. Whilst the constitution provides a vital yardstick through the Bill of Rights, these "paper rights", although enshrined in legal principle, still remain dependent on an underlying popular "culture of human rights" if they are to be sustainable. Residual racial, ethnic, and political or gender bias is simply not inherently resolved through the constitutionalisation of these rights. This is especially true as "the Truth and Reconciliation Commission (TRC) wound down its operations in mid-1998, and the resultant challenges revolving around the primary responsibility, which falls to the NGOs in seeking to translate the findings and recommendations of the TRC into precisely such a vibrant human rights culture." (Graeme, 1997:4)

A related concern is the substantial vacuum that currently exists in South African society in respect of HIV/AIDS aid, environmental protection, poverty alleviation, job creation, victim aid and empowerment services and policies. It has been increasingly acknowledged that government by itself cannot effectively fill this vacuum; hence the increasing emphasis on the role of public/private and public/NGO partnerships in service delivery. For example, the Oasis Association for intellectual disability has been awarded an Impumelelo Gold Award for its work in recycling and helping to uplift intellectually-disabled people. By employing over 400 people with intellectual disabilities at seven centres throughout Cape Town, the aim of Oasis is to "enable persons with intellectual disability to realize their fullest potential and thereby become

as independent and productive as possible within the community" (Stuart, 2004:11). In 2003, Oasis launched an environmental education campaign in which representatives visited schools to give talks on recycling and environmental protection. They also talk to learners about the rights of disabled people. Fourteen schools are now part of Oasis' green bag project. After visiting a school, Oasis leaves green bags for each leaner to fill with waste for recycling. These are then collected by the project (Stuart, 2004:11).

2.4   THE BASIC STATUS OF NGOs

In recent years, China has experienced tremendous change: from a planned economy to a market economy, the gradual of introduction of governmental reform, the large-scale downsizing of government employees, the gradual transition from direct to indirect governmental management of economic and social affairs and the move from micro-management to macro-management. Some of the micro-management functions that previously were undertaken by the Government have progressively been turned over to NGOs. The active involvement of citizens in social administration and social services has grown steadily and the status and utility of NGOs grows daily more evident. Nevertheless, the one party political system in China makes the operation of the NGOs quite different from those in South Africa.

"The nature and character of South Africa society today is a result of a particular history of colonialism, segregation and apartheid" (Habib & Taylor, 1999:9). This influences both the nature of NGO activities and other development actors. According to Habib and Taylor (1999:16), "a situation that is characterized by a lack of trust due

past to past circumstance (e.g. apartheid, ongoing violence, etc.) is not conducive to the establishment of development coalitions and partnerships between essential development actors such as the South Africa NGO community" (Habib & Taylor, 1999:16). Despite this situation, however, NGOs will have to be bold and will have to continue with their activities, as an obligation to their constituencies and as agents of change to contribute positively to the political, social and economic transformation of South Africa.

NGOs in China are defined as not-for-profit organizations formed by citizen volunteers, which carry out activities aimed at realizing the common aspirations of their members in accordance with organizational articles of association. These NGOs comprise primary trade associations, fraternities, business associations, foundations, advocacy associations, academic associations, research associations and friendship associations. The function of China's NGOs is to represent the common aspirations and interests of a group among the general population and carry out activities that intend to achieve these aspirations and interests. The role of Chinese NGOs is to serve as a bridge for mutual communication that will link government and society and set definite standards for social behavior.

China's NGOs are the result of development of social production capacity at a certain stage. Their appearance and development are tied to the development standards of society in the areas of politics, the economy, science and technology, culture and education. The reform of the Chinese economic system has achieved breakthroughs and production capacity has increased dramatically in recent years. China's political system has progressively improved, and this has forcefully pushed forward economic

development and democratic progress. All this has created a positive environment for the rapid emergence and vigorous development of NGOs in China.

Since 1994, South Africa has made considerable progress towards the forging of a non-racial, democratic and economically successful society. Despite the positive contribution made by NGOs towards this progress, they are also faced with numerous problems. These include a lack of technical expertise and skill, administration gaps, limited managerial and organizational capabilities, and financial constraints resulting from a shift in donor priorities and funding arrangements.

The future challenge for NGOs and people concerned with the development and restructuring of the new South Africa is not only to work together, but the way in which people are going to work together in future. There will have to be a change from working together against apartheid to working together and reorganizing for change and development. Robin Lee (1992:93) referred to this situation during the 1991 NGO Conference in Stellenbosch as follows: "The glue of simple opposition to give way as an organizational principle to cohesion arising from positive development goals." NGOs will have to start establishing for themselves a base beyond the political arena in order to become more development-oriented in their agenda.

In this regard, NGO networking in the country, through the establishment of formal and informal networks, NGO co-ordination bodies and forums, can contribute as an effective development strategy to the broad development process in terms of the sharing of ideas, experiences and resources. Within the South Africa context, initiatives and strategies of this nature, given the problematic political scenario in

which it will have to take place, can make a major contribution to the building of new linkages, coalitions and solidarity, as well as the enhancement of co-operation and co-ordination of development activities and functions. (Jeppe et al., 1992:12)

If NGOs are to play an increasingly important role in the transformation and development of South Africa, a premium will be placed on the effective coordination of their activities. In this regard the following important initiatives can be mentioned, most of which took place in the late 1980s and early 1990s:

- The establishment of the National Development Forum and Regional Development Forums in 1989.

- The establishment of the Consultative Business Movement and the Convening of the National Development Workshop in June 1991 and 1992.

- The formation of the South African Health and Social Services Organization (SAHSSO) in July 1989, as the unified body representing the major progressive health and welfare organizations in South Africa. This was the result of the unification of 5 health organizations, namely the South Africa Health Workers' Congress (SAHWCO), the National Medical & Dental Association (NAMDA), the Organization for Appropriate Social Services Association (OASSA), the Health Workers' Society and the Overseas Mediate Graduates Association (OMEGA).

- The establishment of the South African Federal Council on Disability on August of 1990, combining and representing a number of national welfare bodies.

- The establishment of the National Housing Forum on August, 1986.

- The establishment of the National Education Conference (NEC) in 1990, and

- the first session of the National Economic Forum which will take place before the end of the February, 1991.

These were already steps in the right direction towards promoting both NGO networking and consultation and discussions between the widest possible spectrums of people involved in the development process in South Africa. Other examples of networking and coordination included the Coordinating Committee for Relief & Development (COCO) in August of 1989, a committee informally linking 30 NGOs in Johannesburg; the Transkei Fieldworkers' Network; and the Urban Sector Network, assisting largely urban communities throughout the country. South Africa has also a rich variety of national bodies for various sectors (e.g. SA Association for Literacy & Adult Education, SA Association for Early Childhood Educare, SA National Council & Family Welfare). (PRODDER Newsletter, 1991:1).

2.5 THE LEGISLATIVE & POLICY ENVIRONMENT FOR NGOs IN CHINA

The policy and legislative environment within which NGOs operate can be positively supportive, neutral or negatively hostile. China is in a critical period of transition from a planned economy to a market economy system. An important pillar of a socialist market economy is a market system that is uniformly open and that allows for orderly competition. An important condition of building a market system is the positive development and standardizing of NGOs. The Chinese Government is fully focused on nurturing and developing NGOs. Beginning in 1996, China's State Council proposed to amend certain provisions contained in the existing Regulation on Registration and Management of NGOs that were inconsistent with the new economic system. A revised Regulation on Registration and Management of NGOs, promulgated by the State Council in October 1998, has helped to standardize and legalize the administration of China's NGOs and prepared a basis for their healthy development. To ensure the thorough implementation of this regulation, the State Council convened a national conference on NGOs in November 1998. At the conference, problems in NGOs administrative work were studied and a guideline was proposed to both nurture the development and strengthen the supervision of NGOs and other civil organizations in the hope that this would spur reform in China's economic and political system.

The following section of this research report provides an overview of the legislation and regulations governing the role and operation of NGOs in China. The first legal document on NGOs in China, the Interim Procedures on the Registration of Social

Organizations, was passed in 1950. In 1989, the Regulations on the Registration and Administration of Social Organizations was adopted to meet the needs of the new situation in China's NGO development. In 1998, these were revised and the Interim Procedures on the Registration and Administration of Private Non-enterprise Organizations was promulgated. These two sets of regulations govern the establishment and management of China's NGOs. As mentioned earlier, the requirement of a state or party sponsor is an important feature of these regulations. This leads to a dual management system, wherein both the registration and administration department and the state or Party sponsor is responsible for NGO registration, administration and routine activities. This system strengthens the government's supervision, management and control. It also ensures that only NGOs in compliance with government policies and needs are able to register legally. "Another important principle is the non-competition principle, which means that similar organizations with the same scope of business cannot exist in the same administrative region. This stipulation protects the monopoly of those existing government organized NGOs and limits the establishment of new individual organized NGOs."(Ming, 2000:4)

According to the regulations, to establish a social organization six criteria must be met: "Possession of more than 50 individual members or 30 unit members, a total of more than 50 members are required if a social organization consists of both individual and unit members; Possession of a standardized name and corresponding organizational structure; Possession of a fixed domicile; possession of full-time staffs suitable for its business ; Possession of lawful assets and sources of funding: a national social

organization shall have a business fund of more than 100,000 (Chinese Yuan), while a local social organization, and a trans-administrative –district social organization shall have a business fund of more than 30,000 Yuan; Possession of the ability to bear civil liabilities independently." (Yunsong, 2002:12) The requirements for private non-enterprise organization are less rigorous. There are no restrictions for them on number of members, amount of business fund and full–time staff. In addition to the criteria for registration, the procedures of application and approval are also very complicated and cumbersome. The regulations emphasized government control, but lacks definition in the practical management issues of NGOs.

Other relevant legal documents include the Management Measures on Foundations, passed in 1988 and the Interim Procedure on Foreign Chamber of Commerce, adopted in 1989. Foundations at all levels must have over 100,000 Yuan in their establishing fund. In addition, the measures stipulate that government officials cannot serve as leaders of foundations. Foundations cannot operate businesses, but can purchase bond or stocks from companies, provided the amount of stocks of one company owned by the foundation do on not exceed 20% of all the company's stocks. Money and materials donated to foundations form overseas belong to them. These materials are also exempt from import duties. The Interim Procedures on Foreign Chambers of Commerce is the only legal document available to regulate international NGOs. Originally intended to regulate only foreign chambers of Commerce, this document is overly sketchy, ambiguous and inadequate for government international NGOs. For example, there are no stipulations about their tax status, hiring procedures, legal status of expatriate employees, and access to foreign currency. The non-competition principal results in only one NGO of each type being allowed from each country.

Foreign chambers of commerce are not allowed to register multiple chambers in different localities as independent legal entities. The legislative framework hinders the effective establishment and management of international NGOs. The Chinese Government is currently working on a regulation on international NGOs to promote cooperation with their domestic counterparts (China Ministry of Civil Affairs, 2002:24).

The Law of Donation adopted in 1999 is the first legal document regulating donation activities in China. According to this law, donations to public welfare organizations are encouraged by the Government. The activities of both donors and receivers should be in compliance with law, and the legal rights of donors and receivers should be protected. Donors receive preferential treatment of enterprise income tax or individual income tax when they donate to public welfare. Except for certain kinds of imports such as automobiles and production equipment, overseas donations enjoy the exemptions of import duty and import value-added tax. According to the tax laws of China, domestic enterprises' donations to public welfare organizations for charitable purposes are deductible up to 3% of the taxable income. For individuals, the donations are deductible up to 30% of the taxable income. In 2001, the Government mandated that donations to rural basic education are fully tax deductible, which should help to spur educational donations to rural areas (China Ministry of Civil Affairs, 1998:15).

In addition to the above regulations, the Chinese Government has also issued regulations to cover the following organizations: (China State Council Bulletin, 2002: 26):

- Social organizations initiated by foreigners living in China, such as clubs, chambers of commerce, and associations, but not churches;

- Private–owned organizations set up by foreigners in China, such as schools, hospitals, kindergartens & research institutions. Under the new regulation, all private schools are required to register with the Ministry of Civil Affairs. Hospitals that are non-profit should be registered at the Ministry of Civil Affairs, and profit-making hospital should be registered at the State Administration for Industry and Commerce.

- Chinese representative offices opened by foreign foundations; and

- International organizations.
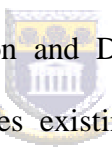
Before registration with the Ministry of Civil Affairs, NGOs must obtain an approval certificate from the government agency in charge of the particular subject. For example, schools should be approved by the Ministry of Education, and hospitals by the Ministry of Health.

In recent years, the Government has adopted a more cautious approach towards unofficial NGOs and organizations since the crackdown on *Falun Gong* (China - Facts & Figures, 2000:56) Its plans to issue regulations to improve the supervision of charities, and distinguish them from profit-seeking groups, have been put on hold because of wariness about unofficial organizations. The fate of the long-awaited law

covering registration of foreign NGOs also remains unknown, but most believe the draft will be not be tabled for discussion any time soon. A lot of people originally expected these regulations would open up new dimensions for China's NGOs, but it seems that they will be put off indefinitely.

China has for the first time endorsed efforts by foreign NGOs to assist in the alleviation of poverty. This endorsement was made in a policy blueprint released in January 1998 and opens the door for agencies to participate in development. In 1998, the State Council released the full text of the White Paper on Rural China's Poverty Reduction, which outlines China's poverty alleviation policies for the next 10 years. A section was dedicated to international co-operation. Although many foreign NGOs have gained a foothold in China, their status remains ambiguous because they cannot register as independent organizations. For example, Global Village of Beijing (GVB) was formally registered as an enterprise in 1996. However, because it could not find a government or party sponsor; it was not possible to register as a social organization. However, considering its activities, there is no doubt that the GVB functions as an NGO. Its mission is to "enhance public awareness and to promote public involvement in environment protection in China by means of the mass media and various social activities" (GVB website). GVB is primarily funded by donations from abroad, such as grants from the United Nations Development Program (UNDP), the Ford Foundation, Japanese Fund for Global Environment, Air and Waste Management Association (AWMA), the US Environment Protection Agency and Worldwide Fund for Nature (WWFN). (Xiaohua, 2002:9)

Most foreign NGOs have registered as affiliates to mainland government departments or institutes. The 1998 White Paper pledges to better manage loans and donations from foreign agencies. It also promised to set aside more supporting funds for foreign projects. It is common practice for foreign donors to request that recipient countries support or match donations to ensure the commitment of the recipients in carrying out projects. For the first time, the White Paper also gave details about projects on poverty alleviation for disabled people and women in rural areas. An official at a provincial poverty alleviation office said the inclusion of efforts to help the two groups represented a more comprehensive approach by the Government. "Helping the disabled is still the responsibility of the Ministry of Civil Affairs, while helping women is the work of All-China Women's Federation" the official said. "Including the work of other departments in this White Paper drafted by the Office of the Leading Group of Poverty Alleviation and Development is a step forward."(Tao, 2003:32) The White Paper fine-tunes existing poverty-alleviation measures. The Government claimed that only 30 million people, mostly in remote areas, were poverty stricken after a six-year campaign in 1999. The focus of the White Paper was on how to help them. The Government has adopted the old approach of channeling poverty-alleviation funds to designated poor counties, although it will update the list and take into account the financial strength of the county governments. The paper said funds would be directed in particular to the western region and minority groups.

2.6   SOUTH AFRICAN POLICY AND LEGISLATION ON NGOs

Since 1994, the South African situation has been characterized by the absence of a coherent policy framework and a plethora of confusing and often contradictory laws

and regulations that affect NGOs. For example, South African policy and legislation has few tax incentives or other incentives for NGOs. However, organizations that register as welfare organizations in terms of the National Welfare Act of 1978, receive government subsidies for staff salaries and welfare programs. The provisions of this Act have been criticized as being ineffective in protecting the interests of the various parties, but simultaneously as being onerous and restrictive, thereby reducing private voluntary initiative. It is frequently stated that the effort needed, particularly by small organizations, to comply with the administrative and reporting requirements of the Act and the departments, which administer it is not worth the subsidies received. On a more general level, surely the categories of NGOs that are eligible for direct support from the state should be broadened to include a wider spectrum of NGOs involved in the provision of services for socio-economic development.

With respect to tax concessions, the Taxation Laws Amendment Bill tabled in June 2000 makes is easier for a wider ranger of NGOs to benefit from preferential tax status. Organizations or institutions of a public character that have an "ecclesiastical, charitable or educational" purpose are able to apply for tax-exempt status. (Taxation Laws Amendment Bill, June 2000:2-7). However, the evidence suggests that the tax commissioners still tend to define "charitable" very narrowly, preventing many developmental NGOs from securing tax-exempt status.

Section 18A of the Income Tax Act of 1997 allows a donor to deduct the amount of certain donations from its taxable income. This encourages people and organizations to make donations. The problem with this section is that it only applies to "education funds, universities or colleges," and in interpreting these categories, the tax

commissioners again take a restrictive view. They do not interpret the purpose and meaning of section 18 to benefit organizations other than officially recognized universities, schools, training centres and trusts set up to support them.

Many more developmental NGOs could benefit from the legislation regarding tax exemption if the commissioners acknowledged the social and economic realities of today and interpreted the existing legislation less narrowly. Possibly the NGO sector, which is so badly affected by these provisions should pressurize government into changing its administrative policy.

In July 1997, two new sections, Sections 10(1) (cI) and (cJ), were inserted into the Income Tax Act, in order to exempt certain organizations involved in the improvement of land and provision of housing. The exemption only applies if the majority of the organizations' members or beneficiaries earn less than R1800 per month. This amendment allows an institution other than one having an "ecclesiastical, charitable or educational purpose," or a "housing utility company," to qualify for tax exemption. However, the amendment falls short of assisting all NGOs involved in socio-economic development, as the organization must be concerned primarily with the improvement of land to the delivery of housing.

Generally, it is considered that public policy and law should encourage citizens to contribute money or time to organizations which benefit the public, as well as exempt such organizations from paying tax on their income. For this reason, charities have been given tax relief of one sort or other since time immemorial on the basis that their work benefits the community and general public.

When arguing for tax exemptions for non-profit organizations, it is worth remembering that much unpaid work is done by volunteers for non-profit NGOs and furthermore, many non-profit NGOs provide services that government should provide for its citizens from taxes.

Despite the above limitations and challenges, the post-1994 Government has taken a number of important strides towards improving the regulatory framework governing NGOs. In 1997, Parliament passed the Non-Profit Organisation Act. This officially reorganized civil society, created a system of voluntary registration for its constituents and provided benefits and allowances in exchange for NGOs undertaking proper accounting and providing audited statements to government. A Directorate for Non-Profit Organizations was established in the Department of Social Welfare to coordinate the above processes. Most important in creating a new political environment, however, was the state's willingness to partner with NGOs in the policy development and service delivery arenas. This opened up a whole new avenue of operations for NGOs and fundamentally transformed their relations with the state.

In addition, an improved fiscal environment was created to enable the financial sustainability of NGOs. This was in part forced onto the state very early on in the transition as NGOs confronted a financial crunch when foreign donors redirected their funding away from civic society organizations to the state. Legislation was passed and institutions were established to facilitate a flow of resources to the NGOs. The 1978 Fundraising Act which limited NGOs' capacity to raise funds was repealed. Institutions such as the National Development Agency (NDA) and the Lottery

Commission were established with a mandate to fund legitimate non-profit activity. And a reform of the tax regulations was promulgated in 2000/2001 to grant registered civic society organizations tax exemption status, and to encourage a philanthropic culture in the country. (Habib and Kotze, 2002:5)

NGOs, like any citizen or organization, need the constitutional space to operate within a civil society. Currently South Africa's general constitutional framework is being transformed through negotiation. These basic right issues should be dealt with in this process and hopefully, radically alter and improve the situation. However, NGOs need to ensure that their requirements are being catered for in the process of constitutional transformation.

It seems that there is plenty of space for change in the South African constitutional framework to address the fundamental socio-economic issues of today. The legal environment for NGOs could be made more user-friendly. However, NGOs need to ensure that their requirements are being catered for though lobbing and advocacy. This could result in more NGOs per population head. South Africa has a population of about 44 million people and approximately 55,000 registered non-profit organizations. (Stoppard, 2002. http://www.google.com)

2.7   SUMMARY

This chapter has reviewed background perspectives and the regulatory framework regarding NGOs in both China and South Africa. Although Chinese NGOs are playing an increasingly important role in addressing social needs, they are still at an

initial stage of development and have some deficiencies, compared to their western counterparts. Chinese NGOs have developed rapidly and have become more influential in the reform period. However, they are still in their primary stages. For their healthy development in the future, a lot of work needs to done.

In South African NGOs are also in a transition, moving from political action to development work, from opposition and resistance to democratic participation and development. The implications of this transition period are that development priorities require skills of their own that are different from solidarity initiatives. These include skills such as evaluation, planning, finance and needs assessment. These skills are of utmost importance for NGOs' own capacity building, as well as for their capacity-building activities through which they seek to empower communities.

The main challenge that is facing NGOs in China regarding legislation and policy is that China has not kept up with the needs of NGO development. Although the Government has introduced a number of new laws and regulations on NGOs, these have tended to some extent to control NGOs and limit their activities rather than to fully empower them.

In South Africa, policy and legislation for NGO development, as well as the legal environment, are more positive in many ways than in China. However, important challenges remain if NGOs are to contribute in partnership with government to the effective transformation and development of the country.

CHAPTER THREE

THE ROLE OF NGO's IN DEVELOPMENT - CHALLENGES AND CONSTRAINTS

3.1   INTRODUCTION

This chapter focuses in particular on the role of NGO's in development in South Africa and China. Through a comparative analysis, the different roles, challenges and constraints facing NGOs in both countries will be highlighted.

3.2   THE ROLE OF NGOs IN DEVELOPMENT

NGOs in South Africa and China fulfill a critical role in respect of the attainment of broad participation in development through a process of empowerment. Any evaluation of the role of NGOs must revolve around the extent to which NGOs succeed in empowering people at grassroots level.

Most importantly, NGOs should not only be working to meet the needs of the poor, but to assist them in articulating those needs as well. The "basic task of NGOs as external agents of development is to 'animate'- that is, to blow the breath of life into the soul of the community and move it to appropriate actions. They are meant to 'spark' endogenous change 'from within', not to carry out the change program; this is a responsibility of the organized community" (Styger & Cameron, 1992:144). The

question that has remained largely unanswered, however, is how to adequately measure the effectiveness of NGO activity in attaining this end.

At first glance this may seem to be a fairly simple question, but it is not. Social development programs are complex phenomena which entail far more than providing inputs efficiently and producing desired outputs. Rarely is a social development program designed with a single, focused, tangible goal. More often than not, the uncertain, unpredictable world of human action that prevails means having to deal simultaneously with a complex mix of individual or institutional actors, all with differing stakes, interests, methods and goals. As a result, in reality:

- There are certain hidden goals which in actual practice influence and guide the behavior of the participants;

- Many of the goals are inter-related and to extract individual goals for evolving measurable indicators will be difficult.

- There may be several conflicting goals of the different interest groups;

- Explicit tangible goal setting at too early a stage may reduce the flexibility and operating space of the NGOs.

Many authors assume participation to be an organic or spontaneous process that occurs at grassroots level in communities. In reality, as Gideon shows (1993:73), this is often not the case for a number of reasons:

- People lack the information, resources and skills required for the initiation, maintenance and expansion of development programs.

- Communities under pressure tend to lack formal organizational structure. They are disorganized, because they lead isolated existences.

- Despite an inherent antagonism in the relationship between disadvantaged communities and formal authority structures, such communities are, in several ways, entirely dependent on, and at the mercy of, the authorities. To oppose the authorities in any way could elicit strong punitive reactions from unsympathetic and even hostile authorities.

The passivity of the poor is a complex phenomenon all too easily described simplistically. Care must be taken not to overlook the role of passivity as a positive strategy to either influence the outside world or resist it. In a world where grassroots communities are greatly disempowered, where power relations are biased in favour of others, marginalized communities will vigorously try to defend the boundaries of their own micro spheres of influence often by feigning disinterest and passivity.

It is necessary to some extent to redefine the role of NGOs in development. Whereas people have previously been viewed as the objects of development, it is evident that there is an emergent consensus that they are, in fact, the subjects of development, the makers, if you like, of their own destiny. As a result, "the primary task of development then becomes that of initiating a process of awareness building, of education, of people forming their own organizations to define, create and demand

what they need to lead a decent life" (Styger & Cameron, 1992:8). When seen as instruments of empowerment, the role of NGOs in development assumes more concrete dimensions:

- Sustainable, participatory development is a partnership between NGOs and grassroots communities. Whether this role is fulfilled will depend on whether NGOs maintain a demonstrative belief in the potential of the people they work with, respect their indigenous knowledge base, allow them to establish ownership of the development initiative, and acknowledge their contribution to the maintenance and revitalization of society.

- The role of NGOs is not to issue people with ready-made, prior-existing knowledge and solutions, but to help initiate a process of collective reflection, decision-making and action. This requires not only technical or so-called "hard" skills, but also the social or "soft" skills necessary to elicit participation. (Styger & Cameron, 1992:74)

- The ultimate role of NGOs is to raise questions and provide a wider perspective through the provision of their knowledge and expertise in the establishment of a mutually productive relationship with grassroots communities.

Whereas the emergence of NGOs was initially an organic, evolutionary process, it has become increasingly institutionalized. NGOs are not mere project operators faced with an institutional vacuum. As social, political and economic systems have become

increasingly complex and interdependent, the concept of a third social sector alongside the state and business, has been mooted. Civil society does not passively accept the dominance of the state, and the NGO sector has developed into a societal institution, which serves to articulate the demands of civil society outside the realm of party politics and organized labour, in order to advocate for an equitable distribution of resources. Their role as agents of development has become increasingly institutionalized with an expansion in the scope of their intervention and increased sophistication of methods and structures.

3.3 POSSIBLE ROLES FOR NGOs IN DEVELOPMENT

In China, NGOs have to conduct their activities under the leadership of the Government and in accordance with the law. Although this constrains the activities and autonomy of NGOs, the China Civil Magazine has drawn up a list of seventeen functions that can be handed over by government to NGOs. These include: participation in drafting policies and laws for industries, providing pre-market consultations to new industry enterprises, dissemination of information, market forecasting, drafting industry regulations and industry standards, assessing industry product quality, coordinating industry price disputes and price setting, establishing and helping develop a specialized product market in concert with each relevant industry, providing industries with simplified development and exchange services for new products and technology, providing training for people and training in new technologies, helping enterprises to improve business management, improving domestic and international cooperation in the areas of economic technology and academic exchange, promoting technological innovations, reflecting the needs of

NGOs members and protecting their interests, assisting the government in solving and handling the problems that industries encounter as they pursue reform and development, and aggressively developing public interest work. (China Civil Magazine, No.14, 2001:43).

Despite the constraints under which NGOs continue to operate in China, there is no doubt that the advent of the economic reform process in 1979 opened up space for NGOs to form and develop. In addition, the reform of the administrative system and transformation of administrative functions led to "a separation of the functions of government from those of the enterprise" (Ming, W., 2000:29), which engendered and developed a great many intermediary agents and linked the Government with the market, further developing the strengthening of social organizations. In the move to create and support intermediary agents (such as NGOs) to play an important role in community development and poverty alleviation, the Chinese Ministry of Civil Affairs played a leading role. In a public speech, a senior official of the Ministry stressed that "intermediary agents are an important force in community development. All intermediary agents abiding by laws and regulations, and which advance development of the community, will be supported by this Ministry in order to give full play of their functions" (China Central Government Office of Law and Regulations, June 28, 2000:p11).

In South Africa, NGOs are in a position to make an important contribution to local development, as well as to play an important role at the regional level in the development of the SADC region as a whole. According to Barnard and Terreblanche (2001: 14), the South African Government's expectations are that 'NGOs will assist

in expanding access to social and economic services that create jobs and eradicate poverty among the poorest of the poor."

Styger and Cameron (1992) put forward a list of different activities and roles that could be fulfilled by NGOs, which could be linked with the different needs of the South African citizens:

- Expanding local administrative capacity and expanding the capacity for the effective participation of local communities in the development process, enabling them to make the decisions needed to plan and implement activities affecting them.

- Facilitating the mobilization of local savings and ensuring their investment in productive services.

- Raising the capacity and productivity of local communities, thereby increasing their self-reliance, as well as their capacity to initiate, finance, control and evaluate the achievement of development activities undertaken to meet community needs.

- Increasing the access of local communities to information, training, resources and opportunities needed to meet their basic needs by widening their information and resources base by means of establishing linkage with all appropriate institutions.

- Creating demonstration models of appropriate development processes aimed at inducing government or other appropriate agencies to sustain and replicate these on a wider permanent basis.

- Attaining a credible and influential advocacy role by establishing organizational efficiency and effectiveness, by attaining financial self-sufficiency, and by creating firm multi-level links with appropriate agencies of government, the private sector and other important stakeholders.

- Helping to forge international links with other countries.

The role of NGOs might also be changed because of the different challenges faced by them. Since 1994 in South Africa, NGOs have had to cope with new challenges. The main ones are as follow (Charm Govender, 2002. http://www.google.com);

- The advent of a democratic and legitimate state, which freed those who were unwilling to be associated with the apartheid state to now work in the new state. Indeed it was the patriotic duty of politically conscious individuals with the apposite skills to enter the new state and assist in its transformation. Inevitably many of the erstwhile "comrades" did choose this route. NGOs, CBO and trade union capacity became depleted as a result.

- Service providers within the civil society sector have historically been and for the foreseeable future will be dependent on donors for their funding. In the post-94 period many donors stopped seeing South African NGOs as a

deserving recipient for funds. Many donors chose to establish bilateral links with government instead. This contributed to NGOs experiencing difficulties in continuing their operations. In the context of financial uncertainty many NGO staff left for greater security within the public sector.

- The strategic focus of the NGOs became confused and diffused. Prior to 1994 the focus of many NGOs was to organize and support resistance to the apartheid state. Many NGOs became rudderless when a democratic dispensation came into being.

- The clients or target group of the NGOs also faced the challenges of working in a new environment and, in the case of the civic organizations, they sometimes entered into a conflictual relationship with the local ANC branches. However, the civics also played a role to unlock local development processes. The current development nexus calls for a new development vehicle and local communities are indeed engaging with local development programmes through local development. Local councils are also legally obliged to consult with communities and it is in their interests to ensure that local communities have sufficient understanding of development issues. However, it is debatable whether the consultation that occurrs with local communities is in many cases all that meaningful or whether local governments just go through the motions.

- Strains have appeared between progressive organs of civil society and the Government around the adoption of the macro-economic strategy (GEAR); the non-disbursement of the funds allocated to the National Development Agency

(NDA) and those raised through the national lottery; and the Government's pronouncements around HIV/AIDS and the availability of retroviral drugs.

In China, although NGOs are playing an increasingly important role in addressing social needs, they are still at an initial stage of development and face a range of important new challenges and constraints. These include:

- The interaction of economic reforms and social change over the past two decades has created a huge gap between the state and society. For the first time in the Chinese Communist era, the Government recognizes the need for nongovernmental actions. Even though it swiftly repressed those social organizations perceived to be dangerous to its rule, the Government seems determined to improve the legal and economic environment for the NGOs.

- The Government's impetus has provided an indispensable political condition for the rapid emergence of social organizations, while the rise of people's civic consciousness has played an equally important role. People's participation in public matters and the upsurge of social organizations are crucial in the transition of a one-party state system to "small government, big society" (China State Council Bulletin, May 1998, Vol. 23, No. 16:12). Social organizations have taken over many economic and social functions previously performed by the Government. But they are not simply substitutes for failed government roles.

- In the past twenty years, social organizations have assisted "the retreat of the state" and the expansion of the non-governmental sphere, and they are growing into an independent and integrated nongovernmental sector that will have a distinctive position in China's political, economic and social development.

- Some NGOs illegally raise funds to earn illegal profit. Others are characterized by mismanagement and corruption. Due to the existence of a few NGOs with bad reputations, other and more honest and efficient NGOs often find it difficult to obtain funds and recruit volunteers.

- The Chinese Government has no consistent policy towards NGOs. This restricts the long-term development of NGOs in China. The responsibilities and rights between government and government organized NGOs (GONGOs) are not clearly separated, resulting in an indispensable relationship of mutual dependence. Many staff members of GONGOs are drawn from the Government and they continue their government working style, lacking initiatives, creativeness and efficiency.

- Chinese NGOs have yet to develop adequate mechanism to govern, manage and supervise themselves. Another big problem is insufficient human resources. The low salaries and benefits provided by NGOs cannot attract enough capable personnel to work for them. This greatly affects the operational capacity of Chinese NGOs.

In South Africa, a number of factors presently limit the contribution of NGOs to local development, and also constrain their potential comparative advantage vis-a-vis government development agencies. According to Cernea (World Bank Discussion Paper, No. 40, 1988:15), these include:

- Inadequate participatory planning, organization and management and a lack of strategic awareness;

- A tendency to focus on short-tem projects as opposed to the much longer program-orientated approach needed to effectively include relatively unsophisticated participants in a meaningful development process;

- The inability to replicate projects and to ensure capacity building and sustainability;

- The inability or unwillingness to effectively collaborate with agencies of government and other important stakeholders;

- The lack of co-ordination of the efforts of individual NGOs and the limitation of their activities imposed by their isolation and insular attitudes resulting in a limited resource-base for information, finance, training, equipment, technique and so on;

- The lack of resources of individual NGOs for effective technical and management training;

- The inability to attain or formulate feasible plans for financial self-sufficiency;

- The tendency to "dump" technology on an ill-equipped community as opposed to effectively "transplanting" it to a well prepared community, taking into account local technology levels;

- A widespread lack of transparency in financial matters, poor accountability, many hidden costs that cannot be replicated and poor pricing policies for products and services;

- The lack of an effective participatory evaluation process needed for efficient control, to communicate lessons of project activities to participants and to other NGOs are essential to ensure credibility and acceptance by government; and;

- The lack of an effective mediating mechanism between public authorities and NGOs, and the lack of understanding by government of the essential NGOs in development at grass-roots level.

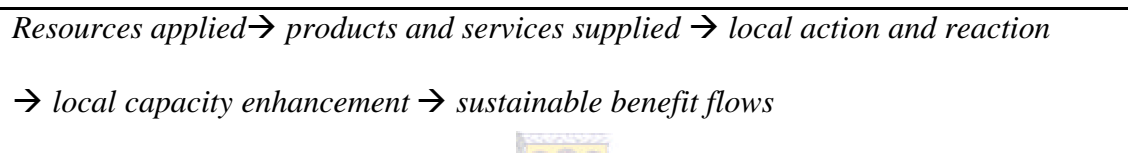These limiting factors are given not, by way of criticism, but in order to provide a basis for possible corrective action needed to ensure that NGOs can fulfill their potential role in the field of grassroots development. Essential corrective measures are concerned with the capability of NGOs for organizational development and the improvement of their administrative and policy environment. Social organization at

grassroots level must be seen as a valuable strategic resource, a form of capital accumulation to be developed by the NGOs and government in collaboration.

The planning and implementation of development projects incorporating beneficial participation is concerned mainly with the organization and management of the activities essential to achieve effective linkages between the attainment of the multiple and sequential series of objectives needed at each important step in the process. This is shown diagrammatically in Figure 1 below.

Figure 1: Planning and Implementation of Participative Development Projects

Resources applied→ products and services supplied → local action and reaction → local capacity enhancement → sustainable benefit flows

Source: Gordon, J. Merrington, 1993:144.

Achieving these linkages and attaining the objectives invariably involves a number of organizational contradictions as the overall goal requires contradictory means. For example, organizational frameworks and management techniques essential to ensure the efficient provision of products and services for the poor are very different from those needed to ensure local capacity-building and the sustainability of project benefit flows. Processes, which can best attain the former most often, reduce the possibility of the latter. It is not only important what is done, but how it is done. For example, to achieve the efficient delivery of products and services requires concentrated authority and decision-making, the optimum use of skilled personnel, with perhaps a modicum of participatory decision-making.

On the other hand, to achieve beneficiary capacity enhancement and sustainable benefit flows, requires dispersed authority to relatively unskilled people, a high level of participation in decision-making by these people, the application of a considerable amount of scarce resources to their training, and a slowing down and extension of the development process, a situation that diffuses and complicates authority, control and decision-making and reduces the quantity and quality of delivery.

This contradiction requires a constant and on-going review of the trade-off decisions needed for its resolution in the context of conditions in the local environment, hence the need for flexibility of organization design and management structure. Paradoxically, the evidence suggests that poor people often prefer a lower quantity and quality of products and services produces largely by their own efforts to more and higher quality products and services produced for them without their effective participation.

In order to exploit their comparative advantage and taking into account their strengths and weaknesses, NGOs, according to Merrington (1993:145), should concentrate on forms of development activity which:

- are in scale and focus on a limited number of functions commensurate with their experience and with the capabilities of beneficiaries for direct or indirect participation;

- require dedicated staff looking more for experience and job satisfaction than for financial reward;

- require extensive and close contacts with projects beneficiaries, where:

  - the aim is to enhance the development capacity and self-reliance of beneficiaries;

  - the project design calls of optimum interaction with beneficiaries;

  - project effectiveness is dependent on the creating of a development process between the agency and the beneficiaries which they can sustain at the project's end;

- are new forms of activity for the community relying heavily on their input;

- involve local technology adaptation, transfer and upgrading;

- are experimental or research projects requiring optimum public participation for their findings to be relevant (in reality most NGOs projects should fall in this category);

- stimulate learning, adaptation, and the sharing of knowledge and practical experience; and

- can produce benefit flows which are capable of attracting significant participation on the basis of felt needs, available technology and an appropriate organizational framework;

- create a loose federation of NGOs, each with local roots but with firm linkages to a policy and resource centre with a coordinating and training function which

coordinates NGO activities, provides training facilities and establishes effective linkages with all important stakeholders;

- mediate between conflicting demands of public agencies, their planning and development processes and the processes and planning appropriate for micro-level organizations who require scaled down and simplified planning procedures. A mechanism is needed that is bottom up in terms of local development activities, but top-down in terms of management and co-ordination.

3.4   THE COMPARATIVE ADVANTAGES OF NGOs

NGOs have a discernible purpose. On the one hand, they try to promote a collective sense of responsibility by making members of the community fully aware of their potential for action. On the other hand, they seek to mobilize social movements by developing structures amenable to grass-roots initiatives. As a result, NGOs have a distinctive advantage as social catalysts, and their major contribution is organizational rather than financial.

A further advantage of NGOs is to be found in their widely acknowledged superior efficiency. This can be explained with reference to a number of institutional features:

- NGOs have tended to specialize in specific areas of activity and have, in so doing, developed advanced expertise not found elsewhere.

- NGOs carry less of a salary burden than do governmental agencies and business enterprises. As a result, NGOs can render services more cheaply than any other sectors.

- Of necessity, NGOs usually have a relative flexible bureaucracy and a strong capacity and aptitude for adaptation. Being comparatively small, NGOs suffer less severely from technocratic constraints and, therefore, faster decision making procedures.

- In seeking to reconcile local resources, capabilities and needs, NGOs have institutionalized an aptitude for innovation and experimentation not possible in other sectors.

The development of China's NGOs is positive in the realms of politics, the economy, culture, education, and science and technology. For example: The first environmental NGO in China was formally registered on March 31, 1994. This was the Academy for Green Culture, affiliated to the non-governmental Academy for Chinese Culture. It is now called Friend of Nature (FON) for short. More environmental NGOs have now been set up. These include Global Village of Beijing and Green Home, which was set up in 996. Together with Friends of Nature, they have become China's three main pioneering environmental NGOs. "According to news released by the Sino-US environmental NGOs forum in November 2001, there were by then 2,000 environmental NGOs in China and millions of participants" (Chenguang, W., 2003:5).

Some of the positive features of NGOs in China include the following:

- NGOs have already become a communication bridge linking government and society. NGOs clearly represent the public interest. For example, at present, the focus of Chinese environmental NGOs is in three main areas. They seek to educate and guide the public, to promote public involvement and to lobby government on issues of environmental protection policy. They also monitor what is happing in the field of environmental protection and help enterprises develop a greater concern for environmental issues. They also represent the interests and demands of the civil society. In addition, through various means, NGOs help the government draft laws, regulations and policies and ensure the feasibility and correctness of laws, regulations and policies while at the same time pushing forward the construction of a democratic legal system;

- NGOs are making full use of their own advantage to support the Government's efforts to establish a market economy system. In particular, having adopted all sorts of measures and innovative mechanisms, industry associations and business associations have effectively and rationally made use of social resources, expanded the domain of social service, and are helping to meet the needs of Chinese society. These intermediary NGOs carry out those micro services and trade coordinating administrative functions conferred on them by the Government. They do a good job of guiding, serving, disciplining, coordinating and supervising the trades, safeguarding the market system and promoting fair competition in society while at the same time advancing the establishment and perfection of the market economy system.

- NGOs and their members are carrying on and advancing the traditional virtues of the Chinese people. Shunning profit, their objective is to mobilize their vast, idealistic membership to assist the poor and alleviate hardship, to save the weak and help the handicapped, and to ardently undertake charity work. By engaging in social welfare work and all sorts of social service activities, NGOs help the government solve many social problems, promote the development of all sorts of public interests and charitable tasks, and mould the thoughts and sentiments of the people.

- NGOs have become an important channel for expanding dialogue with the international community. Some NGOs fully display the characteristics of civil organizations. They actively launch their own channels of international dialogue and cooperation increasing people-to-people interaction with international non-profit organizations. Through linkage and bridge building, they have attracted funding, advanced technology and management experiences and have propelled China's reform and opening up, thereby supporting China's economic construction.

However, at the same time one should recognize that China is still a developing country and is affected by the objective conditions of its economic base and superstructure. The development of NGO is still in its infancy and not very standardized or matured. A number of restricting factors pertain to China:

- The legal system is unsound. Regulations for running non-profit organizations are not yet perfected. A disconnection exists between policies and regulations

and objectives and practical requirements. The legal system is lagging behind and definitely affects the smooth development of China's NGOs.

- NGOs are not yet ready to operate independently. Because the structures of some NGOs do not accord with the requirements of a market economy, they have a tendency to rely overly much on the Government and are structurally too administrative. In addition, internal controls within China's NGOs are imperfect, as they lack a complete set of democratic management mechanisms, thereby greatly weakening their effectiveness.

- The general structure of the whole sector of China's NGOs is not rational. Because of the poor delineation of responsibilities and duplication of functions among organizations under the earlier planned economy system, some duplication and overlap currently exist among the structures of NGOs. These structures lead to contradictions that get in the way of normal development of NGOs.

- There are some illegalities. Some people do not respect State laws and regulations, and set up NGOs illegally. They launch illegal activities or they conduct activities that are either illegal or that contradict their provisions and articles. These, to some degree, cause clear harm to the economic and social order and affect the healthy development of Chinese NGOs.

3.5   SUMMARY

This chapter has addressed the role of NGOs in development and the advantages of a strong NGO sector in South Africa and China. Both countries are experiencing a complex transition period which has posed challenges for the NGO sector. In China, although the process of economic liberalization has opened up new spaces for NGO activity, many important challenges and constraints remain. The legal framework for NGOs is somewhat confusing and undeveloped, and most NGOs are still very much dependent on government for their existence and operation. In South Africa, the legal framework is more developed, and NGOs are able to act in a more autonomous way than most of their Chinese counterparts. However, there is still a need for improved systems of supervision and evaluation to be put in place. One of the main challenges for South African NGOs has been that of re-adjusting their focus from opposition to the apartheid state to working collaboratively government and other stakeholders in the new democratic dispensation. The change in donor funding priorities and conditionalities has also posed challenges for the South African NGO sector.

Although there are a number of important differences in the challenges facing NGOs in the two countries, there are also some similarities. In particular, NGOs in both countries are faced with the need to build their skills and capacity, their managerial and financial competence, and their accountability and transparency.

CHAPTER FOUR

RELATIONSHIPS AND CO-OPERATION BETWEEN NGOs AND CIVIL SOCIETY

4.1 INTRODUCTION

This chapter will examine the relationship between NGOs and civil society in China and in South Africa, as well as the cooperation of NGOs with other countries.

4.2 NGOs AND CIVIL SOCIETY

4.2.1 Chinese Civil Society

The past 25 years have created new opportunities for citizen participation in China, in particular due to the drive towards economic reform and modernization. The Chinese people are seeking ways of organizing their own institutions to respond to social needs and convey grievances and concerns in a way which influences the policy-making process. One of the significant developments of Chinese society in the past two decades is the emergence of NGOs. While this kind of quiet revolution has been going on in China, little of it has been reported to the outside world. Social scientists believe that a country's progression toward a more open, pluralistic and competitive political system, is dependent on whether the country allows a civil society to emerge. While the concept of civil society is an abstract notion, covering a wide variety of social dynamics, the crucial measure of its presence in any nation is the ability of NGOs to progress and develop.

In China, from the 1980s, a para-statal non-profit sector has been created by government through the establishment of foundations and other organizations to advance charitable, research, information and policy objectives. These are commonly referred to in and outside of China, as 'GONGOs' (Government Organised NGOs). A better term might be 'SONGOs' (State Owned NGOs) (Xiaohua, 2002:3) underscoring both the highly apposite analogy with state owned enterprises and the latent potential for these agencies to be corporatised and placed in a dependent relation to government.

Several trends, if not clear purposes, appear to underline the development of this sector. One is a gradual rethinking and restructuring of the function of 'mass organizations'; away from their original roles as Communist Party overseers of particular constituencies, towards a more service facilitation and provision role. This is particularly pertinent in the case of the All China Youth League and the Women's Federation, especially through the creation of their satellite agencies: the China Youth Development Foundation, in the case of the Youth League; the China Children and Teenagers Fund, Women's Development Foundation, Family Research Association and several others under the Women's Federation. Another purpose of the SONGO sector, clearly relevant to the discussion of social forces above, has been to receive philanthropic funding that government itself finds hard to access. The China Youth Development Foundation and China Disabled persons' Federation has proved particularly adept at accessing such funds (Chinese State Council Bulletin, No.18, 2000:14). So too, in the more recent past, has the China Charities Federation. Many donors, whether overseas Chinese, domestic or international corporations, aid

agencies or individuals, evidently feel more comfortable contributing to organizations which are at least one step removed from government. However, it is almost certainly inadequate to characterize these organizations as merely fundraising mechanisms.

The Disabled Persons Federation, for example, has clearly played an important, if in some ways limited, advocacy role on behalf of people with disabilities. Being some distance from mainstream government agencies, also makes it easier for government-initiated organizations to explore new areas of work, such as providing contraceptive advice for unmarried people, or HIV/AIDS prevention programs for sex workers and drug addicts. SONGOs also provide access to international organizations and funding. The Disabled Persons Federation, for example, is a member of Rehabilitation International; the China Family Planning Association is a member of the International Planned Parenthood Federation; and the China Charities Federation is a member of the international United Way movement. Some government departments establish organizations in their professional field with the apparent purpose of making it possible to conduct exchanges with international organizations and to participate in overseas study tour programs in an unofficial capacity. In each of these ways, SONGOs have helped to broaden debates and horizons. (Ming, 2000:18).

Still, it might be objected that these are not real NGOs, but rather proxies for government, designed to extend state access to funds, target populations, and ideas. Many of these organizations are steadily acquiring a more independent identity, however, and developing a sense of themselves as belonging to a distinctive, non-government community.

Government itself evidently wants the SONGO community to become more financially independent, and is progressively withdrawing budgetary support and hidden subsides from many organizations. As in the state owned enterprise sector, some organizations will collapse as a result. A long-awaited, and reportedly imminent, Law on Foundations is expected to raise the minimum endowment funding threshold for registration of national foundations to CNY 5 million (equal SA Rand 4.2 million) (Zhongze, W., 2000:19). Some may object that this will make it harder for ordinary citizens to establish foundations, but it will be a significant step towards addressing the current situation, in which clusters of foundations without significant endowments devote their efforts to fundraising, and experience chronic difficulties in covering their overheads. Altogether there appears to be significant government intent to rationalize the SONGO sector. Many SONGOs themselves have made significant progress towards financial transparency for example, through the publishing of audited accounts, improved governance through the appointment of management boards and grants approval committees, and improved professional standards through various efforts to train staff in NGOs management (China Development Brief, 1998-2003, Vol.16: 29).

There has also been something of a change in the way that SONGOs present and market themselves. Five years ago, publicity materials invariably emphasized their close links to government, which they appeared to see as the key element in their legitimacy. Now, they lay much greater emphasis on their non-profit, non-government identity. Skeptics may feel that this is merely a more sophistical way of pandering to a potential international donor constituency. However, it also reflects a gradual evolution of some of these organizations into more independent social actors.

Nevertheless, the Communist Party and the government have so far proved unwilling to make the imaginative leap necessary to release fully independent, bottom-up social forces. The initiative and creativity of ordinary Chinese people, that has proven so potent a force in economic development, is still severely constrained in other development areas. Despite a formal commitment in the Constitution to freedom of association, the main rules covering associational activity remain quite rigid. Social organizations are basically membership groups, embracing everything from calligraphy clubs to organizations with charitable objectives. Community-run non-profit work units (Peter, 2001:19) is a relatively new classification, apparently intended to capture non-government social service providers; but this remains a somewhat opaque category. According to one Chinese civil society researcher (Knup, 1997:25), many essentially private consulting companies are managing to register under this rubric with the fairly explicit purpose of tax evasion. On the other hand, some institutions with clearly charitable objectives have been told that they do not qualify. After the promulgation of the amended Regulation on Social Organization Registration and Management, the Ministry of Civil Affairs checked up and reorganized social organizations all over the country and investigated and prosecuted a lot of illegal cases or principle-breaking cases of China's social organizations. Many organizations were banned. As a result, between 1996 and 1998 the number of China's social organizations decreased from 200,000 to 165,000" (Zhongze, 2000:6).

Government regulations involve three general requirements, which together limit the nature and range of activities in which in citizens may jointly engage. Firstly, a government, party or mass organization department in a 'relevant' field must sponsor

all organizations. This Zhuguan danwei (meaning managed by Supervisor) has responsibilities for supervising the organization, but is under no obligation to accept applications from suitably constituted bodies, and there is no appeal procedure if applications are rejected. Whilst there is no incentive for departments to agree to act as sponsors, there are significant disincentives in the extra administrative work entailed, and the risk that sponsors may be held accountable for any rogue organizations. This requirement therefore is a brake on innovation and creativity. Sponsors are unlikely to accept applications from unknown quarters, or those proposing new kinds of activity. They are more likely to most favor applications from those they know, or from organizations whose activities will in some way lighten their own administrative burdens. Secondly, only one organization of any one type is allowed to register at each administrative level (i.e., only one chess club or environmental group per area). This is a brake on diversity and competition. Whereas the principle of competition between multiplicities of players has won relative recognition in the economic realm, command economy notions of efficiency and control appear still to predominate in official thinking about non-governmental forms of association. This tends to protect the domain of large, state players. Organizations such as the Women's Federation or Disabled Peoples Federation, or indeed government department themselves, may view more independent citizen action as intrusive, and take steps to block it. (In practice, attitudes vary widely from place to place and department to department: some Women's and Disabled Persons Federation branches have welcomed independent initiatives; others have responded in a more hostile way). Thirdly, organizations are not allowed to operate out of the area in which they are registered: i.e., an organization registered with county authorities may only operate within that county; an organization registered in one province may not

lawfully undertake activities in another neighboring province. This can be a constraint on the natural growth of organizations. It appears designed to ensure that organizations cannot grow in lateral ways, avoiding the oversight of central authorities.

"This legal framework is clearly linked to Communist Party anxieties about 'instability' and 'splittism' (China Development and Reform Committee, 1998-2003, Vol.3:3). These are often interpreted by foreigners as a determination by the Communist Party to cling at all costs to political power and privilege, and thus to prevent the emergence of any kind of credible opposition.   However, this is too narrow a view, and that the preoccupations of the Party need to be considered more seriously.

In the first place, unity and stability are Chinese concerns that have a much longer pedigree than Marxism-Leninism; and securing these is widely regarded in China, as in the West, as among the primary duties of the state. Yet social divides within the nation, between east and west, urban and rural areas, new managerial elites and the traditional poor, unaccountable state cadres and powerless peasants – are substantial, and in many cases growing. Crime and vice, from smuggling and video piracy to the forced abduction of children into the sex trade, are flourishing. Although the state frequently fails to distinguish clearly between criminal activity and political opposition, it would be hard to argue that the former can be controlled by formal limits on associational freedom: indeed, the extraordinary sophistication and reach of smuggling networks and rings appears, rather, to show that the organizational capacity of criminal networks is quite unhindered by such limits. It is the normally

abiding population that is constrained, in a manner that seems carefully contrived to minimize threats to state authority.

Recent years have seen quite frequent episodes of unrest among laid-off city workers and, even more frequently, among rural people hit hard by failing farm prices and protesting at local corruption and illegal taxation. While these remain isolated episodes, they are relatively easy to contain. But if relaxation of associational space allowed the growth of lateral connections between disaffected groups, this would represent a much more serious challenge to the state.

Government's stern response to the *Falun Gong* (China - Facts & Figures, 2000:56) sect shows how seriously it takes these issues: for it is almost certainly not the eccentricity of the group's beliefs, so much as its wide reach among the general population, including Communist Party members, that has alarmed the Party leadership. Evidence of this alarm is easy to find. Indeed, the whole Falun Gong affair appears to have thrown those parts of the government bureaucracy concerned with non-government activity into a state of semi-paralysis. From the drafting of new laws, to the registration of group under existing regulations, work in many areas seems to have ground to a halt.

However far it has moved from its ideological roots, the Communist Party undoubtedly believes that it is the only force in Chinese society capable of delivering national cohesion and stability. For the foreseeable future, it may be right. But the longer you keep the lid on, and the more pressure that builds up in the pot, the harder

it may eventually blow. It may be that, precisely in order to assure social stability and cohesion, the Party will have to loosen social controls.

This may not mean planning for political pluralism as such. Most elements of the state bureaucracy are quite broad churches with different currents of opinion contending within. It will almost certainly be necessary to make the apparatus of state power more transparent, accessible and accountable. The ongoing program of village and urban neighborhood committee elections is one step towards doing so (and a step, moreover, that some Chinese observers believe may lead rapidly to direct elections at higher levels, and greater democracy within the Communist Party itself). This began as an explicit attempt to expand and improve administration structures to address the concerns of local communities and defuse local conflicts; and it is undoubtedly a positive development.

It is extremely unlikely that administrative structures alone will be able to manage the competing interests and constituencies of Chinese society as it becomes more complicated by the freedoms stratifications, rivalries and 'imperfections' that market forces bring. More space for citizens to articulate and pursue shared interests – in all senses of the word – maybe thus become not just socially desirable, but politically expedient for the Communist Party. Yet this is a demand – side, as much as a supply – side matter. Any policy change in this direction is likely to be driven not exclusively, or even mainly, by the Party leadership, or its willingness to supply autonomous space, so much as by the hard work and determination of people trying to make the most of the political space they have and to demand more.

The academic research community is an important source of individual activism and 'action research' (Yiyi, 2000:29). Scholarship in China does not have a well-established tradition of independence, and it remains hampered by limited availability of research grants to fund work in areas that are not regarded by government as priorities. Despite this, recent years have seen a steady increase in the range and penetration of topics addressed by researchers. This in itself is an important development. An independently minded intellectual and research community is, surely, an important ingredient of civil society. Moreover, a significant number of research centers and institutions attached to tertiary education institutions or under the aegis of the Chinese Academies of Science, Social Science and Agricultural Science, have some NGO-like qualities. Several manage not just scholarly research projects, but also pilot or demonstration projects in, for example, rural development. Others serve as policy think-tanks, often engaging in advocacy on pivotal social issues. For example, Rural Women Knowing All (RWKA), established in 1993 with only $7,250.00 borrowed from The Women's Daily, is the only magazine in China solely devoted to the problems of rural women, a most disadvantaged and most neglected group in Chinese society. Since 1995, besides publishing the magazine, RWKA have carried out many programs to empower rural women. In 1999, a Rural Women Practical Skills Training School was established in Beijing, offering rural women short-term training sessions in computer, agricultural technology and other practical skills. With the support of the International Republican Institution based in the U.S., Rural Women's Political Participation Program is also offered at the school. In cooperation with the Cedar Fund in Hong Kong and Laubach Literacy in the U.S., RWKA has been carrying out women's literacy programs in rural areas of Hebei and Gansu provinces, offering basic literacy instruction integrated with health, sanitation,

agriculture and livestock-support groups for migrant women in Beijing to meet, learn new skills and find jobs. Since 1996, RWKA has carried out mini-credit programs in 8 counties, implemented through local Women's Federation, providing much needed initial funds for enterprising rural women (Shaoguang, 1999:46).

As in many other parts of the world, Chinese individuals and service organizations that draw their inspiration and sense of social obligation form religious teachings are numerous and important, and they account for a high proportion of entries in this publication. The Amity Foundation is an independent NGO established in 1985 by Chinese Christians, to promote education, social services health, and rural development all over China. Due to its special background, it has been relationships with Christian communities in other countries, which is beneficial in terms of funding sources and international cooperation.

Religion can be an important source of social solidarity in communities, strengthening the potential for mutual support and self-development mechanisms. For this reason, the role of religion needs careful consideration in any serious assessment of civil society; although this is clearly a sensitive issue in China, particularly since the government stand-off with Falun Gong. The future years are likely to be critical in determining the response of the state. For the present, it is not surprising that some Chinese civil society advocates should attempt to draw a line between religious activity and the kind of associational engagement they endorse. Any yet it may well be that, for the Party, the most compelling argument in favor of liberalization of religious association would be the capacity of religious organizations to mobilize service delivery by social forces, and deliver harmonious, community development.

Environmental activism, meanwhile, is flourishing. The Government appears fully aware of the need to environmentally educate the population, if only to prepare people for policy measures such as realistic water pricing which are likely to prove as unpopular as they are environmentally imperative. The passion and energy of green activists are useful in getting the messages across. For this reason, they tend to have a longer leash than activists in areas such as trade union and labor rights, where the state's policy is more ambivalent, divided between the desire for a disciplined, competitive workforce able to attract foreign and domestic capital, and the desire to see incomes rise. As the environmental NGOs become more confident and assertive, sharper conflicts with the authorities may develop. Presently, they are an important force in exploring the possibilities of advocacy in China.

4.2.2   South African Civil Society

South African civil society has a different trajectory to that in China, in particular because of its apartheid past. Historically, there was a sustained racist discourse in twentieth century state ideology in South Africa that justified state neglect of black social development by reference to the ability of blacks to look after themselves in their own areas and in accordance with native custom. A large number of NGOs and Community-Based Organizations (CBOs) were formed, many with external donor support, to fill the service delivery void left by the apartheid state. Most of these NGOs operated in opposition rather than collaboration with the apartheid state.

In the post-1994 period, the relationship between the state and civil society changed significantly. The focus on reconstruction and development was accompanied by the recognition that the state cannot delivery all services. This necessitated a re-

examination of the role of the state in relation to civil society. The debate on extended interventionist states versus states embedded in civil society was therefore revisited. Large extended states reveal bloated and often inefficient bureaucracies. There is, however, a case to be made for an extended state machinery to deliver on development priorities, especially where the market/private sector fails to meet social needs. Civil society institutions can nevertheless become effective partners in development delivery.

A useful characterization of civil society relations and hence the potential for public – private partnerships, rests on the distinction between market-based and social-based institutions. Many civil society organizations have become credit agencies and move capital between large financial enterprises and small entrepreneurs, while others operate in the terrain of poverty alleviation through the distribution of food relief. Some civil society organizations became vehicles for bilateral aid where government are reluctant to channel assistance directly to other governments.

In South Africa, some civil society organizations became effective agents of service delivery. This requires that civil society organizations align their institutions with a greater market orientation, state of the art information and communication systems, and the requisite technical and operational skills. Where civil society institutions perform government functions on an agency basis, sound financial management, project management skills, and public accountability are required. The privatization of state functions can assume a number of modalities, including the creation of public contractors, non-profit community-based organizations as well as empowering previously disadvantaged private entrepreneurs providing innovative delivery

agencies. Civil society organizations can play a major role in public accountability and good governance. Conversely, an interest in a strong civil society on the part of the state can greatly enhance the legitimacy of state policy and programs.

One example of public/NGO partnerships has taken place in the past two years in KwaZulu Natal. Close to 90 NGOs in the province have teamed up to work with the Government in rolling out antiretroviral (ARV) drugs. When the government announced a national rollout plan for free ARVs in September 2003, Cati Vawda, Director of the Durban-based Children's Right Center, and a number of her NGO colleagues, quickly realized that government alone cannot do it. Making ARVs available does not end with handing out the drugs. Once the pills have reached the HIV- positive patient, a large number of additional requirement come into play-from AIDS education and treatment support, to legal and social issues. With this knowledge, Vawda and her colleagues started to contact NGOs in the province and have now built up a network of about 90 organizations in the fields of health, human rights, HIV/AIDS, children and social security, among others. Participants range from one-person home-based carers, faith-based organizations, legal support networks and academic researchers, to large funding bodies (http://www.google.com South Africa: Civil Network Ready to Help Rollout. June, 2004).

The strengthening of civil society institutions is indicative of a robust democracy. However, the NGO sector is not necessarily the panacea for all development ills. Civil society is inherently diverse and class-based and civil society organizations can operate in a paternalistic hand-out mode, can be ridden with mismanagement and

inefficiency, and can divert a great deal of development resources to lucrative employment benefits for a few.

The role of civil society in South Africa in the period since 1994 has not been static. Instead it has been influenced and changed in major ways by the contradictions of the political transition in South Africa. Regime change can have significant impacts on society. This is more so if it occurs in an era of globalization. This is particularly evident in South Africa where the transition to democracy and globalization has fundamentally transformed the society. In the process, civil society has itself been remoulded in significant ways, the effects of which are only now become evident. According to Habib (2003), one of the most obvious outcomes of the remoulding process has been the evolution of civil society into three distinct blocs. These include:

- Formal NGOs, many of whom have moved into a collaborative relationship with the state.

- A growing number of informal survivalist Community-Based Organizations (CBOs), networks and associations, largely detached from the state, whose main role is to assist poor and marginalized communities in their struggle for daily survival.

- A growing number of social movements, some nationally based (such as the Treatment Action Campaign) and some locally based (such as the Soweto Electricity Crisis Committee). These are more formal community-based organizations, which have a distinct leadership and membership, often

supported by a middle class activist base. These are not survivalist agencies, but are more political animals. Indeed, they have been largely established with the explicit political aim of organizing and mobilising the poor and marginalized to contest or engage the state on key social and economic issues.

This three-fold division in many ways reflects the ANC Government's contradictory development agenda contained in its RDP and GEAR policies. The Government's 1994 White Paper on the RDP accorded the state "the leading and enabling role" in collaboration with "a thriving private sector and active involvement by the all sectors of civil society" (Carter & May, 2001:p31) in meeting basic needs, developing human resources, building the economy, and implementing the RDP. It was intended to provide an integrated and sustainable framework to guide the work of all government departments and other key role players in meeting the objectives of "freedom and an improved standard of living and quality of life for all South Africans within a peaceful and stable society characterized by equitable economic growth"(RDP White Paper, 1994). The RDP was based on a new and constructive relationship between the people, their organizations in civil society, key constituencies such as the trade unions and organized business, the Government, and the workings of the market. Accordingly a strong emphasis was placed on the role of NGOs and community organizations, working in partnership with Government and other actors to advance the processes of reconstruction and development.

With the advent of the Government's Growth, Employment and Redistribution Strategy (GEAR) in 1996, however, the relationship between the state and civil society has become more complex. The failure of GEAR to meet its growth and

employment targets has led to rising unemployment and a widening wealth gap. At the same time, the determination to reduce the fiscal deficit (perhaps the main success of GEAR) has placed serious financial constraints on most government departments, both national and provincial. This has had a negative impact on service delivery at the same time as unemployment, poverty, HIV/AIDS and other social problems have been increasing. This has had somewhat contradictory effects on the relationship between the state and civil society in the post 1996 period. One the one hand, as the KwaZulu Natal example above shows, there has been pressure or a growing need for NGOs to collaborate more closely with government to address the socio-economic problems facing the country. On the other hand, as Habib shows (2003), there has been the rise of social movements, as well as trade union opposition, contesting the trajectory of the Government's GEAR neo-liberal agenda.

4.3 COOPERATION BETWEEN NGOs AND OTHER COUNTRIES

4.3.1 China

In China, NGOs have only recently entered into international dialogue and cooperation. They are being brought into the international arena in the wake of Chinese industries cooperating with other country's companies as China has opened up to the outside world. Chinese NGO cooperation with the outside world is just beginning. For a long time there was no legislative framework for these matters, other than the Provisional Regulations on Managing Foreign Chambers of Commerce, promulgated by the State Council in 1989. However, this regulation was very much at odds with today's objective circumstances. Over the past few years, because of

economic development, contacts between social organizations have broken out of earlier boundaries and extended further into wider arenas. Contacts and cooperation between foreign non-profit associations and NGOs have expanded.

The process of bilateral or multilateral cooperation has expanded the areas of cooperation between Chinese NGOs and foreign non-profit organizations. Presently, besides projects designed to aid the poor, there are other areas of operation, such as environmental protection (protection of wildlife, environmental protection education programs); emergency relief (support and assistance for all kinds of natural disasters); social development (independence and self-reliance for women, assistance to the handicapped, public health and medical assistance, professional trading). Another example is the cooperation between the Chinese Charities Federation and the American NGO, the Smile Train, which is providing free surgeries to heal cleft palates among Chinese, as well as free training. (Ministry of Civil Affairs, 2000:p26). In the future, this project will be extended to corrective surgery for other children, allowing these victims to break out in happy smiles. This kind of projects is very meaningful, and it enjoys the enthusiastic support of the Chinese government.

These programs also involve areas of transfer of scientific and technological know-how and the ability to build stronger non-profit organizations in China. For example, with the connections and support of the China International NGO Promotion Association, the United Nations Development Office approved the implementation of a project in order to provide China with expertise aimed at solving difficult technical problems faced by Tibet's nomadic economy, furs and hides procession, geothermal power plants, and the tourist industry. This project will enable economic experts from

China and other countries to supply consultative and technical assistance, and thereby raise the technological levels of the industries cited above and accelerate the economic development of Tibet (Yong, 1999:21).

International non-profit organizations have done much for China's development. Cooperative projects have brought in capital that has promoted economic and social development at the local level. More channels have been opened to the outside world. The market economy concept has expanded the minds of the Chinese government officials and has helped them understand the role and utility that non-profit organizations can play in advancing society. Naturally, for the present, a number of problems are evident. While there is an influx of international non-profit organizations coming into the Chinese market, there is not as yet a full set of laws and regulations to guide and standardize this activity, and establishing this legal framework takes time. There are problems that result from the inability of existing management systems to smoothly manage the activities of international non-profit organizations. Some international non-profit organizations establishing offices or representative offices are registered in Hong Kong, but operate solely inside China. Some register and establish themselves as entrepreneurs, which run counter to the charter of non-profit organizations (Liqing, 1998:29).

Increasingly, China is beginning to study how to forge cooperative relations with international non-profit organizations and support, participate in, and hold discussions on exploring ways of interacting and cooperating with international non-profit organizations around the world. They are studying the organizational management of international non-profit organizations, including program design, evaluating project

management and ways of managing funds. The Chinese government hopes that during this cooperative process, China's non-profit organizations will mature. At the same time, they will work hard to complete the legislative work that will apply to the activities of international non-profit organizations in China. At present, based on investigation and research, they have already put together and passed forward to the State Council, the Regulation on Registration and Management of Foreign Non-profit Organizations in China (May, 2001). This legal guideline will ensure that cooperation and activity in China by NGOs from all countries will be established, operated and managed in compliance with the law and that international cooperation among NGOs will be standardized. This legal guideline is a new mechanism that will facilitate interchanges involving international NGOs in China and Chinese NGOs with the international community and will advance the common development of NGOs work around the world.

The Chinese Government hopes that during the current period in which these laws are not yet complete that international non-profit associations that have been established in China will, in addition to working on those projects which have already been negotiated and funded, work together with Chinese non-profit associations in an even more comprehensive way and work together to launch cooperative programs. The cleft palate repair program that partners the America NGO, the Smile Train, and the Chinese Charities Federation, which is referred above, is a good example of a program that brings out the best of both associations. The American Smile Train offers abundant funding and advanced techniques, while Chinese Charities Federation and local charity NGOs provide information on the distribution and identification of Chinese afflicted with cleft palate. Working together, they can solve whatever

problems might arise during the treatment program. This cooperation maximizes the strengths of both partners. Moreover, this kind of cooperation makes it easier to obtain the assistance and support of local government officials. (China Civil Magazine, 2001:3).

In addition, the World Bank has been working to develop contacts and relationships with Chinese NGOs and has assisted in their development in the following ways:

- Strengthening of Enabling Environment for China's NGOs Development, a project of the Ministry of Civil Affairs (MOCA) founded by an Institutional Development Fund (IDF) grant. This project aims to assist MOCA in building up its institutional capacity and improving an external environment in which NGOs operate, and thus enhancing NGO participation in social and economic development in China through:

  o bringing in useful international experience and assisting in assessing the constraints and weaknesses of the current system with a view to identifying key policy measures, which are needed for generating basic elements of an enabling environment;

  o facilitating easy access of NGOs to government information pertinent to their direct interest and cross sharing of information and experience among NGOs; and

- o assessing training needs, developing training modules and undertaking pilot application of those modules for building up basic and key competence which are required for an effective NGO operation, thereby enhancing the contribution that NGOs are able to make to national development and welfare objectives (China Civil Magazine, 2000:31).

- The Small Grants Program aims to promote dialogue and dissemination of information about development issues in forums outside the Bank's own operations. Its main recipients are NGOs. Since 1999, the management of the program has been decentralized to the field offices. In 1999-2000, the World Bank Office in Beijing awarded 11 grants to Chinese NGOs to support a range of workshops and initiatives. An example was a grant of US$ 10,400 to the Women's Federation in Xishiangbanna Dai Nationality Autonomus Prefecture in China's southwest Yunnan Province, where HIV/AIDS infection rates have increasing dramatically, with women and children particularly vulnerable. This grant financed a series of workshops to share knowledge on AIDS prevention and control. The target audience was local township and village women leaders, mostly Dai or other ethnic minorities, who would in turn educate a larger local audience (China Civil Magazine, 2001:38).

- Assistance to the capacity building of Chinese NGOs. In 2000, the World Bank gave a grant of $30,000 to the China NPO (Non-Profit Organization) Net, a networking initiative by ten major Chinese NGOs, for their two-year training program (http://www.google.com, NGOs in China, 2004). This

program aims to improve the professional and management skills of NGOs and enable them to play a more effective role in economic and social development. The World Bank grant was also supplement by a grant from the Ford Foundation.

4.3.2   South Africa

Compared to China, South Africa's NGOs have enjoyed a longer cooperation with other countries. Foreign donors were unwilling during the apartheid era to channel funds through the Government. Instead, they supported many NGOs directly, enabling them to some extent to fill the development gap left by the apartheid state. The transition to democratic rule saw an increase in foreign cooperation and assistance, with both the state and NGOs. The South African Government and NGOs are supported by a wide variety of bilateral and multi-lateral donors (the UK, USA, Germany, the Scandanavian countries, the EU and the Un to name but a few). The following sections of this research report provide a few examples of such cooperation, focusing in particular on Ireland and Canada.

Ireland and the Irish people have been supporting South Africa for many years. One example is the support a primary health care delivery program in the Free State Province. The program is aimed at addressing the human resource and training needs of Provincial Health sector personnel; facilitating improved primary health care provision at clinic level in Botshableo, and enhancing the capacity of NGOs to address HIV/AIDS needs at community level. South Africa has one of the highest HIV/AIDS infection rates of any country in the world. The latest estimates put the

number of people living with HIV/AIDS at 4.5 million. South Africa accounts for over half of all new infections in the Southern Africa region each year. Irish assistance supports a wide range of HIV/AIDS related activities undertaken by Government agencies and NGOs.

For many years, Canada was a strong supporter of the struggle against apartheid, in particular in the Commonwealth, where Canada chaired the Commonwealth Committee of Foreign Ministers on Southern Africa. It funded numerous South Africa NGOs, such as the Legal Resources Center and the South African Council of Churches, which challenged the apartheid system through the courts, through support for educational upgrading and other programs to promote a more equitable society. During the period 1990 and 1994, Canada provided extensive support for the peaceful transition to democracy, including the development of an interim constitution and preparations for the first non-racial elections in April 1994. Almost 150 Canadians served as election observers under bilateral, multilateral and NGOs auspices. (http://www.google.com Canada and South Africa – An Overview, 2003).

In October 2001, Advocates for Youth launched a 3-year initiative called Leadership Fighting the Epidemic (Youth-LIFE) in order to build the leadership capacity of young people in the area of youth-specific HIV/AIDS prevention interventions and advocacy. The program involves a partnership between NGOs in South Africa, Botswana and Nigeria. Activities include skill-based training, advocacy program implementation, organizational development, and efforts to secure youth participation in policy making. A Youth Activist Network (YAN) has been formed to bring together youth from various NGOs to collaborate on ways to improve youth's

reproductive and sexual health in their communities. The YAN offers a weekly forum for young leaders to share information about activities, brainstorm on collaborative efforts, and transfer skills related to health promotion activities. In addition, young people successfully advocated for a position on the National AIDS Coordinating Association (NACA). The YAN representative on the NACA successfully advocated for a 50 percent increasing in funding designed for youth programs, including programs to improve youth's access to condoms. In South Africa, youth activists held a workshop in October 2002 for 30 university students on the importance of comprehensive sexuality education and youth's access to sexual health services (http://www.google.com YouthLIFE-Botswana, Nigeria, and South Africa, 2004).

South African NGOs have also taken issue with the New Partnership for Africa's Development (NEPAD), charging that the blue print fails to reflect an adequate definition of the term "sustainable development" and warning that this could cost Africa dearly in the long term. According to an interview held by the researcher, "NEPAD needs to be far more widely discussed by civil society than it has been to date, and will require extensive amendments if it is to provide a clear directive to all stakeholders as to how to approach development activities in such a way that Africa's natural heritage is protected." (Interview with Andy Grubb, Western Cape WESSA Manager).

An initiative to build collaboration between government and NGOs to fight human trafficking was launched at a conference in South Africa in June 2004. The three-day conference on The Next Steps to Path Breaking Strategies in the Global Fight Against Sex Trafficking, was sponsored by a global coalition of NGOs and the South African

National Prosecuting Authority. The conference helped to put together a newly constituted national task team's agenda on combating human trafficking and was the fifth follow-up of a world summit held in Washington during 2003. South Africa is a country of origin, destination and transit for victims, who are trafficked primarily for purpose of prostitution and forced labour. Refugees from neighbouring Africa countries, children from Lesotho, women and girls from Mozambique, Malawi, Kenya, Zambia, Nigeria, Senegal, Russia, Thailand, Latvia and Romania are all trafficked into South Africa. After drugs and weapons, trafficking in human beings is South Africa's third most lucrative crime, according to the NGO, Molo Songololo, a child rights advocacy group. (http://www.google.com SOUTH AFRICA: Initiative to fight human trafficking to be launched, 2004)

The involvement in South Africa of the Swiss Agency for Development and Cooperation (SDC) started in the 1980s. Assistance was given to South African NGOs in the field of human rights, democratization, education, and reintegration of refugees and returnees. After the first democratic elections in April 1994, the Swiss Government decided to expand its assistance to South Africa in order to support the democratization process. A memorandum of understanding concerning development cooperation was signed between the two Governments on 14 September 1994. The Special Program with South Africa covers a period of 10 years, 1995-2004. It ended in December 2004 and will be transformed into the Regional Program Southern Africa, with a first program cycle covering the period 2005-2010. The Regional Program will build on experience gained during the Special Program South Africa, and will have a strong South African component. In 2001, SDC together with 10 Corporate Sponsors, created the Swiss South African Cooperation Initiative (SSACI),

a Trust Fund sponsoring local NGOs in the field of skills development and job creation for unemployed youth (http//:www.google.com, NGOs in South Africa, 2004).

The objective of Switzerland's assistance to South Africa is to contribute to the transition process and the consolidation of a new democratic society. SDC aims to contribute to:

- Democratisation, i.e. to strengthen efficient democratic institutions, to build a pluralistic civil society, and to support a human rights culture;

- Development, i.e. to improve access to development resource for underprivileged group (in particular black people, women and communities in poor regions.)

The SDC's strategy emphasizes:

- The building and strengthening of institutional capacity in South Africa,

- The empowerment of underprivileged groups, and

- The formulation and implementation of development and redistribution policies.

Under the Special Programme, South Africa SDC's assistance focuses on three domains:

- Governance, democratization and human rights,

- Education and HIV/AIDS and

- Land reform and community development.

The future Regional Programme Southern Africa will focus on Government, Natural Resources and HIV/AIDS. It will also continue the promotion of Arts and Culture through the Swiss Arts Council (http://www.google.com Cooperation between Switzerland and South Africa, 2004).

Although assistance and support from the above donors (and many more) has helped to build the capacity of South African NGOs and enabled them to carry out their development and advocacy activities, there is no doubt that an increasing number of NGOs are experiencing financial difficulties. This is in part the result of changing donor priorities. South Africa is no longer the kind of "flavour of the month" that it was in the early to mid-1990s. It is also in part the result of the switch by a number of donors from direct funding of individual NGOs to indirect funding through the Government. In 1998, the Government set up the National Development Agency (NDA) as a vehicle for channeling such funds to NGOs and CBOs. However, the NDA has been characterized thus far by mismanagement and corruption. This has resulted in serious delays in the processing of grant applications from NGOs.

4.4   SUMMARY

This chapter has shown that in recent years new opportunities for citizen participation have been opened up in both China and South Africa. In both countries people are seeking new ways of organizing their own institutions to respond to social needs. This has created obvious opportunities but also challenges for the NGO sector. In China one of the main challenges for citizen participation and NGO activity is that the Communist Party and the Government have proved unwilling to make the imaginative leap necessary to release fully independent, bottom-up social forces. In South Africa, the role of civil society has been influenced and changed by the contradictions of the political and economic transition. The result, according to scholars such as Habib (2003), has been the remoulding of civil society organizations into three distinct groupings, comprising formal NGOs who have moved into a collaborative relationship with the state, survivalist organizations largely detached from the state, and social movements who have contested the state on key social and economic issues. The chapter has also examined the issue of cooperation between Chinese and South African NGOs with foreign non-profit organizations. Although a growing number of Chinese NGOs are engaging in such cooperative relations, this is a relatively recent development and one that that continues to be constrained by the Government's seeming reluctance to establish an appropriate legal framework to guide and standardize this activity. South African NGOs have a much longer history of fruitful cooperation with foreign NGOs and cooperation agencies. However, an increasing number of NGOs are experiencing financial difficulties, largely as a result of changing donor priorities and the switch by many donors to indirect support through the Government's National Development Agency.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.1 INTRODUCTION

This chapter focuses firstly on the prospects for the future development of NGOs in China and South Africa, with a particular emphasis on the key challenges and constraints that will need to be addressed if NGOs are to play an increasingly important developmental role in the two countries. It then presents a number of suggested recommendations for dealing with such challenges and constraints. Finally, it provides a brief conclusion.

5.2 PROSPECTS FOR FUTURE DEVELOPMENT

5.2.1 China

China has entered a completely new historical era. In this new era, China's planned economy is being converted into an oriental market economy system. This new system brings new development opportunities for social organizations. This is because:

- China's socialist market economy system is gradually establishing itself, which creates urgent requirements for the establishment of a wide variety of types of NGOs. It is necessary to develop a multifaceted group of civil

organizations, because of the rapidly expanding marketing of the economy. This opens up an important space for NGO development.

- The reform of government organizations and the enterprise system is deepening, and this bodes well for the development of civil organization. In the coming few years, gradual reforms at all levels of people's government will be launched at the local level, and enterprise reform will be deepened even further. To adapt to the coming changes in governmental functions and the downsizing and increased efficiency of overstaffed enterprises, some social administrative and service functions currently undertaken by government, will increasingly be given over to civil society organizations and NGOs.

- Accelerated steps have been taken to build a legal and regulatory system for the registration and operation of NGOs.

The above factors, among others, have led to the rapid growth of NGOs and civil society organizations in China in recent years. During the mid 1990s, for example, the number of social organizations increased at the rate of about 30,000 per year (Zhongze, 1999:9). However, although the prospects for the future development of NGOs in China are clearly quite positive, a number of important challenges remain. In the first place, the Government and ruling party are clearly reluctant to reduce their political control by facilitating greater autonomy for the Chinese NGO sector. The regulatory framework, therefore, remains quite centrist and restrictive in many ways. In the second place, if the NGO sector is to take full advantage of the opportunities

that have been created for their growth and development, NGOs will also need to take steps to reform themselves and strengthen their own capacity and management standards. In particular, "they should think clearly about how to find ways to achieve breakthroughs and provide good services, about how to communicate, coordinate, lead and supervise, and how to adapt to the requirements of the socialist market economy." (Xiaohua, 2002:14)

5.2.2   South Africa

According to the South African Minister of Social Development:

> The basic twin expectations of government are that NGOs will firstly, continue to act as monitors of the public good and safeguard the interests of the disadvantaged sections of society. This performance of this social watch role requires both transparency and accountability on the part of NGOs. The government's second expectation is that NGOs will assist in expanding access to social and economic services that create jobs and eradicate poverty among the poorest of the poor. This requires cost effective and sustainable service delivery" (Zola Skweyiya, Quoted in Barnard & Terreblanche, 2001:17).

South Africa has experienced ten years of democracy and freedom. During these ten years, the twin processes of democratization and globalization have facilitated the reassertion of the plural character of civil society and undermined the homogenous effects that the anti-apartheid struggle had on this sector. As noted in the previous Chapter of this research report, this has led to the evolution of civil society organizations into three distinct blocs: formal NGOs who largely collaborate with the state; a survivalist community-based sector largely detached from the state; and social movements who are increasingly contesting aspects of government policy.

The more formal NGOs' collaborative relationship with the state is largely a product of the services they render for the state. In a society confronted with massive backlogs

and limited institutional capacity, this role is in many ways beneficial to democracy since it facilitates and enables service delivery to ordinary citizens and residents. However, there is the danger in this collaborative relationship of cooption by the state. Similarly, the 'adversarial and conflictual' (Habib & Kotze, 2002:23) role of new social movements in some ways serves to enhance democracy for it creates a fluidity of support at the base of society. However, it might also represent a threat to political stability in the medium to longer term.

With respect to more specific challenges facing the NGO sector, the issues of financial sustainability and accountability, capacity building, and managerial capability still need to be addressed more effectively. Issues surrounding the legislative and regulatory framework and the role of the National Development Agency (NDA) also need to be addressed. In terms of the above mentioned issues relating to NGOs, the following recommendations are suggested:

5.3   RECOMMENDATIONS

In order to enable NGOs in China and South Africa to play an increasingly effective role in social and economic development, the following recommendations are put forward.

- **Legislation and Policy System**

With respect to China, a more coherent legislative and regulatory system needs to be put in place. This should give NGOs more autonomy to govern and regulate

their own activities, but in a transparent and accountable way. Although the South African legislation and policy system regarding NGOs is more advanced than that in China, improved systems of supervision and evaluation need to be put in place by government. The Government in South Africa also needs to ensure that organizations such as the National Development Agency operate efficiently and accountably in ways which support the continuing growth and development of the NGO sector.

- **Strengthening Partnerships and Dialogue**

If NGOs are to contribute effectively to the processes of development and poverty alleviation, there will be a need for a more holistic, multi-sector and a multi-disciplinary approach that includes partnership and dialogue between local communities, churches, other religious organizations and traditional authorities, civil society organization, the business sector, government, and overseas partners, both in China and in South Africa.

- **Building Institutional Capacity and Strategies**

Although many NGOs in both China and South Africa have demonstrated an incredible ability to innovate and devise new ideas and programs, such programs have often failed to realize their potential because of a lack of appropriate institutional capacity. NGOs therefore need to devote more attention to managerial and strategic tasks, in particular to ensure that they have the necessary resources,

human, technical, managerial and financial, to enable the task at hand to be carried out.

- **Capacity Building and Providing Expertise to Local People**

Not only should NGOs seek to build their own capacity, they should also improve their ability to build the capacity of the communities with which they work. One way in which they can do this is by sharing and transferring their own professional expertise. In China, for example, many NGOs have varied professional expertise. Over the past years, there has been an increase in the number of young and technically well-trained specialists (researchers, lawyers and economists, for example), joining development–related NGOs. This expertise should be brought in more effectively to the areas in which they operate.

- **Transparency and Accountability**

NGOs should continue to act as monitors of the public good and safeguard the interests of the disadvantaged sections of society. The performance of this social watch role requires both transparency and accountability on the part of NGOs. NGOs can assist in expanding access to social and economic services that create jobs and eradicate poverty among the poorest of the poor, in China and South Africa.

A system of administration management should be established that is highly efficient, transparent and accountable, integrates the coordination of management services, elevates the quality of management work across the board; is administered strictly according to law; and ensures the healthy development of NGOs in both countries.

- **Involvement in Research and Policy Making**

NGOs should be seen as more than social implementing agencies, helping to fill the service delivery gap that government by itself cannot meet. In their work with communities, NGOs gather a considerable amount of information and knowledge that could usefully inform the policy formulation processes in the two countries. The respective governments should set up appropriate consultative machinery to ensure that NGO information and research effectively informs the policy making process, in particular on development issues.

5.4   CONCLUSION

Although NGOs, as this research report shows, are currently playing an important role in both China and South Africa in economic, social and cultural development management, there is clearly scope for NGOs to play a more important role in both countries towards the processes of democratisation and development. The above set of recommendations include some proposals in this regard.

With the transition to reform and a socialist market economy, Chinese NGOs have developed rapidly in recent years. However, in many ways they are still in the primary stages. For their independent development in the future, a lot of work still needs to be done. A more favourable legal environment for NGO registration, operation and financial donations needs to be provided by the Government. NGOs need to build sound governance and management structures and attract more quality professionals to work for them. They also need to strengthen communication and cooperation with the corporate sector and international NGOs to enhance their management and fundraising ability.

In South Africa, NGOs are at a more mature stage of development than those in China. However, as this research report shows, there are still a number of important challenges that need to be addressed if the NGO sector is to play an increasingly important collaborative partnership role in addressing the serious social problems that continue to face the country.

BIBLIOGRAPHY

Books and Book Chapters

Barnard, D. & Terreblanche, Y. (2001). *PRODDER: The South African Development Directory.* Pretoria: Human Sciences Research Council.

Buchanan, J.M. (1980). 'Rent Seeking and Profit Seeking' in Buchanan, J. M. Tollison , R.D. and Tullock, G. (eds.): *Towards a theory of the Rent-Seeking Society.* Texas: Texas University Press.

Cohen, J. & Arrato, A. (1992). *Civil Society and Political Theory.* Boston: MIT Press.

Habib, A. & Taylor, R. (1999). *South Africa: Anti-apartheid NGOs in Transition.* Oxford: Oxford University Press.

Honey, M. & Bonbright, D. (1992). *Development in the Transition: Opportunities and Challenges for NGOs in South Africa*. Potchefstroom: The Development Society of Southern Africa.

Jeppe, W.J.O., Theron, F. and van Baalen, J.P.J. 1992. *NGOs in Development*. Stellenbosch: Stellenbosch University.

Peter, H. (2001). *Green without Conflict? Environmentalism NGOs and Civil Society in China.* Beijing: Civil Affairs Press.

Putnam, R.D. (1993). *Making Democracy Work, Civic Traditions in Modern Italy.* Princeton: Princeton University Press.

Robinson, M. (1993). 'Governance, Democracy and Conditionality: NGOs and the New Policy Agenda' in Clayton, A., (ed). *Governance, Democracy and Conditionality: What Role for NGOs?* Oxford: INTRAC.

Swilling, M., Russell, B. & Habib, A (eds) (2002). *The Size and Scope of the Non-profit Sector in South Africa.* Johannesburg: School of Public and Development Management; Durban: Centre for Civil Society.

Styger, P. and Cameron, M. (eds). (1992). *Development in the Transition: Opportunities and Challenges for NGOs in South Africa.* Potchefstroom: The Development Society of Southern Africa.

Journal Articles

Beiyuan, R. (2000). 'An Outline Status of NGOs in China'. *Beijing Review*, Vol. 46.

Carter, M.R. & May, J. (2001). 'One Kind of Freedom: Poverty Dynamics in Post Apartheid South Africa'. *World Development* 29 (12): 1987-2006.

Edwards, M. & Hulme, D. (1996). 'Too Close for Comfort: The Impact of Official Aid on NGOs'. *World Development*. 24(6).

Ming, W., (2000). 'Case Study on China's NGOs'. *Beijing Review*, Vol. 36 (26).

PRODDER (1991). 'Development Research'. *Prodder Newsletter.* Vol 3, No.1.

Streeten, P. (1997). 'NGOs and Development'. *Annals of the American Academy of Political and Social Science.*

Yunsong, G. (2002). 'NGOs in China'. *Tsinhua University Academic Review*, 58 (6).

Legislation, Regulation and Policy Documentation

China State Council. (2002). *Chinese Government Gazette* No.5:17, No.8.

China State Council. (2000). *China State Council Bulletin,* Vol.23 (16): 12; Vol. 29 (18).

China State Council (1998). *Bulletin.* May 1998. Vol.23, No.16.

China Facts and Figures. (2000). *Facts & Figures* Compiled and published by New Star Press Publishers.

China Facts and Figures. (2003). *Facts & Figures.* Compiled and published by New Star Press Publishers.

Chinese Ministry of Civil Affairs. (2001). *China Civil Bulletin.*

Chinese Ministry of Civil Affairs. (2000). *China Civil Bulletin.*

Chinese Ministry of Civil Affairs. (2000). *Regulations of NGOs Administration. .*

Chinese Ministry of Civil Affairs (2001). *China Civil Magazine.* No,14.

Chinese Ministry of Civil Affairs. (2000). *China Civil Review* No. 7.

Chinese Ministry of Civil Affairs. (1998): *Regulation on the Registration and Administration of Social Organizations.*

China Central Government Office of Law and Regulations – White Paper. (2000). *China State Council Bulletin,* June 28.

Chinese Development and Reform Committee. (1998-2003). *China Development Brief,* Vol. 3; Vol.16.

Ministry of Finance, Republic of South Africa. (1997). *Income Tax Act.*

Ministry of Health Services and Welfare, Republic of South Africa (1978). *National Welfare Act..*

Ministry of Health Services and Welfare, Republic of South Africa. (1994) *Funding –Raising Act.*

Ministry of Regional and Land Affairs, Republic of South Africa. (1951) *The Black Authorities Act..*

Ministry of Security Service, Republic of South Africa (1982). *Internal Security Act.*

National Revenue Service, Republic of South Africa. (2002). *Taxation Laws Amendment Bill.*

Discussion Papers

The Cape Flats Development Association (2004). *Coalition Plan.*

Cernea, M.M. (1988). *NGOs and Local Development*. World Bank Discussion Paper. No. 40.

Clayton, A. (2000). *Civil Society Organizations and Provision.* Geneva, United Nations Institute for Social Development, Civil Society and Social Movement Programme Paper, No.2.

Gideon, E. (1993). *Saints or Sinner? NGO in development.* Research Paper, Potchefstroom University for Christian Higher Education.

Graeme, S. (1998). *NGOs and Democracy: Building for the new millennium* Centre for the Study of Violence and Reconciliation.

Habib, A. & Kotze, H. (2002). *Civil Society, Government and Development in an Era of Globalisation.* Human Sciences Research Council Research Report.

Lee, R. (1992). *No Perfect Path: Cooperation for Development.* Department of Development Administration, University of Stellenbosch.

Merrington, G. J. (1993). *What Role for NGOs in Development?* Research Paper, Potchefstroom University for Christian Higher Education.

Sanyal, B. (1994). *Cooperative autonomy: the dialectic of state – NGOs relationship in development countries.* International Institute for Labour Studies.

Shaoguang, W. (1999). *Multivariate and Unification.* Hangzhou University.

Xiaohua, L. (2002). *NGOs and Sustainable Development.* Development Research Report, Tsinghua University.

Yiyi, L. (2000). *The Role of International Organisations in the Development of West China.* Development Research Report, Tsinghua University.

Yong, L. (1999). *Legislation of China's Civil Organization and Comparison with Foreign Counties.* Collected Reports of Training Course for China's NPO Administrators.

Zhongze, W. (2000). *Report by Senior Civil Affairs Official.* Unpublished Workshop Paper. Tsinghua University NGO Research Center.

Unpublished Theses

Chenguang, W. (2003). *NGOs Status in China.* Unpublished Masters thesis. Hangzhou University.

Kunp, E. (1997). *Environmental NGOs in China: An Overview.* Unpublished Masters thesis. Hangzhou University.

Liqing, Z. (1998). *NGOs in China.* Unpublished Master's thesis. Tsinhua University.

Patel, R. (1991). *Principles, Guidelines and Recommendations for development al social welfare policies and programmes in a democratic South Africa.* Unpublished Master's thesis. University of Witwatersand.

Tao, L. (2003). *Are there any real NGOs in China?* Unpublished Master's thesis. Beijing University.

Ye, Z. (2003). *China's Emerging Civil Society.* Unpublished Ph.D thesis. Zhejiang University.

Newspaper Articles

Sengmin, L. (2003). 'How to develop NGOs in China?' *South China Morning Post,* 12 August.

Stuart, T. (2004). 'Oasis a shining light for struggling NGOs'. *Southern Suburbs Tatler.* 15 April.

Internet (www) references

Stoppard, A. (2002). South Africa: *Infighting Hampers Forthcoming UN Summit* Inter Press Service. [Online]. Available

http://www.globalpolicy.org/ngos/role/globalem/credib/2002/0318summit.htm

Canadian High Commission in South Africa. (2003). *Canada and South Africa – An Overview.* [Online]. Available

http://www.dfaitmaeci.gc.ca./southafrica/pol_econ_en.asp

Chenguang, W. (2003). *China Environmental NGOs.* [Online]. Available

http://www.china.org.cn/english/2002/jul/htm

Charm Govener. (2002). *Trends in Civil Society in South Africa today.* [Online]. Available http://www.anc.org.za/ancdocs/pubs/umrabulo/umrabulo13m.html

Graeme, S., (1997). *NGOs and Democracy: Building for the new millennium.* Center for the Study of Violence and Reconciliation. [Online]. Available

http://www.csvr.org.za./articles/artdir97.htm

Hanns Seidel Foundation South Africa. July 31, (2002). *South Africa NGO Faults-NEPAD Over Sustainable Development, allafrica,* [Online]. Available

http://www.globalpolicy.org./ngos/role/policymk/conf/2002/073/southaf.html

Habib, A. July, (2003). *HSRC. State-Civil Society Relations in Post-Apartheid South Africa* Paper to be presented at the Public Participation Conference, Durban. [Online]. Available http//www.google.com. NGOs in South Africa.

News Trove.com. (2004). *YouthLIFE-Botswana Nigeria, and South Africa.* [Online]. Available http://civilsociety.newstrove.com/

Perssend, M. (2002). *A statement from the South African NGOs Forum for the World Summit on Sustainable Development*, JHB. [Online]. Available http;//www.johannesburgsummit.org/prepcom1docs/multisake_dialogues/precom_one_statement_by_sangoes.pdf

SADC. (2004). *Cooperation between Switzerland and South Africa.* [Online]. Available http://www.sdc.org.za./index.php?userhash

United Nations. (2004) *South Africa: Initiative to fight human trafficking to be launched, 2004.* [Online]. Available http//www.google.com.

United Nations. June, (2004). *UN Integrated Regional Information Networks, June 2004, South Africa: Civil Society Network Ready to Help ARV Rollout.* [Online]. Available http://www.hst.org.za/news/20040488

World Bank. (1990). *How the World Bank works with NGOs --NGO Definitions The World Bank.* [Online]. Available http//www.gdrc.org/ngo/wb-define.html

Reference Books

Hoff, M.D. (1998). *Sustainable Community Development: Studies in economic, environmental, and cultural revitalization.* London, New York, Washington: D.C. Lewis Publishers.

Humphries, R. & Reitzes, M. (1995). *Civil Society after Apartheid.* London: Hutchinson.

Immanuel C.Y. Hsu. (1995). *The Rise of Modern China.* Fifth Edition. Oxford: Oxford University Press.

Letster, A., Nel, E. and Binns, T. (2000). *South Africa Past, Present and Future.* Gold at the end of the Rainbow? Cambridge: Cambridge University Press.

Lewis, D. (2001). *The Management of Non-governmental Development Organizations: An introduction.* London: Routledge.

Lulu, L., & Hanlin, L. (2000). *China's Unit Organization – Resources, Power and Exchanging.* Hangzhou: Zhejiang Renmin Press .

Naquin, S. & Rawski, E.S. (1987). *Chinese Society in the Eighteen Century.* Yale: Yale University Press.