

SCANNING THE HORIZON

Sector Guide #1



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“Strengthening the adaptive and collaborative capacity of internationally-operating civil society organisations (ICSOs) related to the rise of China”

Executive summary

China’s growing influence in the world has been identified as one of the top global trends influencing the trajectory and development of other major trends relating to sustainable development. China’s relevance for civil society organisations (CSOs) is therefore also growing rapidly on a global scale. This means even organisations without a dedicated country programme or a physical presence in China need to study and develop future skills and strategies to navigate the impact of Chinese foreign and development policies on their activities in other parts of the world. This includes leveraging the positive potential of Chinese financial contributions and technological innovations for developing countries, as well as countering rising threats to civic participation and human rights due to the Chinese Communist Party (CPP)’s promotion of an authoritarian development model. This guide therefore takes as a starting assumption that both constructive engagement and principled advocacy efforts are required from CSOs in order to engage with China’s global impact.

Based on insights from internationally-operating CSOs (ICSOs) with very different histories of engagement with China, this guide is intended to provide strategic pointers and identify practical entry points for senior ICSO leaders to summarise the key themes and implications for our sector. This can help them think through the current strategies and capacities of their individual organisations and further develop future engagement and adaptation approaches, as well as strengthen the sector’s collaborative capacity to be better prepared in face of this major trend.

This guide identifies three types of recommendations for internationally-operating CSOs which are applicable to organisations of a range of sizes, structures and operating models (i.e. not necessarily with a presence, office, team or representation in mainland China itself):

1. Overall cross-cutting strategy recommendations for individual ICSOs to strengthen their organisational capacity
2. Overall cross-cutting strategy recommendations for strengthening sectoral collaborative capacity allowing better preparation and adaptation to the rise of global China
3. Strategic pointers (trends and future perspectives) under four key sub-themes:
 - 3.1 Changes in Chinese investment and development finance under the Belt and Road Initiative (BRI)
 - 3.2 China’s aspiration to become a global technology leader
 - 3.3 The internationalisation of Chinese non-governmental actors
 - 3.4 China’s growing influence on global governance and the UN system

THE MAIN CROSS-CUTTING RECOMMENDATIONS ARE FOR ICSOS TO:

-Develop a specific, organisation-wide Global China strategy, based on a candid assessment of areas of complementarity and conflict between the organisation's own mission and values, and relevant Chinese actors' international approaches.

-Agree on an internal risk management strategy and inclusive management process for "speaking out" critically on issues involving China at global scale.

-Reassess regularly the costs and benefits of establishing or maintaining a physical presence in mainland China. Considering the Chinese Party-state's increasingly securitised approach to "overseas NGOs" operating inside the country itself, the benefits of direct access and established relationships need to be weighed against the risks of potential self-censorship regarding China-related issues elsewhere in the world.

-Support and leverage the trend towards internationalisation among Chinese social organisations, such as non-governmental organisations and philanthropic foundations. In the mid-term, ICSOs should aim to move from one-way capacity-building for Chinese organisations to two-way partnerships with tangible benefits for constituents in developing countries.

-Focus engagement efforts on issue areas where Chinese actors can realistically contribute to global public goods, and where meaningful civil society impact is possible. This particularly includes: climate crisis mitigation and adaptation, environmental protection and biodiversity, equity in international development, as well as impact assessments and monitoring of Chinese development finance.

-Pool resources with peer organisations to commission strategic analyses and develop joint civil society responses, particularly in fast-moving areas like information and communication technology, where China's impact upon developing countries is rapidly increasing.

-Strengthen transnational sector-wide collaboration to protect spaces for civil society activity, in particular the defence of human rights and public scrutiny of state and corporate behaviour. While China is not the only authoritarian country trying to encroach upon freedom of expression beyond its own borders, its current administration has shown an unprecedented determination to ideologically influence and restrict debates about China worldwide.

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INTRODUCTION

Background: This guide aims to help leaders of internationally-operating civil society organisations better understand and engage with the implications of China's growing global influence for the future work of their organisations. It is the culmination of a series of interviews and workshop discussions with ICSOs working in, on, or with China to different degrees. In particular, the guide builds on inputs and discussions from a three-day conference organised by the International Civil Society Centre in Hong Kong in June 2019. The meeting provided the opportunity for ICSOs to exchange experiences of their current Global China strategies, identify key trends, and discuss future possibilities for engagement and needs for adaptation. Following the June meeting, additional interviews and validation sessions were conducted with ICSO representatives and a range of experts from mainland China, Hong Kong, Europe and the US.

China's rise is widely regarded as one of the top global trends influencing the trajectory of other major megatrends for decades ahead. Already today, the People's Republic presents a unique case for the international civil society sector: On the one hand, it is a **major emerging player in international development finance**, particularly if concessional and non-concessional flows are considered together.¹ Having managed an astounding economic transformation and achieved considerable success domestically in terms of absolute poverty reduction, China has positioned itself as a potential model for poorer countries. Moreover, most of the global public goods for which civil society actors across the world are now working urgently towards, such as effective governance mechanisms to tackle the climate crisis, are inconceivable without China's participation and positive contribution. On the other hand, China is the largest and internationally **most influential authoritarian country**, governed by an unprecedented form of market-based neo-Leninism. The current administration has not only cracked down on civil society domestically, but is also increasingly active in promoting its own visions of governance – including the constraining of spaces for critical public scrutiny of state behaviour – in many traditional working areas of ICSOs.²

From a global civil society perspective on China's rise and global impact, **pragmatic engagement and principled advocacy** are both needed. The main challenge for individual ICSOs and the sector as a whole is how to reconcile, combine or at least better coordinate both strategies. Even if the potential for future ICSO engagement remains difficult to predict due to major geopolitical uncertainties regarding China's future trajectory and relationship with Western countries, several important sub-trends shaping China's impact on issues relevant to global civil society, particularly in the Global South, can be identified, including:

- (1) The geopolitical and diplomatic ambitions underlying China's Belt and Road Initiative (BRI)
- (2) The Chinese government's and companies' concerted efforts to make China into a global technology leader
- (3) The incipient internationalisation of Chinese NGOs nevertheless under even stricter Communist Party control
- (4) China's growing influence on global governance and the role of civil society in the UN system

CROSS-CUTTING STRATEGY RECOMMENDATIONS

Navigating a cross-cutting, globally relevant issue like China's rise can be a major organisational challenge for ICSOs, particularly those with a highly decentralised or federated structure to better account for different local conditions in individual target countries. This section first summarises strategic considerations for individual ICSOs aiming to develop a more coherent Global China strategy, as well as several recommendations relating to internal processes and external communication strategies. The section then includes cross-cutting recommendations for strengthening the collaborative capacity between ICSOs to increase the sector's overall efficiency and impact on critical issues.

¹ Dreher, Axel, Andreas Fuchs, Bradley Parks, Austin M. Strange, and Michael J. Tierney (2017): Aid, China, and Growth: Evidence from a New Global Development Finance Dataset. AidData Working Paper #46. Williamsburg, VA: AidData at William & Mary

² Deibert, R. (2015). Authoritarianism goes global: Cyberspace under siege. Journal of Democracy, 26(3), 64-78.; Gehring, Kai, Lennart Kaplan, and Melvin H. L. Wong. 2019. China and the World Bank: How Contrasting Development Approaches Affect the Stability of African States. AidData Working Paper #70. Williamsburg, VA: AidData at William & Mary

01. Strengthening Organisational Capacity

GLOBAL CHINA STRATEGY: ICSOS SHOULD

1. Complete an internal global mapping exercise to identify existing entry points and added value. There may well be more happening in relation to analysing and engaging Chinese actors across multiple offices or country teams in a global ICSO family or federation than is currently “centrally” known. Comprehensively documenting these efforts can identify capacity gaps and existing entry points to add value to initiatives teams are already working on. For instance, one ICSO reported that its China team had only discovered through this type of concerted global mapping that several country teams in Africa already had regular informal exchanges with Chinese corporate actors.

2. Develop specific strategy and analysis: ICSOs should aim for a cross-cutting strategy to navigate China’s rise at an overall global level, as might be the case for other megatrends (such as advances in digital technology or urbanisation). Individual country or regional strategies, as well as political landscape analyses for countries with significant Chinese investment (particularly in Southeast Asia and East Africa), should also routinely include a “China angle”, developed in coordination with internal and external China experts.

3. Look for opportunities to add value to local expertise and initiatives. Any strategic reflection process within an ICSO should start by considering and inquiring carefully about **what is already being done** by mainland Chinese- and Hong Kong-based organisations, as well as trans-Asian civil society networks in the proposed area of work. For instance, Hong Kong-based labour groups have already been working for more than 15 years to improve labour conditions in Chinese-invested factories and infrastructure projects across Southeast Asia, through capacity-building for workers and management, public advocacy or promotion of collective bargaining. An ICSO with roots outside the region should therefore inquire carefully regarding where it could make a positive contribution and add concrete value.

4. Carry out regular internal cost-benefit assessments of establishing or maintaining a physical presence in mainland China. Under the current challenging domestic environment and growing constraints for civil society in mainland China, this is the most fundamental and far-reaching strategic choice for globally-oriented ICSOs. The inevitable trade-off is between easier access and trusted relationships which can also be key to building global partnerships on one hand, and the possibility of speaking freely and critically about the problematic aspects of Chinese actors’ worldwide behaviour on the other. While there is no general “right or wrong” answer to the question, this **trade-off should be candidly acknowledged** as part of a regular internal reassessment sensitive to the implications of an ICSO’s China presence for its activities and space for advocacy in other parts of the world.

4.1 Insider or outsider strategy? At the June 2019 Hong Kong meeting, it clearly emerged that ICSOs with a longstanding presence and well-established partnerships in mainland China will strive to maintain them, even in increasingly difficult circumstances. For other ICSOs which have a broad global presence and mission orientation, whether to try to establish or maintain a representative office in mainland China in this rapidly-changing legal and political environment is a crucial question. Recent public backlashes against ICSOs in Hong Kong for their self-imposed silence on pro-democracy protests and police violence have further highlighted the international reputational risks that come with concessions to Beijing.³

4.2 Legal compliance: The new Overseas Non-Governmental Organisation Management Law (“ONGO Law”) from January 2017, leaves foreign NGOs only two ways of operating legally in mainland China (thereby drastically reducing the space for “grey area” activities tolerated in previous years):

³ Several ICSOs with fundraising offices in Hong Kong reported a significant decline in donations since June 2019, which may also however be partly because Hong Kong citizens are less willing than before to donate to projects in mainland China.

-By registering a permanent **representative office** (代表机构), which requires a (mostly governmental) Chinese sponsoring agency and frequent, detailed reports about all activities to the responsible Public Security Bureau.

-By having a Chinese partner organisation file individual projects as **temporary activities** (临时活动). Despite the Chinese government’s claims that the ONGO Law would drastically increase legal certainty and predictability, many foreign NGOs’ experiences suggest that both types of operations remain heavily predicated upon political goodwill, often that of local-level politicians or public-security officials. Either way, organisations unfamiliar with Chinese law will probably be reliant on extensive legal counselling.

5. Monitor the potential of fundraising from Chinese donors. The ONGO Law prevents foreign-based NGOs from “public fundraising” within mainland China. It does not, however, prohibit accepting funds from Chinese donors in principle. There are several avenues which can be explored for programming outside of mainland China:

5.1 Fundraising in Hong Kong, including from mainland Chinese entrepreneurs or companies’ branch offices, has been a tried and tested strategy by several ICSOs over the past decades. However, there is disagreement among ICSOs about its future potential: while some fear the negative impact of ongoing political conflicts, others emphasise the immense potential of increasingly internationally-minded Chinese entrepreneurs. Also note that several ICSOs which fundraise in Hong Kong have recently come under fire (including calls for boycott) from the public there, for not supporting the protest movement e.g. with medical assistance.

5.2 Internet philanthropy and online crowd-funding through Chinese social media platforms – although currently not permitted for foreign NGOs in mainland China – is a rapidly accelerating trend and important opportunity which needs to be taken into account, if only as a possibility for Chinese partner organisations to raise funds for joint projects online⁴. In addition, high-profile annual events like Tencent’s 9-9 charity day (actually several days in the run-up to 9 September) can be used not only for fundraising but also for **attracting the Chinese public’s attention to important causes** through a combination of online and offline activities⁵.

5.3 Setting up a local foundation or a social enterprise to raise funds in mainland China is another possibility mentioned by three ICSOs. Such an organisation, run by Chinese staff and supported by important Chinese public figures (e.g. philanthropists), could be a viable option for ICSOs that enjoy a good reputation and political standing in mainland China, although this does come with some risks.

5.4 Fundraising from Chinese companies. Service-oriented ICSOs emphasised the great potential of using their expertise, for instance in community engagement, in joint projects which could simultaneously alleviate the negative implications of Chinese overseas investments for local communities and mitigate investment risks for Chinese companies. However, these cooperation models mostly remain at a try-out stage, with only two ICSOs reporting successful implementation of joint projects. In addition to issues of mutual trust-building, administrative questions remain over the preferable forms of such funding (grants from company foundations or service contracts, contracts with headquarters in mainland China or with overseas branch offices, etc.).

⁴ Under the Charity Law (慈善法) enacted in September 2016, online fundraising is only allowed on one of the 20 current “Online Public Fundraising Information Platforms” (互联网公开募捐信息平台), officially recognised by the Ministry of Civil Affairs. According to official figures, the market is largely dominated by “Tencent Charity” (腾讯公益) as well as Alibaba Group’s “Ant Love” (蚂蚁金服公益) and “Alibaba Philanthropy” (阿里巴巴公益).

⁵ Even non-public fundraising Chinese charities organise their own offline activities in the run-up to 9 September as part of their awareness-raising programmes on diverse social and environmental issues.

INTERNAL PROCESSES, PEOPLE & SKILLS: ICSOS SHOULD

6. Set up a special role for a Global China coordinator (or team), responsible for knowledge-sharing and coordination between mainland China and/or Hong Kong offices, the ICSO's federation/headquarter/international office, and other regional and country offices. **Strategies for (domestic) China and Global China activities should follow different parameters.** This Global China coordinator, and not the regular China office staff busy with domestic projects, should be the first "go to" point for all questions arising within the organisation related to Chinese actors abroad. Besides building special expertise on global Chinese activities, setting up an **internal strategic "sense-making" hub** which can synthesise, analyse and share key insights and learning for busy staff would also be a worthwhile investment.

7. Use scenario-based planning tools. ICSO strategies have to take into account a high degree of uncertainty over China's future trajectory, regarding both geo-economic impact and the evolution of political attitudes towards and from Western countries and actors. Using scenarios with different possible trajectories and key assumptions could present a range of new insights to incorporate into strategic planning.

8. Develop guidelines for managing data security risks. This includes technical as well as international knowledge management questions. While the NGO Law requires filing detailed reports about all activities in mainland China to public security officials, ICSOs should also develop guidelines for which information on global activities should be sent to mainland China, or otherwise accessed by China-based staff.

9. Manage staff and skills for institutional memory and learning. Given the complexities and sensitivities involved with personal relationships, stakeholder interactions and contextual changes, **documenting an institutional "knowledge bank"** of how organisational decisions and analysis have been made and developed from the past is particularly important. To avoid the loss of institutional knowledge in case of turnover or other unforeseen events, at least one staff member at federation/global or regional level with **Chinese language skills** should be able to communicate, document and retain this institutional knowledge from colleagues and partner staff in China country offices.

10. Consider introducing secondment schemes between staff from the China country office or programme and other international offices or country programmes, e.g. in Africa, to build colleagues' capacity, skills or knowledge on global China and foster mutual understanding between China and other regional or country teams.

COMMUNICATIONS: ICSOS SHOULD

11. Agree an internal risk management strategy and management process for "speaking out" critically on issues involving (global) China. In recent years, the Communist Party-state's sensitivity to even moderately critical remarks about China's global impact and human rights record has increased further. For ICSOs with a permanent presence in mainland China and/or partnerships with Chinese organisations, this means that outspoken criticism of Chinese actors by country offices or branches in another part of the world can create risks for staff in their China office. For advocacy-oriented organisations without a mainland China presence, a major challenge is how to engage potential partners and stakeholders (e.g. Corporate Social Responsibility (CSR) departments of Chinese companies) without compromising on their own principles and demands. Agreeing an **organisation-wide protocol to guide internal communication and inclusive decision-making** and risk tolerance will help navigate these tensions within ICSOs trying to strike a balance between constructive engagement and principled public advocacy.

12. Conceptualise "impact", "influence" and "results" differently in and for China-related work: Planning, measuring and communicating an organisation's social impact has become a common expectation among international development donors and fundraising

organisations alike. However, successful Chinese CSOs as well as ICSOs with long experience working in the country stress the importance of not publicly claiming any kind of social change or influence on a policy or partnership. This is particularly important for foreign organisations in times of growing distrust from Chinese party-state actors towards foreign interference. A Chinese partner may be discredited or get into serious trouble if an ICSO claims influence on its work, particularly if this involves policy/advocacy with any government agency. Engagement may therefore require different ways of conceptualising, "expecting", tracking and claiming impact in comparison with ICSOs' traditional ways of doing this, which can obviously pose challenges e.g. in fundraising where visible results, attribution or contribution are explicitly sought. This may therefore also require the influencing and educating of international donors and supporters to accept that activities are still important in and of themselves, even if results cannot be tracked or publicised.

13. Focus on ICSOs' technical expertise in exchanges with Chinese counterparts. The ability to provide data and results from an organisation's own field research on specific problems, along with possible solutions, was highlighted by many ICSOs as the key to building credibility. One ICSO highlighted how its detailed case study evidence of a Belt and Road project in Myanmar, which backfired due to public resistance, convinced Chinese policymakers to promote better risk management safeguards for similar future projects.

14. Address and frame policy recommendations carefully. There remains a range of possibilities for presenting recommendations to Chinese policymakers between openly confrontational language and the uncritical adoption of official Party ideology. One strategy for public recommendations is to **use UN language to build a common basis for engagement.** For instance, instead of explicitly repeating Chinese slogans around BRI, ICSOs can refer to China's - actual and potential - contributions to the **UN Sustainable Development Goals**, which are also consistently highlighted by Chinese policymakers. Often, the most feasible way would be to **provide recommendations internally to Chinese partners, scholars or think tank peers.** Individual government agencies may also be directly addressed with specific references to their current policy tasks and bureaucratic interests.

02. Strengthening Sectoral Collaborative Capacity

COLLECTIVELY: ICSOS SHOULD

15. Build horizon-scanning capacity and pool resources to clarify blind spots and fill knowledge gaps. ICSOs should build a **trend-scanning network** on global China to informally share resources, updates, and analysis on China, and grow the “eyes and ears” necessary to understanding the impact and influence of Chinese investment and engagement around the world. There is currently limited capacity and funding available within most ICSOs to individually carry out important longer-term analyses. This suggests both a clear need and opportunity for ICSOs to pool finances and resources to jointly commission analyses and scoping work on areas of common interest. Potential topics for longer-term analyses include central government plans like the “Made in China 2025” strategy, but also the many individual initiatives by provincial and municipal governments to strengthen international engagement. Issue-specific context analyses for the whole sector could also allow ICSOs to better understand and utilise their respective strengths and work towards common targets and goals.

16. Strategically combine “insider” and “outsider” strategies to maximise impact. Given the benefits and limitations that come with cultivating an insider position in China, ICSOs need to recognise that both insider and outsider actors are needed when it comes to influencing Chinese foreign and development policies. Insider and outsider organisations working on similar topics where Chinese policies have a significant global impact (e.g. biodiversity, climate crisis mitigation, corruption prevention, etc.) could coordinate efforts that combine public advocacy campaigns by outsider organisations with concrete proposals for policy changes and participation in related working groups by insider organisations.

17. Promote staff meetings on China issues in Belt and Road countries, both among ICSOs, and between ICSOs and local community-based organisations. To go beyond generalisations about China’s impact in developing countries, it is crucial to allow for and encourage bottom-up knowledge-gathering about specific actors and projects on the ground. Routinely sharing success and failure stories will help all ICSOs avoid redundant efforts and better understand what works (and what doesn’t) in individual countries.

18. Improve and systematise sector-wide exchanges between the global/multilateral and national/local level. Some ICSOs’ representative offices at the United Nations and other international organisations are already informally sharing their experiences with Chinese actors. Apart from systematising these exchanges to better understand patterns of Chinese influence on the whole sector, UN-level experiences and insights should also be shared more systematically with country offices working on China issues.

19. Join forces to increase civil society influence on the Asian Infrastructure Investment Bank (AIIB). As a key Chinese diplomatic initiative in international development finance, the AIIB has made great promises since 2015 about being “lean, green and clean”. While several ICSOs reported that access and informal dialogues with senior AIIB leaders have proven easier than experiences with some of the other established development banks, a recent study by the Heinrich Boell Foundation found the AIIB falling short of many promises in terms of both environment standards and social inclusiveness.⁶ Inspired by the [NGO Forum on ADB](#), which has monitored projects by the Asian Development Bank since the 1990s, civil society coalitions are trying to hold the new bank accountable to these standards. As far as possible, Chinese NGOs and their perspectives should also be included within these civil society monitoring efforts.

20. Identify and jointly promote models of cooperation with Chinese companies in developing countries to set up positive examples. Many ICSOs mentioned efforts to establish dialogues with Chinese companies investing abroad, while some have carried out training programmes to raise both employers’ and employees’ awareness of local labour standards. However, trust-building remains a major challenge with international organisations now often portrayed as “Western”, and potentially hostile, in Chinese official discourse. More joint efforts by

ICSOs are needed to convince Chinese corporate decision-makers that engaging civil society is also in their long-term business interests. Sharing experiences and contacts among ICSOs could help overcome this problem.

21. Improve institutional cooperation and exchanges with local as well as transnational civil society networks from East Asia. Many CSOs in the region have long and valuable experiences, both in engaging with and addressing the challenges linked to the surge of mainland Chinese actors in their respective countries. At the same time, local activists, e.g. labour groups in Southeast Asia or East Africa, could benefit from training and knowledge-building around broader patterns of Chinese foreign policy and development finance. To avoid duplication or even replacement of their work by ICSOs from outside the region, better channels for mutual consultation and assistance are desperately needed. In particular, the June 2019 meeting showed that dialogue between the ICSO community and Hong Kong-based CSOs needs to be improved and institutionalised.

22. Identify focus areas around which more concerted engagement with Chinese actors is deemed necessary and promising. In these areas, ICSOs could join forces to build up transnational issue networks specifically designed to integrate key Chinese stakeholders (CSOs, scholars, government agencies) and thereby develop the institutional infrastructure for joint projects, as well as policy/advocacy work. The most promising issue areas include:

22.1 Climate crisis adaptation and mitigation in particular, due to a mutually-perceived need for action and the Chinese government’s efforts to position itself as a global leader in light of the US retreat from multilateral cooperation.

22.2 Reducing inequalities in development to reconcile the very prominent official Chinese “poverty alleviation” and “rural development” discourses with the priority causes of many ICSOs, such as equal access to social services and education, gender equality and the empowerment of marginalised communities.

22.3 Strengthening social and environmental impact assessments and due diligence frameworks in Chinese overseas development finance. One priority should be fighting for the respect of standards to with overseas investments that already apply domestically in China. The Chinese government’s rhetorical commitment to building a “[Belt and Road to Integrity](#)” and related policies on [risk management in overseas investments](#) – apparently in response to widespread criticism including by Chinese scholars about corruption risks in BRI projects – also creates some space for [exploring joint efforts on integrity-building and anti-corruption](#).

⁶ Horta, Korinna (2019): The Asian Infrastructure Investment Bank (AIIB), A Multilateral Bank where China sets the Rules, Heinrich Boell Stiftung, Publication Series on Democracy, Vol. 52, https://www.boell.de/sites/default/files/boell_aiib_studie_0.pdf?dimension1=division_as

03. Strategic Pointers: Trends and Implications for ICSOs

China's international presence is undergoing many rapid changes. Aiming to pinpoint the most meaningful changes for the future of the civil society sector, four major sub-trends were highlighted and discussed at (and since) the June 2019 meeting:

3.1 Changes in Chinese investment and development finance under the Belt and Road Initiative

3.2 China's aspiration to become a global technology leader

3.3 The internationalisation of Chinese non-governmental actors

3.4 China's growing influence on global governance and the UN system

Each following sub-trend section starts with a succinct trend analysis summarising current developments and future perspectives, followed by recommendations for ICSO responses.

3.1 Changes in Chinese investment and development finance under the Belt and Road Initiative

TREND ANALYSIS

Since 2013, the Belt and Road Initiative (BRI) has emerged as China's new overarching policy framework for "South-South Cooperation" with developing countries. BRI is by far China's most ambitious global initiative to date and has been continuously expanded now to an official 125 countries.⁷ In reality, it builds on, continues and expands previous policies for promoting Chinese companies' internationalisation under the "going out" (走出去) strategy. As the first G7 country, Italy controversially "subscribed" to BRI during Xi's state visit in March 2019.⁸ Most BRI projects are not aid-like but commercial and supposedly win-win in nature, typically supported by a combination of commercial and preferential loans. Key BRI actors include China's policy banks (China Exim Bank and China Development Bank) as well as financing instruments like the Silk Road Fund and the South-South Cooperation Assistance Fund as lenders, and major Chinese corporations as beneficiaries and implementers of infrastructure and other "connectivity" projects in target countries. China is also heavily investing in a "Digital Silk Road", including loans for fibre-optic cables, promotion of e-commerce, mobile payment and smart cities, all featuring Chinese companies as technology providers.

⁷ While initial policy plans focussed on connecting Eurasia through new "economic corridors" at land and sea, today any country that supports China's official rhetoric seems welcome to join, as the inclusion of Latin American countries has amply demonstrated.

⁸ Typically for BRI, while the focus of the official signing ceremony in Rome was overwhelmingly on trade and investment promises, the new partnership also quickly gave rise to spin-off cooperation activities in the non-profit sector, notably the establishment of a Sino-Italian Philanthropy Forum and subsequent visits by high-ranking Chinese delegations, cf. China Global Philanthropy Institute (2019): "East-West Philanthropy Forum A Good Trip to Italy" Implements Joint Philanthropy Actions", 21 July 2019, http://en.cgpi.org.cn/content/details42_1046.html.

Besides its commercial and geostrategic nature, BRI also has a strong diplo-
matic component, geared at improving China's "soft power" in the Global South. China's South-South Cooperation initiatives have the acknowledged goal of building a more China-friendly media and policy environment in partner countries, including through international media partnerships and training programmes for officials and journalists (especially from Africa). Regional initiatives in Southeast Asia deserve particular attention from international civil society: The Lancang-Mekong Cooperation (LMC) forum, launched in Beijing in 2015, comes with massive Chinese investment pledges for hydropower and infrastructure in Vietnam, Cambodia, Laos, Thailand and Myanmar and is increasingly accompanied by "civil society forums" and cooperation projects, often led by the state-backed China Association for NGO Cooperation (CANGO).

The Asian Infrastructure Investment Bank (AIIB), set up in 2015, has been widely seen as a successful Chinese initiative to play a greater role in multilateral development finance. The "recalibration" of BRI announced during the Second Belt and Road Forum in April 2019 suggests that Chinese policy-makers are increasingly concerned about critical foreign public opinion towards BRI, even if their actual responsiveness to criticism remains uncertain. In addition, many Chinese companies which have experienced backlashes abroad due to poor environmental or social records have – not unlike their Western and European peers – developed international CSR strategies, funding humanitarian, education or environmental conservation projects to prop up their image (e.g. Huawei's Seeds for the Future programme).⁹

The China International Development Cooperation Agency (CIDCA), set up in 2018 as the supreme coordinating agency for Chinese foreign aid at vice-ministry level,¹⁰ has sparked considerable attention among ICSOs. The new agency's creation is a clear indication of substantial shifts in planning and oversight of Chinese aid, even if its initial "Administrative Measures for Foreign Aid", circulated for comments in December 2018, merely reiterated many of China's traditional aid principles. So far, CIDCA prioritises outreach to official aid agencies and UN institutions, rather than to NGOs. The potentially most far-reaching innovation concerns CIDCA's proposal of a new system for the "Supervision and Evaluation of Foreign Aid". This, together with the interest of many leading Chinese development experts in the monitoring and evaluation mechanisms of Western development agencies, suggests both a closer inspection of aid projects' governance in order to reduce damage to China's reputation linked to corruption, environmental

⁹ Weng Xiaoxue & Lila Buckley (eds.) (2016): Chinese Businesses in Africa. Perspectives on Corporate Social Responsibility and the Role of Chinese Government Policies, International Institute for Environment and Development, February 2016, <https://www.eldis.org/document/A76340>.

¹⁰ Rudyak, Marina (2019): The Ins and Outs of China's International Development Agency, Carnegie Endowment for International Peace, 02/09/2019, <https://carnegieendowment.org/2019/09/02/ins-and-outs-of-china-s-international-development-agency-pub-79739>.

harm, etc., and potentially a move towards the greater outsourcing of aid projects to non-governmental actors via government procurement in future, similar to domestic developments in the Chinese social policy sector in recent years.

RECOMMENDATIONS: ICSOS SHOULD

23. Carry out more action-oriented research into the social and environmental impact of Chinese development finance and overseas investment. Nuanced analyses pointing to both the potential benefits of BRI for global development, and the specific shortcomings which currently hamper this potential in many countries and issue areas, are needed to strengthen civil society's capacities for targeted advocacy.

23.1 The opaqueness surrounding many Chinese projects, their financing structure and relevant stakeholders has been a significant source of foreign criticism for many years. Hong Kong-based CSOs have further highlighted the problem that in many Southeast Asian countries, there is almost no space for discussion of China's presence in local media that is nuanced, i.e. between CCP propaganda and anti-China populism. Working towards concrete improvements will require a detailed understanding of the different incentive structures of Chinese stakeholders, depending on the type of project and its primary (commercial, geostrategic or diplomatic) focus.

23.2 ICSOs can support, coordinate and scale up work already being carried out by local and regional CSOs, such as the Hong Kong-based [Asia Monitor Resource Centre](#), in several South and Southeast Asian countries. Another good example for putting forward local and civil society perspectives is a 2017 joint publication by Stiftung Asienhaus and China Dialogue entitled "[Silk Road Bottom-Up](#)".

24. Lobby the Chinese government at different levels to strengthen the sustainability focus in BRI. The Chinese government's official commitment to "[promoting a green Belt and Road](#)" suggests that, at least in the environmental field, a combination of external pressure and cooperation with interested parts of the Chinese administration – in this case the Ministry of Ecology and Environment – can support positive policy adjustments.

25. Promote sector-wide approaches to improving business behaviour and human rights standards along international value chains which explicitly include – but are not limited to – the role of Chinese companies. Assessing the specific risks of Chinese business models for workers' rights or local communities near project sites can be useful, but public responses should best be designed and framed as cross-cutting solutions, not targeted specifically at Chinese actors. Advocacy campaigns that focus on a specific sector in a defined target region or country, rather than on individual companies or countries of origin, significantly increase the likelihood of getting Chinese companies on board for compliance initiatives or commitments to international frameworks like the UN Guiding Principles on Business and Human Rights. Amnesty International's [campaign](#) against the use of child labour in cobalt mining in the DRC, along with the global promotion of due diligence standards for the trade in minerals, is an encouraging example, even if Chinese commitments remain voluntary and non-binding.

26. Empower local civil society in places where Chinese investment is heavily impacting upon local communities, especially in countries with weak governance. This can be a more effective strategy for ICSOs emphasising rights-based approaches to development, and can contribute to generally raising the reputational cost of problematic behaviour abroad. ICSOs' efforts to engage constructively with China should not lead to a weakening of critical public voices on Chinese policies worldwide.

27. Advocate or campaign for the respect and improvement of labour and environmental standards in target countries. China's leadership frequently emphasises that its overseas operations "[strictly obey local laws and regulations](#)", which however often fall far short of international standards (e.g. labour standards set by the International Labour Organization).

As many host governments either lack the capacity for – or even wilfully neglect – their enforcement responsibilities, civil society pressure is also needed to publicise and fight against the systematic violation of local laws by foreign investors. Specific problems related to China's development cooperation model include the set-up and expansion of Special Economic Zones along BRI "economic corridors" in [Pakistan](#) or [Myanmar](#), where legal safeguards are further lowered and human rights particularly vulnerable.¹¹

28. Explore possibilities of trilateral cooperation involving Western and Chinese co-donors and partner CSOs in third countries, similar to what has been tried out by official donor agencies such as the UK Department for International Development (DFID). Beyond combining the respective strengths of Western and Chinese development approaches to the benefit of poorer countries, such trilateral projects could also promote models of engagement and trust-building in times of growing geopolitical confrontation.

29. Explore new funding opportunities. Despite the Chinese authorities' current distrust of Western organisations, several service-oriented ICSOs expect Chinese development finance to become an important funding source in the future. Chinese government funding will most likely become available via joint ventures with Chinese social organisations or state-owned enterprises participating in Belt and Road projects. The Chinese Ministry of Culture and Tourism also promotes the participation of international NGOs in the BRI's official "People-to-People" Platform (一带一路——民心相通 yidai yilu – minxin xiangtong), meant to strengthen "cultural links" along the Belt and Road. While the diversification of funding options is to be welcomed, this has to be weighed against the pitfalls of the political strings attached to Chinese funding. The June 2019 meeting also drew ICSOs' attention to the indirect benefits of China's rise in terms of aid funding, i.e. the fact that established donors – such as [Australia](#) and New Zealand in the Pacific region – are once again stepping up their own development funding in previously neglected areas.

3.2 China's aspiration to become a global technology leader

TREND ANALYSIS

This emerged as the thematic driver for which ICSOs in general have the most limited understanding of Chinese ambitions and aims, as well as investment and innovation capacity. There still appear to be significant blind spots showing an urgent need for more proactive knowledge-seeking in this area. China has the capacity to move new technology forward at great speed and scale, and what is seen by authorities as successful in the domestic context – for social control or progress alike – is highly likely to be subsequently exported overseas. The Chinese industrial policy approach that relies on heavy state interference and massive research and development (R&D) investments in key strategic sectors, epitomised by the '[Made in China 2025](#)' (中国制造 2025) strategy for technological upgrading, also fundamentally challenges Western market-liberal principles.

¹¹ See also International Commission of Jurists (2017), Special Economic Zones in Myanmar and the State Duty to Protect Human Rights, <https://www.icj.org/wp-content/uploads/2017/02/Myanmar-SEZ-assessment-Publications-Reports-Thematic-reports-2017-ENG.pdf>.

China has demonstrated different degrees of adherence to international standards and norms for technology development. It has generally followed International Organization for Standardization (ISO) norms in traditional sectors but is developing its own standards for its own market in new sectors, like artificial intelligence (AI) and big data regulation. Most prominently, the Chinese government has successfully established the World Internet Conference (世界互联网大会 or Wuzhen summit) as a multilateral format to promote its anti-liberal “internet sovereignty” (网络主权) agenda and thus internationally legitimise online censorship and government control.¹²

One major threat for independent civil society worldwide emanates from China-originated surveillance and facial recognition technologies, which are rapidly advancing and already actively peddled to authoritarian and semi-authoritarian governments worldwide. Chinese technology companies appear to have no qualms about offering their social control technologies to government entities at home and abroad, thus facilitating new rights abuses or closing civic space for communities and partners with which ICSOs work internationally. The threat of digital surveillance against Hong Kong’s ongoing pro-democracy movement is another reminder of these potential dangers to global civil society.

In terms of opportunities, innovative Chinese technology can play a key role in mitigating severe global challenges to human development, which are closely related to the missions of many ICSOs. Chinese companies already play a world-leading role for many of the technologies needed for climate crisis adaptation and renewable energy production, but also for IT-based innovations in fields of health, agriculture, or rural education.¹³ As the US has withdrawn its support for the Paris Agreement, China has pledged to develop renewable energy capacity equivalent to the entire current US electricity system within the next decade.¹⁴ The Chinese government is also pursuing the world’s most ambitious agenda to promote and leverage technological innovation to improve social service provision,¹⁵ with potential as a model for other countries in the future.

A new generation of ambitious Chinese philanthropists is aiming to “solve” global problems with innovative technologies and social innovations. China-originated innovations have the potential to revolutionise access to education in remote areas, e.g. by using satellites for Nigerian online education services or through grand experiments in artificial intelligence-led (AI) education. In the health sector, Chinese entrepreneurs are pushing ahead with similarly ambitious - albeit ethically controversial - plans, e.g. to eradicate malaria in Kenya.

RECOMMENDATIONS: ICSOS SHOULD

30. Monitor developments in the innovation, use and export of technology in their areas of work, from both operational and rights perspectives, and for potential opportunities and threats. Whereas the political future of the “Made in China 2025” strategy is uncertain, the priority sectors defined therein (industrial robots, medical devices, renewable energy equipment, new

energy vehicles, mobile phone chips, etc.) remain important indicators of areas in which Chinese technology could have a transformative global impact over the next decade.

31. Strengthen exchanges and build partnerships with IT experts and tech-specialist CSOs to keep abreast of fast-moving developments in the sector generally, and in China specifically.¹⁶

32. Proactively integrate a “China dimension” into other work on influencing international standards. ICSOs should continue efforts to influence international negotiations on norms and standards and promote ethical frameworks for the development of new technologies, such as artificial intelligence, genome editing, and facial recognition systems, and wherever possible integrate their China teams into these conversations.

33. Identify innovations to enhance service delivery: There may be particular opportunities for service delivery-focused ICSOs to identify the most effective (and ethically “acceptable”) Chinese technological developments and innovations which can help advance service-delivery aims or efficiency in other target countries, and **support their internationalisation**. For instance, the US-based health ICSO PATH has successfully tapped into China’s innovation potential in healthcare and position as the leading global producer of active pharmaceutical ingredients. It identified a safe and effective vaccine for Japanese encephalitis developed in China, explicitly supported its internationalisation – rigorous testing, recognition and acceptance in the global multilateral health system (WHO prequalification) – and ensured affordability in low-income countries. It has also done this for a Chinese female condom. Another ICSO, the Wildlife Conservation Society, entered into a cooperation with Tencent at last year’s Tencent for the Planet Partnership Conference, to monitor animal trafficking.

34. Promote international ethical discussions of Chinese-originated technology solutions for development problems, either within existing international formats on ethics in new technology, or by initiating a specific ICSO roundtable to keep abreast of Chinese innovations. Recent examples of innovations with (potential) global relevance include Tencent’s deployment of facial recognition technology against child trafficking, mass drug administration to fight malaria, or the spreading of AI-based curricula or robots for remote teaching in underprivileged regions. The World Economic Forum’s “Preparing Civil Society for the Fourth Industrial Revolution Initiative” (CS4IR) is one such format in which several ICSOs are already represented and could promote a stronger China dimension.

35. Focus policy/advocacy efforts and public awareness-raising on issues for which real civil society impact is possible. Western-based ICSOs so far have almost no leverage *vis à vis* Chinese technology companies, although this may change in line with their growing stake in Western markets. Public pressure can be more effective at discouraging Western-based companies from being complicit in strengthening China’s technological surveillance state by providing surveillance

¹² McKunde, Sarah & Shazeda Ahmed (2018): The Contestation and Shaping of Cyber Norms Through China’s Internet Sovereignty Agenda, in: International Journal of Communication 12(2018), 3835-3855.

¹³ Yang, Harrison Hao, Sha Zhu & Jason MacLeod (2018): Promoting Education Equity in Rural and Underdeveloped Areas: Cases on Computer-Supported Collaborative Teaching in China, in: EURASIA Journal of Mathematics, Science and Technology Education, 2018, 14(6), 2393-2400; Oreglia, E. (2014): ICT and (personal) development in rural China, in: Information Technologies & International Development, 10(3), 19-30.

¹⁴ Geall, Sam & Adrian Ely (2018): Narratives and Pathways towards an Ecological Civilization in Contemporary China, in: The China Quarterly, 236, 1175-1196, pp. 1177-8.

¹⁵ Stepan, Matthias & Jane Duckett (eds.)(2018): Serve the People. Innovation and IT in China’s social development agenda, MERICS Papers on China, No 6, October 2018, https://www.merics.org/sites/default/files/2018-10/MPOC_06_Serve_the_People_0.pdf.

¹⁶ A recent report by the World Economic Forum provides a good overview of tech-savvy organisations involved in civil society capacity-building around new technologies: World Economic Forum (2019): Civil Society in the Fourth Industrial Revolution: Preparation and Response. In Collaboration with Pact, January 2019, http://www3.weforum.org/docs/WEF_Civil_Society_in_the_Fourth_Industrial_Revolution_Response_and_Innovation.pdf.

technology or censorship tools for the Chinese market. Especially in semi-authoritarian countries and weak democracies like Ecuador or Uganda, civil society has a key role to play in preventing the purchase and rights-violating use of Chinese technology.

36. Avoid simplification of developments in China to allow for more targeted advocacy. For instance, the Chinese Social Credit System has frequently been used as a focus for dystopian fears about digital totalitarianism and omnipresent surveillance. At the same time, many Western companies are actively thinking about how to conform with this system once it is formally extended to foreign entities.¹⁷ While raising public attention of such developments can be useful in itself, a more nuanced understanding of the system's many components, the implementation and actual risks for Chinese citizens, as well as foreign organisations dealing with China, is also a prerequisite for more effective advocacy, including *vis à vis* Western actors.

37. Seize new opportunities for collaboration at local government or city level. Some Chinese local governments, such as Shenzhen municipality, have already set up foundations with the specific task of exploring possibilities of externalising Chinese technological innovations for non-commercial, public-benefit uses in developing countries. Government agencies in landlocked provinces like Sichuan may be less experienced but all the more eager to promote transnational cooperation under the BRI framework.

3.3 The internationalisation of Chinese non-governmental actors

TREND ANALYSIS

In recent years, the Chinese non-profit sector has experienced an ongoing rapid development, albeit under significantly tightened political control. Most special characteristics of China's global presence in general, and its engagement with non-state actors in particular, are closely related to the sweeping role and influence of the Chinese Communist Party (CCP). While Party and government entities are still formally separated in most instances, the party permeates government agencies at all levels and ultimately controls policymaking. Since 2012, CCP chairman Xi Jinping has not only reinforced party-internal disciplinary controls and hierarchical, top-down decision-making, but also spearheaded an expansion of CCP cells in the name of "party building" (党建 *dangjian*) in formally non-state organisations, including both private companies and non-profits. Significantly, the number of "social organisations" (社会组织 *shehui zuzhi*) with an internal party organisation has since skyrocketed from 115,000 in 2013 to 289,000 in 2016¹⁸ and is very likely to grow further in line with the CCP's efforts to "guide the healthy development of social organisations".¹⁹

The Party-state's dual strategy of promoting the service delivery capacity of non-profits while repressing their potential to challenge the status quo has been described as the "administrative absorption of society"²⁰ by Renmin University professor Kang Xiaoguang. Therefore, any hopes or expectations to find truly "independent" CSOs as potential partners are bound to be disappointed. Under the current circumstances, Chinese associations and foundations that manage to de-

velop substantive activities are able to do so only with the informal backing of influential Party-state officials, mostly at local/municipal level. This is even more so for the – still relatively few – non-profit organisations with an international reach, which are operating under high degrees of uncertainty given the absence of a coherent legal framework for overseas non-profit and charitable activities,²¹ combined with China's strict cross-border capital controls.²² Despite these caveats, it should be emphasised that the Chinese non-profit sector is composed of a wide set of actors with diverse agendas and institutional set-ups. This means that even under a sometimes discouraging legal and policy environment for foreign non-profit actors, there are still possibilities for fruitful engagement, as confirmed by many of the ICSO interviewees with longstanding working experience in mainland China.

The Chinese leadership's growing international "soft power" ambitions have prompted it to actively encourage Chinese "NGOs" to go abroad and "spread the China story" (讲中国好故事 *jiang zhongguo hao gushi*) through humanitarian work or by strengthening transnational people-to-people ties.²³ Albeit starting from low levels, a rapidly growing number of Chinese "Government-Organised NGOs" (GONGOs), as well as private philanthropic foundations, have initiated projects overseas and endeavoured to enter into international cooperation agreements in recent years. Focus countries for overseas activities so far have been Myanmar, Nepal, Cambodia, and Ethiopia, where the China Foundation for Poverty Alleviation (CFPA) officially opened its third overseas office in September 2019.

Chinese philanthropy is becoming a relevant force in terms of financial power. A new generation of entrepreneurs is displaying global ambitions, e.g. trying to apply innovative, technology-based methods to "solve" global problems such as global warming. However, Chinese philanthropists' high ambitions and enormous financial possibilities still stand in contrast with their limited international experience. As is readily recognised by Chinese scholars working on the topic, Chinese NGOs in general still lack the experience and organisational capacity to achieve lasting impact beyond one-off relief projects overseas.²⁴ Chinese NGOs notably lack stable sources of funding for overseas activities, long-term projects, local staff, and legal clarity about their possibilities for financing operations abroad.

¹⁷ European Chamber of Commerce in China (2019): The Digital Hand: How China's Corporate Social Credit System Conditions Market Actors, 28 August 2019, <https://www.eurochamber.com.cn/en/publications-corporate-social-credit-system>.

¹⁸ Shih, Lea (2017): Centralized leadership – Heterogeneous party base. Changes in the membership structure of the Chinese Communist Party, *Merics China Monitor* N° 40, 16/08/2017, p.7, https://www.merics.org/sites/default/files/2018-05/170816_Merics_China_Monitor_40_English_Web.pdf; CCP General Office (2015): 中共中央办公厅印发《关于加强社会组织党的建设工作的意见（试行）》，28/09/2015, http://www.gov.cn/xinwen/2015-09/28/content_2939936.htm.

¹⁹ Luo Xu 罗旭 & Wang Haokui 王昊魁 (2015): 加强党建工作引导社会组织健康发展, *CPC News/Guangmin Ribao*, 30/09/2015, <http://dangjian.people.com.cn/n/2015/0930/c117092-27650349.html>.

²⁰ Kang Xiaoguang (2018): Moving Toward Neo-Totalitarianism. A Political-Sociological Analysis of the Evolution of Administrative Absorption of Society in China. In *Nonprofit Policy Forum* 9 (1), 795–802.

This, in turn, offers potential for cooperation with established and experienced IC-SOs on the ground. If the official rhetoric encouraging NGOs to go abroad under the BRI framework is eventually followed with an adequate national policy framework to improve tax regulations and address capital transfer problems, the international role of Chinese NGOs and foundations is likely to increase dramatically.

RECOMMENDATIONS: ICSOS SHOULD

38. Support and leverage the trend towards internationalisation of Chinese NGOs and philanthropic foundations. How to engage in constructive dialogues and partnerships with a more diverse set of Chinese actors abroad is one of the key questions ICSOs are currently struggling with in their Global China strategies. Several international grant-making foundations are already providing sectoral capacity-building and international learning platforms for Chinese non-profit leaders and staff. Some ICSOs also reported support for Chinese partners' internationalisation strategies through training and experience-sharing. Additionally, Chinese foundations and NGOs could also be assisted in their own lobbying efforts to be included in China's official foreign aid framework.

39. Strengthen partnerships with Chinese academia. Scholars, universities and think tanks are not only the most accessible dialogue partners for ICSOs but can also be important bridge-builders, both for institutional partnerships and targeted policy/advocacy efforts. However, ICSOs need to be aware of the severely heightened political pressure on Chinese academia in recent years, especially when it comes to engaging with "Western" organisations. Thus, formal partnerships or joint research projects are likely only promising in "non-sensitive" areas.

40. Understand the specific institutional constraints under which (prospective) Chinese partner organisations are operating. Given the high degree of legal uncertainty under which Chinese non-profit entities are currently operating overseas, international cooperation outside of China will mostly involve Chinese NGOs with either formal or informal political backing. The type of partner organisation – central or local-level GONGO, private corporate charity or non-profit association – does, however, make an important difference.²⁵

40.1 ICSOs should spend enough time on understanding as deeply as possible the institutional background, agenda and specific constraints of their (potential) Chinese partners. Important - albeit imperfect - indicators are the historical origins of an organisation, its board members, availability of information about non-governmental funding sources, its focus areas, and the language used in

²¹ A good overview of the policy and funding constraints for Chinese NGOs willing to internationalise their work is provided in a 2016 report by the Beijing-based Global Environmental Institute (GEI): Ji Lin & Zhang Jingwei (2016): Chinese NGOs "Going Global": Current Situation, Challenges and Policy Recommendations. Global Environmental Institute. Beijing, p.10-12. http://www.geichina.org/_upload/file/report/NGO_Going_Out_EN.pdf

²² Mitchell, Tom & Gabriel Wildau (2017): China's State Council Puts Seal on Capital Controls, Financial Times, 18/08/2017, <https://www.ft.com/content/3a638d1c-8405-11e7-a4ce-15b2513cb3ff>.

¹⁹ Luo Xu 罗旭 & Wang Haokui 王昊魁 (2015): 加强党建工作引导社会组织健康发展. CPC News/Guangmin Ribao, 30/09/2015. <http://dangjian.people.com.cn/n1/2015/0930/c117092-27650349.html>.

²³ Mu Jinling 牟金玲 (2017): 加强“一带一路”国际合作，促进人类共同发展——首届丝绸之路沿线民间组织合作网络论坛综述 (Strengthening International Cooperation under the "Belt and Road", Promoting Humanity's Common Development—a Comprehensive Survey of the First Silk Road NGO Cooperation Network Forum), in: CPC Theory / People's Daily, 14/12/2017 <http://theory.people.com.cn/n1/2017/1214/c40531-29706496.html> [10/09/2019].

²⁴ Deng, Guosheng (2017): Trends in Overseas Philanthropy by Chinese Foundations. In *Voluntas* 28 (2), 40; Li, Xiaoyun; Dong, Qiang (2018): Chinese NGOs are "Going Out". History, Scale, Characteristics, Outcomes, And Barriers. In *Nonprofit Policy Forum* 9 (1), 198; Zhang, Wenjuan (2017): The Internationalisation of Chinese NGOs and Their Engagement with the United Nations. In *China Report* 53 (3), 307–330.

reports and communications.²⁶ ICSOs without previous China experience should cross-check their own assessments with those of peers and external experts.

40.2 In some circumstances, organisations with a strong Party-state background may actually be good cooperation partners for ICSOs precisely because of their close ties to relevant decision-makers, and their potential to feed information and policy advice back into the Chinese political system. Cooperating with more independent NGOs may be preferable on issues that do not fall neatly in line with Chinese government interests, but ICSOs will need to consider potential risks to their Chinese partners arising from activities or public statements.

41. Promote two-way partnerships between ICSOs and Chinese NGOs. Within the scope of an ICSO's identity, strategy and previous contacts, it could be well placed to support Chinese NGOs with some of the challenges the latter face in "going out" overseas, notably in terms of operational and financial management, public awareness, or the political and legal situation in target countries. Chinese NGOs, in turn, are much more familiar with the challenges arising from Chinese laws and politics and may be better positioned to identify areas of potential influence. **Mutual learning** can influence and enhance the expertise of both organisations. This also means that an ICSO needs to clarify what it wants to get out of any such partnership, in terms of social impact and/or institutional benefits.

42. Build on Chinese NGOs' domestic experiences and related strengths. Many Chinese NGOs "going out" are already replicating what they have been good at doing domestically, especially in disaster relief and education sectors. Very recent first-hand experience with China's own rapid development and socio-economic transformation constitutes one of their unique strengths. ICSOs could play a supportive role in both scaling-up and context-specific adaptation of such organisations' programmes overseas.

43. Allocate sufficient time and resources, testing different avenues for building relationships and networks. Establishing first contact with Chinese actors abroad can be a major challenge, especially for foreign organisations without a sustained domestic China presence or office. Given the importance of personal trusted relationships with Chinese decision-makers, there is no magic bullet for this challenge. Several promising avenues should be explored by ICSOs' offices in BRI countries, with support from their Global China coordinators:

43.1 Promote dialogue formats between established and new donor agencies in developing countries. Several ICSOs highlighted that in-country donor meetings continue to be routinely limited to Western representatives: if genuine engagement with new donors (not only China) is seen as desirable, more inclusive formats need to be envisaged to build trust and eventually facilitate cooperation on concrete projects.

43.2 Recruit Chinese staff not only for in-China activities but also for global engagement. Due to domestic capacity-building and a proliferation of social work-oriented study programmes at Chinese universities, a new generation of highly educated and internationally-experienced employees for the non-profit sector is emerging. ICSOs need to tap into these resources not only directly, but also to facilitate contacts and partnerships with other Chinese organisations internationally.

43.3 Approach UN agencies as possible intermediaries: The intergovernmental focus of Chinese development assistance explains why UN agencies are privileged partners for cooperation agreements and have much easier access to key actors of Chinese development policy compared

²⁵ Blurred lines between GONGOs and NGOs have become a global challenge today and the situation is particularly tricky in present-day China, where more and more GONGOs are being set up as 'transmission belts' to society and/or as government mouthpieces in civil society forums. For an extensive academic discussion of these developments, see Hasmath, Reza; Hildebrandt, Timothy; Hsu, Jennifer Y. J. (2019): Conceptualizing government-organized non-governmental organizations. In *Journal of Civil Society* 15 (3), 267–284; and in the international context: Hsu, J. Y. J., Hildebrandt, T., & Hasmath, R. (2016). 'Going out' or staying in? The expansion of Chinese NGOs in Africa. *Development Policy Review*, 34(3), 423–439.

²⁶ While many Chinese actors going abroad are trying to frame their activities as part of the Belt and Road Initiative, there is an important difference between organisations reiterating official CCP slogans on all public occasions and those demonstrating technical expertise and project implementation in their respective field.

to ICSOs. UNDP China has been at the forefront of engagement with the BRI in recent years. Other examples include UNCHR's efforts to leverage the BRI to tackle root causes of displacement, as well as UN WFP's and UNIDO's cooperation agreements with CIDCA under the South-South Cooperation Assistance Fund. ICSOs need to ensure that civil society voices are heard in such cooperation formats and could also use their established contacts with these UN agencies to reach out to Chinese partners.

43.4 Western foundations and philanthropic communities may equally serve as bridge-builders, e.g. via elite networks such as the China-US Philanthropy Initiative.

3.4 China's growing influence on global governance and the UN System

TREND ANALYSIS

In line with China's economic rise and boosted by intense CCP efforts to strengthen the country's "soft power", its diplomatic influence in international bodies is growing dramatically. For transnational civil society actors that have long been struggling to increase their say in global decision-making processes, the Chinese government's preference for intergovernmental negotiations, its insistence on "non-intervention in internal affairs", and Chinese diplomats' repeated encroachments upon the speaking rights of independent civil society voices in UN forums, are inherently problematic.

Regarding human rights advocacy, Chinese diplomatic pressure on UN committees and the harassment of independent voices has been of growing concern for many years.²⁷ The proliferation of GONGOs (not only, but importantly, from China) in international civil society forums, together with Chinese diplomats' repeated obstruction of ECOSOC accreditation for NGOs that have been critical of China, are obvious challenges for meaningful civil society participation in global governance. Besides obvious and largely successful efforts to block any critical examination or condemnation of its own human rights violations – particularly in Xinjiang – by the UN Human Rights Council, Chinese diplomacy is engaged in more long-term, systematic efforts to reshape the very definition of "human rights" and related norms at UN level, by prioritising socio-economic development over individual freedoms, and by introducing concepts such as the "Community of Shared Future for Mankind" (人类命运共同体) into all sorts of international declarations.²⁸

Conversely, China's role in global climate governance has been described as increasingly constructive in recent years.²⁹ At the 2015 Paris Climate Summit, Xi Jinping strongly committed to a leading role for the country in fighting climate change, an ambition that is at least partly reflected in domestic policy reforms.³⁰

China's important contributions to UN peacekeeping missions are not yet considered an issue of direct concern for most ICSOs. China's growing role and influence in this field should however stay on the radar of organisations working on both humanitarian and advocacy issues in countries with international peacekeeping missions.

RECOMMENDATIONS: ICSOS SHOULD

44. Strengthen civil society monitoring of China's contributions and influence on UN bodies. Since China's financial contributions have become essential to the operations of many UN agencies, independent non-profit organisations play a crucial role in holding them accountable. Apart from obstruction of ECOSOC (re)accreditation by the United Nations Committee on Non-Governmental Organizations, for NGOs working directly on "sensitive" issues like minority and indigenous rights, several other ICSOs have been pressured based on alleged violations of the "One China policy". Interviewees reported how China's diplomatic impact is compounded by the strategic positioning of delegated Chinese staff in key administrative positions within the UN system, as part of a long-term strategy that democratic governments have only slowly been catching up with. Regarding public advocacy campaigns, monitoring tools that do not single out Chinese influence but seek to uphold the integrity of UN bodies against undue particularistic interests are advisable.

45. Decisively counter Chinese efforts to step up pressure on critical civil society voices worldwide. Several ICSOs reported pressure from Chinese authorities in Beijing related to criticism voiced not within China, but by the ICSO's federation/headquarter/international office and/or country offices in BRI countries. This form of encroachment upon global public discourse also needs to be addressed more systematically.

46. Hold multinational companies accountable for complicity in censorship and rights violations. Civil society plays a crucial role in increasing pressure on multinational companies, particularly those headquartered in Western countries, not to forsake liberal values and even self-proclaimed ethical standards due to the political market access conditions dictated by authoritarian governments. As the Chinese Party-state is significantly stepping up its pressure on foreign companies to show political compliance and stay silent or even endorse CCP ideological stances on issues like the Hong Kong protests, Taiwan's status or the dire human rights situation in Xinjiang, much stronger international civil society pressure is needed to prevent multinational corporations from forsaking human rights standards and even their own ethics.

²⁷ Human Rights Watch (2017): The Costs of International Advocacy. China's Interference in United Nations Human Rights Mechanisms, HRW Report, 05/09/2017, <https://www.hrw.org/report/2017/09/05/costs-international-advocacy/chinas-interference-united-nations-human-rights>.

²⁸ Gao, Charlotte (2017): 'A Community of Shared Future': One Short Phrase for UN, One Big Victory for China?, The Diplomat, 05/11/2017, <https://thediplomat.com/2017/11/a-community-of-shared-future-one-short-phrase-for-un-one-big-victory-for-china/>.

²⁹ Geall & Ely 2018, op.cit.; Li, Lina, Stephan Wolters & Yang Fuqiang (2017): China and its Climate Leadership in a Changing World. From Passive Follower to Constructive Shaper of the Global Order, Adelphi: Climate Diplomacy, Discussion Paper, July 2017, <https://www.adelphi.de/en/publication/china-and-its-climate-leadership-changing-world>.

³⁰ Li, Anthony (2016): Hopes of Limiting Global Warming? China and the Paris Agreement on Climate Change, in: China Perspectives, 2016/1, 49-54; Kuhn, Berthold (2018): China's Commitment to the Sustainable Development Goals: An Analysis of Push and Pull Factors and Implementation Challenges, in: Chinese Political Science Review 3 (4), 359-388.

46.1 Campaigns like the “[Drop Dragonfly](#)” campaign, supported by Amnesty International, which successfully prompted Google to retreat from plans to go back on previous promises and abide by Chinese censorship and surveillance demands in return for renewed market access, show the importance and promise of such indirect China-related advocacy, especially when it targets companies relying heavily on public reputation.

46.2 As Xinjiang risks being turned by the CCP into a laboratory for tech-based surveillance and repression with the character of a global model for repressive governments, more concerted transnational civil society pressure is urgently needed, at least to increase the reputational costs for foreign multinational corporations’ complicity in human rights violations, epitomised by McKinsey & Company holding its [2018 global annual retreat in Kashgar](#) or the Volkswagen CEO’s [alleged ignorance](#) about detention camps in the region.

47. Weigh opportunities and risks of cooperating with Chinese (GO)NGOs at UN level. Some ICSOs reported pilot cooperation activities, such as hosting joint side events at UN conferences with (mostly Chinese government-backed) “civil society” platform organisations or inviting internationally-inexperienced Chinese NGOs to participate and share their perspectives and expertise. Given the obvious risk of merely assisting in amplifying Communist Party positions globally, ICSOs should think more strategically about how and under which conditions to cooperate. Joint advocacy with Chinese civil society voices may become possible on less politically sensitive issues, such as wildlife protection or climate crisis adaptation.

48. Call upon the Chinese government to use its economic leverage in favour of more sustainable climate and environmental governance. Due to the sheer size of its market as well as the government’s high political steering capacity, meaningful sustainability guidelines for Chinese imports, e.g. agricultural products like [soy](#), [meat](#) or palm oil, could make a huge contribution to alleviating some of humanity’s most urgent ecological crises.

³¹ For a broader overview of mostly domestically-oriented platform organisations, cf. Etcorn, Ryan (2019): “Intermediary Nonprofits and the Rise of China’s Domestic Social Impact Ecosystem”, China Development Brief, 31 August 2019, <http://www.chinadevelopmentbrief.cn/articles/intermediary-nonprofits-and-the-rise-of-chinas-domestic-social-impact-ecosystem/> [4 September 2019].

³² CGPI was set up in 2015 by a group of prominent US and Chinese philanthropists. It is conceived as a think tank, training and international networking centre and aims, *inter alia*, to improve the capacity of the Chinese philanthropy sector through an academic and professional training programme building upon global best practices. Its dean is Wang Zhenyao, one of the most eminent Chinese intellectuals in the field and also a well-connected former Ministry of Civil Affairs official.

³³ Established in 2014 by the Shenzhen municipal government to improve Shenzhen’s international networks in charity-related fields and to help local companies increase their corporate giving, particularly in Southeast Asia.

³⁴ Lu, Bo 陆波; Guo, Ting 郭婷; Xiang, Yingzhu 向颖著 (2015): 中国民间组织走出去. 操作手册 [Chinese NGOs going out. A Practical Guide]. Edited by China Foundation for Poverty Alleviation. Asia Foundation. Beijing.

³⁵ This data is, however, subject to several methodological problems and limitations, and should therefore be treated with caution (cf. Deng, Guosheng (2017): Trends in Overseas Philanthropy by Chinese Foundations, in: *Voluntas* 30 (2), 678–691).

³⁶ Ma, J., Wang, Q., Dong, C., and Li, H. (2017). The Research Infrastructure of Chinese Foundations, a Database for Chinese Civil Society Studies, *Scientific Data*, 4:170094.

Resources

a. Keeping track of Belt and Road developments: In addition to the Chinese government’s official [Belt and Road websites](#), which focus on BRI achievements, opportunities and success stories, several international think tanks have set up Belt and Road trackers to increase transparency and enable data-based analyses in light of official ambiguity and often opaqueness about the details of most individual projects. Good resources are provided by the [Council on Foreign Relations](#), the [Mercator Institute for China Studies](#), and the [Center for Strategic and International Studies’ Reconnecting Asia](#) project. The German NGO [Stiftung Asienhaus](#) maintains a [collection of BRI resources](#) with direct relevance for civil society (in German).

b. Chinese NGO legislation: The Asia Society’s [ChinaFile NGO Project](#) provides a valuable and regularly updated database with factual information about registrations and current developments related to the Overseas NGO Law as well as other regulatory developments relevant to foreign NGOs working in China. More analytical pieces concerning what the ONGO Law means for foreign organisations working in mainland China have been published by [ChinaFile](#), [China Development Brief](#), the [GIGA Institute](#), or the [International Center for Not-for-Profit Law](#), among others.

c. Chinese intermediaries, umbrella or platform organisations for the NGO and charity sector: While the officially-backed [China Association for NGO Cooperation](#) (中国国际民间组织合作促进会, CANGO) and [China Network for International Exchanges](#) (中国民间组织国际交流促进会, CNIE) have a long history of facilitating international cooperation and non-governmental partnerships, many other cross-sector organisations have sprung up in recent years.³¹ Prominent examples include the private [China Global Philanthropy Institute](#) (深圳国际公益学院, CGPI),³² the [Silk Road NGO Cooperation Network](#) (丝绸之路沿线民间组织合作网络, initiated by CNIE) or the [Shenzhen Foundation for International Cooperation and Exchange](#) (深圳市国际交流合作基金会).³³ The [China Council for International Cooperation on Environment and Development](#) (中国环境与发展国际合作委员会, CCICED) is another state-backed entity promoting international cooperation, not specifically but including with NGOs. China House (中南屋), a Shanghai-based social enterprise dedicated to CSR as well as promoting youth exchanges along the Belt and Road, was represented at the June meeting and offered to help ICSOs establish contacts with Chinese enterprises in BRI countries.

d. Official non-profit information desk: The Ministry of Civil Affairs has integrated various databases and service desks into a “China Social Organisations Public Service Platform” (中国社会组织公共服务平台, [China-NPO](#)), which is meant to help social organisations navigate the bureaucratic procedures and provide more transparency on developments in the Chinese non-profit sector.

e. Regional networks: The transnational [Asian Venture Philanthropy Network](#), headquartered in Singapore and with a Greater China office in Hong Kong, is a large network of social investment-related entities ranging from philanthropic foundations and social innovation hubs to for-profit corporations with a strong social investment focus. Among its over 500 members across Asia, there are also about 30 organisations based in mainland China.

f. The China Foundation for Poverty Alleviation (CFPA), with the support of the Asia Foundation, elaborated a ‘[Practical Guide](#)’ for Chinese CSOs “going out” in 2015.³⁴ The (Chinese-language) handbook includes an overview of NGO and foundation experiences abroad as well as practical recommendations regarding country analysis, project management or evaluation.

g. Data on Chinese foundations “going out”: The China Foundation Center (CFC) maintains the most frequently-used dataset on Chinese foundations, including information on their overseas activities compiled from annual reports.³⁵ An easily accessible [overview of 37 Chinese foundations with documented overseas activities](#) by August 2014 was presented by researcher Lu Bo. In 2017, a group of mostly US-based Chinese researchers constructed a more comprehensive but also more academically-oriented database, the [Research Infrastructure of Chinese Foundations](#) (中国基金会研究基础数据库), which compiles data from six different sources to improve accuracy.³⁶ Nonetheless, it must be assumed that many incipient overseas activities of Chinese foundations as well as other social organisations remain under the public radar so far.

The International Civil Society Centre and the Scanning the Horizon initiative

Our mission is to strengthen the impact and resilience of international civil society organisations and to support people to change their world for the better.

Since 2015, the Centre's [Scanning the Horizon](#) collaborative platform has helped international civil society organisations prepare for disruption and benefit from change. With members including leading international civil society organisations, national CSO umbrella organisations, and private sector companies, the platform addresses the need for collaborative trend analysis in the sector. Futurists, strategists, trend analysts and organisational learning specialists form a cross-sector community of experts and practitioners to share insights, explore key trends and develop relevant strategies. The platform also enables mutual learning and the pooling of resources.

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