

**NON-GOVERNMENTAL ORGANIZATIONS
IN CHINA: POST-2008 EXPANSION
AND THE NEW CHALLENGES**

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Executive Summary

1. Due to the potential political risks posed by NGOs (non-governmental organizations), the Chinese government has imposed numerous restrictions on NGO's registration, activities and access to resources. Meanwhile, each NGO has been put under the supervision of at least one government/party unit.
2. Such a control system allows the government to utilize the services provided by NGOs while minimizing their potential political threats. However, it has also created several organizational and governance problems for NGOs, which have seriously constrained their capacity to serve as effective public service providers.
3. The Chinese government thus faces a dilemma: the need to make greater use of services provided by NGOs calls for a more liberalized control regime, but a more liberalized control regime may also increase the potential political risks posed by the NGO sector.
4. Several changes have emerged in China's NGO landscape since the Sichuan earthquake. The most important change is a rapid rise in social donation and private foundation, which represents the availability of domestic source of funding for NGOs.
5. The rise of domestic funding has reduced the political risks of NGO as perceived by the government, which allows the government to place a greater emphasis on the objective of utilizing rather than controlling NGOs.
6. Since 2008, two major breakthroughs in government policy have been made. The first is the requirement to increase the transparency of the NGOs to the public. The second is the categorizing of the NGOs under "public benefits, social service and social benefits", which would relieve the NGOs of the need

to find the sponsorship of a government unit before they can register with the Ministry of Civil Affairs.

7. These recent changes have pointed to a possible regulatory regime shift in which NGOs in China will be regulated through a more open and institutionalized management system. Nevertheless, the government is unlikely to keep its hands completely off from the country's emerging civil society.