

Chapter 15

The Struggle for Survival: A Case Study of an Environmental NGO in Zhejiang Province

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Abstract Following the failure of Beijing's 1993 bid to host the 2000 Olympic Games, the Chinese Government decided to open up opportunities for grassroots organizations. In the years since, a number of environmental nongovernmental organizations (NGOs), including Green Zhejiang, the first environmental NGO in Zhejiang Province, have been established nationwide. During its development, Green Zhejiang faced three major obstacles as a newborn environmental NGO: obtaining legal status, gaining sufficient funding, and human resource issues. After a persistent struggle for survival, however, it finally obtained legal status, and now receives support from numerous enterprises. Green Zhejiang focuses on water conservation, operates a creative interactive water map to track pollution, and has created a new program entitled *Sales for Green*. The organization has also developed a model for government–NGO environmental cooperation, and on its 12th birthday established a branch of the Chinese Communist Party. The experience of this grassroots organization in China's political environment sheds light on how environmental NGOs in China can not only survive but also thrive.

Keywords Environmental NGO • Zhejiang • Legal status • Funding • Human resources

China's environmental nongovernmental organizations (NGOs) have undergone profound development in line with the country's deteriorating environment in the past 20 years. In 1993, Sydney beat Beijing in its bid to host the 2000 Summer Olympic Games. The Beijing bidding committee admitted that environmental

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concerns had been one of the key reasons for the city's lost bid. This failed bid prompted the Chinese Government to pay greater attention to environmental issues, and environmental initiatives began to emerge across the country. For example, several months after the failed bid, Liang Congjie established Friends of Nature (FON), China's first nationwide environmental NGO, in Beijing. Then, in 1996, Liao Xiaoyi and Wang Yongchen founded Beijing Earth Village and Green Earth, respectively. Numerous environmental NGOs were subsequently created throughout the country, and by 2007 China boasted approximately 3,000 such organizations, the majority located in eastern or central China.

Despite this boom, however, newborn NGOs still face three major obstacles: obtaining legal status, gaining funding, and human resource issues. This chapter examines these obstacles through a focus on the struggle for survival of Green Zhejiang, the first and largest environmental protection organization in Zhejiang Province, which provides a classic example of the way in which an environmental NGO can achieve sustainable development. The Green Zhejiang case suggests that the future of China's environmental NGOs may be less bleak than appearances suggest.

Major Obstacles of Chinese Environmental NGOs

Legal Status

The most fundamental of the three major challenges faced by Chinese NGOs is obtaining legal status. Failure to do so limits both sustainable funding and manpower resources. The greatest motivation for an NGO to register officially is the ability to open a bank account as a legal entity, as it is quite difficult to solicit funds without legal status. In China, organizations can register as either companies or NGOs.

This dual-regulation system is unique to China and operates as a means of supervising NGOs. According to China's Regulations for Registration and Management of Social Organizations issued by the People's Republic of China State Council in 1998, all social organizations must have two regulators: a registration administrator and an affiliated business unit. The first is generally the Department of Civil Affairs, on whose name list an NGO must register. The second is generally a government department that supervises and is politically responsible for the NGO's day-to-day activities. For example, Green Zhejiang is now registered at the provincial level, and thus its registration administrator is the Zhejiang Provincial Department of Civil Affairs, and its affiliated business unit is the Zhejiang Environmental Protection Bureau.

A point worth mentioning here is that the rules say that only one NGO of the same kind may be registered within the purview of certain administrative units, such as municipalities, counties, and provinces. In most cases, registration is restricted to NGOs that register as government-sponsored nongovernmental organizations (GONGOs), and it is very difficult for other NGOs to register.

Funding

Funding is a daunting issue for grassroots organizations in China. Four major sources of funding are available to Chinese NGOs: international and domestic foundations, donations, corporate sponsorship, and membership fees.

International and domestic foundations currently represent the main sources of income for many Chinese environmental NGOs. For example, more than 90 % of Beijing Earth Village's funding comes from international sources, whereas the figure for FON was 58.5 % in 2006, according to its annual financial report. Many Chinese Government officials, and some researchers, are suspicious of such funding, as they assume that the international foundations involved will control NGO programs, push their agendas onto the NGOs they sponsor, and instill in them "improper" Western ideas, thereby undermining social stability.

Individuals and enterprises can make donations to NGOs, but only those that are registered are permitted to charge membership fees. Corporate sponsorship is possible, but remains controversial, as the general public often does not trust corporations and suspects them of engaging in secret trading with environmental groups. Accordingly, most Chinese NGOs rely on funding from foundations, even though doing so often results in financial shortfalls.

Political and administrative factors serve to limit NGO funding in China. Additionally, the funds that are available are distributed primarily to organizations based in Beijing and in the country's western areas. Both international and domestic foundations tend to support GONGOs or state and local government agencies with strong implementation capacity rather than grassroots NGOs, which are sometimes characterized as weak in such capacity. Compared with NGOs, GONGOs and government agencies usually have a stronger organizational structure and better access to social resources. Thus, they generally have the necessary human resources to implement programs and are generally guaranteed a local official presence at the events they coordinate. For these reasons, it seems a wise decision for funders to support GONGOs or governmental agencies, which are very likely to offer more benefits and future opportunities. For example, they offer an opportunity for sponsoring companies to get to know important officials in the government sector whose decisions may benefit their businesses or enhance their reputations in the future.

Moreover, the competition for limited funding is fierce. Chinese grassroots organizations are obliged to spend an excessive amount of time writing proposals, but their paid and volunteer staffs have limited training in or experience of grant writing, making it a considerable challenge to produce high-quality proposals. Even when these organizations are successful in gaining funding, personnel expenses are usually excluded. They thus have to hold back money from implementation items to pay their staff.

Human Resources

The third challenge facing Chinese NGOs is manpower limitations. According to the NGO Blue Book, 80.9 % of the country's NGOs lacked professional employees in 2008, and 46 % had fewer than five employees (cited by Legal Daily 2008). The remuneration offered by Chinese NGOs is not attractive. Accordingly, they suffer a fairly high turnover rate, and although their leaders usually have strong capacity, their general staff is often lacking in competence.

This dire human resource situation means that many Chinese NGOs face a vicious cycle. Although they seek out suitable projects, their overall limited capacity results in poor project implementation. NGO leaders often try to pick up the pieces, with many performing tasks that should be the responsibility of general staff. The obvious solution is to recruit more, and more competent, staff, but doing so requires additional funding, and obtaining that funding requires that the organization identify and implement more quality projects. This vicious cycle is the situation faced by many Chinese NGOs today. Many struggle to survive, but the reality is that it is very difficult to escape this cycle.

Struggle Against Obstacles

Successful Independent Social Group Registration

Green Zhejiang has experienced two successful registrations. In 2000, when Xin Hao was a freshman at Zhejiang University, he initiated a green bicycling tour with his fellow students. They cycled approximately 2,000 km within Zhejiang over 36 days. During the tour, they witnessed numerous environmental threats and met individuals who shared their interest in environmental protection. However, these individuals were dispersed throughout the province, and the students realized that they would lack power unless they formed connections. That realization provided the spark for the establishment of an environmental NGO.

Gaining successful registration proved difficult, however. "Nobody knew who we were, and nobody believed in us," Xin said. He and his friends tried to make contact with numerous agencies, but failed until they approached the Zhejiang Committee of the Communist Youth League (CYL), one of the largest GONGOs in China. In July 2001, Beijing's successful bid to host the 2008 Olympic Games brought opportunities for many environmental NGOs and groups to gain registration. Just three days after the successful bid, Green Zhejiang, as Xin's organization was now known, approached the chairman of the Zhejiang Committee of the CYL to present its ideas and proposals for future green activities. The chairman was impressed and realized that Green Zhejiang could play an important role in the CYL's voluntary environmental protection initiatives. Several months later, Green Zhejiang registered as the Environmental Protection Branch of the Zhejiang

Provincial Youth Volunteer Association. This was the first victory for Green Zhejiang in its attempt to gain legal status, although this status actually represented a compromise between ideals and reality. As the branch of a GONGO, the organization was not an independent legal entity, and thus it had no independent financial rights; that is, it had no independent bank account. In addition, the GONGO reimbursement procedure was overly complicated and time-consuming. As a result, in 2008, Green Zhejiang disconnected itself from the Zhejiang Committee of the CYL, and thereby became an unregistered organization.

Green Zhejiang finally registered as an independent NGO called the Hangzhou Eco-Culture Association in 2009. Its sponsoring institution was the Hangzhou Municipal Environmental Protection Bureau, and its registration was ratified by the Hangzhou Municipal Civic Bureau. Ruan Junhua, the president of Green Zhejiang, is the vice-dean of the Management School of Zhejiang University, and his social status and reputation contributed, at least in part, to the organization's registration success. In the years since, Green Zhejiang has become an independent social group and has its own bank account. Although Zhejiang Province is embedded in its name, the newly registered organization is not a provincial level organization, which initially severely limited its outreach activities. However, following considerable effort, the Hangzhou Eco-Culture Association was eventually ratified as one of Hangzhou's 35 tax-free social groups. In Spring 2012, Green Zhejiang began to set up local volunteer centers (at the city level) and stations (at the county or the district level) in cities and regions outside Hangzhou, thereby laying the foundation for its registration as a provincial level social group.

Creating New Sources of Funding

Over the past 12 years, Green Zhejiang has devised a number of creative ways to raise funds. In February 2012, it decided that it should aim to be the best self-funded environmental NGO in China and thus would not rely on any outside funding sources (Green Zhejiang 2012).

Green Zhejiang considers its services to be income-producing products. Prior to 2010, the organizations helped local government agencies, youth leagues, and companies to solicit ideas and implement short-term activities. Green Zhejiang generally talks to sponsors first, and then writes proposals based on the consensus view. It then implements projects and finally releases summary reports. Its partners have included the advertising and external affairs departments of such large companies as BP and Coca-Cola and MSD Medicine's Department of Health, Safety and the Environment. Because organizations such as Green Zhejiang have a strong willingness to engage in environmental activities, but lack sufficient human resources and capacity to do so effectively, they must look for suitable advertising agencies or organizations to help them to plan and implement these activities. Compared with commercial organizations, however, environmental NGOs such as Green Zhejiang have advantages in terms of their environmental background and low implementation

costs (including manpower costs). Cooperation with NGOs may also help sponsors to build a good name with the public, which could eventually result in a larger market share for their brand. For example, Coca-Cola cooperated with Green Zhejiang for 7 years, including on a 4-year Green Olympic program, which allowed the company to mobilize hundreds of students and gain favorable media coverage. The cooperation with Coca-Cola, in turn, helped to maintain Green Zhejiang and helped it to establish relatively good relationships with local governments and other companies.

Green Zhejiang prefers to obtain a detailed and quantified contract before project implementation. “Media value” and “process control” are its key indicators in project planning, follow-up, and evaluation. For example, Green Zhejiang may sign a contract that includes a specific number of mainstream television, radio, and newspaper reports at the central, provincial, and local levels. All such coverage can be converted into “media value” by multiplying by three the amount it would cost to purchase a commercial advertisement of the same length. Green Zhejiang follows Coca-Cola and other major corporations in using three as the multiplier, meaning that a news item has three times the value of an advertisement. The strict supervision and evaluation of program implementation bring further business opportunities to Green Zhejiang while enhancing the capabilities of its staff.

The credibility established through its short-term initiatives allowed Green Zhejiang to implement several well-known long-term projects, such as the Zhejiang Juvenile Green Camp and the Qiantang River Waterkeeper program. The former has lasted 10 years, and the latter was accepted as a formal member of the Waterkeeper Alliance in 2010. Green Zhejiang’s core, and currently most influential, project is pollution mapping. It has attracted funding for this project from a variety of sources, including the Qiantang River Administration of Zhejiang Province, which provided initial funding of around US\$6,600. Green Zhejiang’s major financial donors at present are the Waterkeeper Alliance (\$22,340), the UNEP Eco-Peace Leadership Center (\$2,000), Intel Corp. (\$16,600), and the Chint Foundation (\$1,500), all of which also provide publicity opportunities.

Drawing on the experiences of the Green Map System and China Water Pollution Map (<http://www.ipe.org.cn/pollution>), Green Zhejiang developed a collaborative interactive China Water Map especially for the Qiantang River based on Ushahidi, a well-known open-source software platform used to monitor disaster events. The map provides a platform to educate the general public about water pollution, and clearly shows the location of such pollution. Users can access the interactive platform online from their desktop computers, smartphones, or iPads to obtain water pollution information and report new incidents of pollution instantly via the online map or its Apple and Android applications. The information provided covers violations, water quality monitoring results, and industrial pollution sources. Since July 2011, the project has trained 24 volunteer water advocates who carry out regular patrols to collect first-hand data. Green Zhejiang also puts pressure on the Zhejiang Provincial Environmental Protection Bureau to resolve pollution problems when new pollution incidents are reported on the Qiantang River Map. The project is designed to promote the development of civil society by increasing understanding

of the importance of public involvement in environmental management and to educate the target population about how it can become involved in protecting water sources. The project technology has also helped to broaden the vision of the local government. With its cooperation, Green Zhejiang has built a new model for government–NGO cooperation on environmental protection issues in China. The Qiantang River Map project has already produced results. As of August 2012, 35 pollution incidents had been reported by the trained volunteers and the public. With the cooperation of the Zhejiang Provincial Environmental Protection Bureau, 10 companies have been shut down or suspended from operating in Lanxi, Dongyang, Jiande, Tongxiang, Quzhou, Lin'an, and Jinyun. In addition, about 90 % of the articles discarded at the dumping sites of out-of-service ships and the fish market at the Wenyan Ferry, which are part of the first-class drinking water protection area, have been removed.

Green Zhejiang initiated a new fund-raising initiative in 2011 to paint the seawall of the Qiantang River, which boasts the world's largest tidal bore. To cover the painting expenses, 1,000 volunteers launched *Sales for Green*, which raised US\$33,000 in two days through the sale of bamboo products in 53 supermarkets.

Human Resources

Green Zhejiang has adopted three approaches to sustainability. Although these approaches have been effective for Green Zhejiang, they have not been replicated and/or tested by other organizations. First, the organization gained the support of a Zhejiang-based company, Suncha Company, which paid the salaries of its six full-time staff members. The company has cooperated extensively with Green Zhejiang, and it is clear that such cooperation can constitute a win–win situation for both NGOs and commercial enterprises. Suncha plans to establish a Corporate Social Responsibility department with Green Zhejiang's help and, in turn, provides funding that allows the NGO to focus on environmental projects. Suncha's president serves as Green Zhejiang's vice-president, indication of the close cooperation between the two entities.

Second, Green Zhejiang recruits local and international volunteers and interns, who are either unpaid or receive a small stipend. The Association Internationale des Étudiants en Sciences Économiques et Commerciales (AIESEC) and uJoin programs provide Green Zhejiang with interns every three months. In 2011, AIESEC provided 26 interns from 21 countries or districts, whereas the uJoin interns come primarily from Zhejiang University and other Hangzhou-based universities. Green Zhejiang has also set up international volunteer centers in the USA and the UK and, on June 20, 2012, established a Branch Committee of the Chinese Communist Party, with two general members nominated as committee members. The establishment of the Party Branch Committee has garnered the NGO considerable resources, including human resources.

Third, Green Zhejiang has worked with project-oriented subcontractors, both by cooperating with local grassroots organizations and by contracting experts in various fields. Working with grassroots organizations not only reduces the NGO staff's workload but also provides these organizations with much needed financial support and professional guidance. Green Zhejiang developed a public participation model called Green Citizen Participation (GCP) in 2004. The GCP model is designed to reduce the heavy staff workload and solicit ideas from the general public. It has proved a huge success. The first step of the model is to publish a press release at the beginning of a program to announce the program topics and rules. University students or members of the general public are then mobilized, and they team up and submit proposals. In the third step, a jury comprising professionals and sponsors' representatives selects the best proposals, and the top ten are then implemented with Green Zhejiang's support. The next step is an awards ceremony and wrap-up meeting. Finally, a winners' study tour takes place. Green Zhejiang used the GCP model in its cooperation with Coca-Cola and MSD Medicine.

A big difference between the GCP model and previous operations lies in the funding distribution. In the GCP model, the proposals selected are funded directly by Green Zhejiang. The model enhances public participation, and the activities that take place under its auspices are volunteer rather than staff oriented. The GCP model also reduces the organizer's workload, attracts media coverage, and builds team capacity. To date, it has produced a number of small-grant projects and such successful larger scale projects as the Green Map and Grant Canal Protection project. In 2006, the model was awarded an annual China National Voluntary Excellent Project Award. It must be noted, however, that the GCP model works best for short-term initiatives and awareness-raising activities. Its actual environmental and social effects are minimal.

Conclusion

Over the past 12 years, Green Zhejiang has managed to successfully overcome the three major obstacles facing new NGOs in China. To obtain legal status and survive, it first registered as a branch of a GONGO. Eight years later, it finally won its struggle to become an independent NGO, but sacrificed its status as a provincial organization. Green Zhejiang has gradually become an organization that engages in environment-related activities and provides environmental services, which has allowed it to earn an income sufficient to sustain operations. Its operations include short-term activities and long-term projects. It initiated the *Sales for Green* program to gain fund-raising control, and has integrated numerous social resources to reduce financial pressure and its staff's workload. In addition, it has developed the well-received GCP model, which has mobilized public participation and attracted creative project ideas. The practice-based experiences reported in this chapter will serve as a valuable reference for both Chinese and international NGOs.

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