

China Philanthropy News

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China Philanthropy News is produced by Grantmakers Without Borders (Gw/oB) for grantmaking organizations, donors and individuals interested in philanthropic engagement with China. It provides current news on giving, useful resources, people and books to provide a better understanding of the landscape of philanthropy in the country. For more information about Grantmakers Without Borders, visit www.gwob.net.

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□ Current NEWS –

1) Chinese philanthropists challenge stereotype

The Chronicle of Philanthropy's annual list of the US's biggest donors has included ethnic Chinese just four times since 2000. But in recent years, following the lead of entrepreneurs-turned-philanthropists like Jerry Yang, Ming Hsieh and Cyrus Tang, more and more ethnic Chinese are giving to philanthropic initiatives. Indeed, many studies show the rising potential of philanthropy among ethnic Chinese, one that challenges the stereotypes of Asians as frugal. As reported in the Sydney Morning Herald.

<http://www.smh.com.au/news/national/chinese-philanthropists-challenge-stereotype/2008/08/10/1218306665478.html?page=2>

2) Thanks for the offer, but...

Officials in China's devastated Sichuan province are getting a crash course in a novel concept: accepting philanthropy. Since the May 12 earthquake that killed nearly 70,000 people and destroyed homes across the region, millions may have been lost because officials were leery of taking money from nongovernmental organizations and private donors. In just one county, Mianzhu, a team from McKinsey Greater China recovered \$2.2 million in a single week, says Qiu Tian, project manager for the pro bono effort. Her team scoured the local government's departmental logbooks for unreturned phone calls, rang back 50 neglected donors and persuaded 15 of them to renew their offers. As reported by Newsweek. <http://www.newsweek.com/id/149004>

3) Chinese NGOs struggle to grow

Two months after volunteer groups in China won widespread praise for delivering urgent quake relief, the government has not adjusted its restrictive policies toward them, but many groups are continuing quake aid in Sichuan Province anyway. Some of them are now saying that the main challenge NGOs'

currently face isn't that the government won't let them grow. It's that they don't know how to grow. "The biggest problems for NGOs are from inside the field.... They lack abilities and methods," says Zhai Yan, director of the Huizeren Volunteer Development Center. "People who work in this field are not professionals." As reported by the Christian Science Monitor.
<http://www.csmonitor.com/2008/0717/p04s03-woap.html>

4) China pressure groups learn to tread carefully

Underneath the rigid China state lies a stirring civil society, and the number of volunteer organizations in China continues to grow. While the earthquake in Sichuan gave promise to increased space for NGO participation, many NGO leaders still say they are restricted in their activities. As reported by Financial Times. http://www.ft.com/cms/s/0/626e2fd0-5744-11dd-916c-000077b07658.html?nclick_check=1

5) Clinton negotiates with Chinese drug makers to cut anti-malaria drug prices

The Clinton Foundation has reached an agreement with key pharmaceutical companies in China and India to reduce by 30 percent the price of a key anti-malarial drug. The firms have also reached an agreement to lower the price volatility of artemisinin, the key raw material for artemisinin-based combination therapy, by 70 percent, said Clinton, whose charitable foundation helped broker the deal. More at <http://www.clintonfoundation.org/news/news-media/afp-china-india-drug-makers-agree-to-cut-malaria-drug-price-clinton>.

6) Gates' Foundation funded anti-smoking campaign during Olympics

The Gates Foundation earmarked \$130,000 for a "smoke-free Olympics" this year in Beijing. Most of the funding was expected to go towards anti-smoking campaigns and advertising. Smoking affects more than 350 million people in China, impoverishing about 50 million from medical costs and treatment. The Gates Foundation has pledged \$125 million over the next five years to reduce and curb smoking in China, India, and Africa. As reported by China Daily.
http://www.chinadaily.com.cn/olympics/2008-07/28/content_6881053.htm

7) HIV drug resistance found to be common among China's poorest

A recent study has found that more than 17 percent of HIV patients being treated for their infection in China have developed a resistance to available drugs. Moreover, those with higher resistance are found to be in poorer families with low and unstable incomes. According to the Chinese media, about 20,000 people were receiving free drugs by 2006, far below what the WHO estimated was required. As reported by Reuters.
http://news.yahoo.com/s/nm/20080806/hl_nm/aids_china_resistance_dc_1

8) Migrants to get help in AIDS fight

China has an estimated mobile population of about 150 million people. Recently, the All China Federation of Trade Unions and the ILO launched a new project to prevent the spread of HIV/AIDS among this population. Over three

years, this project will provide free education and training on HIV/AIDS prevention in key regions that have a high concentration of migrant workers. As reported by China News Agency.

http://health.groups.yahoo.com/group/China_AIDS_Survey/message/2484

9) Department is set up to assist migrant workers

The central government of China has set up a special department to safeguard the rights of migrant workers, help them get training, and ensure safe working conditions. The aim of the department of migrant workers' affairs, under the newly formed Ministry of Human Resources and Social Security, like much of Chinese governmental policy, is to achieve "social harmony". As reported by China Daily.

http://www.chinadaily.com.cn//china/2008-07/22/content_6864989.htm

10) Don't let the Games blind us to the plight of China's workers

This editorial highlights the continuing labor issues that plague China's many factories and their workers. There is only one trade union allowed in the country, and it is controlled by the government. Many women working in factories suffer physical and mental injuries each year but are prevented from protesting and/or complaining. While many multinationals contract to factories, they are often unaware of the negative conditions that workers are enduring. As reported by the Independent.

<http://www.independent.co.uk/opinion/commentators/johann-hari/johann-hari-dont-let-the-games-blind-us-to-the-plight-of-chinas-workers-887136.html>

11) China makes Wal-Mart toe the labor line

Wal-Mart recently signed a new collective bargaining deal with the All China Federation of Trade Unions, a government-controlled union representing the country's Chinese workers. Under the agreement, employees in two cities will get an 8 percent raise this year and the next. While Chinese workers still have very few rights, conditions may be improving as more emphasis and attention is made on corporate social responsibility initiatives. As reported by Business Week.

http://www.businessweek.com/globalbiz/content/jul2008/gb20080725_154099.htm?chan=top+news_top+news+index_global+business

12) China's environmental crisis

A consequence of China's tremendous economic growth has been a gradually deteriorating environment. Sixteen of the world's most polluted cities are in China, and while the 'green Olympics' symbolized both a catalyst and a reflection of the government's commitment to the environment, environmentally sustainable growth still remains a challenge. This article takes a look at some of the strategies that have been implemented by the country, how effective they have been, the role of international and nongovernment organizations in this process, and continuing challenges. As reported by the Council on Foreign Relations.

http://www.cfr.org/publication/12608/chinas_green_crisis.html?breadcrumb=%2F

13) Is the future green for China?

Although China is one of the world's largest polluters, it also has emerged as one of the leaders in green entrepreneurs. This growing trend has led to increased investment into green technologies. One study found that venture capital investments in green industry increased by 147 percent from 2005 to 2006- from \$170 million to \$420 million, and totaled \$10 billion last year. As reported by UPI. www.upi.com

14) China is world's leading renewable-energy producer

A recent report from the Climate Group found that China leads the world in installed renewable energy and is overtaking more developed countries in developing sustainable technologies. It is also a leader in exporting renewable energy technologies, including wind turbines, solar water heaters, and rechargeable batteries. Ironically, it is also one of the world's leading polluters. As reported by the Christian Science Monitor.

<http://features.csmonitor.com/environment/2008/08/03/report-china-is-worlds-leading-renewable-energy-producer/>

15) Uighurs and China's Xinjiang region

This article looks at the conflict in China Xinjiang region, highlighting issues of economic dependence, ethnic tensions, and independence protests. While some call Beijing's presence a form of imperialism, China has responded by economic development in the region. It also looks at the terrorist group, East Turkestan Islamic Movement, and the conflicts that have occurred within the region and touches on the international interest this conflict has spurred. As reported by Council on Foreign Relations.

http://www.cfr.org/publication/16870/chinas_xinjiang_dilemma.html?breadcrumb=%2Findex#8

16) US is losing education race with China

A study by a global think tank based in Canada estimates that by 2010, China will have more engineers and scientists with doctorates than the US. Within four years, 90 percent of all scientists and engineers with doctorates will be Asians living in Asia. This article looks at some of the efforts China has been pushing in order to maximize the potential of its youth, and some of the challenges the US still faces in making education more accessible for its youth, particularly those from poorer families. As reported by Newsday.

<http://www.newsday.com/news/opinion/ny-opwhe055789535aug05,0,5415291.story>
<http://www.newsday.com/news/opinion/ny-opwhe055789535aug05,0,5415291.story>

□ **Useful RESOURCES –**

17) Report: "China and the future of the developing world"

This report offers a framework to understand the coming global-Asian era (GAE) and some of its consequences, with particular reference to the developing world. It sketches a series of vectors (trade, aid and energy security) along which the GAE is beginning to have an impact on developing countries. The paper argues that, at least for these vectors, the Chinese-driven GAE is providing opportunities as well as dangers for national development projects. It concludes by briefly speculating on the viability of the GAE. At

http://www.wider.unu.edu/publications/working-papers/research-papers/2008/en_GB/rp2008-58/.

18) Report: "Who will China feed?"

While China is a significant food exporter for the world, more recently signs hint at a restoration of the law of scarcity, mostly in the form of rising commodity and input prices, more expensive labor, restrictions on land developments, and a reversal of China's pro-export policies. Various hidden costs of China's seemingly miraculous growth also are beginning to emerge, including dangerous chemical residues on food and related food safety problems, falling groundwater tables, polluted water, and overall environmental degradation.

This article looks at some of the challenges China faces. At

<http://www.ers.usda.gov/AmberWaves/June08/Features/ChinaFeed.htm>.

19) Study: "Depopulating the Tibetan grasslands: national policies and perspectives for the future of Tibetan herders in Qinghai Province, China"

Tibetan grasslands constitute one of the most important grazing ecosystems in the world and encompass the source areas of many major Asian rivers. While a variety of government policies have been applied in recent years to protect the ecology and biodiversity of China's grasslands, there is growing concern that national and global economic considerations have overshadowed emerging conservation agendas. This article critically reviews several key policies affecting pastoralists, with special attention given to the Sanjiangyuan region of Qinghai Province. At

<http://www.eldis.org/cf/rdr/?doc=38681&em=130808&sub=agric>

20) Paper: "A decade of rising poverty in urban China: who are more likely to fall under?"

Rising inequality has been one of the most profound social consequences during China's dual transitions from an agrarian and socialist planned economy to an industrial and market based economy. This paper focuses on a small portion of the overall picture of rising inequality in China; the emerging trend and underlying patterns of poverty in Chinese cities. The authors consider who are more likely to fall under the poverty line. At

<http://www.eldis.org/cf/rdr/?doc=38106&em=130808&sub=pov>

21) Report: "Political and social reform in China: Alive and walking"

This report looks at how new social groups as well as the Chinese Communist Party (CCP) continue to adapt and experiment with ways to act on new interests while avoiding or preventing direct challenges to CCP rule. Highlighting two protests in Xiamen and Shanghai, one which resulted in the government backing down and relocating a chemical plant, this article examines popular organization and expression in China. At <http://www.twq.com/08summer/index.cfm?id=308>.

22) Report: "Explaining China's continued resistance towards international human rights norms: A historical legal analysis"
This article examines why China is wary of international human rights law and why it has difficulties complying with international human rights norms. It particularly focuses on establishing why the Peoples Republic of China is antagonistic towards human rights law, while it has been welcoming of other forms of legal reform, institutional development, and foreign cooperation. At <http://www.scoop.co.nz/stories/HL0807/S00138.htm>.

23) Report: "Feminization of agriculture in China? Myths surrounding women's participation in farming"
The goals of this article are to help build a clear picture of the role of women in China's agriculture, to assess whether or not agricultural feminization has been occurring, and if so, to measure its impact on labor use, productivity and welfare. The article uses two high quality data sets to explore who is working on China's farms and the effects of the labor allocation decisions of rural households on labor use, productivity and welfare. At <http://www.afec-en-ligne.org/spip.php?rubrique18>.

24) Regional differences in HIV prevalence among drug users in China: potential for future spread of HIV?
This rise in HIV among drug users has sparked the concern of a general epidemic emerging from this population. This study looks at some of the regional differences in HIV prevalence in China and notes that it reflects different stages of drug use rather than differences in risk behaviors. In areas where the prevalence is low, there is the possibility of future outbreaks of HIV among drug users. At http://health.groups.yahoo.com/group/China_AIDS_Survey/message/2492

□ **Upcoming EVENTS –**

25) "1st annual World Vaccine Congress 2008: Build an Olympian Meeting Platform for Future Vaccine World"
The Congress will be the largest meeting devoted exclusively to research on vaccines and associated technologies for disease prevention and treatment. Both international and domestic experts will lead sessions and panel discussions on topical areas of basic science, product development, clinical

testing, regulation, and other aspects of vaccine research. Opportunities for networking and scientific collaboration critical to advancing vaccine science and development will be available through audience discussions, poster presentations, sponsored exhibits, and evening ceremonies and receptions. December 1-5, 2008; Guangzhou, China
<http://www.bitlifesciences.com/wcv2008/>

26) “Second Ditan International Conference on Infectious Diseases”
This Ditan international conference is one of the very first international conferences where thousands of experts and distinguished scholars around the world will gather in the heart of China for information exchange. The free flow of people has become a norm in the 21st century ever since globalization hit the world. However, the outbreak of SARS and avian flu has brought the world’s attention to the globalization of infectious disease, which has now become the greatest threat to the world’s health as globalization continues to hit the world. This 3-day exchange will bring be a forum of scientific exchange, information update and experience sharing between countries. November 14-17, 2008; Beijing, China
<http://www.bjditan.org/zymosis/>

□ Latest BOOKS □

27) *The China Price: the True Cost of China’s Competitive Advantage*, Alexandra Harney, Penguin Press, 2008

The following book was reviewed by Dr. Rachel Golden.

Americans are inundated with news, analysis, and opinions on the growing economic and political might of a rising China. So why read another book on this subject? Because we need to see another side to this important issue. Most of the information that bombards us and addresses the issue of the China Price – ultra cheap prices --focuses on the impact on America or the rest of the world. Alexandra Harney’s book, “The China Price: The True Cost of China’s Competitive Advantage” has a different purpose. Her objective is to examine the impact of the China Price on China and the Chinese – to look under the astonishing and astounding economic growth records and ask what has been the impact, or cost, to China, and especially to the people who make the goods that sell at low China Prices? She does this by focusing on the province of Guangdong, which has become the powerhouse of the country’s export-oriented industrialization and one of the most popular destinations for the hundred-million strong migrant labor force that is responsible for the low China price tag.

What makes this book such a compelling read is that it can be read at many levels. It is like fine wine, containing richness, subtlety, and complexity. At the

most basic level, the book describes the humiliation, exploitation, and discrimination that migrant workers experience as they seek their livelihood in factories in urban China. It also captures the intense pressure for survivability and sustainability that managers at the bottom of the global supply chain experience as they work to fulfill the orders to work cheaper and quicker.

The second level builds on the first. It lays out the contradictions, in part created by misaligned incentives embedded in China's economic and political system, the trade-offs that are made, and the unintended and unexpected consequences that follow. For example, Harney's book discusses how the "race to the bottom" has spawned an industry of local consultants to help managers pass audits that certify compliance with product and labor standards imposed by the buyer, without actually being in compliance. She also offers examples of how managers are concluding that a more worker-friendly environment is a better recipe for enhancing productivity, profits, and longevity, as well as enabling them to take a harder line when negotiating with "the Brands."

The second level leads into the third – reading Harney's book as a case study of social change in China, or social change in the making. It is at this level that the book becomes a must read. Harney tells the story of the China Price through the life experiences of a handful of migrant production workers and their bosses. But she does so by embedding the "point of view" in a historic context. By "setting the scene" in the period since 1979, when economic reform was launched, she effectively captures the evolution from a command system to a market system based upon rule by law (not rule of law). By using this technique, she underscores social change, particularly by calling attention to the transition in attitudes and behavior on the part of all the actors in the drama -- and how those changes have affected the "playing field" and "rules of the game," not only for the main characters in her drama, but for NGOs and labor unions as well.

For example, she highlights changes in attitudes and behaviors between first generation and second generation migrant workers. The first generation was interested in maximizing income at whatever cost in order to send money home. The second generation has different expectations and aspirations. They want a better life, including their working life. They are increasingly aware of their labor rights and willing to enter into arbitration, as well as engage in public protests and demonstrations, to obtain justice. This change in attitude and behavior on the part of second generation migrant workers is creating a more fertile breeding ground for a home grown labor rights movement.

At the fourth level the book becomes a tool for grant making in China, particularly for those involved in issues relating to trade, global governance, and human rights. Harney's work enables the reader to better see emerging trends and to think strategically about their grants. For example, the book calls

attention to pressure points for change as well as opportunities to identify “leading lights,” or policy and social entrepreneurs. It entices donors to think about how to support an “insider-outsider” strategy to enforce and expand labor rights. It also causes donors and activists to ponder whether the proliferation of product, labor, and environmental standards with third party certification is moving the goal post toward sustainable development and if not, what are the road blocks and how might they be removed.

The book can also be read as a tragedy. By putting human faces on the global supply chain, it powerfully conveys the message that low retail prices of goods with the “made in China” label do not reflect true cost – certainly not to the people who make them or to the environment. On the other hand, the book can be read as an uplifting story. China is changing very rapidly. That is because the actors in the drama — the government (central and local), individual employers, trade associations, the “Brands”, labor unions, NGOs, workers, and consumers – are continually changing their attitudes and behaviors so as to cope, as well as improve, their particular situation. And as they do, they change the situation, as well as create conditions for further change. As a result of this perpetual and un-choreographed movement, nothing is set in stone. When Harney took leave from the newspaper, the Financial Times, to write her book, the China Price was synonymous with cheap. In fact, BusinessWeek magazine claimed that “the three scariest words in US industry are “the China Price.” It wrote, “Cut your prices at least 30% or lose your customers. Nearly every manufacturer is vulnerable.” But now the China Price is rising. That rise, as we know, is due to a number of factors, including pressures from Chinese migrant workers for higher wages and a growing backlash on the part of manufacturers against buyers wanting ever cheaper and quicker production of “every day low price” goods. What will be the consequences of the New China Price on China, the Chinese, and the rest of the world? Stay tuned for Harney’s next book.

□ China PROFILE □

28) Fu Tao, Editor-in Chief, China Development Brief (Chinese version)

Q: China Development Brief has had a long history in China, especially within the civil society sector? Can you tell us a bit about your relationship with the publication, and what the current status is now?

A: China Development Brief (CDB) was started by Nick Young, a British journalist, in 1996. I joined in 2001, and became a staff writer for the Chinese publication of the journal in July of 2001; in November of 2004, I became the editor-in-chief of the Chinese publication.

Q: How do you see or define civil society as it functions in China? What does having a civil society mean to you?

A: China's civil society should be a broad concept, one that allows for the inclusion of independent media and journalists, academic institutions, public think tanks and scholars, professional lawyers and institutions working to secure the institutional framework to safeguard citizen's rights, all of which brings to society ideas and values. Personally, I think civil society at its fundamental core should be separate from government and enterprises (private sector) organized nongovernmental organizations (NGOs).

Theoretically speaking, NGOs often have a clear mission to promote China's social transformation and progress through different service and/or policy approaches. The value of civil society in China is the need to encourage the government to relax restrictions and expand the public space of engagement, strengthen community autonomy, which allows for a system of check and balances between government and society. Moreover, having a civil society will encourage the government to strengthen citizen's rights, improve social justice and equality, and work towards a sustainable development for the future. This is, in fact, all in line with the recent objectives and policies adopted by the government itself. Likewise, civil society itself must be open to cooperation and collaboration with the government.

I think that civil society can help the government achieve good governance by decentralizing its power. By simply adopting the western model of a multi-party system and separation of power structures in China is unrealistic; yet at the same time, a strong civil society can help to promote democratic principles. Within this sector, it allows for a diverse range of interests to be represented, with organizations working towards those that are more vulnerable and disadvantaged in an effort towards social equality. It remains to be seen whether the existence of such a political system is able to accommodate such a civil society.

China's society has over the years evolved tremendously, and has developed values and concern for a range of social issues, such as development, environmental and ecological protection, the maintenance of traditional culture, support and protection of the vulnerable; this will help to ensure a strong civil society that reflects these values.

Q: Why and/or in what ways do you think having a civil society is important to China?

A: Throughout China's history, social transformation has been marred by cycles of violence and progress. But entering the 21st century, countries around the world have been able to learn from each other's histories and experiences. Despite different politics and different cultures, in a globalized world, there are universal values that everyone shares, underscored by democratic principles

(albeit in different forms). Civil society should be an integral part of China's social transformation, working towards the protection of social justice. The realization of these values will undoubtedly be reflected in different ways, appropriate to localized contexts; yet civil society is an inherent part of this process.

Likewise, China's civil society also needs to take on the challenges of globalization, and shoulder necessary responsibilities for negative impacts that may emerge. That is, it has a responsibility towards those communities it works to protect, such as the marginalized and vulnerable, in the face of these challenges.

Globally, the power of civil society is in its nonviolent means of action. Particularly in China, the majority of NGOs work within the institutional framework, primarily focused on enhancing cooperation with different partners. For the government, it is necessary to understand the value of compromise and cooperation in the face of social challenges.

China's historical tradition of respecting state authority and forms of power has prevented an effective checks and balances system. For years, the strength and legitimacy of the government has been buttressed by such tradition, and in part have impacted the conflict and challenges between government and NGO cooperation, and has stymied the social progress that could have moved forward. NGOs should remain independent but pursue a cooperative working relationship with the government, though challenges to this remain. The value of civil society lies in its independence, yet it is this same quality that the state must gradually come to accept and recognized as a social value, understanding that it does not diminish their own legitimacy; rather, having such a checks and balances system only improves relationships to resolve conflicts.

Of course, it is unrealistic for civil society to take on the responsibility of creating this change itself. Recognizing that the political environment is still in its nascent stages for such transitions, it is necessary for the government to also be a part of this process. In China, there is still a limited and weak institutional space for such engagement to challenge the government. Without this space, it is difficult to allow for the broad participation of citizens, especially the participation of those within the system (not the kind of participation as in past political participations, such as the Cultural Revolution).

In addition, because of the large geographic differences in China, as well as different levels of development, and the growing number of vulnerable populations as a consequence of the rapid social and economic development, there is a crucial need for NGOs to provide social services to meet these challenges. As the disparity between the rich and poor and urban-rural continue to grow, there emerges an increased need for programs of poverty

alleviation, children's education, and other social services and support (combined with policy advocacy). Such development programs and social welfare services are highly encouraged by the government.

Q: In your own work, what have been some of the shifts and trends to the development of civil society in China over the years? What does this say to you about its future?

A: Some trends include:

1) The transition to advocacy- since the 1980s market reforms, the government has gradually decreased its presence from the social services sector, instead allowing for the emergence of grassroots NGOs to provide such services, from the bottom-up. While there continues to be challenges to NGOs in providing these services (the environmental sector has a unique background in this respect), they do realize that in addition to providing services, they also need to engage in policy advocacy, which can bring about significant impacts if effective. Although policy advocacy is important, many people still see this as something that "does not deliver" in terms of effects, and thus, programs and service delivery as still significant in terms of legitimacy.

2) The cooperation of the government- in the past, the state has consistently had a negative attitude towards NGOs, applying fairly restrictive policies. The increase of NGOs over the years, however, has pushed the government to relax their policies, and adapt them to allow for social development. Moreover, the government has itself funded organizations to provide services, and developed their own organizations that extend into civil society, which has helped to widen the space of policy engagement for NGOs and the government. Currently, the attitude towards NGOs varies widely across state institutions.

3) NGO networks and partnerships have increased- within the same sector, exchange and communication between NGOs have always been frequent, but has increased significantly due to the use of publications and websites. This has developed in part due to the need for advocacy, and in part has allowed for organizations to further share their experiences with each other. There has also been increased cooperation in terms of joint advocacy (which has varied depending on the level of sensitivity on the topic).

4) The position of NGOs- over the years, a number of global issues has begun to enter the NGO arena in China, and organizations are slowly finding their niche within this sphere. Issues such as climate change, overseas aid, trade and investment and impacts on the environment, entry into the WTO and fair trade, all have influenced the country's own social challenges and resulted in emerging new problems. For NGOs, however, this may serve as a starting point for some local organizations to develop, though this may be a long process.

At present, China's NGOs need to find a new niche; traditionally, it has taken on the space of filling in gaps in the provision of social services by the government (such as environmental protection or education), and has been able to bring innovative value and solutions to the social problems. Yet, at the same time, NGOs need to continue to enhance their own ideas and values over the long-term; that is, focusing on sustainability rather than project-based programs. Projects and programs should be integrated towards the longer-term mission of the organization. Currently, some of the biggest challenges NGOs face are building relationships and partnerships with the communities they work with, understanding changes taking place, and being able to be flexible enough to tailor their own work to the needs of their beneficiaries.

Q: What do you think the influence of foreign donors and organizations have been to local NGOs?

A: International funding organizations and their overall agendas towards grassroots organizations have enormous influence. Even if donors do not directly interfere in the program work of grantees, their overall standards and scope of work impact the NGOs. A more effective approach for donors might be to allow for a fair amount of flexibility within the scope of funding, and more attention to locally generated ideas and solutions to problems. Local Chinese organizations definitely have their own advantages given the diversity of issues in the country. Yet some international support of providing capacity building, in terms of technical support, financial management, media and communication, project management and assessment, and others may help to develop innovative solutions at the local level. Such introduction to international experiences, especially from other developing countries, would also help. Allowing for the independent growth of this sector is, of course, also important. But fostering exchange and ideas is beneficial. Additionally, the emphasis on financial transparency and accountability is critical for local organizations.

Q: In recent years, there has also been a growing movement of philanthropy in the country as well, both by private individuals and foundations. How do you see this emerging trend influencing the landscape of civil society?

A: Individual and private foundations have stimulated a newfound potential into the traditionally government-led charity sector, and helped to capitalize on the potentiality of this sector. In the past, philanthropy has been comprised on traditional corporate donors and government, forming a sort of partnership that allows for "transaction" in exchange for "permits;" however, the emergence of entrepreneurs and their independent thinking, especially towards social development and the motivation to improve society through their charitable giving has been significant. Philanthropists have their own interest in civil society, and are willing to work in partnership with NGOs. However, many are dissatisfied with the low capacity to disburse and expend funds by these NGOs,

and this remains a challenge. But it is also important that such corporate philanthropists must also have patience, and should provide input to help develop the growth and capacity of civil society organizations.

From the government's point of view, the social development concerns of philanthropists is well in line with the needs of society, and in this way, can forge a useful partnership between government and NGOs. Because Chinese society is in its transition period, there have been an increase in social conflicts and disadvantaged populations, the latter of which have had to shoulder the majority of consequences of the economic reforms. In this way, public opinion has expressed dissatisfaction with the rapid growth of the richer classes, and called for more consideration to the poor. Thus, philanthropy becomes a channel by which these classes are able to give back to society, and contribute to its development. However, policy changes to the current system may be a challenge, since this would impact many of the rich that benefit from such reforms- as such, there may be more caution on the side of the state to implement such drastic changes.

China's foundations in the past have all been primarily government-run. The emergence of private foundations will inevitably change and be changed in the future; that is, in terms of civil society of local organizations, this may strengthen domestic resources, allowing NGOs to be less dependent on international funding for their programs and building up a local funding sector. Following the Sichuan earthquake, foundations were quick to respond in providing funds for disaster relief and reconstruction, for example. The recognition of the value of cooperation with NGOs will only strengthen the links within the nonprofit sector.

Q: What role do you think these new players can have in China, and within civil society?

A: The involvement of individual and private foundations will allow for a more diverse network of resources for civil society groups; that is, not only will this strengthen the development of local civil society in terms of developing local funding sources, but it will also help to increase their legitimacy in the public sphere. This will, however, impact the monopoly on charitable resources currently dominated by the government; yet it will also encourage a more mainstream and public participation in social development. Such competition from private sources will only enhance government efficiency in meeting the needs of communities.

The proliferation of private foundations, however, has faced their own challenges, such as capacity of staff to effectively manage programs and operations. There is a gap in human resource, such as staff with private sector background not having relevant nonprofit experience, but NGOs not having significant management skills.

Q: How do you see the relationship between the government and philanthropy growing and/or shifting in China?

A: Charity has traditionally been an encouraged practice in that it does not challenge any political norms, and is a way to contribute to social development. In its current stage of development as a country, is even more in line with national goals. On the whole, there are more challenges to Chinese NGOs than, say, to their Southeast Asian neighbors. If on the surface Chinese NGOs are more technologically advanced, below the surface they also face less structural support and recognition of their social value; in this case, an influx of funding may result in opportunism on the part of organizations. However, the main mission of NGOs should be to advocate for the social rights of disadvantaged populations, rather than focusing on political rights.

Of course, divisions between service and advocacy are not always simple or appropriate; that is, in such a restrictive environment (as in China), service oriented organizations may find difficulty in advocating for their cause. In terms of the relationship between philanthropy and the government, the former is a means to resolve social conflicts, yet becomes a liability when the government is unable to regulate the growing disparity between rich and poor, trying to balance the interests of the rich and poor.

Q: What are some of the challenges and/or limitations you see for the development of philanthropy in China?

A: The first challenge is the official management of charities in China. If the government tries to control the philanthropy sector resources, from various means, such as setting up their own NGO or controlling the use of volunteers, monitoring fundraising, or other means, they run the risk of having a government controlled philanthropy sector. While this may be good to help the government gain prestige and legitimacy, this will also cause more problems in the long-term, and works against the concept of having a civil sector apart from the state.

Second, having a state managed and organized philanthropy sector runs the risk of the government neglecting its other priorities, such as social welfare and protection, and ensuring the provision of public goods.

A third challenge is the development of the NGO sector itself, in terms of philanthropy and its funding to such organizations. While the sector is not completely matured in its capacity in terms of transparency and accountability, increase funding flows to this sector may run the risk of “illegal” activities, which will affect the use and performance of philanthropic funds.

The fourth challenge is the lack of any type of human resources. That is, there is an urgent need for more human resources with the capacity to manage programs in these types of foundations.

Q: If you could offer some advice to funders interested in working in China, what would it be?

A: It's not only about funding local organizations in China, but it is also important to ensure common values and objectives with your partners. Funders can help build local capacity by providing exchange of information, experience and opportunities, which will help local groups to work towards finding locally based solutions for target communities. Moreover, by engaging with local organizations, funders can better understand the context of China's development and challenges.

When choosing local partners, be sure to research the organizations in order to better understand them.

Encourage transparency and accountability in financial transactions.

Funding should be concentrated on long-term sustainable development, rather than short-term visible results.

Try and diversify the areas of funding, rather than concentrating in one specific geographical region in order to avoid an overflow of funds, particularly paying attention to those areas that are more lacking in resources.

ABOUT GRANTMAKERS WITHOUT BORDERS

Grantmakers Without Borders, a philanthropic network, is dedicated to increasing funding for international social justice and environmental sustainability and to improving the practice of international grantmaking. Our membership, currently numbering some 325 individuals from roughly 150 grantmaking entities, includes private foundations, grantmaking public charities, individual donors with a significant commitment to philanthropy, and philanthropic support organizations. Availing of this wealth of experience and expertise, Grantmakers Without Borders provides capacity-building support to international grantmakers both novice and experienced. We offer a space for education, community and collaboration among international social change grantmakers. We advocate before policymakers on behalf of social change grantmakers, and we work to leverage the philanthropic sector to increase funding to the global South. In all our efforts, Grantmakers Without Borders is committed to the ideals of justice, equity, peace, democracy, and respect for the environment. We value and respect the wisdom and experience of local communities in all their diversity, and we are dedicated to amplifying the voice

of the global South in international philanthropy. Founded in 2000,
Grantmakers Without Borders is a project of the Tides Center.

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