

China Philanthropy News

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– Current NEWS –

1) Jet Li: real life hero

Since nearly being swept away in the 2004 tsunami, Jet Li has a new mission in life, in the form of his One Foundation, which supports education, health, environment and poverty. Building public-private partnerships with companies such as Starbucks and Microsoft, Li has attracted many celebrity volunteers to promote causes he cares about. Currently, the foundation focuses its efforts in China, but there are plans to expand into Singapore and India. More at http://www.straitstimes.com/Breaking%2BNews/Lifestyle/Story/STIStory_281942.html.

2) China ditches "Millionaire Fair"

Shanghai's "Millionaire Fair", one of the most striking symbols of China's sudden wealth, is getting a humble makeover. The ostentatious show, which started in 2006, used to offer yachts, solid gold jacuzzis and diamond-encrusted mobile phones to China's elite. Admission was strictly by invitation only. This year, however, it will host a more modest sounding "roundtable on China's well-being and charity". Organizers have also dropped the word "Millionaire" from the title, which has become simply The Fair. Instead of its "millionaires' party", there will be a forum run by the China Philanthropy Network. Reported by the Telegraph at <http://www.telegraph.co.uk/news/worldnews/asia/china/2823077/China-ditches-millionaire-fair.html>.

3) Across China's countryside farmers were just too busy for Olympics

While the world had its eye on the Olympics in China, many farmers in small villages were too busy sustaining their own livelihoods to be distracted by the games. About 2/3 of the population is still tied to farming, and while many parts of the country have benefited from the economic boom, others continue to struggle to make ends meet. This article looks at the lives of tea farmers in Zhejiang and the striking disparity between the two Chinas. As reported by the Washington Post at <http://www.washingtonpost.com/wp-dyn/content/article/2008/08/14/AR2008081403169.html>

4) The Olympics party is over: Now China has to clean up

This article explores the underbelly of China's development and hidden poverty, overshadowed by the excitement over the Olympics this summer. As the country presents itself as a modern, newly emerging metropolis, many people still suffer

from water shortages, growing pollution, climate change challenges and continuing poverty. As reported by the Guardian at <http://www.guardian.co.uk/commentisfree/2008/sep/10/china.olympics2008>

5) China announces land policy aimed at promoting income growth in countryside

A new policy intended to increasing the income of farmers was announced by China in a bid to reduce the growing income disparity between rural and urban Chinese. The policy includes allowing farmers to engage in unrestricted trade or sale of land-use contracts, moving towards a privatization system. It would also give farmers more land security and could effectively lead to the establishment of large-scale farms. As reported by the New York Times at http://www.nytimes.com/2008/10/13/world/asia/13china.html?_r=1&oref=slogin

6) Paralympics brought forward the plight of China' disabled

The recent Paralympics in Beijing brought the plight of the almost 83 million disabled people in China into light. Largely invisible, this population seldom ventures out of their homes, both for psychological and physical reasons. A large part of the Chinese population remains unaware and uneducated about disabilities, and volunteers had to be extensively trained to learn how to deal with disabled people. While the Chinese government has passed legislation to protect disabled people from discrimination, the lack of implementation has done little to help people. As reported by the Christian Science Monitor at <http://www.csmonitor.com/2008/0909/p01s02-woap.html?page=2>

For more on this topic see also

<http://news.bbc.co.uk/2/hi/asia-pacific/7600285.stm>.

http://news.yahoo.com/s/nm/20081002/lf_nm_life/us_china_blind_1

7) China should compensate HIV-hit blood donors: UN official

The director of UNAIDS has stated that China should compensate people infected with HIV through government backed blood trading and that they should be given to the latest anti-AIDS drugs. He said he would raise the issue when meeting with top leaders in the country and pointed to the travesty that nothing had yet been done for those victims of the government scandal. Despite guidelines to provide people in Henan with medication, treatment has yet to reach the people. As reported by Agence France Presse at http://news.yahoo.com/s/afp/20080918/hl_afp/healthchinaunaid_080918161833

8) HIV/AIDS survey reveals stigma, risky behavior

A report published by the Chinese HIV/AIDS Media Partnership has found that stigma against positive people continues to remain strong and that the need for expanded education is critical. Basic knowledge and misconceptions about transmission is still common, and the gap between knowledge and practice remains a concern. As reported by China.org.cn at http://www.china.org.cn/health/2008-09/27/content_16545942.htm

For more on this topic see also

<http://www.bloomberg.com/apps/news?pid=20601080&sid=aVhQ53Eqid.g>

http://news.xinhuanet.com/english/2008-09/05/content_9800989.htm

http://www.chinadaily.com.cn/china/2008-09/09/content_7009413.htm

http://news.yahoo.com/s/nm/20081010/hl_nm/us_aids_china_1

9) China reneges on pledge to say why schools fell in quake

As reconstruction efforts continue to move forward, government officials are refusing to assign blame for the shoddy construction that led to the deaths of over 10,000 students. Instead, the government has encouraged parents to move on. Many parents believe that investigations would reveal that many individuals profited from poor construction. Although the government has reiterated its promise to punish against those culpable, the media has been ordered to restrict its coverage. As reported by McClatchy Newspapers at

http://news.yahoo.com/s/mcclatchy/20080912/wl_mcclatchy/3043709_1

For more on this topic see also

http://news.xinhuanet.com/english/2008-09/08/content_9854066.htm

10) Thousands of North Korea children face hardship in China

A Seoul-based North Korean human rights organization has launched a campaign to help thousands of “stateless” children who have been forced into begging and prostitution in China. Currently, China enforces the policy to return all refugees back to North Korea, which effectively places them at risk for severe punishment. Moreover, many children born into mixed families either run the risk of deportation or of being excluded from key services such as education. As reported by Agence France Presse at

http://news.yahoo.com/s/afp/20080902/wl_asia_afp/skoreankoreachinarefugeesc hildren_080902135915

11) Unrest in China’s Muslim west

Long plagued by violence and unrest, the Xinjian region has seen a rise in attacks and conflicts recently, leading to a crackdown by the government. This has caused resentment among many residents, who claim that people suspected of militancy have been arrested. Few civilians have been injured, and attacks seem targeted more towards the Han bureaucracy and police rather than residents. Some experts believe the attacks to be more motivated by separatism rather than jihad. As reported by the Economist at

http://www.economist.com/world/asia/displaystory.cfm?story_id=12060405

12) China repression grows says US State Department

A recent US State Department’s report on religious freedom condemns China for its abuse against the Uighur population in western Xinjiang. The report also criticizes Beijing for its handling of Tibetan protests this past summer and points

to the continued repression of religious texts, practices and worship among Uighur Muslim citizens. As reported by the BBC at <http://news.bbc.co.uk/2/hi/asia-pacific/7626533.stm>

13) China tells businesses to unionize

Several large companies have been asked by the Chinese government to allow employees to unionize under state-approved unions. Those who do not comply may be blacklisted or even penalized by the Chinese government, since under the law companies are required to let unions form. This recent move shows an effort by the country to address growing economic disparities which has led to labor and child abuse. As reported by the New York Times at http://www.nytimes.com/2008/09/12/business/worldbusiness/12yuan.html?_r=1&oref=slogin

14) When will China run out of workers?

In a land seemingly plentiful with labor, recent complaints by factories reflect a growing concern that the “surplus” labor reserve has been used up, in part spurred by the one child policy which has caused the growth in labor supply to slow down. This, in turn, has allowed a rise in wages. Yet experts argue as to whether the labor shortage concern is justified or not. Some think that concerns are premature and claim that the country still has a good decade before surplus labor runs out. As reported by the Economist at http://www.economist.com/finance/displaystory.cfm?story_id=12052315

15) China to become world’s largest investor in green energy

Last year, China spent over 6 billion pounds on renewable energy, quickly becoming one of the largest investors in green energy. Some experts believe that the country can produce half of its energy from renewable sources. As awareness and priority grows for China’s environmental plight, the government has put more investment and attention to this effort, in part spurred on by growing pollution-related protests. China is also the world’s largest manufacturer of solar panels and has pioneered a new solar hot-water heating system. As reported by the Telegraph at

<http://www.telegraph.co.uk/earth/main.jhtml?xml=/earth/2008/09/16/eachina116.xml>

16) China still wary of putting emissions cap in place

Come January, China will have a new law in place designed to meet the growing challenges of balancing its economic growth with environmental sustainability. While experts continue to point to the consequences of its growth, the state continues to hedge on committing to any binding national cap on its greenhouse emissions, arguing that this could undermine its competitive advantage. As reported by the Canberra Times at

<http://www.canberratimes.com.au/news/opinion/editorial/general/china-still-wary-of-putting-emissions-cap-in-place/1278796.aspx>

17) China biggest carbon polluter, world levels at record

China has taken the lead from the US in becoming the biggest producer of carbon dioxide, the primary gas that causes global warming. In 2007, it emitted 1.8 billion tons of carbon from fossil fuels, compared with 1.59 from the US. While estimates had predicted China to take over the US by 2010, new reports show that it already has. As reported by Agence France Presse at http://news.yahoo.com/s/afp/20080926/sc_afp/climatewarmingemissions_080926002815

18) 136 villagers poisoned by water in China

More than 100 residents of two villages in Guangxi were poisoned after drinking water was found to be contaminated by arsenic. The water source was polluted by industrial waste from a nearby metallurgy company. The crisis points to the surge in pollution that has become a consequence of China's rapid economic growth. As reported by USA Today at http://www.usatoday.com/news/world/2008-10-07-china-poison_N.htm?csp=34

19) China suffers from indoor air pollution

China is home to 16 of the world's 20 most heavily polluted cities, but what's going inside homes is just as bad. Many homes still rely on burning coal and wood for heat, and men smoking indoors further exacerbate air quality. A study from Harvard School of Public Health warns that up to 83 million people will die of lung cancer and respiratory ailments unless these pollutants are reduced. As reported by the LA Times at <http://www.latimes.com/news/nationworld/world/la-fg-chinaair13-2008oct13,0,3737998.story?track=rss>

For more on this topic see also

http://news.yahoo.com/s/nm/20081003/hl_nm/us_china_pollution_indoor_1

– Useful RESOURCES –

20) Report: “Medical Financial Assistance in Rural China: Policy Design and Implementation”

Since the latter half of the 1990s, social assistance has received increasing attention from the Chinese government as an integral part of its overall social protection system. This chapter in the book 'Health and social protection; experiences from Cambodia, China and Lao' by Studies in Health Services Organisation and Policy, reviews the development of the Medical Financial Assistance program (MFA) in rural China, including design and implementation processes, and assesses major areas for improvement. Available at <http://www.eldis.org/assets/Docs/39387.html>.

21) Report: “Fierce, Fair and Unfair Competition: The EU-China Trade Race and its Gender Implications”

Against the background of China's transformation into a market economy, its reckless growth path and social polarization, this paper explores the gender implications of the Chinese trade race and EU's push for sweeping liberalization. The author argues that whilst these processes were initiated by the Chinese Government's 'open door' policies, since China's WTO accession they are increasingly driven by a complex interaction between domestic policies, foreign trade and investment policies, and corporate interests. Available at <http://www.eldis.org/assets/Docs/39324.html>.

22) Paper: "China's Growth Strategies"

This paper reviews the major views on China's development and reform strategies. It discusses why the same forces behind China's rapid growth also create new challenges and concludes with some remarks on the Chinese experience, key lessons, and their transferability to other countries. Available at <http://www.eldis.org/go/home&id=39797&type=Document>.

23) Study: "Regional inequality in China: an overview"

This document brings together a selection of papers carrying out a systematic investigation into the nature and evolution of regional inequality in China. It contains a brief conceptual consideration of spatial inequality, reports on what has been happening globally, and discusses trends in regional inequality and policy responses to these trends. Available at <http://www.eldis.org/go/topics/resource-guides/education&id=39796&type=Document>.

24) Article: "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 (PRC) is antagonistic towards human rights law, while it has been welcoming of other forms of legal reform, institutional development, and foreign cooperation. Available at <http://www.eldis.org/go/topics/resource-guides/education&id=37828&type=Document>.

– Latest BOOKS –

25) *The Inside Story of China's High-Tech Industry: Making Silicon Valley in Beijing*, Yu Zhou, Rowman and Littlefield, 2008

The following book was reviewed and featured in the most recent issue of The China Quarterly, September 2008, volume 195, by Douglas Fuller.

The Inside Story of China's High-Tech Industry is a richly illuminating piece of scholarship that offers an interesting new perspective on the development of

Beijing's Zhongguancun high-technology district and the implications of Zhongguancun's path for China's future technological and economic development.

Focusing on the information communication technology (ICT) sector, Zhou argues that the experience of previous developers in East Asia has caused scholars of development to overemphasize exports and ignore domestic markets as one of the potential drivers for technological and economic development. Correctly pointing out that Taiwan and other newly industrializing economies differ by many magnitudes from China in the potential size of their domestic markets, Zhou suggests bringing back import substitution for the domestic market as worthy of consideration when discussing developmental strategies for large countries. This argument is quite timely given the recent interest that the economic rise of Asia's twin giants, India and China, has generated. Wisely, Zhou does not completely dismiss export processing, but points out that the export processing production chain is often harnessed to serve the domestic market as well. In fact, Zhou insists that domestic firms actually harness these export processing production chains to compete effectively against MNCs in the Chinese marketplace.

This domestic-market orientation informs the analysis throughout the book. Zhou adeptly covers the evolution of Zhongguancun from a variety of angles, showing how it went from being an enclave of domestic firms to a district with a large MNC presence as China liberalized its economy in the 1990s. The local firms that survived the arrival of the MNCs were transformed but emerged stronger. She argues the interdependence between local and MNC firms in terms of local firms being the conduit of services and sales from MNCs to the local market. At the same time, Zhou asserts that MNC R&D centres are generally cut off from extensive interaction with local firms so that the technology flow from MNCs is a mere trickle. Zhou goes on to document the widening diversity of Zhongguancun's industrial sector due to the internet and communications boom in China. The book also discusses the firms established by Chinese returnees and demonstrates that they serve as a link between cutting-edge international technology and the local economy because of their simultaneous transnational and local links. Through examining the evolution from these different aspects, Zhou impressively captures much of the policy, structural and even geographic (Zhongguancun has expanded considerably in size) change that has occurred in Zhongguancun over the past three decades.

Zhou views Zhongguancun as having a quadrangle system of innovation with the state (both local and central), MNCs, local firms and educational and research institutions serving as four corners of the system. Zhou points out that the state's role should not be overestimated. She views local firms, presumably including the returnees founded firms, as the driving force for Zhongguancun's vibrancy and future development. The state has played a role, but Zhou considers the state's best contribution as its responsiveness and tolerance for experimentation.

In Zhou's nuanced account, MNCs are neither villains nor saviours. They have not dominated China's markets as some have feared. The MNCs even offer some links to the cutting edge technology of the developed world, but their headquarters routinely discourage independence and initiative in their local operations in China, thus preventing these subsidiaries from becoming more fully embedded in the local economy. As a result, Zhou deems only local firms can be relied upon to foster innovation in China.

As good as this book is, some of the arguments could be even more robust and convincing. Firstly, on the issue of the domestic market and the development of local firms, Zhou should confront more directly the pervasive use of procurement by the Chinese state and its impact on the domestic market. The issue is that one could argue that many large local firms are living off state procurement, regardless of the particular classification of their ownership. Furthermore, the allocation of procurement does not seem to be open to true competitive bidding. Simply put, if state intervention in the domestic market is still quite pervasive in areas it deems critical, such as ICT, then one must ask if this may have a negative impact on the healthy development of capabilities among local firms. Some of the firms mentioned in the volume, such as Tong Fang and Ziguang, seem to this reviewer to be firmly focused on state hand-outs.

Second, the account could benefit from more hard data on the links between local firms and the export processing production chains. These links undoubtedly exist, but how deep are they and how do they differ across sub-sectors? This reviewer's suspicion is that variance in amount of utilization of export processing chains may explain much of the variance in the ability to compete with MNCs across various ICT products.

Finally, one critical note on the structure of the book is that the chapter on China's technical standards does not seem to fit well with the general examination of Zhongguancun.

These suggestions and minor criticisms do not make this book any less valuable and impressive. They are merely expressions of the hope that the author in future research will build on the data and perspective presented in this work to the benefit of all of us who are interested in issues of economic and technological development, and China's development in particular.

– China PROFILE –

26) A conversation with Ellen Furnari, Independent Consultant

This month, CPN speaks with Ellen Furnari, an independent consultant working with various foundations who has extensive experience in philanthropy in Asia. She was formerly the Vice President of Programs and Strategy at Give2Asia.

Here, she speaks about philanthropy in China. The following is a transcript of the discussion.

Q: I know you have worked with different organizations who give to China. What are some of the shifts you have seen among donors in the past few years?

A: There is increased interest in China, in particular from corporations doing business there, and people who themselves immigrated from China or their parents/grandparents, who are now interested in donating to support schools and related projects in so called home towns. There is a small but growing interest in the environment and economic development as well. Most funding is for education and health. Given the recent earthquake in China, it has unleashed an outpouring of support for immediate and long term recovery addressing health, housing and economic support, as well as other related needs.

Q: Why do you think there has been an increasing interest in giving to China?

A: As China plays an ever increasing role in the world economy and world politics, there is more attention. More business is conducted there. More corporations source products there and feel a need to “give back.” Many people of Chinese descent have done well in the US and have sufficient wealth to be able to support work in China and want the tax advantages of giving to a US nonprofit. Also, people are worried about China, and they want to support conditions for an emerging democracy, but carefully and indirectly given the political situation.

Q: What do you think the impact of this foreign philanthropic support to China has been to date, and how do you see this shifting?

A: In some ways it has created a poor climate for NGOs in China. Oftentimes the darlings of the day, that is a few big and successful groups, get most of the grants. Government suspicion seems to be on the increase in terms of foreigners meddling in Chinese affairs, though perhaps with the earthquake recovery this will again change. It is odd, but the government both wants foreign philanthropy and doesn't – they want to be autonomous and independent, yet want foreign help. Foreign philanthropy has grown too fast, without enough mutual understanding between donors and nonprofit organizations (NPOs) in China.

There is not enough support for what the Chinese want, at least at the grassroots level. Funding has been more focused on what donors want. There has been too much money to the big name universities, just like in the US, but as happens in many places, as the pie grows, more goes to the grassroots, smaller, less well known organizations. That said, foreign funding is helping to grow the sector, and some funders provide training in management and other organization-building skills. One of the interesting things about working in China is that there is so little history of philanthropy, so there isn't the kind of donor cultivation culture. There is

little “please the donor at all costs” kind of behavior. This is hard for some donors and it may change, which would be mixed.

Q: What role do you see organizations (such as Give2Asia, for example) playing towards cultivating and/or impacting the philanthropic sector in China?

A: In some ways it is very indirect – having a due diligence process for instance, teaches about what is needed for an organization to be acceptable to foreign funders, even if that is not the main purpose. In other ways, it is more obvious. Organizations such as Give2Asia help organizations develop proposals for potential funders and so acts almost as a technical advisor to Chinese NPOs (through local Chinese staff in the China office). At the same time, donors sometimes ask for advice or information, so donor-advised organizations can help educate donors. At times, for example, G2A has encouraged donors to include in the grant funds for training to strengthen the organization. At other times, they have been able to bring less well known, more grassroots organizations to the attention of funders. I do think that while it is true in every country that you need some guidance from local people, it is particularly true in China, where the politics and conditions are in such rapid flux.

Q: Many organizations face challenges when working in China. In what ways do you think some of these challenges are specific to China, or do you face similar difficulties in other countries?

A: As I just said, conditions are in a period of more rapid change in China than in most other places. As regulations about our own office changed, the regulations for organizations being funded also changed. Many corporations are also heavily influenced in their philanthropy by perceived government approval or disapproval of certain kinds of organizations or issue areas. An organization needs to be sure that when asked for advice or input, it is relatively accurate. As there is a lack of NPO management experience, there are challenges for small NPOs in financial and organizational management, which affects programs funded by donors. And of course, in all “foreign” philanthropy, there are significant cultural differences that if not attended to can build up to resentment on both sides.

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

A: Be sure to get guidance and feedback from Chinese people who are familiar with the issues and organizations you are interested in, and be sure you get it from more than one source. There is such rapid change and different perspectives that no one person can give you an accurate picture. Work hard to connect with the less well known, smaller, less bureaucratic organizations. Think systemically and long-term about the potential impacts of the work you want to fund and the potential “negative” side effects.

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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