

China Philanthropy News

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Issue 005

China Philanthropy News is produced by Grantmaker Without Borders (Gw/oB) as a service to grantmakers and donors interested in philanthropic engagement with China. For more information on Grantmakers Without Borders, visit www.gwob.net. To suggest a posting or to subscribe or unsubscribe to China Philanthropy News, send an email to jizhi@gwob.net.

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NEWS

1) Open Society Institute Corrects Journalist on Report of Activities in China and Central Asia

The last edition of China Philanthropy News included an article by Jehangir Pocha, published in the San Francisco Chronicle and elsewhere, which made reference to the Open Society Institute's activities in China and Central Asia. OSI's President Aryeh Neier has sent a letter to the Chronicle in response to this article. In it, he takes issue with the reporter's misleading representation of OSI and some of their grantees. A copy of this letter has been sent to Gw/oB by OSI and is attached.

2) China Plans to Tighten Control Over Cyberspace

Chinese authorities have announced their intention to step up their efforts to police and control the Internet and other communications technologies, including instant messaging and cell phones. The Information Office of the State Council said new control measures were needed "because more and more harmful information is being circulated online." The Ministry of Information is developing new measures and regulations to regulate Web logs and search engines, which may cover 36.8 million Chinese blog sites and 97.1 million search engine users. The measures contemplated may include mandatory user registration for cell phones. Such arrangements to control the free communication amongst the people have received widespread criticism both in and out of the country. Reported by Howard W. French, New York Times, Article available at http://www.nytimes.com/2006/07/04/world/asia/04internet.html?_r=1&n=Top%2fNews%2fWorld%2fCountries%20and%20Territories%2fChina&oref=slogin

3) Qinghai-Tibet Railway Completed as the World's Highest and Most Controversial Railway

As President Hu Jintao cut the ribbon at the opening ceremony of Qinghai-Tibet Railway, which connects Golmud in China's Qinghai province and the Tibetan capital, Lhasa, it signals the completion of the world's highest railway in history. Using high-tech engineering, the railway snakes for 1,000km across 'the roof of the world'—the Qinghai-Tibet Plateau. At its highest point, the railway reaches 5,072m (16,640ft). China says the 1,140km (710-mile) line will bring major opportunities to a poor region. Critics fear it will be used by China to assert its control over a contested border region. Critics also fear that the railway line may threaten not only the delicate Himalayan environment, but also the ancient

Tibetan culture. Report from BBC, full text article available at <http://news.bbc.co.uk/2/hi/asia-pacific/5133220.stm>

4) An Aging China May Face Shortage of Cheap Labor

Aging has become the latest top issue on the government agenda as a growing number of Chinese people are reaching their retirement age. With China's economic growth, most people live longer and have fewer children. The rapidly graying country is leading one of the greatest demographic changes in history, one with profound implications for the entire country. Estimates are that by 2020 about a third of Shanghai's population, currently 13.6 million, will consist of people over the age of 59, remaking the city's social fabric and placing huge new strains on its economy and finances. As the ratio of working age people shrinks, China may soon face shortages of cheap labor, which has been the driving force behind its economic development. The age structure may also challenge the nation's fragile pension system and drive up the demand for caretakers and nursing homes. Article available at

<http://www.nytimes.com/2006/06/30/world/asia/30aging.html?pagewanted=1&n=Top%2fNews%2fWorld%2fCountries%20and%20Territories%2fChina>

5) Two out of Three Poor College Students Can't Afford to Pay Their Tuition

Despite government efforts to ease the financial burden on educational expenses for poor students, high tuition fees remain the main cause of the poverty of students' families, and 82.3 percent of the students' families became poor due to educational expense, a survey by the China Youth Development Foundation has found. The survey, covering high schools in 11 provinces and municipalities, reported that the average expenditure on college education for one impoverished student was 6,780 Yuan in one year, while the average annual income of the families of students surveyed was just 4,756 Yuan. Two thirds of the families were unable to make ends meet. Social funding is very much needed to help these impoverished families. By Li Qian, China Daily. Article available at

http://www.chinadaily.com.cn/china/2006-07/04/content_633067.htm

6) Foreign Companies May Be Forced to Unionize In China

A Chinese lawmaker is aiming at Wal-Mart with the introduction of rules to require unions at foreign-funded companies operating in China. Wang Zhaoguo, president of the All-China Federation of Trade Unions (ACFTU) and vice-

chairman of the Standing Committee of the National People's Congress, proposed an amendment to the Trade Union Law that makes unions compulsory for foreign-funded businesses. The current law, although allowing the establishment of unions in foreign companies in China, does not stipulate such establishment as mandatory. Report from China CRS, further information available at <http://www.chinacsr.com/2006/07/06/foreign-companies-will-be-forced-to-unionize-in-china/>

RESOURCES

7) Study: Influence of Social Institutions on Inequality in China

Hiroko Uchimura / Institute of Developing Economies, Japan External Trade Organization (IDE-JETRO), Tokyo , 2005

This study analyses the impact of changes in social institutions (i.e. in the informal and formal social security system) on income inequality in China. Using household data from 1988 to 1995, this study finds that family-based social security is losing its importance mainly through changes in employment pattern in a household. This change contributes to rising income inequality. The introduction of new formal social security systems helped to equalize the distribution of retired household members' income in urban areas in 1995, but these changes have only benefited a restricted number of people. Benefits for rural migrants are low and most of the rural population still has no access to the new system. Full text article available at

http://www.ide.go.jp/English/Publish/Dp/pdf/026_uchimura.pdf

8) UN Report: China's Fertility Decline and Its Implications for Labor Supply and the Ageing Population

Feng, W.; Mason, A. / United Nations Population Division, 2005

China has transformed itself from a demographic transitional society, where reductions in mortality led to rapid population growth and subsequent reductions in fertility led to a slower population growth, to a post-transitional society, where life expectancy has reached new heights, fertility has declined to below-replacement level, and rapid population ageing is on the horizon. This report evaluates the impact of changes in the Chinese population age structures on its economy, and concludes that China will soon enter a long period of decline in

labor supply and will face a rapid increase in the elderly population that cannot be reversed easily and quickly. Full text article available at http://www.un.org/esa/population/publications/EGMPopAge/EGMPopAge_5_FW_ang_text.pdf

CHINA GRANTMAKER PROFILE

9) AIDS Relief Fund for China

Gw/oB staff recently interviewed Humphrey Wou from AIDS Relief Fund for China (ARFC) and asked about their grantmaking experience in China. Following is a summary of the conversation. The document Humphrey mentions in the interview is attached with this newsletter.

Q. How did the AIDS Relief Fund for China start?

A. AIDS Relief Fund for China (or ARFC) was started in 2003 by a group of mostly Chinese Americans who are concerned about HIV/AIDS in China. We made 14 grants in 2004 and since then the number and the size of the grants have been increasing.

Q. What areas does ARFC fund and how large is the grant size?

A. Since ARFC's mission is to give out small grants, from \$500 to \$5000, we want to be geographically and programmatically diversified. Currently, our funding covers a wide spectrum of target groups, such as drug users, commercial sex workers, men who have sex with men, and villagers who contracted HIV through blood selling or transfusion. We know that there is a learning curve. It would take some time for us to learn how we can best serve the needs in China.

Q. How does AIDS Relief Fund for China find its grantees?

A. Most of our grantees are grassroots community organizations. We normally find them through our own exploration, and the recommendations of our activist friends and local advisors. We personally interview every potential grantee face-to-face, or by phone. We are also listed in China Development Brief and other AIDS directories in China.

Q. How is the grant managed? Is ARFC involved with the implementation of the grants?

A. After interviewing the potential grantees, nominations will be brought to the board for approval. The approved grantees will fill out some simple forms before we ask our fiscal agency, the Tides Foundation, to wire the money to China. ARFC does not directly monitor the implementation of our grantees' projects. We ask them for a brief report after 6-12 months. You can easily tell a grantee's progress by their reports and by the feedback we hear from the local community. The goal of ARFC is not to be a supervisor to anyone, but to assist our grantees in doing what they do best.

Q. What is ARFC's relationship with the Government and other international NGOs working in China?

A. We don't have any trouble with the government. It's partly because our grant size is too small for the local government to care much about. We fly under the radar screen. ARFC does not have formal working relationships with other international NGO's in China, although we certainly share information with others. Communications between funders has been especially beneficial.

Q. What advice would you offer to funders who are interested in supporting grassroots organizations in China?

A. We have shared our observations in a short paper, "An elementary guide for visiting China". Here are a few quick bullet points:

- > Get connected. Ask for the help of people who know the grassroots in China well or organizations working in China.
- > Be humble. Let the local people be your guide because they know their solutions best.
- > Be patient. Begin a partnership slowly. Don't promise too much too soon.

Finally, I would like to say that grantmaking is a social investment. We may win some, we may lose some. We win when our contribution makes a positive impact on a society and lose when our activism causes the society to become more closed. Like any investment, this is not science. This is not about a right way or wrong way. We can only proceed with good intentions and hope that we make the right decision to do the right thing with the right people.

For more information on ARFC, contact:
Humphrey Wou, Program Director
Phone: 415-820-9630; Email: info@ARFCUSA.org

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ABOUT GRANTMAKERS WITHOUT BORDERS

Grantmakers Without Borders is a philanthropic network dedicated to increasing funding for international social justice and environmental sustainability. Our members, presently numbering more than 400 individuals, include trustees and staff of private and public foundations, individual donors, and other allies in philanthropy. Grantmakers Without Borders taps into this wealth of resources to encourage globally minded grantmaking and provide learning opportunities for global donors. For those new to the field, we provide peer-to-peer guidance on international grantmaking. For current international funders, we offer a space for continued learning and community. 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.

Grantmakers Without Borders- Headquarters

PO Box 181282
Boston, MA 02118
P: (617) 794-2253
F: (617) 266-0497

Grantmakers Without Borders- West Coast

1009 General Kennedy Ave #2
San Francisco, CA 94129
P: (415) 730-0367

E: gwob@gwob.net
W: www.gwob.net