

# Doing Good

NONPROFITS IN  
CHINA

THE OFFICIAL  
NEWSLETTER OF  
SOCIAL VENTURE  
GROUP

SUMMER/FALL  
2011



## Yunnan: China's troubled southern province

In May, Zoey and Renee went on a research trip to Yunnan Province. Known as 'the land beyond the clouds', this southern province is a striking and distinct region, unlike any other area of China. Yet its beauty has been overshadowed by extreme poverty, scarce educational opportunities, insufficient access to healthcare, HIV/AIDS, and drug smuggling.

In the 1980s, the government welcomed international NGOs such as World Vision and Oxfam Hong Kong, which established headquarters in the capital city of Kunming.

**In 2010, a drought left residents even more destitute...**

Today, both international and local nonprofits continue to work to alleviate Yunnan's

diverse and complicated social issues, although under tighter regulations.

Yunnan is largely agrarian. Farmers, many of them minorities, face extreme poverty due to eroding farmland and a lack of modern resources. In 2010, a drought left residents even more destitute with diminished access to clean water and ruined crops.

While walking in a village on the outskirts of Kunming, we saw many small ponds with dirty water and green duckweed.

"Do you keep fish in them?" we asked. The villagers smiled. "No, that's our drinking water." We mentioned this to the founder of a social enterprise that

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## About Social Venture Group

Social Venture Group is a social enterprise based in Shanghai with a vision to transform China through high impact philanthropy. Our mission is to multiply the impact of philanthropy in China by offering advisory services, education, and advocacy. We work to increase efficiency and transparency in giving, build a community of committed donors, and foster a healthier social sector in China.

For more information, please visit us at [www.socialventuregroup.com](http://www.socialventuregroup.com).

## Introducing Sherry Chen



In August, we welcomed Sherry Chen to the SVG team. Sherry is a Shanghai native and graduated from East China Normal University with a degree in applied psychology (she's declared that we're mostly sane). Before coming to SVG,

Sherry worked at Randstad China and then with our friends at twocities gallery. Sherry says, "After working at twocities, I became interested in charity work and realized that my experience could be applied to projects and events with NGOs." Sherry is taking over as business director for Renee and is excited to learn the big picture of China's social sector. She's already shown an amazing work ethic and enthusiasm. We're very thankful to have her on the team!

## Spotlight on the Sector

For years, local and international social sector leaders have called for China's government to loosen the regulations that make it difficult for approximately 3 million nonprofits to register legally. We recently covered the issue on our blog. Here is a summary:

In 2010, the Ministry of Civil Affairs (MCA), which governs the social sector, drafted revisions to the current laws. The proposal covered three major areas: 1) The abolishment of the dual management registration system, which requires social organizations to register with both the MCA and a sponsoring government department; 2) New tax deductions for charitable donations; and 3) Increased transparency for nonprofits to raise their standards and credibility.

MCA leaders said that charity, social welfare, and social service organizations would be able to register directly once the legislation passes, but many sector leaders are concerned nonprofits may face

**Sector leaders are concerned nonprofits may face stricter government management.**

stricter government management under the new laws. Some scholars speculate that only 10 percent of unregistered organizations will be allowed to register when the new legislation takes effect. As a result, many grassroots environmental, health, and legal aid organizations may not benefit.

There has been some small-scale implementation of direct registration. In 2008, Shenzhen became the first city to successfully drop its dual registration requirements. In

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## SVG Educates: Building a community of committed donors



Lauren with Oli Mackay of Auscham

At SVG we believe that everyone can participate in philanthropy. We recently had the opportunity to discuss giving and volunteering with professionals at several events in Shanghai. Business leaders often tell us

they have a desire to engage in the social sector but are stymied by the hazy categories of the nonprofit sector and unclear tax laws. As part of our mission to build a local community of donors, SVG actively seeks to counter these barriers and help business leaders develop plans for responsible, transparent giving.

In April and July, SVG was invited to lead a class for young professionals at the Shanghai branch of English First (EF), the international language education company. As part of EF's class series on social issues, Nora and Zoey introduced China's nonprofit sector with a case study on the plight of migrant worker's children, followed with recommendations for how to start giving and

volunteering in Shanghai. During both classes, we were encouraged by the thoughtful questions students asked and the obvious interest many had to get involved with charity work. Since our first class, we heard that several students have started volunteering for the first time!

In June we facilitated a workshop for the Australian Chamber of Commerce in Shanghai on the topic of Corporate Social Responsibility (CSR) for Small and Medium Enterprises (SMEs). In addition to individual giving and volunteering, CSR programs are a key component of support for the vital work going on in the Chinese social sector. During the workshop, we discussed CSR's broad applications and its many social and business benefits as well as a matrix for initiating a comprehensive CSR strategy. We also heard about CSR strategies already being implemented by the companies represented.

We've been very encouraged to see that both local and expatriate professionals in Shanghai want to contribute to society, and we look forward to helping more professionals and companies develop giving plans.

*Please contact us for more information on developing a CSR plan at [info@socialventuregroup.com](mailto:info@socialventuregroup.com).*

## Yunnan (Continued from p.1)

produces water filters. He said this was very common in rural areas, and many villages don't even have ponds.

Sparse access to health care also plagues Yunnan. The infant mortality rate is the highest in China with 60 deaths per 1,000 infants. Additionally, Yunnan is the birthplace of HIV in China. Over 100,000 people are estimated to have the disease. Drug smuggling is expected to push this number higher in coming years.

Regarding education, the country's nine year compulsory system has made some inroads to providing rural children with a better education, but most kids still attend only a few years of school. Migrant children in Kunming's slums also face an uphill battle. While parents work long hours, children are often left unattended. One NGO we visited provides a library and tutoring after school. The project director said that parents trust the center as a safe place for their kids. He said, "Even though we are not as good as some NGOs in Beijing or Shanghai, we meet the needs of local villagers."

During our trip, we met many impact-driven organizations that are committed to transforming Yunnan. As they pursue their social mission and navigate complex legal restrictions, these nonprofits need additional resources and support.

*If you are interested in funding projects in Yunnan, please contact us at [info@socialventuregroup.com](mailto:info@socialventuregroup.com).*

## Spotlight (Continued from p.2)

December 2010, Beijing dropped theirs in a few districts. For example, more than 10 social organizations in Zhongguancun district have registered successfully; however, the majority were not grassroots nonprofits. Of the 10, one is a research group that supports technology companies and another is a public foundation.

Since SVG's inception, grassroots nonprofit leaders have voiced their number one need as legal registration. So far, it is unclear whether these new developments will benefit them all. Yet there is something to be said for those who will be able to register and expand their services once the reforms pass. These baby steps may not be giant leaps forward, but they are forward motion nonetheless.

*Read the full post at <http://blog.socialventuregroup.com>.*

## News from SVG

Since our last newsletter, the SVG team has continued to keep busy with new clients, projects, and trips. In addition to Yunnan (page 1), Zoey went to Beijing and got helpful insight on recent developments in the nonprofit sector from NGO leaders working on the ground.

Over the summer Emily Hou, an undergraduate at the University of Southern California, interned with us and introduced us to the world of Korean pop music. Seriously though, Emily produced lots of high quality work for SVG and was a great addition to the team. We're hoping she returns to the PRC soon.

We also had a few tearful goodbyes this summer. Renee relocated to Beijing in August. She's been a rock at SVG for the past four years. We wish her all the best in her new city! Georgia repatriated to the US but is continuing in her role remotely through the fall. We also welcomed Sherry Chen to the team (page 2) and already can't remember how we got by without her! Stay tuned for more exciting developments!

*The SVG Team*



Emily, Renee, Lauren, Zoey (Georgia's behind the lens)

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## We'd love to hear from you!

SVG works with individuals, businesses, and foundations to identify and evaluate strategic charitable opportunities. We monitor and evaluate projects after donations are made to minimize giving risks and improve transparency.

For more information about SVG or any of the topics in this newsletter, please email us at [info@socialventuregroup.com](mailto:info@socialventuregroup.com). Keep up on China's social sector by visiting our blog at <http://blog.socialventuregroup.com> and subscribing to our tweets at [twitter.com/cnphilanthropy](http://twitter.com/cnphilanthropy).