A Soft Cushion For Hard Times

Katrin Fiedler

Supported by the Mennonite Central Committee (MCC) and the Canadian International Development Agency (CIDA), Amity's poverty alleviation project in northern Shanxi focuses on various key elements to fight poverty. Among them are environmental upgrading, access to water and increased cash flow in the area. Katrin Fiedler looks at the microfinance project that forms part of the integrated development approach in the programme.

Looking at Wang Chunfeng's fifty head of sheep, it is hard to believe that in winter 2001, she had only three ewes. But do the corresponding lamb arithmetic (two lambs per sheep per year) and her message is convincing: a small loan will go a long way.

Wang, a farmer in her late forties, bought the three sheep with a 600 RMB loan [US$75 approx.] provided as part of the local microfinance programme. When she had to return the money after six months, Wang borrowed money from relatives for the repayment and decided to build up a herd of sheep, rather than selling her sheep for instant profit.

For each pound of wool that she sells, Wang receives 1 RMB [US$0.12 approx.]. This makes her woolly herd into a soft cushion for hard times. Besides the income from selling wool, her family grows maize, potatoes and millet, and makes some additional money through city jobs. But "without the microfinance programme, I could never have started raising sheep," Wang Chunfeng says.

The middle-aged farmer is part of a microfinance programme in Shanxi's Zuoquan County that is run by Amity in cooperation with the local Poverty Alleviation Bureau. In six-month loan cycles, borrowers can take out credits that will enable them to engage in small money-making ventures such as raising pigs or sheep. Overseen by local credit officers who take care of the administration, the credit programme is directed specifically at women, who form support groups in which borrowers guarantee for each other. An integral part of the programme are training sessions for the women in which they brush up on theirarithmetics and learn skills such as devising a plan for a small business venture.

So far, credit return rates reach 100%, in spite of a 12% interest on top of the 600 - 2,000 RMB loan. Relatively

Editor's Note:
The Amity Foundation will celebrate its 20th anniversary in autumn 2005. In the run-up to the anniversary, each edition of the Amity Newsletter will focus on key areas of Amity's work. In this issue, we start by highlighting Amity's church-run projects and social welfare work.
high interest rates are common for many microfinance programmes in China, a practice that is not undisputed. As one aim of most microfinance programmes is the establishment of rural financial institutions, a surplus that can be invested into such structures is considered necessary by most organizations that run such projects.

In spite of its success, the current microfinance model still leaves room for improvement. Many borrowers complain about the shortness and timing of the loan cycles, which does not match agricultural production patterns. For example, raising a pig will take at least nine months. As Wang Baoceng, who oversees the project from Amity’s side, notes, “most peasant households would like to receive their loans in Spring, as this enables them to buy cattle at seasonally low prices and to resell later just prior to Chinese New Year, when prices for cattle are at their highest.” However, some local lending agencies offer credit whenever it suits their organizational arrangements, rather than following agricultural needs.

Another frequently heard suggestion in Zuoquan is that available loans should be bigger than the current 2,000 RMB maximum (US$ 250 approx.). Wang Baoceng, who monitors microfinance programmes in various regions, has observed that small loans may end up not being invested in money-making ventures simply because they do not allow any meaningful investment.

“She emphasis of our model is on personal development more than on taking a loan.”

In the case of the Shanxi microfinance programme, farmer Wang is no exception with her practice of borrowing money from relatives to pay back her loan, rather than selling her sheep for immediate income generation. Does this not defy the reasoning behind microcredit programmes?

While they often are intended - and do indeed function as - the kickstart for an income-generating enterprise, the scope of microcredit programmes goes beyond the financing of a pig for an aspiring farmer.

On a macro level, initiating microfinance programmes is aimed at setting up rural financial institutions that can serve as “mini-banks”, making credits accessible to local farmers. Among the peasants concerned, microfinance programmes produce a cash flow that can boost the local economy beyond the immediate benefits for each family. Besides, the business training that complements microcredit projects gives participants the tools to come up with their own business plans, and the accessibility of funds further adds to the new enterprise spirit.

As the experience in Shanxi shows, microfinance projects can even widen the scope of funds available through creating new lending and borrowing practices. “Traditionally, farmers would only borrow money from friends and family in emergencies, or for a set of narrowly defined, socially accepted purposes such as weddings and funerals,” explains Wang Baoceng.

“With the practice of borrowing and lending money becoming widespread, peasants will start to borrow money from relatives and friends for business purposes as well.”

Accordingly, the initially puzzling phenomenon that peasants borrow money from third parties to repay their due loans reveals a change in local attitudes that may prove beneficial in the future. At the same time, it corroborates the finding that current loan cycles may be too short.

Amity’s microfinance project in Zuoquan follows in the footsteps of an earlier microcredit project in the province, explains Yu Wen Youyu, Amity’s local partner from the Poverty Alleviation Office. “Shanxi had a government-initiated microcredit programme that failed. It followed a different model and was implemented in cooperation with a bank. In contrast, the microfinance programme run by Amity has been a great success. We work exclusively with women, who constitute a “weak” group within the “weak” population of the poor. One hundred per cent of our borrowers return their money, and we have profit rates of up to 30% per loan.”

Again Yu: “One of the main differences between the Canadian, Amity-implemented model and the failed microcredit project mentioned earlier is that the emphasis of our model is on personal development more than on taking a loan. To achieve this personal growth, you need a lot of training - and training requires a lot of work. The fruit of this work is that people become more active members of society.”

In recent months, the Chinese government has shown increased interest in providing small loans for farmers, and has encouraged banks to offer “small credit” services. However, “small” loans under that scheme would still be beyond the reach of China’s poor farmers. In that sense, the new government-led initiative for small credits will probably serve more as an awareness building instrument rather than make microfinance programmes such as the one in Zuoquan obsolete.
The Work Of Spreading Love
An Interview With Bishop K.H. Ting

Below we present excerpts from an interview with Bishop K.H. Ting, President of the Amity Foundation and one of its founding members. A full English version of this interview, which first appeared in the Chinese magazine Nanfeng Chuang (Window to the South) No. 2004.6.1 (1), can be accessed on Amity’s website under “ANS December 2004”.

In our minds, spreading Christianity is always linked to opening clinics and orphanages and other charitable work, but in a lot of propaganda, this is treated as part of the cultural invasion of imperialism. In the 1980s, you brought a number of noted patriotic persons together and set up the Amity Foundation. As a personality within the religious world, to get once more involved in charitable work to serve society after the long period of silence during the Cultural Revolution, didn’t this also create a number of misunderstandings at the time?

During the time right after Amity was established we received a lot of support and care in many different areas, but we were also the object of many queries, all of them coming from some party members that had been influenced by leftist thinking. For example, at the propitious moment when the policy of reform and opening was taking off, we initiated a project in which we invited some foreigners that cared about China to teach at a number of universities, mainly to teach English. This is in itself a good thing, but some people said: “Why should we formidable Chinese learn English, moreover ask foreigners to teach it?” Then, there were other people who said that we were very daring: “If you invite foreigners to teach, how can you guarantee that they will not teach the Bible in class and evangelize the Chinese students?” Actually, when we invited these teachers we made it very clear that they did not come to spread the Gospel. That they sometimes would use one or two sentences from the Bible when they were talking is very normal, just like Chinese will quote Confucius or Mencius - is this evangelizing? But at that time some people did not listen to our explanations at all.

Perhaps they were so much on guard because in the past, some people had been influenced by leftist thinking to consider the charitable work done by people’s organizations and foreign social organizations as activities that “buy people’s hearts.”

A truly loving spirit includes tolerating other people, why can’t we let different kinds of people express love in their own ways? We ought to have an open attitude towards all that is true, good and beautiful, we ought to appreciate it. When other people do good, this is like when somebody’s faith is different, when we also definitely should not say: because your faith is different from mine, what you do comes from a different motivation and is worthless.

The Amity Foundation was initiated by Christians; however what we do are not at all religious activities but social work, and many people with different faiths have come to participate in this. We Christians certainly do not think that because we link our efforts to God, that this should entitle us to demand the same from other people. For example [socialist hero] Lei Feng or Norman Bethune, they did not believe in Christ, they had a different kind of faith, but they likewise expressed universal love. People who do not believe in God can also do things that will please God.

There is another tendency, namely that some people may think: From ancient times, we Chinese have been extremely poor, if you collect funds abroad to help the Chinese poor, this is to seek the alms of foreigners, and harms the self-respect of the Chinese.

Why should we use a word like “alms” that will make people unhappy? As if this financial support was coming from a commanding height, like giving two pieces of bread to the man who is stretching out his hand from the roadside. Actually, our work consists of giving those in fortunate conditions an opportunity to help those in less fortunate conditions by giving love. Through helping weak people’s groups, they can serve society in even more ways, and enriching the lives of the beneficiaries also enriches the spirits of those who help.

Our charitable work has a strict and scientific management. In the past, talking of “doing good” meant that you would have a coin in your pocket and
Heart-Felt Help: The Story Of Ma Wufa

Zhou Bo

Ma Wufa is a boy living in Maanshan Orphanage, Anhui Province. Born with very complicated heart deformities, he has been fortunate enough to receive careful attention from the orphanage, and has been in fatal danger only a few times since his birth. However, with the passing of time danger has been approaching him closer and closer. Without corrective surgery, the little boy will not be able to survive into his teenage years. But in autumn 2003, a first step was done to change the fate of this little boy.

Representing Families With Children From China New York (FCC NY), Aileen Koger brought good news for Ma Wufa. FCC NY had been helping numerous children in China for many years already, not only in form of funds, but also through information and most importantly through their hearts and their minds. Amity, as their partner in China, was informed that there was an international doctors team in the Wuhan Asia Heart Hospital providing free heart surgeries for poor children in need, especially those that constituted severe and complicated cases. Through diligent communications work with the organizer of the medical team, Aileen Koger was successful in placing Ma Wufa in the medical team's mission. FCC NY was also willing to pay for the travel cost of the child and its caregiver.

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when you saw a beggar, you would give him the coin, this is probably what could be called aims. Today, this way of doing good already seems backward. Charity for us is not a one-off interest, but a serious business. We want to care for society, we also want to study society and analyse the origin of problems in order to find the most effective way of solving them. When people give their leftover money into our hands, we must take on the responsibility of letting this money bring the biggest benefit possible; not a single amount of money must be spent carelessly.

Over its many years of practice, Amity has experienced some trials and is now thriving. What strengths do you think does this Christian-initiated people's organization have in serving society?

All over the world there are charitable works initiated by religious believers. Religion probably has some sort of power to make people do things happily and out of their own volition, to make an effort to do it well without taking any money as remuneration, and to work even better than people who receive a salary. For example, there is a "Grandma Project" created by Amity directed at children in orphanages who, although being cared for physically, always lack loving care. We have organized a number of fifty-, sixty-year-old retired women with energy and spare time who also have some knowledge about childcare and education. Among them are Christians and non-Christians. They all make time to volunteer in the orphanage and take care of the children. The results are extremely good, the children have a "grandmother" that cuddles them during the day and we hear that they sleep better at night.

Looking back today at the time when Amity was newly established, have the aims been adapted and changed? What hopes do you have for Amity's future?

Over these years, our partners have increased, and the areas in and methods through which we serve society have grown, but our main goals of promoting social development, serving society, benefiting the people and protecting world peace have not changed. If I were to talk about expectations, then it would be that the task of China's development must be taken on with Chinese people in a guiding role. Currently, most of our donations come from abroad, but although some foreign friends have been helping us selflessly all along, sharing their resources with us, in the long run we cannot always look abroad. I certainly do not think that Chinese lack a loving heart, and the current situation is only due to some objective limitations and the fact that our fellow citizens still do not understand our work well enough. I am confident that in the future, Amity will be able to get more support from within the country, so that our work will be able to help even more people in need.
Bringing The Church Into Society

From big integrated rural development projects to small clinics, local Christians are participating in many ways in a variety of Amity projects. In Huaihua, Hunan Province, a successful integrated rural development project was implemented in cooperation with the Provincial Christian Council. Elsewhere, in Yunnan’s Wuding County, the idea is being taken one step further by giving local church leaders training to act as community leaders in development. Other church-run projects currently supported by Amity include clinics, a church-run home for the elderly, training courses for staff involved in church-run projects, a children’s village, and income-generating projects.

“About Christian involvement and participation in meeting the needs of society more widely known to the Chinese people” is one of Amity’s primary goals. This aim links two ideas, the idea of bringing the church into society to contribute to China’s social development, and secondly to make this kind of church involvement more widely known and thus to create a favourable environment for the church. As Chinese Christians have traditionally been very much focused on their spiritual life within the congregation, empowering churches to go out into the world and provide social services is a rather new concept in China.

In recent years, churches have become an important conduit in Amity’s fight against HIV/AIDS. In Yunnan, where Amity’s AIDS prevention work started in 1996, churches have become one link in the chain of government bodies, individuals and of course Amity who are joined in HIV/AIDS awareness and prevention efforts. And in Henan, a province heavily afflicted by the disease as a result of blood collection practices in the 1990s, local churches even acted as a gate-opener at a time when political sensitivities surrounding the AIDS epidemic made access to patients difficult. Today, Henan churches engage in AIDS prevention, care and rehabilitation in cooperation with Amity. (See “Working With HIV Patients” in this issue.)

Because of their nature, church-run projects are not among Amity’s biggest projects in terms of financial volume, but the role they play both within and outside of the church has to be measured on a different scale. One particular role that churches can play is education. “First we give local church leaders basic knowledge about HIV/AIDS. Then they can give further training to their church congregations. The church members then can pass on this knowledge to their neighbourhoods and the wider community. Through the church, we train people and pass knowledge on to the public,” says Zhao Jingwen from Amity’s Medical and Health Division about the abovementioned AIDS project.

Many friends and supporters of Amity would like to see even more projects in direct cooperation with local churches, and often it is assumed that the political climate in China is one of the reasons why not more such projects are initiated. Closer to the truth and much more important is the fact that many church-workers are struggling with the day-to-day work for their congregations, leaving them little time and energy for additional projects. Significantly, most social service projects initiated by churches start with an urgent need within their own congregation: the need for a small clinic, an old people’s home, or a kindergarten. Amity offers training seminars for church leaders in charge of such programmes. Here, they learn basic skills such as project planning, devising a budget, and accounting. While all of the project proposals that land on Amity’s desks are well intended, some need a lot of polishing before becoming viable projects. ✷
Working With HIV Patients:
A Personal Perspective

Zhao Jingwen

Zhao Jingwen is in charge of the "AIDS Prevention and Caring Programme in Yunnan and Henan", a project supported by German development agency EED and implemented through the local church network. Project elements in the two provinces heavily affected by HIV/AIDS include training for church leaders (who will act as community educators) and income-generating projects. Below, Zhao Jingwen shares some of her personal reflections of working as a Christian with HIV-infected persons.

I would like to share some of my personal experiences of being in charge of this programme. I'm an old Amity staff but a very new one in the Medical and Health Division. I just came to this division in June of 2004. I still remember the first time when I met HIV-infected persons. It was seven o'clock in the morning after a fourteen-hour long distance train ride. When we went to the church, there was one family waiting for a counselling session with the pastor, a couple with a three-year old boy. The husband had a history of selling blood, through which he was infected with HIV. He later transmitted the disease to his wife and son. Before the trip, I had imagined all possible situations and what would happen if I met a person living with HIV. I also knew the three ways of transmission for HIV/AIDS. But when the possibility became real, I was still very scared. I put my hands across my arms, so that I could not shake hands with people and they could not shake hands with me. I was hiding my hands. But when I saw my colleagues shake hands with them and even hug them, I felt very ashamed. Before this trip, I had also heard some rumours like "Don't eat watermelon in Henan!". According to the rumours, HIV-infected persons used needles to inject their blood into watermelons. This really shows how ignorant some people are!

Several days passed quickly, every day I met different patients living with HIV and I got used to be together with them. I also had watermelon in Henan and it was served by an HIV infected person.

Sharing love with all people

Amity implements this programme through local churches, who are our local partners. We have a very close cooperation with them. As a Christian I feel this is a great way to show God's love. "For God so loved the world that he gave his only son, so that everyone who believes in him may not perish but may have eternal life." And the Bible also says: "We should love our neighbours as ourselves." So it is very meaningful to have Christians as pioneers to participate in the programme. This is also what Amity always practices, "Love in Action". The impact of this programme is not only to teach people basic knowledge about AIDS, but also to improve the quality of their lives. More than this, the programme shares ecumenical love with all people.

According to UNAIDS, if China doesn't successfully intervene at this point in time, we will have 10 million persons living with HIV/AIDS by the year 2010. There are two new trends in China regarding the transmission of HIV/AIDS, one is from the countryside to the city through long distance truck drivers and migrant workers, and the second one is from high-risk groups such as drug users and commercial sex workers to ordinary people.

These two new trends of transmission make our work very difficult. It becomes a new challenge for us. But at the same time we see this as an opportunity. We know that we have many difficulties to overcome, a lot of work to do and a long way to go. But we also believe that with the support of our overseas friends, in close cooperation with our local partners, with good communication with our beneficiaries, and especially with the love of God, we can achieve our goal. We have confidence.
New Concepts For Old Problems
An Introduction To The Work Of The Social Welfare Division

Ever had to borrow somebody else's Grandma? In Amity's Grandma Project, some Chinese children do just that. In a society known for its "4-2-1" phenomenon (four grandparents and two parents vying for the attention of a precious single child), there are still some children who do not receive enough care and attention: orphans and abandoned children living in China's orphanages. This is where the Amity Grandma Project run by Amity's Social Welfare Division comes in.

"We recruit retired women, many of them from a medical or childcare background. They commit to visiting "their" child on a daily basis, giving the child the care and attention she or he needs," explains Wu An'an, head of Amity's Social Welfare Division. "As many of the children have special needs, the volunteers' duties also include rehabilitation work." This recipe has worked out so well that the Amity Grandma scheme is being implemented in over forty orphanages all over China now.

The introduction of new concepts in childcare and education plays an important role in the work of the Social Welfare Division, whether they are based on a simple yet powerful idea like the Grandma Project or the result of the latest research. The needs for all kinds of social service are great in China, and many of the division's projects can only serve as the initial spark that will hopefully set off similar projects.

In the past years, projects with "novelty value" initiated by the Social Welfare Division included weekend training seminars for parents with autistic children, bilingual and bicultural education for the deaf, and a daycare centre for young adults with mental handicaps. Another project introducing a new concept in China is the foster care programme, where children are placed in foster homes to grow in as natural an environment as possible. (See: "A Care-Ful Choice" in this issue.)

A special case among the Social Welfare Division's projects is the Pizhou County Polio Rehabilitation Project. Started as a result of a vaccine-induced polio outbreak in 1988, the programme has been serving the children affected by the outbreak ever since. As these children grow into youngsters with special needs, the programme has to be continually adapted, with the focus shifting from physical rehabilitation to education and vocational training. One of the young project beneficiaries has even won a gold medal at the recent Athens Paralympics.

A number of the Social Welfare Division's projects are directed at communities (such as community-based rehabilitation for victims of polio or leprosy). Still, much of its work is more individual-oriented than most projects in Amity in the sense that individual cases form the basis of a project, and the big picture of a project - its concept and impact - emerges from these individual cases rather than the other way around.

Apart from the Teachers Program, few Amity projects involve foreign volunteers on a regular basis. With sixteen foreign "grandmas" helping out twice a week at the Nanjing Orphanage, the Grandma Project is an exception. The Social Welfare Division enjoys good contacts with a number of individuals and groups within the Nanjing expatriate community, and as a result, various opportunities for support and cooperation have emerged. In cooperation with Amity, the "Hopeful Hearts", an expatriate-initiated group that strives to provide heart surgery to children in need, has already managed to offer a number of live-changing operations.
The Aroma of Chinese Wine Extends for Thousands of Kilometres

Chu Chaoyu

As soon as we arrived at the gates of Songbai town in Chen Village, we could smell the aroma of Chinese wine. We knew it must be coming from the home of Li Qingming, the man who had recently benefited from our Songbai CBR [Community-Based Rehabilitation] Project.

Li was born in a poor family in Chen Village in 1964. After completing three years of school, he dropped out to help his father work in the fields. Li Qingming eventually discovered that while Songbai rice was renowned for its flavour, Chinese wine made from rice was only being produced in other, distant towns. He therefore learned the craft of producing rice wine and established a wine shop of his own. His business grew, and in 1987 Li Qingming got married.

As time passed, however, Li Qingming discovered the presence of several abnormal red spots on his skin. At first, he didn't pay much attention to them and simply obtained medication from the local village doctor. A few months later, however, Li discovered his erythemas had become more difficult to treat. In December of 1997, he was diagnosed with leprosy by the Yongshun Leprosy Institute. From that point onward, Li Qingming faced severe discrimination from his friends and neighbours. Those around him refrained from entering his home and shop, and his wine business deteriorated rapidly. Li, distraught and having lost his confidence in life, was forced to close his wine shop. His family subsequently fell into poverty. In June of 2001, Li Qingming's leprosy was finally cured. Yet his poverty and loss of self-confidence continued to prevent him from re-opening his wine shop. "I'm a leper. Who would want to buy my wine?" he shouted to his family in desperation.

Beginning in May of 2004, Amity carried out a community-based rehabilitation project in Songbai. The programme, sponsored by the American Leprosy Mission (ALM), involved leprosy knowledge education, rehabilitation for the deformed, and micro-credit loans for families affected by leprosy. Community leaders, village doctors, several of Li's neighbours and staff members of the Yongshun Leprosy Institute visited Li Qingming to offer encouragement and support. They all assured him they would be more than happy to buy his wine despite his former ailment and encouraged him to reopen his business. Li Qingming considered their advice, and after a few days decided to borrow 3,000 RMB [US$ 375 approx.] from our micro-credit loans project to restart his winemaking business.

When we visited him again in September, 2004, Li Qingming was a changed man. He had regained his former optimism and self-confidence and warmly welcomed us into his home. "Thank you, friends from ALM and the Amity Foundation! Thank you, friends from Yongshun Leprosy Institute! You have given me the opportunity to improve my life. Welcome to my home, friends from ALM and the Amity Foundation. Please taste my Chinese wine!" he exclaimed. •
A Care-Ful Choice
Katrin Fiedler

He Yongfang dashes around the courtyard, half nervous, half naughty. Who are all these visitors, and what do they want? Finally, the four-year-old returns to her mother to watch the goings-on clinging to her side.

In fact, Miao Xiufeng is the girl's foster mother, and the two of them met only one year ago when He Yongfang moved from Nanjing's orphanage into Miao's village home, about one hour from Nanjing. "She's very close to me now," says Miao, "more so than to her father or anybody else." Miao and He were brought together through Amity's foster care programme, an initiative that aims to place children from China's orphanages in foster homes.

"When He Yongfang came, she was thinner than now. Because of her harelip, she still has some trouble eating, but she is making progress. She can now crack open sunflower seeds, which she wasn't able to do before. And her toilet manners have improved as well. When she arrived here, she wasn't entirely potty-trained," reports Miao. He Yongfang's case is not exceptional. Due to the shortage of staff, most children in China's orphanages develop more slowly than their peers who grow up with their parents. But, once placed in a family, they progress quickly.

In legal limbo

Started in 2000, Amity's foster care programme is one of the very few of its kind in the country. As it is a rather new concept in China, the legal issues surrounding foster care are still being worked out by the government. Most children in China's orphanages have impairments of some kind, which adds to the legal and administrative complications. For example, a number of those currently in foster care will probably not be able to look after themselves when they are grown up. Apart from the question of guardianship, this also poses the problem that financial support for the foster children has to flow indefinitely. Currently, foster families receive 400 Yuan RMB [US$ 50 approx.] a month in subsidies, a sum that is split between Amity and the government. In spite of the unresolved issues, the concept of foster care has been well received in local communities, and in Qixia village, He Yongfang's new home, taking in a homeless child has become something of a fashion.

"Placing the children with families in the countryside has many advantages," explains Zhou Bo from Amity's Social Welfare Division, who is in charge of the programme. "Living quarters tend to be more spacious, a lot of the food is home grown, and children enjoy more freedom. There is less emphasis on performance in their education."

Why did Miao Xiufeng decide to take in a child and become a foster mother? "I was bored at home," the sturdy woman in her fifties laughs. "I used to be a worker in a chemical factory and was laid off. My three children are all grown up and live elsewhere."

Miao's sentiments are echoed by the other foster mothers and fathers in the village. Most of them are in their forties and fifties, with grown up children and plenty of time on their hands. In Qixia, 65 children have so far been placed in families. "This happened slowly. In the beginning, villagers had to get used to the idea. But after seeing their neighbours with the children, more and more people are applying for a foster child," explains orphanage staff Zhao Hulying, adding "but we try to maintain strict standards." Requirements for foster families are laid down in a set of regulations. Families wishing to take in a foster child must be harmonious and have a stable income. "The most important thing, however, is that the families have a loving heart for the children," says Zhao.

The young woman works in the orphanage's local office, a new white building with big pictures of families and children in the meeting room. Zhao acts as the local contact person and functions as a social worker, overseeing the children's development from the orphanage's side. Soon, 35 more children will be brought into families. Foster parents are expected to provide the children not only with emotional warmth, but also the pre-school
Through the persistent encouragement of his mum, the boy has just learned to walk a few steps in a row days before orphanage staff Zhao Huiying comes to check on him. A cerebral disorder makes it difficult for him to coordinate his movements. Having walked a few shaky steps towards his mother, he takes a rest on her lap. Browsing through a number of pictures on Zhao Huiying’s digital camera, a broad smile passes the boy’s face as he discovers his mum. Zhi Chunmait has proved a big hit not only with his foster parents, but also his other new relatives that live scattered around the village, “They all come to “borrow” him to play,” his foster mum reveals.

Not all foster cases go smoothly. Over the first half of 2004, three children had to be sent back to the orphanage, mostly because orphanage staff had not realized how impaired the children were. “Only under the intense care of the parents did the extent of their handicap become clear to us, and we felt that we were asking too much from the parents,” says Zhao. “In one case, the child pushed his granny into the river. The parents felt that they could not guarantee the child’s safety.”

Qixia’s youngest foster case is a two-and-a-half year old boy who moved into his new home just one week ago. He is adapting well, his new mum reports, the novelty still shining in her face. What may he be dreaming of, sucking his thumb during his lunchtime nap?

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Ma Wufa was put on the operations list immediately. After a nine-hour car journey, the boy arrived in Wuhan on the 12th of November. He settled down in the hospital and started a series of examinations. The innocent boy had such a good time waiting for the surgery, unaware of the pressure on the hearts of the caregivers and all the people concerned about him! When news came that the doctors had to cancel some of the operations still left due to their schedule and the limited vacancies in the intensive care unit, everyone turned their eyes to the little bulletin board on which the name of Ma Wufa was listed on the next days’ schedule. This was really a fortunate child! The surgery was carried out as planned the next day and went smoothly. Ten days later, he was back in the orphanage with rosy cheeks!

The change in the child was astonishing, just as in many other children after corrective heart surgery. Although Ma Wufa still has got another, final operation before him due in a year’s time, he was getting much more stronger and visibly gaining weight. During a June 2004 visit to the boy, Wu An An and Zhou Bo from Amity’s Social Welfare Division encountered a funny and lovely child. He was staring at them with his big black eyes, following them wherever they went, and suddenly disappeared when the prompt for lunch came. A few minutes later he was seen sitting quietly on a little stool, eating from a big bowl on a chair. The caregiver said that Ma Wufa had developed a very good appetite after his operation and was gaining weight quickly, which was impossible before. A medical check-up half a year after his surgery also showed very good results.

Thanks to the help of FCC, Ma Wufa will probably undergo the second part of his corrective surgery soon.

Ma Wufa is going to celebrate his third birthday in a few months. We wish this fortunate child all the best! - one of numerous lucky children receiving love from all around the world.
New Regulations For The Management Of Foundations

As of the 1st of June 2004, a new set of "Regulations For The Management Of Foundations" has taken effect in China, replacing a set of "Measures" for the management of foundations dating back to 1988. Issued by the State Council, the regulations are, in fact, laws and thus of higher legal status than the previous measures. But are the regulations truly, as some analysts suggest, a reflection of the government's growing interest in foundations, or are they merely an indication of the long overdue need to set a legal framework for China's growing non-profit sector? Other legislation passed over the past years includes a donation law, a social organizations law, a non-enterprise work units law and a non-commercial institutions law. Katrin Fiedler reports.

A few years later than anticipated, it is finally out: the Chinese law regarding the management of foundations. In the country's ever-evolving non-profit landscape, legislation is only slowly following the growing need for detailed legislation on many aspects of not-for-profit work. Some observers also suspect that the challenge of dealing with Falungong delayed the legislative process in spite of a generally increasingly open environment for foundations.

Both newcomers to the field of China's foundations and representatives from existing organizations will probably find that much of the new regulations mirrors similar legal provisions in other jurisdictions, such as the required public interest for a foundation's mission, regulations concerning auditing and accounting procedures, and stipulations regarding board sizes and decision making processes.

One specifically Chinese stipulation that remains is the need for a government sponsor or "mother-in-law". Called a "professional leading unit" in the regulations, it is responsible for providing "direction and supervision" and for conducting an annual review of the foundation's activities. While in practice many foundations do not perceive any form of control that might be linked to this kind of requirement, the need to partner up with a government body (that ultimately can be held responsible for the foundation registered under its umbrella) may make it impossible for some more adventurous initiatives to be formally registered. Still, the government is clearly trying to encourage the establishment of foundations by rich individuals and companies, known as "private foundations" in the Chinese context.

"There is a differentiation between foundations that raise funds from the public, like Amity, and private foundations," explains Zhang Liwei, one of Amity's Associate General Secretaries. "From the regulations, I can see that the legislators want to encourage the setting up of private foundations." With increasingly wealthy individuals and companies in China's east, it looks likely that the country will be entering a "founding era" in the not-too-distant future. The Chinese terminology may be confusing for outside observers, who often associate the term "foundation" with what are called "private, non-fundraising foundations" in the Chinese context, while what are labelled "public fundraising foundations" in China would often simply be NGOs of different legal make-up in other countries.

Amity: "registered locally, operating nationally, funded internationally"

As an NGO working on its own programmes and raising funds domestically as well as internationally, Amity will, of course, fall under the category of a "public fundraising foundation." As Zhang Liwei explains, "Amity will need to re-register. Unfortunately, this looks likely to cause a few headaches for us. Under the previous rules, we were registered in Jiangsu Province. Strictly speaking, this would limit our work to Jiangsu. But currently the reality is that we are registered locally, operating nationally,
and funded internationally. If, for the re-registration, we want to reflect this by registering on the national level, we will have to raise eight million RMB [US$ 1 million] for the registration funds." Local registration requires only a four million RMB deposit, and two million for those who wish to set up a private foundation.

Would local registration be one way to solve the problem? Again, Zhang Liwei: "If we were to register locally, that is in Jiangsu Province, we would have to add "Jiangsu" to our name. More importantly, this would legally limit our radius of action to Jiangsu Province, not only in terms of project work, but also for fundraising."

"We hope to address this issue, and other potential problems, with the relevant officials. We have been invited to participate in a study session with the Provincial Ministry of Civil Affairs. For example, the question of tax deduction is not addressed in the new law, and what is or is not allowed for fundraising is not explained in detail." During the planning process for the regulations, government officials had already consulted with some foundations, and a number of organizations had been able to see earlier drafts of the regulations.

While the requirement for a high endowment may create problems for some organizations, those that will probably be hurt more by the new law are GONGOs [governmentally-organized non-governmental organizations], organizations that are independent from the government more in name than in nature. "The new law with its stipulations for such a high endowment will probably constitute a blow for GONGOs, as most of them live on provincial or central government budgets," reckons Zhang Liwei. In that sense, the new law may provide incentives for some organizations to become more independent and proactive in terms of fundraising.

"Besides, many GONGOs have huge boards, with up to 250 board members. According to the new law, foundations should have boards consisting of 5-25 people. Luckily, Amity's board has just the right size." There also is a stipulation that the posts of Chairman and deputy chairman of the board as well as General Secretary must not be taken by persons currently employed by state bodies, another hint that the government is extricating itself from its links with some foundations.

"Blurred law may be better than none," development journal Chinabrief titled its reaction to the new regulations in its Spring 2004 issue. Much will depend on how the new law will be implemented, and if this can be judged from previous experiences with the 1988 regulations, the practical leeway for foundations should be larger than what a very technical reading of the law suggests. As for bigger liberalization in the non-profit sector, "NGOs have to lobby the public and government with the real work they have done, and so create a better environment for themselves," says Zhang Liwei.

An English translation of the "Regulations for the Management of Foundations" can be found under "Legal Translations" on the website of China Development Brief: http://www.chinadevelopmentbrief.com/