

# CHINA'S CIVIL SOCIETY ORGANIZATIONS

## What Future in the Health Sector?

A Report of the Task Force on HIV/AIDS  
Delegation to China, June 13–20, 2007  
Center for Strategic and International Studies

**Delegation Leader**  
Jim Kolbe

**Authors**  
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## Executive Summary

### Background

From June 13 to June 20, 2007, a senior-level delegation organized by the CSIS Task Force on HIV/AIDS traveled to Beijing and Chengdu, China, to examine the current and potential role of civil society organizations (CSOs) in addressing China's public health care challenges.

The task force delegation to China was led by former U.S. representative Jim Kolbe, who served from 1994 to 2006 as chair of the Subcommittee on Foreign Operations, Export Financing, and Related Programs of the House Appropriations Committee. Since leaving Congress at the end of 2006, he has served as senior transatlantic fellow at the German Marshall Fund of the United States. As head of the HIV/AIDS delegation, Kolbe led international and U.S.-based specialists, all of them working at the nexus of health issues and the role of CSOs.

The delegation met with counterparts in China to explore the answers to three principal questions:

- What is the current situation of and future prospects for CSOs in the health sector in China?
- Can and should Chinese CSOs take on a greater role to deliver research, guidance, and health-related services such as education, prevention, treatment, and care?
- How can international partners—governments, philanthropies, corporations, universities, and international nongovernmental organizations (NGOs)—work with Chinese government agencies and domestic civil society to assist in the development of effective health policy and health care in the years ahead?

### Key Developments in China

Now is an opportune moment to engage on these issues. China is in the midst of dramatic and unprecedented socioeconomic and sociopolitical change. Experts and regular citizens alike actively debate the country's future direction on a full spectrum of domestic policy issues: governance, economic growth models, state-citizen relations, party-state relations, and the correct balance of government- and market-based solutions for the effective delivery of public goods. Reform of China's health care system figures prominently, reflective of the growing number of infectious disease and chronic health challenges, environmental degradation, China's rapidly aging society, and public dissatisfaction with the country's inadequate public health infrastructure and social safety net. An important part of that debate is the current and future role of CSOs in providing health-related policy analysis, education, treatment, and other services.

Three key developments in China set the context for the visit:

- China is going through a demanding transition at home—economically, politically, and socially—at the same time its international sway is rising.

- Public health is becoming a hot-button issue with a growing opportunity for civil society input.
- Chinese civil society is going through a dynamic and thorny period, marked by unprecedented change but still limited prospects.

### Core Conclusions

The delegation's core conclusion, detailed in the report that follows, is that there is considerable ambiguity, uncertainty, contradiction, and tension around the present and future role of China's civil organizations in the health sphere. Chinese CSOs—particularly unregistered, grassroots organizations—operate under a mixed set of cross-cutting pressures; indeed, they exist in a limbo of only partial legitimacy and nascent, fragile capacity, rife with both risks and opportunities.

Foreign CSOs in China face parallel expectations that will persist into the future and that will demand considerable patience and careful navigation. They will be courted and rebuffed at the same time by official Chinese interlocutors.

Two opposing logics are shaping the evolution of the Chinese civil organizations that strive to play a serious role in China's health sector.

One familiar line of reasoning is that China's enduring systemic interests, rooted in the power of the Chinese Communist Party and state structures—and that system's instinctive suspicion toward independent or pluralist societal influences—will predominate. These interests will confine CSOs to relatively marginal significance well into the future and continue to withhold or severely constrain their legitimacy, legal standing, and sustained access to essential resources.

Under a rival line of reasoning, multiple emerging forces operate to some degree outside state control and increasingly drive change in Chinese society. They include the generation of private wealth, the rise of a middle class, and the tensions borne of rising class inequities and environmental decline. As the Chinese government downsizes and as decentralized financing of social services persists, CSOs can be seen as an asset and in some cases a necessity for the government to fill gaps in social service provision. They can be effective in delivering health care services to marginalized groups that Chinese health authorities find difficult to reach. Chinese officials, especially health officials, are starting to acknowledge the positive role that CSOs can play in the public health sphere.

According to this scenario, over time, even without any clear national policy guidance or decisions, many scattered, largely local decisions will enlarge the space for civil organizations that are competent, entrepreneurial, and politically savvy.

These competing logics will continue to coexist and clash in the foreseeable future. There will be a margin for Chinese CSOs to evolve into capable, respected, and enduring entities that contribute in the health sector, but the margin will not be large or necessarily consistent. It is difficult to predict which scenario will predominate and when. Progress will almost certainly be episodic and slow.

## Recommendations

There are several avenues for pragmatic, focused action by the Chinese government, CSOs, and their international partners.

- *Invest greater resources into building the capacity of CSOs in China to make a more constructive contribution to alleviating health care challenges.* There is an across the board need to expand the capacity of Chinese CSOs in management, service delivery, and in their ability to negotiate their role with authorities. Funding at the grassroots level is severely lacking—domestic and foreign donors need to do far more to assure adequate and sustained funding is reaching successful grantees and other innovative groups in need.
- *Foster greater governmental and societal support for the valuable work CSOs can offer.* Appropriate Chinese government agencies should take the lead to introduce a less ambiguous and more practical regulatory and legal environment for CSOs.
- *Expand the role of universities, associations, government-organized nongovernmental organizations (GONGOs) and other government-related brokers.* These quasi-governmental bodies should be positioned more consciously as intermediaries to bridge the gulf between traditional government activities and the emergent civil society, and they should deliver services as government-provided services are downsized.
- *Encourage a greater role for the private sector and philanthropic giving.* The new wealth emerging in China today has not yet been fully encouraged by government and society to take on a greater role in supporting improvements in public health. Established domestic and foreign foundations could collaborate to establish workshops and other awareness-building exercises intended to reach out to newly emerging wealthy individuals and philanthropies in China for an exchange and learning process about effective philanthropy.
- *Develop near- and longer-term indicators of success for CSOs and their impact on addressing health care needs in China.* As both Chinese and international funding increases for the health-related civil society sector, a parallel effort will be needed to develop appropriate benchmarks against which the progress of government support of health care services is assessed.
- *Support a steady evolution and expansion of health-related CSOs, rooted in Chinese pragmatism, values, and sociopolitical realities.* China is on the threshold of many more developments that will eventually define the long-term course civil society will take in the country. Well-informed and forward-looking leaders within the Chinese government and society are aware of the utility of a vibrant and functioning civil society. But they are grappling with the deeper understanding of how CSOs can play a constructive and stabilizing role in achieving a more harmonious society under the current political system. Civil society development in the health sector will achieve many successes but will proceed slowly.

# Part I. Overview of Purpose and Findings

## **Background to the Delegation Trip**

From June 13 to June 20, 2007, a senior-level delegation organized by the CSIS Task Force on HIV/AIDS traveled to Beijing and Chengdu, China, to examine the current and potential role of civil society organizations (CSOs) in addressing China's public health care challenges.

Two previous task force delegation visits to China, in January 2003 and April 2004, examined the looming HIV/AIDS threat in China, evolving Chinese government policies and programmatic responses, and the role of foreign donors, bilateral and multilateral, in supporting effective partnerships with China. Important new relationships emerged from those visits, along with reciprocal activities in Washington, D.C., between CSIS and Chinese counterparts.

The third task force mission in June 2007 sought to build systematically upon prior missions and concentrated on whether China's diverse CSOs will become more significant actors in the health sphere and what role the Chinese government, as well as foreign donors, foundations, and international organizations, may play in supporting their growth and effectiveness. Accordingly, the CSIS delegation gave priority to meeting with Chinese government officials and a diverse group of emerging CSOs, including representatives of government-sponsored nongovernmental organizations (GONGOs), private foundations, businesses, grass-roots organizations, and university-based research institutions. The delegation also met with a range of bilateral donors, international organizations, international businesses, and Western foundations.

The June 2007 CSIS HIV/AIDS Task Force delegation to China was led by former U.S. representative Jim Kolbe, who served from 1994 to 2006 as chair of the Subcommittee on Foreign Operations, Export Financing and Related Programs of the House Appropriations Committee. Since leaving Congress at the end of 2006, he has served as senior transatlantic fellow at the German Marshall Fund of the United States. CSIS organized the delegation in collaboration with the newly established Institute for Global Health at Beijing University. Dr. Lucy Chen, deputy director of the institute, and her team were especially generous in supporting the delegation's visit.

The delegation consisted of leading international and U.S.-based specialists, all of them working at the nexus of health issues and the role of CSOs. Delegation members were: Jim Kolbe, former U.S. representative from Arizona and Senior Transatlantic Fellow, the German Marshall Fund of the United States; Bates Gill, who held the CSIS Freeman Chair in China Studies at the time of the delegation trip and currently serves as director of the Stockholm International Peace



Research Institute; Joan Kaufman, director of the AIDS Public Policy Project, Kennedy School of Government at Harvard University and senior scientist at the Heller School for Social Policy and Management at Brandeis University; Xiaoqing Lu, research associate, Freeman Chair in China Studies, CSIS; Kingsley Moghalu, head of global partnerships, the Global Fund to Fight AIDS, Tuberculosis and Malaria; J. Stephen Morrison, executive director, HIV/AIDS Task Force and director, Africa Program, CSIS; Todd Summers, senior program officer for global health, Bill and Melinda Gates Foundation; William Valentino, general manager, corporate communications, Bayer (Greater) China Ltd.; Gary West, senior vice president, research, Family Health International; and Katherine Bond, associate director, Southeast Asia Regional Office in Bangkok, Rockefeller Foundation. (See Appendix I for detailed delegation member list.)

During its visit to Beijing, the delegation met with officials and other specialists from the Chinese Ministry of Health, the Ministry of Civil Affairs, and the Center for Disease Control and Prevention; members of the international community including representatives from foundations, United Nations organizations, business, and the U.S. embassy; university-based policy researchers; and leaders of government associations and CSOs. In Chengdu, the delegation met with local civil affairs officials, officials at the U.S. consulate, and representatives of international organizations in Sichuan province, and it made a site visit to the Chengdu Gay Community Care Organization, a local grassroots group working on HIV/AIDS prevention among men who have sex with men in Sichuan province. (See Appendix II for detailed trip itinerary.)

The CSIS Task Force on HIV/AIDS was launched in November 2001 with the aim of promoting in the United States an informed, sustainable, and bipartisan policy response to the HIV/AIDS pandemic, strengthening U.S. HIV/AIDS leadership, and building dialogue and exchange on policy innovations and promising emerging partnerships in countries at risk of a generalized epidemic. The task force has given high priority to organizing expert missions to large, highly populated, and strategically critical countries such as China, India, Nigeria, Russia, Ethiopia, and Vietnam. Its published reports were directed to senior policymakers in these countries and to the administration and Congress in Washington, D.C. The reports contained detailed findings and policy recommendations, including options for a sustained dialogue between the United States and these countries on critical policy challenges in controlling HIV/AIDS.

The task force has also organized working groups that have published periodically on several critical issues: the acute vulnerability to HIV/AIDS of young women and girls and the need for far more effective policies to address gender inequities; how to strengthen global HIV prevention programs; means to overcome the financing and health workforce deficits; and options for building military-to-military cooperation on HIV/AIDS. Each of these working groups incorporated lessons emerging from China and the other focal countries visited by CSIS missions. In late 2007, the task force began to issue analysis and options to Congress for the reauthorization of the second five-year phase (2008–2013) of the President's Emergency Plan for AIDS Relief (PEPFAR). Included in the analysis

is a report published in mid-October 2007 on U.S.-China bilateral cooperation on HIV/AIDS and options for strengthening future collaborations.

## Core Conclusions

The delegation's core conclusion, detailed in the report that follows, is that there is considerable ambiguity, uncertainty, contradiction, and tension around the present and future role of China's civil organizations in the health sphere. Chinese CSOs—particularly unregistered, grassroots organizations—operate under a mixed set of cross-cutting pressures. They exist in a limbo of only partial legitimacy and nascent, fragile capacity, rife with both risks and opportunities. The leaders of China's CSOs will continue to face complex choices as they manage their vulnerabilities and exploit the openings for action. It will take time for the shape and nature of China's CSOs operating in the health field to be defined and take root. The CSOs that do ultimately become strong and sustainable entities will be decidedly Chinese—their organization and culture will reflect the conflicting conditions under which they operate—and no doubt they will diverge in important respects from Western CSOs.

Foreign CSOs in China face parallel expectations that will persist into the future and that will demand considerable patience and careful navigation. They will be courted and rebuffed at the same time by official Chinese interlocutors. They will provide essential inputs to emerging CSOs, but will enjoy only partial legitimacy and to be effective will have to transfer their skills and other resources without dominating the identity and mission of their Chinese partners.

Two opposing logics are shaping the evolution of the Chinese civil organizations that strive to play a serious role in China's health sector.

One familiar line of reasoning is that China's enduring systemic interests, which are rooted in the power of the Chinese Communist Party and state structures and that system's instinctive suspicion toward independent or pluralist societal influences, will predominate. These interests will confine CSOs to relatively marginal significance well into the future and continue to withhold or severely constrain their legitimacy, legal standing, and sustained access to essential resources. Chinese officialdom may label them as alien entities seeking to introduce unwelcome Western social and political concepts to China, which pose a threat to stability and order. Where innovation is needed, it will be sought through reform of existing government agencies. External efforts to enhance the capacity of China's independent CSOs may be reluctantly tolerated, up to a point, but will be seen inherently by officialdom as potentially negative influences to be contained.

Under a rival line of reasoning, multiple emerging forces that operate to some degree outside state control increasingly drive change in Chinese society. They include the generation of private wealth, the rise of a middle class, and tensions borne of rising class inequities; the transformation of popular expectations regarding access, quality, and affordability of health care and other social services, and the related challenges of reversing China's environmental

degradation and the rising toll this has upon China's public health; and expanded media outlets, greater public access to the Internet, an increasing activism within universities, and instances of more innovative and independent government-sponsored groups.

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### A Note on Terminology

The terminology surrounding civil society organizations (CSOs) reflects the confusion and ambiguity of civil society in China. Nongovernmental organizations (NGOs) are often viewed by Chinese authorities as Western and an inappropriate approach to civil participation. Indeed, the literal translation for the term nongovernmental organization—*feizhengfu zuzhi*—has a more negative meaning of “not government” compared to the less specified connotation of “nongovernmental” in English.

In some contexts, the term NGO has taken on a pernicious meaning in China, as Chinese authorities suspect some NGOs may be proxies to spread Western ideas and influence, particularly with the aim of undermining the legitimacy and authority of the Chinese political system. While CSOs have always been seen with some suspicion in the People's Republic of China, much of the current apprehension and mistrust has been exacerbated by fear that the “color revolutions” in Georgia, Ukraine, and Kyrgyzstan—and the role NGOs may have played in promoting the end of autocracy and the beginning of democratic change—could be replicated in China.

Outside China, among international public health experts and in other developing country settings, NGO has become a standard, accepted term of reference for the independent civil organizations that have flourished in the past two decades. Donors, international organizations, and nongovernmental groups all have become habituated to the use of the term NGO and routinely incorporate it into their work in China, along with other related terms: nonprofit organizations, grassroots community organizations, mass organizations, intermediary organizations, associations, professional civil groups, and so on. In the Chinese context, however, the meanings can be quite different. One popular, if paradoxical, term that captures the close connection between the government and the most prominent Chinese civil society organizations is government-organized nongovernmental organizations (GONGOs).

According to Chinese specialists, there are three kinds of CSOs (*minjian zuzhi*) in China: social organizations (also called “people's society organizations, *renmin shetuan zuzhi*), which are member-based groups; civilian non-enterprise units, which provide certain public goods such as private schools, nonprofit hospitals, and social services; and foundations.<sup>1</sup> In addition to legally registered groups, there are numerous other civil society actors registered as enterprises, nonregistered organizations, or simply as individuals.

In this report, we choose to refer to civil society organizations since it is a term preferred and frequently used by Chinese officials and specialists. It encompasses a broad range of actors in society that are not directly a part of day-to-day government structures: social service providers, foundations, GONGOs (although they should not be considered truly independent), businesses, universities, professional associations, membership groups, and grassroots community welfare organizations.

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<sup>1</sup> NGO Research Center, *A Nascent Civil Society within a Transforming Environment: CIVICUS Civil Society Index Report China (Mainland)* (Beijing: Tsinghua University, 2006).

The Chinese government continues to retreat from providing a range of social services. As the government downsizes and as reliance upon decentralized financing of social services grows, CSOs can be seen as an asset and in some cases a necessity for the government to fill gaps in the provision of social services.

These shifts generate pressure to answer unmet demands in the health sector through diverse ad hoc innovations, including emerging civil organizations. State and local authorities acquiesce to or even welcome these developments, frequently out of pragmatism and political self-interest: the need to demonstrate flexibility and encourage greater capacity and expertise to meet evolving popular needs, and in so doing, encourage local social harmony.

According to this scenario, over time, even without any clear national policy guidance or decisions, many scattered, local decisions will enlarge the space for CSOs that are competent, entrepreneurial, and politically savvy. External agencies that are transparent and that help cover critical gaps in financing and expertise will be welcomed.

These competing logics will continue to coexist and clash. There will be a margin for Chinese civil organizations to evolve into capable, respected, and enduring entities that contribute in the health sector, but it will not be a large or consistent margin. It will be difficult to predict which scenario will predominate and when. Progress, if any, will likely be episodic and slow. External agencies will remain vulnerable, ancillary partners, essential sources of validation, along with intellectual, financial, and human inputs. For Chinese civil society organizations and external partners alike, patience, flexibility, pragmatism, and a long-term view will be critical to effectiveness and survival.

## **What Is at Stake?**

China's response to its public health challenges and the role that CSOs can play in that effort are of significant interest to the United States and the rest of the international community. We see four main reasons.

To begin, a healthy China is essential to a stable and prosperous China. That connection matters increasingly, as China becomes a greater economic and diplomatic presence in the region and global community and a growing strategic security presence. Success in creating a modern public health system that can deal effectively with emerging and reemerging infectious diseases, increasing chronic disorders, and the rising health toll of environmental degradation will be difficult in a country as large and complex as China. Success is not likely to be achieved through a singular reliance on improved government performance. Realistically, it will require a substantial role for partners outside government, principally China's civil organizations.

Second, effective control and prevention of communicable diseases that pose transnational threats require that China, its neighbors, and partners around the world work cooperatively at multiple levels, official and unofficial. CSOs around the world are an essential component to transnational collaboration.

Third, China's leadership matters in the generation of model health approaches, as well as the generation of new, health-related solutions and technologies. The Chinese government has an impressive historical record in tackling public health challenges. In recent years, civil society actors have taken on a more active role in China—particularly as service providers and a source of consultative advice—as the Chinese government has given increased priority to public health. In this respect, China has the potential in future decades to be a vital laboratory for new forms of civil organization action that will have relevance beyond its borders.

Fourth, China-U.S. collaboration in the public health domain, through official channels and civil organizations, holds special promise in building more constructive bilateral ties. Health concerns have emerged as an increasingly vital and active element in the U.S.-China relationship. Through programs at various U.S. government agencies—such as the Department of Health and Human Services, the National Institutes of Health, Department of Labor, United States Agency for International Development (USAID), and others—the United States and China have launched extensive collaborations in jointly combating diverse health problems, including work involving the Chinese civil society sector. Private foundations and business, such as the Bill and Melinda Gates Foundation, the Clinton Foundation, the Ford Foundation, and Merck & Co., Inc., have committed tens of millions of dollars to public-private partnerships to address health-related challenges in China, such as HIV/AIDS and tuberculosis. The two countries also have shared interests in working together on avian influenza, the delivery of health care services, health care financing, and research on infectious and chronic diseases. In the future, there will likely be a greater call for CSOs to contribute to these collaborations.

# Part II. Findings

## An Opportune Moment

Our delegation met with counterparts in China to explore the answers to three principal sets of questions.

- *What is the current situation and future prospects for civil society organizations (CSOs) in the health sector in China? How active and widespread are these CSOs? What is the current legal status for both domestic and international CSOs? And what special restraints inhibit them?*
- *Can and should Chinese CSOs take on a greater role to deliver research, guidance, and health-related services such as education, prevention, treatment, and care? What is the need for CSOs outside of formal government structures to help think through international and domestic policies regarding health?*
- *How can international partners—governments, philanthropies, corporations, universities, and international NGOs—work with Chinese government agencies and domestic civil society to assist in the development of effective health policy and health care in the years ahead? What restraints limit such assistance? What forms of external assistance and advice are in greatest demand in China? What is the most effective strategy for external partners to engage in China in support of effective indigenous CSOs?*

Now is an opportune moment to engage on these issues. China is in the midst of dramatic and unprecedented socioeconomic and sociopolitical change. Experts and regular citizens alike actively debate the country's future direction on a full spectrum of domestic policy issues: governance, economic growth models, state-citizen relations, party-state relations, and the correct balance of government- and market-based solutions for the effective delivery of public goods. Reform of China's health care system figures prominently, reflective of the growing number of infectious and chronic health challenges, environmental degradation, China's rapidly aging society, and public dissatisfaction with the country's inadequate public health infrastructure and social safety net. An important part of that debate is the current and future role of CSOs in providing health-related policy analysis, education, treatment, and other services.

Three key developments in China set the context for our visit.

- *China is going through a demanding transition at home—economically, politically, and socially—at the same time its international standing is rising.*

The powerful forces of economic growth are helping to create an increasingly large middle class while also contributing to widening income gaps between rich and poor, between city dwellers and rural residents, and between the wealthier eastern seaboard provinces and the poorer landlocked hinterland. A critical political reshuffling has been unfolding around the 17th Chinese Communist

Party Congress convened in October 2007. Held every five years, this important conclave saw the ascent of several younger, fifth-generation protégés who will succeed the current leadership in 2012. Achieving a harmonious society was a central theme of the Party Congress—alleviating rising popular demands for a more responsive government.

Meanwhile, the Beijing 2008 Olympics are drawing an increasingly harsh spotlight on China's record on human rights, civil liberties, freedom of expression, media censorship, and civil society development. Chinese leaders are acutely aware of the domestic and international pressures and are keen to address them in a way that balances demands for change with maintenance of the party's authority and China's sovereign interests.

- *Public health is increasingly becoming a hot-button issue with a growing opportunity for civil society input.*

China's health care system is in trouble. The outbreak of severe acute respiratory syndrome (SARS) in 2003 shook the Chinese leadership and brought greater political attention to public health needs. Environmental degradation is a major focus of domestic debate. As millions of rural workers migrate to urban areas, poor access to affordable and quality health care services becomes a growing challenge. Concerns about public health are rising across Chinese society, and the Chinese leadership is taking notice.

As a result, Chinese leaders have begun to seriously consider reforms in health care. Premier Wen Jiabao pledged during his annual address to the National People's Congress in March 2007 that improvement of the Chinese health care system must take urgent priority. Yet, while economic growth, social order, and family planning are top concerns of local officials—and the basis on which their career prospects are judged—health services are not always a priority.

The current health care system, dominated by government-run hospitals and clinics, is widely criticized for its expensive, inadequate, and sometimes corrupt service. The following is one startling indicator of rising health care costs: according to a Beijing University specialist on health care financing, the average cost of a hospital admission in China today is about RMB12,000 (approximately \$1,500). That is equivalent to the average per capita annual income in China, which stood at \$1,290 in 2005 according to the World Bank. Health care spending in China represents about 5 percent of GDP and the government in China only covers one-sixth of that amount, or about 0.8 percent of GDP. The central government also only provides 1 percent of the country's total spending on immunizations.

According to the World Health Organization (WHO), between 1980 and 2004 the central government's share of total health care funding fell from 40 percent to 16 percent. Local governments, preoccupied with maximizing economic growth and economic returns, have not made up the shortfall, although their spending on health now outweighs that of the central government. Meanwhile, as China's middle class grows and as the society urbanizes and ages, demands on the health sector increase. According to Chinese experts, significantly higher government

funding is needed (in the range of RMB100 billion to RMB250 billion annually, or about \$12 billion to \$30 billion) to build and sustain a more effective health care infrastructure.

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### China's Pressing Health Challenges

Health conditions have improved dramatically in China compared to the very low standard of health that existed in the country 50 years ago. Statistics from the World Health Organization (WHO) show that average life expectancy has doubled, increasing from 35 years in the 1950s to 71 in 2003. Infant mortality rate, which used to be as high as 20 percent, is presently 2.5 percent. China ranked 81 out of 177 countries and territories in the United Nations Development Program (UNDP) Human Development Report of 2006. Although that is an improvement from previous rankings, the country continues to face multiple pressing health challenges.

**Infectious Disease:** One of the most challenging infectious diseases in China is HIV/AIDS. As of 2005, official estimates stated that there were approximately 650,000 people infected with HIV in China. Among them, there were an estimated 75,000 people living with AIDS, 70,000 new HIV infections, and 25,000 AIDS deaths. Most HIV voluntary counseling and testing services are limited, however, and do not effectively reach high-risk populations where the epidemic continues to be concentrated. Other emerging factors—an increase in China's commercial sex industry, increasing premarital and extramarital sex, a greater social tolerance for homosexuality, and risky behavior in the floating population of migrant workers—may spread the epidemic into the general population. The epidemic is feminizing and approximately half of all new infections are sexually transmitted.

China is experiencing a resurgent epidemic of sexually transmitted diseases (STDs), especially syphilis. Nationwide surveillance data indicates that after remaining just below 0.2 cases per 100,000 people from 1989 to 1993, the total incidence of syphilis increased from 0.17 cases per 100,000 in 1993 to 6.5 cases per 100,000 in 1999. The incidence of primary and secondary syphilis has increased in the past two years to 5.67 cases per 100,000 people.<sup>1</sup> Underreporting, which is common with sexually transmitted infections, may mean that the true situation is worse than official data suggests. The resurgence of syphilis occurs in the context of China's explosive economic growth, which has helped drive the sex trade, increased internal migration, and other factors that contribute to the further spread of STDs.<sup>2</sup>

Tuberculosis (TB) is the leading cause of death by infectious disease among adults in China, killing approximately 250,000 of the 1.75 million people infected annually. Although China surpassed the global TB control targets by the end of 2005, with a case detection rate of 80 percent and treatment success rate of 94 percent, its TB control is still threatened by hard to reach, rural communities and the growing HIV epidemic. And while China has 25 percent of the world's total cases of extensively drug-resistant tuberculosis (XDR-TB), treatment for this more virulent form of the disease is not widely available.

Malaria is endemic in southern China, especially in the southern province of Yunnan and along the border with Myanmar, which account for one-third of the 40,681 reported malaria cases in China in 2005. This is an increase from 27,201 reported cases in 2004.

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<sup>1</sup> Zhi-Qiang Chen et al., "Syphilis in China: Results of a National Surveillance Program," *The Lancet* 369, January 13, 2007.

<sup>2</sup> David N. Fisman, "Syphilis Resurgent in China," *The Lancet* 369, January 13, 2007.



Another emerging health challenge is avian influenza. Its endemic nature and the close habitation of human and animal populations, particularly in the south, make China an incubator.<sup>3</sup>

**Noncommunicable disease:** As China continues to urbanize and industrialize, it faces emerging health threats related to environmental, workplace, and lifestyle factors, in addition to the health risks associated with poverty and underdevelopment. According to a WHO study, China's overall disease profile now resembles that of a developed country, with 80 percent of deaths due to noncommunicable diseases and injuries, the leading causes of which are cerebral-vascular diseases, chronic obstructive pulmonary diseases, and heart diseases, which together account for nearly 50 percent of all deaths. Diabetes prevalence in China is also predicted to double between 2000 and 2030, with environmental hazards such as air pollution and water contamination, as well as overuse of chemical fertilizers and pesticides, annually costing China over 400,000 human lives and 9 percent of GDP.

Another major source of mortality in China is occupational accidents, which in 2003 was estimated at 1.54 fatalities per 100,000 of the workforce (85 percent of which occurred in coal mining).<sup>4</sup> Road traffic accidents also take a high toll in China. Traffic accidents are the leading cause of death for people aged between 15 and 45. WHO estimated in 2004 that over 600 people are killed and over 45,000 injured daily on China's roads; about 219,000 persons each year.<sup>5</sup> Latest official Chinese data indicates that nearly 90,000 people died in traffic accidents in 2006.<sup>6</sup>

**Aging:** There are an estimated 144 million people aged 60 and above in China today, accounting for 11 percent of the total population. However, by 2040, 28 percent of China's population will be aged 60 and above, or 397 million people, which is more than the *total* current population of France, Germany, Italy, Japan, and the United Kingdom combined.<sup>7</sup> Although population aging has become a worldwide phenomenon, China's "one-child policy" exacerbates the problem. The ratio of working age individuals relative to dependent elders will decline from 6.4 to 1 in 2000 to below 2 to 1 in 2050.<sup>8</sup> Experts note that unlike the historical pattern in the West and other developed economies, China will confront the challenge of growing "old" before it becomes "rich," and the country does not have an effectively funded pension or elder care system for these increasing numbers of senior citizens.

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The urban employee basic medical insurance system (UEBMIS) was initiated in urban areas in 1998. By 2003, it had covered 110 million people—80 million laborers and 30 million retirees. The rural cooperative medical scheme (RCMS) was established in 2002. By mid-2004, the scheme covered only 69 million people and by 2010 is expected to cover most of the country's rural households. Currently, more than 90 percent of the rural population still does not have medical insurance of any sort.

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<sup>3</sup> United Nations Development Program (China), *Annual Report 2006* (Beijing: UNDP, 2006) <http://www.undp.org.cn/downloads/keydocs/AnnualReport2006.pdf>

<sup>4</sup> United Nations Health Partners Group in China, *Health Situation Assessment of the People's Republic of China* (Beijing: United Nations Health Partners Group, 2005).

<sup>5</sup> "WHO Report Highlights Traffic Safety in China," *China Daily*, October 12, 2004.

<sup>6</sup> "China's Road Death Toll Hits 1,171 Over Holidays," Reuters, October 7, 2007.

<sup>7</sup> Richard Jackson and Neil Howe, *The Graying of the Middle Kingdom* (Washington, D.C.: CSIS, 2004).

<sup>8</sup> *Ibid.*

- *Chinese civil society is going through a dynamic and thorny period marked by unprecedented change but still limited prospects.*

Even as the work of CSOs remains tightly constrained, there is an emergent debate in China about the role of CSOs and their ability to achieve “scientific development” and a “harmonious society,” the current guiding slogans of the leadership. According to the Tsinghua University Nongovernmental Organization Research Center, at the end of 2005 there were some 315,000 registered CSOs in China and several hundred thousand more organizations not registered or not falling into the official definition of CSOs. In Sichuan Province, where the delegation visited, there are some 13,000 people’s associations, 12,000 nonenterprise groups, and 40 foundations, according to the provincial Bureau of Civil Affairs.

Nearly all officials we spoke with offered tacit support for a CSO role in addressing China’s growing health challenges. For example, a senior official in the Ministry of Health acknowledged that the government needs “intermediary organizations” in order to reach groups most severely at risk of contracting HIV, such as commercial sex workers (CSWs), intravenous drug users (IDUs), and men who have sex with men (MSM). Since the mid- to late-1990s there has been a rapid expansion in CSOs, though most work on such areas as poverty alleviation, education, environmental protection, and community development. New laws have been promulgated to authorize and regulate the growing civil society sector, including the presence of international nongovernmental organizations. For example, among other steps, these regulations permit up to 50 citizens to join together to create a CSO and grant improved tax incentives for charitable giving. At the same time, significant new funds flow to the health-related CSO sector in China, much of it from foreign sources such as the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund), and the Bill and Melinda Gates Foundation, in addition to an increasing amount of funding from the Chinese government.

The vast majority of CSOs, however, face significant hurdles and must operate within a tightly confined political, financial, and social space. Politically, they are typically viewed with distrust by state and party authorities. A professor from the Communist Party Central Party School told us most senior party officials have a traditional and suspicious view toward civil society actors. Financially, they tend to be cash-strapped and unable to raise independent, sustainable funding to escape their dependence on local officials. Organizationally, they lack capacity and are restrained from scaling up or expanding beyond their localities. Registration procedures are restrictive, requiring domestic CSOs to obtain a government sponsor, and forbidding them from opening branch offices in other parts of the country or, in some cases, from having paying members. To skirt these restrictions, groups often register as businesses or operate solely as Internet groups.

Most citizens, accustomed to government provision of public goods, question the role and capability of CSOs. Since the mid-2000s, civil society organizations in China have come under some increasing pressure from the Chinese government

and security apparatus. This is attributable in part during the past few years to pervasive concerns within government and party circles that results of the “color revolutions” in parts of the former Soviet Union could be exported to China. More recently, internal concerns for a smooth 17th Chinese Party Congress in October 2007 and an incident-free Beijing 2008 Olympics have led to tougher restrictions on the activities of some civil society organizations, including those concerned with development and health care. Many believe that the crackdown will gradually pass after next summer’s Olympics. In addition, the delegation heard repeatedly that CSOs are often plagued by bitter infighting and lack of cooperation amongst themselves.

## Future Scenarios

In the face of these dynamic forces, the opportunities and challenges for health-related CSOs in China are complex and uncertain. Two different, but concurrent scenarios are at play.

### Scenario One: The Power of Systemic Factors

There is a widely shared consensus in China that multiple systemic factors have up to now substantially limited the growth of civil society organizations in the health sector, and that is not likely to change in the near to medium term. The most fundamental explanation points to the overwhelming power of the party and government in China, the related, exceptional weakness of CSOs, the low priority given to health problems, the unwillingness within society to accept alternative sources for public goods, and the marginal impact of external donors.

- *Continuing ambiguous political and societal standing for CSOs.*

Chinese authorities have not as yet presented a strategic and realistic vision for the role of the emergent civil society sector in China for the years ahead. Beijing authorities may acknowledge the utility of civil society, but they are still grappling with a deeper understanding of how it can play a constructive and stabilizing role in achieving much-sought scientific development and a harmonious society. The government has been unable to settle on rules that will differentiate acceptable from unacceptable groups. The government understands that a functioning civil society sector has tremendous potential in keeping economic, social, and environmental development in balance—particularly when CSOs can fill gaps in government services and outreach to interest groups. But overall, Chinese CSOs remain in an ambiguous, stalled situation.

For example, the long-established, Beijing-based *China Development Brief*, an independent publication headed by a British citizen, Nicholas Young, was shuttered by Beijing authorities in July 2007 after many years of research, commentary, and publication on international organizations providing development assistance in China. The publication was ordered to shut down for conducting “unauthorized surveys.” Many believed that the closure of the *China Development Brief* came amid efforts to limit dissent ahead of the Party Congress in October 2007.

In another example, authorities in Guangzhou, Guangdong Province, and in Kaifeng, Henan Province, disrupted meetings and forced the closure of HIV/AIDS-related civil society organizations in August 2007. According to Reuters, Human Rights Watch, and other reports, the groups affected included Yi Ren Ping, a Beijing-based group planning a meeting in Guangdong Province, the China Alliance of People Living with HIV/AIDS, which was to hold a meeting in Henan province, China Orchid AIDS Projects in Henan, and two Henan provincial offices of the Dongzhen AIDS Orphan Support Project. Dr. Gao Yaojie, who helped expose the Henan HIV outbreak, was barred in early 2007 from receiving a human rights award in the United States until an international outcry prompted the Chinese government to reverse that decision. The husband and wife HIV/AIDS activist team of Hu Jia and Zeng Jinyan spent most of 2006 under house arrest. In April 2007 some 350 people infected with HIV/AIDS were blocked by police from protesting over ineffective, government-supplied drug treatments in Zhengzhou.

The Chinese leadership exhibits a historic fear that external forces work from within to undermine Chinese stability and the legitimacy of the political system. Owing to this pervasive distrust at both the central and local level, Chinese authorities impose a number of registration barriers on CSOs, including the requirement of a sponsoring government agency, adequate funding, bank accounts, an acceptable mission statement, and limited geographic reach to ensure a tighter political leash.

Moreover, at local levels, civil society organizations are sometimes viewed as entities that compete intrinsically for resources and legitimacy with local governing structures that are often the most important employers. Since the advent of Communist China in 1949, the country's public institutions have played the predominant role in the provision of public goods—in education, culture, health, poverty alleviation, and environmental protection. It is still seen as the principal and sometimes the only trusted provider of relevant public services in those areas. While this perspective is changing as China continues to retrench public services and embrace the market, it will nevertheless persist and hold back the development of the civil society sector.

In addition to uncertainty and mistrust emanating from Chinese authorities, there are several other factors that are likely to slow down the development of CSOs, particularly in the public health sector. China's unfolding national health reform is a major undertaking that takes precedence over all other health policy considerations in the country. China's path to providing affordable social services, such as health care, was an underlying concern during the Party Congress in October 2007, and is likely to be a significant policy preoccupation into 2008. Any future consideration of possible roles for CSOs in the health sector will have to take a back seat to this much larger process.

Changing estimates of the magnitude of the HIV/AIDS epidemic in China may also impede the development of the civil society sector. Only during the past decade has China recognized that it has a growing HIV epidemic. Early projections overestimated how large the epidemic was, and as more and higher-

quality data became available, estimates of how many people are living with HIV/AIDS in China were reduced. With the perceived threat of HIV/AIDS falling, the Chinese government may give a generally lower priority to the epidemic. CSOs are considered necessary by many Chinese health officials in order to reach high-risk groups, such as MSM, IDUs, CSWs, and migrant workers, which in turn open a space for local leaders to turn a blind eye to registration requirements if they see the pragmatic value of using CSOs to achieve their disease prevention and control goals. However, if HIV/AIDS receives a somewhat lower priority among party leaders, the importance of civil society organizations in addressing the epidemic may likewise diminish.

- *Exceptional weakness of Chinese civil society sector.*

The lack of adequate funding for CSOs, particularly at the grassroots level in poorer parts of China, is a major problem. For instance, the Global Fund's support to China requires that the country coordinating mechanism (CCM) involve communities affected by HIV/AIDS. However, interviews with NGO representatives in Chengdu and from other local areas revealed that very little funding support has reached them and that some face challenges from authorities in carrying out their work.

In addition, strict registration requirements have led to many unregistered groups. Due to their illegal status and lack of bank accounts, these groups face difficulties in receiving funding, finding technical support, and accessing information and other resources. Many grassroots groups are in dire need of funding and support; however, they are reluctant to raise their profiles too high to avoid the scrutiny of authorities. Current regulation restricts networking of similar organizations within a community—only one of each type of civil society organizations can be registered. As a result, good work cannot be scaled up to the regional or national level and expanded beyond local communities.

Another source of potential funding for CSOs is China's burgeoning private sector, but it is also not a likely source of support under current conditions. Overall, corporate philanthropy and individual private giving are underdeveloped in China (in 2005, the Ministry of Civil Affairs showed that charitable donations accounted for less than 1 percent of GDP), in large part due to the lack of effective tax incentives and related policy measures. Much of the giving goes to education and poverty alleviation projects in China's rural and poor areas. Among the 40 registered foundations in Sichuan Province, none are providing support to health-related causes, according to the provincial Bureau of Civil Affairs.

Given the many political, financial, and social problems associated with CSOs, it is understandable that corporations and wealthy individuals are wary of donating to them. It has also been difficult for international groups such as the Global Business Coalition on HIV/AIDS to engage the participation of Chinese corporations since HIV/AIDS has not yet been considered a shop floor workforce threat. Unless a company has experienced the personal tragedies and full economic impacts of HIV/AIDS seen in such locations as South Africa or sub-Saharan Africa, it is very unlikely that it would willingly take on this issue,

especially in areas where the prevalence rate is low and knowledge about the disease is lacking.

Due to lack of legitimacy and insufficient financial resources, Chinese CSOs also lack capacity in organizational management, bookkeeping, human resources development, communications skills, and effective service delivery. A lack of funding also drives fierce competition and personality conflicts amongst smaller CSOs, and there are no strong, collaborative networks to share information and best practices.

There are also imbalances among various civil society groups. While MSM groups appear to be in the frontline to promote visibility for HIV/AIDS groups in China, there is virtually no representation or action for other key populations, including women, CSWs, IDUs, and migrant workers. The level of civil society development varies from region to region as well. There is concentrated grassroots activism in Yunnan and other southwestern provinces that is not found elsewhere, largely due to local government's openness and support.

Even government-organized nongovernmental organizations suffer similar problems. While some in China envision these quasi-governmental bodies taking on an increasing role as intermediary organizations to facilitate provision of health-related goods and services, most of them are understaffed and inexperienced. Despite their nationwide networks and government support, GONGOs remain a weak intermediary instrument at present.

- *Increased frustration and concern within the international donor community.*

Another problematic area for China's CSOs concerns future support from the international donor community. International organizations, including the Red Cross and Save the Children, have been working at a relatively moderate scale in China since the early 1990s, mainly in comparatively open provinces such as Yunnan. In 2000, the Program for Appropriate Technology in Health (PATH) and the Chinese Family Planning Association initiated a program focused on reproductive health and HIV/AIDS prevention among adolescents in 11 industrializing cities in China. From 2001 to 2006, the China-UK HIV/AIDS Project, funded by the UK Department for International Development (DFID) and the Chinese government, supported emerging civil society organizations and involved international organizations in Sichuan and Yunnan Provinces. The Joint United Nations Program on HIV/AIDS (UNAIDS) has also provided modest support through Family Health International (FHI) to reach marginalized populations in Guangxi and Yunnan Provinces. The Global Fund has so far committed \$424 million to China for AIDS, tuberculosis, and malaria programs (China is the Global Fund's second-largest recipient of support), including considerable funding targeting the development of health-related civil society groups. There are many other international CSOs carrying out important health-related work in China, including Marie Stopes International, Plan International, and the Futures Group.

After many years of expanded engagement, however, returns for the international donor community have fallen short in terms of service coverage and

capacity building of grassroots groups. Some international and bilateral programs are beginning to reconfigure their giving, such as the China-UK Project. As China becomes wealthier, it has become increasingly difficult for some international donor organizations to justify large expenditures to support the country's needs. The Global Fund is concerned about how little support has reached local beneficiaries versus how much is being absorbed into the Chinese government's operating expenses. While China continues to attract the interest of the international philanthropic community, if "donor fatigue" intensifies, it will negatively impact progress in China's health-related civil society sector.

### Scenario Two: The Potential Power of Pragmatism and Multiple New Drivers of Change

Parallel to the systemic barriers to the growth of a civil society sector in China are several factors that are driving change in China and that potentially are enlarging the space for civil organizations to play an ever larger role in the health sphere.

China aspires to become an accepted global leader. There is a historic, internal push for health reform, rising popular concern with environmental degradation and its impact on public health, a more demanding middle class, the rising influences of the Internet and information technology, the expanding role of private philanthropy, and from outside, increased interest in the part of private foundations, universities, corporations, and official bilateral organizations to engage in new collaborations with Chinese partners.

In the next 5 to 10 years, through an often frustrating but pragmatic process of experimentation, the search for workable solutions in China may generate a new institutional configuration in the health sector that encompasses a significant role for CSOs. This more positive scenario is already manifested in the case of HIV/AIDS-related CSOs, which potentially can provide models that other health-related CSOs might emulate. This trend will likely continue, albeit haltingly, into the near to medium term.

- *China's global aspirations and domestic pragmatism.*

China's growing reputational concerns could potentially contribute to a reassessment of its internal approaches to matters such as health. There is already high sensitivity to the scrutiny China is beginning to experience in the lead up to the summer 2008 Beijing Olympics. China's leaders understand that a part of its international image and prestige will be judged by how it handles domestic challenges including environmental quality, HIV/AIDS, tuberculosis, and avian influenza. China is also expected to further increase its donor role in the coming years, especially in Africa and Asia.

In stepping up to these growing responsibilities, China is developing approaches that take greater account of how CSOs can play a constructive role. While still at an early stage, there is an emerging foundation to support greater civil society involvement in the health sector in China, especially in the role of service providers as opposed to advocacy—on the supply side rather than the demand side of health care issues.

The National People's Congress has passed new laws to govern CSOs and foundations; new regulations for the registration and management of foundations were approved and came into force in 2004. They are primarily aimed at Chinese organizations; however, they also address international organizations and are a promising step in establishing a regulatory framework for civil organizations. In addition, in February 2006 some government agencies at the central level opened up the bidding process for poverty alleviation grants to civil society organizations. Several CSOs submitted winning bids totaling RMB11 million (approximately \$1.36 million), including U.S.-based Heifer International, the China Association for NGO Cooperation, and four other local organizations.<sup>9</sup> Since 1995, the Chinese Association for Prevention of Sexually Transmitted Diseases and HIV/AIDS has regularly held national meetings to convene CSOs working on HIV/AIDS in China. The 2006 meeting in Chongqing was attended by 80 CSOs, including 30 small, independent, and grassroots groups.

More recently, the Chinese government acceded to pressure from the Global Fund to meet the requirement of 40 percent civil society participation in the CCM. The CSO representatives on the CCM play a crucial role in determining priorities and preparing proposals for funding. In mid-2007, the government formally approved the registrations of the Bill and Melinda Gates Foundation and the Clinton Foundation to operate in China. The Bill and Melinda Gates Foundation in particular will aim to bolster the role of China's civil society to help meet the challenges of HIV/AIDS.

- *Mounting pressures for healthcare reform.*

China is at a major crossroads in its health care reform. The demand for services and change to bridge widening inequities currently outstrips the supply from existing institutions. This pressure will only increase in the near to medium term.

Health care reform has arisen as an area where civil society, both from China and abroad, has been asked to contribute its expertise. In 2006, a 14-ministry task force—focused on the provision of health care services, health care financing, health insurance, and affordable availability of pharmaceuticals and other treatments—was unable to deliver a consensus report on health care reform. In response, the government commissioned six institutions to deliver their own health care reform recommendations: Beijing University, Fudan University, the Development Research Council, the World Bank, the WHO, and McKinsey & Co. Completed in May 2007, these proposals are being considered within senior government circles and will shape debate on health reform options into 2008.

- *Societal change and the rising role of philanthropy within China.*

The emergence of a new middle class in China is among the most intriguing and potentially transforming forces in the country today. In addition to making greater demands for a more effective and responsive health care system, a safer food production system, and improved environmental health conditions, these

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<sup>9</sup> "NGOs Win Bid for Poverty Relief," *China Daily*, February 22, 2006, [http://www.chinadaily.com.cn/english/doc/2006-02/22/content\\_522658.htm](http://www.chinadaily.com.cn/english/doc/2006-02/22/content_522658.htm).



urban-centered and increasingly wealthy citizens may advance philanthropy in China and strengthen civil society engagement, especially if spurred by effective tax incentives. In late 2004 and early 2005, Chinese citizens contributed over \$60 million to relief efforts in the wake of the Indian Ocean tsunami. This unprecedented level of contribution indicates the role China can potentially play in supporting civil society activity both at home and abroad.

In March 2007, the National People's Congress established new tax incentives to encourage increased charity donations. Both domestic and foreign enterprises could be expected to step up their charitable donations in the years ahead as a way to lower their tax burden, promote their image, and gain the loyalty and appreciation of a more sophisticated consumer base. Work continues within the Chinese bureaucracy, such as in the Ministry of Civil Affairs, to craft a more favorable regulatory and philanthropic environment for Chinese donors and foundations. Realistically, philanthropy is still very new in China and any increase in private funding will evolve slowly over time.

- *Key role of universities, GONGOs, and innovative service providers.*

While political restraints, lack of funding, and capacity-building gaps will continue to restrain the activity of health-related CSOs in China, a range of civil society actors carry forward a remarkable range of work.

Chinese universities, esteemed institutions, have a special opportunity to encourage civil society development, including in the health sphere. They are likely to increase their role as brokers and facilitators between the government and grassroots organizations. They are often seen as safer and more effective partners by both Chinese and foreign public and private donor agencies. University-based institutions, such as the Institute for Global Health at Beijing University and the Nongovernmental Organization Research Center and the AIDS Policy Center, both at Tsinghua University, have been mandated to help government bodies establish a better understanding of international experience with CSOs, examine China's public health challenges, propose health care reforms, and gain a better appreciation of the value of civil society development. University-based experts on health and CSOs sit on advisory panels for such ministries as the Ministry of Health and the Ministry of Civil Affairs and some senior professors are delegates to the China People's Political Consultative Committee (CPPCC), one of China's national legislative bodies.

GONGOS are also potentially very important bridging institutions. With significant government support, GONGOs often have extensive networks across China, which enable them to be an effective mobilizing force nationwide. With the feminizing of the HIV epidemic in China, the potential role of some national women's group, such as the China Women's Federation, is likely to expand. Another GONGO, the China Association for STD and AIDS Prevention and Control was founded as a "government grassroots intermediary organization" in 1993. In the awards for Global Fund Round 6, the association was intended to serve as a principal recipient for HIV/AIDS in China—a total of \$14.7 million of a \$24-million grant intended to help build the civil society sector in combating HIV/AIDS—and to oversee dissemination of support to HIV/AIDS-related CSOs

across China. However, the Global Fund determined the association did not have the capacity presently to manage significant levels of funding. Instead, the Chinese Center for Disease Control and Prevention (CDC) was named as the principal recipient for the first two years of the five-year grant. With the assistance of the CDC and the Bill and Melinda Gates Foundation, the association is slated to assume the role of principal recipient for the last three years of the grant. If this effort is successful, it will mark an important turning point in the role of Chinese GONGOs in the health sector.

Despite their low capabilities, some CSOs have developed innovative models to fill widening gaps in the provision of services, both in reaching at-risk and marginalized populations and in meeting pressing, local needs. With the understanding that civil society groups will not replace the government but will fill in niches where needed, these CSOs succeeded at the local level. For example, the Chengdu Gay Community Care Organization (CGCCO) provides reasonable quality services—including HIV counseling and testing—to a growing number of gay men and inspired similar programs in other parts of China. The CGCCO has 5 full-time and 2 part-time staff and 200 volunteers. In December 2003, with support from the China-UK HIV/AIDS Project, it produced the first gay community bulletin in Chengdu that included HIV-prevention information. It still, however, lacks formal registration.

Gay men and gay advocacy groups have been asked to take an active part in crafting a national strategy to address the challenge of HIV/AIDS among MSM populations in China. The strategy focuses on HIV testing, expansion of drug treatment for HIV/AIDS, and advocating a culture of safe sex practices.

Similarly, in Beijing a public-private partnership is evolving that links a private hospital, the local CDC, and the Chaoyang Chinese AIDS Volunteer Group. The Chaoyang District CDC in Beijing signed a memorandum of understanding with 19 gay bars to facilitate the distribution of condoms and HIV-related information. In addition, the Chaoyang District CDC has cooperated with a local CSO to set up a sexually transmitted disease (STD) and HIV clinic for MSM located in the Chaoyang District of Beijing, the only such clinic in the entire city. Funded by the U.S. National Institutes of Health and the Chinese CDC, in partnership with the Chaoyang CDC, the Chaoyang Chinese AIDS Volunteer Group established the clinic to provide free voluntary counseling and testing, CD4 tests, and condoms to the gay population and introduce confirmed HIV carriers to the national HIV drug treatment program. Run by volunteers, it is open seven days a week and sees about 10 persons a day. This group also closely cooperates with the nearby, newly opened, private Beijing Jingcheng Skin Disease Hospital, referring patients for further medical attention and counseling. Under an agreement with the hospital, if patients first register with the Chaoyang Chinese AIDS Volunteer Group, they will receive a “rainbow card” that will allow free HIV testing and lowered prices for STD treatment at the hospital.

The Internet and other communication technologies will also play an increasingly important role for CSO development and provision of services. On the one hand, the Internet, text messaging, blogs, and other technologies offer

increasingly sophisticated means for information exchange and networking among like-minded groups. These technologies also provide a platform from which CSOs can promote their work, educate target audiences, and provide information on their services. While funding, hardware, and necessary skills are still lacking for most CSOs, networking, information sharing, advocacy, and service provision through new technological means will only increase with time.

It is impressive how many grassroots organization, despite regulatory and financial restraints, are slowly building a record of achievement, and creating a voice through contributions of time, money, talents, and other resources.

- *Continuing interest and new players from the international community.*

There is a historical and continuing commitment of many international donors, official and private, to help China address its health care challenges. China was the primary foreign beneficiary of the Rockefeller Foundation from 1913 to 1951. Its support was essential to the creation of Peking Union Medical College (PUMC), which is still one of China's leading research and training hospitals today. Incorporated in 1928, the China Medical Board received from the Rockefeller Foundation ownership of the land and buildings of the PUMC and an endowment of \$12 million, managing the foundation's support to PUMC through 1951. By 1951, a total of more than \$54 million, 12 percent of the Rockefeller Foundation's entire expenditures since inception, had been spent in China. From the 1980s to the early 1990s, the Rockefeller Foundation supported Chinese institutions focused on medical sciences and reproductive health technologies and has continued its work in China today in Yunnan Province as part of work in the greater Mekong subregion.

The Ford Foundation opened an office in Beijing in 1988 and up to September 2005 had made grants totaling \$207 million dollars. The earliest grants promoted Chinese studies in economics, law, and international relations. Since the 1990s, the Ford Foundation has focused on economic development and public policy, civil society development, sexuality, and reproductive health. The Ford Foundation has also worked with governments and CSOs in southern China since the early 1990s to promote HIV-related education and awareness.

In 2007, the Clinton Foundation and the Bill and Melinda Gates Foundation received formal approvals of their registrations to operate in China. This marks an important new step in the engagement of U.S. foundations in China. It is expected that the Gates Foundations will provide approximately \$50 million over five years to support work in urban areas around China to work on HIV prevention amongst underserved, marginalized, and at-risk populations such as CSWs, MSM, and migrant workers. About half of this support will be intended to help strengthen the capacity of CSOs to access and provide services to these populations.

The Global Fund has also steadily expanded its funding to help foster greater CSO involvement in fighting HIV, tuberculosis, and malaria. In addition to requiring the participation of CSOs in Global Fund-mandated Country Coordinating Mechanism process, recent rounds of Global Fund support are intended to engage CSOs more actively. For example, Global Fund Round 5

provided support to MSM groups; Global Fund Round 6 includes nearly \$15 million dedicated to expanding CSO involvement in the fight against HIV/AIDS; and the Chinese application to Global Fund Round 7 will likely target HIV prevention amongst the floating population of migrant labor and associated outreach groups. The Global Fund malaria grant in Round 6 totals \$17 million to support antimalaria drugs and insecticide bed netting and is carried out mostly by two CSOs, Health Unlimited and Humana People to People. The Global Fund's work combined with the entry of the Gates Foundation will likely catalyze an even greater role for CSOs in China, particularly in the field of HIV education, prevention, and care.

# Part III. Recommendations

There are several avenues for pragmatic, focused action by the Chinese government, CSOs, and their international partners that could incrementally strengthen the ability of Chinese CSOs to contribute to China's health.

- *Invest far greater resources in building the capacity of CSOs in China to make a more constructive contribution to alleviating health care challenges.*

There is an across the board need to expand the capacity of the diverse CSOs in China: member-based groups; civilian nonenterprise units, private schools, social service organizations, community groups, foundations, universities, and GONGOs. They need enhanced skills in information technology networking, communication, negotiation, fundraising, accounting, human resource management, and in establishing more collaborative relationships with government agencies and with other CSOs both inside and outside of their respective communities. Funding at grassroots levels is in very short supply; domestic and foreign donors need to do far more to assure adequate and sustained funding is reaching successful grantees and other innovative groups, which can make a positive contribution to meet China's burgeoning health needs.

A part of this effort should be to encourage greater CSO engagement with cross-border and other international counterparts to share experiences, lessons learned, and best practices. A good example occurred in July 2006, when the Japan Friends of the Global Fund, in collaboration with the Chinese CDC, hosted a meeting on "East Asian Regional Cooperation in the Fight against HIV/AIDS, Tuberculosis, and Malaria" in Beijing, in part to encourage a greater role for CSOs. The meeting highlighted the cross-border nature of disease transmission and the particular vulnerabilities and challenges in working with migrant populations in areas where high-risk conditions abound. It pointed to long-standing CSO capacity in select countries of Southeast Asia—and raised numerous examples of successful collaboration across countries and sectors—and to the benefits of working across borders: building economies of scale, disseminating effective strategies, reaching highly vulnerable populations, linking source and destination locations, and harmonizing responses. In the future, a region-wide "Center for HIV/AIDS Prevention" could be considered to bring together government and CSO players who share common experiences and policy goals.

A national system of standards and financial and technical assistance should be established to assure CSOs are increasingly capable of providing effective services to meet growing public health needs, especially among vulnerable and at-risk populations. Such a system could be operated by a GONGO with strong support from a network of Chinese universities and international donors. In all of these activities, it will be critical for CSOs to demonstrate the value, accountability, and transparency of their work.

- *Foster greater governmental and societal support for the valuable work CSOs can offer.*

Appropriate Chinese government agencies should take the lead to introduce a less ambiguous and more practical regulatory and legal environment for CSOs to operate. Current and future successful models of public-private partnerships in the delivery of health-related services should be promoted and scaled up, with requisite funding to incentivize government agencies to work collaboratively with CSOs. Such initiatives would reduce the widespread perception among government entities that they are in competition with CSOs for scarce resources. The goal should be to achieve a mutual understanding of how CSOs and their governmental counterparts can work together to expand and improve the public health infrastructure in China. It will be particularly important to foster this more open and collaborative approach at local levels, where needs are high but suspicions about the value and intentions of CSOs remain deep. It is also important to work with the Chinese media to explain the valuable work of CSOs in the health sector to increase popular support and awareness. Chinese leaders, entertainers, opinion leaders, and other respected citizens could make a point of engaging visibly with successful collaborative efforts involving CSOs.

- *Expand the role of universities, associations, GONGOs, and other government-related brokers.*

These quasi-governmental bodies should be positioned more consciously as critical and effective intermediaries to bridge the gulf between traditional government activities and the emergent civil society. With decent funding, national networks, and widespread respect from the government and society, these groups are in a particularly good place to build up and leverage a constructive role for CSOs through research, policy deliberations and recommendations, education, training, monitoring, and technical assistance. GONGOs, quasi-governmental associations, and university centers and departments that focus on women's issues should be given special attention to play a greater role in the health sphere than they have thus far. Cross-cutting collaborations involving these quasi-governmental organizations, in partnership with successful, local CSOs, would be especially valuable.

- *Encourage a greater role for the private sector and philanthropic giving.*

The new wealth emerging in China today has not yet been fully encouraged by government and society to take on a greater role in supporting improvements in public health, and still faces many obstacles in making a greater contribution to alleviating health-related challenges. With a law on foundations passed in 2006, local charities are just beginning to proliferate and register. Thus far, however, for both cultural and political reasons, Chinese philanthropy has focused on poverty alleviation and education. Individual donors tend to focus their support in their local communities or hometowns. Although contemporary China does not have a strong tradition of private philanthropy, greater thought needs to be given to further incentivizing charitable giving and mobilizing it in a way that reaches a broader cross-section of impoverished, rural, and marginalized populations in southwestern and western China, who are most vulnerable to environmentally

induced and infectious diseases and who are least likely to have access to affordable preventive and curative care.

Established domestic and foreign foundations could collaborate to establish workshops and other awareness-building exercises intended to reach out to newly emerging wealthy individuals and philanthropies in China for an exchange and learning process about effective philanthropy. One possibility would be to consider creating similar projects to the “philanthropy workshop” for wealthy Chinese individuals, philanthropists, and corporations founded by the Rockefeller Foundation in 1995 and now operated by the Institute for Philanthropy in London. This effort was initiated in response to a growing demand by newly wealthy individuals who sought a more structured framework to explore innovative and strategic giving. Since then, the philanthropy workshop has conducted internationally recognized sessions for philanthropists seeking to bring their giving to a more strategic and meaningful level.

Foreign business-related groups, such as the Global Business Coalition Against HIV/AIDS or local foreign chambers of commerce, can play a useful role by identifying and vetting potential CSO partners for businesses in China to work with on public health challenges. Collaborations with CSOs could include training programs for employees (wellness programs, education in the workplace, and assistance with workplace-related health issues), corporate social responsibility projects to enhance the health and well-being of communities where businesses are located or to encourage their consumer base to pursue a healthier lifestyle, or carry out broader philanthropic activities within China. For example, Merck & Co., Inc., initiated a \$30-million program in 2005 that—working with grassroots CSOs—assists HIV/AIDS education, prevention, treatment, and care programs in communities hard hit by HIV in southern Sichuan Province.

- *Develop near- and longer-term indicators of success for civil society organizations and their impact on addressing health care needs in China.*

As both Chinese and international funding increases for the health-related civil society sector, a parallel effort will be needed to develop appropriate benchmarks against which the progress of government support of healthcare services is assessed. Progress can be measured by the increase in the number of organizations registered, the number of professional and volunteer staff they employ, the magnitude of financial and other support they receive from governmental and private sources, and the array and reach of public health and community services they provide.

Additional critical indicators might include the following:

- Ease, timeliness, and sustainability of CSO registration, availability of registration at different levels of government, and expansion of authorized sponsoring organizations;
- Passage and enforcement of enabling policy, rules, and regulations protecting confidentiality, supporting antidiscrimination against patients and at-risk populations, and preventing potential harassment by authorities;

- Increase in availability of funding and ability to solicit funding;
- Greater openness to advocacy activities, including efforts to assess service and social needs of populations at risk and to disseminate and use data from assessments to obtain needed resources and establish services;
- Survey data to measure public understanding and acceptance of the role of CSOs;
- Measurement of CSO public health service delivery capacity, including number and type of services and the level of training of CSO staff;
- Development and maintenance of a comprehensive, national inventory of health-related CSOs, which includes for each group a basic accounting of some of the indicators above.

The need here is to move away from “process indicators” (how many meetings, how many pamphlets distributed, etc.) and do far more in the way of monitoring and evaluation. Monitoring and evaluation will help assess the outcomes and impact of intervention programs and will provide a basis for improving services, thereby substantiating the value of CSOs and their work. Technical assistance is needed to help civil society organizations learn how to best monitor their services and assess their coverage, outcomes, and achievements.

- *Support a steady evolution and expansion of health-related CSOs, rooted in Chinese pragmatism, values, and sociopolitical realities.*

China is on the threshold of many developments that will define the long-term course of its civil society. Leaders within the Chinese government and society are increasingly aware of the utility of a vibrant and functioning civil society, but also grapple with the issue of how CSOs can play a constructive and stabilizing role in achieving a more harmonious society under the current political system. The government effort to regulate the CSO sector signals a tacit acceptance and legitimization of CSOs; it also signals that the development of civil society in China will not necessarily follow the same path as in the West. Civil society in China has its origins in different moral and cultural traditions where individual rights are subordinated to larger group interests—the family, the community, the society, and the party. Successful CSOs in China will likely be those that contribute concretely to stability, economic development, and helping the government deliver essential public goods. The Chinese government in the near to medium term will continue to assert its authority in the provision of public goods. In the midst of the current debate over health care reform, it may actually seek an even *greater* role in response to public concerns that the system went too far in relying upon the marketplace to provide health services.

With the two competing logics continuing to coexist and clash in the foreseeable future, the above options for action will, to a large extent, shape the role of CSOs in the health sector in China. The capacity of Chinese CSOs needs to be incrementally enhanced so that they can fill in the void to become capable, respected, and enduring entities that contribute in the health sector.





## Appendix I. Delegation Member List

### Delegation Leader

**The Honorable Jim Kolbe**, senior transatlantic fellow, the German Marshall Fund of the United States

### Delegation Members

**Bates Gill**, former Freeman Chair in China Studies, Center for Strategic and International Studies; currently, director, Stockholm International Peace Research Institute

**Joan Kaufman**, director, AIDS Public Policy Project, Kennedy School of Government, Harvard University; senior scientist, Heller School for Social Policy and Management, Brandeis University.

**Xiaoqing Lu**, research associate, Freeman Chair in China Studies, Center for Strategic and International Studies

**Kingsley Moghalu**, head of global partnerships, the Global Fund to Fight AIDS, Tuberculosis, and Malaria

**J. Stephen Morrison**, executive director, HIV/AIDS Task Force, and director, Africa Program, Center for Strategic and International Studies

**Todd Summers**, senior program officer for global health, Bill and Melinda Gates Foundation

**William Valentino**, general manager, corporate communications, Bayer (Greater) China Ltd.

**Gary West**, senior vice president, research, Family Health International

**Katherine Bond**, associate director, Southeast Asia Regional Office in Bangkok, Rockefeller Foundation (joined the delegation from June 18, 2007)

## **Appendix II. Agenda for CSIS HIV/AIDS Delegation Trip to China, June 14–20, 2007**

Thursday, June 14—Beijing

- Arrival dinner briefing with U.S. government representatives in Beijing

Friday, June 15—Beijing

- Breakfast briefing with Dr. Henk Bekedam, WHO representative in China at Swissotel Beijing
- Visit to the International Committee of the Red Cross (ICRC), Beijing Office
- Luncheon with the Global Business Coalition members in China
- Roundtable convened by Tsinghua University China AIDS Public Policy Training Project and AIDS Policy Center

Saturday, June 16—Beijing

- Visit to Chaoyang CDC, followed by site visit to Chaoyang Chinese AIDS Volunteer Group
- Visit to newly established Beijing Jing Cheng Skin Diseases Hospital, including briefing on hospital operations, HIV/AIDS counseling and testing, and tour of facilities
- Briefing by Tsinghua University NGO Research Center
- Meetings with professors from the Chinese Communist Party Central Party School
- Dinner briefing with Dr. Ray Yip, country director of the U.S. CDC-China Office, and incoming director of the Bill and Melinda Gates Foundation, China Office

Sunday, June 17—Chengdu, Sichuan Province

- Site visit and briefings at the Chengdu Gay Community Care Organization, including tour of its voluntary counseling and testing site, and discussions with volunteers
- Dinner meeting with representatives from Heifer International

Monday, June 18—Chengdu, Sichuan Province/Beijing

- Briefing at the U.S. consulate in Chengdu
- Meeting with officials at Sichuan provincial Department of Civil Affairs

Tuesday, June 19—Beijing

- Briefing from the China Association for HIV/AIDS and STD Prevention and Control

- Roundtable with Global Fund CCM NGO/CBO Working Committee and CCM PLWHA Working Committee members
- Dinner with representatives from the international CSO community in Beijing

Wednesday, June 20—Beijing

- Briefing at Beijing University Institute of Global Health

## About the CSIS Task Force on HIV/AIDS

The CSIS Task Force on HIV/AIDS seeks to build bipartisan consensus on critical U.S. policy initiatives and to emphasize to senior U.S. policymakers, opinion leaders, and the corporate sector the centrality of U.S. leadership in strengthening country-level capacities to enhance prevention, care, and treatment of HIV/AIDS. J. Stephen Morrison, director of the CSIS Africa Program, manages the overall project, in cooperation with the CSIS Freeman Chair in China Studies, the CSIS Russia/Eurasia Program, and the CSIS South Asia Program.

The honorary cochairs of the task force are Senator Russell Feingold (D-Wis.) and Senator John E. Sununu (R-N.H.). Former senator William H. Frist remains an active partner of the task force. The CSIS Task Force on HIV/AIDS is funded principally by the Bill and Melinda Gates Foundation, with project support and input from the Henry J. Kaiser Family Foundation, the David and Lucile Packard Foundation, and Merck and Co. The task force outlines strategic choices that lie ahead for the United States in fighting the global HIV/AIDS pandemic and comprises a core network of experts drawn from Congress, the administration, public health groups, the corporate sector, activists, and others. This panel helps to shape the direction and scope of the task force and disseminate findings to a broader U.S. audience.

Now in its seventh year, the task force's principal focus is on two critical issues: first, raising the profile and improving the effectiveness of U.S. support to global prevention efforts and facilitating a bipartisan discussion of global HIV prevention policy; and second, examining how U.S. leadership can facilitate the sustainability of HIV/AIDS programs, both in terms of resource flows and in situating HIV/AIDS responses within a broader strategy to address gaps in gender equity, health infrastructure, human capacity, and international collaboration on global health. The task force continues to engage on the emerging dynamics of the epidemic in Russia, China, and India with recent delegation visits in mid-2007.