

# Doing Good

NONPROFITS IN  
CHINA

THE OFFICIAL  
NEWSLETTER OF  
SOCIAL VENTURE  
GROUP

JANUARY 2008

At the new site of China's only orphanage for the blind, located outside of Beijing



## Giving Hope to the Blind- An Update on Bethel's Ranch Project

### A capital campaign for China's only orphanage for the blind in its final stages- it's not too late to give!

In the last issue of Doing Good, we told you about the story of Bethel Foster Home, an orphanage for the blind located outside of Beijing. We told you about their plans to move to a new site on the outskirts of Beijing, and as of the beginning of November, all 31 kids and the entire orphanage had successfully completed the move to their new "home." The new Bethel ranch is located about an hour southwest of Beijing, near exit 17 of the Jinshi Expressway. The land is approximately 98 mu (approximately 16

acres) in size. After spending their first 5 years of existence renting their space, Bethel has finally found a home to call their own!

In October, when SVG visited the ranch site in October, it was still just an abandoned lot with a single two-story building in the midst of renovations. As of our last visit in late December, the building now has furnished bedrooms for the children, a cafeteria, activity rooms, and classrooms. The 31 blind orphans of Bethel have also settled in, acclimating to the new distances and dimensions of their new home. During our visit, it was hard to believe they had only been there for less than 2 months; the children were actively playing and navigating their way around the property as if they had been there much longer. The director of Bethel has also begun to utilize the

surrounding land for farming and growing livestock, which the children will be able to interact and learn to work with. A first plot of wheat has already been planted, with more

*(Continued on Pg 4)*

### In This Issue:

Social Enterprise Profile: Yaks!	2
A Look Back: Autism Training	3
NPODC Forum in Shanghai	4
A Note from the SVG Team	5

Happy New Year from  
Social Venture Group

# 2008

The New Year season is our favorite time of the year. It seems that we are more apt to step back and reflect on the blessings of the past year and look forward to the future. Now is a great time to be making goals about how to give back to our communities in 2008. Here at SVG, we'd especially like to thank our generous donors and our NGO partners for making a difference in 2007. We know we speak for many: our lives have been changed because of your sacrifices. We'd also like to thank our family and friends for their love and support in our startup phase. We look forward to working with you all in 2008!

# Social Enterprise

## Some definitions around the web

From the Social Enterprise Alliance  
([www.se-alliance.org](http://www.se-alliance.org))

An organization or venture that advances its social mission through entrepreneurial earned income strategies.

From the Social Enterprise Coalition  
([www.socialenterprise.org.uk](http://www.socialenterprise.org.uk))

A business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners.

On Social Entrepreneurs, from Ashoka.org:

Individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change. Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the system, spreading the solution, and persuading entire societies to take new leaps.

## To Learn More:

Ventures In Development  
[www.venturesindev.org](http://www.venturesindev.org)

Shokay  
[www.shokay.com](http://www.shokay.com)

Meixiang Cheese  
[www.meixiangcheese.com](http://www.meixiangcheese.com)



There are an estimated 13 million yaks in China.



## Social Enterprise Profile: Ventures in Development

### *Creating a Social Enterprise Platform in China*

Carol Chyau is a determined woman. It's the holiday season, and she has been busy making the rounds at a number of trade shows and bazaars in Shanghai the last few weeks to promote Shokay, a company which specializes in high-end knitted products. What sets her apart from other exhibitors is that her company's items, such as its accessories and baby clothing line, all have a unique story behind them. They are made from yak down hair, similar in softness to cashmere, sourced in Qinghai province from indigenous Tibetan yak herding communities. Shokay (which means "yak down" in Tibetan) currently works with 2,600 villagers from the Hei Ma He Village of the Qinghai and 15 hand knitters of Chongming Island, off the coast of Shanghai. A portion of the company's profits is returned to these communities to assist the herders with local development needs in areas such as health and education. Shokay's tagline aptly sums it up: "Luxury with a story."

Says Carol, who is a Chinese-American now residing in Shanghai, "We believe that by investing and reinvesting our success into the local communities, we ensure the opportunity of choice for future Tibetan generations." Even with less than 2 years of operations, Shokay's presence in these communities has brought a marked increase in income for the Tibetan herders. Shokay's products are sold in high-end boutiques in the US and Asia and were highlighted in a recent issue of Time Magazine.

Yet there is much more to this story than just yaks and tapping into a business opportunity. Shokay is part of a larger trend of social enterprises setting up shop in China, seeking to combine profits with measurable social impact. The term "social enterprise," which originated in the UK and is now pervasive in the US, is relatively new to China, and can be defined as a company which seeks to advance a social mission through entrepreneurial income strategies.

Yet if the direct intersection of business and a social agenda in a business model in China seems paradoxical, Carol and her team would like to prove the skeptics wrong. They founded a Hong Kong based nonprofit organization called Ventures in Development (ViD), which focuses on providing a long-term platform for social enterprises in China. The idea originated when Carol and her team were graduate students at Harvard University. In 2006, Carol and her team took the top prize in Harvard Business School's annual business plan competition's social enterprise track, with the business plan for Shokay. Currently, ViD identifies, incubates, and implements ideas that have the potential to be sustainable social enterprises. While they are experiencing through Shokay first-hand the joys and challenges of running a social enterprise in China, they are also incubating another social enterprise in Yunnan - Mei Xiang. Meixiang is currently run by a Tibetan family that oversees the production of the cheese. Both companies have had a successful year of business in 2007.

Going forward, ViD's strategy is to develop both a knowledge platform and an enterprise platform for the development of several other social enterprises in China through 2010.

To find out more about how to give to ViD's work in China, please contact SVG at [info@socialventuregroup.com](mailto:info@socialventuregroup.com). Starting with this issue, *Doing Good* will be profiling social enterprises in China. If you know of any social enterprises that you'd like to refer to us, please email us at the same address and let us know!

## Nonprofit Partner Update: QCQ Autism Training Center

### *Helping China's Autistic Children Navigate Their Way*

In our very first issue of Doing Good, we introduced you to Qing Cong Quan (QCQ), a nonprofit autism training center located in Shanghai. In that issue, we interviewed QCQ's director, Chen Jie, who has become a close friend of SVG. SVG paid several visits to QCQ during the past half year and was struck by just how far the organization has come in 2007. In this article, we would like to share with you some of the stories, including the help Chen Jie has received from many different parties throughout the year.

In July, through a personal introduction made through SVG, a group of artists visiting Shanghai from New York City, spent a day at SVG and taught the children how to draw and make crafts together. The language barriers seemed to melt away at once. With the help of their parents & teachers, many of the autistic children completed their first ever original artistic creations. The artists also gifted QCQ with lots of raw materials and supplies for the students to make arts and crafts going forward. Mrs. Chen told us that the autistic children so rarely can focus on one project at a time, yet with the art projects, their whole focus was absorbed for an entire morning!

In September, with the help of many volunteers, QCQ moved to a new location in Shanghai. The new location is about the same size as their previous space, yet with much improved conditions. The new center has 5 additional therapy rooms, whereas the teachers previously had to use a corner of the old office for one-on-one sessions. In addition, the all-day class now has its own dedicated classroom, so the center was able to double its enrollment in that class from 2 students to 4 (QCQ has a total of 35 students). The center's play room is also much larger, with the addition of several items of new equipment. Chen Jie was specifically grateful for all the help she received during the moving process. The teachers not only had to continue teaching their classes, but they also helped to organize and clean the new facility. Also, volunteers such as those from Hands on Shanghai, came to paint the walls. Students from Jiaotong University, Nanyang and Tianshan Middle Schools, came to help assemble the beds and desks, and clean up the classrooms. Chen Jie told us that she believes the new center represents all of the care and love from volunteers in the community towards these students and that QCQ would not be where it is today without them!

In October, QCQ launched its official website. The new site was created and is maintained free of charge by engineers from Mancan Computer Systems (Shanghai) Co, Ltd, which was a company referred by SVG. Chen Jie has told us that the Mancan team members she worked with were very patient, and helped her also to be able to make future changes to the site herself. The new site maintains the former blog format, allowing Mrs. Chen to keep her community of parents & volunteers posted of all the happenings at QCQ. The site also now has a special volunteers corner, allowing QCQ's volunteers to share their experiences with the world.

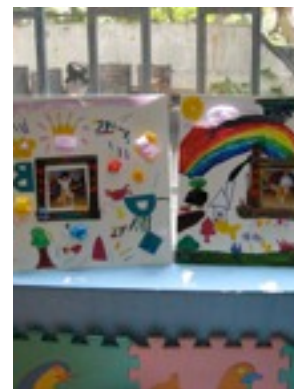
In December, Shanghai's DragonTV show "Just the Facts" aired a documentary segment on QCQ. The director and the film crew spent an entire week at QCQ for the segment, and the children & parents of QCQ also were active participants. Many parents allowed their children to be taped for the first time, in order that more people in China might know about autistic children and their families. These decisions encouraged Chen Jie greatly, as in times past, parents had often been very reluctant to share publicly about their experiences for fear of public disgrace, since autism as a condition is still relatively unknown in China. She sees their boldness as a milestone in QCQ's work with these parents.

Despite of so many encouraging stories happening in QCQ, Chen Jie also shared with us some of her current concerns. In the past one month, there were two teachers resigned from QCQ due to personal reasons unrelated to QCQ. The departure of these two teachers resulted in the bottleneck of additional enrollment of students. Similar to the challenges of many other grassroots nonprofits in China, finding qualified staff in a short period of time is the biggest difficulty facing QCQ now.

As we mentioned in our first newsletter article, there are currently very few Chinese universities with special education programs. According to Qixue Magazine, a Chinese magazine on education, there are currently only 11 Chinese universities offering bachelor degree programs in special education, and none of them have targeted programs focusing on the needs of autistic children. As a result, the gap between the need of autism training experts and the number of autism individuals is widening. At present, most of QCQ's teachers do not have professional training in autism specifically, therefore QCQ requires that all new teachers must undergo 6 months of intensive training before their first day in the classroom. However on top of this 6 month training, QCQ will need to tap into international training resources in order to adequately attract and equip their training staff.

SVG has conducted a comprehensive due diligence on QCQ's current organizational needs and has worked closely with the director Chen Jie to structure a teacher training program which will ensure QCQ's long-term sustainability. The program will be mainly focusing on equipping the QCQ teachers to more effectively instruct Chinese children with autism by inviting international trainers with extensive work experience with autistic individuals to train their staff. The teacher training program will also help QCQ to develop internal teacher trainers, leading to a sustainable staff training system, which will aid in staff retention, recruitment and improve QCQ's service offering as one of Shanghai's only schools for autistic children.

*If you know of any qualified trainers or organizations in the area of autism education or related fields such as early childhood development and special needs children, or if you are interested in helping this special group of children via giving to QCQ, please contact us for more information at [info@socialventuregroup.com](mailto:info@socialventuregroup.com).*



Artwork created in July by QCQ's autistic students, with help from a group of NYC based artists



A scene from QCQ's annual Christmas party for students & parents



QCQ students enjoy the festive atmosphere at the Christmas party

# Nonprofit Panel in Shanghai Discusses Charity & CSR in China

## Government, Nonprofit, Media Join Together to Tackle Tough Questions

On Dec 7th and Dec 8th, 2007, SVG attended a two day conference entitled "Walking With Charity" was held in Shanghai's Pudong's Citizens Center. Organized by the Shanghai NPO Development Center, the purpose of the meeting was to advocate for more cooperation between nonprofit organizations and to facilitate further partnerships between corporations and nonprofit groups. More than 100 representatives from the relevant governmental departments, leaders of nonprofit organizations, corporations, academia, and members of the media attended the event.

The different breakout seminars & panel discussions were overall interesting & engaging, and attendees were particularly vocal about the topic of corporate social responsibility (CSR). The seminar topics included, "The Spirit of Social Entrepreneurship" and "Great Leadership & First-rate NGOs." During the panel discussions, the audience interacted freely with the guest speakers on the five topics below:

Topic 1: "Current Challenges of NGOs." Representatives from the senior management teams of 9 different NGOs shared their experiences and difficulties in managing their organizations. The focus was on the critical need for NGO's to focus on internal capacity building in order to win the trust and credibility from society at large. Yet there still remain many hurdles which cannot be solved by NGOs themselves, such as a continued lack of qualified talent and recognition and support from the general public. SVG Key Takeaways: NPODC divided these NGOs into three categories: government backed, international NGOs and local grassroots organizations. Most Chinese NGOs fall into the third category, providing the majority of the charity services in China. However, more than 80% of the charitable giving in China flows through large government-organized groups and international NGOs, leaving little room for the developing local organizations. There is no doubt that this statistic makes funding more difficult for grassroots organizations, and thus they are in dire need of more public awareness and support.

Topic 2: "What can corporations contribute to the nonprofit sector?" Corporate Social Responsibility (CSR) has by now become a global buzzword, and at this seminar, representatives from seven corporations expressed their views on this topic. They agreed that corporate citizenship starts with the individual and that corporations must combine social considerations into their profit-seeking, not only for building social capital for the brand but also for being a sustainable organization. Meanwhile, most corporate representatives at the meeting expressed that they felt overburdened by the high expectations from not only NGOs, but also the government and the general public about their social aims. SVG Key Takeaways: Even from just the discussions among the corporations present at the meeting, it is apparent that CSR in China is still in the earliest stages of its development in China. The understanding and definition of CSR itself varied greatly among the representatives: from compliance with labor laws, to coordinating volunteer events, to proactively fundraising, etc. Without a clear definition of what CSR in China is, it may be too early to challenge corporations to do more in the public sector.

Topic 3: "What can government contribute to the nonprofit sector?" For quite some time, China's civil society has been almost completely dependent on the government to address the pressing social issues facing the country. With China's rapid economic development, the services provided by the government are overburdened by rising demand. However, as a nascent and grassroots NGO sector has been on the rise, the Chinese government is now re-examining the rules and policy of the social sector. Unfortunately, no government officials attended this forum. Among the three guests on the stage, one was the editor of a government-backed charity magazine, one was the director of a government-run foundation and the other was a manager from Amity Foundation who served as a local county head before joining Amity. Since the representatives were not "real" government officials, there were no substantive actionable ideas. SVG Key Takeaways: Though the representatives could not speak for the government, the audience raised some acute questions, mainly focusing on the legal environment for the charity sector, such as registration issues for NGOs and government participation in the sector. It was obvious that there needs to be further dialogue & communication about these issues at a high level.

Topic 4: "What can the media contribute to the nonprofit sector?" Five Representatives from local newspaper, magazines and other media outlets joined this section. SVG Key Takeaways: Most media representatives expressed their willingness to support the development of China's non-profit sector, however, there was no real constructive suggestions as to how to actually implement this idea.

Topic 5: "How can corporations partner with nonprofit organizations?" Dr. Zhuang Ailing, the Board Chairman of NPODC also joined this section of discussion with other guests. SVG Key Takeaways: The collaboration between the enterprises and NGOs is still in its early stages in China. Diverging perspectives from both sides have resulted in a lack of consensus on cooperation. In the end, there was still no consensus on how to ensure better partnership these two groups. However, the exchange of ideas probably resulted in better mutual understanding for some of the attendees.

SVG has found the Shanghai NPO Development Center to be a great resource for us and our nonprofit partners. Founded in 2004, it has strong governmental backing and has a mission of helping grassroots nonprofits in China build organizational capacity and building awareness for the sector with the public. They regularly host events like this one, with different constituents from government, nonprofit, business and media outlets. These events are an invaluable resource for those who wish to participate in the growth of the nonprofit sector in China.

The director, Zhuang Ai Ling, previously spent many years with the Amity Foundation in Nanjing, is one of the foremost advocates today for China's charity sector. Here at SVG, we heartily agree with one of the statements she made at this event: "The healthy and sustainable development of nonprofit sector in China rests on four key factors: the support from the government, the support from the communities, the support from all corporate industries and by the NGOs' own effort. It cannot survive without the public involvement and cross-sector cooperation."

Meet some of the adorable orphans of Bethel



## Bethel- Cont'd From Pg 1

crops such as corn and watermelon planned for the spring.

During our time at Bethel, we were again struck by how different Bethel orphans were from other orphans we've encountered in China. Besides being well-fed and clothed, the children seemed to be emotionally healthy and outgoing towards strangers. They were also remarkably independent, as evidenced by mealtimes in which the grade school children and above were supervised to serve and feed themselves. Like many children, they sang, they had hobbies and enjoyed reading and drawing. During our visit, it was often easy to forget that they were blind!

We were also greatly encouraged to see firsthand the impact that Bethel has had on the lives of their orphans. One older orphan, Li Qin, who had shown remarkable academic ability, was recently granted admission to the Washington State School for the Blind in the US. With the support of a generous donor, she flew to Washington State to begin her studies while living with a host family, on December 24th. Another orphan girl, Xin Ju, 5 years old, was adopted during the first week of January to a couple located in Wisconsin in the US. Because Bethel is the only intervention program for visually blind in China, none of these opportunities would have been possible without its existence. With the move to the new ranch, the directors Guillaume and Delphine Gauvain hope to no longer need to turn away transfer requests from other orphanages so they double their current enrollment by the start of 2009.

Since November, SVG has helped Bethel to raise over US\$70,000 of the remaining US \$200,000 needed for the purchase of Bethel ranch land. On behalf of Bethel, SVG would like to thank its donor family for its generosity and the positive response we've received about this project thus far. SVG is currently seeking further individuals and corporations who wish to help make this ranch a reality for China's blind orphans. The land payments are in 3 installments, with the first one paid in October 2007 and the following payments due in March 2008 and the final payment due in August 2008. All contributions are tax-deductible in the US.

*SVG has completed a full due diligence on Bethel for potential donors. If you are interested in obtaining a copy of the report and finding out more about how to give to Bethel, please contact us at [info@socialventuregroup.com](mailto:info@socialventuregroup.com)*



*Because of Bethel's intervention, Xiao Lu was able to receive corrective surgery to restore her eyesight.*

## New Years Greetings from the SVG Team

Happy New Year from the SVG team! We hope that this Year of the Rat brings you and your family good health and joy!

In this issue of *Doing Good*, we're trying out a new format, and we've introduced some new content. We have been pleasantly surprised by the overwhelmingly positive feedback we've received on our first few issues, and we'd like to continuously improve in order to bring you more stories and profiles from China's grassroots nonprofit sector.

One example of a change we've made is our new Social Enterprise Profile feature. Being a social enterprise ourselves, we're particularly interested in learning more about other similar ventures in China. We believe that the intersection of business and positive social impact should be the norm rather than the exception for profit-seeking corporations. We hope that if you come across any great stories of social enterprises in China, that you'll let us know!

Next, we're happy to update you guys on the progress of the Bethel ranch project fundraising which SVG has undertaken since the fall as well as QCQ autistic school's recent news.

We're also taking you inside a recent fascinating forum on non-profits in China hosted at Shanghai's NPO Development Center. Find out what the key players in the government, nonprofit, media and corporations are saying about the future of this sector in China.

We hope that you'll stay tuned to our future issues. We value feedback from our friends & readers.

Please send us any questions or comments to [info@socialventuregroup.com](mailto:info@socialventuregroup.com).