

Briefs | Analyses

China in a time of pandemics

Rural China: the impact on employment and education
China's monitoring of foreign NGOs donations

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THE SOCIO-ECONOMIC IMPACT OF COVID-19 CONTROL MEASURES IN RURAL CHINA

China implemented strict nationwide measures to slow down the spread of COVID-19 in late January 2020 and gradually loosened restrictions on movement in late March 2020 and early April. Hubei Province, the pandemic epicenter, had received wide media coverage, but there was less focus on the situations in policy measures in rural China outside of the epicenter. To document the quarantine measures and assess their impacts on rural populations outside Hubei Province, a team of researchers led by Huan Wang and Scott Rozelle conducted three rounds of phone-based interviews in February, March, and April with informants from 726 village informants in seven provinces. The most important and general empirical findings demonstrated that the strict measures controlled the health impacts of COVID-19 to a very low level, but these measures were implemented at a substantial economic and social cost.

Infection rate, deaths, and quarantine measures during COVID-19

According to the village informants, the infection and death rates were extremely low in rural areas. In February, only 10 out of 726,000 residents represented by the informants were infected. After February, there were no more cases. None of the surveyed villages reported deaths related to COVID-19. During the pandemic outbreak, strict measures restricted individual movements and group gatherings across all sampled villages. After the most severe measures were lifted, restrictions still applied to mask-wearing and group gatherings. Noticeably, there was a high level of compliance throughout the process, mainly due to the government's enforcement capability and pervasive information campaign. Villagers remained vigilant even after the restrictions were loosened in late March and April. The nearly zero infection and death rates indeed reflected the effectiveness of the control measures. As is shown below, this success, however, was implemented at high economic and social costs, which almost certainly widened the pre-existing rural-urban inequality.

The impact on employment

Rural unemployment skyrocketed in February. The survey demonstrated that nearly three quarters of rural workers became unemployed in February. Implementing the quarantine measures forced the closure of workplaces, restricted local transportation for commuting, and limited access to rental housing in the work places of the rural workers. By early April, many of the restrictions on traveling and housing were largely reduced, but over third of rural workers remained unemployed. The sustained high unemployment in rural areas might be attributed to the fear of infections and a slow reopening of many of the workplaces across China. Because the quarantine measures confined rural workers in the villages, rural workers missed out on several months of income. The estimated total wage loss of rural workers was more than USD 300 billion over the three months, surpassing the entire global economic loss of the

SARS outbreak in 2003. Even when workers returned to work in April, many experienced a wage drop. In addition, the commodity prices rose sharply after January, putting a greater financial burden on rural workers. Recognizing the adverse effects of the quarantine measures, the government implemented an array of relief measures, but they were far from enough and were mostly focused on urban areas. According to the survey, relief programs were in the form of modest financial and in-kind subsidies. Most villagers, however, did not benefit from these measures. To cope with lost income and higher prices, villagers, therefore, had to reduce expenditures on daily necessities, education, and healthcare. Some people had no choice but to spend their savings. The insufficient government assistance to vulnerable rural populations widened the gap of rural-urban welfare. On the one hand, policy-makers directed more investments and launched more comprehensive policy initiatives to cities, resulting in low levels of unemployment and minimal impacts on income among urban residents. In contrast, leaders did little to protect the jobs or support the income of rural workers. Hence, the degree of protection and enforcement were not comparable between urban and rural residents. Indeed, even as late as April, a large proportion of rural workers were still unemployed and had almost no assistance, forming a stark contrast with the official record regarding those in urban communities.

The impact of the quarantine measures on education

Similar to the impact on employment, disease-control measures had large impacts on schooling. Specifically, the pandemic forced all school to close in February, with only a quarter of schools reopening in April. During this time, educators organized online courses and tried to mitigate the learning disruptions through various efforts. Because of

the existence of internet connectivity in many rural regions, teachers were able to assign homework to students and provide feedback through communication applications such as WeChat. Educational broadcasts were also available on local cable TV stations. However, despite the active efforts from schools, the online learning experience worsened over time due to the lack of effective student-teacher communication and technical problems. Such disadvantaged situations enlarged the rural-urban gap in learning outcomes and contributed to gender inequality. While urban students had almost full access to all of the efforts of their teachers, many villagers reported that online classes were taught by non-local teachers, who were too fast in pace for rural students to follow. During classes, a majority of teachers were unable to see their students through screens, resulting in ineffective communication. Technical problems also drastically reduced the quality of learning. Most rural students did not have computers and could only use their phones with small screens. Many students reported internet connectivity problems. Village informants also noted other issues such as no guidance on homework and lack of engagement in class. Worried about the quality of learning, many parents, especially mothers, reduced working hours and/or sacrificed job opportunities to supervise children.

The impact on the access to health care

Unlike the worsening situation in education, villagers had access to health care throughout the three months, but there was a delay in routine health care. Many villagers reported that they had delayed seeking routine health care in February. After the measures were lifted, the access to routine health care gradually recovered to pre-pandemic levels.

The disease-control measures, as we know, could bear high economic costs despite their effectiveness in preventing the spread of disease. Even though China had made great efforts in reducing the negative impacts of COVID-19 on employment, education, and health care, there should be more focus on the most vulnerable rural populations to reduce the rural-urban disparity. However, one should be cautious when interpreting these survey results. It was unsure whether these control measures were directly responsible for the low infection due to the lack of counterfactual examples. Nevertheless, countries with fewer measures did suffer from more infections, which might imply the effectiveness of the control measures. When it comes to enforcing similar quarantine measures in other low and middle-income countries, it might be hard to implement such measures in the absence of a strong and pervasive local government. However, governments should consider the needs of economically and socially disadvantaged communities when coping with the pandemic.

To go further

This text is based on Scott Rozelle's presentation at the **EURICS/IFRAE/Université de Liège** webinar series: *China in a Time of Pandemics: Politics, Culture and Society* on June 3, 2021. Find all the information on eurics.eu

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OVERSEAS NGOS AND FOUNDATIONS AND COVID IN CHINA

Using a securitized framework in a time of crisis

The COVID crisis that enveloped Wuhan, Hubei Province and some other parts of China in late 2019 and early 2020 might, in another era, have encouraged China to temporarily relax constraints on international aid and engagement. In the current Chinese political environment, such relaxation of constraints wasn't going to happen. China accepted some overseas aid at the beginning of the COVID crisis, but almost entirely on the restrictive political and legal terms laid down in the Overseas NGO Law and framework enacted in 2016.

In two other major disasters, China's response had been different. In 1976, when the Tangshan earthquake hit, killing hundreds of thousands of people and destroying a major city in Hebei Province, an autarkic China in the midst of bitter political struggle before Mao Zedong's death rapidly and forcefully declined overseas aid. It was a different China 32 years later in 2008, when the Wenchuan earthquake destroyed parts of Sichuan, killing at least 69,000 people, injuring hundreds of thousands more, and levelling homes, schools and hospitals across a wide area. Wenchuan occurred at a time of civil society expansion and policy rivalry about the constraints over both domestic charitable organizations and the large number of overseas organizations that sought to work with China. China welcomed significant overseas assistance after Wenchuan. That welcome had to be brokered by rapid but careful national policy making, particularly in the absence of national rules for work by overseas NGOs and foundations in China. In 2008–2009, China received Wenchuan-related aid from about 170 countries and more than 20 international and regional organizations, as well as about \$8 million from the UN's Central Emergency Response Fund. That

assistance was facilitated by special relaxed regulatory measures adopted by the Ministry of Civil Affairs and other agencies. While overseas aid was welcomed in the wake of Wenchuan, it had to be approved, there had to be a local partner, and distribution usually had to be done by that local partner. And the range of local partners was not unlimited—for the most part, the local Chinese partners receiving overseas aid in the wake of Wenchuan had to be vetted and approved by the state.

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By 2020, the situation in China was quite different in political and regulatory terms from 2008. Chinese policy toward overseas NGOs and foundations had hardened, culminating in 2016 with the enactment of the Overseas NGO Law of the PRC and its strict constraints on the work of overseas (including Hong Kong and Taiwan) NGOs, foundations, think tanks and other nonprofits in China. A resurgent and suspicious central government now had a full-fledged, hard-edged regulatory regime in place to manage Covid-related aid. By early 2020, the Overseas NGO Law (ONGO) had been in place for three years, implemented on a national basis by the Ministry of Public Security in Beijing and province-level and lower public security bureaux throughout the country. That framework mandated a "two masters" system: for each overseas NGO and foundation seeking to work in China, a professional Chinese partner organization must approve work plans, and the relevant public security unit must also approve the organization's plans and presence in China. This framework generally allowed overseas NGOs, foundations and other nonprofits to be active in China only through representative offices or one-year (often renewable) "temporary activities" projects.

COVID donations were fully handled under a law that requires a double approval of overseas NGO activity in China

Unsurprisingly, China used that existing ONGO framework under public security control to deal with offers of assistance in early 2020 to help with the COVID outbreak in China. Unlike after Wenchuan, significant new regulations and policies were not enacted to govern import of overseas aid—the existing,



comprehensive, restrictive framework for overseas NGOs and foundations served to govern this process and limit the role that these organizations could play. In that new environment, China was generally offered and expressed a preference for immediate relief and supplies distributed through approved local partners, rather than assistance that raised policy questions and sought to expand participation in policy making.

Within those constraints, a number of overseas groups were active with donations and programs in the early months of the COVID outbreak. Overseas giving platforms and intermediaries (which largely did not exist for aid to China in 2008) brought in millions of dollars. One of the largest donation intermediaries, the San Francisco-based Give2Asia, raised about \$10 million for China COVID relief in the first several months after the outbreak in Wuhan. Give2Asia was aided in raising and distributing those funds because it had already been fully registered under the Overseas NGO Law to work in China. The aid directed through Give2Asia went almost entirely to and through large local Chinese NGOs that were already approved partners. But this work was not within Give2Asia's 2020 work plan that had been submitted to its professional supervisory unit and its regulatory public security unit in 2019. Channeling that aid to domestic, already vetted NGO partners required "expedited approvals" from both agencies. Those approvals to send aid came very rapidly. That pattern was repeated in other cases, including the Gates Foundation and other donors, NGOs, or intermediaries.

Most of the larger donations appear to have come through a relatively small number of registered offices rather than through the "temporary activities" provisions of the ONGO framework. For example, the China Medical Board, registered with an office in China since 2017 under the ONGO Law, committed \$2 million to support its Chinese partners in COVID relief, equipment, capacity building and research.

The Gates Foundation, also registered in China since 2017 under the ONGO Law, committed \$110 million in early 2020 for COVID-related relief and research.

In addition to large donations from groups with registered offices in China under the Overseas NGO Law, a significant number of donations for COVID relief and recovery also came from organizations who received approval for more limited "temporary activities" projects in this area. The Ministry of Public Security website for temporary activities, made available in English via the ChinaFile NGO project, lists well over 100 COVID-related temporary activity projects approved in 2020 and early 2021. Those ranged across the world—from the Brazil-Guangdong Natives Association to the China Enterprises Chamber of Commerce in Malaysia, and many countries and organizations in between. Approvals began as early as January 23, 2020, indicating rapid facilitation by both partner organizations and public security. Many of these donations went to organizations in Hubei, where the COVID outbreak was centered, but many others went to Guangdong, where many of the donor organizations have their roots.

For the Chinese political and public security leadership, the Overseas NGO Law securitized framework has held up well under both non-crisis and crisis conditions. It has served to enable aid to flow into China that China could vet, approve and limit in advance, constraining and channeling that assistance to relief and services through approved domestic partners and avoiding the chaotic vitality of the post-Wenchuan era or the autarky of the post-Tangshan time.

To go further

This article is based on a talk to the [EURICS/IFRAE/Université de Liège](#) webinar series: *China in a Time of Pandemics: Politics, Culture and Society*, and expanded from Sidel and Hu, *Party, State, Civil Society and COVID-19 in China* (2021).

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