

# Older people's associations and poverty alleviation in rural areas

The experience in China



**HelpAge  
International**

*age helps*

In partnership with  
**China National Committee on Ageing (CNCA)**

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## Contents

Chapter 1: Executive summary	1
Chapter 2: Introduction	2
Chapter 3: Country information	3
- Project information	
- Poverty in China	
- Ageing in China	
Chapter 4: Project Information	4
- Objectives	
- Project period	
- Project partners	
- Project areas	
- Target group	
Chapter 5: The project approach and the OPA model	7
- Project methodology	
- Project management	
- Project partners	
- Project model	
- Partnerships with HelpAge	
Chapter 6: Impact on the target group	12
- Impact on the situation of the target group	
- Impact on technical and management capacities of the target group and partners	
Chapter 7: Contribution to poverty alleviation in rural areas	24
- The OPA's activities	
- The study	
Chapter 8: Replication of the OPA model in China	26
- Community support	
- Influence with local and national leaders	
- Replication at the township and county level	
- Future plans	
Chapter 9: Conclusion	29
References	30
Annexes	31

## Chapter 1: Executive summary

HelpAge International and the China National Committee on Ageing (CNCA) have completed a project titled, *Poverty alleviation for older people and their communities in Western China*, which was implemented from March 2003 to July 2006 in three provinces of China: Shaanxi, Hunan, and Sichuan. The project's main objective was to reduce the level of poverty experienced by older people in 35 communities in 17 villages. This objective was to be accomplished through the formation and development of 'dynamic' older people's associations (OPAs) within each community. These OPAs would then be responsible for carrying out health and livelihood promotion activities, which would help to reduce the poverty experienced by older people. As part of the project's advocacy work, government authorities were consulted and encouraged to replicate the resulting model on a wider scale.

The approach of the project was to implement activities at the local level and develop self-managing OPAs with the support of local government officials, government service providers and implementing partners. The purpose was not only to promote participation and capacity, but also enhance the transparency and sustainability of the OPAs. As a result of these interventions, more vigorous and purposeful OPAs were developed in these communities. Upon reflection, some of the key factors that led to the success of these OPAs are:

- Investing in the capacity of project partners
- Involving the target group through a participatory approach that highlighted the contributions that older people can make in improving their own wellbeing
- Involving government authorities from the outset of the project
- OPAs having financial independence with a self-managing structure
- Selecting seed money beneficiaries using a transparent process
- Linking government service providers with OPAs
- An integrated approach of capacity building, access to credit, as well as livelihood and health interventions to address the main causes of poverty

These factors enabled the OPAs to operate and organise activities on a larger scale. The impact of these activities was felt in many areas, including: increased knowledge of health and nutrition practices, greater health services by village health practitioners and township doctors, increased health security, credit resulting in improved incomes, improved technical knowledge and skills in the area of livelihood, improved access to government services, improved diets, improved capacity of older people and OPAs, a greater sense of independence and dignity, improved status in the family and community, a greater involvement of government service providers in these communities, a broadening of understanding of the situation of poor older people among policy makers at the local and national level (these impacts are explained in Section 6).

There was an overall improvement in the wellbeing of older people in the target areas, confirmed by the *'Final Evaluation Report'* and *'A Survey Report on Poverty Alleviation Model of EU-HelpAge International China Project'*. The conclusion of both reports is that the project model was effective in reducing poverty among the target group. This paper highlights the accomplishments of this project, and is intended to generate further discussion about the benefits of the model and its replication in other counties and provinces. Based on discussions with OPA leaders and local government officials, it is apparent this model has contributed positively to the development of the target communities, improved older people's health and economic status, and led to a greater recognition of the capacities of older people.

## Chapter 2: Introduction

The purpose of this paper is to examine the older people's associations (OPAs) model developed during HelpAge International's implementation of a three-year project on poverty alleviation in Western China. The project *'Poverty Alleviation for Older People and their Families and Communities in Western China'* was supported by the European Commission (EC) and initiated in March 2003 by HelpAge, in partnership with the China National Committee on Ageing (CNCA), provincial committees on ageing in Hunan and Shaanxi, and three provincial universities<sup>1</sup>. The focus of the project was to contribute to the alleviation of rural poverty through engaging OPAs in health and livelihoods pilot projects. It involved developing and strengthening OPAs in the project villages, sensitising government officials to the needs of older people in rural areas through workshops, field visits, and interactions, and disseminating experiences and lessons.

Although there are 425,000 OPAs in China (with 12 per cent registered with the Civil Affairs Department), not all are engaged with the development of their communities. Many are limited in the scope of their activities and typically involve older people only through the promotion of social and cultural events<sup>2</sup>. The model developed in the EC-HelpAge-CNCA project was aimed at supporting poverty alleviation efforts through a self-management model, whereby the capacity of older people was developed, and emphasis placed on them organising and participating in health and livelihoods pilot projects. HelpAge has considerable experience in working with and strengthening village-based institutions to conduct advocacy, poverty alleviation and social inclusion activities in many countries in Asia. The project utilised a community-based, participatory model in China to support project objectives. This paper presents a discussion of the model, results from project interventions, and outlines the impact in terms of poverty alleviation.

<sup>1</sup> The three universities that HelpAge partnered with are Sichuan University in Changsha, and Xi'an Jiao Tong University in Xi'an.

<sup>2</sup> For more information on OPAs in China, see Study on the Elderly Organizations in China, Huang Qian and Yuan Xin, October 2004, Institution of Population and Development, Nankai University. It notes that the participation rate among OPAs in China is 14-15 per cent, whereas the participation rate among the OPAs in the 3 project provinces was 95.6 per cent.

## Chapter 3: Country information

### Background information

Geographically, China is situated in East Asia, with a long coastline along the South China Sea. With a land boundary of some 22,800 km, China is bordered by Korea to the east; Mongolia to the north; Russia to the northeast; Kazakhstan, Kyrgyzstan and Tajikistan to the northwest; Afghanistan, Pakistan, India, Nepal and Bhutan to the west and southwest; and Myanmar, Laos and Vietnam to the south. Across water to the east and southeast are the Republic of Korea, Japan, the Philippines, Brunei, Malaysia and Indonesia. The country covers an area of 9.6 million square kilometres. The country is divided into 23 provinces, five autonomous regions, four centrally administered municipalities, and two special administrative regions (a municipality has the same political, economical and jurisdictional rights as a province). China currently has a total population of 1.3 billion, the majority living in the east of the country, with more than 300 persons per square kilometre. Western China is less populated with about 40 persons per square kilometre.

China is a rapidly developing country. Its economic achievements in the last decade are impressive, with annual gross domestic product growth of 8 per cent a year. China's per capita GDP now exceeds \$1,703, and poverty alleviation experts claim it will reach \$3,000 by the year 2020. The distribution of benefits from this economic development has not been equitable though. The more affluent eastern region, with its industrial centres and large municipalities, has achieved considerably greater social and economic advancement compared to poor and remote rural areas in western China. Nevertheless, a widening tax base and increased public revenue from the expanding economy has provided the Government of China with the means to counter some of these imbalances. In the most recently drafted 11<sup>th</sup> Five-Year Plan (2006-2010), which outlines the guiding principles and plans of the government, the Communist Party of China (CPC) stressed the importance of building 'a new socialist countryside,' targeted at the development of the rural areas<sup>3</sup>. Due to the widening gap in the quality of life between rural areas and more progressive municipal areas, the CPC is committed during the next five years to developing infrastructure in rural areas, improving rural economic conditions, spending more on the rural public health system, and providing an improved social security system through subsistence allowances to the rural poor and coverage for farmers without land and migrant workers.

### Poverty and China

China is ranked 85 out of 177 countries in the UNDP Human Development Index (HDI), placing it in a band of countries with a medium human development record<sup>4</sup>. Education levels of the population have seen marked improvements, with 99 percent of children reaching grade 5, and an adult literacy rate of 91 per cent<sup>5</sup>. Due to rising incomes and government intervention, absolute poverty rates (measured at RMB530 per year) have declined from 7.1 per cent in 1995 to 3.4 per cent in 2000 and 2.8 per cent in 2004<sup>6</sup>. As the 2005 report on progress towards achieving the Millennium Development Goals (MDGs) states: '*China's poverty reduction reflects the Government's efforts towards overall growth and development combined with significant policy and budgetary support for poverty reduction.*'<sup>7</sup>

<sup>3</sup> The Chinese Government has invested large sums of money in building up infrastructure in urban areas during the past two decades. As a result, there is an income and services gap that exists between rural and urban areas, and the focus of the Chinese Government is now shifting to rural areas to reduce this gap.

<sup>4</sup> UNDP, Human Development Report 2005, Index, p. 220, <http://www.hdr.undp.org/reports/global/2005>.

<sup>5</sup> Human Development Report 2005, Index, pp. 220, 233, and 259.

<sup>6</sup> Ministry of Foreign Affairs of the People's Republic of China, China's Progress Towards The Millennium Development Goals, 2005, p. 8, <http://www.undp.org.cn/downloads/mdgs/MDGrpt2005.pdf>.

<sup>7</sup> Ministry of Foreign Affairs of the People's Republic of China, China's Progress Towards The Millennium Development Goal, 2005, pp. 8-9.

Some general indicators of the progress achieved by China in terms of its development are provided in the table below:

Table 1: General development indicators for China

	Figure	Year	Source
Human Development Index Ranking	85	2003	UNDP: Human Development Report 2005
Total population (millions)	1,300	2003	UNDP: Human Development Report 2005
Life expectancy at birth (years)	71.6	2003	UNDP: Human Development Report 2005
Poverty rate among older people (70+) in rural households (as percentage)	51.5	2002	National Population and Family Planning Commission of China 2005 <sup>8</sup>
Income inequality (as percentage)	41.0	2006	The World Bank, China Quick Facts 2006 <sup>9</sup>
Average GDP per capita (USD)	1,320	2004	Ministry of Foreign Affairs of the People's Republic of China, Report on Millennium Development Goals 2005 <sup>10</sup>
Average income per household in rural areas (USD)	281	2002	National Population and Family Planning Commission of China 2005

## Ageing in China

A general demographic trend towards ageing will see the number of older people worldwide reach more than 1.2 billion by 2025<sup>11</sup>. Further, the proportion of older people living in Asia will represent 50 per cent of the overall figure, far outweighing the number of older people in other world regions. In China alone, the population of older people will account for 24 per cent of older people around the world by 2025.

China will have the largest population of older people by 2010 (171 million aged over 60). The number of people over 60 is projected to nearly double from 289 million in 2005 to 437 million in 2050<sup>12</sup>. The current one child policy will impact on China demographically, translating into a significant number of single young people having to support two parents and four older grandparents<sup>13</sup>. There will also be a dramatic impact on the economy, with estimates that the total cost of care for older people will require 10 per cent of national income.

In relation to ageing issues, the Chinese government has made considerable progress in developing policies and institutions to support the growing number of older people. China has placed an emphasis on advocating for the rights of older people, making it one of the more progressive countries in Asia in promoting policies on ageing. China adopted a national law in 1996 on the protection of the rights of the elderly. This law has been very effective in meeting the needs of older people.<sup>14</sup> Article 5 of the law reiterates the importance of including older people in the country's development:

*'The people's governments at various levels shall incorporate the undertakings related to older people into the plans for national economic and social development, gradually increase the investment in these undertakings and encourage all sectors of society to make such investment, so that these undertakings and the economy and society develop in a coordinated manner.'*<sup>15</sup>

<sup>8</sup> National Population and Family Planning Commission of China, Poverty and Support for the Elderly in Rural China, 2005, p. 3, <http://www.ecom2.i.hosei.ac.jp/~ageing/conf/2005/>.

<sup>9</sup> The World Bank, China Quick Facts, 2006, <http://www.worldbank.org/wbsite/external/countries/>.

<sup>10</sup> Ministry of Foreign Affairs of the People's Republic of China, China's Progress Towards The Millennium Development Goals, 2005, p. 8,

<http://www.undp.org.cn/downloads/mdgs/MDGrpt2005.pdf>.

<sup>11</sup> WHO, Towards Policy for Health and Ageing, Fact Sheet, <http://www.who.int/entity/mip/2003>.

<sup>12</sup> United Nations, Department of Economic and Social Affairs, Population Division, World Population Ageing 1950 – 2050, 2002, p. 472,

<http://www.un.org/esa/population/publications/worldageing19502050>.

<sup>13</sup> BBC News, China's Ageing Population, <http://www.news.bbc.co.uk/1/hi/world/asia-pacific/906114.stm>.



Additionally, the State Council has drafted the 11<sup>th</sup> Five-Year Plan for the Development of the Ageing Cause (2006-2010), which mainly focuses on addressing the wellbeing of older people through government intervention, including providing support to retirement facilities and social transfers to poor older people. The Chinese government is also a signatory to the 1982 Vienna international Plan of Action on Ageing (VIPAA)<sup>16</sup> One of the main responses to this plan of action was the creation of the China National Committee on Ageing in October 1982, a key government organisation that advocates for supportive policies and laws for older people in China, as well as coordinating a network of provincial, city and county committees on ageing.

## Chapter 4: Project information

### Objectives

The aim of this project was to promote sustainable livelihoods and the wellbeing of poor and disadvantaged older people, their families and communities in three rural provinces of Western China. The project took place in 35 remote communities in 11 townships found in nine counties in Sichuan, Shaanxi and Hunan Provinces of the People's Republic of China (see table below for details on the project villages and their population). The project had three main objectives:

- Alleviate the poverty experienced by 14,000 people, including 3,500 poor and disadvantaged older people in 35 village communities in seven counties of three of China's poorer provinces, by the end of 2005
- Improve the health status of these older people, their families and communities
- Influence the State to replicate and scale up the community-based models developed through the project.

### Project period

The project was planned for three years from March 2003 to February 2006. However, due to the outbreak of SARS in the initial phase, the project was delayed and the project period extended for an additional five months, until July 2006. This was a no-cost extension that was approved by the EC.

### Project partners

HelpAge International is a global network of not-for-profit organisations with a mission to help the most disadvantaged older people improve the quality of their lives. HelpAge's main partner for this project was the CNCA, a government institution that has broad experience in conducting research and advocacy, and works on ageing issues through a network of provincial committees on ageing (PCAs).

The project was implemented by one national partner (CNCA) and five local organisations - Central South University, Hunan; Xi'an Jiao Tong University, Shaanxi; Sichuan University, Sichuan; the Shaanxi Provincial Committee on Ageing (SPCA), and the Hunan Provincial Committee on Ageing (HPCA). The CNCA was responsible for most of the advocacy activities and supported the implementation of the project at the field level. HelpAge provided technical, administrative and policy support.

<sup>14</sup> The law "sets clear stipulations for family support and social security for the elderly, their participation in social development, and the legal liabilities of activities that infringe upon their legal rights and interests, standardizing and legalizing the state protection of this special social group. According to the law, the state has established a pension insurance system to ensure the basic livelihood of the elderly, and their pension and other treatment are protected by laws. The government increases the pension in line with economic development, improvement in people's living standards, and rise in workers' salaries; in rural areas, local economic organizations should provide adequate food and clothing, housing and medical service, and proper funeral arrangements for the elderly people who are unable to work, who have neither sources of income nor family support, or whose family supporters do not have the ability to support them. In urban areas, local governments should provide relief for elderly people who are unable to work, have neither sources of income nor family supporters, or whose family supporters are unable to support them." Progress in China's Human Rights Cause in 1996, Information Office of the State Council of the PRC, March 1997, [www.china.org.cn/white/prhumanrights1996/](http://www.china.org.cn/white/prhumanrights1996/)

<sup>15</sup> [www.86148.com/englishlaw/](http://www.86148.com/englishlaw/)

<sup>16</sup> China is also a signatory to 2002 Madrid International Plan of Action on Ageing (MIPAA)

The PCAs were responsible for conducting the livelihood activities, and the universities were assigned to work on health related activities in coordination with the PCAs. The exception was Sichuan University, which was responsible for both health and livelihood activities, and was the location where project implementation began.

## Geographical location of the project

The project locations were poor, rural villages consisting mostly of ethnic minorities (see Annex 1: Map of Project Provinces for the percentage of minorities within each project village). Seventeen villages in 11 townships located in 9 counties participated, as illustrated in Table 2.

Table 2: Villages, population and number of older people impacted by the project activities

Area	County	Township (ethnic group)	Total # of households	Total Population	Total # of older people
Sichuan Province	Gongxian	Yuhe (Miao)	508	2,065	282
	Pingshan	Pingbian (Yi)	1,013	3,623	861
	Baoxing	Yaoji (Tibetan)	722	2,997	561
	<b>Total</b>	<b>3</b>	<b>2,243</b>	<b>8,685</b>	<b>1,704</b>
Hunan Province	Gu Zhang	Zhushan (Miao)	271	915	169
		Jiulong (Miao)	268	995	242
	Liuyang	Zhimin	746	2,864	431
	Hanshou	Tongxing	281	1,271	223
	<b>Total</b>	<b>4</b>	<b>1,556</b>	<b>6,045</b>	<b>1,065</b>
Shaanxi Province	Zhouzhi	Gengxi	338	1,371	179
	Pucheng	Dangding	776	3,096	385
		Xishan	360	1,526	205
	Heyang	Sanchi	602	2,513	342
	<b>Total</b>	<b>4</b>	<b>2,076</b>	<b>8,506</b>	<b>1,111</b>
<b>Grand total</b>	<b>9</b>	<b>11</b>	<b>5,885</b>	<b>23,236</b>	<b>3,880</b>

## Target group

The target group consisted of older people in the project villages, their families and communities. The cut-off age for membership varied from 50 to 60 among the provinces and was lower for women than for men except in Shaanxi.

As explained in the map, Annex 1: Map of Project Provinces, Sichuan had the most numbers of minorities in the target group. The villages in Sichuan were almost 100 per cent comprised of minorities from three ethnic groups: Miao, Tibetan and Yi. Due to low levels of education among these groups, additional efforts were needed to build their capacity to manage the OPAs and their finances. In Hunan, one county, Gu Zhang County, is mostly made up of Miao people, while the other two counties are Han Chinese (the main Chinese ethnic group). In Shaanxi, the majority of the target group population was Han Chinese.

Any older person that fulfilled the age requirements of the OPA was permitted to join. The vast majority of the older population, 95.6 per cent (or 3,727) of the older people in the project villages, were members of OPAs.



64 per cent of OPA members became seed money beneficiaries. The health education and training sessions were organised by the health partners, project officers and OPA leaders, which involved almost all OPA members. In addition, two health assessments were conducted by the health partners for the members and 74 per cent of OPA members participated in these activities.

Although the project primarily targeted older people there were other indirect beneficiaries, such as the families of older people, communities, and government service providers<sup>17</sup>.

## Chapter 5: The project approach and the older people's associations model

### Project methodology

This project was designed to be both community-based and locally managed. The entire implementation process was based on a participatory approach, utilising the capabilities and skills of older people. Older people were consulted and involved at each stage, including the participatory assessment at the beginning, during the implementation phase, and the conclusion when a participatory evaluation was completed. The six partners also worked to facilitate continuous participation by older people and the development of older people's skills and capacities.

### Project management

By supporting and working closely with partners, HelpAge was able to develop an innovative OPA model in the context of rural communities that has proven to be both effective and sustainable. The project partners also participated in training sessions, which increased their capacity to monitor and implement larger scale projects involving bilateral donors. HelpAge and the China National Committee on Ageing (CNCA), with its head office in Beijing and network affiliates in the three provinces, were partners in implementing the project. CNCA had a team of four members, including one project manager, one project officer, and two project assistants. The two provincial committees on ageing and Sichuan University had a lead coordinator, project officer and project assistant. HelpAge worked closely with the project officers and the health partners in implementing the project, using a participatory approach. The responsibilities of the partners were divided between livelihoods, health and advocacy. The Hunan Provincial Committee on Ageing (HPCA), Shaanxi Provincial Committee on Ageing (SPCA) and Health Promotion and Training Centre on Ageing of Sichuan University (HPTCOA) were primarily responsible for livelihood interventions; the Central South University in Hunan (CSU), Xi'an Jiao Tong University in Shaanxi (XJTU) and HPTCOA were primarily responsible for health interventions; and the CNCA was primarily responsible for advocacy and the overall implementation of project activities. Much of the practical implementation work was undertaken by the two PCAs and Sichuan University.

### Approach

The project sought to improve the livelihoods and wellbeing of older people by giving them ownership and responsibility for managing the OPAs. Utilising a self-management approach, OPAs at the community level were established and encouraged to organise and advocate for their needs. This approach was

<sup>17</sup> For a detailed description of the indirect project beneficiaries, see Final Report of the Project, Poverty Alleviation for Older People and Their Communities in Western China, September 2006.

adopted because it builds and strengthens the capacity of village level institutions, producing more sustainable, long-term effects. Older people were involved since the beginning of the project, from the selection of their management committee to the organisation of activities. OPA members were informed about the project objectives, planned activities and seed money distribution process. Through this process of consultation with and training of older people, the OPAs, with their own registration and bank accounts, were able to achieve a greater level of security for their members.

Some successful case studies were collected in the evaluation report. The OPAs were a key instrument through which pilot projects were initiated, and thus the first two years of the project centred around OPA development and activities. There was some reluctance initially by government authorities in Sichuan and Hunan to provide seed money to the OPAs because of their limited capacity; some were of the opinion the government was better suited to properly managing such funds. However, through the persistence of HelpAge and its project partners, government officials agreed to allow the OPAs to manage their own finances. They have since performed remarkably well, as illustrated by the 99 per cent repayment rate of seed money loans<sup>18</sup>.

### Selection of seed money beneficiaries

The process of selecting the seed money beneficiaries was part of a training workshop for the OPAs. The rules that were developed were displayed in the OPA centres, enhancing the transparency of the process. The majority of OPAs used a written application process, where members submitted their applications to the OPA sub-committee (some OPAs did this verbally during their monthly meetings). The typical applicant would write-up an application, which was then reviewed by the sub-committee which meets quarterly. If there are sufficient guarantors, the application was usually approved, and then considered by the OPA management committee. Upon their approval, the applicant signed a contract with the OPA, which specified the amount and date of the loan, and the return date for the money (usually 1 year). Once the applications received final approval, a standard loan document package (consisting of a contract, guarantor form, receipt for the loan amount disbursed, and repayment card) was completed for each beneficiary. This approval and accountability process created an equitable system of loan disbursements that was well-received by members.

### Capacity building

Apart from building capacity of the OPAs, the project also enhanced the capacity of each implementing partner. A number of training sessions and meetings were organised with the goal of strengthening the capacity of partners.

### Gender

The project proposal highlighted that many women are less educated, and under-represented in the village and OPA management committees. The project officers recognised the lack of female participation, and sought to recruit more women members. One way to achieve this was to organise sub-groups of women for activities such as drum and dance teams, and include more women in the management and leadership training sessions. Some progress was achieved as explained in '*A Survey Report on OPA Roles and Impact of EU-HelpAge China Project*'. The proportion of older women participating in the management committees currently stands at 22 per cent in Shaanxi, 20 per cent in Sichuan, and 8 per cent in Hunan. However, the evaluation indicated that more emphasis in

<sup>18</sup> The highly successful repayment rates by the OPAs is a reflection of the project model, which encouraged independent financial management and placed ownership of the capital in the hands of older people themselves. The revolving nature of the loans provided the incentive to repay the loans on time, allowing the OPAs to make additional distributions.

the future should be placed on supporting the health and leadership role of older women within OPAs to increase these percentages, with women accounting for half of the OPA membership.

### **An Integrated approach to addressing the root causes of poverty**

The project combined several tools to address the root causes of older people's poverty. It tackled low levels of education by addressing the capacity and knowledge of the target group, especially in the areas of health and livelihoods; it provided access to credit where there was virtually none, enabling older people to improve their livelihoods and diversify their activities; it addressed the gap in services by government service providers by building relationships between OPA leaders and the local government; and, it offered a sustainable approach through the self-management of OPAs and revolving seed funds. As noted by Sun Lujun, research fellow at the China Research Center on Ageing (CRCA), *'the operational model of the project did not adopt the traditional social relief [model] . . . but adopt [sic] the participatory mode for sustainable development . . . . The EU project believes the poor older people in the rural areas have the capability of self-decision, self-management and self-development.'*<sup>19</sup>

### **Project OPA model<sup>20</sup>**

The project OPA model aimed to create more dynamic and active OPAs. The model was borrowed in part from HelpAge's project work with OPAs in Cambodia and Vietnam. In both countries, OPAs have a participatory, self-managed structure that enables multiple activities to occur that support the needs of older people. With the exception of Sichuan, which built OPAs from the ground up, the initial project work began by giving OPAs a new mandate – they were orientated on developing village-based institutions that would organise older people and tackle the issues of poverty. The project officers therefore set about establishing a management structure that would allow the members to choose their leaders, and by-laws that would determine the operational guidelines<sup>21</sup>. This democratic election process was new to the rural older people, and a key ingredient in building support for stronger OPAs. Through its leaders, who received training, the OPAs began to initiate the pilot projects on livelihoods and health.

### **Partnership with HelpAge**

The OPAs were viewed as local partners, and their capacity to implement and participate in events enabled the project to achieve its objectives. Due to the strong network of county committees on ageing (CCAs) and county service providers, there was additional monitoring and engagement of the policy makers at the local level. Thus, the model's effectiveness was a result of a three-way partnership between HelpAge, local government officials, and the OPAs. Since all three partners were members of the Provincial Coordinating Committees, these three stakeholders were familiar with the project's objectives, which enabled excellent communication, planning and coordination of project interventions.

### **Key lessons learned in the formation of OPAs**

Project partners had varying experiences during the formation and development of the OPAs. The provinces and villages had differing internal and external socio-economic influences, which affected the management quality of the OPAs. Nevertheless, some general lessons were drawn, which are more fully explained in Annex 2: Best Practices on OPA Formation in China.

<sup>19</sup> Sun Lujun, A Survey Report on OPA Roles and Impact of EU-HelpAge China Project, located in the Collection of Survey Reports on Poverty Alleviation for Older People and Their Communities in Western China, p. 29, July 2006, CNCA, Beijing.

<sup>20</sup> The development of this OPA model was in accordance with CNCA's policy of expanding the number and role of OPAs in rural China.

<sup>21</sup> Typically, a management committee will have one president, a vice-president, three members as well as a secretary, an accountant, a cashier and a bookkeeper. These members are all selected by the general membership of the OPA through periodic elections and when a member resigns. They serve as the focal point for the day-to-day management of the OPA, the communicators of information, and the organisers of events. It is common for one of the three members of the management committee to also serve as a leader of a particular activity, such as drama and dance teams. The advisory officials, such as the village committee leaders and members of the county committees on ageing, are invited to attend the monthly meetings, and they provide additional assistance in planning and coordinating the OPA activities and in informing the community about events.

## Chapter 6: Impact on the target group

The project had positive impact on 1) situation of the target group, and 2) the technical and management capacities of the target groups and local partners.

### **Impact on the situation of the target group**

#### **a) Impact on health and nutritional status**

##### **Appropriate treatment and greater understanding of disease prevention and healthy lifestyles**

The main focus of the health intervention was educating older people on self-care, developing knowledge of their health status, and increasing their utilisation of local health service providers (primarily village health practitioners and township doctors). All 17 project villages had village health practitioners (VHPs) and local doctors who were trained by the project's health partners. The focus of the training sessions was geriatric diseases and how to prevent them, and self-care to promote healthy lifestyles. This facilitated improved care of older people as it impacted on the primary care-givers of older people. It was reported during focus group discussions that prior to the project, older people seldom, if at all, visited VHPs for treatment. Following the training sessions and by the end of the project, members reported visiting their local VHP at least twice a year. Their willingness to consult the VHPs is evidence of their increased confidence in the technical care they will receive.

40 per cent of participants in the field survey indicated they had better nutritional habits, 80 per cent reported they had adopted healthy habits (changed diet, exercised more, disposed of waste properly, or reduced/stopped smoking or drinking), and 10 per cent reported they had quit smoking. The frequency of their health check-ups had increased considerably in all three provinces (100 per cent in Hunan, 75 per cent in Sichuan, and 100 per cent in Shaanxi).

##### **Health assessments**

The health partners also examined a total of 2,744 older people in 2004 to assess their health status, whereby a team of 6-10 doctors visited each of the project villages. The VHPs and township doctors were also involved in conducting the health assessments, improving their understanding of the health needs of older people in rural areas. Follow-up health assessments that occurred in 2006 revealed that older people's health and nutrition status had improved. Two research studies were undertaken, one by the Medical School of Xi'an Jiao Tong University, Xi'an, and the other by the Central South University's School of Nursing in Changsha, China. An examination of 876 OPA members by Xi'an Jiao Tong University concluded that the health status, health knowledge and quality of life of those examined showed improvements on the baseline data gathered in the earlier assessment. Central South University examined a total of 1,138 older people as part of its follow-up study. It concluded that the most common forms of chronic diseases were arthritis, hypertension, coronary heart disease, chronic bronchitis, gastritis, and schistosoma. It also noted that health and nutrition education sessions improved the beneficiaries' knowledge of daily living and their mental health.

Table 3: Participants in the health assessments – No. of older people examined by medical practitioners (2004)

Shaanxi Province		Hunan Province		Sichuan Province	
Village	No. of older people	Village	No. of older people	County (village)	No. of older people
Gengxi	126	Zhi min	303	Yu he (Fenghuang) (Wutong) (Yangjia)	170
Sanschi	347	Tongxing	188	Pingbian (Pingbian) (Maliu) (Jie Ji)	337
Dangding	298	Zhushan	106	Yaoji (Jiala) (Gari) (Zegeng)	417
Xishan	262	Jielong	190		
<b>Total</b>	<b>1033</b>	<b>Total</b>	<b>787</b>	<b>Total</b>	<b>924</b>

### Locally trained health practitioners

In Sichuan, a pilot project was initiated to train nine young persons from ethnic minority communities. This was undertaken because remote ethnic villages had few trained medical practitioners. The project supported the students' education at the School of Public Health in the cities of Yibin and Ya'an. Under the agreement with the students, they have committed to return to their respective villages after completing three years of medical training, and begin providing health services to poor older people and other community members. Their training includes a one-year practicum with a township hospital, where they learn first-hand about treating geriatric and common diseases. The presence of local, trained practitioners will further improve the healthcare services available in the target communities.

### Medical fund at the community level

Moreover, the 15 OPAs in Sichuan received a grant of RMB2000 (EUR196) to assist members with funds to receive care for medical emergencies. This was included as part of the project activities for Sichuan because of the remote location of the project villages. This fund is part of EC project funds, and rather small in terms of meeting the needs of all the members, but it is a first step in assisting members access medical services where there is little government medical support for those in need. The members receiving support through the OPA reported that this fund had enabled them to receive timely medical care, and felt the fund should be expanded. Another 10 OPAs developed the practice of establishing an emergency fund that loaned money to beneficiaries, thereby maintaining the loan fund for a longer duration. The VHPs were also involved in the decision-making process by making recommendations to the management committee on cases requiring the OPAs support.

### Increased health security

As a result of the health pilot projects, members indicated that they felt their access to healthcare services had improved. Over 2,700 older people participated in the health assessments and training. A total of 95 VHPs, nine medical students, and 11 township doctors were trained in geriatric diseases and diagnosis and treatment.

The focus group discussions revealed that participants were pleased to have the additional security of being able to consult a local health practitioner. Some VHPs also routinely travel to remote locations to check on older people, an improvement upon the previous situation, where older people would have to travel to the VHPs. In a few counties in Sichuan, the government initiated the cooperative medical scheme, whereby the government and beneficiary each contribute half the premium. This additional coverage has also provided greater access to services in Sichuan Province, and extra security when more serious diseases require treatment.

*'Older people have a greater sense of security because the VHPs are there to handle their health concerns as they arise, and because they receive free check-ups whenever the older person is sick.'* -- Mrs. Liu Gui Ling, 60 years old

Mrs. Liu is a member of the Zhi Min Village OPA in Hunan. She has been a village health volunteer for more than 30 years, and is the current leader of the VHP team in the village. She received two sessions of training from the Central South University. She claims the health conditions of older people have improved.

*'I believe the health habits of the older people have changed as a result of this project, with a reduction in smoking and drinking. This has been possible through the health assessments and education sessions; and, another big change is that older people are less timid about consulting the VHPs and doctors.'*

-- Mr. Zhang Yu, Director of the Health Bureau,  
Baoping County, Sichuan Province

## b) Impact on livelihood security

### Improved income through activities such as livelihood and marketing trainings

Pilot project on livelihoods: The livelihoods pilot projects were a combination of seed money distribution and training on livelihoods. A grant of EUR6,000 was provided to each of the OPAs to develop a revolving loan fund to be used by older people for livelihood projects. This was the largest single activity of the OPA in terms of time and money. The majority of beneficiaries used seed money for animal raising (72 per cent) and agricultural activities (26 per cent). A small minority (2 per cent) used it for household enterprises. Fifty-two percent of OPA members received seed money loans. The average increase in household income over the project life was 23 per cent. The average increase in household income was RMB1,543 (EUR151) over three years, or an average annual increase of RMB514 per year.<sup>22</sup> The highest amount of income came from investments in livestock (69 per cent), followed by agriculture (25 per cent) and household enterprises (6 per cent). Most promising for the seed money loans was the rate of repayment, which equaled 99 per cent. This showed the revolving fund is working exceptionally well, and will impact on more older people in the future.

Below are some of the key findings from the evaluation relating to seed money activities:

#### I. Increased participation

The distribution of seed money was an entry point for increasing the participation of older people in OPAs. The majority of older people were interested in receiving loans, and the process of selecting and issuing loans led to greater involvement from older people in the OPAs. It increased the attendance at meetings and strengthened the ability of OPAs

<sup>22</sup> A separate study was undertaken by the China Research Center on Ageing (CRCA), which was a broader study of the impact of the loan investments.

to sustain themselves by providing a source of activity for future years. A high level of participation of older people in OPA activities was also evident, and a sign of purposeful activities that resulted in attendance rates nearing 95 per cent.

## II. Transparent management of the seed money

Through a process of collective decision-making and democratic management of the seed money, financial records were known to all of the members, which ensured a high level of accountability. The financial audits by HelpAge in 2004 and 2005 revealed that the record-keeping of the seed money was well-maintained, showing that:

All loan entries had been clearly recorded

- Account books were well kept
- Year end balances corresponded with the bank accounts
- The accountant and cashier jointly checked the balance
- Repayments were properly recorded

## III. The seed money loans increased incomes

The enterprises that beneficiaries started to augment their household income were typically appropriate to local market conditions, and stable and feasible. To broaden the base of beneficiaries, the maximum financial assistance provided to a beneficiary was set at RMB2,000 (EUR196). This small loan enabled beneficiaries to supplement their income by as much as 100 per cent in many cases. Table 4 shows the financial impact of receiving loans on the income levels of the older people headed households during the project period (the data was collected for beneficiaries who had repaid their loans in the three provinces).

Table 4: Financial impact of loans on the income levels of the beneficiaries (RMB)

Province	Agriculture			Livestock and poultry			Household business		
	2003	2006	%	2003	2006	%	2003	2006	%
Shaanxi	39,600	51,460	30	31,700	78,720	148	2,700	11,620	330
Hunan	59,700	66,800	12	54,710	75,900	39	8,500	9,800	15
Sichuan	80,000	100,000	25	409,000	449,000	10	600	600	0
<b>Total</b>	<b>179,300</b>	<b>218,260</b>	<b>22</b>	<b>495,410</b>	<b>603,620</b>	<b>22</b>	<b>11,800</b>	<b>22,020</b>	<b>87</b>

*These figures are based on data collected from 102 households.*

## IV. Repayments reveal the model's effectiveness

The management of the funds by OPAs was initially considered unsafe by some authorities because of the low education levels of the members. There was a fear that the money would be misused and result in the OPAs failure. However, through the selection process, with a set of rules, open discussion, democratic decision-making, and the requirement of guarantors, the loan repayment rate was very high at nearly 100 per



cent. This is evidence the model can prove effective, and the approach of locally managed funds is sustainable and capable of generating good returns on investments in livelihood activities.

#### **Improved ability to benefit from skills and experiences of other villages through organisation of OPA activities**

Prior to this project, older people in the project villages were generally restricted in their mobility and access to information. However, due to the OPAs, many members were introduced to new ideas through training and capacity building. 308 older people participated in exchanges. They were able to travel to nearby villages and cities as part of training and exposure visits. Many of them commented that it was the first time they had travelled outside their village and experienced other social and religious activities. These experiences were shared during OPA meetings, and helped to broaden the knowledge base at the local level.

For example, in Hunan Province in June 2005, 20 OPA members from Han Shou County visited Zhi Min village to see first-hand the work of the OPA. OPA members were able to share their experiences and issues regarding OPA management, and how they had been able to resolve pressing management issues, such as rotating the leadership of the management committee and finding skilled workers to manage the finances. In January 2005, seven OPA members from all three counties also went to Changsha in Hunan Province for the annual HPCC meeting. This was the first visit outside the village for everyone, and they reported on OPAs activities while learning first-hand about the achievements of the Zhi Min Village OPA and the overall progress of the project.

#### **Improved access to government services and other livelihood support services such as microfinance, extension and marketing services**

Linking with government service providers enabled OPA members to recognise that government departments were resources for them to utilise. They no longer felt intimidated by government officials, and were more confident and articulate in expressing their needs. OPA leaders in communities without activity centres reported that they had contacted county departments to request assistance in establishing them. Though not all project villages currently have centres, many were successful in obtaining government resources to renovate or build activity centres, where older people can congregate and plan their activities.

Beside the activity centres, OPA leaders reported in interviews that they had also requested specialised training for their members in extension and marketing services. The government service providers, such as the Livestock Bureau, Agricultural Bureau, and Civil Affairs Bureau, reported that they had increased contact with OPA leaders who had requested their support in the project villages.

In an informal interview with Ms. Liu Zhang Ping, the Director of the County Committee on Ageing, Liu Yang County, Hunan Province (and one of the government monitors), she explained that she had introduced her counterparts at the provincial level to OPA leaders. She brought members of the Provincial Poverty Alleviation Department, Provincial Civil Affairs Bureau, and Provincial Committee on Ageing (HPCA) to the OPAs, and exposed them to the project objectives and OPA management system. She will continue to visit and support the villages after the completion of the project in July 2006 since they will continue to use revolving seed funds.

As a result of the participation of provincial and county leaders in project interactions, and their exposure to ageing issues, they expressed greater interest in the project communities and in most cases allocated special resources to them.

In Gu Zhang County, the Director of the County Committee on Ageing is Ms. Xiang Zheng Ying. Ms. Xiang has been instrumental in introducing OPA leaders to county government officials, which has generated interest in the project villages and resulted in technical support for the villages, including agricultural and animal husbandry training and financial support. The government support for project communities in Gu Zhang County in 2005 included the following allocations and services:

- RMB160,000 (EUR15,680) from the County Civil Affairs Bureau
- RMB400,000 (EUR39,200) from the County Poverty Alleviation Bureau, of which RMB250,000 (EUR24,500) went towards upgrading electricity and water systems and improving the roads in the project villages.
- The government supported a natural gas project for 68 families in the villages and plan to expand the project for all the project villages (turning pig manure and grass into natural gas for home-cooking needs),
- The County Agriculture Bureau has given training in green-house technology to improve agricultural yields.
- The government has also provided medical equipment for the two health clinics through the County Health Bureau.

Ms. Xiang claims the combination of project and government support has resulted in increased income for villagers, as well as giving them the opportunity to broaden the scope of their enterprises beyond agricultural activities, for example, fish raising or goat raising, and small businesses such as transportation (motorcycle and vehicle taxi services) and consumer-goods stores.

The additional financial resources provided by the government to project villages in the three provinces is summarised below.

Table 5: Summary of the government's capital investments

Province	Capital investment by government	
	(RMB)	(Euro)
Sichuan	3,660,000	358,600
Hunan	1,450,000	142,200
Shaanxi	2,300,000	225,400
<b>Total</b>	<b>7,410,000</b>	<b>726,200</b>

### The overall improvement in older people's economic status

The overall impact of the increased incomes of older people has been the ability to contribute to their families' income, and the reduction of the economic burden of care on their adult children to support their parents through medical, clothing, food, and social allocations.

Instead of taking loans at extremely high rates from informal sources, such as private money lenders (with reported rates of up to 10 per cent per year), seed money loans from OPAs ensured that OPA members and their families had access to credit without interest or at very low rates of interest. Some OPAs charged interest of 1-2 per cent, which was used to support their budget for activities. Seed money related activities included livestock, agriculture, and household enterprises. A survey of three OPAs in each province revealed the following about seed money loans:

- The maximum initial loan to OPA members was RMB2,000 per beneficiary.
- 64 per cent of OPA members received loans from the OPAs and initiated their own income generation activities, such as animal husbandry, agriculture, and small household enterprises.
- There was overall growth in income of 45 per cent for members, and the greatest increase came from household enterprise activities.
- There was a 99 per cent repayment rate for seed money loans, providing additional capital to the OPA for lending.

Focus group discussions also found that members were very satisfied with the lending activity of the OPAs, and profits from the livelihood activities were primarily used to re-invest in the activities, pay for their grandchildren's education, and household purchases. All of those borrowing money from the OPAs indicated that they would like to borrow more in the future.

#### *Case study*

Long Yu Xiang, 68 years old, has been a member of the Jiu Long Village OPA for three years. She lives with her husband, one of her sons, her daughter-in-law and her grandchild. She says being a part of the OPA has greatly improved her life. She was able to borrow RMB2,000 in 2004, and bought three pigs. One of the pigs she raised had 12 piglets (a bountiful litter), which she sold for RMB150-160 each. Thanks to these earnings, she was able to easily repay the seed money, and had about RMB800 (EUR78) left in net profit. She says she had little money before borrowing, and would have only been able to buy one piglet to raise. She has used the profits by investing in more pigs (she now has five), and for planting vegetables. She has also spent some on clothing for the family. Overall, she is pleased with the positive changes in her life.

Testimony of OPA member:

*'Since so many of the older people in Jia La Village are poor, many people need the support that this project provides.... Without the loan from the OPA, I would not have been able to purchase the cows. I am satisfied with the project, and I hope to be able to borrow more money in the future rounds.'*

-- Mr. Li Zhi Min, 60, member of the Jia La Village OPA

### **Impact on the interactions between improved health and nutritional status and improved livelihood security**

#### **Undertaking physical work as a result of improvements in health and nutritional status**

The older people interviewed claimed their health status and level of physical activity had increased as a result of improvements in their diet and participation in OPA activities. During monitoring visits, it was a common occurrence to see older people engaged in household chores, farming activities, in drum, drama and dance teams, and actively involved in the care of their grandchildren.

#### **Paying for medical treatments and a range of food items as a result of increased incomes**

Many of the participants with health problems commented during interviews that they had an increased capacity to pay for medical treatment and medicines, and

purchase a greater variety of food items. The OPAs in Sichuan Province established a medical fund from project funds for those with serious health conditions, which also enabled them to obtain services and medicine. Other OPAs in Hunan and Shaanxi established small revolving loan funds from their own resources (similar in concept to the seed money), from which OPA members with health problems could borrow if they applied. The single most frequent food item purchased as a result of increased income was meat products.

#### *Case study*

The income from seed money sometimes provides a needed income source for medical treatment and/or medicines. This is the case for Mrs Li Gui Zhen, 59, a member of the Jia La Village OPA, who was diagnosed with a lung illness by a doctor in Yaan City Hospital. Through the OPA, she borrowed RMB2,000 and purchased a cow with the money. She lost her ability to work in the field but can take care of the cow. She was able to breed the cow which had a calf, which she then sold for RMB3,000 (EUR294), giving her a net profit. She plans on breeding the cow again. In the meantime, the money from the sale of the cow has provided her with the income to purchase medicine to treat her illness. She says, "I am satisfied with the OPA as it has enabled me to earn income in a time when I can no longer carry out my usual activities in the fields."

#### *Case study*

Both Mr Ma Shu Wen, 68, and his wife, Wang Ming Zhen, 67, are members of the Ze Geng Village OPA. They borrowed RMB5,000 in seed money to open a small shop where they sell cigarettes, soft drinks, snacks and candy. Through the store, they are able to earn a good income. They also raise pigs (3 pigs and 6 piglets typically per year) to earn additional income. Mr. Ma appreciates the OPA because *'it supports our development, and I feel very independent managing this store.'* That sense of independence comes in part because profits from the store help cover the costs of his high blood pressure medicine. Without the store, he is not sure how he would pay for the medicine. He worries about what would happen should he or his wife have a more serious illness, and whether the store's profits would cover their medical expenses. For the time being though, he is satisfied with the store and the change it has made to his life.

### **Improved diets as a result of increased food purchases and/or improved food production**

The focus group discussions revealed that only about 30 per cent of participants used the proceeds from their income-generation activities to purchase additional food items. Nevertheless, 80 per cent of those surveyed in the evaluation reported that they had adopted healthy habits. Thus, the impetus for change was not necessarily an increase in income and food production, though these were contributing factors. Rather, it was primarily a result of health education sessions provided to OPA members that were popular among the older people.

### **Greater sense of independence and dignity**

Older people frequently claimed that their attitude has improved as a result of project activities. The ability to share their experiences and problems with other members of the OPA provided an outlet which previously did not exist for many older people. Frank and open discussion allowed OPA members to address issues concerning their wellbeing and problems within their communities.

*The OPA committee is very united, and they work closely together for the cause of older people. And, the members are very active and devoted themselves, which means they accomplish a lot. The members don't want to sit idly at home anymore.*

Mr. Cheng Zengqian, 70  
The president of an OPA in San Chi Village, Shaanxi Province

#### Case study

Another example is Mrs. Liu Qiu Hua, 64 years old and a member of the Xi Shan Village OPA. She lives with her husband. Her children, two sons and one daughter, have moved to the city to find work. She borrowed RMB2,000 in October 2004 to purchase a milk cow. After seven months she was able to sell the cow and achieved a net profit of RMB1,200. This is a big profit for her which has made a significant difference to her life. She has already used some of the money to buy another cow. She wants to continue to raise cows, but the difficulty is the lack of water in the village. She used some of the proceeds for the tuition costs of her grandchildren in the city, and her family was able to buy more meat to improve their diet. Now, she says, *'I don't ask for money from my children; I can do my own work and I feel more independent.'*

#### Greater roles in family and community affairs

In the focus group discussions, it was apparent that OPA members felt their involvement in the OPAs had increased their status within their families and communities. 95 per cent of the focus group participants indicated that their status had improved.

*The younger generation show more respect for the older people because they are more educated about older people and because they see that the older people are doing something for themselves and the community*

Mr. Cheng Xi Xian, 63 years old  
The president of the Xi Shan Village OPA, Shaanxi Province

Mr. Cheng says older people are more active now, for example, the Xi Shan Village OPA puts on Qing Opera performances for the community. He says that since they organised the OPA, members have planned many OPA activities and villagers are interested and attend them. Members have also received training in animal husbandry and agriculture skills through the project. They have absorbed this knowledge and held their own training sessions for other villagers four times, which has generated more respect for older people.

### Impact on the technical and management capacities of the target groups and local partners

#### a) Technical and management capacities of the target groups

##### Improvement in the skills and capacities of older people

It was evident from interviews and focus group discussions that technical training was highly valued, and resulted in members trying new techniques and raising different breeds of animals, enabling them to further develop their expertise and offering viable alternatives to traditional methods.

Most of the training in the area of livelihoods focused on the needs of rural beneficiaries in the areas of agronomy and livestock. It was primarily beneficiaries in Shaanxi Province that utilised loans to establish household enterprises, resulting in an 81 per cent increase in incomes for these beneficiaries. Table 6 below lists the different livelihoods training provided to beneficiaries during the project period.

Table 6: Types of livelihood, technical training provided during the project period

Agriculture based	Livestock based	Other
<ul style="list-style-type: none"> <li>■ Seed and fertilisers</li> <li>■ Grass growing</li> <li>■ Organic vegetables</li> <li>■ Tobacco cultivation</li> <li>■ Fruit tree cultivation</li> <li>■ Mushroom cultivation</li> <li>■ Mulberry cultivation</li> <li>■ Green houses Sichuan</li> </ul>	<ul style="list-style-type: none"> <li>■ Buffalo raising</li> <li>■ Pig raising</li> <li>■ Cow raising</li> <li>■ Goat/sheep raising</li> <li>■ Poultry farms</li> <li>■ Fodder for animals</li> </ul>	<ul style="list-style-type: none"> <li>■ Marketing</li> <li>■ Household ent</li> <li>■ Wine making</li> <li>■ Pearl raising</li> </ul>

HelpAge and the project partners organised a total of 48 livelihoods training sessions during the project. In the final year of the project, there were two livelihoods training sessions (June and November 2005) in Hunan with 250 older people participating; eight (March to September) in Sichuan with 599 older people participating; and four in Shaanxi with 580 older people participating. The success of seed money activities can be largely attributed to the emphasis on technical training at the OPA level. The focus group discussions revealed that older people were quite interested in learning modern techniques, and 85 per cent of participants utilised this knowledge in their daily work. Success was also a result of the involvement of government service providers, who worked closely with OPAs in providing training and materials for the older people and the communities. In addition, the OPAs and their members received the following training to build their overall capacity:

- **Orientation training** improved the capacity of older people by familiarising participants with the workings of a self-managed OPA, introducing them to the pilot projects, providing vision to members on the activities of OPAs, and outlining the management procedures of the OPA, including a democratic election of the management committee.
- **Leadership training** improved the capacity of 220 OPA leaders and members by increasing their knowledge of the importance of the management committee's role in coordinating the activities of the OPA, introducing them to different types of leadership practices (such as building consensus), and encouraging member participation and a rotational election of leaders. This training was facilitated by HelpAge with the support of project partners.
- **Finance training** improved the financial skills of selected record keepers, cashiers and accountants. They were trained in basic accounting and record keeping procedures. This training was conducted jointly by HelpAge and the project partners.



- **Training on seed money lending** improved the management capacity of OPA leaders and members in all 35 OPAs. The leaders and members received training in establishing rules to manage seed money, application and selection processes, and ways to track individual loan disbursements and repayments.
- **Information and training** by government. Service providers increased the technical knowledge of OPA members through interactions with government service providers. Training events in livelihoods and health were jointly organised by project partners, OPAs and service providers, and OPA leaders were encouraged to contact service providers independently when resources and services for the community were needed.
- **Training/discussion on self-reliance** increased the independence of the 35 OPAs. The OPAs were encouraged to seek alternative financial support to sustain their activities once the project ended. Towards the end of the project, project partners introduced methods to assist OPAs in accessing local resources to enable greater self-sufficiency and flexibility in planning their activities. While some OPAs have been able to generate resources, a longer period of time is needed to make the transition to total self-reliance.
- **Informal training** improved the capacity of OPA leaders and members through a number of informal training sessions, which occurred during the Project Manager's and Project Officers' interactions and meetings as part of their visits to the project villages

#### **Older people are able to play a greater role in their communities**

Due to improvements in their capacities, and ability to conduct activities that benefit themselves and their communities, there has been increased involvement from older people in these communities. The OPA management committees indicated during interviews that they were more closely involved with village committee leaders and community meetings. They also noted that the leaders of the village committees routinely participated in OPA meetings, and members of the OPAs revealed that they were more vocal in expressing themselves in the community meetings. Social activities alone generated considerably more interaction between the older and younger generations, and the overall community. For example, the younger generation was often encouraged to participate in learning cultural dances, dramas, and drum performances alongside older people.

#### **b) Technical and management capacities of local partners and service providers**

##### **Local partners**

HelpAge worked closely with project partners to strengthen their capacity throughout the project cycle. Initially, the partners participated in a workshop on participatory development, where they learned the project's implementation approach. They also learned about general project management and the specific monitoring requirements of this project. Exposure trips to HelpAge projects in India, Cambodia, and Vietnam supported their learning experience, providing first-hand visits to OPAs in other countries and the sharing of experience by other implementers. The health partners participated in a healthy ageing workshop to increase their knowledge on geriatric diseases and common solutions to health problems at the local level. Finally, there were project consultation meetings and annual review meetings to advise on project implementation and plan activities and budgets for each year, providing continuous learning and reinforcement of workshop objectives. A total of 23 workshops and meetings were held with project



partners. The partners' ability to support the OPA's development and implement work plans was essential in meeting the objectives of the project.

### Involvement of service providers

The project partners encouraged the involvement of government service providers, especially members of the county committees on ageing. Key leaders at village and local level were invited to attend important meetings and conferences, and project partners kept the service providers informed of major activities. Provincial coordinating committees were established in each of the three provinces, incorporating members from key government departments such as poverty alleviation, civil affairs and health.

Their involvement and exposure to ageing issues led to increased services and resources directed at the OPAs and project villages. Part of their sensitisation included field exposure visits to the OPAs, where they learned first-hand about the project approach and ageing issues. A total of 26 workshops were organised during the project for the purpose of building the capacity of government service providers (4 in Hunan, 5 in Shaanxi, and 17 in Sichuan).

### Interview with the Vice-Director, County Civil Affairs Bureau, Guzhang County, Hunan Province, 12 January 2006

The vice-director of the County Civil Affairs Bureau is Mr. Zeng Guang Song. Mr. Zeng is now working on a poverty project sponsored by the government, which started in March 2005 and has a budget of RMB210,000. He says the experience working on the EC-HelpAge -CNCA project helped him a great deal. There are similarities between the two projects; both seek to reduce poverty in rural areas through livelihoods support, and focus on developing a management committee (similar to the one instituted by the project OPAs). The difference is that the EC-HelpAge -CNCA project focused solely on older people, whereas the government's project is intended for all poor villagers. The government project focuses on infrastructure for employment and improved communication and transportation, and building clusters of enterprises that can return greater profits. The government project has used the financial management system of the EC-HelpAge -CNCA project for tracking expenditure as it wants to comply with international standards. The management committee must also be elected through a voting process, a mechanism adopted from the OPA model as this was viewed as effective.

Table 7: Involvement of county government leaders and service providers in project implementation - number of exposures and interactions

	Sichuan	Hunan	Shaanxi	Total
Field exposure visits	11	9	3	23
Participants in field exposures	228	90	13	331
Interactions for county level govt. leaders and officials	52	2	6	60
Participants of interactions	128	148	32	308
<b>Total</b>	<b>63</b>	<b>11</b>	<b>9</b>	<b>83</b>

**HelpAge's partners (CNCA and five provincial partners) gain a greater understanding of the situation of poor older people in rural areas**

Through the project, project partners gained a greater understanding of the situation of poor older people in rural areas. Their participation in activities to build the capacity of older people and strengthen OPAs also gave them ownership over the achievements of the project.

As a result of exchanges and participation in regional conferences, the China National Committee on Ageing and Provincial Committees on Ageing gained a broader view of ageing-related issues. This exposure enhanced their confidence in their ability to advocate on behalf of older people within China. It also helped them realise that they are not alone in tackling issues of ageing in developed and developing countries. This experience has given them a greater level of expertise on ageing issues in rural settings, and led to participation at conferences and policy discussions at provincial and national levels.

Partner experiences in the project villages has also translated into a body of learning, which has been conveyed to HelpAge, service providers and policy makers, and documented for the broader donor community. This was evident in their participation in the July 12 2006 evaluation meeting, where presentations and data were shared with participants on health, livelihoods and OPA management issues.

**HelpAge's partners improve their technical skills and knowledge**

Through training and both formal and informal meetings, project partners developed their skills in project planning and management. By the third year of the project, partners were highly competent in delivering financial and narrative reports to HelpAge, and conducting participatory meetings with various stakeholders. Evidence of their skill is the enlistment of four personnel from the SPCA and CNCA in a new five-year project with the United Nations Population Fund (UNFPA) on active and healthy ageing.

**The service providers and policy makers are sensitised on participatory approaches, and the needs and capacity of older people**

The participatory needs assessment conducted in Sichuan Province in 2001 highlighted the need for poverty alleviation through work on health and livelihoods. The average income of older people surveyed was RMB451 per year (the national poverty level line is RMB725, or EUR71 per year), and 51 per cent had health problems affecting their daily life. The assessment also showed that older people had difficulty in accessing basic resources, such as water and electricity, and had limited contact with government service providers. These findings underscored the need to make policy makers and the wider community aware of the vulnerabilities and needs of older people in rural areas.

Consequently, HelpAge and its partners developed a participatory development approach which stressed the need for organisations and older people to sensitise government leaders to the needs of older people in rural settings. The involvement of policy makers was regarded as critical in promoting the development of the project villages, developing policies to meet the needs of older people, and replicating the project model in other locations.

- **At the community level:** local village leaders and township government representatives participated in OPA meetings and events. On many occasions, these leaders attended celebrations and recognition of outstanding

community service by older people and village health practitioners. Their attendance at meetings heightened their awareness of the project objectives, which led to support from the local government in the areas of capacity building and monitoring.

- **At the county and provincial level:** each of the three Provincial Committees on Ageing (PCAs) participated in the annual review meetings of the Provincial Coordinating Committees. The discussion on involvement of government service providers increased awareness among the relevant stakeholders of the needs of the older people, and helped to generate resources from the government directed at the project villages. Other county government officials also visited project villages to meet the leaders of the OPAs to learn how to replicate the self-managed approach within their own counties.
- **At the national level:** two national level workshops on the approach of the project were organised, involving all relevant stakeholders including national government representatives. A four-day workshop was held in Changsha, Hunan, in December 2005, which focused on sensitising national government officials about the needs of older people and the achievements of the project. The 30 participants also visited a nearby OPA to broaden their understanding of the OPA model. In July 2006, a presentation was held in Beijing, China with invited guests from the donor community and national policy makers. This workshop focused on the results of the evaluation and assessments conducted by the project partners. The overall objective was to promote the effectiveness of the OPA model in alleviating poverty among older people, which was well received based on follow-up conversations with the participants. An additional outcome of the project is this publication, which summarises the model and its impact, and will be used in the future for disseminating the OPA model in China.

## Chapter 7: Contribution to poverty alleviation in rural areas

### The OPA's activities

As noted earlier, the OPAs provided the impetus for carrying out pilot projects on health, livelihoods, and to a lesser degree, advocacy. Members of the OPAs participated in health training events that promoted basic nutritional and behavioural practices, and health assessments where they learned about their health status and common geriatric illnesses. The evaluation revealed that 3,700 older people in the 35 OPAs participated in health and nutrition training. 74 per cent of OPA members participated in the health assessments carried out by the project's health partners. The training of 95 VHPs (Village Health Practitioners) and improvements in local health clinics in the 35 project communities improved health services and awareness for 19,337 villagers in these communities. Additionally, the project supported the purchase of basic health equipment, such as stethoscopes, blood pressure kits, and basic medicines.

Two studies by Xi'an Jiao Tong University (XJTU) and Central South University (CSU) concluded that the project had altered the health practices of the older people and improved their knowledge of self-care<sup>23</sup>.

Older people also participated as seed money beneficiaries and in livelihood training. The evaluation noted the successful use of loans in the areas of agriculture, livestock and household businesses, with a return on investment as high as 100 per cent. In addition, a study undertaken by Guo Haijun, an expert on poverty alleviation in China, found considerable progress was made in relation to poverty alleviation among older people through the project approach and the OPA model. A summary of the results of the study is discussed below.

Another activity undertaken by OPAs was supporting sick and vulnerable members. While not an official project activity, it was recognised by OPA leaders and members that assisting more frail members was a rewarding and indispensable activity of the OPA. On many occasions, OPA leaders reported on OPA efforts to assist through visits, food and monetary donations, and accompaniment on visits to medical practitioners. To further improve conditions for the poorest members, many OPAs developed a grant fund to provide assistance. Others included such members (even though they were a higher risk) in seed money loans, providing a smaller amount, but nevertheless enabling their participation in the intervention. The outcome for older people in these communities is a form of social security, with more established members looking out for the wellbeing of those facing more difficult circumstances. The case studies in the evaluation report substantiate this element of the OPA's contribution to more impoverished members.

<sup>23</sup> See page 13 for a description of the health interventions and impacts. Many studies have shown that the improvement in health leads to gains in productivity (Schultz, 2005), and based on this causal analysis one can also attribute improvements in health and nutritional practices to an increase in the earning potential of the beneficiaries. Furthermore, as economic development occurs, studies show that the health of the population improves as well (Case, 2000).

### The study by Guo Haijun, poverty alleviation consultant, 20 June 2006

A study of the impact of interventions on the poverty of older people in rural areas was commissioned by HelpAge and CNCA. This 2006 study concluded that the "EU-HelpAge CNCA project in China has achieved success and the operational model is feasible, achieving the expected target and effect [as] specified in the

project bidding document.”<sup>24</sup> The report details the approach of the model and the operational benefits of the seed money.

In particular, the table below illustrates the allocation of seed money and its impact in the three provinces:

Table 8: Results from study by Guo Haijun

Province	Loan Amount Granted (US\$)	Beneficiaries (No. of older people)	Coverage Rate of the Beneficiaries (per cent)	Capital Recovery Rate (per cent)	Annual Average Return (per person in US\$)	Value-added Rate (as per cent when comparing to the start-up)
Shaanxi	88,500	657	60.8	100	90	43.7
Sichuan	143,750	1,113	67.0	100	92	43.6
Hunan	79,625	422	39.0	100	98	53.8
<b>Total</b>	<b>311,875</b>	<b>2,192</b>	<b>64.2</b>	<b>100</b>	<b>93</b>	<b>47.0</b>

The report concludes that the *‘independent operation and management of financial affairs and independent participation in production relief [by the OPAs] is undoubtedly an effective model.’*<sup>25</sup> It also recommends that access to credit by the government be increased to achieve similar results as achieved through the project’s innovative and cost-effective form of microcredit. It emphasises that this model is most effective when there is support in the form of state policies, laws and funding that support a *‘system of mutual assistance’* which will result in *‘economic cooperation organisations for microfinance loans in the poor rural areas so that the farmers can own their own financial institutions to get support in economy and production.’*<sup>26</sup>

Given the average household income of US\$281 in rural areas (which is higher than the average income of older people), one can deduce from this study that the average income increase of the beneficiaries was at least 33 per cent. This is a significant overall achievement in reducing the level of poverty among the rural poor.

<sup>24</sup> A Survey Report on Poverty Alleviation Model of EU-HelpAge China Project, Guo Haijun, June 20, 2006, p.1.

<sup>25</sup> A Survey Report, Guo Haijun, p. 15.

<sup>26</sup> A Survey Report, Guo Haijun, pp. 19-24.

## Chapter 8: Replication of the OPA model in China

### Community support

The OPAs have generated a considerable amount of support from within the communities. The participation of other community members in the OPA's activities, such as the attendance of village leaders at meetings and involvement of youth in cultural events, created lasting relationships that bridged generations. Opinions about older people within the communities became more positive because of their ability to improve their own wellbeing through active engagement in the social, livelihood and health activities. The independence that developed through self-improvement and mutual support resulted in older people being viewed as not only more self-reliant, but also resources of the community. Older people were no longer perceived as a burden, instead seen as contributors to village's overall development.

### Influence with local and national leaders

The OPAs are considered important mechanisms for improving the circumstances of older people, thus reducing the amount of time that local government spends on handling older people's issues in their communities. It was common for local government leaders to highlight the contribution being made by OPAs, and because of their active participation in the community, OPAs were seen a vehicle through which government are able to implement policies in a practical way. The organisation of older people allows them to be heard with one voice, improving communication and interaction between government officials and older people themselves. The officials know who are the OPA leaders and solicit their assistance in their interventions, and OPA leaders know who the officials are and request their support for meeting the needs of the local communities.

A positive outcome of the project was the establishment of these linkages, which subsequently led to greater resources being provided to the project villages. It was common for OPA leaders to request government support in the establishment of OPA activity centres. The centres are a focal point of group organisation, providing a common area to conduct meetings, training sessions, and also socialise. Many OPA leaders received monetary and/or material support to construct these centres. For example, in the three OPAs in Maliu Village, Pingbian Township (Pingshan County, Sichuan Province), materials for the OPA centre were all donated by the government, and villagers used their own labour to build the centres. The members use it for their monthly meetings, social activities like playing mahjong and cards, training activities like skill-sharing, and health consultations with the VHPs.

Another positive outcome came through exchanges and interactions, where government officials met OPA members first-hand and learnt about the project objectives and achievements. There were a total of 83 exchanges and interactions during the project, and the interest generated through these meetings led to more financial and material resources being provided to the project villages. In Table 9 below, the total financial resources allocated to the project provinces by government departments during the project are summarised by province. There was also interest in continuing this support; for example, in Shaanxi, the Shaanxi Provincial Poverty Reduction Department indicated that they would continue

to make capital investments to support a second phase of the project (as long as the selected villages were part of their poverty reduction programme). They also stated that they had learned a lot from the project, especially with respect to the participatory approach utilised and capacity building at the local level.

Table 9: Summary of the government's capital investments

Province	Capital investment by government	
	(RMB)	(Euro)
Sichuan	3,660,000	358,600
Hunan	1,450,000	142,200
Shaanxi	2,300,000	225,400
<b>Total</b>	<b>7,410,000</b>	<b>726,200</b>

## Replication at the township and county level

The success of the model and linkages established with service providers and policy makers has resulted in replication of the model in other townships and counties. The contribution to the wellbeing of older people through the model has also been recognised at county and provincial level, with several OPAs receiving awards in the three provinces for their determined efforts. The project officers and local government leaders reported that 13 other townships have adopted the community-based, self-managed OPA model.

An example is Yao Ji Township in Sichuan Province, where there are four villages, three of which are project villages. The other village, Jiu Luo, has complained about not receiving similar benefits as the other villages. Consequently, the government plans to replicate some aspects of the project, such as providing an activity centre, and providing the OPA with RMB10,000 (EUR980) to support the operation of a small business that will raise funds for OPA activities. The OPA in Jiu Luo will also adopt the self-management structure and election processes of the other OPAs in Yao Ji Township. Beyond Yao Ji Township, other townships in Baoxing County are also interested in the OPA model. The Yao Ji Township Project Assistant, Mr. Yang De Zhi, indicated that Long Dong, Ling Guan, and Mu Ping Townships had all borrowed materials and planned on using the structures and policies of the project model in Yao Ji Township.

## Future plans

As long as the OPA is allowed to maintain its own bank account and select its own leadership, it is likely that OPAs will last into the foreseeable future. The revolving loan fund continues to provide OPAs with a reason for engaging in group discussions and meetings. HelpAge has obtained additional funding to support and maintain the OPA's activities. An issue of continuing importance is the formation of a well-structured monitoring system at the local level that builds the confidence of the OPAs.



Some of the key lessons that have been learned thus far in establishing the EC-HelpAge CNCA participatory model are listed below. A discussion of these various topics can be found in Annex 3: Best Practices on OPA Formation in China.

- There should be greater emphasis on assisting the poorest and sick members
- Training of older people improves the OPA's capacity, and improves older people's social status and the overall development of the village
- Social activities improve older people's fitness and the OPA's capacity
- Capacity building in the area of fundraising leads to the OPA's sustainable development
- OPAs formed in close proximity have greater group dynamics
- Leadership of the OPAs is critical in developing effective organisations
- Transparency of rules and records leads to improved self-management
- Self-management of the OPAs results in sustainability
- Women should be involved in the management committee

In addition, a guideline for establishing OPAs is provided in Annex 2.

## Chapter 9: Conclusion

Older people's associations (OPAs), in particular those using the self-managed OPA model, have demonstrated themselves to be capable of making a practical contribution to the rural poverty reduction strategies promoted by the Chinese Government. The project carried out in three provinces of China is a source of learning and replication. There is much that older people can do to support their own wellbeing and improve their knowledge and health practices, whether through mutual social support, income generating activities, or organisation of technical training. The self-managed OPA model has proven to be a successful means of initiating pilot projects and cultivating the wellbeing of poor older people in rural areas<sup>27</sup>. This model is coherent with rural development and poverty reduction strategies and the 11<sup>th</sup> 5-year National Plan on Ageing recently adopted by the Chinese government, and could lead to the establishment of many more OPAs with the capacity to reduce poverty and improve the overall wellbeing of older people and their communities in China.

**27** This model has only been adopted in rural areas, but based on HelpAge's experiences in other countries, this model can also be utilised in municipal areas where there are pockets of resource-poor areas within the well-to-do areas.

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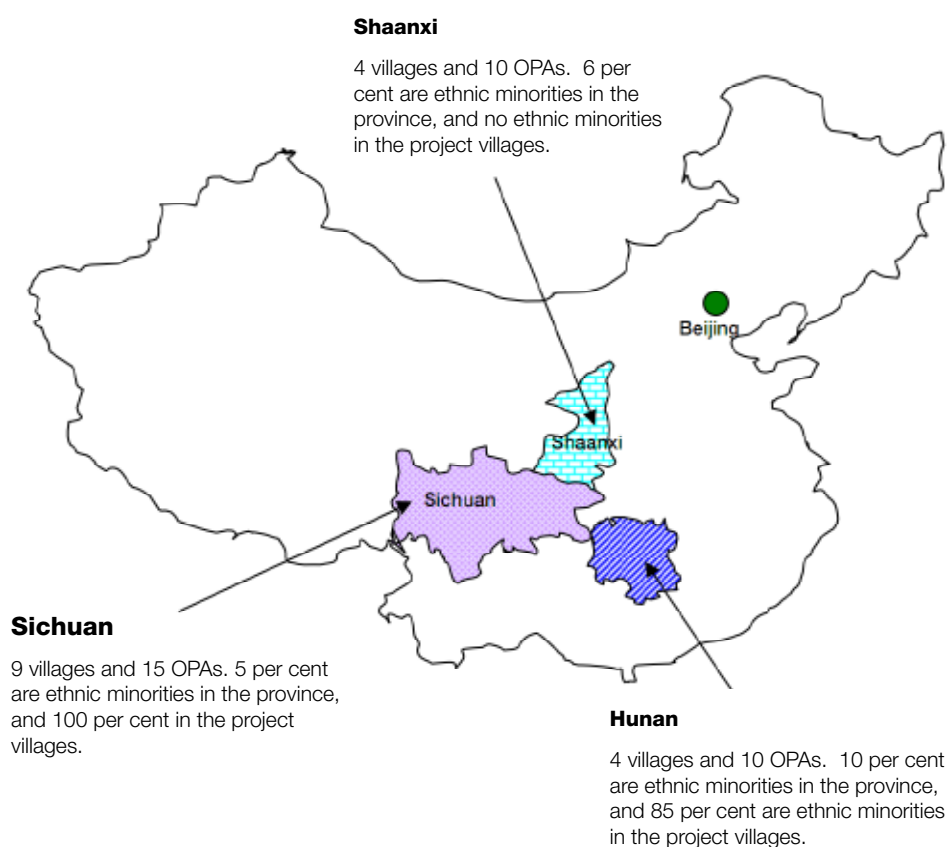
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## Annexes

### Annex 1: Map of project provinces



## **Annex 2: Guidelines for forming older people's associations (OPAs)**

These guidelines are a tool to assist those working with older people to understand the role and process for establishing an OPA. The guidelines are based on experiences of HelpAge in Cambodia and China, and may need to be adapted to meet the specific needs in a country or a region.

### **I. Definition of OPAs**

Older people's associations (OPAs) are community-based organisations aimed at improving living conditions for older people. They provide a mechanism for providing social support in the community as well as for facilitating and delivering projects and services.

### **II. Role of OPAs**

- To provide social activities for older people
- To increase older peoples skills and abilities
- To assist the poorest and sick members
- To provide vocational training
- To improve older people's social status
- To improve the overall development of the village or community
- To advocate on behalf of the community, with special regard to older people's needs, to the local authorities (village leaders, development councils), and service providers (health centers, rural development departments, etc.)
- To assist in the implementation of development plans of local governments
- To improve older people's health and fitness
- To become a self-sustaining OPA which has transparent functioning
- To promote equality between men and women
- To promote social harmony
- To improve empowerment of older people
- To serve the older people through democratic processes

### **III. Typical benefits of OPAs for older people and the community**

- Older people's associations are self-run and self-managed organisations, which promote sustainability
- The members of the OPAs work together to support the members most in need for example, through livelihood, health and social promotion projects)
- OPAs are part of the community and can work well with other community organisations and with local government in the village's development
- OPAs develop the capacity of its members; older people are trained in how to manage, lead and advocate. They also receive and share technical trainings, such as agricultural and health training.
- OPAs can have positive influences on younger people, because OP can share their learning and experience with other people in the community
- OPAs improve the attitude of older people by reducing loneliness, providing greater confidence, and greater security.

### **IV. Examples of activities of OPAs**

- Social activities such as music and exercise classes
- Advocacy on the rights of elderly people and their capacities
- Education on subjects, such as livelihood, health and intergenerational issues
- Implementation of livelihood, health and advocacy projects

- Disaster preparedness initiatives
- Organising exchange visits between OPAs for awareness-raising
- Fundraising activities, such as small business enterprises and government relations
- Community education
- Follow-up on requests by the village committee
- Mediation of family conflicts and promotion of inter-generational relationships.

## V. Steps in forming an OPA

### Step 1: Selection of suitable OPA communities

- Select villages/communities on the basis of predetermined objectives (e.g. the project objective maybe to develop OPAs for reasons of poverty alleviation. This would mean localities would be selected according to their poverty status. Other objectives may be to promote community awareness of HIV/AIDS)
- Collect information on the community from village leaders, respected older people, monks, nuns and teachers to be used by the field workers when they make their final decision about which villages are most suited to have an OPA.
- Field workers meet to determine which sites appear to be most appropriate for the development of an OPA.

### Step 2: Orientations, and determining the purpose of the OPA

The orientation process should clearly state to older people how the OPAs work and what their purposes are. It is also important for the OPA to have a mission and a vision, for example supporting poor older people in the community. It is advisable for the field worker to facilitate discussions on the following issues:

- The needs of older people and the community
- The priorities of the OPA
- The means to solve the problems, and the steps
- The activities which are necessary to respond to the needs of the community. In some instances OPAs will develop sub-committees to head separate projects (health, livelihood, social)
- Potential pitfalls and ways to overcome them

### Step 3: Process of creating an OPA (membership, leadership and rules)

- **Awareness-raising:** After the field worker has oriented the selected communities, it is advisable for interested older people to participate in an exchange visit to another OPA to develop their understanding of the role of an OPA and the process of establishing an effective OPA
- **Membership:** there are a number of ways that membership can be decided, for example:
  - There can be an age limit (e.g. members must be over 55), and then a quota is set (typically 25 members) based on “first come first served” criteria.
  - There can also be an age limit, and then open membership where there is no limit to the number of members.
- **Leadership:** The selection of a management committee can be a difficult process that sometimes requires support from village institutions (such as village committee) and training on how to conduct an election in the

community. It is recommended that the OPA management committee is elected in a democratic and anonymous fashion (secret ballot).

- **Sub-groups:** Some OPAs like to have a number of sub-communities, such as a disaster management committee, a social activities committee, a seed money management committee or a health committee (this will vary depending upon the objectives of the OPA). Membership to these should be elective. It may be useful for caps to be put on the number of members of the sub-committees; however, they have proven useful in the organisation of activities of the OPA and increase participation and reduce the workload of the management committee.
- **Rules:** It is necessary for the OPA to develop a number of by-laws (rules governing the internal management of an organisation); these rules should enable the OPA to be self-managed. Self-management of the OPA is a key ingredient in sustaining the activities of the OPA when the NGO field workers are no longer available. It is recommended that the OPA works out its own by-laws together, facilitated by a field worker. They should list the roles and responsibilities of the leadership as well as those of the members. Once the by-laws have been drafted they should be written up and hung in a public place. Similarly, financial records and organisational structures should also be recorded and posted on walls; thus the members are aware of the financial and management status of the OPA which develops transparency. However, it may be necessary to provide the OPA with training on how to:
  - Register the OPA with the government
  - Set up a bank account
  - Manage the organisation's finances in a transparent way
  - Select bookkeepers and cashiers to manage the seed money
  - Set up clear procedures for the selection of beneficiaries for the OPA's resources, such as seed money/rice banks/cow banks (assuring that those most in need have access)
  - Take minutes and record decisions
  - Put in place by-laws that explain the rules of membership and the rules for the management committee
  - How to conduct fund-raising activities
  - How to work with the government to access technical training and other resources
  - How to work with local institutions to improve the wellbeing of older people
  - How to build the capacity of the OPA leaders
  - How to promote participation of older people in OPA activities

#### **Step 4: Continuity of activities**

It is important for the OPA to have support in the initial stage of formation so they can overcome the problems that may arise in management and implementation of activities. However, the purpose of setting up an OPA is to develop a self-sustaining organisation. The NGO is meant to provide the OPA with the tools to determine what problems they face in their respective community and with the means to find solutions. The OPA may also need to be educated in how to find other means of accessing income in order to provide sustainability, such as:

- How to access government funds and training
- How to conduct fundraising activities within the membership/community
- How to set up group enterprises to support the budgeted activities



### Common difficulties

From experience it has been noted that there are a number of pitfalls when developing an OPA. It is important to be aware of these issues and to try and confront them as they arise. Examples of common difficulties are:

- **Gender imbalance:** this is especially pronounced in management, as more educated members are selected and women in the rural areas are typically uneducated. Therefore, women rarely represent the gender proportionality of the OPA membership.
- **Leadership candidates:** '*natural leaders*' (e.g. village leaders, party leaders) tend to dominate the management of the OPA, making the OPA an extension of existing power structures from the outset. The typical result is that the OPA membership is not able to voice real concerns and issues.
- **Meeting the needs of the poorest members:** since the membership typically focuses on the needs of the majority, there is sometimes an exclusion of the poorest members (who have little to contribute to the OPA) and thus they become passive beneficiaries.

### **Annex 3: Best practices on OPA formation in China**

Older people's associations (OPAs) are at the centre of this project to alleviate poverty for older people and their communities in Western China. OPAs were in existence prior to the initiation of the project. The OPA model is supported by the People's Republic of China to provide social activities for older people. There are currently over 400,000 OPAs in China.

This project has developed a different model from the traditional OPA model in China. The principal difference is that these OPAs are responsible for initiating pilot projects on livelihood and health issues. In the selected OPAs, training was provided on OPA formation and management. Self-management of the OPAs is a key ingredient in sustaining the activities of the OPAs. There is a process of developing by-laws and for selecting the management committee to lead the OPA in its activities. There is also the selection of bookkeepers and cashiers to manage the seed money provided through the project. Also, the OPAs have adopted clear procedures for the selection of beneficiaries for the seed money, leading to an open and transparent system.

The following lessons are drawn from the experience of the project:

#### **OPAs formed in close proximity have stronger group dynamics**

One lesson learned is that there is greater social cohesion when OPA members join together based on their proximity. Some OPAs in the more remote areas were formed by members who have to travel a long distance to attend the group meetings. These OPAs tended to have less social cohesion and fewer activities as a result. The OPAs formed on the basis of established communities, however, demonstrated a much higher level of participation, social interaction, and group activities. The best practice is therefore to form OPAs out of existing communities where the older people live relatively close to each other.

#### **Leadership of the OPAs is critical in developing effective organisations**

OPA leaders in the management committee are crucial to the capacity of the OPAs to conduct their affairs. It is common for literate and educated members to be selected for the management committee. The choice of leaders has an impact on the operation of the OPA, and typically, those with enthusiasm and drive are able to build solidarity among the members and thereby increase participation by the members as well as increase the level of activities. Good leaders will also seek to be transparent about the OPA's finances and self-management practices and seek ways to generate funds for their activities. One example is setting up a tea plantation as a way to generate revenue for the OPA.

#### **Transparency of rules and records leads to improved self-management**

All of the OPAs in the project have by-laws for operating the OPAs, as well as the rules for obtaining the seed money. Most of them have both sets of rules clearly displayed upon the OPA's activity centre walls. The financial records and organisational structure are also recorded and posted on the walls, and thus the members are aware of the financial and management status of the OPA. This openness creates a level of fairness among the members and allows the members to voice their opinions and suggestions to their leaders. This openness and frankness helps to improve the self-management of the OPAs through suggestions from the members, and leads to a desire among members to participate in improving the capacity of the OPA to manage its activities.

**Self-management of the OPAs results in sustainability**

The ability of the OPAs to manage their own activities and to adopt measures to improve their effectiveness enables the OPAs to operate for the long term. Clearly, financial issues affect sustainability as well. From an operational view, though, the ability of the OPAs to elect their own leaders, to be involved in the governing rules of the OPA, and to voice their opinions have the effect of generating participation. The effect is that the organisation looks to its own members to provide the capacity to operate, which the older people have shown they are capable of doing.

**Women should be involved in the management committee**

The involvement of women in the management committee allows them to represent the interests of women members. Capable women leaders can help balance the decisionmaking authority and generate more interest among women members, as well as provide resources for activities involving women. Over half of the members of the project OPAs were women. The active participation of older women within the OPAs helps to strengthen the OPA and their families by ensuring the needs for social, mental, and physical activities of older women are met.

**Social activities improve fitness and social bonding**

Older people lack of social activities in their daily life. Social activities add spice to older people's daily life, and they provide a platform for gathering everyone together and communicating important information. As a result of these activities during the project, older people's health improved and unhealthy habits became less common. Because the activities were organised by OPAs, their capacity also improved; now most village OPAs can organise exchange visits, agricultural trainings, and touring visits independently.

**Fundraising capacity building is important for OPA sustainable development**

OPA cannot always depend on support from the project, so capacity building in fundraising is very important before end of any project. Microcredit can improve individual income and OPA management's capacity, but it cannot increase the income of the organisation. Approaches of increasing self funds included collective projects, social activities and donations. These skills were developed through exchange visits, trainings, and information sharing.

**Older people's associations and poverty  
alleviation in rural areas: The experience in China**

**HelpAge International-Asia/Pacific**

6 Soi 17, Nimmanhemin Road  
Suthep, Muang, Chiang Mai 50200 Thailand  
Tel: +66 53 225 440 Fax: +66 53 225 441  
hai@helpageasia.org

**HelpAge International**

PO Box 32832  
London N1 9ZN, UK  
Tel: +44 20 7278 7778, Fax: +44 20 7713 7993  
hai@helpage.org

[www.helpage.org](http://www.helpage.org)



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