The Organization of Community Support for the Rural Aged
in the Time of Economic Transition

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Abstract: This study examines the potential of rural communities for generating and allocating resources for rural old age support in the context of decreasing family resources and inadequate state provision. In-depth interviews with elderly people, their families, community leaders and government officials of three villages respectively located in three provinces provide us with clear evidence on existing local institutional arrangements for rural old age support and the role of both government and community in organising such programmes. They confirm the potential of rural communities to generate and distribute resources for old age support, to offer community opportunities for social inclusion through fair flows of resources to promote social harmony and stability, and to accelerate economic growth. The findings of the study imply that there is a need for policy-makers to link the state effort for old age protection to rural community development, and encourage grassroots efforts in old age support.

Keywords: old age support, rural development, resource distribution, community organisation

1. Introduction
In China, despite the fact that the rural elderly makes two thirds of the total aged population, only less than 4% of them are covered by the state old aged insurance program. In the urban areas where the majority of the aged live on pension income, nearly 30% of the urban elderly currently are still excluded from the state social insurance programs at the same time (CNCA, 2004). This unequal distribution of the old age provisions has been existing for decades as a prominent feature of the country’s
welfare system.

The social organisation of support for rural aged people in societies undergoing rapid social transition has proven to be problematic not only because of a lack of political interest among policy-makers, but also because of insufficient understanding of the needs of older rural residents and the absence of effective mechanisms for sustainable resource allocation. While state initiatives on social pensions may provide an alternative for organising social protection for the rural aged population, their need for support can hardly be adequately addressed without the fair distribution of local resources.

China illustrates the difficulty of providing social protection for the rural aged population that is often found in developing societies. Having experienced tremendous demographic transition, indicated by a rapid increase in the number of the aged since the 1980s, the total number of those aged 60 and above has reached 169 million, making this group 12.79 per cent of the total population by the end of 2008 (State Bureau of Statistics, 2009). Of the elderly in China, nearly 70 per cent currently reside in rural areas and very few of them are covered by existing state old age insurance programmes (Xinhua News Agency, 2009). At the same time, rural communities in China have experienced profound social and economic transition during which family resources for old age support have been substantially undermined. A national survey in 2005 indicated that, despite the existence of a national and some local social insurance programmes, the distribution of insurance coverage among the Chinese elderly is geographically highly uneven. In urban areas, 57.5 per cent of the elderly are covered by old age insurance or retirement pensions, while in township areas, the proportion covered is 24.8 per cent, the beneficiaries in rural areas make up only 4.6 per cent of the rural aged. At present, 54.1 per cent of the rural aged Chinese have to rely on family and 37.9 per cent of them still work to support themselves (State Bureau of Statistics, 2005).

The Chinese government tried to organise a voluntary old age insurance programme for the rural elderly at county level in the early 1990s. However, a lack of stable income was a barrier to farmers’ continued contributions. As a result, a very limited
number of such programmes in rural areas have been sustained through the rapid industrial transition. By the end of 2000, only 61 million rural people, 11 per cent of the rural population, were still participating. The number of elderly benefitting from this insurance was even smaller, and the average level of yearly benefits from the insurance was even lower than that received from social relief programmes for people in poverty. As a result, the programme was stagnating at the beginning of the new century (Ding & Chen, 2005).

Some reasons have been identified for the failure of this rural old age insurance programme. Firstly, it was based on the idea of commercial insurance with a flat rate contribution from individual peasants being expected. However, farmers did not receive as stable an income as urban workers. Moreover, their income was so low that they had difficulty finding extra money to contribute to the old age insurance fund. Even if they joined the programme, they tended to keep the insurance at the minimum level. Second, the programme was organised so that only those who were wealthier and younger could be included and those who were relatively poor and older tended to be excluded. Third, even in some places where farmers could make contributions, there was a lack of experience among programme organisers in managing the funds and problems of inappropriate fund management were widespread. Last but not least was the lack of a legislative basis for organising such a programme, which led to competition among government sectors for control over funds without effective systems for monitoring (Qiao, 1998; Gao, 2003; Huang, 2004).

Leaving these problems unresolved, the Chinese government has recently made efforts to establish a national social pension funded by public finance, in response to the need of the rural aged population for income protection. The scheme was piloted in 2009 and expected to function as a component of the nation’s old age security system starting from the year of 2010. The scheme provides rural residents of aged 60 and above with a monthly income of 55 Yuan\(^1\) and is financed directly from the state. It is still early to evaluate the impact of such a scheme on the rural aged Chinese. Existing

\(^1\) The average income of the rural resident in the year of the 2009 was 5153 Yuan. See State Statistic Bureau (2010), 2009 Statistic Bulletin, http://www.stats.gov.cn/tjgb/ndtjgb/qgndtjgb/t20100225_402622945.htm)
studies (Barrientos, 2005; HelpAge International, 2006; Johnson & Williamson, 2006; Samson, Niekerk and MacQuene, 2006) on the practice of social pension schemes in some developing countries seem to confirm uniformly the positive impact of such programs on poverty reduction among the aged. The public opinion also regards the scheme as a positive step toward institutionalised rural old age security. On the other hand, the uniformly low rate of benefit makes it reasonable to question the programme’s adequacy. There is an increasing public awareness of the importance of a fair redistribution of resources at local and community level to supplement the state’s efforts.

The encouragement of the involvement of old people and organisations in the community becomes increasingly critical for the effectiveness and sustainability of any programme of support. In searching for potential mechanisms for rural community involvement in the organization of support for the elderly, there is a need to answer the following questions. How does the local institutional and cultural environment affect the elderly? How are the community resources mobilised and distributed? What is the relationship between various stakeholders in the community? How the existing community programmes for old age protection operate? This study of three cases of rural aged support practice, based on different geographic locations in China, generates first-hand knowledge about the reality of rural old age protection in transitional China, and enhances our understanding of the above questions.

2. Methodology

This exploratory study used qualitative methods of field observation and in-depth interviews with community residents to collect information on the daily lives of old villagers and their living environment, principles and mechanism of community resource mobilization and distribution, and the organisation of community efforts for old age support. The selection of villages was purposeful, taking into account various levels of development. Among the three villages chosen, one is a case located in a more economically developed area where community life remains relatively collective. The second is located in a region where the level of development is about the national
average, and the third case is located in a region that is relatively under-developed. As China has a large territory and is so geographically diverse, instead of random sampling we selected cases to represent different conditions as a result of different level of socio-economic development of different regions. We are fully aware of the limits of the method used. Rather than making any generalizations, the purpose of the study was to generate meaningful questions about rural aged support.

Our research team, the project leader and five research assistants, made three visits to three case villages to conduct field research between July, 2008 and May, 2009, spending in total six weeks to two months in each village. First-hand information was gathered through field observations, in-depth interviews and focus group discussions. Content and textual analysis of the information collected helped us to understand the channels through which community resources flow to individual elderly persons, the effects of the flows on individual and households, the relations of flows to community development, and the economic and social positions of the elderly in the family and community. We refer to these villages as Case A, Case B, and Case C.

2.1 The status of the aged persons in the three villages under study
Although over half of the Chinese still live in rural areas, it is very difficult to make generalisations about their living standards because huge inequality exist between those who live in relatively developed areas and those in under-developed areas, between those who live along coastal areas in the east and those in inland in the west. These differences are also reflected in the status of the elderly. We can see from Table 1 that demographic differences among the three cases are obvious. While the elderly make up 17 per cent of the total population in Case A and 18 per cent in Case B, respectively, the same age group only makes up 9 per cent in Case C. Another obvious difference is in income status. In Case A, all the aged villagers are covered by local and community old age insurance programmes. However, the majority of the aged in Case B and Case C are not protected by any old age insurance programmes. In the absence of a stable income from social security, old people in these two villages had to rely on income generated from work where they were capable of it, along with cash and
in-kind provision from adult children. In Case B there were well organised paid labour opportunities for the old and subsidies were provided by the village’s Association for Old Persons to those in poverty. In Case C, there were no organised efforts to support the aged.

This study found that children’s resources for supporting their aged parents were limited. They usually had no problem with providing food, clothes, and daily necessities to the aged parents in need of support. However, providing cash to pay for their parents’ medical bills and other expenses on their social activities could become a burden hard to bare (Tang and XU, in press). This finding has also been confirmed by the survey of the New Rural Cooperative Medical Scheme (NRCMS) in China (another SPA project) where it is found that even with the NRCMS in place, about 20% of the elderly had to pay the bills out of pocket and nearly 38% of them had the NRCMS reimburse only small proportions of the bills with reimbursement rates declining along with the increase in expenditures (Yi and Zhang, 2009).

Despite these differences in the proportion of the aged and their income status, old persons across the three villages shared similarities in living arrangements and labour participation. Contrary to beliefs regarding the rural living arrangements of old people with large families, the elderly in these three villages tended to live in a separate household from their adult children. Moreover, whether they were protected by income maintenance programmes or not, they tended to participate in productive labour as long as they were physically capable.

<table>
<thead>
<tr>
<th>Case Characteristics</th>
<th>A</th>
<th>B</th>
<th>C</th>
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<tbody>
<tr>
<td>Status of the elderly in the villages studied</td>
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Villagers aged 60 and over: 142 (17 per cent of the total population of 822), 479 (18 per cent of the total population of 2,668), 166 (9 per cent of the total population of 1,524).

Living arrangement:
- Almost all live independently (Case A)
- Most independently (Case B)
- Some independently; some with children (Case C)

Income:
- Stable & multiple sources (Case A)
- Less stable but multiple sources (Case B)
- Unstable & limited sources (Case C)

Labor participation:
- General participation in paid labor (Case A and B)
- General participation in agricultural labor (Case C)

3. Review of the communities studied

The three communities in this study vary in terms of size and resources for old age provision. Table 2 demonstrates their variations in community provision, coverage, funding, and resources generation for old age support. A review of the development of each case in the following section is intended to provide a contextual background.

Table 2. Old age support in the three villages studied

<table>
<thead>
<tr>
<th>Case Support</th>
<th>A</th>
<th>B</th>
<th>C</th>
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<tbody>
<tr>
<td>Provisions</td>
<td>Pension/housing/job opportunities/medical care/LTC subsidy</td>
<td>Paid job opportunities /living subsidies</td>
<td>Occasional subsidies for organised entertainment activities</td>
</tr>
<tr>
<td>Coverage</td>
<td>All members of the village</td>
<td>Those physically capable; those in poverty</td>
<td>Those socially active</td>
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### Funding

<table>
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<tr>
<th>Community resources</th>
<th>Budget by village committee</th>
<th>Budget by Association for Old Persons</th>
<th>No budget</th>
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<tbody>
<tr>
<td>Profits from village-owned industrial output</td>
<td>Profits from collectively owned and NGO-managed businesses</td>
<td>Profits from farmland leasing</td>
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3.1. **Case A -- Integrating old age provision into community development**

Our first case was located in an area where the manufacturing industry had been rapidly developed in the past three decades. It was a village of 822 residents, 142 of them aged 60 and over. In the past three decades, the village quickly accumulated some collective resources through the successful organisation and operation of four collectively owned enterprises. In 2008, the village’s total GDP was 200 million Yuan, the average annual income per capita was 19.3 thousand Yuan, and the total income of the village was 10 million Yuan.

With the funds generated from industrial production, the community leader and his decision-making group developed a collective welfare system that ensured a secure later life for villagers. The village welfare provisions for the aged included pension income, free medical care, free retirement apartment with furniture, subsidies to families caring for frail elderly members, and opportunities for paid work. Villagers started to benefit from these village provisions at the age of 55. The elderly had a monthly pension income of 300-600 Yuan according to age. They could choose to live with children or independently in an apartment in the retirement housing area which was located within the same village. If they were healthy and willing to do some work, they would have the opportunity to get a paid job as a gardener, a street cleaner, or cafeteria helper. If they were sick, they could get free medical care at village clinic and reimbursement for medical expenses on hospital visits.

Case A seems to confirm again the argument that the community provisions for old
age support only happen where substantial resources are accumulated through economic development. However, a further examination of the history of the village showed that the development of community old age provisions started long before the resources were accumulated. In the early 1980s when the village’s resources were very limited, the community leaders prioritised pension provision to aged community members in their development agenda. At that time, they believed that this was the right approach to the implementation of state policy on family planning. Unlike most of the rural villages in the area, where land and other community resources were privatised, JX village had maintained collective production and organisation. At first, the pension benefit level was small and coverage was relatively low. With economic growth and an increase in the amount of resources had come a gradual rise of pension benefit levels and the expansion of old age welfare coverage. This was based on the prioritisation of fair sharing of the products of economic growth among the villagers. In 2007, community expenditure on pension payments reached 611,400 Yuan, about 6 per cent of the total collective income that year.

The development of welfare provisions for the aged in Case A as part of the village development benefited from the political determination of the community leaders to ensure ‘wealth for all’ played a critical role in constructing community welfare programmes. Since the 1980s the village leader, a charismatic figure, has persistently held a belief in collective ownership of the land and other production materials as an approach to collective prosperity. Under his leadership, the village experienced rapid growth in industrial and agricultural production and a distribution of the wealth accumulated through economic development. As a result of this welfare provision, the distribution of income and material resources among villagers was relatively even.

Case A also demonstrated a coordination of government and community support. As mentioned above, the village is located in a relatively well-developed area compared with other parts of the country. In 1992, the local government started to organise a pension programme for farmers, funded by insurance contributions from farmers and subsidies by the local government. The pension from the old age insurance provided elderly people with an income that was stable but relatively small. The organisation of
the community pension provision in Case A funded by resources generated from collective production effectively supplemented the local government insurance programmes. As a result, the individual income of the aged persons in Case A was substantially higher than that of the aged in the surrounding villages, which enabled them to maintain an independent status in their community and families. When the state rural medical insurance programme started in 2006, the contribution of the individual villagers to the medical insurance was paid by the collective fund.

3.2. Case B -- Empowering the elderly through community organization

Case B illustrates a self-organised effort by elderly community members to create resources for community welfare provisions as part of their effort to contribute to the economic growth of the village. The village had a population of 2,668 people and the average income of the villagers in 2008 was 7,506 Yuan, 20 per cent higher than the average in the surrounding villages. Farmers there were generally involved in vegetable growing and generated income mainly from selling vegetables and other farm products. As a result, their income level had remained low and the community had very limited resources for old age support. Unlike other villages nearby, Case B had a senior organisation, the Association for Old Persons (AOP), searching for opportunities for older villagers to live independently while contributing substantially to local economic development. The AOP was initiated and led by a group of people who had retired either from teaching or from commercial institutions in 1992. The original purpose for establishing such an association was to manage and regulate the village-based wholesale vegetable market. After 16 years of development, the market has become one of the largest vegetable trading centres, providing commercial services to a population of over 100,000 vegetable growers from about 1,000 villages in the region. The market also created about 1,400 jobs for local people and an elderly person who was willing and physically capable in the village usually had an opportunity for a paid job.

The market became the major source of income for the community. Along with the development of the market, the AOP generated funds for starting up 13 service
business entities such as vegetable storage, oil supply, inns and restaurants, two trial programmes for vegetable growers – vegetable planting and tropical fruit growing demonstrations - and three workfare programmes particularly for old people involved in gardening, freshwater aquiculture and courtyard production. By 2008, this self-organised association had accumulated assets of over 10 million Yuan, paid total tax of 17 million Yuan to the state and contributed over 5 million Yuan to the village collective. In 2008 alone, AOP generated an income of 13 million Yuan.

Older people in Case B benefit from the efforts of the AOP in terms of opportunities for flexible employment and related income, which enhances their ability to be financially independent and secure. They also benefit from the village welfare programmes funded by an increasingly sound collective income source. These programmes include collective contributions to the state rural medical insurance for all the villagers, welfare subsidy provision to AOP’s 528 members (including elderly people in the surrounding villages), the operation of the old age school and the senior centre. In general, the AOP acts as a significant resource for community old age support and other welfare provisions.

The overall increase in villagers’ living standards and the specific empowerment of the elderly through organised efforts has led to changes in intergenerational relationships in village families. A villager manager described the gradual formation of a more positive intergenerational relationship within families since the 1990s. It has been noted that many elderly people still lived together with one of their adult children. However, more and more old people chose, and were able, to live independently of their children in a separate household. Like the elderly living in old age apartments in Case A, this independent living arrangement has promoted more positive interaction between generations, since it enables the elderly to relate to their children on a more equal basis.

In Case B, we see how old people can be empowered to maintain an independent life, how a community can develop with the resources contributed by its older members, and how the aged can benefit from their community. In the absence of pension coverage for the majority of elderly villagers, grassroots efforts to mobilise collective
resources for old age support by the aged themselves appeared to be especially valuable and effective.

3.3 Case C -- Creating an opportunity for independence

Case C presents a less organised effort by the rural elderly and lack of community incentives for old age provision. Here, individual efforts were made to seek opportunities for economic independence and living autonomy. Case C is located along the Yellow River in northwest of China, an area much less developed than coastal areas. Currently, its main economic output comes from agricultural produce, specifically asparagus and apples. The area was the largest base for asparagus growing in China and had eight asparagus processing businesses. This village has a population of 1,524 people, with an average income of 4,000 Yuan in 2008. It has very limited community welfare provision. About 60 per cent of the elderly live separately from their adult children and family support is also limited. The elderly generally make a living by working in the fields as long as they are capable.

The unique phenomenon about Case C was the choice of some aged villagers who lived and laboured on the bank of the Yellow River about three miles from the village. Encouraged by local policy, some villagers started to cultivate the land on the bank in the 1980s. The land was productive and income was better than working on the land in the village. They built houses on the river bank and lived there for over two decades. We noticed at the time of the study that these villagers were between ages of 63 and 80. The elderly on the river bank believed that the place was more appropriate for them to live. They said the air was cleaner and the water softer in comparison to the village. They lived in very modest houses of 20 to 30 square metres with two or three furnished rooms. Some had a TV set while some did not. The houses tended to be surrounded by cultivated land or orchards. All the old people living on the river bank had remained physically and functionally independent. While living independently in their own houses, they have formed a neighbourhood that allows for close communication.

Not all the elderly of the village lived on the river bank. About two-thirds still lived

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2 The shifts in the course of the Yellow River leave a strip of fertile soil along the banks.
inside the village and the majority of them were actively involved in farming production, including some 25 people aged 80 or over. As the income generated from agricultural production was unstable, the elderly villagers were living very modestly. Old couples tended to live independently in a house of their own. Those who had lost a spouse tended to continue living independently or with one of their children, depending on whether there were adult children in the village, and on the financial situation of the themselves and their children. Older people had to rely on children for a living when they were no longer able to work. There were still problems for those who did not have any income, who were too old to work or whose children were not in a financially sound situation. Many of these people were elderly women. Even if they lived under the same roof, they tended to be neglected by other members of the family. Community organisations, such as the village Association for Old Persons, limited their role to mediating in family conflicts and liaising between individuals who were in need of help and the village administration.

4. Findings
The three cases above provide us with a partial picture of old age support in rural China. With variation in terms of geography, history, and level of development, the three cases show a clear inclination towards independent living among most of the aged persons. A growing number of elderly choose to live separately from their children when they have a stable income of their own, especially when income could be maintained from social insurance programmes. But this separate living within the community does not disengage the old people from their families. On the contrary, it gives both the elderly and the younger generation more free space and more equal status, promoting harmonious generational interaction.

It is well recognized that the ethic of filial piety has served as moral basis for intergenerational relations in the Chinese families. The tradition functions in contemporary Chinese families with the adult children being obliged to provide material substances to their aged parents without resources. The government or community provision of old age income in Case A and B released part of the obligation
from the children. In Case A, when the aged persons become independent with the support of community resources, there is a change of manner in intergenerational contact. Along with the increase in emotional exchange and decrease in financial exchange, was the change of expectation of their children for support. As one old person in Case A stated: filial piety means that children make frequent visits to the aged parents, spend time chatting with them, and provide care in times when they fall ill. In comparison, those who do not have support neither from governments nor from the community, like the elderly in Case C, expressed clearly their expectation for financial support from children in old age.

Although social security provisions from the state and the local governments are critical to ensure independence for the elderly, the community’s role is also important in enhancing their independence through generating and distributing resources, organising welfare benefit delivery, creating opportunities for social and economic participation, and coordinating state and local efforts. Some evidence for the potential of communities in old age provision has been identified from the case studies above.

1) The critical role of leadership: we see clearly that grassroots organisations with trusted leadership are crucial for community old age provisions. Both Case A and Case B provide evidence for the impact of organised efforts on community welfare provisions. While Case A relied heavily on a formal administrative organisation in building a community welfare system, Case B was found to have an organisation run by old people themselves. Both organisations worked effectively under leadership that was trusted by community members, and that was coherent so that organisational efforts could be sustained for a relatively long time. In contrast, a lack of organised old age provision in Case C has been found to be closely related to the dysfunction of the village administrative body as a result of distrust among the villagers. The comparison between these cases makes clear the important role of effective community organisations in mobilising resources for old age provision.

2) Community organization and the its legitimacy: we have found a positive relationship between community old age provision and community development in Case A and Case B, which suggested that resources for old age provisions can be
created and mobilised in communities where organisational efforts have been made.

The two villages started to work on community welfare provisions when community resources were still very limited, in the early 1980s and 1990s, respectively. The collective provisions for the elderly have been seen by village leaders as part of community development and as a way to share the products of growth. When old age provisions are put on the community development agenda, it is in the context of the accumulation of community resources. The impact of the old age provisions on community development has been found in active involvement and the contribution of protected aged persons to the economic activities as valuable human resources. Thus, a positive interaction between the elderly and the community has been formed. In Case C, we see the opposite occurring: where there is a lack of community protection for the aged, there is also an absence of organised efforts for community development. Disengagement between the village administration and the villagers was obvious and the elderly villagers were left with little support from the community.

It has been noticed that the organized collective activities in rural communities were legitimized in contemporary China by the reality that land has been owned collectively, rather than privately, by villagers. Collective ownership provided a legal basis for the organization of collective production and consumption. In the last three decades, there has been a change of market environment around the rural communities. Our study shows that rural villages responded to the change differently. Case A and B responded to the external market through active involvement as an integrated collective entity. Compared to the individuals, collective entities tended to be more powerful in market bargains and profits generated by collective trading was more than individual could do. The result is that they generated resources from their market activities and make welfare funding available to the villagers. Here we see the benefit of organizational action in coping with the economic transition. That is a positive relationship between resource accumulation and collective welfare development in which the aged were protected. On the other hand, we see from Case C that a lack of international organization to responding to the market environment led not only to a relative weak position of the individual in the market place in accumulating private resource but also
to the ability of the village to accumulate collective resources for the welfare of the community members. These cases suggested the importance of community organization to the welfare of the rural aged Chinese in the time of economic transition.

3) **A fair distribution of collective resources:** a comparison of the three cases has led us to see that a fair distribution of community resources is more important than the amount of resources available in the development of community provisions for the aged. In fact, it is not difficult to find wealthy communities in contemporary China without social provision for the aged. Obviously the availability of resources does not necessarily lead to these provisions. The cases studied here have identified community values regarding distribution as an important variable in old age provision. We see in Case A a principle of sharing in resource distribution. One of the community leaders said: ‘funds are always limited and there are always many places where funds are requested. We need to prioritise enough funds for the most vulnerable, and the aged persons are among them.’ In Case B, we also see that the contribution of the aged to the economic growth of the village has been well recognised and such recognition justifies the community’s efforts regarding old age provisions. In comparison, the absence of shared values for fair distribution and negligence toward the aged among community members has been found in Case C.

4 **The aged being a stakeholder in community development:** we have found that the aged are a valuable resource for rural development in general and for community old age provision in particular. We see in Case A the active involvement of aged villagers in various productive positions and community political activities. In Case B, major economic entities have been developed and managed by the aged under the leadership of the Association for Old Persons. These village enterprises generated tremendous interest in the village collective and created job opportunities for both the community members and the people from surrounding communities. Along with the community development is the expansion of old age provision. In fact, we see here that old age support has been provided by the aged community members themselves. Instead of being a burden, the elderly are valuable contributors to the community building. Even
in Case C, where few organised efforts have been made, many individual elderly maintain a productive life. It seems that, if effectively organised, these individual efforts could become a force in collective development.

Creating job opportunities for the aged in the community required a change of view of the community members, especially the view of the community leaders, about the aged members. Previously the elderly tended to be treated as vulnerable and dependent. Continuing involvement in the productive labour provided the value of the elderly as sources to the family and community. A close look at the phenomenon would reveal again the factor of community organization to the elderly persons’ realization of their value for community development. In Case A and B, the village organization provided relatively appropriate conditions under which the elderly could find a job in a collective setting. As a result, the value of the elderly as resources and their awareness of contributing to the community tended to be maximized. In Case C where the elderly proved their value through independent labour, lack of organizational support limited their ability to contribute to the community development.

5 The potential for integration of support: Evidence has been found that integration of community old age provisions with state and local government efforts appears to be effective in meeting the needs of the rural aged. We see that in the area where Case A is located, the local government started in 1992 to implement an old age insurance programme for the local elderly. Nevertheless, the benefit level has been too low for beneficiaries to maintain a basic living. The provision of community pensions in Case A effectively addresses the inadequacy of the local programme as an important supplement. A sense of security among the elderly villagers has increased along with their sources of income. In Case B, we see an active coordination between the Association for Old Persons and the related district government offices, which leads to collaborative efforts of the community and the local government in building a nursing facility for those aged who needs care.

6) Cultural environment for community provisions: This study of three rural communities in contemporary China provides some clear evidence on the potential of community organisations in delivering social support for aged community members.
The realisation of this potential is conditioned not only by availability of collective resources, but also by shared principles on resource distribution and leadership for organisation. In this sense, communities are having an increasing impact on local welfare provisions. At the same time, we also see some limits to community efforts. There is generally a lack of an institutional basis for old age provision even in communities where current provisions are relatively comprehensive. Where community decisions on old age provision rely heavily on charismatic leadership rather than on institutional procedures, it is justifiable to question the sustainability of these provisions.

While community old age provisions reduce the level of dependency of the aged persons to their adult children, the practice induces the dependency of the elderly to the community leaders. In Case A, we have found that the elderly villagers are more likely than the younger people to express their gratitude to the leader of the village committee. They almost uniformly believe that they owe their welfare to the moral and ability of this leader. In Case B, we have found similar phenomenon of high trust in one community leader by the aged persons. Obviously, even in those relatively well organized rural communities, the connection between the aged persons and community leaders is still based on traditional ethics and moral standards of individual leaders. Thus, a charismatic leader, rather than institutional arrangements, becomes the guarantee to welfare provisions to the aged. As a result, in these villages, we have found a change of the status of the aged from relying on adult children to relying on community leaders for old age support.

If the community organization of provisions for the aged found in Case A and B could be viewed as a model of welfare provisions, it is appeared to be interest-based, rather than right-based. The decision on provision was made by the leader, the aged persons as the beneficiaries return to the leader with gratitude and loyalty, thus strengthening the authority of the leader. In terms of community provision, the model is fragile when a change of leaders happens. Nevertheless, despite the question of sustainability of the community provisions resulting from a lack of formal institutional arrangements, one should keep it in mind that relations in rural communities in contemporary China are
still personal than institutional. As it takes time to build institutions, how to cope with the cultural environment in organizing community provisions for the aged poses a challenge to the policy makers.

5. Policy implications

This discussion about the role of the community in support for the rural aged has important implications for rural policy development in China. It leads to an understanding of the impact of local institutional and cultural environment on the life of the rural aged in China. It also delineates the ways of resource generation and distribution for old age support in the rural communities, in which the relationship among some stakeholders are revealed. These findings let us to the belief that the issues for developing social policies in rural China in the future should at least include the coordination of available resources from various sources, the encouragement of community efforts through funding and information dissemination, the institutional building of the welfare provisions to make the old age security a sustainable welfare provision to the rural aged.

1) The importance of a fair distribution of resources: The second implication for state policymaking is the importance of resource distribution revealed by our study. Recent decades witnessed a rapid accumulation of resources by the state along with rapid economic growth. If a fair distribution can occur at the community level, it should also be possible at the state level. Obviously the policy issue should be one of distributive justice, rather than that of the availability of resources.

In the cases where community provisions for the aged are organized, we have found the existence of a relationship based on interest exchange between the aged persons and the community leaders. The lack of clarification of the rights and obligations in the life of rural communities in China is prevalent. As a result, the distribution of collective resources to the aged is highly relied on personal leadership and a fair distribution could be problematic from time to time, as it is indicated in Case C.

A critical issue may lies in the problem of ownership. It appears that community provision for the aged is organized based upon a shared ownership of the community
resources. The shared ownership is in fact indicated by the reality that all the villagers are owners in name and community leaders are empowered to act as the agent of the shared owners to manage the resources. In a sense, the individual villagers, though being the owners of the collective resources, do not have the right in deciding the distribution of the collective resources. They highly rely on their agent in distribution and whether it is a fair distribution or not entirely depends on the moral ethics of the agent. In pursuit for a fair distribution of collective resources, it is urgent to introduce the concept of right-obligation based relationship into the rural community.

2) **Geographic variation in institutional planning for welfare provisions:** Our study provides the evidence for a lack of institutional basis for the existing provisions for the elderly in the cases where community efforts have been made. This concern also led to the question about the sustainability of the existing community efforts. To make the community efforts sustainable, there is a need for the policy makers to build institutions for funding support and information dissemination.

This study confirms previous studies on the variation of local institutions in rural China. The living conditions of rural elderly also vary greatly as a result of various impact of local institutions on them. As the concept of institution may include a wide range of social arrangement, attention should be given to the impact of market development and of the government financial systems would be helpful in institutional building for community old age provisions. The impact of market development on the welfare of the rural aged can be seen in the fact that the elderly persons in rural area obtain direct opportunities for accumulating resources through participation in the market. At the same time, they could share the result of development through collective redistribution. Case A represents a situation of positive impact on the rural elderly. The case is located in an area along the east coast known as being the most economically developed in China. The development of businesses provided the local people, including the aged people, with some employment opportunities. This significantly raised the living standards of the local aged. However, elderly in general are marginalized in the market and the elderly in high age have lost their ability to participate in market activities. Perhaps, the importance of the market development lies
not in the work opportunities for the elderly as indicated by Case B, but in the opportunities for organized efforts to accumulate resources for redistribution, as represented by Case A.

Geographic variation is also reflected in the local government financial system that is related to public funding for local old age provisions such as poverty relief and insurance schemes. As level of economic development is so uneven with some areas developed much faster than the others, the local governments are quite different in their ability, willingness and approaches to fund local provisions for the aged. In the relatively under developed areas, such as the one where Case C is located, the local government provided minimum fund for assisting the poor only and there is simply absence of provisions for the aged funded by the local governments. The area where Case B is located represents an average level of development. The local governments are believed to be in a better shape in generating fund for old age support. However, there is no action from the local government on organizing such provisions. In the absence of local funding, the community provisions for the aged in Case B is organized in a relative fragmented manner, much supportive as they seem to be. In the area where relatively rapid economic growth has been achieved, old age provisions could be more easily accepted by the local governments on their agenda. In fact, only community provisions are not enough to secure a financially sound status of the aged persons in Case A, the local old age insurance scheme makes critical contribution to it. Generally speaking, local institutional arrangements have an impact on the wellbeing of the rural aged. Institutional planning for rural community welfare provisions should take the market and government forces into consideration.

3) **Coordination of resources for welfare provision in plans for development:**

Finally, the findings of this study also echo the argument for the importance of welfare provisions as an integrated part of rural development (Hall and Midgley, 2004). It appears that rural communities are as active as the state in searching for ways to meet

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the challenge of old age support and local efforts predate state action. The experience accumulated by some rural communities is extremely valuable to state and local governments in building welfare for the aged. To meet the growing support needs of the rural aged, the state should incorporate community organised efforts into its plans. For example, the state social pension programme is expected to extend coverage to all the aged in rural China by the end of 2010. The monthly income of 55 Yuan for an elderly person would be very helpful but not enough to maintain a decent living in many areas in China. Community provisions would not only provide the aged person with more sources of income, but also serve as supplements to share the responsibilities with the state.

In recent years, the state has been transferring funds to the local governments for helping the economic transition of rural communities through a movement called “New Rural Construction”. Policy makers should seriously consider supporting rural communities to incorporate old age programmes into development through funding and information dissemination so that community provisions could be sustained and developed.

The findings from this study also have implications for other developing societies undergoing rapid demographic transition. It is well known that old age support as a policy issue has increasingly attracted public attention in contemporary societies as a result of the rapid ageing of many societies. However, the issue presents different challenges for developed and less developed societies. While in the former the old are usually covered by relatively comprehensive social security programmes, the majority of the aged in developing societies still rely on family resources which are significantly undermined by economic transitions locally as well as globally. While social pensions offered in some of the transitional societies are viewed as an effective way to address the need for old age support, relatively low levels of benefits and sustainability of funding are always issues in the adequacy of such provisions. If this evidence from community organised efforts in rural China can offer any suggestions for policy development for old age provision in developing countries, it is that they can form a
relatively effective and supplemental approach to government actions.

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