

## **ELDERLY WELFARE FUND gives a boost to senior assets in poor communities**

July 2002

*Of the 10 million Thais who are older than 60, about 1 million are poor. To help this group, the Social Welfare Department's elderly welfare program runs 20 old-age homes, 18 elderly health care centers and a network of elderly support groups to provide medicine, health care and social support to poor elderly people. But with an annual budget of only 1.5 billion Baht, the program can provide only bare-bones assistance to 430,000 people. What about the other 570,000 elderly poor?*

*Late in 2000, there was a discussion about how to use 80 million Baht left over from the Miyazawa Fund (the Japanese OECF's economic assistance package to Thailand after the 1997 economic crisis). Since the welfare-oriented funds from the Social Investment Fund (SIF) had then been utilized, the idea came up of using that money to establish an elderly welfare fund. In December 2000, CODI subcontracted the Urban Community Foundation to help facilitate the setting up of Thailand's first, national, community-driven welfare program for the elderly. The fund would provide grants to provincial networks to make space for elderly citizens in various community networks to link together, decide what they would like to do as a group, and then design and implement their own welfare and development programs.*

*Like other programs under Miyazawa, there was a deadline on disbursing the funds - in this case September 2001. A working committee was set up to coordinate the process. Their preliminary showed that there were already a lot of community-based associations of old people across the country, many quite active. The process began by contacting all these groups and linking them together within their cities, districts and provinces, so they could meet each other, learn about the elderly welfare program and develop their ideas.*

**This was the first time all these old folks had experienced being part of a large group of their peers, and certainly the first time they'd had a chance to decide how to run their own welfare assistance program! This one million Baht fund in each province become their collective asset, a node, a collector-together of people, a catalyst. The fund, though very small, gave them the power to make decisions. This was no different than other kinds of community organizing, but here the constituency was old folks, and the idea was not just to channel these small community welfare resources to a certain target group, but to create conditions for a group often seen as helpless invalids or fossils to become self-determining, respected senior members of the community. But how to do that?**

The first proposals came from the provinces in June, 2001 and funds were released immediately. Many of the elderly groups have already used the fund to leverage additional local resources for their activities, and have begun a dialogue with the Social Welfare Department about linking some of the department's programs with the Elderly welfare network. The elderly welfare fund joins the many other funds available to the community networks now, to promote holistic community development and allow communities a growing number of financial tools to help them solve their problems and improve the quality of life for everyone. A big seminar was held in Chiang Mai on 24 January 2002, to celebrate the approval of all 80 million Baht. Hundreds of old people from around Thailand were assembled to present their experiences and to explain their welfare projects in a discussion. The Welfare Minister was also there, to learn a thing or two about how to design a welfare program for the elderly poor - a program which doesn't treat Thailand's elderly poor citizens as useless beggars in need of welfare assistance, but which allows them to work together actively, and with dignity, as senior "assets" in their communities.

### **BOX : Taking a cue from past experience with community welfare through SIF . . .**

The elderly welfare fund process draws on the lessons learned during the recent process of setting up a national community-driven welfare system under the World Bank's Social Investment Fund (SIF) "Menu 5." In 1999, UCDO coordinated with SIF to develop a ground-breaking community welfare

system in which urban community networks were the program's designers and implementers. The process began with community meetings within networks around the country, in which people discussed their own particular welfare problems and identified the needs of their community's most disadvantaged members.

The next step was a detailed survey of welfare needs to inform the development concrete planning of welfare activities. More meetings followed, at network and community level, to thrash out all the details of the welfare program: what kinds of welfare activities could be undertaken, how to do this, how to work together, how to coordinate with other groups, how to set budget standards, how to manage the money, how to set up different kinds of welfare funds, and what should be the relationship between networks, communities and target groups? Eventually, most of Thailand's urban poor community networks were managing their own welfare funds to support :

- Scholarships and loans for school fees.
- Grants for elderly citizens in need.
- Grants for medicines and hospital fees.
- Grants for rehabilitating drug addicts.
- Grants for HIV-positive patients.
- Small revolving fund loans for income generation activities for very poor families.

### ***Setting systems : How the elderly developed their welfare programs :***

The first step was to set up a "mixed" sub-committee to coordinate the process, including national community leaders and representatives from TCF, Welfare Department, NHA, BMA and academia. The 80 million Baht was divided so each of Thailand's 76 provinces would receive one million Baht. Each province worked out its own mechanism for disbursing these funds to elderly groups within the province, who would plan and implement their own welfare programs. Working committees of elderly people in each province were set up to help gather together elderly community members and help them carry out surveys, identify needs and decide how to improve the welfare of province's older poor citizens.

Proposals from the networks first went to provincial committees (which were also composed of mostly elderly community leaders), which helped improve the projects. Meetings in the 5 regions followed, which provided another platform for groups to exchange ideas and further refine their proposals before forwarding them to the national sub-committee. By the time proposals reached the national sub-committee in June 2001, they'd already been through so many layers of refinement and discussion that they were quite polished, and almost all of them were approved. Several ideas emerged from all this planning which were common in most of the proposals:

- To give people a stake in the process, most proposals called for members of elderly savings groups to contribute nominal amounts to the fund by investing in small "shares" of about 10 Baht per month.
- Most provinces included plans to use the money in ways which allow the fund to sustain itself, so it's not all used up in a twinkling, keeping a portion of the money to use as grants (for medical expenses, food, health care for the sick, funeral expenses and elderly social activities like exercise groups, music and temple visits) and a portion to use as revolving loans for income generation and health-care needs.

### **Elderly Fund Facts :**

- **Total budget :** 80 million Baht
- **Total projects :** 66 projects
- **Total grants :** 67 million Baht
- **Beneficiaries :** Poor and elderly groups in 74 out of 76 provinces in Thailand.
- **How it's used :** In most projects, the groups decided to divide the provincial grants into three parts: a small part to support elderly people's activities, a small part for welfare grants, and a BIG part for a revolving loan fund. Many groups have successfully used their provincial fund to leverage more resources from local administrations and the Welfare Department.

## **Two Elderly Welfare Fund models :**

*Welfare for the elderly may not sound like a terribly sexy development topic, but this Elderly Welfare Fund has generated some of the most innovative and whimsical proposals the folks at CODI have seen. Each province is different and each sets its own system for using the funds. When the rules aren't pre-set by some central organization and when you concentrate on the process of discussing and learning, this kind of richness and such diversity of approaches comes out of nowhere. Here are two examples:*

### **1. Trat Province's elderly figure out ways to make the fund so sustainable that "Not a single baht gets lost."**

The elderly groups in Trat Province, for example, decided to make sustainability the focus of their welfare program, so that (as one 70-year old leader put it) "not a single Baht gets lost." In their plan, only ten percent of the province's million Baht would be used for welfare grants (medicines, funeral expenses, doctor fees, emergencies, etc.), and remaining 900,000 Baht would be used to set up a special old folk's revolving fund, which would provide loans to support their jobs, informal businesses or health care needs. That way, in one year, they would earn a 10% interest on those loans, and that interest would be used to finance more welfare giveaways. So they began linking the old people in different communities to work together, and the one million Baht is growing through this working process.

### **2. Satun Province works out a system in which a communal rubber plantation sustains the elderly fund**

The group of mostly Muslim elders in Satun Province proposed keeping aside 200,000 Baht for emergency grants for medicines, health care and funerals, and using 800,000 Baht to buy a mature rubber plantation, as a communal, productive asset which belongs to all the elderly groups in the province. Since charging interest on loans from a revolving fund is considered sinful in Islam, the rubber plantation would be a more harmonious (and more profitable!) way of generating income on a communal asset. Many of the elderly leaders had years of experience as laborers working in the region's rubber plantations, and knew the business well. They calculated exactly how much profit the plantation was likely to produce and for how long, and worked out how the proceeds from this rubber plantation could support their elderly group's activities. They figured that this would increase their fund at a much better rate than any bank could provide. And when the rubber trees stop producing, they still have the assets of the wood and the land, so they can just start planting rubber trees again.

## **Welfare spin-offs in Songkhla province :**

The 21 rural networks in Songkhla province have linked together and developed another community welfare program that is as comprehensive. All these networks have savings groups, which now have saved over 30 million Baht, which is in constant circulation in loans among members, earning 12 - 20% annual interest. Instead of paying back this interest to savers, they keep a portion aside for management and use the rest to fund their own province-wide social welfare program, which covers 14 kinds of welfare, each having its own separate fund.

These 14 mini-funds cover the usual welfare needs like hospital fees, survival grants to the poorest, elderly support, relief after calamities like floods, emergencies, school fees and funeral expenses. But they've also made mini-funds which provide grants and subsidies to support the production of organic manure, to encourage organic and sustainable farming methods and to start community enterprises. This complex and highly progressive program is run entirely by community savings group members to take care of so many kinds of needs. Last year, they spent 4.1 million Baht in 21 networks on these 14 kinds of welfare, benefiting 7,000 member households. The province is now proposing that CODI top-off their current year's welfare fund with a matching grant. A special committee comprising community leaders from other regions has been set up in CODI to look into this exciting emerging process.

## **Elderly Welfare Program in Satun, Thailand (Transcript of Television Program, "New Age" - Thailand, BBC Television)**

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### **Introduction**

Populations are ageing everywhere in the world, but Asia's elderly population is growing at an exceptional rate. Many Asian countries, however, have barely begun to implement programmes for the support of the elderly. In Thailand, almost 10 million people from a population of around 60 million are over the age of 60 and almost 1 million of these are poor.

To help the poor elderly, the Thai government's Social Welfare Department operates an Elderly Welfare Programme which runs 20 old-peoples homes, 18 elderly health care centres and a network of elderly support groups to provide medicine, health care and social support. Yet this welfare system provides care and assistance to less than half of the poor elderly population, leaving many exposed to the double threat of old age and poverty.

In attempting to reduce poverty in Thailand, the Community Organizations Development Institute (CODI), which is both a development fund and a government public institution, has been channelling money directly to Thailand's poorest communities. Having managed over the past ten years to capture some of the public resources that do not normally reach the poor, they have had the task of setting up a national community-driven welfare system for the elderly. Using 80 million Baht (nearly US\$2 million) granted from the Miyazawa economic assistance fund, the Urban Community Foundation (UCF), which is an independent non-profit foundation working in close partnership with CODI, set up the Elderly Welfare Fund as a tool for facilitating a national, community-driven elderly welfare program.

### **How it works**

To co-ordinate the process of setting up the Elderly Welfare Fund, a committee was set up comprising of 5 national community leaders, and representatives from the Urban Community Foundation, Welfare Department, National Housing Authority (NHA) and the Bangkok Metropolitan Administration (BMA). They decided that each of Thailand's 76 provinces would each receive 1 million Baht (US\$24,000) to distribute, through their own means, as welfare funds to elderly groups in each province.

The large number of already active community-based associations of elderly people across the country meant that there were plenty of groups to be contacted. By bringing them all together - within their cities, their districts and their provinces - these groups were able to meet each other for the first time, learn about the elderly welfare program and begin to develop their own ideas for using the money.

In most cases, the groups decided to divide the provincial grants into three parts and use the money in ways that would allow the funds to sustain themselves: - a small amount was kept to support elderly people's activities (such as exercise groups, music and temple visits), some was kept aside for welfare grants (for medical expenses, food and health care for the sick and funeral expenses), and the majority of money went towards a revolving fund for income-generation and health-care needs. Many of the elderly groups have already used the funds to leverage additional local resources for their activities, and have begun discussions with the Governments Social Welfare Department about linking some of the department's programmes with the elderly welfare network.

### **Community Spirit**

For many elderly people involved in the scheme, it was the first time they had experienced being part of a large group of similar people and made decisions regarding the running of their own welfare assistance programme. The financial support given to each province became a collective asset and gave them the power to make their own decisions. What makes this scheme distinctive is in creating

conditions to help a group of people often seen as helpless, weak and dependent, to become self-determining, independent and respected members of the community.

A big seminar was held in Chiang Mai this year to celebrate the approval of the 80 million Baht grant. Hundreds of elderly people from around Thailand were brought together to present their experiences and discuss their welfare projects to each other. The Welfare Minister, who was eager to learn about how to design and develop a welfare programme for the elderly poor, also attended. This was important for recognising the elderly's potential contribution to society through working together as 'senior assets' in their communities. It was also important in changing traditional perceptions of them within government and elsewhere.

## **Provincial Approaches**

### ***Trat Province***

Trat is the most eastern province along the Gulf of Thailand, bordering the province of Chantaburi and Cambodia, 400km from Bangkok. The elderly groups in Trat province decided to make sustainability the focus of their welfare programme, so that, as one 70-year old leader said - "not a single Baht gets lost!" Their plan was to distribute funds accordingly:

- 100,000 Baht or 10% of the province's 1 million, would be used for welfare grants. This includes medicines, funeral expenses, doctor's fees and emergencies for example.
- The remaining 900,000 Baht would be used to set up a special revolving fund, which would provide loans to support their jobs, informal businesses or health care needs. In one year, 10% interest would be earned on these loans which would enable more welfare grants to be financed.

This has shown that by enabling the elderly in different communities to work together, the provincial fund can not only help the elderly to help themselves but also is growing through this working progress.

### ***Satun Province***

Satun is a small province located in the far South of Thailand that borders Malaysia, about 980 km south of Bangkok, on the west coast. The elderly groups in Satun province decided on a different approach to putting the funds to good use. For the mainly Muslim members of Satun's elderly groups, charging an interest on loans from a revolving fund was not really an option, since usury is considered sinful in Islam. Instead, they decided to put the majority of funds towards a productive asset that would belong to the entire community - a mature rubber plantation. This was judged to be a more harmonious and more profitable way of generating income as a community.

Large numbers of Satun's elderly leaders have themselves worked for years as laborers in the region's rubber plantations, and they know the business well. They calculated exactly how much profit the plantation was likely to produce and for how long, and worked out how the proceeds could support their other group activities. Not only do they believe this will increase their fund at a much better rate than any bank could provide, but when the rubber trees stop producing, they can start planting new trees immediately because they own the assets of the wood and the land.

The elderly groups from various associations and localities came together and agreed on the management and working practice of the plantation. Selling the raw rubber milk means that they will all be very busy managing the plantation together with the daily financial responsibilities of the business.

Plans to officially open the plantation are well under way and the group is inviting most elderly people and officials in the province, the Governor of the province, Ministers of Parliament, local authorities and welfare department officials, among many others. They hope that by the time of the official inauguration, the rubber trees will be looking beautiful and full of leaves, and are excited at the prospect of showing off their community asset. They are also in the process of registering the plantation as a legal elderly co-operative to manage the plantation as a group.

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The ACHR, which is based in Thailand, has a website that contains a lot of information on community funds. They have also produced a special newsletter on community funds, which can be obtained by contacting them.

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