

Microfinance as a tool of Active Ageing

Foreword

The Research Working Group (RWG) of the EMN is proud to present the fourth issue of the Electronic Research Bulletin (eRB). This review is an annual output of the RWG and is intended to promote microfinance research in Europe by giving researchers a permanent forum through which their work can reach a pan-European audience.

On 14th December 2012, the Research Working Group, under the guidance of Prof. Marcella Corsi (Sapienza University of Rome), has organized in Bruxelles a EMN debate on "Microfinance as a tool of active ageing", in the context of the European Year on Active Ageing. This eRB stems from the contributions to this conference http://www.european-microfinance.org/debats-du-rem_en.php.

As is known, rapidly the world is getting older. In 2000, for the first time in history, there were more people over age 60 than children below age 5. The number and proportion of older persons is growing faster than any other age group, and will surpass 1 billion people in less than 10 years.

The older generation - which includes caregivers, teachers, volunteers, entrepreneurs, and more - represents a growing reservoir of talent and experience that can be tapped to reap a 'longevity dividend' .

The EMN debate has provided a timely opportunity to discuss the different ways active ageing can be encouraged to ensure that older people remain productive members of society. RWG has welcomed the participation of all key partners, responsible authorities and stakeholders. The meeting has supported the exchange of ideas and encouraged participants to engage in thought-provoking topical debate.

In what follows a selection of contributions is presented, in the form of inspiring projects, reflections, experiences etc. Main topic of interest for all contributions are the following:

- ➔ The use of microfinance in the context of senior entrepreneurship and self-employment;
- ➔ The contribution of microfinance to the construction of a society without age discrimination;
- ➔ The identification of microfinance institutions' social performance indicators looking at elderly people as a target;
- ➔ The impact of microfinance in terms of intergenerational solidarity;
- ➔ The employment of older workers in the microfinance sector.



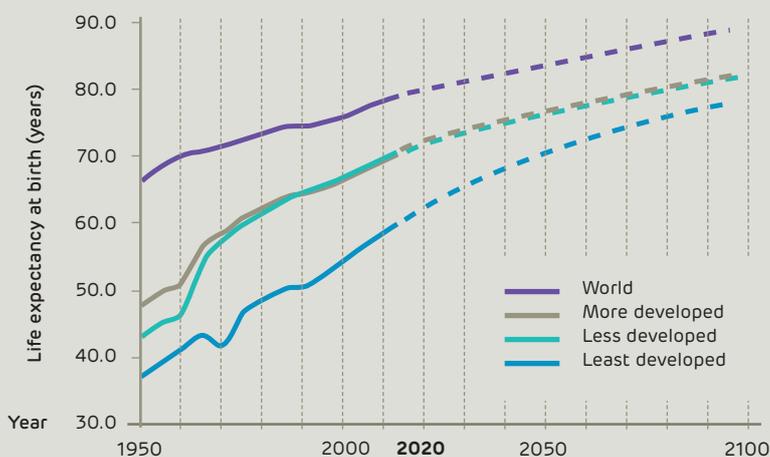
Addressing Ageing: Financial Inclusion across the Lifecycle in the EU

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The following is an excerpt from the Center for Financial Inclusion at Accion's publication, "Looking Through the Demographic Window: Implications for Financial Inclusion." The publication is part of the Center's Financial Inclusion 2020 Campaign, working to build a movement that mobilizes stakeholders around the globe to achieve full financial inclusion, using the year 2020 as a focal point to galvanize action.

Figure 1

→ Increasing Life Expectancy



Introduction

Demographic change is one of the most powerful forces shaping the world's future. At this moment in history, demographic transition is opening a unique window of opportunity for countries in development. As life expectancy increases and fertility rates fall, the working-age population grows faster than the young dependent population. In the developed world this demographic dividend provided a tailwind to growth for several decades leading up to the present, but rapid aging and an expanding elderly dependent population have now turned demographics into a headwind. An analysis of the connections between demographic changes and financial services suggests that a close reading of demographic trends, including an increasing elderly population, can illuminate market segments where new and growing demands for financial services will arise.

The Demographic Window

Population dynamics are primarily driven by two demographic factors: life expectancy and fertility rates. The rapid growth in population since Malthus' warnings has been driven by a leap in life expectancy. Global life expectancy has increased from 48 in 1950 to about 68 today, which is a great achievement. The less developed regions and the least developed countries are catching up with the more developed regions, as more people share in medical advances, particularly infants and children. In the past 60 years life expectancy at birth grew by 12 years in more developed regions, by 26 years in the less developed countries, and by nearly 22 years in the least developed countries. Figure 1 shows the increase in life expectancy since 1950 and projects current trends into the future.

The demographic transition model is a useful framework for analyzing these changes in population dynamics (attributed to Warren Thompson). The model describes the demographics of a country as it industrializes and transitions from high birth and high death rates to low birth and low death rates. The model is summarized in Figure 2, which plots the changing birth rate, death rate, and total population over time.

The end of this transition is marked by the aging of an expanded workforce. Increased longevity means workers may work longer and must save and invest for their extended retirement. These workers accumulate assets, which raises the national income and makes a sustainable contribution to growth.

As people live longer they also face longer retirement periods due to healthcare advances for the elderly. The percentage of the population above age 65 is increasing rapidly for all but the least developed countries. In 1950, globally, 1 in 20 was elderly; by 2050, it will be 1 in 5. Figure 3 plots the proportion of the population that is above 65 years of age. This trend is well-recognized among the developed nations, but it is increasingly relevant for middle income nations in the demographic window years.

The increasing numbers of elderly has direct implications for financial inclusion.

Figure 2

➔ **Demographic Transition Model Diagram adapted from Caldwell, Demographic Transition Theory**

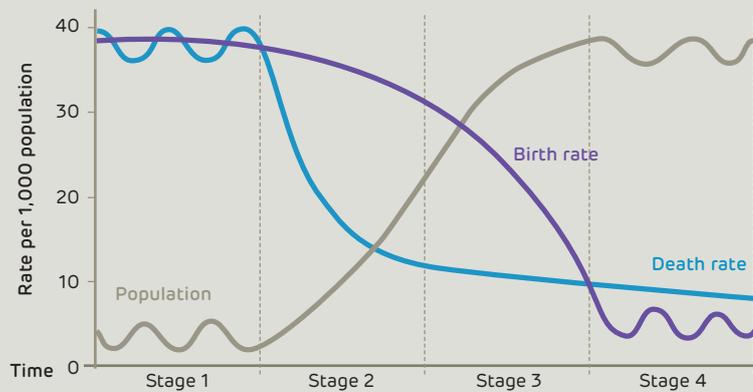
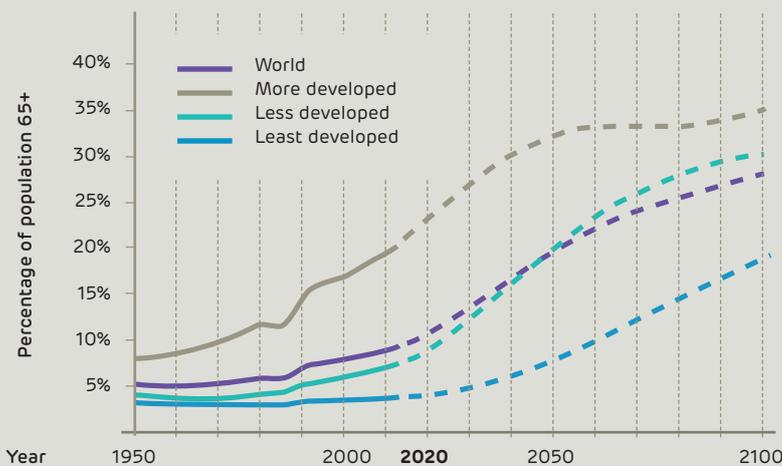


Figure 3

➔ **Proportion of the Population that is Elderly**



Incorporating Changing Demographics into Financial Inclusion Strategy

Financial service needs evolve over individual lifetimes. Without implying that all lives follow the same path, it is possible to sketch a stylized portrait of the life stages and events that many people experience. Shakespeare divided life into seven ages, but we will use five: childhood, youth, young adult, mature adult, and old age). Note that we distinguish between childhood and youth and between young and mature adults; these distinctions reveal significant differences in both demographic roles and financial needs.

This model has implications for how we think about demand in aging populations in particular. As families mature, the need for long-term savings peaks in anticipation of major life expenses, including children's weddings and marriages, care for elderly parents, and ultimately funeral costs for the older generation. At the same time, the expectation is that these are the most economically productive years, with the possible need for larger business savings and loans. Long-term savings are generally expected to be drawn down during old age, but for many low-income people in developing countries, economic activity, with its attendant financial services activities, must continue, as there is no source of outside support and personal savings are likely to be insufficient.

Health insurance is relevant for people of all ages, though life and disability insurance are especially relevant for adults as they increase their level of familial responsibilities.

As financial needs change throughout the lifecycle, the need for financial education also changes, making it clear that financial education is not a one-time event, but ideally an ongoing activity. Mature adults will need to learn about the financial needs of old age, lessons that are likely to be lost on most of the young. Consideration of the changing needs of mature adults suggests a financial education priority to support mature adults in understanding and accomplishing necessary changes in their financial habits as they age—not an easy task.

Indeed, most countries that are entering the demographic window have not had to cope with large old-age populations, and often lack a supply of financial services to fill this need. If being elderly has been an exception rather than a rule until recently, demand may also be slow to develop due to cultural patterns.

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Self-employment after retirement in the European Union

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Introduction

Self-employment is relatively common among older people. Overall, among 15 to 64 year old Europeans, 14% of workers are self-employed. This proportion is particularly large among 50-64 year olds: 19%. Nevertheless, in all European Union (EU) Member States there is one group which is even more likely to be self-employed: working retirees.

Almost all Europeans of 65 years and over are entitled to a state pension. Nevertheless, many of these 'retirees' are still involved in paid work. About one of every two of them is self-employed. There are large differences among Member States. Self-employment among working people aged 65 and over is particularly common in Portugal, Italy and Romania. While still well-above 20%, self-employment among workers of 65 years and over is least common in Slovakia, Austria and Bulgaria. Without exception, in all EU Member States self-employment is much more common among people aged 65 and over than among workers of younger ages. More than one-third (35%) of self-employed persons aged 65+ work in agriculture, but many also work in the wholesale and retail trade (13%) and professional, scientific and technical activities (12%).

Besides self-employment being relatively common among working retirees, retirees have become more often involved in paid work at all. In the 2nd quarter of 2012, 10.9% of 65-69 year olds was involved in paid work, up from 8.4% in 2004. This increase is remarkable in a period when Europe experienced job-loss among other age groups.

Moreover, many of the retirees who are currently not involved in paid work, would like to work, at least for some hours per week. Self-employment proves a solution for many retirees, and could do so for retirees who would like to work, but do not do so because of various reasons.

Microloans have been defined as loans of 25,000 euro or less made to microenterprises or businesses with nine or fewer employees (Jayo, 2010). They are a potential tool in facilitating entrepreneurship among older people. Before tentatively discussing the potentials and challenges of microloans to facilitate entrepreneurship among retirees, this article first looks into explaining why retirees are so often self-employed.

See Eurofound (2012a) for a more exhaustive discussion on 'Income from work after retirement in the EU'.

Why are so many working retirees self-employed?

The relatively high rate of self-employment among retirees can be explained from two angles. Firstly, it could be more likely for people who were already self-employed before retirement to continue working after they reach the statutory retirement age than it is for others. Second, working retirees might have become self-employed after retirement, more so than vice-versa, self-employed starting to work for an employer.

Continued self-employment

The first group of self-employed retirees have various motivations. Self-employed people might wish to continue working because they did not accumulate enough of a pension. They are often required to make minimum contributions to pension schemes and do not always put much more money aside.

Another, related, reason is that self-employed people more often enjoy work than others and never envisioned retiring at the statutory pension age, or retiring at all. In a 2011 survey (European Commission, 2012b), 46% of self-employed people in the EU indicated they would like to continue working after they reach the age that entitles them to a pension, compared to 33% among the population overall. Entrepreneurs may further regard statutory retirement as an arbitrary time to stop working (Barnes et al., 2004) and prospects for continuation of the company can play a role, as it could cease to exist if retirees stop working.

Newly self-employed

For the second group (retirees who become self-employed only after reaching the pensionable age), different mechanisms are at play. Various groups can be identified: those who become self-employed after their retirement because they have wanted for a long time already, because it provides them with the most attractive working conditions, because they have no alternative or because of administrative reasons.

Self-employed people who have wanted to be an entrepreneur for a long time might not have done so because of liquidity or family constraints. Retirement offers the opportunity to pursue their ambitions. For other retirees, self-employment is a way to create

working conditions that best fit their preferences. If this type of workplace is not available in existing companies, self-employment can provide a solution. Other retirees have a hard time finding a job and see self-employment as the only way out. They might need and/or want to work but are confronted with a hostile labour market.

Different motivations are related to various forms of self-employment (Singh and DeNoble, 2003). For example, retirees who become self-employed because there are no better career-related options available are expected to choose a form of self-employment that involves little to no entry barriers and that requires modest capital investments. Exposure to market and financial risks will be kept to a minimum since they will likely close their business as soon as other gainful employment opportunities become available. On the other hand, self-employed retirees who finally fulfil their long-held ambitions, which they had not been able to pursue at an earlier stage of their lives ('constrained entrepreneurs'), are likely to be the most innovative, motivated entrepreneurs among retirees. Those who decided to become entrepreneurs because of a rational choice, comparing other available options with that of being self-employed, tend to plan carefully, for example by building their necessary business infrastructures before making the move.

It is important to note that in several Member States there is a considerable group of retirees for whom self-employment is mainly a contractual formality. To call them entrepreneurs can be misleading. In practice they are one-person companies who work for only one client, often the company they used to work for before reaching the pensionable age. Such 'bogus' self-employment can imply low-wage, insecure work arrangements. Reasons are usually of legal or financial nature, such as advantageous social benefit requirements or tax rates, for the employer and for the employee. For example, Italy's high rate of post-retirement self-employment, as compared to pre-retirement self-employment, in Italy can be explained partly by the financial incentive for employers and retirees to have retirees on a flexible contract (called 'co-co-co'). Sometimes workers continue doing exactly the same work, but switch to this type of contract.

Stimulating self-employment among retirees: potentials and challenges of microloans

The potential for increased self-employment among retirees can be larger than for other groups because of different reasons. Furthermore, there are reasons to believe that microloans can facilitate self-employment for this group.

At first sight, the data suggest otherwise. The fact that relatively many post-retirement workers, are already self-employed, might leave little room for stimulating entrepreneurship further with microloans might not be a priority. Nevertheless, for example for poor self-employed farmers, being able to invest in an additional chicken, can allow them to sell eggs on the market, helping them to make ends meet more easily.

Arguably most importantly, though, many retirees would like to be involved in paid work, but cannot find a job that suits their needs or are inhibited in searching for such a job because of different reasons

Why self-employment?

Surely other forms of employment can be facilitated as well for retirees who want to be involved in paid employment, nevertheless there are reasons to believe self-employment is particularly attractive for some.

In the EU, 54% thinks that when a company has the choice between two candidates of equal skills and qualifications, it puts the candidate at a disadvantage if he/she is over 55 years old (Eurobarometer 77.4, 2012). Retirees face additional barriers. While it would be best to fight stereotypes, in the shorter term, self-employment can prove an option for some older persons who face difficult labour markets.

Second, in the EU27 it is very often also because retirees have more of a choice whether to work or not than people who are not yet entitled to a pension. Many retirees will only start, or continue, working, if the job can be shaped according to their preferences. These preferences often include part-time work, working on a project basis only during certain periods of the year, and being able to work from home combining it with care for a partner, parent or grandchild. For those who do not need the money to make ends meet, it is not always a priority

to have permanent contracts. The increased opportunity for choice is reflected in a relatively high work satisfaction among 65+ who are in employment. On average, 18-64 year olds give their present jobs a score of 7.4 out-of-10. This is slightly higher for older people and for men: ranging from 7.3 for women aged 18-49 to 7.5 for men and women aged 50-64 (Eurofound, 2012b). These satisfaction ratings fade when compared to people 65 and over who are in paid employment. They rate their present jobs at 8.4. In short, just as for those retirees who are involved in self-employment already, self-employment can provide tailor-made working conditions and open-up possibilities in challenging labour markets also for those retirees not involved in paid work but with the desire to be so.

Second, in many countries with high unemployment, popular opinion is not always favourable to employment of retirees. While proven untrue at the macro-level, all too often people see employment of retirees to compete with that of younger people. Six-out-of-ten Europeans think people should be allowed to work beyond the retirement age, but still one-third thinks people should have to stop working once they reach the official retirement age (Eurobarometer 378, 2011), with higher rates in countries with high unemployment. Furthermore, in the workplace, inter-generational tensions may arise especially in times, geographical locations and sectors where employment is hard to find. Ideally, stereotypes, discrimination and such tensions should not exist. Nevertheless, in the shorter term, self-employment can provide a solution as it is comparatively uncontroversial, being often seen to generate employment more so than salaried employment.

Potentials and challenges of microloans

Older people, and in particular retirees, have less access to credit. This is not necessarily always a bad thing. An advantage of this is that older people are struggling less often with debt problems and have a relatively low chance to over-indebt themselves with consumer credit, or business debts which can spill over into the private sphere. (Eurofound 2010; 2012c) Nevertheless, they are likely to give-up investing in new businesses.

Besides being a great disincentive for entrepreneurship, another disadvantage of this limited access to credit is that retirees who do push-forward may refer to expensive, sometimes illegal, loans. Such borrowing enhances the chance of becoming over-indebted and can go together with aggressive debt collection with associated stress. Many also borrow from friends and relatives. When people cannot pay-back such informal debts, this can lead to delayed detection of debt problems by institutions, broken social relationships (which are crucial for quality of life especially also when people are struggling financially), and a domino-effect of defaults. (Eurofound 2010; Eurofound 2012b; Eurofound 2012c) Among people 55 and over, 5% could not pay-back as scheduled payments related to loans from family or friends in 2011, while this is true for double (10%) those 18-54 years old. Nevertheless, as the limited access to formal business loans would suggest, such arrears are more common among 55+ who receive income from self-employment (7%), while for 18-54 the rate does not differ for self-employed (10%).

Microloan systems make credit more accessible and cheaper. If designed appropriately, and are granted cautiously, they can contribute to removing this disincentive to entrepreneurship. Furthermore, they can help avoiding the problems which come with expensive and informal borrowing.

Second, microloans targeted at retirees can work as a signal, communicating to retirees that they can make a contribution, that they are needed, and making the idea of starting a business a realistic option for them. Such communication could also focus on how entrepreneurship can be one way to contribute to society, how it can facilitate social contacts, and how it can help to stay healthy and to keep learning. While additional income is appreciated by many as well, retirees are relatively often also motivated by such non-financial aspects. Simultaneously, it is important to raise awareness for, and to provide support to avoid, potential early failure.

Enhanced access to microloans is not the only measure which could contribute to facilitating entrepreneurship among retirees. Other initiatives, such as training in on-line entrepreneurship could complement this. Furthermore, stereotypes about entrepreneurship which can inhibit people to start enterprises can be addressed more generally, e.g. that entrepreneurship is a solo profession, requires big new ideas, that it is about money, and that entrepreneurs are born, not made (Dennis, 2012). For example, in Eurofound's study, self-employed retirees in a case study of a Swedish consultancy stressed exactly the importance it being not a solo-profession (having contact with clients and business partners) as a reason to remain employed.

Action with regard to fighting stereotypes and discrimination in the labour market is needed. Nevertheless, in the long-term, facilitating entrepreneurship –and employment more generally– among retirees who want to, can boost a self-re-enforcing mechanism which is already taking place. By achieving larger representation of retirees in jobs which are particularly visible in making economic contributions and in roles where people might not always expect to find them, itself contributing to changing stereotypes.

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CASE STUDY

The financial education of Anziani e non solo cooperative society

SERENA D'ANGELO, ANZIANI E NON SOLO

Anziani e Non Solo is a cooperative society working since 2004 in the field of social innovation, with a specific focus on management of projects and promotion of products and services in the sector of welfare and social inclusion.

The activities carried out by Anziani e Non Solo concern:

- ➔ Fight against poverty and support to social inclusion of disadvantaged people
- ➔ Training and support to family carers, informal and formal carers
- ➔ Active ageing and support to frail and dependent elderly

Regarding active ageing ANS is playing an important role at local and international level to improve the quality and the effectiveness of services provided for this target group, in particular ANS is involved in the following actions:

- ➔ Training course about "amministratore di sostegno"/ sustaining trusteeship in cooperation with public administration in Carpi District.
- ➔ Local projects in cooperation with elderly local groups and public administrations in order to reinforce community services, tools and cohesion such as: health and social transport, relief and recreational activities, elderly NGOs empowerment, etc. ("La fabbrica del possibile", Life After Care, Filodiretto)

- ➔ European projects for the promotion of dependent elderly rights and the creation of international networks on this topic (EUROPEAN- Euro Prevention of Elder Abuse and Neglect, WEDO- Wellbeing and Dignity for Older people)

The main areas of competences of Anziani e non solo soc. Coop. are:

- ➔ Project management, community project development and social research
- ➔ Social information
- ➔ Training and e-learning
- ➔ Validation of informally acquired skills
- ➔ Development of software packages for workers of social offices and employment services

Within its activities, ANS has promoted several project at local, national and European level and, among its clients, there are: local and regional administrations, foundations, NGOs, trade unions, job centres, social cooperatives.

ANS is member of some of the most representative International networks on elderly rights promotion and protection such as:

- ➔ INPEA – International network for the prevention of elder abuse
- ➔ Eurocarers – European network of organisations working with and for carers
- ➔ Age Platform – European network of organisations working for elderly people

Concerning the personnel, Anziani e non solo employs a staff of 10 people with relevant experience in the areas of intervention. Moreover, ANS can take advantage of skills and experiences of its associated cooperatives. At local level ANS has developed an important network based on voluntary associations whose the majority of their members are elderly people. In particular, ANS can rely on special condition associations (Alzheimer, Parkinson and Ictus local Association) in order to carry out activities on caregivers' recognition and empowerment; while it can count on elderly local groups to develop and maintain elderly supporting services (Anziani in rete, Blue Cross).

Presentation of Abaco project and testing

Estimates show that at least 20 million people are over-indebted in Europe. According to EU SILC Portugal ranks 2nd, Italy and Spain 6th and Greece 9th for arrears in the household in Europe.

These countries rank respectively, 1st, 3rd, 4th and 5th in the EU GINI Index. Therefore, their wealth is highly concentrated and badly distributed.

Eurobarometer findings indicate that people most at risk of over-indebtedness are also the most vulnerable: younger adults, families with children, single adult, people with the lowest incomes as elderly people with the Minimum pension. But there are also other factors that show how the risk of indebtedness is connected with social vulnerability: the problem is in fact related to health status, ethnicity, low schooling.

Over-indebtedness is a problem that should be faced above all from a social point of view, through educational tools and awareness rising campaigns to promote a conscious use of money.

Abaco is a project funded by the EU within LLP – Grundtvig, its aim is to adapt methodologies and contents developed by NIBUD - a Dutch Foundation expert in household finance support and training- in order to make them usable by partner organisations in Italy, Greece, Spain, Swiss and Portugal.

The expected impacts of the project were: awareness rising, improvement of basic financial skills in final users and providing tools for trainers and social workers involved in financial education of disadvantaged people.

The partners involved in the project were the following:

- ➔ ANZIANI E NON SOLO – Italy, a non profit organization skilled in EU project management and in managing of micro-loans programmes for vulnerable people;
- ➔ TRANSFORMANDO– Spain, with more than ten years of experience in micro-enterprises and microfinance;
- ➔ HRDC-HELLENICREGIONAL DEVELOPMENT CENTER – Greece, that promotes training, innovation and regional development;
- ➔ ACIDI – Portugal, that is the Portuguese high commission for migrants;
- ➔ NIBUD – Holland, an independent foundation that gives information about household finance;
- ➔ SEED LEARN – Switzerland, a swiss no profit organisation working on communication, training and new technologies.

The project is addressed to vulnerable people and aimed at generate a direct positive impact on their lives since it will help them to make better financial provision for unforeseen situations, invest wisely, and avoid the pitfalls of payment fraud. People who understand financial issues are also more inclined to heed regulatory risk warnings and less likely to purchase products they do not need, tied into products that they do not understand, or take risks that could drive them into financial difficulty. Among the target groups that can have advantage from the project results and tools we can mention:

- ➔ Migrants: they may become more aware of the context they live in and are encouraged to entertain social and economic relations;
- ➔ Micro-entrepreneurs: the project supports entrepreneurship directly, by strengthening specific financial skills for small entrepreneurs (building assets, setting goals, overcoming financial obstacles, budgeting etc)
- ➔ Unemployed people: financial literacy is also connected with employability since it involves life skills such as managing risk and taking choices.
- ➔ Family households: financial education will encourage low income citizens to save some part of their incomes and face unforeseen events, in particular this tool can help elderly people –living alone, with low pensions– to deal with daily expenses.

The main outputs of the project are the following:

- ➔ A basic book about how to manage money within the household
- ➔ A basic book about budgeting for micro-entrepreneurs
- ➔ An agenda with budgeting – tips and a mini house keeping account
- ➔ Teacher's handbooks and exercise book to promote support groups on money managing

In Italy ANS tested the main tools of the project in 2010, in particular they organized a training course on financial household management addressed to vulnerable people of the Carpi District selected with the support of local Social Services. Thanks to this testing ANS had the opportunity to realize weaknesses and strengths of contents and methodologies and TO adapt them according to the feedback received by the observer and participants.

The new version of the handbook and the course takes into account language and cultural barriers of migrant people, we believe that the new version obtained (language simplified, use of example and involvement of participants through their daily experiences and problems) can be very useful and adequate for different categories of population at risk of over-indebteness, especially for elderly people, who have to deal with household management by themselves and without financial management background. In the future, thanks to our expertise in community projects and training courses development and thanks to the important activities addressed to elderly people we have been developing at local, national and European level, we can use ABACO methodologies and tools to organize training courses dedicated to this particular target group.



CASE STUDY

The research experience on Active Ageing of Fondazione Zancan

CESVOT, ITALY

Introduction

Stories of over-indebtedness in microfinance and their unfortunate consequences have been the focus of debate over the last year, leading the sector to re-examine its practices and attempt to understand how such events could occur. Although stories of this kind have recently come out of India, there have been similar cases within Europe, particularly in Bosnia-Herzegovina (BiH). BiH came under fire after the widespread economic crisis that was affecting Europe spread to its microfinance portfolio. At one point, Bosnia and Herzegovina had 40% of active borrowers with loans from one or more MFI at the same time and were using one loan to pay off another as PAR reached more than 7 percent in June 2009. As a result, some microfinance practices came under scrutiny as this eventually led to a repayment collapse and the subsequent propping up of the sector by a 110 million euro investment in the sector by the European Investment Bank in December of 2009.

In the aftermath, the sector was introspective and asked itself of the primary focus of microfinance – financial or social? One case in particular, Prizma, The “Year for Active Ageing and Solidarity between Generations” has been a good occasion to reflect on the role of older people in the promotion of wellbeing and health, at individual and community level. These issues do not pertain only to health and social services, but can be extended to all areas of daily life and experience of each individual.

In our context, it has become a stimulus to research using methods for promoting knowledge and action, in order to identify new methods to address the problems arising in this area. The research - carried out in collaboration with Fondazione Emanuela

Zancan onlus – is rooted in the experience of the “Carta del volontariato toscano per l’invecchiamento attivo” [Charter of the Tuscan volunteers for active aging] promoted by Cesvot, and published under the patronage of the Ministry of Labour and Social Affairs, as a result of the constructive dialogue among five Tuscan associations (Arci Solidarietà, Anteas, Uisp Solidarietà, Aics Solidarietà e Auser) that are mainly engaged in promoting measures for elderly people.

Civic participation, lifelong learning, access to services and to public and private spaces, mobility, promotion of activity and healthy lifestyles are five priorities that the “Carta” put to the attention of institutional and social subjects. These are all preconditions for promoting more effective local policies, oriented to people, especially to those people who have collected more experiences in their long life journey, and because of this, they have many reasons for making the last part of their life an experience of greater responsibility towards themselves and towards others.

Our research is rooted in the need of giving scientific foundation to the five priorities identified in the “Carta”, promoting a focus on the importance and variation of these factors in the experience of active aging carried out with volunteers from the five voluntary organisations that in Tuscany are active with and for the elderly people.

This led to a process of collaboration between these associations involved in the experience of the “Carta” and then in a research that led both to address the most important needs related to this area and to compare “best practices” implemented at local community level by these associations.

One of the focus of the research was to investigate whether and how the action of "self-giving" by active elderly people (in terms of time and personal resources) multiply the social value of the local community, if and how it is possible to experiment new active ways of living aging, promoting wellbeing and solidarity among different generations, considering life styles (self-care, physical activity, diet...), interpersonal relationships (also seen as an antidote to loneliness, depression...) participation (in volunteering, civic commitment, intergenerational relationships...).

The research therefore raised the question "who are people today who experience active aging?" and "what local resources are available to take care of themselves and others?".

The results of this research will be useful to promote intergenerational volunteering, to reorient public interventions, in order to reduce the risk of conflict between generations planning actions based on listening, responsibilities and participation. These are all elements included in the draft of the 2012-2015 Social and Health Plan 2012-2015 of Tuscany Region.

In the first phase of the research, in-depth meetings for understanding the existing situation were implemented: who are the elderly who live actively their aging, as do they perceive it, and what are the possibilities in their community that promote these practices. These issues were addressed within two groups held in Florence and Pisa between late April and early May 2012, composed of about fifty representatives from the five organisations involved in the project, according to the priorities set out by the "Carta". The obtained result is a framework in which, despite the diversity of experiences gained by volunteers involved in the meetings, socialization, activity, participation and health are the most important dimension for a positive aging. The prevailing preventive approach, rather than promotional, used by institutions, confirms the need of promoting a positive view of the elderly people and the contribution they can give to the local community in which they live.

The most recent international literature emphasizes the need to activate, in a promotional way, all resources that may affect lifestyles, social situation, income, mobility, civic participation as factors that substantially affect the state of health and autonomy of elderly people. In a crisis like the current one, it seems urgent to activate policies that intervene on these dimensions for producing significant results in the health sector.

From this point of view, the Tuscan volunteer organisations anticipated the key themes that are at the centre of the reflection on active aging and solidarity between generations, in some projects submitted and approved inside the Call for Innovation promoted and supported by Cesvot and implemented in different areas of the region (of 337 projects examined, 17 are related to active aging).

The qualitative results of the working groups of the first phase of the research originated a questionnaire addressed to elderly people who are volunteers in order to understand how they intend active aging in the daily practice and to give a first representation of what volunteers consider important for facilitating the active aging process. The questionnaire was administered to 212 volunteers (121 males, 91 females), aged ultra 55 years, pertaining to the five associations in Tuscany.

Data analysis shows an important role of the psychological (attitude towards life, personality, personal life projects, ...), social (the presence of family, friends and social networks) and health components (health conditions) as well as the level of education, age and "gender" of respondents.

Among the most practiced behaviour for an active aging, reported by respondents, it emerges in the first place the "healthy eating", followed by "exercise", "to have friends" and "to be volunteer"; these behaviours have been linked to three main areas of intervention related to "lifestyle", "interpersonal relationships" and "social participation". Age, health, level of education, residence, daily exercise, are the factors that affected the answers provided by respondents.

Compared to lifestyle, the results show that every day "exercise" and healthy eating are the two most important behaviours as they have a strong impact on maintenance and recovery of physical abilities of older people. In this sense, the research highlights the fundamental role of the family doctor [general practitioner] in spreading the practice of targeted physical activity.

The dimension of interpersonal relationships is confirmed to be a key component for promoting an active aging, "stay together", be in good health, do some activities with other people turn out to be the conditions that promote socialization of elderly people and their use of spare time.

The questionnaire also addressed the issue concerning relationships between generations that

turns out to be an opportunity to experience active and dialogical aging. Favourable conditions are experience sharing, followed by dialogues and discussions on topics of common interest as well as listening to each other. Factors hindering relationships between generations are mainly the prejudices among young people, the distrust toward new technologies and the idea that older people have old thoughts.

Finally, the issue of social participation: to have already had experience in this field, to share exchange and dialogue with other people, the willingness to donate their time to others, these are the predominant answers.

The last phase of the research, more experimental, focused on choice experiments with the aim to understand if and how volunteers are willing to invest (and to support the commitment) in new practices of active aging and solidarity between generations. Choice experiments are used to obtain information on benefits and costs associated with different options submitted to respondents. Respondents were presented a few scenarios that are possible experiences of working life for a 65 years old person. The conditions examined include: "responsible behaviour" for their own health, "to have

social relations" and "social participation", "self-giving to others", "spare time". Among the available scenarios, respondents had to choose the one they prefer. The choice experiment involved a group of 15 volunteers (8 females and 7 males), between 65 and 74 years old. The preferred scenario turns out to be the most neutral, in which there is a balance between all components: attention to health, socialization, social participation, spare and leisure time.

Results from the three phases of the research highlighted also the centrality of personal resources and environmental conditions as fundamental elements for developing active aging pathways. It outlines a particular intersection of interests between institutions - interested in intervening against loneliness among elderly people - and voluntary organizations committed to increase the social capital involving elderly people in their activities as well as "users" but also "actors". There may find many points of contact and a good starting point is to rethink the relationship between the generations, not only the relationship between the elderly and young people, grandparents and grandchildren, but also with the middle generation, their children, in order to make effective that participation in social and community life that is so important for developing active aging.



Thoughts on microfinance as a tool for active ageing

ANNIKA CAYROL, RÉSEAU FINANCEMENT ALTERNATIF

Introduction

The European Commission declared 2012 as the European Year for Active Ageing and Solidarity between Generations. Indeed, on the one hand, in Europe as around the world, more people than ever before are growing older, which means that current policies and tools must be adapted in consequence. Moreover, this ageing population, in various European countries, is not always well off financially. On the other hand, microfinance has the mission to provide basic financial services to low-income people in order to improve their financial inclusion. Studies demonstrate links between financial and social inclusion. Could microfinance help older people achieve active ageing?

A few definitions

Concerning the keyword microfinance, the Consultative Group to Assist the Poor (CGAP) defines it as "a broad array of products (including payments, savings, and insurance) tailored to meet the particular needs of low-income individuals. People living in poverty, like everyone else, need a diverse range of financial services to run their businesses, build assets, smooth consumption, and manage risks."¹ Therefore, microfinance aims to provide basic financial services to excluded people. The most known tool is microcredit, but payments, savings and insurance are also covered by this notion.

The other essential concept is active ageing, which the World Health Organisation defines as "the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age. [...] Active ageing allows people to realize their potential for physical, social, and mental well-being throughout the life course and to participate in society, while providing them with adequate protection, security and care when they need. The word "active" refers to continuing participation in social, economic, cultural, spiritual and civic affairs, not just the ability to be physically active or to participate in the labour force. Older

people who retire from work, ill or live with disabilities can remain active contributors to their families, peers, communities and nations."² The term active thus refers to a larger notion than just value as a working person, it refers to wisdom and life experiences that older people can transfer to other members of the society. In a multifaceted approach, seniors could be seen as a valuable resource and not as a burden, as often depicted in the working-age problematic.

Microfinance's target audiences

As mentioned above, microfinance covers different financial service areas: payment, savings, credit and insurance and aims to help low-income people. But who are these low-income people? The target audiences vary according to countries and even according to microfinance operators, but some specific targets are often quoted by the latter as specific groups with particular needs which need to be met: women, ethnic minorities, youth, rural inhabitants... With the changing demographics and the policies taking time to adapt, another group is emerging as a potential focus: older people.

It is interesting to observe that no one agrees on an age at which someone becomes "old". According to the situation, "old" can start at 45 years when the topic is labour force, as retirement age varies in Europe between 60 and 70 years old. In other cases, "old" can designate people aged 65 years and more when it comes to granting social microcredit in order to realize ergonomic improvements to allow people to stay in their homes. A European barometer³ reports that "old age", across the 27 member states, is perceived to be reached at 63.9 years old. However, this average varies within the different countries, for example in the Netherlands, the average is 70.4 years whereas it is 57.7 years in Slovakia. The concept of "old" therefore remains very relative.

¹ <http://www.cgap.org/about/faq>

² http://www.who.int/ageing/active_ageing/en/index.html

³ Special European Barometer 378, January 2012

Some best practices by microfinance operators in Europe

The EMN debate in December provided project examples that microfinance institutions currently carried out, or that will shortly begin, to promote active ageing through microfinance. Out of three initiatives, the first two are briefly described below, as they are already explained elsewhere in this publication, and the last one is developed more in details.

In Romania, Opportunity Microcredit Romania (OMRO) offers two main basic financial products: investment or working capital microcredits, with different conditions according to agricultural or non-agricultural needs. It was found that 39% of OMRO's clients are at least 45 years old when they receive their first credit. OMRO's philosophy is to evaluate appropriately its clients' financial situation to avoid overindebtedness, thus supporting active ageing: it grants adequate loans to help older clients to reach better life conditions and to live with dignity.

In Belgium, the Social Policies' Minister appointed Crédal to start a project aimed at low-income seniors aged 65 years and more living in Wallonia. Thanks to partner associations that work with older people and thus know well their needs, Crédal will grant microcredits to buy technical solutions to allow seniors to stay in their homes. Some supplies that could be financed are walk-in showers, lifts, height-adjustable beds, reader software to use the computer. The success of this project lies in the fact that the partner associations work closely and therefore have a deep understanding of the seniors' needs as well as their social and financial background.

In France, it is the "Association pour le Droit l'Initiative Economique" (ADIE) that will shortly pioneer specific professional microcredits aimed at supporting seniors⁴. The French context shows, as in many other European countries, a growing population of older people. The recent data also stresses the fact that this older population is becoming poorer. Factors that explain this situation are life accidents, isolation, low retirement incomes compared to working wages and gender differences: 70% of these low-income seniors are women and 62% among them are single

(widows, divorced). Statistics moreover demonstrate increasing unemployment among seniors and bigger difficulties to find a new job when a person is aged 50 years or more. In addition, the new jobs found are more insecure: they are often part-time or short-term based.

Research carried out for ADIE demonstrated that the main barrier to start a business for seniors is the lack of financial investment. Other barriers are a lack of business creation information, a lack of business ideas or a lack of self-confidence. However, the research also identified strong assets for these seniors to create self-employment. Among them, are mentioned a decrease in expenses since children have left the household, skills and savoir-faire acquired during professional life and family support to start a business.

Given these data and since ADIE is already experienced in a segmented approach⁵, ADIE's new services will target with the package "rebondir" – "start anew" seniors aged from 45 to 65 years old that are in a situation of poverty, face unemployment and who wish to start a business. The package "tremplin" – "springboard" senior entrepreneurs that wish to reinforce their project sustainability and reintegrate the mainstream banking system.

The first package, "start anew", addresses seniors who do not yet have a (clear) business idea. ADIE identifies sectors and businesses with development and job potential and seeks micro-franchise possibilities. ADIE offers training and counseling to communicate on these sectors, businesses and micro-franchise opportunities to spark project ideas. ADIE works with "Pôle Emploi" (a governmental agency which registers the unemployed, assists them in finding jobs and provides them with financial help) that is in contact with these potential future senior entrepreneurs.

The second package, "springboard", aims to help senior entrepreneurs, that are clients with ADIE since at least 3 years and that have good repayment data, to maintain current projects and reintegrate the mainstream banking system. To that end, ADIE helps

⁴ These paragraphs are based on the document "ACTIVE AGEING TAILOR MADE SERVICE DESIGN" presented by Grégoire Héaulme, Marketing Director, ADIE, 14 December 2012

⁵ In 2008, ADIE launched CréaJeunes a specific product dedicated to youth (18-32 year-old).

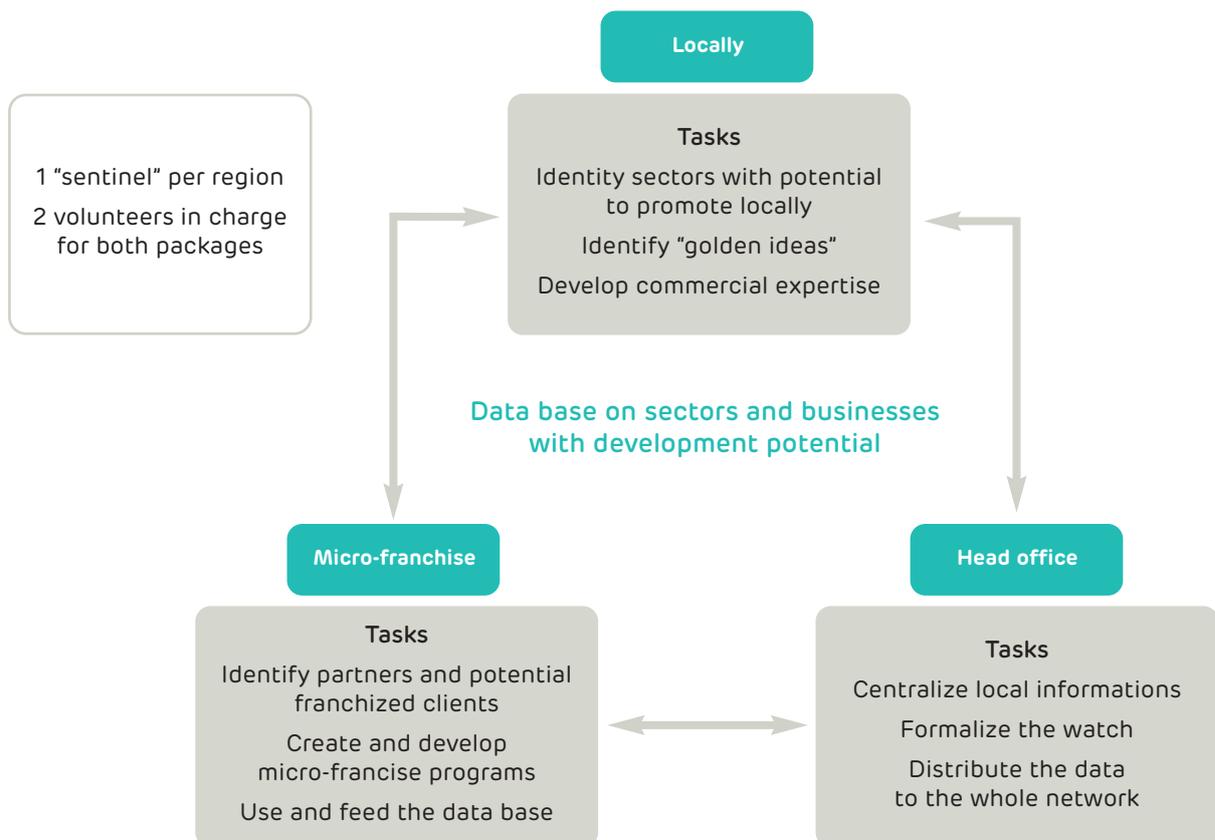
the identified senior entrepreneurs to develop commercial efficiency and turnover as well as reinforce business management, specifically on commercial development, legal aspects and accounting.

To centralize ideas and feed all services provided by ADIE, including the two new packages, a strategic watch dispatched in all the French regions will also be implemented. The idea is to create a database on sectors and businesses with development potential. A triangle system will be developed based on work done by the head office, local branches and micro-franchises. The illustration below represents its main functionalities.

With these new services ADIE has as objective to create 1,400 jobs annually in France from 2015 onwards. This figure represents a challenge that should clearly help low-income seniors to get back on track.

Conclusion

The examples mentioned in this article tend to indicate that microfinance can be a tool for active ageing. It can allow improving one's home, help find or create work and provide financial aid to sustain a business. However, at the present time, there are very few impact assessments of these devices (measuring the effective success rate, how long did the situation improve and to what extent, etc.). Therefore, microfinance is not and should not be the only tool for active ageing. Public policies should also, and foremost, be designed to help underprivileged older people gain and / or maintain a decent quality of life.



Source: ACTIVE AGEING TAILOR MADE SERVICE DESIGN presentation, ADIE, 14 December 2012

CASE STUDY

The experience of CREDAL (Belgium)

Introduction

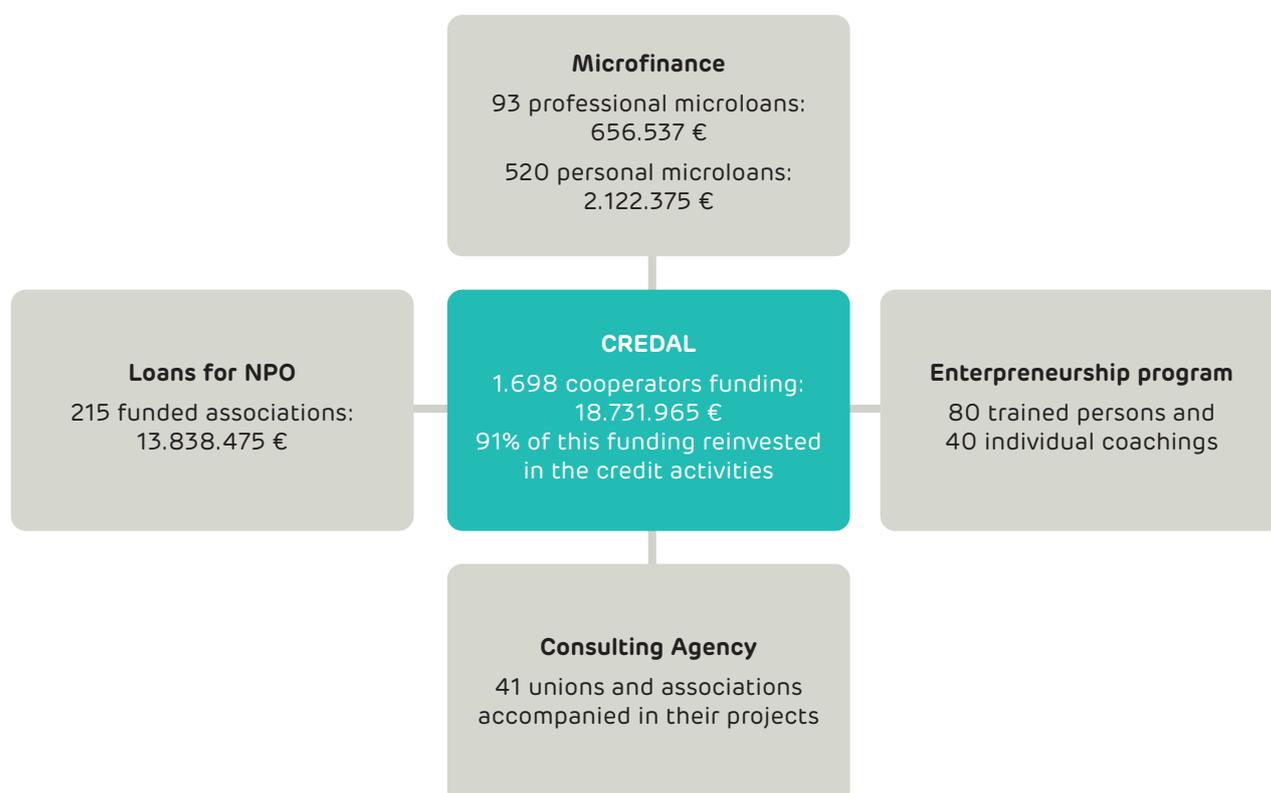
CREDAL is a cooperative established in the 80's. At this time, while the apartheid regime rages in South Africa, many Belgian banks still invest their funds in this regime. Citizens asked their banks how their savings were used to. With no answer from their banks, they decided to reclaim their savings back, pooling their money together and funding social projects in Belgium. CREDAL was born.

CREDAL collects savings and offers ethical and transparent investment opportunities. More than 90% of the collected money is reinvested in lending activities.

The first activity of CREDAL has been to propose loans to non-profit organizations like Oxfam, Medical care centres, daycares.

In the year 2000, CREDAL launched a second type of products: the professional microcredit. This loan is aimed to people who have no access to bank credit and who want to start or develop their own activities. In 2004, in collaboration with the Walloon Region, CREDAL created the personal microcredit. This loan is dedicated to people who have no access to bank credit and who want to buy a personal good or service, which has to be useful and necessary for them.

Finally, CREDAL offers consulting services to social enterprises through its consulting agency. It also supports job seekers to become self-employed through its entrepreneurship program.



Credal's experience

Today's topic related to active ageing and micro-finance is very relevant in our 'Personal and professional microcredit' activities.

Personal microcredit

are loans proposed to people with no access to classic bank loans, because they show too low personal revenues, other unpaid existing loans or are welfare recipients, looking to finance a useful and necessary good or service.

The interest rate is fixed at 5% a year and the lent amounts range between 500 and 10000 euro.

Our credit policy clearly defined the 'useful and necessary' requirements. For instance, our loans are applicable to finance the procurement of a car, basic furniture's, household appliances, education, health and dental care...

Consequently, we have also always considered that house adaptation that facilitates senior's life at home is compliant with those 'useful and necessary' requirements. We have, for instance, financed the installation of specialized bathrooms for reduced mobility seniors. We have also funded cars for retired persons with low pension wages willing to continue working in order to improve their revenue conditions. Cars have also enabled other low revenue seniors to maintain social activities and escape from isolation.

CREDAL regularly support seniors in their foreseeable healthcare charges: dental care,...

Finally, senior people have often no access to bank loans for house renovation and maintenance. We have therefore financed roofing, kitchens, boilers and heating systems.

But those financing activities remain marginal.

In 2011, the average age of our clients is 45 years old. 21% of our clients are 50 and more.

From the beginning of our activity, CREDAL granted 2032 personal microloans. Only 151 (less than 8%) were given to person aged of 60 and more.

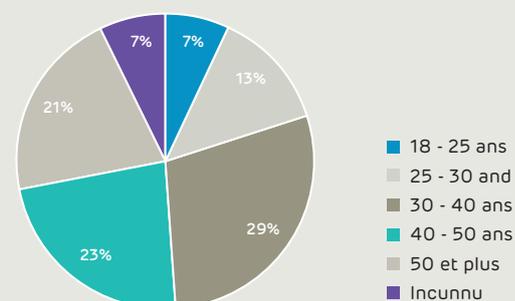
Professional microcredit

are loans aimed to people who have no access to bank credit and who want to start or develop their own activities.

The interest rate is fixed at 5% a year and the credits amounts up to 12500 euro. They can be of two forms:

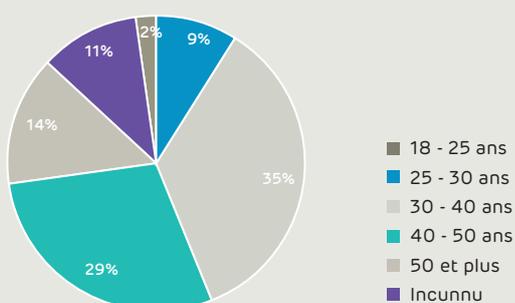
Personal microcredit

→ Age customers in 2011



Professional microcredit

→ Age customers in 2011



investment credit on long term or cash treasury loans payable on the short term.

Senior microcredit customers are a minority. In 2011, the average age of our clients is 41 years old. 14% of our clients are 50 and more.

Since the year 2000, 640 credits have been granted to micro-entrepreneurs, of which only 15 were dedicated to 60 yrs-old and over persons. That is less than 3 percent.

CREDAL always proposed to its professional customers to be guided for no fee in their project. This guiding is adapted to customer's needs and can happen before, during and after the launch of the activity.

To guarantee the guiding services, CREDAL collaborates with volunteers, providing them with specific training. Retired persons can therefore find here a new fulfilment in their life. In order to develop its volunteers network, CREDAL has made an agreement with Belfius Foundation, which promotes retiring Belfius employees to stay involved by volunteering with micro-entrepreneurs.

Among our 30 volunteers, 49% are retired and are older than 65. Retired volunteers bring their entire professional experience and know-how and provide young entrepreneurs with essential skills to start their businesses. Support can be as broad as technical, financial, legal, marketing or even strategy. Retired persons knowledge are also valued in our credit engagement committees. Their experience always brings precious insight to the granting decisions.

Finally, CREDAL also support intergenerational projects. For instance, we funded a non-profit organisation called 'Entr-Age' which brings young and elderly people together through cultural and social activities. Another example is the NPO 'Au Bonheur du jour' which organises intergenerational activities to help people to maintain a social life.

Perspectives

Staying at home despite ageing should be a choice and a right.

In the Walloon region, the platform 'Bien vivre chez soi' is coordinating 5 service organisations helping elderly people. Those organisations are working with occupational therapists who help and can diagnose needs of those persons. But financing services was missing in this platform.

The minister in charge with social policies (M. Tillieux) has created the microfinance product 'Bien vivre chez soi'. CREDAL has been appointed to implement this new proposal. It should be launched next year in 2013.

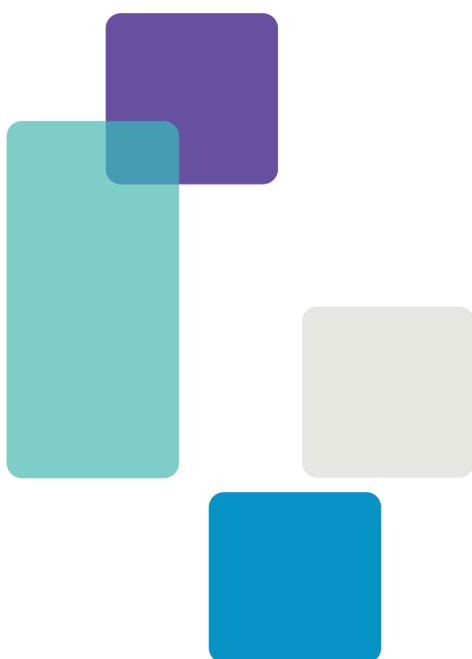
This new credit proposition will focus on home adaption and technical solutions for Wallonia residents aged 65 or more with low revenues. It is a 10000 euro max instalment loan with 0% interest rate. Walloon region will take the interest at his charge and will guarantee those credits up to 75% of their value.

This financial product will for instance be applicable to install walk-in shower, height-adjustable bed, high chair, walker, reader software for computer,

The granting process for this loan happen in 2 steps: first, the client has to request a diagnostic from one of 'Bien vivre chez soi' member organisation. Then CREDAL will eventually grant credits for the specifically identified needs for the person. The person can thus not ask directly CREDAL for self identified requests.

This process guarantees that the needs are well identified but also enables CREDAL to better understand social and financial conditions of the customers. Indeed 'Bien vivre chez soi' members work closely with elderly people and can thus appreciate those conditions very well. If those conditions are such that CREDAL can only partially grant the credits then priorities are set with 'Bien vivre chez soi' member and the customer.

Moreover, a representative of 'Bien vivre chez soi' member organisations will always attend credit granting committee to ensure a close collaboration with CREDAL. We plan to grant about 350 credits through this product by 2015.



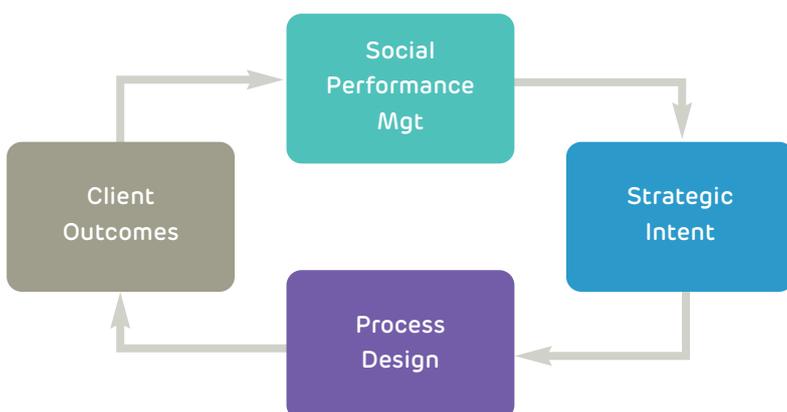
CASE STUDY

The experience of Opportunity Microcredit (Romania)

S-P O'MAHONY, OMRO

Imagine life as one of 5.5 million pensioners with a monthly pension of less than €200 in a country where the media, the Government and the society is glamourising the youth and the role of technology in the new Europe. This is the lot of 29% of the population of Romania, who fight for survival daily, in very adverse circumstances. One MFI that takes this challenge seriously is Opportunity Microcredit România (OMRO), which has been supporting the active ageing of this country through microloans. But it's not just about loans, but about restoring dignity and supporting older clients to achieve a better life for themselves, for their families and their communities.

OMRO, part of the Opportunity International Network, takes Social Performance Management very seriously. Social Performance Management (SPM) may be defined as 'putting an institution's social goals into practice', and in the case of Opportunity the ultimate goal is social impact. Therefore SPM is critical to deliver the desired outcome. SPM informs strategic intent, which in turn informs product design, which in turn delivers client outcomes, which can then be assessed to once again inform the strategic intent thus creating a virtuous circle.



OMRO's strategic intent is to provide opportunities for people in financially and socially challenged situations to transform their lives. In Romania the older population is an important component of the society and, in some small way, the OMRO people have applied their values to collaborate with this marginalized group rich in talent, wisdom and experience.

The basic product of a loan to a client provides the framework by which the Company is able to engage with the active ageing to contribute to an improvement in their circumstances. Two basic products are offered, for investment or for working capital, with conditions tailored to agricultural or non-agricultural client types.

Critical to success with this client type is:

- ➔ Application of values, especially humility and respect
- ➔ Responsible financing solutions for each type of business
- ➔ Long term relationships with the clients building their capacity
- ➔ Insight and understanding of clients' business and environment
- ➔ Continuous awareness to grant loans for the good of the client, to contribute to transforming their lives for the long-term
- ➔ Focus on the client morning, noon and night

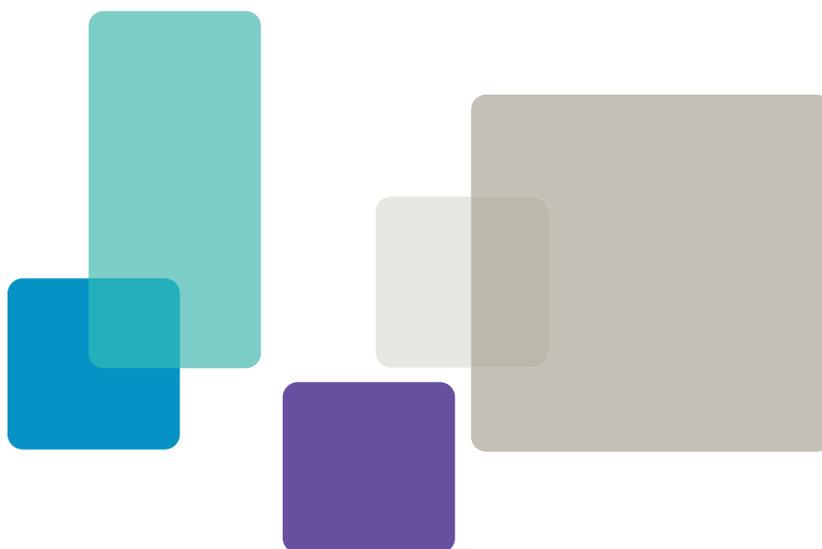
Providing loans to this group can often mean saying "no" to them, because their requests, if granted, might put them at great risk. OMRO always tries to find solutions, which meet the desired objectives without creating lifelong burdens for the clients should something go wrong in their lives.

39% of OMRO's clients fall inside the EU definition of "active ageing" with more than 600 clients taking their first loan with the Company while older than 45.

An example of a client engagement is Florea Pendea, from Drăgești in Bihor County in Northwest Romania. She has 59 years, and her husband 73 years, and they are actively engaged with a subsistence farm with cows and crops. As pensioners their resources were so limited that they relied on their children for survival, providing additional cash when needed. They came to OMRO requesting a loan to add two cows to their existing two. Financial analysis showed that this scale of loan would have created a risk of over-indebtedness in the event that something went wrong in their lives, and so OMRO granted a loan of RON2,060 (EUR500) in December 2009, sufficient for one cow over a 12 month period. Mrs. Pendea repaid the first loan on time, and had increased her capacity to be able to take another loan for a tractor. Mr. Pendea uses the tractor to work their land and that of their neighbours, thus reducing the physical burden on the older members of the community. Mrs. Pendea is one of OMRO's best clients and a strong advocate of the Company and the effectiveness of small loans in her community.

OMRO is committed to serving the active ageing in Transylvania and, through strategic partnerships, intends to achieve greater outreach, wider services such as savings and insurance and new products such as home improvements, all tailored to the specific issues and challenges of the target group.

Opportunity Microcredit România, one of the first microfinance entities in the country, dedicated to the region of Transylvania, which covers more than one third of Romania. For nearly twenty years Opportunity has been serving unbanked and excluded small entrepreneurs, in both urban and rural areas, building a broad base of loyal clients. The Company, regulated by the Central Bank, now has more than 2,000 clients with a portfolio of €8.5m. OMRO is a member of the Opportunity International Network, a leader in microfinance operating with 53 partners in 23 countries in Eastern Europe, Africa, Asia and Latin America.



The use of microfinance in the context of senior entrepreneurship

BEGOÑA ARECHEDERRA, SECOT

We normally think about entrepreneurship as the activity of the young.

However, don't be misled by appearances: to get into a new business is not only a matter of youth: the lifetime experience (that usually involves more wisdom and patience) is a key factor to become an entrepreneur.

There are many reasons for starting a small business reaching retirement age: the chance to realize a personal ambition, to be the boss, the need to supplement income, a desire for a more flexible lifestyle, etc

In the US, the majority of successful businessmen working in sectors with rapid rates of growth, have started their business over the age of 40, and among 500 successful companies, the number of entrepreneurs around 50 is twice as big as those around 25.

In the case of Spain, the average age of entrepreneurs is also increasing (it is now around 38), and there is a growing number of people over the age of 50 that become entrepreneurs.

Although in Spain we have not the strong tradition and deep roots of an entrepreneurial mindset as it is in the US society, the persistence of the economic and financial crisis is being an opportunity for a quick progress of the entrepreneurship: it seems that the entrepreneurial capacity of the Spanish population increases as the crisis is deeper!

Also, the unemployment is affecting all levels of society, not only young and qualified people, but also older adult people with experience in different sectors.

Let's know a little bit more these senior entrepreneurs. Normally we can find two kinds:

➔ On one side, highly qualified professionals that having reached top management positions are tired of working for a big company, leave their jobs and their good salaries, and begin to work on their

own account. Thereby, they take advantage of their own experience, skills, business knowledge, contacts network and financial cushion accumulated, in order to start their own business.

➔ On the other side, people that have lost their job and that due to their age, they find extremely difficult to find another employment. In this case, they are somehow "obliged" to look for other options, and certainly to start their own business backed up by their experience, seems a not too bad solution.

Which are the common characteristics that could describe the senior entrepreneurs?

- ➔ They have decided to give a turn to their present situation.
- ➔ They have a wide working experience
- ➔ They give prestige wherever they go
- ➔ They are very talented people, and wish to use it.
- ➔ They know how to put in value their knowledge

And although it is said that people normally like to hear advices for not following them, let's outline a few number:

1.- Make something that makes you happy: in many occasions, our life circumstances lead us to stay in jobs that don't make us happy and we finally are burn out. Our hobbies and true vocations are often subordinated to our family and financial obligations, and we leave apart all the things that we really like. Thus, when we want to start our own business, we have the opportunity to fulfil our dreams and develop our true vocation.

2.- Find the right balance between the project and the level of energy: do not forget that a job that requires a lot of your time and energy may not be the most indicated, given that you may not be willing to make a big sacrifice as the one you left behind. It is important to be honest concerning our own possibilities, to avoid a lack of motivation with our new responsibilities.

3.- Be surrounded by young and optimistic people: although they may not always be the most qualified they will help you to recover your happier spirit.

4.- Don't be upset by your age: take advantage of it. The entrepreneurs with more advanced age are more likely to have a wider experience in getting the necessary loans for starting a new activity. Age is a positive value that adds experience and vision to the business.

5.- Compensate your limitations by finding a partner: if your business needs technology or any other thing that you don't know or you do not want to learn, get a partnership with an expert that can compensate your limitations.

It is never too late to pursue what you like, Why to stop now? Do not get upset and less than all, by your age. And which is the role of microcredits in senior entrepreneurship?

One of the first aspects that an entrepreneur must consider is the level of risk he is able to take. When you're young, the imperatives of building a successful business and financial security for yourself and your family happens within a much wider window of time than it does for older entrepreneurs. The risk of failure and never being able to rebuild your retirement nest egg is a significant consideration.

But let's look at the positive side: the experience is an advantage in order to get the necessary financing,

Entrepreneurship must be open to everybody that has ability and skills to start a business, without barriers limiting the self employment and the necessary funds.

The access to microfinance services is a key strategy to develop further the self employment and the small business,

Until now, microcredits have been aiming for the most unfavoured: immigrants, and people with very difficult personal and socioeconomic circumstances. However, due to the economic crisis the number of qualified unemployed able to start their own business is increasing.

At the same time, the sources of financing have decreased dramatically, which means that although the intentions for entrepreneurship are higher, the access to funds is more and more restricted.

The traditional Banks are struggling more and more the access to credits and loans, even to entrepreneurs that can bring collaterals, and that some years ago would have got the funds without problem.

Of course, if one of the main targets to solve the economic crisis is to maintain and to create jobs through the small business, the funds must reach not only the traditional clients of the microcredits but also the small companies that today have no access to "normal" credit services.

However in Spain, the development and reachability of the microcredits has been very limited. Besides, since 2008 the sector is into a deep crisis. Since the public financing and the one provided by savings Banks has dropped dramatically, the majority of microcredit programs have been obliged to be suspended.

In conclusion, at present in Spain, many people are trying to start up a new business but the problem is the lack of funds. Only a few number of institutions are providing these programs.

Microlenders say they exist to serve those who aren't served by banks. That has long meant people with poor credit, or not enough collateral, or people in low-income communities where banks don't have much of a presence. But now that we're seeing dramatic changes in the banking sector and a tightening of credit, microloans may become a mainstream financing option for very small businesses.

The positive aspects of microcredits are their favourable conditions because they make possible to create small businesses and to start something of one's own,

Also, and this is specially important for the senior entrepreneurs, they make possible to increase the faith in the future and to increase the self-esteem. So, in spite of stress, anxiety, worries, tiredness and responsibilities that mean to have our own business, the microcredits have opened new possibilities to senior entrepreneurs: they help to bring back illusions and even to get out of the psychological depression. All senior entrepreneurs are highly motivated and envisage the future with more optimism and more quietness,

A general thought amongst the senior entrepreneurs is " I should have done it earlier"

To conclude, I would like to quote a sentence that I heard a few days ago while watching the new James Bond film, Skyfall: "Age is no guarantee of efficiency, and youth is no guarantee of innovation"

If we think about it, we will see how true is it. Just take a look at the senior entrepreneurs !!

Addressing fuel poverty amongst older people through credit unions

GREG SHEEN, LIVERPOOL JOHN MOORES UNIVERSITY

This short paper provides a brief exploration into fuel poverty experiences of older people (aged 65 years and older) living in the UK. The paper also provides a brief review of credit unions as micro-finance initiatives (MFIs) and their potential in being able address the issue of fuel poverty amongst older people in the UK.

Fuel poverty in the UK

Fuel poverty faces millions of households in the UK (Palmer, MacInnes and Kenway, 2009). The 'fuel poor', as they are described, are found to be living in homes that cost more than 10% of their monthly income to keep at a decent warmth. There are often signs of damp and condensation found around their homes, leaving their condition of physical and mental health at jeopardy.

Over the past decade, the price of gas and electricity paid by consumers has risen at extortionate rates (ONS, 2012), where consumers have experienced over 100% increases in their cost of fuel. However, the task of keeping warm indoors is even harder for older people who are particularly struggling to heat their large, often under occupied homes. This group of people often spends the most time indoors due to social isolation and or mobility issues, yet the present study shows that this group is likely to suffer in silence and perhaps even not show up on the Government's indicator of fuel poverty.

There is ample research confirming that those most affected by fuel poverty are in fact older people and those living on a low income and in social housing and private housing (Wright, 2004). It is for this very reason that social landlords such as Liverpool Housing Trust (LHT) based in Liverpool, United Kingdom partnered with Liverpool John Moores (LJMU) in the present study funded by the Chessire

Lehmann Fund⁶. LHT manages a fair proportion of the housing stock operated by registered social landlords in Liverpool. At present, a majority of LHT's 10,000 tenants are in receipt of housing benefit, which is characteristic of a significant number of low income people holding tenancies.

Findings emerging from the present study

The aim of the research is to explore and provide evidence on the dual-effect of fuel price rises since 2004 and of under-occupancy (in relation to fuel consumption) on social housing tenants aged 65 years and above (i.e. older people). The initial findings from some 10-15 participants are as follows.

On the whole, it emerged that some older people are potentially 'silent sufferers' of fuel poverty. Though they might not 'show up' on current indicators as being in fuel poverty (i.e. defined as spending 10% or more of their income on fuel), some of the older people interviewed were seen to be 'bearing' the cold. These tenants explained that, for them, it is better to go cold and double up on clothing / blankets than to incur unaffordable fuel bills.

Virtually all of the tenants that took part explained how they had and continue to experience the harsh effects of increasing fuel prices, year on year. As a result, they have had to considerably cut back on their spending. Tenants' biggest worry in the coming year relates to not being able to afford to heat their homes properly. Their worry stems from a consciousness of the likely event that prices will continue to increase while their incomes have little prospect of increasing at a matching level.

⁶ <http://www.cheshire-lehmann.co.uk/>

Fuel supply

Tenants had typically been with the same fuel provider for 2 years or longer. However, when assessing how much these tenants were paying for their fuel supply, it was clear that the rates were not equitable. For instance, it was found that some tenants were paying significantly more for their fuel than others. Take Carol for example. Carol is on a fixed deal with the fuel provider, EON, and is paying about £70 a month. At this cost, Carol said that she is allowed to use as much gas and electricity as she wishes, for the same fixed cost. On the other hand, there is Elizabeth. For Elizabeth and many others, the situation is very different. Elizabeth said "I cannot afford to keep gas on all the time... I can pay up to £80 monthly in the winter months for gas, which is paid using a pre-payment meter."

In the case of Elizabeth, she is at a double disadvantage. She is being affected by the fact that, although she is also pensioner, she is not on an appropriate social tariff. Additionally, Elizabeth is paying a higher cost of fuel through using a pre-payment meter. The study therefore highlights the likelihood that only a minority of older tenants are accessing appropriate social tariffs provided by their fuel provider.

When it comes managing their fuel bills, tenants demonstrate a consciousness of fuel costs and work hard to conserve their energy consumption e.g. by not leaving unused appliances on standby, turning lights off and the like. Some of the older tenants were found to be keeping detailed written records of daily / weekly usage to monitor consumption. However, in spite of this, tenants still explained that they felt there was nothing more that they could practically do to reduce their fuel bill, in order not to jeopardise their health and their livelihood.

Managing money

Majority of tenants were on pay-monthly accounts, which they either managed by Direct Debit or at their local Post Office using a payment card provided. Within the sample, pre-payment meters were being used by only a few of the tenants. This was optional in most cases and preferred to paying by Direct Debit. Some tenants described that they felt it was easier to manage and monitor their fuel account through pre-payment meters than via Direct Debit.

Due to being older in age, the tenants who took part in the study appeared to be effective with regards managing their money day to day. From what they described doing, it appeared they had effective money habits including budgeting and planning ahead. That notwithstanding, tenants described that it was often harder for them to make ends meet during the colder months of winter, than it was in the summer. This is because of the known fact that it is harder to heat colder properties. They also explained that they tended to spend more time indoors during the winter, often due to mobility problems such as arthritis. As a result they consumed more energy whilst at home.

The study found that many of these tenants spent considerable time sitting in relatively cold rooms for majority of the winter day, afraid of turning the heating on and worried of incurring unaffordable fuel bills. It is this sort of behaviour that coined the phrase, 'silent sufferers'.

Despite suffering in silence, tenants explained that in the likely event that had consumed slightly more gas or electricity from one month to the next, they would themselves volunteer to pay an extra amount of say £10 or £20 weekly towards their bill. This was done proactively so that the tenant always felt in control of their fuel bills. It also reduced the chances of these tenants being landed with a shortfall at the end of the billing period.

Exacerbated health problems

Majority of tenants were found to be suffering from one disability or another or were in generally poor health. The common health conditions experienced related to arthritis of the hands and knees and or other mobility complications. Tenants described how their conditions were being exacerbated by being unable to keep their home warm all of the time. For tenants who are not in receipt of Disability Living Allowance benefit or a private pension, they often found it even harder to make ends meet and manage their fuel account.

The present study concludes by suggesting that credit unions as, through being locally placed, might be suitable for offering a solution to the issue of fuel poverty, particularly amongst older people.

Credit Union and MFI Social Performance Indicators

Credit unions are social finance enterprises operating under the Credit Union Act (1979)⁷. Their objectives include (a) the promotion of thrift among the members of the society by the accumulation of their savings; (b) the creation of sources of credit for the benefit of the members of the society at a fair and reasonable rate of interest; (c) the use and control of the members' savings for their mutual benefit; and (d) the training and education of the members in the wise use of money and in the management of their financial affairs. Given the inextricable links between fuel poverty and financial / social exclusion (Lomax & Weddenburn, 2009), it appears sensible to believe that the credit union might be well placed to offer a solution to the issue of fuel poverty. This could either be delivered by providing older people with appropriate money management products, services and or skills.

When viewed against the 11 MFI social performance indicators⁸, credit unions can indeed be considered to be operating as micro finance initiatives (MFIs). That is, credit unions primarily provide financial support for the socially and financially excluded. Taking the first three MFI social performance indicators for example, credit unions are evidently committed to social development through the way in which they target the socially and financially excluded (Jones, 2008). For majority of community based credit unions, the extent to which they support and enable societies is innate within their operating model. Though, it might be less likely to find that credit union directors have been specifically trained in social performance management. Credit unions offer products designed for consumers who, for example, might lack a decent credit rating, which means that he or she would struggle to borrow from a high street bank (Bath and Jones, 2010). In fact, majority of credit union membership is comprised of consumers who are so excluded from mainstream credit that they resort in obtaining unaffordable high cost credit, which in majority of cases leads to uncontrollable debt.

With regard to some of the other MFI social performance indicators such as 5. Transparency of cost, for many years credit unions have been complying with the Financial Services Authority (FSA) regulation⁹ and the rules from the Association

of British Credit Unions Limited (ABCUL)¹⁰. A relevant example is the requirement that costs, particularly the overall cost of credit, are expressed as a Annual Percentage Rate (APR) and clearly communicated by credit unions to their borrowing members. However, in relation to the tenth MFI indicator, it is only through recent developments in legislation that credit unions are, for the first time ever, being able to target and lend to businesses and enterprises, provided they meet the necessary membership criteria. Additionally, through the stipulations from certain funders (e.g. The Department of Works and Pensions' Growth Fund) credit unions are required to and are hence becoming more familiar with targeting and demonstrating the extent to which they are enabling the most deprived within communities.

Credit unions as a micro-finance solution for the fuel poor?

With the imminent introduction of 'universal credit'¹¹, which will see state welfare benefits being paid in a completely different way to at present, now more than ever before, social landlords are being seen to be partnering with credit unions. The hope is that through partnership, credit unions might provide transactional services for tenants to lessen any financial difficulties as a result of the changes. Such solutions might include offering direct debit payment / direct rent payments, fuel bill payments through the use of a budgeting account and the like.

1. Helping older tenants to get a better deal

Pensioners living in particular geographic areas (normally deprived areas) might be entitled to discounted fuel tariffs from their fuel provider¹². However, such tariffs are mostly only provided on application; it is by no means an automatic enrolment. That is why in the example of the two pensioners, Carol and Elizabeth (above), the latter who is not on an appropriate tariff is paying considerably more for her fuel than Carol, who is on a social tariff.

⁷ <http://www.legislation.gov.uk/ukpga/1979/34>

⁸ <http://www.themix.org/social-performance/Indicators>

⁹ <http://fsahandbook.info/FSA/html/handbook/CREDS>

¹⁰ <http://www.abc.ul.org/home>

¹¹ <http://www.dwp.gov.uk/policy/welfare-reform/universal-credit/>

¹² <https://www.eonenergy.com/for-your-home/Get-energy-efficient/how-are-we-helping/Warm-home-discount>

Though situations like this appear to be inequitable, credit unions might be well placed to offer a solution. In line with their objectives, credit unions are already providing their members with informal education on general money matters. However, viewed against some of the emerging findings from the present study, opportunities are highlighted for credit unions to do more. In particular, when it comes to addressing the issue of fuel poverty, credit unions should consider educating older tenants on how to obtain or switch to more attractive social fuel tariffs.

In addition to this, given the financial leverage of a community credit union being considerably greater than an individual consumer alone, there might be opportunities whereby credit unions negotiate a "bulk buy" deal with a single fuel provider in order to offer fuel at a more affordable price to their members. Achieving an effective fuel deal such as this could go a long way to reducing fuel poverty amongst tenants and see a decrease in the percentage fuel costs in relation to income to below 10%.

2. Helping older tenants to manage their fuel account

Feedback from the present study suggests that tenants might benefit from an appropriate suite of products and services to help alleviate their experience of fuel poverty. Although some tenants are already using direct debits to manage their fuel account, others are paying for their fuel using payment cards or are on pre-payment accounts. With older tenants being more prone to suffer from health problems, particularly problems related to mobility, credit unions could offer some support through making their products and services more accessible through telephone banking, for example. Providing improved services like these could be of real help to older people, particularly during the colder months of the year, as they would no longer need to walk to their local post office to pay their fuel bills.

In conclusion, this paper explores the issue of fuel poverty and how it relates to older tenants in social housing. The paper highlights several opportunities for credit unions, as credible micro-finance initiatives, to provide a solution to the problem of fuel poverty particularly amongst older people.

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Microfinance as a Tool of Active Ageing: the experience of WorldGranny

CAROLINE VAN DULLEMEN, WORLDGRANNY

WorldGranny is a NGO, partner of HelpAge International, a worldwide network working with and for older people to improve the quality of their lives. I would be most happy to speak about our experiences with microfinance as a means of entrepreneurship in later life. We could also share info on our micro-pension projects as we see this as a contribution to the improvement of life of the older people as well as the younger generation since they are no longer totally financially responsible for their ailing parents. Having pension provisions in place gives room for the younger generations to undertake entrepreneurial activities. In fact, global ageing effects both the older as well as the younger generation, in terms of social security, employment opportunities and care.

We currently execute two mayor programs which are very much in line with the topic of the conference.

1. A 5-years program, "Transition in the East Alliance", which we execute with two other organisations, and in which we specifically focus on entrepreneurship and livelihood development for seniors.

2. A network program "Pension & Development Network" in which we connect the expertise and knowledge of the Dutch pension and insurance branch to the NGO and MFIs in Asia, Latin America and Africa that are looking for old age provisions for their aging clientele. We are currently setting up micropension projects in several countries.

www.pensiondevelopment.org is giving your more info on our activities.

TEA – Transition in the East Alliance Program Outline

The microfinance aspect of the TEA program is preliminary focused on improving the socio economic status of marginalized groups, including seniors, by

providing them better access to, and benefit from, private and public micro finance schemes.

The goal of the TEA microfinance program is to reach the following outcomes:

1. CBOs and NGOs sustainably provide small scale micro finance and livelihood services to marginalized groups
2. Micro finance and livelihood services of existing relevant institutes become more inclusive and serve at least 25% more marginalized people
3. A Microfinance Expertise Centre will be realized in Vietnam, which will be self-sustainable and feeds the countries in transition with knowledge, ideas, trainings and tools for inclusion of seniors, indigenous and people with psychiatric problems in Innovative Livehood and Microfinance.

The baseline studies undertaken in the five program countries, Sri Lanka, Vietnam, Laos, Tajikistan and Georgia, show that the beneficiaries of the TEA program (consisting of physically and mentally handicapped people, seniors, ethnic minorities and the poor) are often unemployed and / or have low incomes that are often insecure and irregular. Their incomes are often below the subsistence minimum, which makes them extremely dependent upon external sources of income (family / relatives, social provisions, government).

The lives of the people within these marginalized groups are punctuated by occasional demands for relatively large amounts of money. Because of the nature of their income, they find it difficult to meet these demands, whether it is to respond to opportunities (eg, for investment), emergencies (eg, sickness), or life-cycle events (such as weddings or funerals). Although access to financial products (including microfinance products) such as loan, insurance or savings products might improve their economic, the nature of the income situation make them risky clients for financial institutions to cater to.

Access to financial services

The TEA program explicitly mentions the role of local NGOs/CBOs in the provision of more and better financial services to their members as an important outcome. However, developing and operating these financial services requires knowledge and expertise in this field, as well as a specific organizational structure and often approval from the government. Generally speaking, this is not the core business of the before mentioned NGOs/CBOs, and in many countries NGOs/CBOs lack the governmental approval to offer microfinance services.

Therefore, any strategy aimed at providing marginalized groups with access to financial services should focus on creating partnerships between NGOs/CBOs and existing financial institutions that are willing to service the more risky clients. Not only out of cost-effective perspective, but also out of the perspective of professionalism. This is where Micro Finance Institutions (MFIs) come in: organizations that are setup to provide those that fall outside of the regular financial sector (often those employed in the informal sector) with access to financial services.

Rogoff's¹³ Five-step model for creating appropriate entrepreneurial strategies for later-life entrepreneurs

Step 1: Identify the Entrepreneur's

- ➔ Financial Resources, such as current income and expenses, network, liquid assets, current investments Resources
- ➔ Social Resources, such as business and personal networks and family support
- ➔ Cultural Resources, such as ethnicity issues
- ➔ Human Resources, such as skills, abilities, formal education degrees, and relevant work experience
- ➔ Identify resource gaps that need to be filled

Step 2: Develop Potential Venture Profile

- ➔ Amount that can be invested and likely sources of capital
- ➔ Business goals such as current income or future value
- ➔ Timeline for achieving these goals
- ➔ Industry or business type that matches the entrepreneur's abilities and desires

Step 3: Create Specific Options

- ➔ Develop strategy for developing a plan to start a business or to purchase an existing business
- ➔ Identify specific options through search or business plan development

Step 4: Judge the Appropriateness of the Match

- ➔ Evaluate whether the business or plan is a good match with the resources as well as the time and risk profile of the entrepreneur
- ➔ Review whether all required resources are available either through the entrepreneur or through other strategic options, such as partners, employees, or outside funding

Step 5: Review the Process of the Previous Four Steps, and Take Action to Improve Them in Subsequent Applications:

- ➔ Searches for opportunities or plans for existing businesses that did not lead to success to be reevaluated and revised for subsequent efforts
- ➔ Successful efforts also need to be constantly evaluated as to future plans

To be effective, tools for later-life entrepreneurs should not only match an entrepreneur to a business strategy but must be easy to apply, be sensible, and have clear conclusions. The thinking that underlies the tools can become integrated into the entrepreneur's ongoing strategic decisions.

Why micropensions as old-age provision?

Micropensions are the next step in micro-finance provisions. Micropensions are intended to generate capital growth by enabling poor people to invest in diverse assets. A micropension scheme can be described as a fixed system of contributions where participants save voluntarily over a long period. The built up savings are invested by a professional asset manager, and at a pre determined age, often around 58 – 60 years, the built-up assets can be collected as a lump sum, in phases or on a yearly basis. Often, a combination of these methods is used[5].

¹³ Edward G. Rogoff, *The Issues and Opportunities of Entrepreneurship After Age 50*, Baruch College, CUNY, 2008.

Old-age provisions in the form of micropensions are important for the poor to be able to safely accumulate, grow, and protect wealth. However, pension products which allow clients to successfully grow their net wealth to provide for their old age are rarely available to poor people. Pension-based old-age provisions are an underused policy instrument for achieving just and more equitable societies for all ages. Their vital role as part of anti poverty policy needs to be recognized.

Impact on poverty

A study by HelpAge International on the impact of non-contributory pension programmes on poverty shows that the programmes significantly reduce the probability that households, usually with more generations, with a pension recipient will be in poverty. Also, the evidence of this study suggests that extending non-contributory pensions programmes to other developing countries could have a significant impact on reducing poverty and vulnerability among households with older people.

Old-age provisions in the form of pensions are an effective way of reducing income poverty and other forms of poverty among older people. Regular cash transfers also increase poor older people's access to services, particularly health care. As most older people live and share resources with younger family members, pensions have a substantial impact on child wellbeing, and contribute to increased school attendance and better nutrition among children. Old-age provisions based on pensions can play an important role in breaking intergenerational poverty cycles. Rather than creating dependency, pensions can actually reduce it.

Our program, executed by the Pension & Development Network has experience in India, where a micropension program started two years ago in Tamil Nadu with the Dhan Foundation. Furthermore, it gave TA to REDCAMIF, a branch organisation in Guatemala, Honduras and Nicaragua where a micropension program started this year. Further projects are about to start in the Philippines, Vietnam and Sri Lanka.

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