

# **Carrying on the Spirit of Rewi Alley: Promoting Cooperative Development in Western China**

A Summary of New Zealand China Friendship Association Support  
for the  
Development of Farmer Cooperatives in Western China

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Ever since its establishment in 1952 the New Zealand China Friendship Society (NZCFS) has worked to support exchanges and dialogue between the people of China and New Zealand, aiming to promote cooperation and understanding between the two countries. Moreover, since 2000 NZCFS has taken on the work of Rewi Alley with the Gung Ho<sup>1</sup> organization and the Bailie Education model as an important focus of their work.

Shandan County in the far western province of Gansu is well known because of the Bailie vocational school established there by New Zealander Rewi Alley during the 1940's. In the 1950's the Bailie School was moved to Lanzhou, where it became a technical school for the oil industry. In the 1980's, at the start of the period of reform and opening up, Rewi Alley astutely recognized that China's rural development efforts would need a large number of skilled people working at a grass roots level and suggested that the Bailie School be re-opened in Shandan. He felt that without such schools rural development would quickly come to a halt, and said "In the vast Chinese countryside only if farmers are organized and given encouragement they will be able to carry on production successfully". In 1985, following approval from the Gansu provincial government, the reconstruction of the Bailie school began. In 1987 it started to enroll local students in training programs for agriculture, forestry and animal

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<sup>1</sup> Gung Ho, meaning to "work hard, and work together", was originally an abbreviation for the International Committee for the Promotion of Chinese Industrial Cooperatives. Evans F. Carlson, the Military Attaché at the American Embassy in China in the 1940's made the phrase "Gung Ho" the slogan of the Carlson Commandos of the U.S. Marine Corps and its usage soon became widespread. The phrase was subsequently listed in English dictionaries to mean enthusiastic, quick to take action

husbandry.

In 1989 Gung Ho International, another organization which Rewi Alley was instrumental in establishing, decided to explore new areas of activity and initiated a pilot scheme for cooperative development in Shandan. At the same time NZCFS took the cooperative development work of the Bailie education system and Gung Ho in Shandan as an important way to sustain the legacy of Rewi Alley. They used every opportunity to support the work of the Bailie School and of Gung Ho in the newly established cooperative development pilot zone. Their support involved not only organizing teachers to provide training at the Bailie School but extended to providing financial support, equipment and support for rural development projects.

In 2002 the newly elected president of the NZCFS and honorary headmaster of the Bailie School, Prof. Bill Wilmot, led a delegation to mark the 60<sup>th</sup> anniversary of the original establishment of the school. Speaking on behalf of the NZCFS he recommended that the Bailie School devise a strategic plan to combine the Bailie educational method and Gung Ho's participatory training methods for vocational training projects, use the Bailie School as a Gung Ho training center and make the school a recognized center for rural development and poverty alleviation work. He suggested that this could increase the influence of the school in rural development throughout western China. To this end the NZCFS established the "NZCFS Bailie School Working Committee". The Bailie School, using its own resources, also established the Bailie School Rural Development Center Project Office (also known as the Training Center). Subsequently NZCFS used every opportunity it could find to promote the center, including seeking support from the New Zealand Embassy, Gung Ho International, the China International Friendship Society and other contacts. They used a variety of ways for helping the school promote rural development in Shandan and western China.

In 2003, to help prepare a development plan, the training center applied to the NZ Embassy to support a survey of Bailie School graduates to gain a better understanding of the needs for rural development and establish a sound basis for the school to initiate rural development activities.

In October 2004 Shandan was struck by a 5.3 magnitude earthquake. To support cooperatives in their post-earthquake recovery efforts and to strengthen the sustainable development of cooperatives, the Canadian Cooperative Association worked with Gung Ho International to support business training for Gung Ho

cooperatives in Shandan. They helped 11 cooperatives formulate three year development plans, laying out their development goals and objectives. At the same time, through their involvement in the project, the abilities of staff from the Shandan Gung Ho Federation and some teachers from the Bailie School to support cooperative development were improved.

In April 2004 Mr. Dave Bromwich of the NZCFS visited Shandan and had discussions with the Bailie School, the Shandan Gung Ho Federation and the Shandan Womens' Federation. He proposed fully using the advantages of the Shandan Bailie School Training Center to support the development of cooperatives through rural development projects in Shandan. As a result of these discussions in 2006 the NZCFS successfully applied for support from the New Zealand government to undertake a "Shandan Cooperative Development Project". The project was implemented by the Shandan Gung Ho Federation under the supervision of Gung Ho International.

The Shandan Cooperative Development Project started on August 1, 2006 and finished on July 31 2007. At the outset, in accordance with the project objectives, the Shandan Gung Ho Federation and Gung Ho International carried out a baseline survey and selected eight villages in the four townships of Weiqi, Chenhu, Liqiao and Huocheng as project sites to start their work. To ensure the success of the project the Gung Ho Federation selected villages in which both men and women, village officials and existing cooperatives or associations demonstrated a keen interest and desire to use the cooperative form of organization to seize their opportunities for development. At the same time 22 people with solid experience in grass roots work and an enthusiasm for cooperative development were identified from the county Womens' Federation, Bailie School, the Shandan Economic Management Station, township offices and the Gung Ho Federation to work as cooperative promoters.

Throughout the project the training of trainers and the training of cooperative members was given highest priority. The training of trainers focused on cooperative knowledge and the use of participatory training methods. This helped improve their working effectiveness and established a solid foundation for guiding the creation of cooperatives and carrying out subsequent rural development projects. Training for cooperative members was done systematically using participatory methods and in accordance with the seasonal demand for labor. At the outset trainees were given a thorough understanding of cooperatives, which was then linked with an analysis of their existing situation and needs. Using methods such as SWOT analysis, problem

tree analysis and supply chain analysis they were guided to accurately assess the problems they faced and understand their existing circumstances. They recognized their strengths and weaknesses, and were guided to understand how working cooperatively could help improve their strength and capacity for development.

Trainees and farmers who were planning on establishing a cooperative or who had already set up a cooperative were able to put this new knowledge to use right away. Training activities were organized in their villages and combined with the promotion of the recently passed “Chinese Farmers Cooperative Law”. In this way on-the-spot guidance was provided based on the specific situation in their own village. During the whole project the Gung Ho Federation organized 12 group training sessions and more than 40 sessions for on-the-spot coaching, amounting to more than 1,030 person-times of training for trainers and farmers. Women accounted for 33% of the participants. After one year the project had supported the establishment of 8 demonstration cooperatives. The evaluation organized by Gung Ho International concluded that the direct results of the project included:

- 1) To a varying extent farmers who participated in the training gained a basic knowledge of cooperatives and were directly able to put that knowledge to use;
- 2) The cooperatives which were established clearly helped improve the incomes of their members;
- 3) The establishment and development of the cooperatives had a positive demonstration effect in the villages;
- 4) Through the project the gender awareness of farmers was improved;
- 5) Implementation of the project had a positive influence for the development of cooperatives in Shandan;
- 6) The project also had a positive impact on strengthening the capacity of staff in the Shandan Gung Ho Federation.

The evaluation concluded that “Following the completion of the project the cooperatives have good prospects for being sustainable; the impact of the project on the local community will last for a long time and will be seen in the way they establish and develop cooperatives.”

In 2007 NZCFS supported the Shandan Gung Ho Federation to implement the “Shandan Cooperative Promotion” project. This project built on the foundation laid by

the previous project and used another year to support the establishment of 8 cooperatives in 8 villages of Shandan's 6 townships (including the establishment of 3 or 4 cooperatives not directly engaged in production). It too had a positive demonstration effect for the promotion of local cooperatives and helped further strengthen the abilities of the Shandan Gung Ho Federation.

Up to 2009, after 3 years of hard work and with the support of the NZCFS, 29 cooperatives of different types were established in 15 villages of the 6 townships of Shandan. Total cooperative membership was more than 2,300 households. The projects provided a great impetus for the promotion and encouragement of cooperatives in the area. Through experience gained in the projects the capacity of the Gung Ho Federation for supporting cooperative development was greatly strengthened. The cooperatives established through the project also provided a valuable resource for cooperative researchers and became demonstration sites for subsequent training programs.

In 2008, after reviewing the achievements of the collaboration between Gung Ho International and the Shandan Gung Ho Federation, the NZCFS and the Bailie School struck a partnership agreement to promote rural development more broadly in northwest China. It was agreed that the NZCFS would provide funding and the school would implement a project in 4 counties: "Capacity Building for the Shandan Bailie School Training Center and Cooperative Promotion in Zhangye Municipality". The goal of the project was to develop a formal and practical training curriculum for the cooperative promotion work of the Bailie School Training Center. It was envisaged that the training center would initially focus on working in Gansu province, but after gaining experience it would spread its work to other provinces in western China. Target audiences for the training included ordinary cooperative members, village officials and officials at the township and county level with responsibilities for rural development work.

During the course of implementation the project received strong support from local government and other organizations. The Zhangye Municipal Economic Management Station and Women's Federation, the Shandan Economic Management Station, the Gung Ho Federation and Bailie School together established a Board of Management to guide the work of the Training Center. Through the close collaboration of these organizations the Training Center identified Gaotai, Linze, Ganzhou and Minle counties of Zhangye Municipality to start project work. During the project the cooperative promoters mostly came from the township Economic Management

Stations and the Womens' Federation, but also included a few cooperative leaders. With the help of these promoters 12 cooperatives which met the project criteria were selected for the project. During the one year of the project the training center invited specialists to systematically provide training to more than 20 promoters involved in the project. These promoters supported the creation of more than 12 demonstration cooperatives in the project area including, in Gaotai a fine wool cooperative, the Xinba Township Nuanquan Village Grape Cooperative, the Xinba Township Xingyuan Comprehensive Animal Husbandry Cooperative; in Linze County the Red Grape Cooperative; in Ganzhou district the Hongtai Melon and Vegetable Cooperative, Huazhai Potato Cooperative, Huazhai Xiaoshan Growers Cooperative, Lingzhai Poultry Cooperative, Fengrui Beef Cattle Cooperative and the Jiarui Mealyworm Cooperative; in Minle County the Qiangjing Agriculture Product Marketing Cooperative and the Xintian Herbal Medicine Marketing Cooperative. At the end of the project the members of the participating cooperatives met to exchange experience and found that, through standardizing their purchasing, sales and production they had greatly increased their production efficiency. The incomes of members had demonstrably increased. Data showed that the incomes of members was 20% higher than non-members in the same areas. For the Training Center the project was also an opportunity to gain experience and to broaden its influence across the municipality.

In May 2010, on the basis of a memorandum of understanding between Shaanxi Province and NZCFS, NZCFS obtained funding for a project for cooperative promoter training for the Shaanxi Women's Federation, supporting the development of women's cooperatives in the province. The training was done by cooperative specialists from Gung Ho International. Based on the training needs analysis NZCFS obtained funding for a two year "Capacity Building for Women's Cooperative Project" (2011-2013) with the Shaanxi Womens' Federation in Baoji and Hanzhong municipalities. During the project, and at the recommendation of NZCFS, cooperative promoters from the Bailie School Training Center were invited to provide training and guidance for promoters and to support cooperative development. The Development Ladder Assessment (DLA) developed by the Canadian Cooperative Association was used during the project as a way of assessing and following the progress of the 8 cooperatives involved. Using the DLA the project cooperatives gradually standardized and improved their operations. The project had an important demonstration effect in the area: by the time the project finished in May 2013 it had helped encourage the establishment of more than 20 womens' cooperatives in neighboring areas.

In 2011, to further improve the capacity of Bailie School staff to promote sustainable agriculture and cooperative development, the NZCFS and the Bailie School Training Center together obtained funding from the New Zealand Ministry of Foreign Affairs and Trade for the “Bailie School Agriculture Development Capacity Building Project”. This project started in March 2012 and ran to the end of 2013. The project aimed to improve the capacity of the Bailie School and its Training Center to support cooperative development in western China, to improve the capacity of the Bailie school to provide training in agricultural technology, and to prepare a set of training material for supporting rural development. In accordance with the project objectives trainees were organized to study and document the development process of local cooperatives. Among the cooperatives which benefited from training by instructors from the school’s Training Center during the project were the Shandan Xinwang Animal Husbandry Cooperative, Shuangyi Growers Cooperative, Jinqu Growers Cooperative, Ronghua Growers Cooperative, Sunan Wugejiaxi Fine Wool Cooperative, a Sunan Yak Cooperative, the Feitian Embroidery Cooperative, Taotai Yonghe Tomato Seed Cooperative, Qianjin Corn Seed Cooperative and the Zhangye Jiarui Mealy-worm Poultry Cooperative. At the final project wrap-up meeting more than 10 cooperatives from Jiuquan, Wuwei and Zhangye met and exchanged experience, further enhancing the influence of the training center in western Gansu.

In September 2012 the New Zealand ambassador Carl Worker came to Shandan for a celebration commemorating the 115<sup>th</sup> anniversary of the birth of Rewi Alley and the 70<sup>th</sup> anniversary of the foundation of the Bailie school. In his speech he stressed that Rewi Alley’s concept when founding the school was to train key management staff and workers for cooperatives, providing them with a well-rounded education and enabling them to lead cooperatives and their members to successfully meet future challenges in creative ways.

In 2012, recognizing the fact that young people have an important role to play to ensure the sustainability of cooperatives, the Bailie School Training Center applied to the NZCFS for funding from the Rewi Alley Development Fund for a project to train young people involved in cooperatives. The plan involved providing training on relevant knowledge and skills to young people from 20 cooperatives in the Zhangye area, improving their ability to contribute to the development of their cooperatives. However during implementation it became clear that there were very few young people participating in cooperatives, so the project extended eligibility to any participants less than 40 years old. During the one year of the project through

systematic training the participants gained basic knowledge important for the development of cooperatives, including the process of cooperative formation, drafting of cooperative constitutions and the importance of constitutions, cooperative law etc. Through the program the participants gained a clearer idea about the importance of cooperatives and increased their confidence for the future development of their own cooperatives. Through training on supply chain analysis, financial analysis, marketing etc. the trainees gained new perspectives on cooperative development, got clearer ideas about the development potential of their cooperatives and improved their abilities to help support their cooperatives. Through training and practice using SWOT analysis, supply chain analysis, DLA analysis and other tools the trainees learned how analytical tools could be used to help devise development plans for their cooperatives. This served to achieve the project goal of improving their overall working abilities. Some participants were university graduates who already had a basic knowledge of computer applications while some participants had never used computers and gained a basic understanding of using computers for business purposes. Some of the young participants took part in a study tour to visit other cooperatives, increasing their confidence in the development of their own cooperative and broadening their thinking about the operations of their cooperatives. The project further strengthened the links between the Bailie School Training Center and organizations such as the Shandan County Economic Management Station, the Gung Ho Federation and the Shandan Supply and Marketing Cooperative, helping create a common platform for supporting local cooperatives and creating a pool of human resources for promoting the development of cooperatives.

By the end of 2015 there were 918 cooperatives officially registered in Shandan and, according to the Industry and Commerce Bureau of Zhangye, at the end of October 2015 a total of 4,474 cooperatives had been registered within the municipality. It is obvious that the development of cooperatives in Shandan and Zhangye has benefited to a great extent from the demonstration cooperatives created through many years of support from NZCFS for the Shandan Gung Ho Federation and the Bailie School Training Center

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