

THE ACHIEVEMENTS AND EXPERIENCES OF POVERTY ALLEVIATION IN RURAL CHINA

Jian Liu

 China is the most populous developing country, with most of its impoverished population concentrated in the rural areas for historical reasons. Since 1978 the Chinese government has moved away from a planned economy and pushed socialist market reforms, as well as liberalizing the rural economy, raising rural productivity, and alleviating widespread poverty through the household responsibility system. Furthermore, in the mid-1980s the Chinese government started a systematic, large-scale poverty reduction and development effort. As a result of this 26-year effort, the number of impoverished people without enough food and clothing declined from 250 million in 1978 to 26.1 million in 2004, with the share of the population living in poverty falling from 30 percent to 2.8 percent. China has achieved the first Millennium Development Goal (MDG) of halving poverty ahead of schedule. At the same time, conditions for economic activity as well as living conditions in poverty-stricken areas have greatly improved. By 2004 the shares of villages with access to roads, electricity, and television reached 77.6 percent, 95.1 percent, and 87.8 percent, respectively, in 592 key counties of the state's helping-the-poor development program.

In its pursuit of poverty alleviation and development, China has charted its own path, suitable for its own conditions. This path involves government leadership, social participation, self-reliance, an orientation toward economic development, and an integrated development approach.

GOVERNMENT LEADERSHIP

For the Chinese government, the policy of supporting impoverished groups and achieving wealth for all is an unswerving tenet. In order to keep economic development healthy, stable, and sustainable and prevent impoverished people from being marginalized, the Chinese government

has adhered to a concept of rapid economic development that is human oriented. Its guidelines call for an integration of urban and rural development, integration of regional development, integration of economic and social development, integration of development between human beings and nature, and integration of domestic development and openness to the outside world. Meanwhile, governments at different levels have not only incorporated poverty alleviation and development into their overall economic and social strategies, but also increased budgetary allocations for poverty alleviation. They have established supporting policies and enhanced the corresponding organization and leadership to fulfill the helping-the-poor program.

Specifically, the Chinese government took the following actions: First, it set up the Leading Group Office of Poverty Alleviation and Development with a hierarchical structure at the national, provincial, prefecture, and county government levels. These offices are responsible for organizing and coordinating national and local poverty alleviation and development. At the same time, China established an administrative system that holds the authority, responsibility, and funds for poverty alleviation at the provincial level.

Second, we brought poverty alleviation and development into the overall economic and social strategies of government at different levels. We issued successively the National 8-7 Poverty Alleviation Program and the Outline of Poverty Alleviation of Rural China. We also identified 592 poverty alleviation counties as key areas for state help.

Third, we increased investment in poverty alleviation and strengthened the management of budgetary poverty funds. Between 1986 and 2004, the total budget support allocated reached 112.6 billion yuan, and subsidized loans reached 162 billion yuan. In 2005 the



budgetary support for poverty alleviation totals 13 billion yuan. To ensure that budgetary poverty funds reach the designated impoverished farmers, the use of funds is to be proclaimed, published, or reimbursed, adding transparency and public supervision.

Fourth, we implemented supporting policies. This year the 592 key state-helped counties exempted from agricultural tax are being compensated with a special transfer of 14 billion yuan. In addition, central finance has appropriated a total transfer of 15 billion yuan to grain-producing counties or counties with financial difficulties.

SOCIAL PARTICIPATION

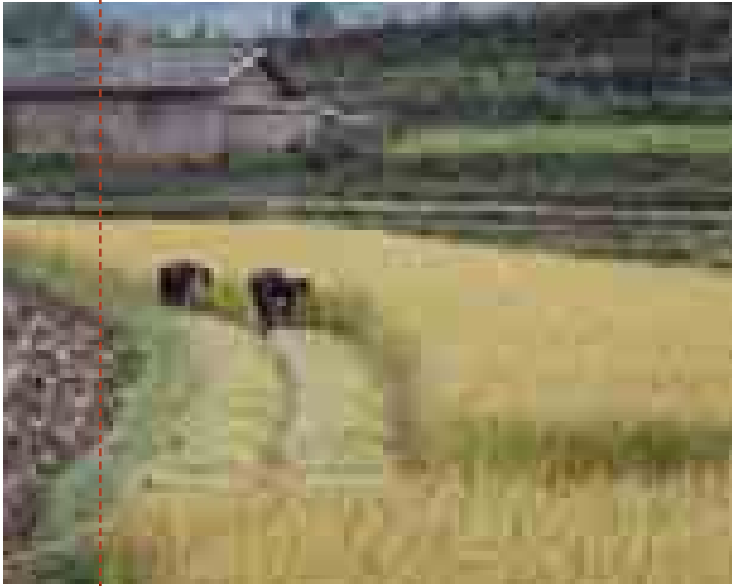
China has taken a number of steps to mobilize and organize people in all walks of life, including in the eastern coastal provinces and in multilevel party and government organs, to join the development and construction effort in poverty-stricken regions, in an approach that reflects the socialist system.

It has organized 15 eastern provinces and cities directly under the state to support development in 11 corresponding poverty-stricken provinces, districts, and cities in western regions. It has organized 116 central

party and government organs and 156 large state firms to help and support 481 key targeted counties. And it has organized all social sectors to participate in the process of poverty alleviation. For example, the Glorious Enterprise program encourages private firms to invest in impoverished areas. The Hope Project organized by the Communist Youth League Central Committee sponsors children in poor households to help them finish compulsory education. The Knowledge-oriented Poverty Alleviation Program organized by democratic parties utilizes their own advantages to help poor regions extend practical technologies. The Happiness Project organized by the Chinese Population Foundation sponsors poor mothers, and the Women-oriented Poverty Alleviation program organized by the Women's Federation aims to increase women's income.

SELF-RELIANCE

China's approach is to support poor people and encourage them, with assistance from government and all walks of life, to overcome the common attitude of "wait, depend on, and ask" and establish a spirit of self-reliance and hard work. They can help improve their basic production and living conditions and overcome their poverty through their own efforts. The emphasis is on respecting impoverished people and stimulating their



initiative to participate in designing and implementing the poverty alleviation plan.

AN ORIENTATION TOWARD ECONOMIC DEVELOPMENT

We have mobilized and organized poor people to develop the economy, increase their income, improve their ability to save, and develop their capabilities. We have emphasized the following three key tasks in recent years: First, we push the whole village toward poverty alleviation and development. We picked 148,000 poor villages across the country, covering 80 percent of impoverished people. Each year, we focus on improving production and living conditions in a batch of key villages. In five years, by 2010, we will fundamentally change the impoverished appearance of those villages.

Second, we are enhancing worker training in poor areas to encourage nonagricultural employment. We have begun a special worker training plan for impoverished peasant households, in which at least one worker in each impoverished household will receive training during the next five years. The State Council Leading Group Office of Poverty

Alleviation and Development certified 30 state-level training bases to facilitate labor transfer from agricultural to nonagricultural sectors. Each province (district and city) is doing the same, which generates a top-down training network. More than 90 percent of peasants trained so far have found nonagricultural employment.

Third, we are supporting the efforts of leading industrialized enterprises to engage in poverty reduction by promoting agricultural structural adjustment, moving from staple foods to high-value crops in poor areas and thereby increasing peasants' income. The State Council Leading Group Office of Poverty Alleviation and Development certified 260 leading industrialized enterprises to participate in poverty reduction, covering 3 million impoverished households and 12 million poor people.

AN INTEGRATED DEVELOPMENT APPROACH

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To promote education in the western regions, we are implementing the National Poor Regions Compulsory Education Project and Two Basic Plans (to universalize nine-year compulsory education and to eradicate illiteracy among middle-aged and young people). Central finance has also appropriated a special fund to support compulsory education, rebuild and expand rural junior high schools, and subsidize the pay of teachers and administrative staff in poverty-stricken regions. We offer free textbooks and waive general expenses completely, as well as subsidizing living allowances for boarding students, for about 16 million rural primary and junior secondary school students from poor households in 592 key counties.

In the area of health care, we administer a medical relief system for impoverished peasant households coping with severe illness and for peasants in rural villages as part of the "five guarantees"; that is, old, weak, orphaned, widowed, ill, or handicapped people in rural villages are beneficiaries of guaranteed food, clothing, housing, medical care, and burial expenses. At the same time we are launching a pilot project for a new rural cooperative medical system.

In population and family planning, we encourage poor peasant households to decrease their births and increase their income quickly.

In developing the poverty reduction program, we especially target impoverished groups and keep full-scale files on poor households. Some provinces have started to manage files with computers. Although targeting is a difficult job, we will continue our efforts and treat it as one of our basic projects. To administer such dispersed grant funds for poverty reduction, we have adopted the principles of comprehensive planning, individual responsibility, ordered channels, and separate achievement. Our focus is on mobilizing and concentrating the forces of different sectors to participate in poverty alleviation and development and on developing projects to address the different causes of poverty, and this approach has achieved excellent results.

Although China has made enormous progress in poverty alleviation and development, it still faces many problems. To address these problems, the Chinese government will increase support for poverty-stricken regions and impoverished people and continually improve the mechanisms of poverty alleviation according to its pace of economic and social development. It will also pay attention to needy groups that emerge from economic structural adjustment and will promote the capacity for sustainable development among poor people and regions through investments in infrastructure and human capital.

Jian Liu is director of the State Council Leading Group Office of Poverty Alleviation and Development of China.