

COMBATING POVERTY IN CHINA

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Contents

1. Poverty: a long-term problem in China
2. China's poverty alleviation campaign
3. China's Policy towards Poverty
4. Poverty types and distribution of poverty-stricken areas
 - 4.1 Poverty types
 - 4.2 The poverty line
 - 4.3. Poverty counties
 - 4.4. Poverty population and its distribution
5. China's campaign against poverty
 - 5.1 The top organization for poverty campaign in China
 - 5.2 Province and lower-level poverty relief organizations
 - 5.3. The "State Eighth-Seven-Year Plan on Poverty Relief"
 - 5.4. The main contents related to poverty in China's Agenda 21
6. Main Measures for Alleviating and Erasing Poverty Phenomenon
 - 6.1. The national basic policies for poverty relief
 - 6.2. Poverty relief funding plan
 - 6.3. The system of grain relief to poverty-stricken people
 - 6.4. Department partnership support
 - 6.5. The establishment and operation of inter-regional poverty relief partnerships
 - 6.6. Population control and directed emigration
 - 6.7. Agricultural multi-function development
- Glossary
- Bibliography
- Biographical Sketches

Summary

Poverty is a long-term problem in China because of its large population and under-developed economy. China's governments at all levels have been paying great attention to alleviating and eradicating poverty phenomena by every possible means. It was predicted that absolute poverty will be eradicated by the end of 2000 and that China will enter into a new well-off era. There are three main poverty phenomena: rural poverty in remote areas with limited resources and difficult living conditions, urban poverty because of under-employment and low income, and disabled poverty because of physical or mental illness. China's government has emphasized rural poverty and taken counties as the basic units for official poverty relief. In order to organize and direct the

campaign against poverty, the Leading Group for Development of Under-developed Regions under the State Council was established with a vice premier in charge of agricultural works as the leader and related ministers as the deputy leaders.

Some important measures have been taken to alleviate and eradicate poverty, including the following priority policies: central government financial transfer, regional partnership support system, department partnership support system, poverty relief funding plan, grain relief to poor people, population control and directed emigration, and multi-functional agricultural development.

1. Poverty: a long-term problem in China

China is the largest and most populous developing country in the world, with 1.2 billion people, of which 78% live in rural areas. Its population comprises 22% of the world total and is predicted to climb to a peak of 1.6 billion around 2030. The heavy population pressure is one of the main reasons for China's poverty.

China's per capita cultivated land, fresh water, forestland, oil deposits, natural gas deposits make 0.3%, 0.25%, 0.06%, 2.4% and 1.2% of the world average respectively. So, China is one of the most resource-deficit countries of the world. This heavy resource pressure is the second major reason for China's poverty, especially in rural areas.

China is the largest developing nation in the world. Its long-term backward economy, especially its poor industrial and urban infrastructure, its slow rate of industrialization and urbanization, and its under-developed social welfare system, together form the third reason for poverty.

Held back by the under-developed productivity and education, China's scientific and technological development is still in an early stage, although great achievements have been made since the founding of the People's Republic of China in 1949. The low contribution ratio of science and technology to economic growth has restricted economic efficiency as well as government finance. The government, especially the central government, has limited capability for financial shift-share, further restricting the government's capability for alleviating poverty.

Population and resource problems will exist forever in China. The per capita income in China will be much lower than in developed countries for a long period, although its growth rate is generally higher than the others. There is a long way to go before China can become one of the powerful countries in the world arena of science and technology. This problem, and the three factors mentioned above, interact to create a poverty trap for China's people and government. The campaign against poverty will last a long time in China.

2. China's Poverty Alleviation Campaign

Since the 1980s, China has been carrying out large-scale and well-planned works in poverty alleviation, taking economic development as its foundation.

At the beginning of the 1980s, the central government started a government-funded agricultural development program for poverty-stricken areas such as Ningxia Hui Autonomous Region (in the north-west of China). Since then the nation-wide campaign against poverty has swung fully into action.

In the 1980s, a lot of work has been completed for poverty alleviation. In 1984, “The notice on helping poverty-stricken areas to change their situation as soon as possible” was published. The central government distributed 2.7 billion Yuan of food, cotton and clothing, in lieu of wages, to poor farmers for work on improving agricultural infrastructure, especially farmland water conservation infrastructure. From 1985, agricultural tax was decreased or exempted in poverty-stricken areas.

In 1986, the national standard for identifying poverty-stricken counties was established. The Leading Group for Economic Development in Poverty-Stricken Areas under the State Council was established in this year. Under this group, an office in charge of day-to-day work on poverty alleviation, plus the ‘Centre for Training Officials from Poverty-stricken Areas’, and the ‘Service Centre for Economic Development of Poverty-stricken Areas’ were all established.

The Constitution of the Leading Group for Development of Under-developed Regions under the State Council is as follows:

- **The leader of the group.** The leader of the Leading Group is the vice Premier in charge of agricultural and rural works in the state council.
- **The executive deputy leader of the group.** The Minister of Agriculture.
- **Other deputy leaders.** Deputy Secretary General of the State Council, Deputy Director of the State Development Planning Commission, Deputy Director of the State Economy and Trade Commission, Deputy Minister of Finance, and the Deputy Chairman of the Central Bank (China People’s Bank).
- **Members of the leading group.** Deputy ministers, directors or governors from the following institutions: Ministry of Education, State Nationality Affairs Commission, Ministry of Science and Technology, Ministry of Civil Affairs, Ministry of Labor and Social Security, Ministry of Land and Resources, Ministry of Transport, Ministry of Water Conservancy, Ministry of Health and Hygiene, State Commission for Birth Planning, State Service of Environmental Protection (National Environmental Protection Agency), State Statistics Bureau, State Bureau of Forestry, China Agricultural Bank, and China Development Bank. There are also members from the China National Labor Union, the secretariat of the China National Federation of Women, and the China Disabled Federation.

Since the 1990s, China’s poverty alleviation campaign has been concentrating on 592 national poverty-stricken counties distributed in mountainous, rocky, arid, Loess plateau, and areas flooded by reservoirs.

The year 1993 was one of the most important years in China’s poverty relief history. In this year the China Poverty Relief Association was founded, and the “Program on Poverty Relief of 80 Million Poor People, 1993 to 2000” was published. In 1994,

China's Foundation for Poverty Relief was founded.

In 1995, a poverty relief project, funded by the World Bank, was started in South-western China, aiming at improving the following 8 aspects: agricultural development, secondary and tertiary industrial development, labor employment, infrastructure, education, public health and medical conditions, poverty monitoring, and social organizations.

Since 1996, the central government has given priority to investing in north-western and south-western China, particularly in resource-oriented industries and infrastructure.

3. China's Policy towards Poverty

China's policy towards poverty has gone through three stages or periods.

The first stage was in the early 1980s. China's government changed its attitude from denying the existence of the phenomenon of poverty in China to officially acknowledging its existence. This change came about as a result of reconsideration of the traditional planned economy, the new policy of opening the country to the outside world and reform of the rural economic system. Official discussions concerning poverty increased gradually and led to serious intentions of trying to tackle the issue.

The second stage was from 1986 to 1992. The official poverty relief work began in earnest. In 1986, the Leading Group for Economic Development in Poverty-Stricken Areas under the State Council was established. In this period, officials and scholars studied poverty problems as phenomena rather than from the perspectives of socio-economic and sustainable development. The results from the poverty relief initiatives at that time were very limited.

The third stage started in 1993 and still continues. The central government has been trying to settle poverty problems as the key to socio-economic sustainable development. The State Eighth-Seven-Year Plan on Poverty Relief was formulated in 1993. It is directed at organizing public society to participate in the poverty alleviation campaign. Later, the poverty alleviation campaign was incorporated into the basic strategy for national sustainable development, China's Agenda 21: the White Paper on China's Population, Environment and Development in the 21st Century.

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Biographical Sketches

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