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China's Poverty Alleviation Programme



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Introduction:

Poverty is a long-standing issue affecting human society and is a universal challenge that the entire world confronts. The presence of poverty, along with its related issues such as hunger, diseases, and social conflicts, poses significant barriers to people's aspirations for an improved quality of life. Consequently, the elimination of poverty has consistently been an important goal. Throughout the history of humanity, our journey has been characterized by a continuous battle against poverty.

China, as the largest developing country globally, is home to a population of 1.4 billion people. Alongside its uneven and fragile economic underpinnings, the nation had been grappling with poverty on an unprecedented scale and level of severity, surpassing most instances elsewhere in the world. Consequently, the task of poverty alleviation in China presents an extraordinary challenge.

Throughout the last century, the Communist Party of China (CPC) has been a steadfast and resolute force in rallying and guiding the Chinese populace in their fight against poverty. Since the 18th CPC National Congress in 2012, the Party's Central Committee, under the leadership of General Secretary Xi Jinping, has waged an unparalleled and all-encompassing campaign against poverty, benefiting the most substantial number of individuals in the annals of human history.





In February 2021, amid the COVID-19 pandemic and the resulting global economic downturn, President Xi Jinping made a declaration that China had successfully eradicated poverty in 2020. The elimination of poverty was one of Xi's most prominent national policies. Since assuming office in 2012, China managed to raise more than 100 million rural residents out of poverty. Xi described this effort as an "absolute victory," a "remarkable achievement for humanity," and China's significant contribution to the world. Chinese media attributed this remarkable success to the leadership of the Chinese Communist Party (CCP) and asserted that the "institutional advantage" of China's party-state political system was indispensable for achieving such success. The country's progress in poverty reduction underscores the efficiency of China's system. The Chinese government's heightened focus on structural reforms has played a pivotal role in achieving their remarkable success in addressing poverty, particularly in urban and rural areas.

Hence, it is imperative for the developing world to draw valuable lessons from China's policies and reforms designed to uplift their population from poverty. This article will thoroughly examine the historical context of poverty in China, the measures taken by the Chinese Communist Party, and the precise strategies they employed to combat poverty, ultimately settled China on a transformative trajectory of development.

Historical Perspective of China's Fight against Poverty:

China's remarkable reduction in poverty since 1980 is widely attributed to the pro-market reforms initiated by Deng Xiaoping. The data is indeed compelling, with the national poverty rate dropping from nearly 90% in 1981 to under 4% in 2016 and completely eradicated in 2020, resulting in 800 million people raised out of poverty.



These achievements have been linked to Deng's initial emphasis on agrarian reforms, particularly the dismantling of collectivization and the reinstatement of market-based incentives for farming. This has been recognized as a major driver of increased output and significant progress against poverty in the 1980s.

During the 1980s, China witnessed a substantial reduction in its poverty population, decreasing from 542 million to 375 million, a decline of 167 million. In contrast, the global poverty population decreased by 98.3 million during the same period. China's contribution to global poverty reduction, primarily in developing areas, stood at a remarkable 166.9%. In the 1990s, China continued to make progress, with its poverty population decreasing by 115 million, contributing 122.8% to global poverty reduction.

Projections from the World Bank China's poverty population further decreased to 74 million, resulting in a net reduction of 150 million compared to 1999, constituting approximately 41.7% of the global poverty reduction effort. In 1990, China's poverty population represented 29% of the world's total, a number that decreased to 19.2% by 1999, marking a reduction of approximately 10%.

China's most significant annual reduction occurred in the 2000s, with its economy was growing at almost 10%, lifting close to 30 million people out of poverty each year. Remarkably, poverty reduction remained robust after 2010, even as economic growth moderated, indicating a stronger connection between growth and poverty reduction.

In 2012, a new era in the fight against poverty began, with President Xi Jinping leading from fore. Despite substantial progress in preceding decades, the Communist Party of China (CPC) was still facing a challenging battle to uplift the poorest population out of

extreme poverty. Although China and the CPC had successfully lifted 700 million people out of poverty since 1978, more than any other country in the world, they recognized that the most challenging phase of the battle was yet to be won.

Since 2013, as the rural poverty rate fell below 10%, the average annual reduction in the number of impoverished individuals naturally slowed, coinciding with a



deceleration in per capita GDP growth. On average, for every percentage point of economic growth, rural poverty diminished by 1.4%. Sustained high growth delivered significant income gains across the income distribution, ensuring a more equitable distribution of wealth.

In late November 2015, the Central Committee of the Communist Party of China (CPC) and the State Council jointly issued a strategic document known as the "Decision on Winning the Fight against Poverty." This decision laid out a comprehensive plan aimed at eradicating extreme poverty in the country by the end of 2020.

During his address to the 19th CPC National Congress in 2017, President Xi Jinping emphasized the imperative of mobilizing not just the CPC but the entire nation and society as a whole to effectively combat poverty. The CPC was committed to ensure that the benefits of moderate prosperity would be shared by all, irrespective of their previous economic status.



In March 2020, at a seminar focused on poverty reduction, President Xi Jinping further underscored the importance of unwavering dedication to achieving a decisive victory in the battle against poverty, even in the face of the challenges brought by the COVID-19 pandemic. He emphasized that the goals of poverty alleviation must be achieved as scheduled, and he called for relentless efforts to confront this formidable task. The objective was clear: to lift the entire rural population and impoverished villages and counties out of poverty by the year 2020.

In February 2021, President Xi Jinping proudly declared that extreme poverty in China had been eradicated, characterizing it as a remarkable achievement. This commitment to poverty eradication has become a defining feature of Xi Jinping's leadership during his tenure as Chairperson of the Communist Party of China (CPC), supported by decades of dedicated leadership focused on poverty alleviation.

These incredible advancements in poverty reduction can be attributed to China's consistent and rapid economic growth, accompanied by a stable political environment.

China has put into action a variety of strategies and programs designed to alleviate poverty within its borders. These approaches have developed and adapted over time, playing



a pivotal role in raising the living standards of hundreds of millions of people.



In 2014, the Chinese government introduced a **Targeted Poverty Alleviation strategy**, enabling government authorities and local officials to focus on the specific requirements of individuals and households, as opposed to addressing the needs of entire villages. Below are some fundamental components of China's efforts to reduce poverty:

1. **Industrial Development:**

Utilizing the resource potential of underprivileged regions, the path to poverty reduction through industrial growth involves the pivotal roles played by cooperatives, leading enterprises, and various market actors. This strategy aimed to enhance the economic well-being of impoverished households by establishing a market-driven system focused on alleviating poverty. It encompasses a range of measures, spanning agriculture, forestry, tourism, e-commerce, photovoltaic interventions, asset-based income, and advancements in science and technology.

- **Asset-based income poverty alleviation** pertains to projects that enable poor villages and farmers to benefit from natural resources, public assets (financial resources), or agricultural profits through shared ownership or predefined proportions.
- **E-commerce poverty alleviation**, on the other hand, involves empowering individuals in rural areas with limited economic opportunities to secure jobs, initiate businesses, and market high-quality local agricultural products online. The government fosters local industries by creating internet commerce hubs in rural regions, commonly referred to as "Taobao villages." Within these Taobao villages, rural inhabitants can sustain their livelihoods by marketing agricultural produce and



locally-made goods through online platforms. As of 2015, Taobao villages had provided support to 200,000 shop owners and generated employment for a million individuals. This approach has proven to be an effective means of driving industrial development in impoverished regions, bolstering employment rates, and augmenting the earnings of underprivileged households.

2. Employment transfer:

Through the reinforcement of vocational skills training and employment support for individuals living in poverty, the approach of poverty reduction through employment strives to secure job opportunities for those who are both capable and willing to work but currently face unemployment. Notably, between 2015 and 2020, the count of impoverished individuals entering the workforce rose significantly, surging from 12.27 million to 32.43 million respectively.

3. Relocation Projects:

The relocation initiative represents a unique poverty alleviation program directed at impoverished individuals residing in challenging environments. These areas often experience slow development in terms of production and infrastructure, making it challenging to implement onsite poverty alleviation strategies. Operated on the principle of voluntariness, the relocation project aims to enhance the living standards, income levels, and access to infrastructure and services for rural poor individuals who are considered unable to sustain a viable livelihood in their current locations. Throughout the "13th Five-Year Plan" period, approximately 35,000 centralized resettlement areas were established



nationwide, leading to the relocation of 9.6 million impoverished individuals to new residences. This figure includes more than 5 million people in urban areas and 4.6 million in rural areas. The process of poverty alleviation through relocation involves the transfer of impoverished individuals and the transformation of their livelihoods, urban and rural environments, social structures, and community relationships.

4. Education:

The education initiative was undertaken to provide assistance to regions with underdeveloped foundational education systems, with the goal of breaking the cycle of poverty across generations. Its objective was to enhance the educational standards of impoverished individuals and the skill sets of low-income working families through various means, including the enhancement of educational infrastructure, alleviation of the educational financial burden on low-income households, the promotion of vocational education, and the reinforcement of higher education provisions.

5. Social Security:

Social security serves as a means to alleviate poverty by specifically targeting rural residents who face challenges related to illness, disability, aging, reduced working capacity, or loss of livelihood. The comprehensive social security system, encompassing elements such as old-age pension insurance, healthcare coverage, subsistence allowances, and assistance for those in extreme poverty, is designed to provide a stable source of income. This income helps individuals meet their living expenses and medical needs, thereby reducing the adverse



effects of factors that lead to poverty. One notable component of this effort is the Minimum Livelihood Guarantee Scheme, commonly referred to as Dibao, which represents the government's response to addressing the evolving challenges of social protection in the post-2007 market-oriented economy.

6. **Eco-Compensation:**

Eco-friendly poverty alleviation entails the elevation of impoverished individuals out of poverty by involving them in environmental conservation efforts, particularly through ecological compensation and the creation of ecological public welfare jobs. This approach serves a dual purpose of bolstering environmental protection and revitalizing impoverished regions, thereby reinforcing the groundwork for sustainable development in those areas. Since the initiation of eco-friendly poverty alleviation in 2013, approximately 4.97 million hectares of land in impoverished regions have been restored to forests and grasslands. Additionally, 1.1 million individuals living in poverty have been engaged as forest rangers. This approach has effectively achieved a mutually beneficial outcome, addressing both poverty reduction and ecological preservation.

China has successfully won its battle against extreme poverty. Through the timely accomplishment of the poverty elimination campaign's objectives, the Chinese citizens have taken significant steps toward improving their quality of life and fostering shared prosperity.

China has initiated the Belt and Road Initiative (BRI) with the aim of expanding comprehensive and high-level regional collaboration in economic and social



development, while also aiding eligible nations in their pursuit of poverty reduction. As per a study conducted by the World Bank, this initiative is projected to lift 7.6 million people out of extreme poverty and 32 million out of moderate poverty within these countries.

Over the course of more than 70 years, China has extended support in various forms to over 160 countries spanning Asia, Africa, Latin America and the Caribbean, Oceania, and Europe, as well as international organizations. This support has included debt relief or exemptions for eligible nations and assistance to developing countries in their endeavors to attain the Millennium Development Goals.

Conclusion:

Poverty is not an inevitable or insurmountable challenge. Drawing from China's experiences in poverty reduction, key attributes like courage, vision, responsibility, and a proactive problem-solving approach are of utmost importance. Overcoming poverty and attaining widespread prosperity can be realized through unwavering determination, resolute commitment, and practical action.

With a population of 1.4 billion, China possesses the world's largest population among developing nations. The country grappled with entrenched poverty for an extended period, marked by a scale and severity that were rarely observed elsewhere in the world, alongside uneven progress and a fragile foundation. China has emerged victorious in its ultimate battle against extreme poverty. The Chinese people have made substantial strides towards an improved quality of life and equitable prosperity by successfully achieving the goals outlined in the poverty eradication campaign.



China has implemented a multifaceted strategy in its fight against poverty, which has yielded significant advancements in areas such as education, social security, infrastructure, and environmental conservation. These notable achievements can be attributed to effective leadership, sound governance, and the unwavering commitment of government officials and local communities. The country has also put in place comprehensive frameworks for aid, oversight, evaluation, monitoring, and community involvement.

China's successful approach provides valuable insights that can be beneficial to other nations, as it offers pertinent lessons and knowledge that can be applied on a global scale.