

Research Series on the Chinese Dream  
and China's Development Path

Changsheng Zuo *Editor*

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# The Evolution of China's Poverty Alleviation and Development Policy (2001–2015)



 Springer

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# **Research Series on the Chinese Dream and China's Development Path**

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Editor

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# Foreword

Since the beginning of the twenty-first century, China has witnessed steady and rapid economic growth and its comprehensive national strength has been constantly enhanced, but the gaps between regions and between urban and rural areas have been widening. To narrow these gaps, the Chinese government has put forward the goal of building a moderately prosperous society and strived to boost the development of agriculture and rural economy through promoting agricultural development by industry, promoting rural development by urban growth, and the construction of a socialist new countryside. In this process, the Chinese government always takes poverty alleviation as an important national development goal and task and adheres to the people-oriented development, striving to make all people benefit from the economic and social development. The government has incorporated poverty alleviation and development into the national economic and social development plan, and developed and implemented a series of policy measures to promote the development of rural impoverished areas. At the same time, the government begins to improve the social policy system in rural areas, especially social security policy, gives priority to the field of poverty reduction and the impoverished regions in the allocation of public financial funds, and has constantly increased support for poor areas and effectively strengthened the execution of pro-poor policies. The Chinese government has successively formulated and implemented the “China Rural Poverty Alleviation and Development Program (2001–2010),” “Outline for Development-oriented Poverty Reduction for China’s Rural Areas (2011–2020)” and other poverty reduction plans, making poverty reduction the consensus and action of the whole society. China’s rural poverty alleviation and development has promoted social harmony, stability and justice, and promoted the development and progress of human rights in China.

By the end of 2010, China’s rural poor population had been drastically reduced to 26.88 million according to the poverty line of 1196 yuan, but the incidence of poverty had dropped to 2.8%. In order to adapt to the economic and social development level and achieve the development goal of building a comprehensive well-off society, in 2011, the Chinese government raised the national poverty line to 2300 yuan. At this stage, the rural residents’ food and clothing problems had been

basically solved, and the poverty problem presented new characteristics. On the one hand, due to regional poverty, comprehensive and complex poverty, the problem of contiguous destitute areas becomes increasingly prominent. On the other hand, the poor are more scattered in contiguous destitute areas, poor counties and impoverished villages, poverty problem becomes more complex, the actual situation of the poor is not so clear and the conventional means of poverty reduction are not accurately targeted.<sup>1</sup>

Since the 18th National Congress of the CPC, Comrade Xi Jinping has attached great importance to poverty alleviation and development work, carried out in-depth research in poor areas for many times, clarified the major theories and practical problems of China's poverty alleviation and development in the new era, put forward that the hardest and most onerous task in the process of building a moderately well-off society is the work in rural areas, especially in impoverished regions, and determined the strategy for precise poverty reduction. On the one hand, the government identified 14 contiguous destitute areas and determined to promote poverty reduction through regional development. On the other hand, it begins to improve the mechanism for identifying the poor and carry out precise poverty reduction work, including making clear the actual situation of the poor, the causes of poverty and the needs for poverty reduction. In 2013, China launched the national survey on the poverty situation of specific villages and households, started to make records and create files for the poor, developed pro-poor measures for specific villages and households, focused on supporting the poor and implemented dynamic management so that those villages and households that had shaken off poverty steadily would timely withdraw from the poverty alleviation system. To further eliminate institutional obstacles, make innovations to poverty alleviation and development mode, effectively promote the anti-poverty work and support the real poor, in 2013, the General Office of the CPC Central Committee and the General Office of the State Council issued the "Opinions on Effectively Promoting Rural Poverty Alleviation and Development Work through Mechanism Innovation" and proposed to carry out six institutional reforms and complete ten major tasks to lay a foundation for creating a new situation of poverty alleviation and development, accelerating the poverty reduction among the masses and building a moderately prosperous society in impoverished regions.

In order to ensure that all the rural poor will shake off poverty by 2020, in 2015, the CPC Central Committee and the State Council issued the "Decision on Winning the Battle of Key-problem Tackling for Poverty Alleviation" and put forward: "By 2020, the rural poor will no longer worry for food and clothing and will enjoy compulsory education, basic medical care and housing security. The growth rate of rural per capita disposable income in impoverished regions is expected to be above the national average and the indicators of main basic public services are expected to be close to the national average. Make sure that under the existing poverty standard, we must lift all rural poor people and all poor counties out of poverty to address the

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<sup>1</sup> Xu liping, IPRCC.

regional poverty on the whole.” This “Decision” has become a programmatic document for China’s rural poverty alleviation and development work in the next five years and provides a solid institutional guarantee for further improving the system of anti-poverty policies, making innovations to the poverty alleviation mechanism and carrying out precise poverty reduction.

In the same period, in addition to the poverty reduction work in rural areas, China has also carried out employment-oriented urban poverty reduction work and gradually improved the urban system of pro-poor policies. In terms of international cooperation in poverty reduction: On the one hand, the Economic Cooperation Organization countries and some international organizations have begun to adjust their aid policies to China due to China’s rising national strength, and the adjustment in 2010 is the most obvious; on the other hand, as China has made remarkable achievements in the field of poverty reduction, many developing countries are eager to learn from China’s experience and practice in poverty reduction. The Chinese government and the United Nations agencies in China jointly set up the International Poverty Reduction Center in China (IPRCC) in 2005 to be responsible for China’s international exchange and cooperation in the field of poverty reduction and contribute to the cause of global poverty reduction. Since then, China’s international exchange and cooperation in poverty reduction has entered a new stage.



## Series Preface

Since China's reform and opening began in 1978, the country has come a long way on the path of socialism with Chinese characteristics, under the leadership of the Communist Party of China. Over thirty years of reform efforts and sustained spectacular economic growth have turned China into the world's second largest economy, and wrought many profound changes in the Chinese society. These historically significant developments have been garnering increasing attention from scholars, governments and the general public alike around the world since the 1990s, when the newest wave of China studies began to gather steam. Some of the hottest topics have included the so-called China miracle, Chinese phenomenon, Chinese experience, Chinese path and the Chinese model. Homegrown researchers have soon followed suit. Already hugely productive, this vibrant field is putting out a large number of books each year, with Social Sciences Academic Press alone having published hundreds of titles on a wide range of subjects.

Because most of these books have been written and published in Chinese, however, readership has been limited outside China—even among many who study China—for whom English is still the lingua franca. This language barrier has been an impediment to efforts by academia, business communities and policy-makers in other countries to form a thorough understanding of contemporary China, of what is distinct about China's past and present may mean not only for her future but also for the future of the world. The need to remove such an impediment is both real and urgent, and the *Research Series on the Chinese Dream and China's Development Path* is my answer to the call.

This series features some of the most notable achievements from the last 20 years by scholars in China in a variety of research topics related to reform and opening. They include both theoretical explorations and empirical studies, and cover economy, society, politics, law, culture and ecology, the six areas in which reform and opening policies have had the deepest impact and farthest-reaching consequences for the country. Authors for the series have also tried to articulate their visions of the "Chinese Dream" and how the country can realize it in these fields and beyond.

All of the editors and authors for the *Research Series on the Chinese Dream and China's Development Path* are both longtime students of reform and opening and recognized authorities in their respective academic fields. Their credentials and expertise lend credibility to these books, each of which having been subject to a rigorous peer review process for inclusion in the series. As part of the Reform and Development Program under the State Administration of Press, Publication, Radio, Film and Television of the People's Republic of China, the series is published by Springer, a Germany-based academic publisher of international repute, and distributed overseas. I am confident that it will help fill a lacuna in studies of China in the era of reform and opening.

Xie Shouguang

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# Chapter 1

## Formulation and Implementation of “China Rural Poverty Alleviation and Development Program (2001–2010)”



**Deliang Zhang**

In the mid-1980s, China launched the large-scale organized, planned poverty alleviation and development action. In 1994, the State Council formulated and promulgated the <China’s Seven-Year Priority Poverty Alleviation Program>, which is China’s first action program for poverty alleviation and development with clear objectives, clear targets, clear measures and a clear deadline in the history. The Programme clearly defined our objective: To address the food and clothing problem of 80 million rural poor people in seven years. As of the end of 2000, the poverty situation of rural areas was significantly alleviated and the poverty-stricken population was significantly reduced. According to the national poverty line,<sup>1</sup> China had a total of 32.09 million rural poor residents at that time, and the rural poverty incidence was 3.5%. In order to further solve the food and clothing problem of surplus rural poor people, further implement the large-scale poverty alleviation and development plan and promote the construction of a moderately prosperous society, the state began to adjust the macro-development strategies and policies to reverse the long-standing policy of supporting industry with agriculture and supporting urban development at the expense of rural development, and issued the new poverty alleviation program—“China Rural Poverty Alleviation and Development Program (2001–2010)” (hereinafter referred to as the “Program”). On the basis of continued use of the absolute poverty line, the government used the low-income poverty standard and adopted a series of pro-poor measures to reduce rural poverty and address the food and clothing problem of the rural poor steadily.

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<sup>1</sup>Rural per capita net income was 625 yuan in 2000; addressing the problem of poverty.

D. Zhang (✉)  
IPRCC, Beijing, China

# **1 Session I Macroeconomic and Social Development Background According to the “China Rural Poverty Alleviation and Development Program (2001–2010)”**

During the “Ninth Five-Year Plan” period, the government adopted a series of policies to expand domestic demand, adjust the structure, deepen the reform and expand opening up. As a result, China’s macroeconomy and rural economy maintained steady growth, the quality of economic operation was improved significantly, the national economic development witnessed a major turnaround, and we comprehensively accomplished the main tasks of the “Ninth Five-Year Plan”, creating conditions for the implementation of the <China Seven-Year Priority Poverty Alleviation Program> and laying a solid foundation for the anti-poverty work in the new era. The continuous slowdown of farmers’ income growth and the poverty-returning phenomenon in some disaster-affected areas, however, had a negative impact on the realization of the anti-poverty goals in some regions.

## ***1.1 National Economy Developed Steadily and the Comprehensive National Strength Was Further Enhanced***

During the “Ninth Five-Year Plan” period, China’s economy maintained rapid development (see Fig. 1), the average annual growth rate of real GDP reached 8.3%, exceeding the target of 8% set by the “Ninth Five-Year Plan”, and the per capita GNP doubled the figure in 1980. China developed from a low-income country to a lower-middle income country. Over the same period, the state revenue increased rapidly and reached 1.338 trillion yuan in 2000, with an average annual growth of 16.5% within five years, and that was the fastest-growing period of the state revenue. Meanwhile, the primary, secondary and tertiary industry all witnessed rapid development. Calculated at comparable prices, during the “Ninth Five-Year Plan” period, primary industry, secondary industry and tertiary industry achieved an average annual growth of 3.5, 9.8 and 8.2% respectively, the industrial structure changed from 20.5: 48.8: 30.7 at the end of the “Eighth Five-Year Plan” period to 15.9: 50.9: 33.2 at the end of 2000, the proportion of primary industry continued to decline, while the proportion of secondary and tertiary industries increased to some extent.

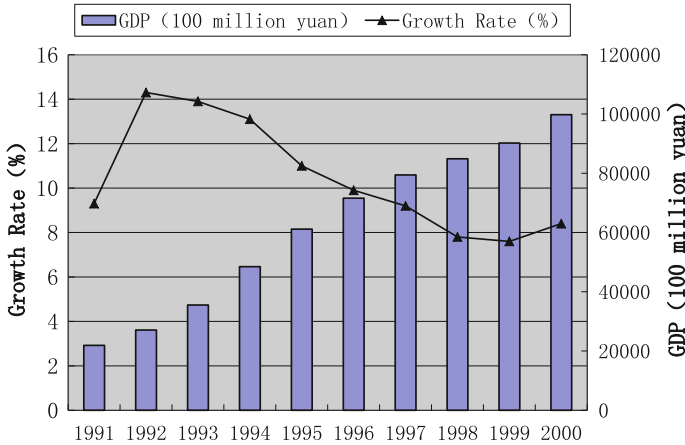


Fig. 1 1991–2000 GDP and GDP growth rates (Website of the National Bureau of Statistics)

### 1.2 The Output of Major Agricultural Products Reached a New Level

During the “Ninth Five-Year Plan” period, the local governments all attached great importance to the development of agricultural production and actively increased investment in agriculture to improve agricultural production conditions. In late stage of the “Ninth Five-Year Plan” period, in order to adapt to the changes in the structure of market demand for major farm produce, while maintaining the output of major agricultural products, the government vigorously adjusted the agricultural production structure, actively developed agriculture, accelerated the transformation of agriculture towards modern agriculture and achieved significant results. From 1996 to 1999, the grain output maintained at 500 billion kg, laying a solid material basis for the rapid and healthy development of national economy. In 2000, the output of oil plants, aquatic products and meat products increased by 31.1, 70.4 and 19.2% compared to 1995, meeting the production and living needs. The food production in 2000, however, was seriously affected by natural disasters and the adjustment of planting area, and the grain output that year was only 462.5 billion kg, which had a certain impact on the poverty-returning of some regions.

### ***1.3 Farmers' Income Further Increased but the Growth Rate Declined Year by Year***

During the “Ninth Five-Year Plan” period, farmers’ income increased steadily. The per capita net income of rural residents increased from 1578 to 2253 yuan, up 42.8%, with an average annual growth of 7.4%, laying a solid foundation for the construction of a well-off society in rural areas. Deducted the price impact, in fact, the average annual growth rate was 4.7%. The structure of farmers’ income shows a trend of diversification growth. The proportion of family business income remained stable and declined slightly; wage income became an important source of the income growth; among family business income, the income of secondary and tertiary industries grew rapidly. During that period, farmers’ market awareness was enhanced and cash income increased rapidly, but the overall income gap continued to widen, which became a negative factor affecting poverty reduction and development. As the state increased efforts on further development of central and western regions, the rural economy in the central and western regions witnessed steady growth and the income of local rural residents increased rapidly, narrowing the income gap between the eastern and central and western regions. With the slowdown of farmers’ income growth, it was more difficult to increase the income of farmers, increasing difficulties in poverty reduction and seriously affecting the market launch and consumption growth in rural areas. The main reason for the slowdown of farmers’ income growth is that an oversupply of agricultural products led to the price fall.

### ***1.4 The Consumption Level and Living Standards of Rural Residents Were Further Enhanced***

The consumption level of rural residents was generally improved. Thanks to the implementation of the Western Development Policy, the consumption growth rate of the rural residents in western regions was higher than that of the central and eastern regions. Rural residents’ consumption structure presented new characteristics: gradually reducing the proportion of survival consumption and constantly increasing the proportion of enjoyment and development-oriented consumption, and the quality of consumption was significantly improved. Most rural residents will soon live a well-off life and their material consumption levels have been improved significantly. As for diet, they pay more attention to nutrition scientific formula; in terms of clothing consumption, the rural residents begin to buy more fashionable clothes rather than the traditional warm clothes, and have increased spending on living. The housing quality and living conditions have been improved. With the significant improvement in rural infrastructure, rural residents’ travel and social contacts become more convenient, rural residents have more contacts with the outside world, and their spending on traffic and communication increased rapidly.

### ***1.5 Infrastructure and Community Situation Were Improved Significantly***

Since 1998, China has implemented proactive fiscal policy, increased the amount of issued government debts year by year, and used the funds for flood control, waterlogging prevention, farmland irrigation, grain storage, rail and road, major airports, post and telecommunications, environmental protection facilities, urban and rural power grids, urban public facilities, etc. As of 2000, more than 95% of the administrative villages in rural areas had got access to highways, with an increase of more than 6 percentage points compared to 1995; the proportion of the towns with post offices was raised from 78.1% in 1995 to 79.8% in 2000; more than 80% the administrative villages had got telephone sets, and the number of rural households equipped with telephone sets doubled the figure in 1995; and more than 95% of the administrative villages had got access to electricity. The infrastructure development improved the rural production and living conditions and accelerated the pace of poverty reduction in backward areas.

### ***1.6 Rural Economic Restructuring Was Further Deepened***

The second round of rural land contracting work was completed, and the land contracting period was extended for another 30 years. The state deepened the grain circulation system reform to further strengthen the supervision and management of farmers' burden, launched the rural tax reform, and gradually standardized the management of rural collective finance and assets. The strategic adjustment of agricultural and rural economic structure was accelerated, the industrialization of agriculture witnessed healthy development, and steady progress was made in legal system construction for agricultural production. During the "Ninth Five-Year Plan" period, China formulated and issued nine agricultural laws and regulations including the "Township Enterprise Law in the People's Republic of China", the "Seed Law in the People's Republic of China", etc., and developed appropriate regulations, which played an important role in consolidating the basic position of agriculture and protecting the legitimate rights and interests of farmers.

### ***1.7 Urban-Rural Gap Continued to Widen***

The gap between urban and rural areas under the dual structure has been the contradiction that can hardly be overcome in the social and economic development of China. The urban-rural gap is first reflected by the income gap between urban and rural residents. The nominal income ratio between urban and rural residents was 2.47:1 in 1997, and expanded to 2.65:1 in 1999, and this gap is still widening. Taking into



account the government subsidies for urban residents in housing, medical treatment, transportation and public services, the income gap would be larger. Besides, there is an obvious gap between urban and rural residents in the field of education, health care, telecommunication infrastructure and other public services. The gap between urban and rural residents in the transportation, safe drinking water and telecommunication services is even more prominent. Due to the long-term separation between industry and agriculture and the implementation of the policy for agriculture to support industry and for rural areas to support urban development, the gap between farmers and urban residents has been constantly expanded, which becomes a significant characteristic of China's social development. This trend needs to be reversed in future development, and it has become an important measure for narrowing development gap to strengthen poverty alleviation and development, which is particularly important.

### ***1.8 Rural Poverty Situation Was Significantly Improved***

The <Seven-Year Priority Poverty Alleviation Program> has been basically completed, promoting the significant improvement of the poverty situation in rural China. From 1994 to 2000, the rural residents in absolute poverty decreased from 70 to 32.09 million people, the incidence of poverty fell from 7.6 to 3.5%, and the incidence of absolute poverty in key counties for anti-poverty work dropped from 25.9 to 8.9%. By the end of 2000, the proportions of administrative villages with access to electricity, highroads, postal services and telephone sets in poor areas reached 95.5, 89, 69 and 67.7% respectively. Rapid population growth in poor areas has been initially controlled and the natural population growth rate has declined. The school conditions have been improved and 318 of the 592 key counties for anti-poverty work have achieved the goal of "basic popularization of nine-year compulsory education and basic elimination of illiteracy among young adults". Vocational education and adult education developed rapidly, effectively improving the quality of workers. Most township hospitals in poverty-stricken areas have been renovated or rebuilt, and the underserved situation has been eased. During this period, the state promoted a large number of practical agricultural technologies, and the level of scientific farming was improved markedly. People's cultural life was improved and their mental outlook underwent great changes. The food and clothing problem of the masses in old revolutionary base areas was basically addressed, covering Yimeng Mountain Area, Jinggang Mountain Area, Dabie Mountain Area and southwest Fujian. Great changes took place to the appearance of some remote mountainous areas and minority areas. After years of development, the infrastructure and basic production conditions in Dingxi of Gansu and Xihaiyu of Ningxia—two well-known poor areas were improved significantly, and the poverty situation was greatly alleviated.

## **2 Session II Main Contents of “China Rural Poverty Alleviation and Development Program (2001–2010)”**

In June 2001, the State Council issued the “China Rural Poverty Alleviation and Development Program (2001–2010)”. The main contents of the “Program” fall into six parts, namely the preamble, goals, basic principles, targets and key work, contents and approaches, policy guarantee and organizational leadership, including 36 articles.

The “Program” has clear objectives: to solve the food and clothing problem of the small number of needy people without enough to eat and wear as soon as possible, further improve the basic production and living conditions of the poor areas, consolidate the results gained in this regard, improve the quality of life and comprehensive quality of the poverty-stricken people, strengthen infrastructure construction in impoverished rural areas, and improve the eco-environment and the backward social, economic and cultural situation of impoverished regions to create conditions for building a moderately prosperous society. In short, we should pay equal attention to addressing food and clothing problem and consolidating the results in this regard. It is quite different from the goal of addressing food and clothing problem of the <China’s Seven-Year Priority Poverty Alleviation Program>.

The “Program” points out that the basic guideline of anti-poverty work is adhering to the development-oriented poverty alleviation, centering efforts on economic construction, and promoting the market-oriented productivity development, to which we should adhere for a long time.

According to the “Program”, in the poverty alleviation, we should adhere to comprehensive development, incorporate poverty alleviation and development into the national economic and social development plan, strengthen the construction of water conservancy, transportation, electric and communication facilities, attach importance to the development of science and technology, education, health and cultural industry, improve the community environment, improve the quality of life, and promote the coordinated economic and social development and overall progress in poverty-stricken areas. It means, in fact, the industrial department must increase efforts on poverty alleviation and development as industrial poverty alleviation is an important part of China’s “grand poverty alleviation pattern” with special poverty alleviation, industrial poverty alleviation and social poverty alleviation as the framework. The “Program” particularly points out that in the anti-poverty work, we must adhere to sustainable development and pay attention to its combination with ecological construction. It is also the basic principles guiding the poverty alleviation and development work to adhere to self-reliance and hard work and adhere to government leadership and social participation.

Targets and key areas of poverty alleviation and development work: The “Program” makes the poor whose food and clothing problem has not been solved in poor areas as the main targets of the anti-poverty work; meanwhile, we should continue to help the poor whose food and clothing problem has been basically solved to increase income, further improve the production and living conditions and consolidate the results of poverty alleviation. The key areas of poverty alleviation and development

work are the central and western minority areas, old revolutionary base areas, border areas and destitute areas concentrated with poverty-stricken people. Determine the key counties for anti-poverty work among these four categories of regions. The local governments are mainly responsible for supporting the impoverished towns and villages in the eastern, central and western regions. The relevant provinces, autonomous regions and municipalities should respectively develop local poverty alleviation and development planning. The planning should take county as the basic unit, take impoverished village as the basis, and clarify the goals, construction contents, implementation measures, aiding units and sources of funds. The implementation of the planning should take impoverished villages as the basis, presenting objective requirements for the identification of impoverished villages nationwide and providing support for the implementation of entire village advancement for anti-poverty work.

Contents and approaches of poverty alleviation and development: (1) Developing planting and breeding industry, which is the main content of poverty alleviation and development work; (2) promoting the industrialization of agriculture; (3) improving the basic production and living conditions in poor areas; (4) increasing efforts on poverty alleviation by science and technology; (5) improving the scientific and cultural qualities of the people in poor areas; (6) expanding labor transfer of poor areas; (7) promoting voluntary relocation; (8) encouraging the participation of economic organizations in diverse forms of ownership in poverty alleviation and development. Some of these contents and approaches were further refined in the process of program implementation. For example, to promote agricultural industrialization, we later launched industrialization-based poverty alleviation; to improve the basic production and living conditions in poor areas, we later launched the program of entire village advancement; to improve the scientific and cultural quality of the masses in poor areas and expand the labor transfer in poor areas, we later further implemented the "Rain Plan", etc.

As for policy guarantee, we should first increase financial support and then enhance the fund efficiency through strengthening the management of financial anti-poverty funds. On the basis of increasing financial support, give full play to the role of financial funds, provide financial subsidy for financial loan interest, loosen lending conditions and increase financial funds to further support the cause of poverty alleviation and development. Take advantage of the Western Development Policy and industry poverty alleviation policy to carry out fix-point poverty alleviation work of party and government departments, promote the east-west pairing-off poverty alleviation work, mobilize all circles of society to support the development of poor areas, and develop the international exchange and cooperation in the field of poverty alleviation and development, which is also a part of China's featured poverty alleviation and development policy system and the policy guarantee for anti-poverty work.

The "Program" has also clear provisions on the organization and leadership of poverty alleviation and development work. China implements the poverty alleviation responsibility system in the anti-poverty work: The provincial government takes the overall responsibility, the county government is responsible for the implementation, and the anti-poverty work must be done to specific villages and households. Principles: Anti-poverty responsibility, task, fund and power to provincial government.

Implement the top leader responsibility system and take the effects of poverty alleviation and development as an important basis for the performance evaluation of the local party and government leaders. Leadership construction, grassroots organization construction, poverty-relief fund auditing, poverty alleviation and development statistic and monitoring work and the poverty alleviation and development agencies in poor areas need to be further strengthened. These measures are also important guarantee for the organization of anti-poverty work.

### **3 Session III Special Poverty Alleviation Policy Measures**

In the implementation process of the “Program”, to achieve the goal, the state adopted a series of specific policy measures to promote special poverty alleviation, including: poverty-targeting measures, entire-village advancement industrialization poverty alleviation, labor transfer training, relocation-based poverty alleviation removal, mutual funds and anti-poverty of impoverished villages, discount loans, Food for Work, etc.

#### ***3.1 Poverty-Targeting Measures***

Poverty targeting at three levels: First, target at poor counties. In 1986, when the organized, planned poverty alleviation intervention activity was officially launched, in order to better organize the work and use the limited resources to support the poor areas in urgent need of help, the state identified the national poor counties. It initially determined 331 national poor counties, and then increased to 592. Since then, the county-based allocation of poverty-relief resources has become a characteristic of China’s anti-poverty work. Although we adjusted the poor counties in different stages, this targeting mechanism has been implemented. In 1986, 1994 and 2001, the government identified and adjusted the poor counties/key counties (hereinafter referred to as the poor counties) for three times. In 1986, the central government set the standard for national poor counties for the first time: With county as the unit, the counties with per capita net income of less than 150 yuan and the minority autonomous counties with annual per capita net income of less than 200 yuan in 1985; for the old revolutionary base counties that once made great contributions in the period of democratic revolution and are well known at home and abroad, the conditions were loosened to annual per capita net income of 300 yuan. In the formulation of the <China’s Seven-Year Priority Poverty Alleviation Program> in 1994, the central government re-adjusted the standard of national poor counties. Specific standards: With county as the unit, incorporating all the counties with annual per capita net income of less than 400 yuan in 1992 into the coverage of policy support for national poor counties, and withdrawing all the former national poor counties with annual per capital net income of more than 700 yuan in 1992 from the pol-

icy support system. In 2001, the central government re-adjusted the key counties for poverty reduction under the following principles: (1) The total number of poor counties nationwide remains 592; (2) The poor counties of Liaoning, Shandong, Zhejiang, Fujian, Guangdong and other eastern coastal provinces and municipalities except Hebei and Hainan should be supported by their respective provincial government rather than the central government, involving 33 poor counties; (3) Take Tibet as a poverty alleviation unit for independent poverty alleviation and cancel its former five poor counties; (4) Specific adjustment plan of other provinces' poor counties: Use the "631" index method to determine the number of key counties in various provinces: The poor of the provinces account for 60% of the total of China (among them, those in absolute poverty account for 80% and the low-income people account for 20%), the poor of the counties with low rural per capita net income account for 30% of the total (the standard of per capital net income is 1300 yuan for general regions and 1500 yuan for the old revolutionary base areas, minority areas and border regions), and the poor of the counties with low per capita GDP (less than 2700 yuan) and the counties with low per capita fiscal revenue (less than 120 yuan) account for 10%. The provinces should report to the State Council Leading Group of Poverty Alleviation and Development the number of key counties determined with the index method for review and approval after the key counties are determined by the provincial government. After the adjustment of the poor counties, compared to the stage when the <China's Seven-Year Priority Poverty Alleviation Program> was implemented, 89 new poor counties were added and 51 counties withdrew from the poverty reduction system (among them, 38 are poor counties of the eastern coastal regions and Tibet, and 13 were poor counties of other provinces). At the very beginning, poor counties were only the targets of poverty relief projects. Later, however, more and more preferential policies were issued for poor counties. In summary, these policies fall into three categories: First, preferential policies on the allocation of special poverty relief funds. Second, the preferential policies for poor regions in the field of water conservancy, transportation, finance, electricity, education, health, science and technology, culture, population and family planning, such as financial policy and the preferential tax and land policies for merchants invitation to promote industrial development. Third, the fiscal transfer payment policy which gives priority to poor counties, covering the salaries of civil servants, tax relief for important industrial projects and preferential subsidies.

Second, target at impoverished villages. In the new century, the poor are more concentrated in a small land area, characterized by punctate distribution rather than regional distribution, scattered here and there. At the same time, the implementation of the <China's Seven-Year Priority poverty Alleviation Program> greatly alleviated rural poverty, and the number and proportion of the poor in the key counties for national poverty alleviation and development (hereinafter referred to as the national key counties) declined rapidly. If we still continued to target at key counties, it would lead to the leakage of poverty-relief resources and the deviation of poverty reduction targets. Under the guidance of the "Program", therefore, we turned to target at impoverished villages in the anti-poverty work, to which the key is to identify poor villages. Whether the village selection is accurate will directly affect the accuracy of

poverty reduction object targeting and the implementation effects of entire village advancement. In principle, the impoverished villages were identified according to the PPI put forward by the ADB expert panel. As of 2002, a total of 148,000 impoverished villages had been identified nationwide, accounting for 21.4% of the total administrative villages in China. All the provinces and autonomous regions have impoverished villages except Beijing, Tianjin and Shanghai. The identified poor villages were scattered in 1861 counties, accounting for 68.8% of the total, covering 83% of the poor. The key county-targeting policy, however, covered only 61% of the poor.

Third, target at poor people. The targets of poverty relief work are poverty-stricken people, and the poverty-relief measures must be implemented to specific people in order to achieve good effects. During this period, the local governments all launched the basic work for targeting at the poor, i.e. creating files and cards for the poor. For the poor with the ability to work, the government mainly helped them enhance self-development ability; for the poor who lost the ability to work, the government provided necessary relief and assistance; the financial anti-poverty funds were issued to serve not only infrastructure construction but also the needy families. The overall requirements for the work: Door-to-door survey, filing and archiving for all the impoverished villages, towns and counties, and implementing dynamic management. The filing and archiving work was mostly done by the provincial government, and there is not a unified national monitoring index framework in our country. Jiangsu, Hubei, Chongqing, Sichuan and Xinjiang have done a good job of filing and archiving for the poor, which enhanced the pertinence of anti-poverty work and improved the efficiency of the limited anti-poverty resources.

### ***3.2 Entire Villages Advancement***

Entire village advancement is one of the important contents of China's rural development-oriented poverty alleviation in the new era. Its purpose is to use large-scale financial and other resources to significantly improve the infrastructure, social service facilities, production and living conditions and industrial development situation of the targeted impoverished villages in a short period of time and make various projects support each other to achieve greater combined efficiency, thus help the poor shake off poverty on the whole and enhance the comprehensive productivity of poor communities and poor people and their ability to resist risks. Background of the implementation of this policy: The rural poor were reduced significantly and great changes took place to the distribution of poverty-stricken people after the <China's Seven-Year Priority Poverty Alleviation Program> was implemented, the poverty targeting mechanism was improved and the anti-poverty work began to target at the villages with a high proportion of poor residents.

The technological means of entire village advancement is the formulation and implementation of participatory village-level poverty alleviation planning. The provinces, autonomous regions and municipalities developed entire village advance-

ment planning for the identified impoverished villages, and then promoted the implementation in batch by stage. By 2005, the entire village advancement project had been launched in only 32% of the impoverished villages, accounting for 43% of the total impoverished villages that had developed the village-level poverty alleviation planning. More than 50% of the tasks put forward by the “Program” were accomplished, but the entire village advancement project was launched in only one third of the involved impoverished villages, and nearly 70% of the relevant work was left to be done in the next five years. As of the end of 2010, the entire village advancement project had been launched in 126,000 impoverished villages, and the entire village advancement had been basically completed in the impoverished villages of old revolutionary base areas, minority areas and border regions of national key counties.

The village-level poverty alleviation planning-based entire village advancement which targets at impoverished villages is an important initiative of China’s development-oriented poverty alleviation in this stage. The implementation of entire village advancement has changed the poor county-targeted scattered poverty alleviation mode, improved the production and living conditions of the farmers in impoverished villages by enabling them to obtain a large amount of investment in a short period of time, increasing their income through industry development and productivity improvement. On the whole, the entire village advancement program and other poverty-relief project investment both achieved significant effects. Listening to the farmers by mobilizing them to get involved is one of the important characteristics of the entire village advancement-based poverty alleviation. There is a big gap between the demand for capital and the actual capital investment, affecting the effective implementation of the entire village advancement. One of the main reasons for the insufficient fund for entire village advancement is that various departments did not have a unified understanding of the entire village advancement work, and the lack of funds restricts the goal realization of the entire village advancement program.

### ***3.3 Labor Transfer Training***

With the changes in China’s macro-economic structure, the market witnessed a structural shortage of labor force. On the one hand, China’s WTO entry led to the rapid growth of the trade volume. As a result, the labor-intensive processing industry developed rapidly, the market demand for labor force in the eastern regions where manufacturing industry witnessed rapid development was huge, but skilled human resources could hardly be found and the employers could not find suitable skilled workers. On the other hand, in the central and western regions, a large number of rural surplus labors with low educational levels who did not receive any skills training could not find jobs. In this context, LGOP decided to make labor transfer training in poor areas as the main approach and major task of the anti-poverty work. In August 2004, LGOP issued the “Notice on Strengthening Labor Transfer Training in Impoverished Regions”, announcing the official launch of the labor transfer training (known as the “Rain Plan”) in poor areas.

As for the training objects, first of all, we should give priority to the poor households whose annual per capita income is below the poverty line. They are the main objects of the training. Secondly, give priority to the farmers covered by the ex situ relocation; Thirdly, give priority to the farmers with a certain educational level. We should develop one or two leaders of labor transfer in each key impoverished village according to the plan, aiming to play a demonstration role in the large-scale labor transfer. As for the working methods, there are six standards for the identification of training demonstration bases: First, good leadership, which is the fundamental guarantee for the transfer training; second, independent legal entity and the certification for labor skills training; third, the labor transfer training venue, teaching facilities and lectures; fourth, relatively stable capacity and channels for job recommendation; fifth, a relatively complete management mechanism for labor transfer; sixth, a good social reputation.

In 2004, LGOP formulated the “Guidance of LGOP on the Management of Demonstration Bases for Labor Transfer Training” and started to identify national training demonstration bases across the country. By the end of 2006, 31 national “Rain Plan” demonstration bases had been set up in China. The provinces, cities and counties also identified local training agencies and a total of 2323 training bases in the country, and initially set up the training network covering impoverished regions. In principle, the labor transfer training funds for impoverished regions should account for more than 10% of the central government’s anti-poverty funds.

In order to further improve the quality and increase the income of the poor, and accelerate poverty alleviation and development and the construction of a new socialist countryside and a harmonious society in impoverished regions, in 2007, LGOP issued the “Opinions on the Implementation of the ‘Rain Plan’ in Impoverished Regions” and the “Guidance on Labor Transfer Training for Impoverished Young Adults”, aiming to help about 5 million young adults and 200,000 demobilized soldiers achieve labor transfer through vocational skills training in the “Eleventh Five-Year Plan” period; help 150,000 poverty reduction backbones and cadres of key villages for anti-poverty work become the leaders in the construction of a new socialist countryside in poor areas through entrepreneurship training; and make each poor rural household have one or two family members who master the agricultural production technology with certain technology content through the practical agricultural technology training. The targets of the “Rain Plan” fall into three categories: First, the registered young adult farmers (16–45); second, the demobilized soldiers of needy families (including technical sergeants, the same below); third, cadres and backbones of the key villages for anti-poverty work who can help the poor shake off poverty.

As one of the key contents of the poverty alleviation and development work in the new era, with the improvement of quality and employment and entrepreneurial ability as the tenet, with vocational education, entrepreneurship training and practical agricultural technology training as the means, through promoting labor transfer and independent entrepreneurship, the “Rain Plan” is characterized by government leadership and social participation and aims to help the young adult farmers of poor areas solve problems in employment and entrepreneurship so as to develop production, increase income and boost the economic development of impoverished regions.



The comprehensive implementation of the “Rain Plan” marked that China’s poverty alleviation and development work entered the new stage for the development of natural resources and human resources from the stage focusing on the development of natural resources.

To solve the problems of increased poor labor force, after 2007, the poverty alleviation departments provided financial subsidies for the junior and high middle school graduates of needy families who are not enrolled to college or university and unwilling to resume their study at school, aiming to encourage them to receive vocational education. The number of such students reaches tens of thousands every year and they are the majority of the increased labor force in rural areas. Financial subsidy for this group will fundamentally solve the poverty problem of China’s new labor force and block the intergenerational transmission of poverty. The training for the new labor force in rural areas later gradually became the key work of labor training in poor regions.

The “Rain Plan” demonstration bases can complete the labor transfer training task on the whole, but in few demonstration bases, there are some problems such as poor management, improper use of funds and inconspicuous demonstration effect. In order to further standardize the management of demonstration bases and improve the management level so that the demonstration bases can adapt to the transition of labor transfer training for needy families from short-term training to middle- and long-term training, and the transition of the training of junior and high middle school graduates of needy families from short-term training to vocational education, further promote the implementation of the “Rain Plan” and effectively give play to its demonstration role, in 2009, LGOP carried out inspection on and made appropriate adjustment to the demonstration bases, which was the beginning of the “Rain Plan” reform and adjustment. By 2010, trainings were held for more than 40 million labors of needy families, of whom over 80% achieved labor transfer. According to the sample survey, the monthly salary of trained labor force was 300–400 yuan more than that of other labor force. While helping the labor force of poor areas find jobs and increase income, the labor training also made them master new technologies and accept new concepts, broadened their horizon and enhanced their confidence. Since 2010, to promote employment, the state has implemented pilot program of issuing direct subsidies for junior and high middle school graduates of needy families to receive vocational education.

Judging from the present condition, There are some problems in the labor training in poor areas. Due to the lack of effective monitoring mechanisms, for example, the township and village-level working staff who had the right to recruit students could easily have the student-seeking behavior; the training’s special requirements for labor force also led to the deviated targeting of the labor transfer training; the serious shortage of training funds and the training contents’ disjoint with the market demand also brought certain pressure on sustained development of the labor transfer training work.

### ***3.4 Industrialization-Based Poverty Alleviation***

The “Program” clearly proposed to “actively promote the industrial management of agriculture; develop contiguous planning for the production of farm produce with resources advantage and market demand based on the industrialization development direction, striving to form distinctive regional leading industries; actively develop the modes of company + farmers and cooperative organizations + farmers + order agriculture, etc.; guide and encourage the large and middle-scale agricultural processing enterprises with market development capability to set up raw material production bases in impoverished regions and provide pre-production, production and post-production services for poor farmers so as to achieve the industrialized operation characterized by the integration of trade, industry and farming, and the one-dragon services covering production, supply and marketing; strengthen the construction of wholesale markets of agricultural products in poor areas to further invigorate the circulation and gradually form a large-scale, specialized production pattern”. In order to accomplish this task, the anti-poverty work at the beginning of the new century should give priority to industrial development-oriented poverty alleviation. The contents of industrialization-based poverty alleviation include the determination of local leading industries and the establishment of production base; providing preferential policies to support leading enterprises; and exploring the operating mechanism to achieve the win-win situation of farmers and enterprises.

China’s main policies on industrial poverty alleviation cover two aspects: First, qualification authentication and management of national poverty alleviation leading enterprises; second, preferential policies for national poverty alleviation leading enterprises. According to the “Notice on the Declaration of National Poverty Alleviation Leading Enterprises (2003)” issued by LGOP, national poverty alleviation leading enterprises refer to the enterprises identified by LGOP with processing or circulation of agricultural products as the main business or with labor force of poor regions as the main employees that lead poor rural households to enter the market and promote the adjustment of industrial structure and employment structure in impoverished regions with business scale and index up to the relevant standards. China has clear identification criteria, reporting and certification procedures and specific management measures for leading enterprises.

Support policies for poverty alleviation leading enterprises include: (1) Credit poverty alleviation policy: The central government policies to promote industrialization-based poverty alleviation mainly include the recognition of qualifications and the issuance of discount loans. Poverty alleviation leading enterprises are the key to achieving the goals of industrialization-based poverty alleviation and the main objects of the discount loans. In order to make the operation of credit funds safer and more effective, in 2005, according to the qualification standard set by the “Notice on the Declaration of National Poverty Alleviation Leading Enterprises” (2003), LGOP identified the first batch of 260 national poverty alleviation leading enterprises, made them the key objects of the discount loans, required the provinces and autonomous regions to create a favorable external environment for

national poverty alleviation leading enterprises, required poverty alleviation departments to make supporting the development of national poverty alleviation leading enterprises as one of the main tasks and required the Agricultural Bank of China to make supporting the development of national poverty alleviation leading enterprises as the priority work of credit loan poverty reduction. In 2008, LGOP identified the second batch of national poverty alleviation leading enterprises. By then, it had identified a total of 625 national poverty alleviation leading enterprises in two batches, and the industrialization poverty alleviation funds were mainly the financial discount loans. In terms of the specific operation, in 2003, 5 billion yuan of discount loans were used for industrialization poverty alleviation, accounting for 57.2% of the total poverty-relief discount loans. It can be seen that in the use of poverty-relief discount loans, industrialization poverty alleviation takes a very important position.

(2) Financial support: Since 2002, Jiangxi Province has arranged an annual special fund of 3 million yuan and substituted subsidies with rewards to encourage and support the provincial poverty alleviation leading enterprises and private cooperative economic organizations to make technical innovation and build brands in agricultural industrialization, and the first prize is 500,000 yuan. Huoshan County of Anhui Province has not only actively helped poverty alleviation leading enterprises to strive for support of higher authorities, but also used the poverty-relief credit loans and integrated agricultural development project funds for targeted purposes, and provided about 30 million yuan of annual investment to support key leading enterprises. In brand development, through substituting subsidies with rewards, it gives rewards of 50% of the declaration and certification fees to the leading enterprises that passed the certification of green and organic food and pollution-free agricultural products and obtained approval for the production of traditional Chinese medicines; issued a one-time reward of 50,000 yuan for each of the leading enterprises that obtained the EU and US FDA certificates; rewarded the leading enterprises that passed the ISO14000 and HACCP certification, 20,000 yuan per product; rewarded the leading enterprises that registered agricultural product trademark abroad, 10,000 yuan per trademark; rewarded the leading enterprises that established the provincial and national agricultural production, processing and marketing quality standard systems, 20,000/40,000 yuan per series; rewarded the municipal, provincial and national key leading enterprises respectively with 10,000, 50,000 and 100,000 yuan for each; and rewarded the enterprises with provincial famous brands, national famous brands and national famous trademark with 50,000, 100,000 and 200,000 yuan respectively.

(3) Tax incentives: In Hubei Province, the key enterprises engaged in planting, breeding and agricultural processing and the enterprises launched in impoverished regions are exempted from corporate income tax for three years. Tiantou Township Government of Ningdu County, Jiangxi Province provides support in taxation and certificate handling. For example, the households engaged in planting and processing are required to pay only 2/3 of the tax on agricultural and forestry specialties and 1/7 of the land tax for processing, and the government provide factory venue for free for them. In Huoshan County of Anhui Province, since the agricultural processing projects are put into production, the enterprises are exempted from the corporate income tax for three years, and only need to pay half of the tax in the next three years. Support

for the identified high-tech projects can be extended for three years. (4) Preferential policies for land use: Hohhot of Inner Mongolia gives priority to the reasonable land use demand of poverty alleviation leading enterprises in the allocation of land and the approval of projects. In Chongqing City, to implement agricultural industrialization projects in the barren hills, barren slopes, desolate beach and wasteland of which the use right has not been identified, the municipal poverty alleviation leading enterprises can obtain the land use right for 50 years through contracting, leasing, auction, etc.

Over 2001–2010, through the whole countries' industrialization poverty alleviation, we cultivated many leading industries for impoverished regions, including potato industry, economic forest, grassland animal husbandry, cotton industry, etc. Among them, the potato industry has become a competitive distinctive industry to guarantee food security, resist droughts and disasters and reduce poverty in impoverished regions. Industrial poverty alleviation effectively helped the poor rural households shake off poverty and get rich. Although the industrialization poverty alleviation policy played an important role in reducing rural poverty, it has inherent deficiencies, including: First, it can hardly deal with market uncertainty. In the implementation of industry planning, some industrial projects are expected to have good market outlook and profit space will probably fail to achieve the expected results after they are put into operation, such as the 3–5-year poverty relief projects in forestry and fruit industry. Second, the spillover effect of industrial poverty alleviation projects. It is impossible for industrial poverty alleviation projects to be implemented only for scattered poor households because the cultivation of any industry needs a certain scale and requires the involvement and leadership of the non-poor. Once the non-poor get involved, however, the outcomes of the industrial poverty reduction projects are likely to be captured by the non-poor. Meanwhile, some supportive measures of the government for industrial poverty alleviation projects, such as improving irrigation facilities and providing information services, usually have the nature of public goods or quasi-public goods. Inevitably, the non-poor who have stronger ability and a stronger awareness of business investment and operation will benefit from the industrial poverty alleviation projects. The spillover effect of industrial poverty alleviation projects and the market uncertainty directly affect the poverty reduction effects of industrial poverty alleviation projects.

### ***3.5 Poverty-Relief Relocation***

The Chinese government's organized poverty-relief relocation started in 1983, represented by the construction of "Three West Regions". At the end of the 20th Century, the government's organized voluntary poverty-relief relocation achieved good social, economic and ecological benefits. Taking into account the outstanding contribution made by voluntary poverty-relief relocation to China's poverty alleviation work, the "China Rural Poverty Alleviation and Development Program" issued in early 21st Century makes voluntary poverty-relief relocation an important way and means

of anti-poverty work and clearly provides: We must steadily promote the voluntary poverty-relief relocation; implement poverty-relief relocation for the destitute population living in the regions with harsh conditions and poor natural resources, combined with returning farmland to forest/grassland; on the basis of pilot projects, develop specific planning and implement the projects by stage according to the plan; adhere to the voluntary principle, fully respect the wishes of farmers, do not order or force farmers to get involved; adjust measures according to local conditions, pay attention to the actual effects, takes a variety of forms, refuse sweeping approach; and carefully arrange the post-relocation work to ensure that the relocation is affordable, the immigrants can settle down and get rich.

In 2001, ex-Prime Minister Wen Jiabao pointed out in his speech at the central anti-poverty work conference: the relocation work in few regions without the basic living conditions is very complex and we must attach great importance to it and carefully organize the work. First, formulate a specific plan. Second, adhere to the voluntary principle. Third, adjust measures according to local conditions and our abilities. Fourth, do a good job of resettlement of the immigrants. The relocation work within counties should be organized by the county government, and the trans-county relocation work should be under the unified coordination of the provincial government. In the early 21st Century, the National Development and Reform Commission used some government debt funds to implement pilot projects of ex situ relocation. In September 2001, the “Opinions of the State Development Planning Commission on the Implementation of Pilot Projects of Ex situ Poverty-relief Relocation” made detailed arrangements on the relocation work. In 2003, LGOP further clarified: voluntary relocation is an inevitable choice in the new stage of poverty alleviation and an inevitable requirement of building a moderately well-off society.

The regions for ex situ relocation usually should have the following conditions: (1) harsh natural conditions and relatively fragile ecological environment, mainly in mountain areas, prone to geological disasters; (2) poor infrastructure, high cost for improvement; (3) poor conditions of arable land, local residents can hardly survive relying on the natural conditions; (4) low population density, people scattered here and there. As for the selection of immigrant households, most provinces and autonomous regions take into account the natural resources, domestic economic conditions and the ability to work, and give priority to the poor and low-income rural households in principle. As for the selection of resettlement points, the governments usually take into account the land resources and infrastructure and tend to select the regions with abundant land resources to avoid resource competition with local residents and with relatively complete education, transportation, health care system and market.

The relocation subsidies mainly include housing subsidy and relocation subsidy, usually 5000–25,000 yuan per household. The subsidies are mainly financial anti-poverty funds and the work-relief funds, issued in kind or in cash, and some preferential policies are issued for the rural households of different provinces and autonomous regions. It is the guarantee for the immigrants’ to live a stable life in the resettlement points to address the land problem, especially in the government’s organized relo-

cation between rural areas. The land policy is mainly on the allocation and use of arable land resources and homestead.

From a national perspective, the relocation presents the following characteristics: First, spatially, it mainly refers to the relocation within counties. Second, in terms of resettlement ways, it focuses on centralized resettlement, complemented by disperse resettlement.<sup>2</sup> Third, as for the post-resettlement production mode, it provides farmland for the immigrants, i.e. the farmer-to-farmer resettlement. Fourth, as for the organizer of the relocation work, the government still plays a leading role.

Relocation has had many positive impacts on the relocated households, mainly reflected by the improvement of the living environment, enhancement of income level, and the significant enhancement of the accessibility to social public services. These development advantages brought by relocation made most of the relocated farmers who have settled down satisfied with the relocation policy. The relocation has, however, also had some negative impacts on the livelihoods of some rural households: First, due to the increase in cash expenses brought about by the changes in lifestyle and the increased relocation cost caused by the image project and new village construction in some places, some immigrants had a heavy debt burden after they were relocated. Second, due to the changes in means of labor, consumption patterns and structure of cash expenditures as well as the cultural differences, some immigrants can hardly adapt to the new life in the resettlement points and cannot be integrated into the local production and living for a long time. Third, the land problem of some immigrants has become the main obstacle to the development of immigrants' livelihood. For example, there are conflicts of interest between the original residents and the immigrants caused by land acquisition, and the poor land conditions of the resettlement points cannot maintain the livelihood of the rural households, the local government cannot provide farmers with necessary homestead, etc. Fourth, inadequate water, roads, electricity, education, health care, marketing and other supporting facilities made the immigrants live in trouble. Fifth, some local governments did not take into account the environmental carrying capacity of the resettlement points, and the relocation of a large number of people brought a heavy burden on the environment. As a result, the ecological environment problem of the resettlement points is becoming prominent.

The biggest difficulty in the voluntary relocation is the huge funding gap. First, there is a big gap between the planned and actual investment criteria. The provincial subsidy standard is 5000 yuan per capita. In fact, however, the balance between the standard and actual input is 800 yuan per capita, and this gap reaches 2.7 billion yuan for 3.4 million relocated people across the country. If the actual cost of the relocation is taken into account, the gap will be even greater. Second, the gap between the planned investment criteria and the actual demand is also obvious. According to the estimates of local officials in charge of the relocation work, the average investment

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<sup>2</sup>Disperse resettlement: In the implementation of ex situ relocation, for the villages and communities that cannot achieve centralized resettlement nearby restricted by the land, capital and public resources factors, or with a big amount of investment and a high cost for infrastructure construction in the resettlement areas, the government shall move the masses with certain conditions to the counties, towns, villages and communities with relatively good conditions for production and living.