

# China Will End Poverty by 2020

by William Jones

Jan. 5—At the recently concluded 19th Congress of the Communist Party of China, the leadership committed itself to eliminate poverty by 2020, a centennial year when the Communist Party will be celebrating its 100th anniversary. Nothing like this has been accomplished by any country, ever. Yet there is little doubt but that China will succeed. China has already brought 700 million people out of poverty over the last two decades, and is maintaining a steady pace of bringing 10 million people a year out of poverty. And while China has no doubt accomplished this tremendous feat in the context of its own unique system, in which the Chinese Communist Party plays the dominant role, the real key is the absolute determination of its leadership, under Party General Secretary Xi Jinping, to make poverty alleviation the primary goal of government policy.

But can this also be accomplished in other countries, with different political systems and other cultural matrixes, one may ask? I think there is no doubt that with the same level of determination as that shown by the Chinese leadership, poverty *can* also be eliminated in other countries, even here in the United States, where poverty has grown rather than diminished over the last decades. The latest UN Report on Poverty in the U.S.A. indicates that there are 41 million Americans living in poverty (of a population of around 300 million) while in China, with a population of 1.3 billion people, there are only 30 million people still living in extreme poverty. By 2020, however, these people will be out of poverty—but for our 41 million, there is as yet still no light at the end of the tunnel. Our politicians would do well to study some of China’s methods for dealing with this problem in order to give their own constituents the same hope that China is offering its citizens. All the particulars may be different, but if it can be done there, it can be done here.

Severe poverty in China today is now primarily limited to certain specific rural areas, often areas which



Xinhua/Liu Ailun

*Hong Tianyun, Deputy Director of China's State Council Leading Group Office of Poverty Alleviation and Development of China (LGOP).*

are very isolated and difficult to access. In 2013, President Xi Jinping had put forward the notion of “Targeted Poverty Alleviation,” which pinpointed those areas and those groups that were severely impoverished, in order to develop a program to bring them out of poverty. A total of 320 departments were assigned to pair up with 592 destitute counties to help them out of poverty. In addition, 68 centrally administered state-owned enterprises assisted anti-poverty efforts in 108 impoverished counties in disadvantaged areas. And many of the developed provinces and cities in the more prosperous eastern part of the country supported the less developed areas in the West, providing funds, skilled professionals, innovative ideas, and business investment. Poverty reduction had become a national undertaking.

At a press briefing July 5, 2017, Hong Tianyun, the Deputy Director of the State Council Leading Group Office of Poverty Alleviation and Development, pointed to three geographical areas, three autonomous prefectures and three demographic groups that were still suf-

fering from extensive poverty. The three areas were the Tibet Autonomous Region, the southern region of the Xinjiang Uyghur Autonomous Region, and the ethnic autonomous areas inhabited by Tibetans and other ethnic minority groups in Qinghai, Sichuan, Yunnan, and Gansu provinces. The three autonomous prefectures in extreme poverty were Linxia Hui Autonomous Prefecture in Gansu, the Liangshan Yi Autonomous Prefecture in Sichuan, and the Nujiang Lisu Autonomous Prefecture in Yunnan.

The three demographic groups affected by poverty were those who are impoverished because of illnesses—in particular, serious and chronic diseases—those who are impoverished as a result of natural disasters or because of market fluctuations, and the elderly poor, who because of their age or inability to work have to be supported by social insurance.

### **Increasing Productivity in Agriculture**

Much of the poverty reduction done in China has been an integral part of rural revitalization, a policy that was heavily emphasized at the 19th Party Congress. Much has been done through the years in terms of land reform in China. While all land is owned either by the central government or the local and provincial governments, farmers lease their plots from the government and these leases are generally long-term leases for around 30 years. Farmers migrating to the cities, seeking work to better support themselves and their families, most often leave behind their plots of land for their wives and children to work, but the small size of the plots means subsistence agriculture, at best. In the last few years, the Central Government has reformed the system considerably in order to allow migrant workers to sublease their land to other farmers who remain in the villages. These other farmers can then work the land, and often several landholdings can be combined, allowing for more effective utilization of these larger plots, as well as making it feasible to introduce machinery, farm equipment, and tractors.

Much effort is also being put into creating coopera-



Xinhuanet file photo

*A combine harvesting small grain in China. The government is providing financing for mechanization of agriculture.*

tives in the villages. The land area of the farmers can be combined, and the government will often provide financing for machinery and fertilizer. Often young graduates from the colleges and universities will go out to the villages as entrepreneurs in order to help improve the local situation. Provided with financing, they can work to build a more effective agricultural operation. If they can persuade the villagers to transfer their land rights and participate as shareholders, they will be able to increase the output per hectare many times over, with the farm laborers now sharing in the profits as shareholders and also receiving a wage for their labor if they decide to also work the land. In some cases, the increased acreage can be concentrated on a particular crop which can then be marketed commercially to a much larger area than previously.

With the introduction of the Internet in the villages and e-commerce, as well as enhanced transportation with roads and railroads, the village farmers now enjoy a greater market for their product. In one typical instance, a young graduate arrived in the village of Dawangfu in Fengyang County in Anhui Province, and saw the miserable level of productivity in agriculture. He succeeded in getting the villagers to transfer their land rights and began growing greenhouse vegetables, flowers, and garden plants on an extended scale. His intensive regime and his increased use of new technology proved far more efficient than the old system, increasing output by as much as 500%.

## Reclaiming the Land

There has also been a major drive toward land reclamation. In 2012 President Xi Jinping visited Fuping County, which is located in eastern Hebei Province, that borders Beijing. He told the villagers that the most arduous task facing China to complete the building of a moderately prosperous society is in rural areas, especially poverty-stricken regions. Reported in *Beijing Review*, Oct. 19, 2017, Xi noted that “a moderately prosperous society,” the goal for 2020, cannot be achieved if the nation cannot create higher levels of prosperity in the rural districts. This visit undoubtedly created a new sense of vitality in the county. Baiyi Village is one village located in central Fuping. Fuping County has a population of around 2,400 people and only 76 hectares of arable land. A mountainous region, it also has well over 1,000 hectares of non-arable land. In 2015, more than half of the villagers lived below the national poverty line.

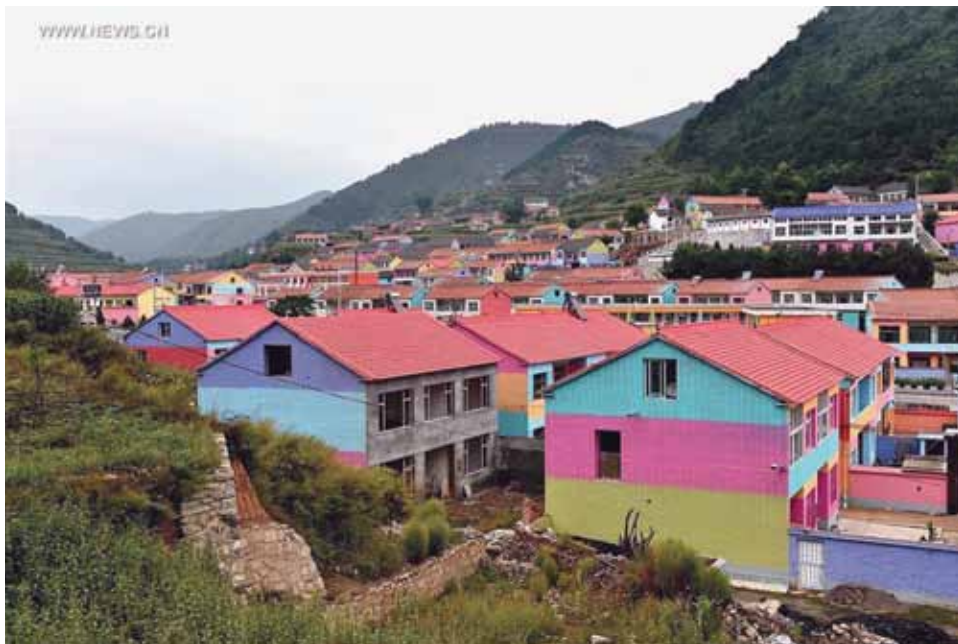
Agricultural experts came in to do a study of what measures could be taken to reclaim barren land. The villagers worked with them on their proposals and transferred their land-use rights on the barren plots, be-



Xinhua/Yang Shiyao

*A farmer with tomatoes in a greenhouse in Dahuangzhuang village in China this year.*

coming shareholders in the project. Much of the land was transformed into arable land through irrigation. By the end of 2016, 200 hectares of the mountainous region had been turned into arable land planted with apple trees, peach trees, cassia trees, peanuts, and sweet potatoes. The villagers earned a basic income of 1,000 yuan (\$150) per household per month. Those who work for the venture by planting seeds or digging, can make an extra income of \$450. When the project begins to pay off, the profits will be distributed between the investors and the villagers. By the end of 2020, when the land is expected to begin producing yields, each villager is expected to make a profit of more than \$900.



Xinhua/Zhan Yan

*Modern housing being built Nanpingtouwu village in China this year.*

## The Key Role of Transportation

None of this could have been done without the tremendous investment in the transportation infrastructure in China, which now brings together what had been iso-



Xinhua/Li Xiaoguo

*Shoe production in Cuiyangzhuang village in China earlier this year.*

lated communities and allows the easy transport of their products to a wider market. At the end of December, President Xi issued a statement on the importance of building roads in the rural areas. A total of 1.275 million kilometers of rural roads have been built in the past five years, and about 99% of townships nationwide have access to buses, according to the Ministry of Transport. The construction of roads to the remote villages, the pumping of water to the households and to the fields for irrigation, as well as the introduction of electricity and modern farming equipment, and modern irrigation methods, has served to elevate the standard of life of the Chinese farmer.

As Bloomberg notes in an article on the subject: China's new breed of farmer isn't staring at the sky to predict rain. He's using a micro-irrigation system based on an array of soil sensors that feed data wirelessly to his smartphone. He's growing vegetables in climate-controlled shipping containers and using drones to apply computer-formulated doses of

pesticides. (See "Farming the World: China's Epic Race to Avoid a Food Crisis," Bloomberg, May 22, 2017.) And like the policy introduced in the United States by the Roosevelt Administration in the 1930s, the government also maintains a parity-price system for agricultural products in order to protect the income of the villagers from any sudden price fluctuations on the market.

The continued expansion of the social welfare system has also provided income for those villagers who are too old or physically unable to work. In his speech to the 19th Party Congress, President Xi promised to provide more support for the left-behind elderly in the villages. A

nationwide pension system was established in 2009 which also included the rural aged, but developments locally are still very uneven, depending on the financial condition of the local governments. China has built 100,000 daycare and activity centers for the rural elderly and 110,000 community centers for the elderly in urban areas.

The government is also encouraging the establishment of small businesses in the rural areas. The intro-



Xinhua/Lin Yiguang

*Modern road in the rural area of Longtoushan Town in Ludian County, in China this year.*

duction of the Internet into the rural townships has also had a tremendous impact, and e-commerce now allows small businesses to take orders from a larger target area than previously. Many university graduates, finding it difficult to get adequate employment in the cities, are attracted to the rural areas where they can set up small businesses and help the villages prosper.

This movement to the countryside is also promoted by the central government. It also helps to promote the development of new enclaves of small industry, often connecting to agricultural production, such as food processing, in the rural towns and counties. As structural reform is going at full speed in the cities, with the down-sizing of some of the heavy industries there, migrant workers can now return to their villages, where they can now find employment as laborers in the larger agricultural plots being formed, or in the burgeoning small industries developing in the rural villages and towns.

There is also a major construction program in many of the rural areas to provide decent and modern housing for the people in the villages. In some cases, where it is logistically impossible to maintain access to a village, villagers may be moved to a more accessible area where they can have access to the main commercial arteries of the region. President Xi noted that 3.4 million people have been moved in the course of the poverty alleviation campaign.

The rural revitalization is also an important collaboration between the central government, and the local and provincial governments, which often are more attuned to the needs and the requirements of the local areas and the local population. The specific conditions of the different localities sometimes forbid the application of a universal formula for creating economic growth in the region. The central and local authorities are in the process of cataloguing the impoverished households in a systematic way, in order to closely analyze the causes of their impoverishment and to find remedies for it. A meeting of the Leading Group for Deepening Overall Reform of the 19th CPC Central Committee on Nov. 20, which President Xi Jinping chairs, adopted guidelines on the selection and management of officials working in poverty-stricken areas, along with a three-year action plan on the rural environment, focusing on garbage and waste disposal while preserving the landscape. The group also called for expansion of a pilot project to reform

rural residential land, which would protect public ownership of land, farmers' interests, and arable land.

Expanding the medical services in the rural areas is also an important element in eliminating extreme poverty. Speaking at a press conference on the sidelines of the 19th Party Congress, Li Bing, the chairman of the National Health and Family Planning Commission, said that 80% of the Chinese population were not more than 15 minutes from a medical clinic. But more remains to be done to improve the situation for the remaining 20%, primarily in the rural areas. The Leading Group in its meeting on Nov. 20, also called for improving the recruitment of general medical practitioners, especially in impoverished areas.

And while there is now universal education in China, the discrepancies between the quality of education in the cities and the countryside leave much to be desired. Here again, the expansion of university education over the last two decades has created a situation where many graduates have a difficult time finding employment in the larger cities. They are encouraged to move to the second- and third-tier cities and to the countryside, where they have a broad field for utilizing their education as teachers. And in both medicine and education, the expansion of the Internet has allowed for a much broader reach by the more qualified doctors and more capable teachers, to extend their reach to the rural areas.

This Chinese effort has become a clarion call to the countries of the developing sector. If China with its 1.3 billion people can eradicate poverty, it can also be done globally. And China's export of this model in the Belt and Road Initiative has created the basis for the world as a whole to move in that direction. What was once thought to be a laudable but unrealizable goal, is now seen as a realistic perspective for mankind. People in the West, and particularly here in the United States, simply have to begin to look at China and its development in an objective manner, rather than viewing China in the traditional zero-sum framework of geopolitics, where one man's loss is another man's gain. President Xi has introduced the building of "a community of common destiny for mankind" as a "win-win" solution to the problems of the world. It's time for the United States to become a winner as well, and contribute to the building of such a community.