

## **Chinese Approach to the Eradication of Poverty: Taking Targeted Measures to Lift People out of Poverty**

A Speech at the Expert Panel on the Implementation of the Third UN Decade for the Eradication of Poverty (2018-2027)

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**Dear Colleagues,**

**Ladies and Gentlemen,**

**Dear Friends:**

Since the end of the Second World War, peace and development have become the themes of our times, while eradicating poverty and achieving development has also become one of the top priorities of the developing world. At the United Nations Millennium Summit in 2000, leaders of various countries passed the Millennium Development Goals (MDGs) with poverty reduction as a primary goal, and launched a massive anti-poverty movement across the world. Over 15 years, the global poverty reduction cause has achieved remarkable progress under the concerted efforts of different countries and regions. From 1990 to 2015, 1.06 billion people were lifted out of extreme poverty in the world. The percentage of people living in extreme poverty was more than halved from 43% to 14%. Positive progress has been achieved in the eradication of poverty, universal education, prevention and treatment of malaria and tuberculosis, provision of clean water, and improvement of slum conditions. At the 2015 UN Sustainable Development Summit, the 2030 Agenda for Sustainable Development adopted by various countries, again with poverty reduction as its primary goal, demonstrated the confidence and determination of the international community in jointly eradicating poverty and achieving common development. For many reasons, however, there are still more than 700 million people starving around the world. The developing countries are confronted with severe challenges in the reduction of hunger, maternal and child health, as well as sustainable development. Meanwhile, the progress of poverty reduction made by different countries and regions is unbalanced. In particular, the development environment for the least developed countries (LDCs) has not seen notable improvement. Poverty, along with a series of problems derived from poverty, such as hunger, disease and social conflict, still afflict many developing countries. Hence, there is a long way to go in order to achieve global poverty reduction and the sustainable development goals. Today, we are gathering here in the beautiful city of Addis Ababa to discuss the implementation of the 3<sup>rd</sup> UN Decade for the Eradication of Poverty (2018-2027) in an effort to strengthen exchange and cooperation on poverty reduction and to continuously advance the execution of the 2030 Agenda.

In the world's largest developing country, the Communist Party of China (CPC) and Chinese government have always been putting the Chinese people first, and attached great importance to poverty alleviation and development, which is regarded as the historical mission and major responsibility of the CPC and Chinese government. Through government-led massive poverty alleviation and development work, we have helped more than 700 million people cast off poverty according to China's national poverty line. The rural poverty-stricken population was reduced to 30.46 million by the end of 2017, with the poverty incidence dropping to 3.1%. The infrastructure in

impoverished areas has been significantly improved, the basic public service level constantly rising, and the poverty alleviation mechanism taking important steps ahead. Meanwhile, China has paid high attention to implementing the United Nations Millennium Declaration and the 2030 Agenda. According to the World Bank's international poverty line of US\$1.9 per person per day, from 1981 to 2013, China lifted 850 million people out of poverty, with the percentage of people living in extreme poverty falling from 88% to 1.85%. China has contributed to over 70% of the poverty reduced across the world, and taken the lead to reach the UN MDGs, making itself a country with the most people lifted out of poverty in the world. This accomplishment deserves to be written into the social development history of human beings, and is also a contribution of the Chinese wisdom and approach to the global poverty reduction and development cause.

To achieve great success, one needs to have lofty ideals and work with diligence. The CPC, with serving the people whole heartedly as its purpose, has been working hard to lead the Chinese people to pursue a better life. Since the 18<sup>th</sup> CPC National Congress in late 2012, the CPC Central Committee headed by General Secretary Xi Jinping included poverty alleviation into the "Five-Sphere Integrated Plan" (a plan to promote coordinated economic, political, cultural, social, and ecological advancement) and the "Four-pronged Comprehensive Strategy" (a strategy of comprehensive moves to finish building a moderately prosperous society in all respects, deepen reform, advance law-based governance, and strengthen Party self-governance), seeing it a key task to reach the first centenary goal, i.e. building a moderately prosperous society in China by the centenary of the founding of CPC. The Party also made the important decision and arrangement to take targeted measures to lift people out of poverty, waging a full-blown war against poverty. In November 2015, the State Council issued the *Decision on Winning the Fight against Poverty* (hereinafter referred to as "the Decision"), making an overall plan for the poverty reduction work until 2020. These anti-poverty efforts are unparalleled in terms of their intensity, scale and influence, and we have attained decisive progress in this regard so far.

First, over the past five years, we have achieved the greatest progress of poverty reduction in history. At the end of 2012, there were 98.99 million people living under the current poverty line. By the end of 2017, the total poverty-stricken population stood at 30.46 million, with more than 66 million people being lifted out of poverty over five years. Those living under the current poverty line were reduced by over two thirds. We are getting closer all the time to reach the goal of eradicating absolute poverty. In terms of reducing the number of poverty-stricken counties, since China began the recognition of poor countries in 1986, the total number had been increased through three major adjustments. In 2016, 28 poverty-stricken counties were among the first batch to shake off poverty, which marked the first decline in the total number of poor counties. In 2017, about 100 counties were lifted out of poverty. It shows that we are gradually solving the problem of overall regional poverty.

Second, we have promoted the socioeconomic development in the poor regions. The poverty-stricken regions have taken on a new look of socioeconomic development, with poverty reduction as their major task. Through industry-led poverty alleviation, we have accelerated the development of new forms of poverty reduction, such as tourism-based poverty alleviation, photovoltaic poverty alleviation, e-commerce poverty alleviation, and relocated-based poverty alleviation, thereby pushing forward local economic development. Through ecological poverty alleviation, relocation-based poverty alleviation and returning farmland to forestry, we have also significantly improved the eco-environment of the poor regions. By investing heavily into infrastructure construction and public service development, we have notably improved the production and living conditions in these regions, particularly at the grassroots level, and increased the potential for development. Through poverty recognition and

implementation of poverty alleviation programs, we have enhanced the solidarity and capability of the rural grassroots organizations. While developing the collective village economy, we have also enhanced the governance and management ability of the grassroots officials. By dispatching first secretaries and work teams to station in villages, we have not only fostered a large number of officials and talents, but also accumulated valuable wealth for the country.

Third, a poverty alleviation pattern characterized by the concerted efforts of the whole society has taken shape. The East-West coordination on poverty alleviation has expedited the pace of poverty elimination in the western regions and promoted harmonious regional development. Meanwhile, fixed-point poverty alleviation has opened up a channel for the Party and government offices, particularly the central state organs, to understand what really happens at the grassroots level. Therefore, the policies have become more relevant and scientifically reasonable. In addition, the poverty-stricken population has played a major role in enhancing the ability of self-development, and stimulated a home-grown impetus to propel various social sectors to participate in poverty reduction. In this process, we have carried forward the excellent tradition of the Chinese nation to help the poor and help each other, created a positive and benevolent social climate, and demonstrated the core values of socialism.

Targeted poverty alleviation is a critical strategic step taken by China to eradicate poverty and build a moderately prosperous society in all respects, and also the Chinese wisdom and approach contributed to the world's anti-poverty cause. Targeted poverty alleviation contains a complete set of system designs, including clear poverty reduction goals, registration of the poverty-stricken population, implementation of the targeted poverty alleviation strategy, and establishment of seven institutional systems in terms of accountability, policy, investment, assistance, mobilization, supervision, and assessment.

**(1) Set clear poverty reduction goals.** The goal is to steadily guarantee sufficient food and clothing, compulsory education, basic health care, and housing security for the rural poor population. The per capita disposable income increase among the impoverished farmers shall surpass the national average level by 2020. Moreover, we will ensure that the whole rural poverty-stricken population can be lifted out of poverty according to the current national poverty line, with all the poor counties shaking off poverty and overall regional poverty being properly addressed. The goal means that by then, China will produce a historical solution to absolute poverty, achieve the poverty reduction targets specified in the UN 2030 Agenda ten years ahead of schedule, and walk at the forefront of the global poverty reduction cause.

**(2) All the poverty-stricken people should be registered with the government.** In 2014, the Chinese government started this registration work aimed to collect the accurate information of the poor population. Organized by the State Council Leading Group Office of Poverty Alleviation and Development (LGOP), 800,000 people across various provinces were sent to different villages for this purpose. They recognized 128,000 poverty-stricken villages, 29.48 million poor households and 89.62 million impoverished people all together, and basically got a clear picture of the distribution, poverty causes and poverty reduction needs of the impoverished population in China. From August 2015 to June 2016, nearly 2 million people across the country were again mobilized to continue this work, as a complement to the previous round of registration. Another 8.07 million poor people got registered, and 9.29 million people who had been wrongly recognized as poverty-stricken were removed from the list. The accuracy of recognition was therefore further enhanced. Registration of the poor population has enabled China to gather the poverty data specifically from each person, household and village for the

first time in history. It has provided an important reference for China to develop the “five-batch” policy measures and identify the objects of targeted poverty alleviation.

**(3) Implement the targeted poverty alleviation strategy.** To achieve accuracy in poverty alleviation objects, project arrangements, fund use, implementation of measures, dispatch of poverty reduction officials to villages, and effects of poverty reduction, we will carry out the “five-batch” policy to help the registered poverty-stricken population shake off poverty through industrial development, transfer employment, relocation, education and medical assistance. The “five-batch” policy denotes that one batch shall be lifted out of poverty via industrial development, one batch via relocation, one batch via eco-compensation, one batch via education, and one batch via social security. As for those who have lost all or part of their ability to work, they will be lifted out of poverty through the social security policies.

#### **(IV) Establish seven institutional systems**

**The first is an accountability system.** China has established an accountability system for poverty alleviation in which the overall leadership of the CPC is strengthened. The Chinese government has introduced measures to implement the accountability system and improved the poverty alleviation system in which the central government should make overall arrangements, provincial governments should take responsibilities, and city and county governments should implement specific projects. Top Party and government leaders of 22 central and western provinces have signed the responsibility statement for poverty alleviation with the central government. During the critical period of poverty alleviation, chief Party and government officials in poor counties have remained stable, and a grand pattern of poverty alleviation has been established with responsibilities assigned to secretaries at the provincial, municipal, county, township and village levels.

**The second is a policy system.** We have established a top-down, well-coordinated policy system to take different policies for poor households. The State Council issued a poverty alleviation plan for the 13<sup>th</sup> Five-Year Plan period (2016-2020), central and state organs released 118 policy documents or implementation plans, and local governments introduced and improved their poverty alleviation documents. These documents and plans have provided targeted solutions to many long-standing, big and difficult problems, covering poverty alleviation through industrial development, relocation, labor export, transportation, water conservancy, education, health improvement, financial development, renovation of dilapidated houses, linkage with land increase or decrease, and assets income.

**The third is an investment system** that guarantees the investment of financial and human resources. The central government has made it clear that sufficient investment should be made to win the battle against poverty. With regard to financial investment, in 2016, the special funds for poverty alleviation allocated by the central and local governments exceeded 100 billion yuan for the first time, including 66.7 billion yuan from the central government, an increase of 43.4% year on year and 49.3 billion yuan from local governments, a year-on-year rise of 56.1%. Local government debts of 60 billion yuan were arranged to improve the production and living conditions in poverty-stricken areas. During the 13<sup>th</sup> Five-Year Plan period, the Chinese government will inject about 250 billion yuan to provincial investment and financing players engaged in poverty alleviation and development for the purpose of relocation. Additionally, financial institutions have increased support for poverty alleviation. For example, 72.6 billion yuan of financial bonds specially for relocation was issued, and the figure is expected to top 350 billion during the 13<sup>th</sup> Five-Year Plan period. With an additional 170.6 billion yuan of microcredit, a total of 283.3 billion yuan was offered for 8.02 poor households. As a result, the proportion of poor households with access to loans has surged from 2% at the end of 2014 to 26.7%.

What's more, China has also unveiled the refinancing policy for poverty alleviation, with increased support from insurance and securities industries.

**The fourth is an assistance system with officials stationed in the village.** We have established an assistance system under which measures are taken according to local, village and household conditions. The central government requires that there should be a resident task force in every poor village and person-in-charge for every poor household to achieve full coverage. China has dispatched a total of 775,000 officials to station in villages for a period of 1 to 3 years. The Organization Department of the CPC Central Committee has carried out Party building to promote poverty alleviation by dispatching 188,000 outstanding officials to serve as "the first secretary" in poor villages and villages with weak and lax grassroots Party organizations. They are committed to building up the rural grassroots Party organizations and leading people to get rid of poverty and become rich. The first secretaries and officials in the villages have actively brought forward ideas and done practical work for villagers, and promoted the implementation of poverty alleviation measures. Local governments have strengthened the management, supervision and examination of those officials, and some provinces have established a recall system targeting problems such as working only in name and refusing to station in the village. Some provinces have explored the system that officials must work at grassroots levels before being promoted to train officials in the frontline of poverty alleviation.

**The fifth is a social mobilization system** that encourages extensive public participation. The central government has issued guidance on the tasks and requirements of the East-West collaboration on poverty reduction and fixed-point poverty alleviation. It has improved the poverty alleviation cooperation between East and West China to cover all 30 autonomous prefectures inhabited by ethnic minorities, and identified the tasks of Beijing, Tianjin and three cities in Hebei Province, including Zhangjiakou, Chengde and Baoding in the coordinated development of the Beijing-Tianjin-Hebei region, while launching counterpart assistance campaigns between 267 eastern developed counties (cities and districts) and 406 poor counties in western regions. 320 units under the central government have provided fixed-point assistance to 592 poor counties, and more than 2,000 poor villages have received aid from the army and armed police. The State-owned Assets Supervision and Administration Commission of the State Council (SASAC) has organized centrally-administrated SOEs to establish an industrial investment fund for poor areas and organized a poverty-relief program covering 10,000 villages in 100 counties. The All-China Federation of Industry and Commerce has mobilized 22,000 private enterprises to participate in a campaign themed "poverty relief by 10,000 enterprises in 10,000 villages". The State Council has set October 17 as the Poverty Alleviation Day of China and set up national poverty alleviation awards, including progress award, contribution award, dedication award and innovation award, to honor poverty-relief models while increasing publicity to win public support.

**The sixth is a multi-channel, all-around supervision system.** The central government has issued supervision and routine inspection measures for the local implementation of poverty alleviation decisions and arrangements made by the central government. Poverty alleviation has been regarded as a key part of the central inspection work. Democratic supervision has been carried out, with central committees of eight democratic parties supervising eight provinces that have a large poor population and a high incidence of poverty for five years. The poverty alleviation departments have set up the hotline "12317" for poverty alleviation supervision, stepped up cooperation with discipline inspection and supervision, auditing and financial departments, media and social forces, and applied their supervision results to assessment and inspection. In addition, fund supervision has been intensified.

The central government has released measures for the management of special poverty alleviation funds to ensure that they actually benefit the poor, and further delegated the power of fund approval to counties, with the proportion of funding projects approved at the county level increasing from 70% in 2014 to 95% in 2016. The General Office of the State Council issued the *Opinions on Supporting the Implementation of Pilot Overall Planning and Use of Agriculture-related Fiscal Funds in Poor Counties* and over 230 billion yuan has been integrated for poverty alleviation in poor counties. The Ministry of Finance and LGOP have carried out centralized inspection and performance assessment of the special funds and punished a number of violations. The Central Commission for Discipline Inspection has established an accountability system, the Supreme People's Procuratorate and LGOP have launched campaigns to punish and prevent duty-related crimes in poverty alleviation, the National Audit Office has strengthened the auditing of poverty-relief funds and LGOP has organized education within the national poverty alleviation system. Thanks to their concerted efforts, fund-related violations have been significantly reduced.

**The seventh is the establishment of the most strict assessment system.** The central government has introduced a method to assess the poverty alleviation and development effects of provincial Party committees and governments. From 2016 to 2020, an annual assessment is carried out by the State Council Leading Group of Poverty Alleviation and Development. The assessment mainly focuses on poverty reduction effects, accurate identification, targeted assistance, the use and management of poverty alleviation funds and other aspects, to guide poverty-relief efforts and ensure the quality of poverty alleviation. The completion of poverty alleviation task in 22 central and western provinces, autonomous regions and municipalities in 2016 was assessed through inter-provincial cross examination and third-party assessment, referring to poverty monitoring data and registration data, and the performance evaluation, audit and social supervision of the use and management of special poverty-relief funds. The provinces that failed to complete their task were criticized.

**China has accumulated a wealth of valuable experience from its fight against poverty.** To sum it up, China's approach to poverty reduction is an anti-poverty path with Chinese characteristics based on our national conditions, active explorations and extensive practices. We have always regarded it as an essential requirement of socialism and an important historical mission of the CPC to eradicate poverty, improve people's livelihood and achieve common prosperity. We have been committed to the policy of reform and opening-up to ensure sustained, stable economic growth while continuously unveiling social policies conducive to the development of poor areas and the impoverished population, thus laying the ground for large-scale poverty reduction:

- First of all, we have upheld the Party's leadership to strengthen organizational guarantee. For example, Party secretaries at the provincial, municipal, county, township and village levels are held accountable for poverty alleviation;
- Secondly, we have upheld government leadership, incorporated poverty alleviation and development into China's overall development strategy and advanced it as a strategic task. We have pooled resources to launch large-scale special poverty-relief campaigns and implemented development plans for women, children, the disabled and ethnic minorities;
- Thirdly, we have adopted the strategy of targeted poverty alleviation to enhance the effects and address problems regarding the subjects, objects, methods of poverty alleviation and the ways of exiting poverty.
- Fourthly, we have increased financial investment which is led by the government and supplemented by social sectors.

- Fifthly, we have mobilized social forces, and given full play to the role of governments and the public to develop a grand pattern of poverty alleviation.
- Sixthly, we have intensified assessment and supervision to ensure poverty alleviation results can stand the test of practice and history.
- Finally, we have aroused the enthusiasm and creativity of poor residents to seek endogenous development.

Based on the current progress, the poverty alleviation tasks are expected to be fulfilled. However, many challenges and outstanding problems still lie ahead. In the next three years, China plans to lift another 30 million people out of poverty, which is an arduous task. Currently, we are shifting our focus from “winning the fight against poverty” to “fighting a good fight against poverty”, which means that with support from the Party and government as well as social forces, there will be improvements in the mindset and professional skills of poor people as well as in environmental conditions, alongside with expanded channels for steady income increase.

**Dear colleagues, ladies and gentlemen, friends,**

China’s approach to poverty reduction is not confined to the livelihood of Chinese people, but benefits people all over the world. Targeting the practical needs of the developing countries, we have been innovating on our cooperation models and providing assistance within its available resources to the other developing countries, especially the LDCs, with no political strings attached to help them get rid of poverty. Over the past six decades, China has offered approximately 400 billion yuan in aid to 166 countries and international organizations, and completed more than 2,700 turnkey projects. Over 600,000 aid workers have been dispatched overseas and more than 700 of them have sacrificed their lives for the development of other countries. China has announced, on seven occasions, to unconditionally cancel the matured debts associated with the outstanding governmental interest-free loans borrowed by highly indebted poor countries (HIPC) and LDCs. Meanwhile, China has also provided medical aid to 69 countries in Asia, Africa, Latin America, the Caribbean and Oceania, trained more than 12 million people of various professions for the recipient countries and assisted over 120 developing countries in implementing the MDGs.

We Chinese often say that planning contributes 10% to the success of an undertaking while 90% of success lies in implementation. After the 2030 Agenda for Sustainable Development was adopted, Chinese President Xi Jinping promptly called on the international community to “boost cooperation to jointly implement the 2030 Agenda for Sustainable Development and realize win-win cooperation”. At the 2016 G20 Hangzhou Summit, an action plan was developed, for the first time ever, to implement the 2030 Agenda. At the Belt and Road Forum for International Cooperation in May 2017, heads of state and government of 29 countries and over 1,600 representatives from more than 140 countries and 80 international organizations put forward the initiative to jointly build the Belt and Road, so as to establish a new platform for win-win cooperation and create new opportunities for implementing the Agenda. At the Dialogue Between Emerging Market Economies and Developing Countries held on the sidelines of the 9th BRICS Summit in 2017, leaders from different countries discussed plans for international development cooperation and South-South cooperation to further implement the 2030 Agenda.

Today, China has been driving international development with its practical approach to poverty reduction and development, and pushing for the establishment of a new type of international exchanges and cooperation for poverty reduction with win-win cooperation as the core. In 2015, the Chinese

government introduced a range of new initiatives to help developing countries grow their economy and improve their people's livelihood. These initiatives include:

- setting up the Assistance Fund for South-South Cooperation with an initial pledge of 2 billion dollars to support developing countries in implementing the 2030 Agenda for Sustainable Development;
- increasing investment in the LDGs to 12 billion dollars by 2030;
- forgiving governmental zero-interest loans that matured at the end of 2015 of the relevant LDCs, landlocked developing countries (LLDCs) and Small Island Developing States (SIDS);
- making available to developing countries in the next five years 100 poverty reduction programs, 100 agricultural cooperation projects, 100 trade promotion programs, 100 environmental protection and climate change programs, 100 hospitals and clinics, as well as 100 schools and vocational training centers;
- providing 120,000 opportunities and 150,000 scholarships for citizens of developing countries to receive training and education in China, helping nurture 500,000 professional technicians for the developing world, and establishing the Institute of South-South Cooperation and Development.

By setting up the BRICS Development Bank, the Silk Road Fund and the Asian Infrastructure Investment Bank, we support the improvement of infrastructure connectivity in the developing world to inject vitality into international poverty reduction and development. We are implementing the Program for Strengthening China-Africa Cooperation on Poverty Reduction issued by China and the African Union (AU) and the East Asia Cooperation Initiative on Poverty Reduction. In addition, the demonstration projects of poverty reduction cooperation in East Asia, managed by the International Poverty Reduction Center in China (IPRCC), are being carried out in relevant countries. Through these projects, the Chinese approach to poverty reduction is directly applied to the poverty-relief efforts in other developing countries, and Chinese poverty reduction achievements are directly benefiting the local people.

We will further leverage various platforms and opportunities, such as the IPRCC, to promote the exchange of poverty reduction experience with Africa, Latin America and Asia, and offer Chinese approach and contribute Chinese wisdom in the field of international poverty reduction and development.

We will also facilitate the exchange and sharing of extensive poverty reduction experience among the developing countries while drawing upon the success stories and best practices regarding poverty reduction around the world and making new progress in international cooperation on poverty reduction. Poverty is a challenge facing all mankind. To address poverty, the government should pay high attention to this problem and take effective poverty reduction measures based on actual conditions so as to benefit the poor while strengthening mutual learning through international exchanges and cooperation. We are willing to enhance cooperation on poverty reduction and development with other developing countries and international organizations to share poverty reduction experience and contribute to the poverty reduction cause. We will introduce more innovative poverty reduction mechanisms and policies through international exchanges and cooperation in poverty reduction. Revolving around South-South cooperation, we will promote the exchange and sharing of China's experience in development-oriented poverty reduction, especially its approach to targeted poverty alleviation, in an effort to join other countries in implementing the 2030 Agenda for Sustainable Development and building a community of shared future for all mankind where people are freed from poverty and can achieve common development.

I wish this meeting a complete success.  
Thank you.