

## Chapter 18

# Poverty Alleviation in Minority Regions of China

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### INTRODUCTION

In most countries, the economic development of minorities or the regions inhabited by minority people lags behind others. The average income of minority groups is low, and the poverty incidence is high in the case of national or ethnic minorities. Realising the need for eradicating the poverty of minority nationalities as a part of its national development strategy, the Government of China has made special efforts to develop minority areas and their economies. While some areas have gained from this effort, some have not been able to do much due to their socioeconomic situations. This paper will discuss poverty and the poverty alleviation process in minority regions of China.

### NATIONALITIES IN CHINA

China is a unified country of many nationalities. Besides the Han nationality, there are 55 minorities. Among them, the minorities with populations exceeding one million include the Zhuangzu, Huizu, Manzu, Tujia, Mongol, Uygur, Chaoxian, Miaoza, Baizu, Kazak, Yizu, Daizu, Zangzu, Bouyei, Yaozu, Dongzu, Hani, and Lizu. Minorities having lesser populations include the Oroqen, Tatar, Derung, Hezhen, Monba, and Lhoba. Because of historical reasons, most minorities live in landlocked border areas or mountain areas of the plateau, mainly in the west. National autonomous areas account for 86% of the entire western part of China. Five big national autonomous regions—Inner Mongolia, Xinjiang, Tibet, Guangxi, and Ningxia—lie in western China. Yunnan, Guizhou, and Qinghai are multi-nationality provinces that enjoy the treatment of autonomous regions. These 8 provinces account for 83% of the area of the 12 western provinces; 27 out of 31 of the country's national autonomous prefectures; and 83 out of 120 autonomous counties are situated in the west. All minorities of over a million are in the west except the Chaoxian and Manzu. Except for a few nationalities, including the Gaoshan, Lizu, Shezu, Chaoxian, 55

ethnic minorities have their settlements in the west. Thirty-four minorities are distributed along 20,000 km of the border, of which more than 20 belong to groups across the border.

Economic development in the west has many forms and levels. In areas inhabited by minority people bordering with the Han nationality, the level of social development is relatively high because their historical association with the Han nationality involves interaction and exchange of experiences. For those that live in remote areas, the level of productivity is low, and the monetised economy is underdeveloped. For nationalities living in outlying mountain areas, because of difficult natural conditions, the level of social development is low, the economy is more backward, and even simple production is difficult to maintain. Finally for those living in primitive conditions before 1949 (e.g., the Yi were at the slavery dominated stage, and the Miao and Yao lived in high and cold mountain areas), the circumstances led to limited external links and economic culture. Their production systems are very primitive with low productivity. The level of social development is very low, and the problem of adequate food and clothing for the masses has not been solved yet (Ai Yunhang 1999).

## **POVERTY-GENERATING PROCESSES**

Social and economic development of minority people and regions lag behind compared to other areas and groups, and their poverty is persistent. There are many reasons behind poverty in minority areas, some natural and historical, others related to past macro-economic policies of the state.

### **Unfavourable geographical and natural conditions**

Most of the minorities live on the plateau of mountain regions where the weather is highly variable, natural conditions are complex, and the ecological environment is harsh. The barren lands and insufficient conditions to sustain production are natural obstacles to economic development. Topography and weather are the most important geographical factors in minority regions. Thus the input costs and trade costs are higher for any economic activity there than in the lowlands, and investors have less interest. For example, the Tibet Autonomous Region has less oxygen than most regions, and the level of resources required for living is high. The oxygen content of the air in most areas of Tibet is only about 60% that of the lowlands. Therefore oil consumption by automobiles increases by more than 30% in Tibet. Expenses for maintaining and repairing equipment are high. Differences of space and time caused by its geographical position have increased the limits to trade.

Over half of the population of minority regions living below the poverty line are distributed in the south-west where the mountains are high and rocky, the ditches are deep, cultivated land is limited, soil productivity is low, and soil erosion is a serious problem. The other minorities and poor populations are distributed in the high and cold areas, grasslands and desert districts, and arid areas in the north-west. These factors obstruct development and anti-poverty programmes.

### **Low level of social development**

The level of social development is also linked to the level of productivity of an area or a nationality, and the level of productivity is determined by the potential of resources, links with markets, and availability and use of scientific methods and practices. All of them are lacking or have low levels in minority areas.

Before 1949, the social development of minority regions was different. After 1949, through democratic reform and socialist transformation, revolutionary changes took place in the social relations of minority regions. Productivity has gone up. This helped the minorities to skip a number of strategies in the social development process. However, before reforms and liberalisation, the centralised system that did not favour the market led to minority areas being de-linked from markets, and consequently they lagged behind the areas which had been commercialised before adopting the centralised planning system. Economic reforms and subsequent changes have opened new market-led opportunities for the minority areas. Some of the traditional practices and indigenous knowledge can be harnessed now.

### **Low level capacity for self-development**

The ability for self-development is insufficient in most minorities and minority regions. This has compounded the obstacles created by physical and geographical conditions. Because of the low level of historical economic development, most of the minorities cannot use their existing resources and conditions to develop their economy. They are unable to efficiently employ or accept a market economy. The small-scale production and small market with little links to big markets also obstruct them.

### **Adverse effect of macro-economic policies**

The Chinese government has always sought to help minorities develop their economy, and solve the poverty problems of the minorities, as an important part of its policies on ethnic affairs. But, in the period before the 1980s and even afterwards, anti-poverty programmes focused on a relief approach of social transfers in which the government provided funds and

materials to meet the temporary demands of life without much effort at raising self-development abilities. It promoted the psychological dependency of minorities. In addition, in the course of building the country's mega-projects in minority regions through industrialisation, mining, and dams and promoting regional economic development in some areas, the relationship between minority economic development and economic development of minority regions was not well understood or addressed. As a consequence most minority people remained excluded from the course of industrialisation, and serious structural gaps between urban and rural areas emerged in the minority regions.

Characteristics of poverty-stricken minority areas include the following. (i) The industrial structure is single-pillared, with low-productivity agriculture being the most important activity of most poor counties. (ii) The poverty rate is high. Because of the restrictions imposed by difficult natural conditions and insufficient self-development capacities, the level of poverty in minority regions is far higher than in other areas. Even communities or families able to escape poverty once, again fall into the poverty trap because of natural and man-made calamities. (iii) The level of local economic development is low and finance is inadequate. (iv) The population growth rate is high, and the workforce has poor professional skills. Therefore the per capita income is low, income sources are limited, income increases slowly, and consumption levels continue to be low. (v) Infrastructural development lags behind, and production and living conditions are poor.

## **OVERVIEW OF POLICIES**

Since 1949, the Chinese government has been making efforts to help minorities to develop their economy, reorient their cultures, and reduce inequality and poverty, as an important part of ethnic policies and affairs. Since the mid-1980s when a planned anti-poverty project was launched, minorities and minority regions have been targeted for special support. Besides enjoying a preferential policy for general poverty-stricken areas, minority regions also enjoy a series of special assistance policies that the country developed.

The general standard of eligibility for assistance to poor areas has been relaxed for minority regions. Accordingly, in 1986 when key poor counties were initially identified in China, the criteria for classifying the autonomous counties of minorities as key poor counties were relaxed by extending the required level of per capita income to 200 yuan from less than 150 yuan. This was further relaxed to 300 yuan for some difficult counties among the pastoral areas and minority regions. Among 331 counties confirmed

as poor and supported, there are 141 poor counties that are minority areas, accounting for 42.6% of the total counties. While implementing the '8.7' help-the-poor plan in 1994, the state revised the national key targets of anti-poverty counties again, and 257 minority counties were identified for support, accounting for 43% of the total 592 counties.

Poor minority counties are selected especially in distributing anti-poverty funds and materials. The government treats five nationality autonomous regions together while distributing anti-poverty funds and materials. Some provinces allocate special funds to be used for supporting poor minority counties, especially while distributing anti-poverty funds. During 1996-1998, the country invested central anti-poverty funds of 16.9 billion yuan in 257 poor minority counties. This constituted 45% of the total amount of anti-poverty funds.

Special anti-poverty funds were arranged for the poverty-stricken minority regions of Ningxia and Gansu, and from 1983 to 2002, the central government allocated a special fund of 200 million yuan to be used in agricultural development of arid areas every year. In 1990, the country established a 'food and clothing fund of poverty-stricken regions of minorities' supporting the 143 poor minority counties.

Co-operation with international organisations assists in poverty-relief and development in the poverty-stricken regions of minorities. Since 1995, the World Bank has implemented three anti-poverty projects in China involving 610 million USD, covering 43 poor counties of the ethnic minorities of Guangxi, Inner Mongolia, Ningxia, and other provinces.

The eastern provinces and cities are organised to launch poverty alleviation programmes in minority regions. In 1996, the central government organised nine coastal developed provinces and municipalities to help ten poor provinces and autonomous regions in the west. They donated money and materials worth 1,040 million yuan over the next three years, implemented 2,074 collaborative projects, and invested nearly 4 billion yuan.

Generally speaking, the poverty alleviation and development strategies for poor minority areas have changed, especially since the 1980s. The relief and charity-focused approach has been replaced by a new approach directed to local capacity building and self-help promotion. This has had a visible impact in some areas, as manifested by reduced poverty and improvement in people's working and living conditions. From 1995 to 1998, 257 poor minority counties have solved the problem of insufficient

drinking water for 10.9 million people and 15 million livestock. The population below the poverty line in five nationality autonomous regions dropped from 8.4 to 4.7 million people. The incidence of poverty dropped from 12.4 to 6.9%. The per capita net income of peasants of poor counties rose to 1,395 yuan from 833 yuan. The infrastructural development of minority areas has accelerated—from 1995 to 1998, more than 10 million mu of basic farmlands were newly developed; 69,000 km of highways were built; 117,000 km of electric lines were erected.

## **FUTURE PROSPECTS AND COMPLEMENTARITIES IN SECTORAL POLICIES**

Through this ten-year programme to help the poor, China has already solved the problem of inadequate food and clothing for most of the population living below the poverty line. However, more than 30 million rural people remain below the poverty line, the majority of them in the western minority areas or in regions where minorities are concentrated. The anti-poverty projects of the minority regions and minorities in the future should address the following problems.

### ***Relationship between economic development of minority regions and minority focused economic development***

The concepts of 'economy of minority regions' and 'minority economy' are common in some senses and have differences in others. Economy of minority regions refers to 'economy of the specific area where the minorities live in the multi-nationality country', meaning the economy of areas where minorities live or that of national autonomous regions, which is a combination of regional and ethnic factors. Minority economy emphasises the ethnic factor more. In China it refers to the economic development and living standard of minorities. Developing the economies of minority regions will bring about advances in the economy of various nationalities. But, as seen in the past, regional development tends to exclude minorities. Hence development of minority regions must include development of the economy of minorities. The two should be integrated.

## **Infrastructure and human resource development**

Development of infrastructure and human resource development are the keys to strengthening the self-development ability of poverty-stricken areas of ethnic minorities.

A lot of experience has been accumulated in the efforts for poverty reduction both at home and abroad. During recent decades, several models to deal with poverty have been developed. There are some differences in the ways and means of alleviating poverty in different periods and different

regions, but the key factors in the process are infrastructural development and human resource development. They are respectively termed the 'hardware' and 'software' of regional economic development, and are essential measures for solving the poverty problem.

Infrastructure should include construction and improvement of health and education facilities in addition to communication, transportation networks, and so on. These aspects are already emphasised in the development approach to the west.

The manpower resources of minority poverty-stricken areas are abundant, but the level of development and use is low—another important reason why these areas are poor. (i) Basic education and vocational education should be strengthened. Basic education is a fundamental means of improving national cultural quality and technical ability; vocational education is a measure for improving the ability to get rid of poverty. (ii) Poverty alleviation and the needed out-migration of the workforce should be combined and co-ordinated. Migrations of skilled labour from underdeveloped areas and out-migration of surplus workers from poor areas with limited carrying capacities are important issues in designing anti-poverty strategies.

### **Linking development to traditional minority cultures**

Because of the differences in living environments, historical development, spoken and written languages, and so on of various nationalities in western China, the traditional cultures of minorities have evolved historically. They form important parts of China's plural national culture. We should carry out objective analysis and appraisal of traditional minority cultures, which may have several usable, positive, rational aspects. Development and modernisation of a minority cannot be separated from its traditional culture. Development should be built on a foundation of traditional culture. However, traditional minority cultures have been formed in the course of various nationalities' long-term development in certain historical contexts, and in the new contexts: market, materialism, monetisation, and individual preferences have become driving forces of change. Some elements of tradition tend to block the minorities' efforts at poverty alleviation and development. Analysis and understanding of these aspects will help in designing strategies to integrate the cultural context and development strategies for poor minorities.

### **Relationship between equity and efficiency**

In today's world, where norms and yardsticks of efficiency are governed by economic profitability and cost saving, and the choices of resource

allocation and development approaches are influenced by the level of efficiency, efforts to alleviate the poverty of minorities and develop their economy do not stand much chance. Hence, to achieve these goals some preferences given to minorities (despite their lower levels of efficiency, and so on) are essential. This implies combining efficiency and fairness in decision-making. This forms the basis of several programmes in China for minority areas and minority communities.

### **Exploitation of natural resources and the interests of the various nationalities**

Most of the minority nationalities are concentrated in areas with rich natural resources. The latter are exploited for the mainstream economy with very little local gain. The situation has to be altered by local participation in the projects and sharing the benefits of resource exploitation. The reward or compensation for minority-area resource exploitation for use by the mainstream national economy should be an important measure to help minority nationalities.

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