

Chapter 4

Reducing Poverty and Developing Mountainous Areas in China

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INTRODUCTION

The poverty reduction and development initiative is a strategic action undertaken by the Chinese government as a part of the process of economic reforms and opening up to the outside world. The efforts are directed towards eradicating poverty, and eventually towards achieving comparable levels of prosperity in different parts of rural China. The agricultural and rural economy of China has, in general, attained rapid growth; farmers' living standards have significantly improved and the number of poor people has dropped dramatically since 1978 when reforms in rural China were introduced. However, due to historical, natural, economic, and social reasons, some regions have developed very slowly and poverty remains their key problem. In 1986, China launched a nation-wide large-scale poverty reduction programme in a planned and organised manner. As a result, by the end of 1992, the number of poor who were inadequately fed and clothed had dropped to 80 million from 250 million in 1978. The majority of these poor people were distributed in areas with extremely harsh natural conditions and living environments, which required greater efforts to resolve their poverty problems. For this reason, the Chinese Government decided to implement the 'National 8.7 Poverty Reduction Plan', mobilising human, physical, and financial resources, and to attack core poverty and completely resolve the feeding and clothing problems of the remaining rural poor within seven years—by the end of 2000 A.D. The National 8.7 Poverty Reduction Plan is the first poverty-reduction plan in Chinese history with clearly defined objectives, targets, interventions, and a time framework.

Key accomplishments of the national 8.7 poverty reduction plan

Within the 7 years, the Chinese Government had significantly expanded poverty reduction funds, promoted initiatives in all walks of life, extensively

sought the support of the international community, and made concerted efforts to attack core poverty. The effort has yielded remarkable results, and the picture of poor areas has changed fundamentally.

Production and living conditions

During the 8.7 Plan, 592 nationally designated poor counties collectively developed 60 million mu (6 mu = 1 acre) of farm land, built 320,000 km of roads, installed 360,000 km of transmission and distribution power lines, and provided access to water supplies to 54 million people and 48 million animals. The percentage of administrative villages accessing electricity, roads, post, and telephone facilities reached 96, 89, 69, and 68%, respectively. Some of these indicators are quite close to or have reached national averages.

The pace of economic development

In the designated counties, the value of agricultural output increased by 54%, representing an annual growth rate of 7.5%; the value of industrial output increased by 99%, a 12.2% annual growth rate; local financial revenue increased by nearly 100%, or 12.9% annually; grain output grew by 12.3%, or 1.9% annually; per capita net annual income of farmers increased from 684 to 1337 yuan, representing an annual growth of 12.8%. All these growth rates are higher than the national average. Though the lower level of baseline production may partly discount such high performance indicators, the gains of concerted development and poverty reduction efforts cannot be minimised.

Social indicators

Several social indicators show positive pictures, though full quantitative data are not readily available. The growth of population in poor areas has been slowly brought under control and slightly declined; the progress of compulsory education has been very satisfactory; the drop-out rate of children of school age decreased to 6.5%; township hospitals in poor regions have been constructed and renovated; the lack of doctors and medicines has been ameliorated; applied agricultural technologies have been disseminated and farmers have acquired greater scientific knowledge for farming; 95% of administrative villages have access to radio and TV programmes, and farmers' recreational life has improved.

At the end of the year 2000, the number of rural poor in China having inadequate food and clothing declined to 30 million, accounting for approximately 3% of the rural population. Except for a small number of poor cared for by the social security system, the destitute poor who live in

areas with extremely harsh natural conditions, and some disabled people, the feeding and clothing problems of the rural poor have been basically solved and the objectives of the National 8.7 Poverty Reduction Plan have been largely achieved.

POVERTY REDUCTION STRATEGY IN THE EARLY 21ST CENTURY

China can take credit for reducing the basic shortfalls of food and clothing as well as providing some social services and production facilities for the bulk of the poor. However, the task is unfinished in terms of ensuring comfortable living and economic prosperity for all its population, particularly in the regions that have lagged behind in terms of economic development and transformation. This is a major national economic priority. In keeping with this, in May 2001, China convened the Third Central Conference on Poverty Reduction and Development, which announced official implementation of the 'China Rural Poverty Reduction and Development Programme 2001-2010' and made overall arrangements for poverty reduction and development efforts in the early 21st century. China's poverty reduction and development efforts now enter a new historical era, the major attributes of which are summarised below.

The key tasks of poverty reduction in the new era

The key tasks of poverty reduction are (i) to help the poor who remain inadequately fed and clothed and to resolve their feeding and clothing problems; (ii) to help the poor who have tentatively resolved these problems to further upgrade their production and living conditions, consolidate the achievements already made, and improve their quality of life and capabilities to sustain the improvements; (iii) to intensify infrastructural construction in poor rural areas, improve environmental conditions, and gradually get rid of social, economic, and cultural backwardness of the poor communities to create decent living conditions for the poor.

Priorities of poverty reduction in the new era

Pursuant to the current distribution and characteristics of the rural poor in China, the focus of national support will be on ethnic minority areas, old revolutionary bases, border areas, and some destitute areas in central and western China where poor populations are concentrated.

Key poverty reduction policies and interventions in the new era

The main policy focus of poverty reduction in the new era is (i) to support poor areas to develop agriculture and animal husbandry based on market needs and combined with economic restructuring in an effort to generate

more income for the poor; (ii) to upgrade production and living conditions of poor regions, intensify the construction of rural infrastructure, and improve the eco-environment; (iii) to develop science and technology, education, culture, and health to facilitate all-round social progress of poor regions; (iv) to increasingly expand poverty reduction funds and improve efficiency in their use; (v) to bring into full play the virtuous tradition of the Chinese nation and continue mobilising all sections of society to participate in reducing poverty, including partnerships between government administrations and poor regions to support development initiatives. The assistance of eastern, developed provinces to western poor provinces is also necessary.

POOR MOUNTAINOUS AREAS AND CHINA'S POVERTY ALLEVIATION WORK

Mountainous areas have been the focus of China's poverty alleviation work. The majority of China's poor population is concentrated in mountainous areas. In the 1980s, the poor population was mainly distributed in the following 18 areas: Yimeng mountainous areas; southwest Fujian province and northeast Fujian province; Nuluerhu mountainous areas; Taihang mountainous areas; Luliang mountainous areas; Qinling and Daba mountainous areas; Wuling mountainous areas; Dabie mountainous areas; Jingganshan and south Jiangxi mountainous areas; arid areas of Dingxi Gansu; Xihaigu; North Shanxi areas; Tibet; southeast Yunnan province; Hengduan areas; Jiuwandashan areas; Wumeng areas; and northwest Guangxi areas.

Among the 331 key poverty alleviation counties designated by the government in 1986, 304 (92%) are located in mountainous areas; the other 27 are comprised of pasturelands and the plains. During implementation of the National 8.7 Poverty Alleviation Project, it was found that 496 out of 592 poor counties were in mountainous areas, 84% of the total. In 2001, poor counties were readjusted in the light of the Poverty Alleviation Programme (1991-2010), but mountainous poor counties still accounted for 85% (505 counties). Most of the funds allocated by the government for poverty alleviation are also put into mountainous areas. Moreover, the government's poverty alleviation policies and objectives are all based on the characteristics of poverty in mountainous areas. Over the years, the State Council Leading Group Office of Poverty Alleviation and Development has attached great importance to development and research in mountain areas.

A symposium organised by the State Council Leading Group Office of Poverty Alleviation and Development in Huaihua City, Hunan province, in

1991 was attended by the directors of provincial, regional, and municipal poverty alleviation offices and relevant local scholars as well as the responsible officials of the State Council. The theme of the symposium was to analyse the current situation of China's poor mountainous areas, probe the approaches to developing the economy, discuss the experiences of successful case studies, and set up the State Mountainous Areas and Poor Areas' Development Research Commission.

Another symposium entitled 'An International Symposium on the Development of Poor Mountainous Areas' explored new approaches and methods for the development of mountainous areas. It was jointly hosted in Beijing by the State Council Leading Group Office of Poverty Alleviation and Development, the Chinese Academy of Sciences, and the International Centre for Integrated Mountain Development (ICIMOD). Seventy people attended. The key message was that China's poverty is mainly an issue of mountain areas. Reducing poverty is therefore an issue of developing mountainous areas, and this needs focused attention.

BASIC FEATURES AND EMPHASIS OF DEVELOPMENT OF MOUNTAINOUS AREAS

To develop mountainous areas requires full knowledge about these places.

First, the environment of mountainous areas is a vulnerable ecological system. Mountainous areas are often the sources of big rivers and reservoirs of water. They play very important roles in preserving water and soil, preserving water sources, purifying water, keeping off wind and sand, and protecting biodiversity. In the past, because of lack of adequate knowledge about mountainous areas, people exploited these places blindly and have severely impacted the ecological balance. Thus, serious water and soil erosion and deteriorated ecological environments often haunt people living there. At present, they are not only inhabited by the poor but are also the most difficult areas for alleviating poverty.

Second, the resources of mountainous areas offer comparative or exclusive advantages. The natural resources of China's mountainous areas are diverse. Nearly 90% of China's woodland, 84% of China's forest reserves, 77% of China's pastures, 76% of its lakes, and 98% of its potential water energy are all located in mountainous areas. Mountainous areas have abundant natural, cultural, as well as tourism resources. They are the areas where China's most internationally competitive products grow. This will ensure appreciable gains to China and the mountains after China's entry to the WTO (World Trade Organisation). Mountainous areas are becoming areas that have great potential for progress based on biological

research, eco-tourism, and production based on NTFP (Non Timber Forest Products). Furthermore, 90% of China's minority nationality populations live in them.

On the negative side, mountainous areas are extremely dependent on external links and support, which is caused by the imbalance of their economic development vis a vis market location. Most of the modern investments and product markets demanded by mountainous areas are outside of mountainous areas. Poor access, isolation, distance, and the high cost of mobility adversely affect the mountain areas despite the rich potential indicated above. Finally, development of enterprises and social services in mountainous areas is further obstructed by the scattered distribution of population and villages.

Based on these features, the development of mountainous areas should attach more importance to the following aspects.

Poverty reduction efforts should focus on improving facilities such as infrastructure that can raise productivity; on enhancing people's knowledge, skills, and other capacities to harness the resource potential of their areas; on re-structuring industries and production structures to harness the opportunities created by economic reforms; and, finally, on promoting equitable external links between mountain areas and communities with non-mountain, developed areas. The strategies already planned for poverty eradication in mountain areas are fully sensitive to these needs.