

Alxa League in western Inner Mongolia. Western China is a region marked by poor agricultural land and weak infrastructure.



TARGETING RURAL POVERTY IN CHINA

The emergence of millions of Chinese people from rural poverty has not been evenly distributed across the nation. Veronica O'Connor reports on progress to reduce the gaps

China's rapid economic growth over the past few decades is regarded by many as a success story with a significant human dimension. For millions of the country's poor, particularly in rural areas, this growth has provided a way out of poverty. In just over two decades the number of people classified as 'rural poor' by the Chinese Government has fallen by more than 200 million – from 250 million in 1978 to 26 million in 2004.

Yet despite this overall achievement, the decline has been uneven across the country, particularly in western China, a region marked by poor agricultural land and weak infrastructure.

According to the Chinese National Bureau of Statistics, western China accounted for 13 million rural poor in 2004, followed closely by the central region with nine million. By comparison, the eastern

coastal region, endowed with favorable geographic and natural conditions, accounted for four million. Although such regional disparities persist, progress has been made in reducing the gaps. In the western provinces, for example, the number of rural poor fell by almost 18 million between 1996 and 2004.

With these statistics in mind, Chinese policymakers are renewing efforts to identify the major drivers of poverty reduction. To help in this effort, the International Food Policy Research Institute (IFPRI), Chinese Academy of Agricultural Sciences and Guizhou University (China) have partnered with ACIAR to assess the impact of current policies and public investments on improving the livelihoods of the rural poor in the western region.

Reflecting the Chinese Government's new rural development



PHOTOS: IAN WILLET

Land is an increasingly important factor underpinning rural inequality.

strategy, IFPRI and collaborators are examining the issue by focusing on communities and households in western China rather than on the region as a whole. Few studies to date have paid attention to poverty in the region at this close level, so to address this knowledge gap IFPRI led a large-scale survey of 800 households in 286 villages across four townships in Puding County, Guizhou Province (the poorest province in China).

In order to reach all these households and strengthen local capacity, IFPRI senior research fellow Zhang xiaobo trained 30 graduate students from Guizhou University in development economics and survey methodology as part of the Chinese Economists Society and Ford Foundation's Teaching Program. Preliminary survey results underscore how targeted policy and investment choices can accelerate poverty reduction in western China.

For farmers in the region, land is the most important asset and agriculture remains a major source of income. In Guizhou Province, for example, land has not been readjusted for more than two decades. With demographic change, and agriculture remaining the dominant source of income, land has become an increasingly important factor underpinning rural inequality.

Adequate health care and educational opportunities are essential for the poor. In rural western China, however, limited access to public health care and education contribute to rising poverty rates, as the poor are left to spend a disproportionate amount of their income on these vital services. High tuition fees have become a heavy burden and, for many households, when one member falls ill the rest of the household becomes poorer.

Government financial supports have had minimal impact on

farmers' incomes, primarily because the amounts are so small. However, lessening state control over the booming natural resource sector, such as logging and coalmining, could provide farmers with an alternative means of generating income.

For the rural poor in western China, proximity to markets can translate into higher incomes. Unfortunately, poor rural roads undermine such prospects. Public investments targeted at improving such vital links greatly enhance connectivity to markets and help increase incomes.

Remittances (that is, payments made to people working in an area from those working outside) are a significant source of income for poor households in many developing countries. However, the flow of remittances is quite low in the surveyed western provinces. Further research is needed to identify existing constraints.

The survey findings also highlight how economic growth does not automatically lift everyone out of poverty, particularly in the absence of policies and investments targeted at impoverished regions.

In the months ahead IFPRI and collaborators will discuss these findings with high-level Chinese policymakers and key stakeholders at several conferences and workshops in China. ◀

PARTNER COUNTRY: China

PROJECT: Rural poor and smallholders in western China under WTO: a regional and community level analysis (ADP/2002/114)

DESCRIPTION: The Chinese Government has identified development of the western region as a top medium- to long-term priority. With WTO accession, policymakers will need to re-evaluate current policies to ensure smallholders are not disadvantaged

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