



Poverty Alleviation in China: Lessons for Pakistan

By Dost Muhammad Barrech

China's poverty alleviation campaign is the greatest milestone in mankind's history and China was able to lift 700 million people out of poverty. Deputy Head of China's State Chen Zhigang says that 'The poor population in rural areas has been reduced by 68.53 million in total, and poverty has dropped to 3.1 percent. The number of poor counties has witnessed a net reduction for the first time,' Chen further articulates that income per capita of poverty-stricken areas has been enhanced to 10.4 percent, and national average gap has been narrowed accordingly. Thus, a few questions need to be answered that how did China get success in poverty alleviation? And what were the factors that enabled China to make a history?

Behind every success, there are often multidimensional factors. China's milestone is the result of various factors. Firstly, China orchestrated rural reforms in (1978-1985) and introduced the Household Responsibility System (HRS), which allocated equitable land to millions of farmers. Agriculture products in rural China grew significantly and accelerated farmer's income resulting in poverty eradication in rural areas. Interestingly, during 1978-1984 per capita income of the farmer's increased to 15 percent per annum.

Meanwhile, Township and Village Enterprises TVEs were introduced in 1985, enabled rural dwellers to consolidate the Chinese economy. TVEs created jobs for surplus labor by

contributing to rural economic growth and that increased rural incomes. Most considerably, TVEs generated fiscal revenues for the local government, reduced urban-rural gap. Pakistan by espousing the trajectory of China needs to introduce equitable land reforms for the purpose of alleviating poverty.

Pakistan needs to capitalize on the opportunities being created under CPEC which will pave the way for Pakistan to become an economic hub in the future.

Pakistan is an agricultural country; 60 percent of its population is based on agriculture. Ironically, equitable land reforms in Pakistan are yet to be carried out as 75 percent of land in Sindh province belongs to landlords. Consequently, the poor is getting poorer and the rich is getting richer. Public investment played a substantial role as far as poverty alleviation of China is concerned. The Chinese government, since 1986 heavily invested in education, health and irrigation that paved the way for creation of jobs, '9 years compulsory schooling system' in 1978 stimulated poor segment of the society to get education. Public spending aimed at investing in poverty-stricken regions, provided opportunities to marginalized and deprived class of the society. Under current scenario, China spends approximately 279 billion dollars annually on research and development which has resulted in evolving the economy to eradicate poverty. In order to adopt Chinese model, Pakistan ought to invest massively in public sector. Unfortunately, a recent report of the United Nations does not show a positive picture, Pakistan has been placed at the top in Asia-Pacific countries that spend the least on healthcare, education and social protection. Report further says that Pakistan's gross enrollment rates for the secondary education is merely 45 percent.

Since the 21st century is based on knowledge economy; a country having knowledge economy can make a remarkable headway. It is a matter of grave concern that, Pakistan spends only 0.25 percent of GDP on its research and development. Improving public investment, research and development will enable Pakistan to reduce poverty.

On the other hand, China benefited tremendously from globalization and became a member of the World Trade Organization (WTO) in 2001. China is making a steady progress in Foreign Direct Investment (FDI). Chinese FDI across the world expedited its industrialization and improved its GDP and per capita income. China has surpassed the US and has become the largest trading country of the world. The more the country exports the more its economy will strengthen.

In alleviating poverty, China pursued a wholesome approach towards implementation of its policies. They analyzed people were poor because of lack of opportunities. People may have education and skills yet the economy would not absorb them. The solution to it was reviving the economic activity in order to create jobs for masses. They contemplated, providing necessary education and skills and investing in health would alleviate poverty. In the same way, marginalized people living in rural areas were also uplifted.

Pakistan, needs to take pragmatic and concrete steps to alleviate poverty. Each year in Pakistan, 1.5 million people enter the job market. Pakistan needs to introspect over the dilemma of job opportunities. Many Pakistanis are skillful and talented but the fragile economy does not have the potential to accommodate them.

Pakistan, will have to provide ample opportunities to the youth. Some pragmatic and concrete steps are needed to alleviate poverty.

Consequently, unemployment in Pakistan is in full swing. To conclude, learning lessons from other country is not a new phenomenon in international arena. Japan learnt civilization from China and modernization from Europe. One can see Japan is one of the strongest economies of the world today. Pakistan being a close friend of China can learn many lessons from China to overcome its economic woes ■



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