



## CHINA'S SUCCESS IN POVERTY ERADICATION: AN APPRAISAL

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May 3, 2021

*(Views expressed in the brief are those of the author, and do not represent those of ISSI)*



As the world was dealing with the global pandemic of Covid-19, concerns were raised about China's ability to meet its target of poverty eradication by end of 2020. However, in the last week of February 2021, President Xi Jinping declared China's "complete victory" in eradicating absolute poverty during a conference in Beijing.<sup>1</sup> According to the details, China has lifted all rural poor people out of extreme poverty under the current standard, with 832 counties, 128,000 villages, and nearly 100 million rural impoverished people being taken off poverty.

By the announcement of this achievement, China has achieved the first centenary goal of the Communist Party of China (CPC) as per schedule. According to the goals set by Mr Xi, China had pledged to bring rural poverty to zero till the centenary of CPC due in July 2021 along with building a "modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious" by the year 2049.<sup>2</sup> China has also met the goal of ending poverty set by the United Nation's 2030 Agenda for Sustainable Development 10 years ahead of schedule.<sup>3</sup>

Later, on April 6, 2021, China also issued a white paper titled "Poverty Alleviation: China's Experience and Contribution" recording its success in the fight against extreme poverty. The paper also

<sup>1</sup> "China solemnly declares complete victory in eradicating absolute poverty", February 25, 2021, Global Times. <https://www.globaltimes.cn/page/202102/1216520.shtml>

<sup>2</sup> "How China lifts 100 million people out of poverty | A mission of a century", XinhuaNet, February 25, 2021. [http://www.xinhuanet.com/english/2021-02/25/c\\_139767595.htm](http://www.xinhuanet.com/english/2021-02/25/c_139767595.htm)

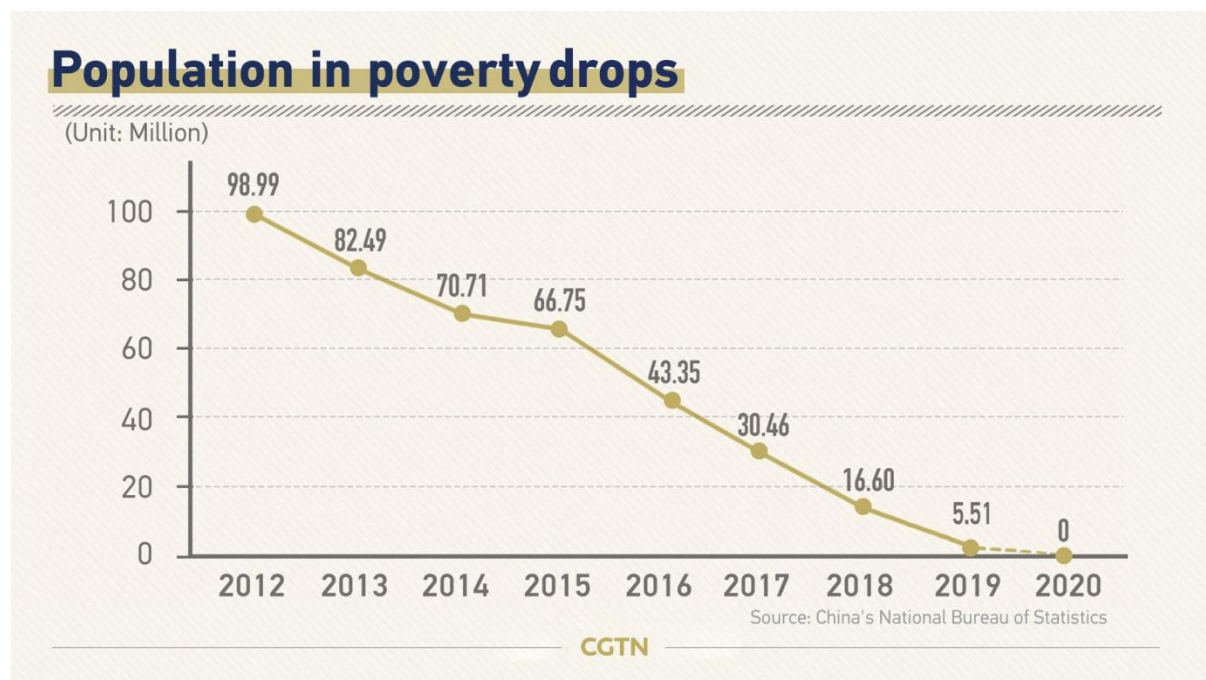
<sup>3</sup> Among the UN's 17 Sustainable Development Goals, the first and second goals focus on poverty; erasing poverty and hunger.

introduces China's approach while sharing its experience and actions in poverty alleviation with rest of the world.<sup>4</sup>

### How China measures Poverty?

China's official poverty measurement mainly focuses on rural areas. The current poverty line is RMB 2,300 per person per year at 2010 prices, equivalent to US\$2.3 per person per day. This covers not only people's income but also assesses their living conditions, including access to healthcare and education.<sup>5</sup> Moreover, the bench mark used by China is slightly higher than the \$1.90 a day poverty line used by the World Bank to look at poverty globally. Based on China's poverty line, the country has lifted 770 million rural residents out of poverty since the beginning of reform and opening-up 40 years ago, while it accounts for more than 70 percent of the global total based on the World Bank's international poverty line.

From the year 2012 till 2019, the rural poor population has been reduced from around 100million to 5.5million (see the figure below) and China had promised to bring this figure to zero. This has already been achieved before four months of CPC centenary.



Source: CGTN/ China's National Bureau of Statistics

<sup>4</sup> "Full text of China's white paper on poverty alleviation", *China Daily*, April 6, 2021. <https://www.chinadailyhk.com/article/162369>

<sup>5</sup> Poverty Data/National Bureau of Statistics, China. <http://www.stats.gov.cn/english/>

## How did China achieve the target?

China's success in achieving the rapid reduction of poverty has been possible because of sustained economic growth it has for a long period of time. Some of the significant initiatives taken over the last 35 years are;

- China introduced a socioeconomic development plan, which was aimed at lifting out poor households from poverty. This included improving agriculture, creating and exploiting employment opportunities; providing basic development infrastructures including housing, electricity and access to clean water; ensuring primary education for all along with improved accessible health care services.<sup>6</sup>
- The 2001-2010 poverty reduction plan emphasized on capacity development of local communities in agriculture technology trainings along with investments in infrastructure including roads and irrigation projects, construction of schools and health clinics. This led to a decrease from 132 million rural poor populations in 2000 to 115 million in 2007.<sup>7</sup>
- In the last poverty reduction plan (2011-2020), the focus was to eliminate poverty by 2020 along with narrowing the regional disparities.
- Between 2011 and 2020, the government formulated another five-year plan in 2016, under which, the government emphasized on providing education in poor counties through free lunches for primary and secondary students along with providing technical and vocational trainings. and providing assistance of social security to poor households which could enable them to access health services. This reduced the poor rural population from 106 million to 43 million with an annual reduction rate of 20 percent.<sup>8</sup>
- China has also mobilized resources in order to achieve the set targets; government officials and volunteers were sent to villages as special commissioners for poverty relief initiatives. Moreover, the government invested fiscal funds totaling nearly 1.6 trillion yuan (248 billion U.S. dollars) into poverty alleviation programs to achieve the set targets.<sup>9</sup>

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<sup>6</sup> Sangui, Wang, Li Zhou, Ren Yanshun, and Mr Fuhe Liu. "The 8-7 National Poverty Reduction Program in China—The National Strategy and Its Impact." In *China country case study for Shanghai Poverty Conference which will be held in Shanghai in May*. 2004.

<sup>7</sup> Dong, Xiao-yuan. *China's agricultural development: challenges and prospects*. Routledge, 2017.

<sup>8</sup> United Nations Development Program (2016). Report on Sustainable Financing for Poverty Alleviation in China.

<sup>9</sup> "How China lifts 100 million people out of poverty | A mission of a century", XinhuaNet, February 25, 2021. [http://www.xinhuanet.com/english/2021-02/25/c\\_139767595.htm](http://www.xinhuanet.com/english/2021-02/25/c_139767595.htm)

## Conclusion

The success of China's fight against poverty is rooted in its continuous macroeconomic and political stability, which ensured successful poverty reduction policies at the macro level with its focus on empowering the poor at the micro level. With this China has been able to address the regional disparities between urban and rural population, however, it is important that the reduction in poverty is sustainable so that the likely increase in regional inequality is curbed.