

MIZUHO CHINA MONTHLY

Industrial and Regional Policies

1

China's Progress in Poverty Reduction and Achievements and Challenges on the Road to Building a Moderately Prosperous Society for All

June 2020 Edition

Mizuho Bank, Ltd.

China Business Promotion Department

- Executive Summary -

Industrial and Regional Policies

China's Progress in Poverty Reduction and Achievements and Challenges on the Road to Building a Moderately Prosperous Society for All

This report reviews advances in poverty reduction and trends in the development of related policies – issues that are unavoidable if China is to meet its goal of achieving a moderately prosperous society in all respects by the end of the year. It then examines China's achievements, prior experience and the major challenges it currently faces, before looking at the impact on these goals of the COVID-19 pandemic, the decisions that China's government has made in this respect and the potential issues it faces, and looks at the prospects for the future.

China's Progress in Poverty Reduction and Achievements and Challenges on the Road to Building a Moderately Prosperous Society for All

—Efforts to expand poverty alleviation achievements and attain wealth stability for the entire population

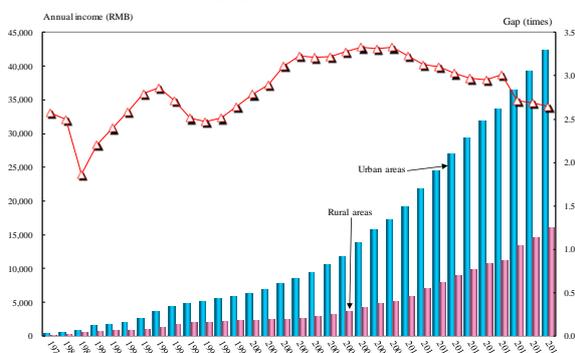
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1. Introduction

In its pursuit of economic growth and social development, income inequality and the gap between urban and rural incomes in particular, have long been a focus of government policy. Year after year, this issue has been a cornerstone of China's No. 1 Central Document of the Central Committee of the Communist Party (the "No. 1 Central Document"), where it has been linked to initiatives aimed at tackling the key issues of rural areas, agriculture and farmers, the so-called "three agriculture-related problems." The results of these efforts are clearly demonstrated by the data on transitions in the average income of urban and rural residents. As **Fig. 1** illustrates, income equality between urban and rural residents began diminishing following the global financial crisis of 2008, since when it has fallen significantly from a peak of 3.3-fold in 2009 to 2.6-fold in 2019.

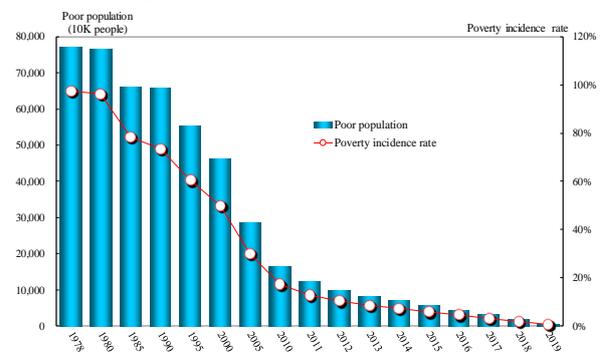
One significant factor behind this is the rapid decline in China's rural population living in poverty in recent years (**Fig. 2**), and which is the results of government initiatives aimed at reducing poverty and building a moderately prosperous society (*xiaokang*). Between 1978 and 1980, at the dawn of China's economic reform and opening up policies, the number of rural residents living below the poverty line had reached 770 million, accounting for more than 96 percent of the rural population. By 2000, this figure had declined to 460 million (halving the national poverty rate), and by 2005, to 290 million (or 30.2%). In 2010, 16.6 million people (17.2% of the population) were still living in poverty, but by 2012 that figure had dropped below 100 million (98.99 million) meaning that the nation's poverty rate had dropped into the 10-percent range (10.2%).

Figure 1: Change in average per capita income and the rural-urban income gap



Sources: Compiled from respective editions of the "China Statistical Yearbook" and "Statistical Communiqué," National Bureau of Statistics
 Notes: Income gap figures are calculated value.
 Income figures for urban residents equate to per capita disposable income, those for rural residents

Figure 2: Change in China's poor rural population and the national poverty rate



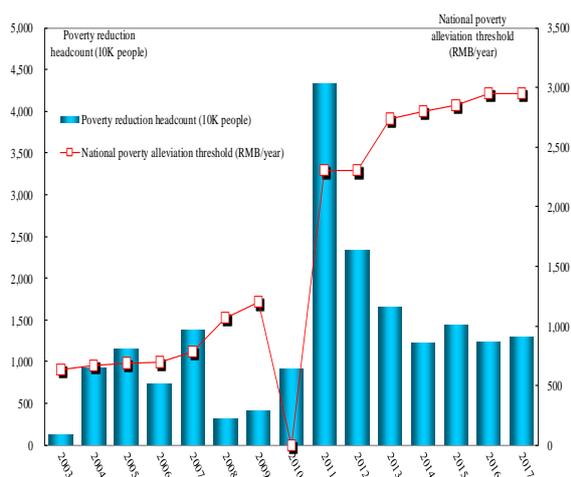
Sources: Compiled from the National Bureau of Statistics "Poverty Monitoring Report of Rural China (2015)" and the "Statistical Communiqué (2019)"

to net income per capita (though since 2017, disposable income has also been used for rural residents).

Needless to say, poverty reduction in China, which has the world’s largest population and also the largest number of impoverished residents, has been a time-consuming process, but since emerging as the world’s second-largest economy in 2010 on the back of high economic growth, the policy objectives of eradicating poverty and reducing inequality have been given even greater precedence, and these were cited as the most important policy tasks in both the 12th Five-Year Plan (2011–2015) and its successor (the 13th Five-Year Plan, 2016–2020).

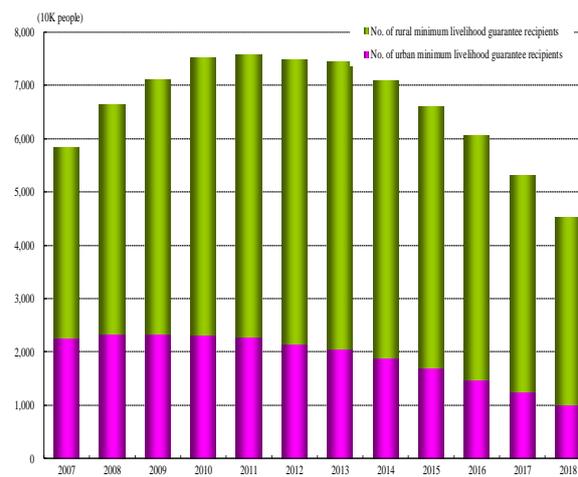
As **Figure 3** shows, the number of impoverished residents has been declining rapidly since China raised its poverty alleviation standards (the national poverty line) in the 12th FYP, with the result that more than 10 million people on average are escaping poverty annually. This period also saw a significant decline in the numbers of both urban and rural residents receiving the Minimum Livelihood Guarantee (*dibao*) (**Fig. 4**).

Figure 3: Change in poverty reduction figures with the adjustments to China’s poverty alleviation standards



Sources: Compiled from the National Bureau of Statistics data, etc.

Figure 4: Change in numbers of urban and rural minimum livelihood guarantee recipients (2007–2018)



Sources: Compiled from the National Bureau of Statistics, “China Statistical Yearbook 2019”

The changes in poverty reduction numbers and the rate of poverty reduction in China in recent years are clearly illustrated by the data presented in **Table 1**. China continues to record a double-digit decline in its poverty reduction figures, not only at the national level and in the three major eastern, central and western regions, but also in government designated poor areas and poor counties where the problem is particularly severe, and the dramatic reduction in China’s poor population is visibly evident.

Table 1: Poverty reduction headcount and the speed of poverty reduction in China since the 12th FYP

(I) Annual poverty reduction headcount nationwide and by region (10K people)						
Year	Nationwide	Eastern China	Central China	Western China	Poor areas	Poor counties
2011 to 2012	2339	288	792	1259	—	1007
2012 to 2013	1650	196	577	877	969	826
2013 to 2014	1232	215	408	609	753	630
2014 to 2015	1442	303	454	686	827	756
2015 to 2016	1240	163	413	663	836	674
2016 to 2017	3046	190	482	617	—	—
(II) Annual poverty reduction rate nationwide and by region (%)						
Year	Nationwide	Eastern China	Central China	Western China	Poor areas	Poor counties
2011 to 2012	19.1	17.4	18.7	19.8	—	16.5
2012 to 2013	16.7	14.3	16.7	17.2	16.0	16.2
2013 to 2014	14.9	18.4	14.2	14.5	14.9	14.7
2014 to 2015	20.6	31.7	18.4	19.1	19.2	20.7
2015 to 2016	22.2	25.0	20.6	22.8	24.0	23.3
2016 to 2017	29.7	38.8	30.2	27.4	—	—

Sources: Excerpted from China Institute for Poverty Reduction of Beijing Normal University (Zhang Zeng, July 2018), “China’s Anti-Poverty Experience and the Future Challenges”

2. The evolution of poverty reduction policy in China and its outcomes

Since the founding of the People’s Republic of China in 1949, food shortages have been central to the nation’s poverty issue, as is often the case in countries that struggle with poverty. **Table 2** divides the 70-year period from the founding of the nation up to the present into six phases of poverty reduction policy and presents an overview of policy on poverty alleviation and its major achievements for each phase. Spanning almost thirty years, the first period (covering the years 1949–1978) was the most difficult – a long period during which the whole nation devoted itself to the fight against poverty. During this phase, China’s anti-poverty policies were, in large part, relief measures, and offered no exit from poverty for the impoverished quarter of the nation’s population – a quarter of the world’s poor. The causes behind this are numerous, but China’s fragile financial base – a negative legacy from the ruins of war, and the nation’s inability to get on a path of autonomous and stable economic growth imposed powerful constraints on the means and efficacy of its poverty alleviation policies.

Table 2: An overview of major policy developments and outcomes in China in 6 stages

<p>(1) Poverty reduction in a broad sense under a planned economy (1949–1978)</p> <p>Construction of a rural collective economy beginning with production-related reforms. Socioeconomic development was put on hold, however, and the nation was reduced to a state of universal poverty by the limitations of its fiscal resources. Poverty alleviation measures at this time were largely humanitarian aid and/or basic needs assistance; there was just one format for relief, the scale of relief provided varied, and its level low. By 1978, China’s poor population had reached 250 million, accounting for 25.97% of the total population or a quarter of the world’s poor, and 30.7% of the nation’s rural population was living in poverty.</p>
<p>(2) Promoting poverty reduction through rural reform (1979–1985)</p> <p>The reforms to the rural economy, which were based on a system of household responsibility in rural areas (contract farming), dramatically increased enthusiasm for production among farmers resulting in a marked improvement in production efficiency and a significant decline in absolute poverty in rural areas. Efforts to create a targeting mechanism for poverty reduction measures were initiated in some areas. Taking counties officially designated as a priority for poverty reduction as the basic unit, resources were mobilized on a large scale and relief measures rolled out in remote areas as well as those with comparatively poor natural</p>

environments. 1980 saw the establishment of a “Development Fund for Under-Developed Areas.” In 1982, China launched a 10-year agricultural construction plan for “*Sanxi* Regions” (Dingxi and Hexi in Gansu Province and the Xihai area of Ningxia Hui Autonomous Region) to support ecological and environmental improvement in these extremely poor areas and the development of agricultural production. During this phase, absolute poverty in rural areas declined from 250 million to 125 million, equating to an average decline of 17.86 million per year, whilst the poverty rate fell from 30.7% to 14.8%.

(3) Poverty reduction through regional development (1986–1993)

In response to the progress from universal poverty to stratification and block-based development, the Chinese government designated 18 concentrated poverty zones and poor counties at both the state and provincial level, and began exploring development-oriented poverty reduction initiatives that focused on alleviating poverty through regional development. In 1987, the central government (the State Council) issued the “Notice on Strengthening Economic Development Projects in Poor Areas,” which designated 592 state-priority impoverished counties in 18 concentrated consolidated poverty zones nationwide, established poverty alleviation standards with regional units as the provincial administrative unit and a series of preferential policies targeting these poor counties, thereby standardizing, institutionalizing and systemizing poverty alleviation and development measures for rural areas.

(4) All-out attack on the insurmountable poverty barrier (1994–2000)

In response to the announcement of the “8-7 Plan” (the Seven-Year Priority Poverty Alleviation Program) in 1994, the central government unveiled plans to accelerate economic development in central and western China along macroeconomic policy lines. This combination of assistance to poor families and promoting the economic development of these regions made a positive contribution to the alleviation of poverty in rural areas. By the end of 2000, net income per capita in poor counties had increased to RMB 1,321 from RMB 483.7 in 1993, the number of those living in absolute poverty had dropped from 80 million to 32.09 million, and rural poverty incidence stood at 3.4%.

(5) Village-wide promotion and “2-wheel drive” poverty reduction (2001–2012)

The government designated 592 counties for priority poverty alleviation and development measures in central and western China and named 150,000 poor villages nationwide. Measures on poverty alleviation and development that focused on the overall advancement of these villages, the development of local industries and the transfer of labor were promoted across the board. Introduced in 2007 as a nationwide initiative, the minimum livelihood guarantee system for rural households, entered a “2-wheel drive” phase in which poverty alleviation and development measures were linked to minimum livelihood guarantee. Under a poverty line that stood at RMB 1,196 until 2010, China succeeded in reducing its poor population to 26.88 million whilst the poverty rate dropped to 2.8%.

(6) Promoting targeted poverty relief (2013 to the present)

Since the 18th CPC National Congress (in late 2012), China has raised a series of new ideas, new perspectives, new departments and new demands on the issue of poverty alleviation and development aiming at what Chinese President Xi Jinping referred to as “targeted (or precision) poverty alleviation.” In 2015, the CPC and the State Council issued the “Decision on Winning the Fight Against Poverty,” which aims to lift all those living under the current poverty line out of poverty and to release all regions nationwide from the shackles of poverty by 2020. Under a poverty line of per capita disposable income of RMB 2,300/year for rural residents (in 2010 constant prices), the rural poverty-stricken population fell from 166 million in 2010 to 30.46 million by the end of 2017 (a net decrease of around 130 million people). The net income per capita of rural residents in poor counties increased from RMB 3,273 in 2010 to RMB 9,377 in 2017, surpassing the national rural average for five straight years.

Sources: Compiled from Beijing Institute of Technology Report (Jun-qi Hou, April 2018), “China’s Experience in Poverty Alleviation and Development” (中国扶贫开发变迁与经验总结), Japan International Cooperation Agency (JICA) China Office, Chinese Academy of Agricultural Sciences/Agricultural Information Institute, “Final Report on a Data Collection/Confirmation Survey on Trends in Poverty Countermeasures in the PRC” (May 2018)

Between 1979 and 1985, with poverty reduction initiatives gradually beginning to take off as the government promoted rural reform through a system of household responsibility for rural households, the numbers of people living in absolute poverty in rural areas was decreasing at an average rate of 17.86 million a year, and the poverty rate dropped from 30.7 percent to 4.8 percent. As might be expected, the improvements in farm management efficiency based on principles of economic rationality and the growing migration of surplus labor to urban

areas began to emerge as the driving forces for poverty reduction during this period. The “Development Fund for Under-Developed Areas” that was established in 1980, along with other similar initiatives, also helped to reduce poverty in impoverished villages in Northwest China.

The years between 1986 and 1993 saw the evolution of poverty reduction strategies based on regional development, with the government naming 18 concentrated poverty zones as well as poor counties at the national and provincial levels (a total 592 so-called state-priority impoverished counties). Comprehensive poverty alleviation measures were undertaken during the fourth stage, which ran through the year 2000, while the focus on promoting the development of central and western regions already being targeted from a macroeconomic policy perspective contributed to poverty alleviation in rural areas and increases in farmer income, significantly reducing rural poverty population, bringing the poverty rate down to 3.4 percent, and creating important and solid foundations for poverty reduction.

During the fifth stage (2001–2012), which began with the new century, the government maintained its policy of poverty alleviation and development, focusing on overall village advancement, the promotion of local industries and the transfer of labor in 150,000 villages nationwide, which were added to the list of 592 counties in central and western China for priority poverty alleviation measures, and introduced a minimum livelihood guarantee system for rural households nationwide.

Since the inauguration of the Xi Jinping administration at the 18th National Congress of the CPC, which was held in the fall of 2012, the government has developed a series of new initiatives on poverty alleviation and development that aim to eliminate poverty in rural areas by 2020 under a banner of “targeted poverty reduction” (*jing zhunJan pin*). Since 2020 is also the goal for the realization of a “moderately prosperous society,” the urgency and emphasis on poverty reduction initiatives have reached unprecedented levels in recent years, and major achievements have been made as a result.

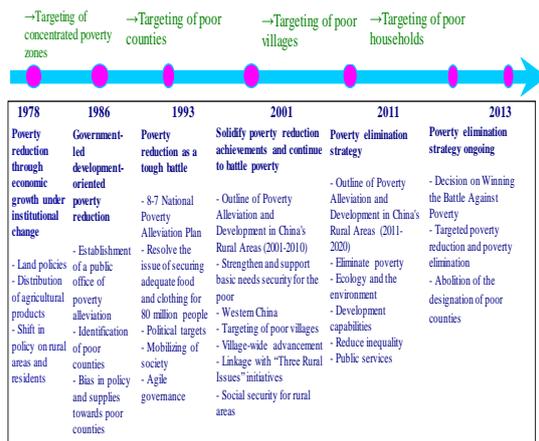
The following figures on China’s decisive battle against poverty were unveiled at a press conference of the State Council Information Office held on March 12 this year. “After more than seven years of targeted poverty alleviation work, and especially intensified efforts over the past four-plus years, the rural poverty population under the current standards has declined from 98.99 million at the end of 2012 to 5.51 million at the end of last year. The number of poor counties has also decreased from 832 to 52 this year and we are getting close to the goal of eliminating poverty. The income of impoverished people has increased noticeably and their working and living conditions in poverty-stricken areas have improved significantly. Socio-economic development in poor areas has accelerated remarkably and China’s governance capacity for poverty reduction has also improved considerably. These are our achievements so far.” Liu Yongfu, director of the State Council Leading Group Office of Poverty Alleviation and Development (People’s Daily, March 13, 2020).

As the above paragraphs demonstrate, the Chinese government has consistently placed a high priority on resolving the nation’s poverty issues, has striven to formulate and implement

countermeasures against poverty that are in line with economic development and changes in society, and has exerted strong leadership in this area. This is a major characteristic of China’s strategy on poverty reduction and constitutes important prior experience.

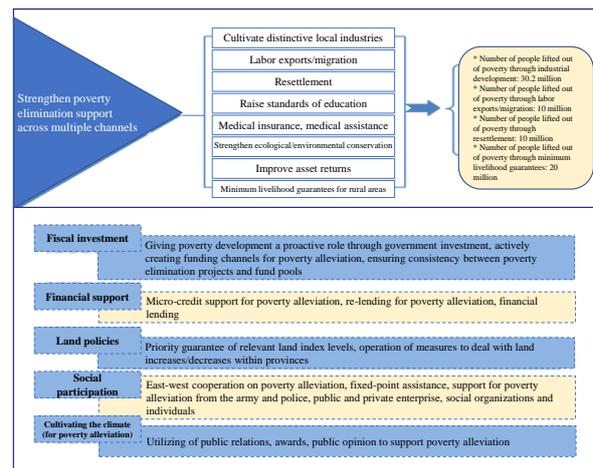
Figure 5 shows the course of government-led promotion of poverty development in China. Having targeted large regions, such as the under-developed central and western region for poverty reduction, highlighting the low-ranking poor counties in the administrative district scale and further zeroing in on poor villages, and in recent years narrowing its focus further to concentrate on specific impoverished households, the government has employed a wide range of specifically targeted policies on poverty reduction that have been deployed through numerous channels, with progressively significant results. Moreover, the various policies that have been mobilized since 2013 have seen a ramping up of poverty reduction efforts as the government effectively integrates its poverty strategy (Fig. 6).

Figure 5: The evolution of government-led poverty reduction and development promotion strategies in China (a sketch diagram)



Sources: Edited and excerpted from the Center for International Knowledge on Development (CIKD), “Say Goodbye to Poverty—China’s Path to Rural Poverty Reduction”

Figure 6: The main channels for poverty reduction and comprehensive support through policy guarantees, etc.



Source: Edited and excerpted from China Institute for Poverty Reduction of Beijing Normal University (Zhang Zeng, July 2018), “China’s Anti-Poverty Experience and the Future Challenges”

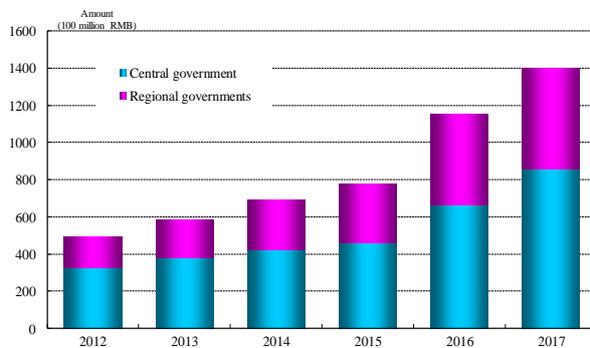
Specific measures for poverty reduction across multiple channels include direct methods such as the cultivation of unique local industries, labor export and migration policies, and resettlement, plus education and training to increase the human capital of impoverished people, strengthening environmental conservation efforts for residents of environmentally-poor areas, and promoting asset returns in addition to a system of minimum livelihood guarantee for rural residents. The government also implemented a series of macroeconomic policies, including fiscal investment, financial support, land policy and the promotion of social participation to ensure that these policy channels could be effectively utilized. It also made a point of fostering an atmosphere conducive to poverty relief and raising public awareness on the need for support for the poor, and expanded the donation work for poverty alleviation of companies and industry groups and volunteer support for poor regions by groups of young

volunteers. Many business entities of all types are actively supporting poverty reduction as part of their efforts to contribute to society, not only through donations to poor regions, but also by providing special employment opportunities for the poor and funding for the construction of welfare facilities, meaning that efforts to tackle the poverty issue extend throughout society.

As might be expected, the injection of special funds by the Chinese government, which has played a key role in reducing poverty, has also been increasing gradually and has mushroomed since 2016 (Fig. 7). Specifically, minimum livelihood guarantee subsidies, which previously only applied in urban areas, were expanded to include rural areas in 2007. Moreover, given that the ratio of payments to income and consumption is relatively large for eligible rural residents (Fig. 8), it can be readily understood that financial assistance from the government is serving to shore up the livelihoods of the rural poor, who make up the bulk of China's impoverished population.

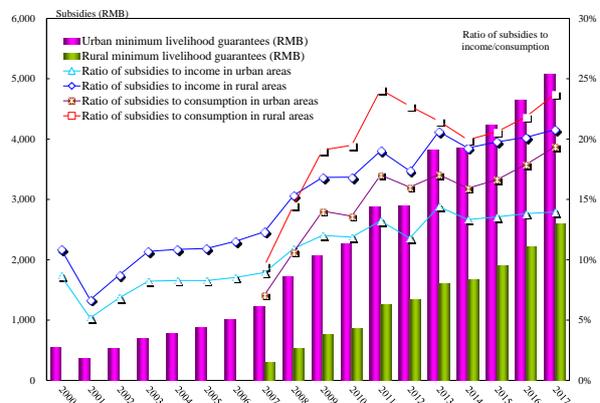
Given that eliminating poverty will lead to the creation of new consumers as the drivers of economic development, efforts to reduce poverty are meaningful not only in view of the need to rectify inequalities and create a just and fair society, but also because they can potentially help to promote sustainable economic development over the long term.

Figure 7: Growth in special funds for poverty alleviation by central and regional governments in China



Sources: Compiled from the National Bureau of Statistics and Ministry of Finance data

Figure 8: Change in minimum livelihood guarantee subsidies for urban/rural areas and the ratios to income/consumption



Sources: Compiled from Zheng Xinye (Researcher, Renmin University of China, National Research Center of Science and Technology for Development; Professor, Renmin University of China, Graduate School of Applied Economics), An Evaluation of Quasi-Poverty Alleviation Policy (精準扶貧政策效果評估)

3. China's successful poverty reduction policy experience and the main challenges of targeted poverty reduction

In the 70 long years since the founding of New China, the nation has succeeded in significantly reducing its poor population, primarily by promoting social construction and reform and through large-scale poverty alleviation and development work and society-wide support for the eradication of poverty. China was the first developing country to achieve the

first of the United Nations' Millennium Development Goals (MDGs),¹ and in doing so, has contributed significantly to global poverty reduction.

That the pace of poverty reduction in China is the fastest in the world is evidenced by the drop in the poverty rate between 1981 and 2015 (China's rate of decline was 87.6 percentage points, as measured by the international PPP US\$1.90 per day poverty line, while the global rate was 32.2 percentage points), which has declined at a rate of 2.6 percentage points per year on average, or nearly three times the global rate of 0.9 percentage points.

China's success in poverty reduction, or the Chinese model, offers experience from which the rest of the world can learn valuable lessons. The World Bank's *China – Systematic Country Diagnostic* (published in 2018), and the United Nations Secretary-General at the *2017 Global Poverty Reduction and Development Forum*, both praise China's achievement in promoting rapid economic growth and poverty reduction and state that the nation's experiences can provide valuable lessons to other developing countries.

In fact, while striving to reduce poverty at home, China has also been actively cooperating in international poverty reduction efforts and development assistance projects. As of 2015, China had provided some RMB 400 billion in aid to a total of 166 countries or international organizations, dispatched more than 600,000 aid personnel and provided medical assistance to 69 countries. It had also lent its cooperation and support to the achievement of the UN's MDGs in 120 countries. More recently, China is actively promoting and expanding international projects targeting poverty reduction and sustainable development in countries along the route of the Belt and Road Initiative (BRI).²

Needless to say, numerous challenges remain in China's battle to reduce poverty and support development once poverty has been eradicated. First and foremost, is the issue of eradicating poverty in those inner regions populated by ethnic minorities that have long been plagued by poverty and, once this has been achieved, of ensuring that these people have adequate food and clothing and can live stable lives. Although significant achievements have already been made in the western inner regions shown in **Figure 9** – the regions where poverty reduction has proved most challenging – further efforts are needed to ensure that those who have been lifted out of poverty stay out and to reduce the remaining numbers of poor people.

Next is the issue of urban poverty, which is not always adequately addressed. As **Figure 10** illustrates, with the exclusion of the three major direct-controlled municipalities of Beijing, Shanghai and Tianjin, a significant number of city dwellers in the advanced cities of China's coastal region are receiving the minimum livelihood guarantee, and this is a policy issue that will need to be emphasized primarily in regions that account for a large share of the national total, such as the provinces of Heilongjiang, Jiangxi, Hunan, Sichuan and Xinjiang.

Another issue is income inequality, which is fast widening and has yet to be brought under

¹ This refers to the first of eight development goals set forth by the UN: to eradicate extreme poverty and hunger, specifically, to "Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day."

² For more details on China's international poverty assistance, see Japan International Cooperation Agency (JICA) China Office, Chinese Academy of Agricultural Sciences/Agricultural Information Institute, "Final Report on a Data Collection/Confirmation Survey on Trends in Poverty Countermeasures in the PRC" (May 2018).

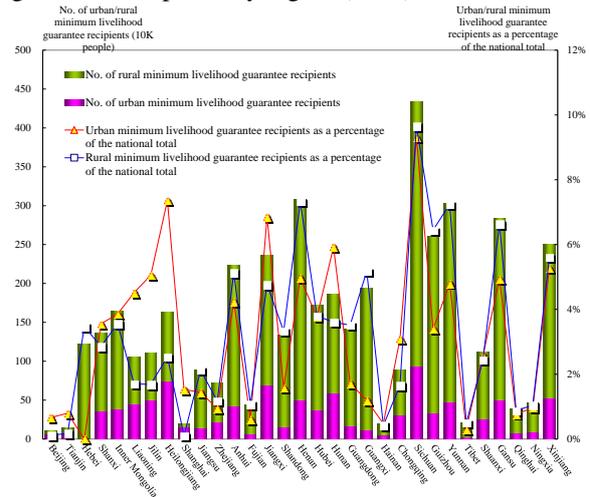
control. As mentioned in the opening paragraph, it might seem logical to conclude that narrowing the gap between urban and rural incomes, which constitutes China’s most critical inequality issue, would largely go hand in hand with progress on poverty reduction in rural areas, but since the Gini coefficient, which measures the equality of income distribution in China as a whole, remains above 0.4 (significantly unequal distribution, with only minor fluctuations: **Fig. 11**), the gap in terms of fair and equal distribution remains large.

Figure 9: The concentration of extreme poverty in China’s western inner regions



Source: Edited and excerpted from the Center for International Knowledge on Development (CIKD), “Say Goodbye to Poverty—China’s Path to Rural Poverty Reduction”

Figure 10: A comparison of minimum livelihood guarantee recipients by region (2018)

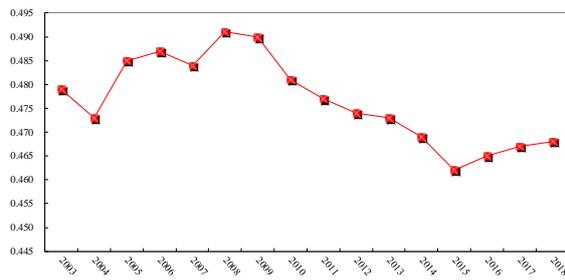


Source: Compiled from the National Bureau of Statistics, “China Statistical Yearbook 2019”

Improving both poverty and inequality in a balanced manner remains an extremely difficult challenge for China. Since poverty and inequality are the result of myriad factors, in order to resolve these issues each of these factors need to be eliminated and/or dealt; a task that is virtually impossible to achieve. The Kuznets’ Inverted-U Hypothesis³ is an economic theory that argues that income inequality falls as an economy develops, but whilst the long-term relationship between per capita GDP and urban-rural income inequality in China between 1978 and 2019 shown in **Figure 12** is vaguely reminiscent of an inverted U-shape (dot graph), it is not yet complete. Building a society in which there is strong growth that is evenly distributed is a challenge for any country, and the same holds true for China.

³ Also referred to as Kuznets’ curve, this hypothesis was discovered by the American economist, Simon Kuznets, by analyzing time-series data on US federal income tax returns for the years 1913 through 1948. According to the hypothesis, income inequality widens in the early stages of industrialization or economic development, then narrows or converges as development continues. This does not apply to all countries and regions, however, and is largely viewed as a hypothesis.

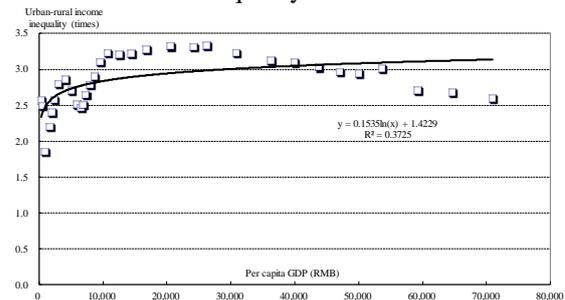
Figure 11: Change in China’s Gini coefficient since 2003



Sources: Compiled from the National Bureau of Statistics’ press releases.

Note: The Gini coefficient was devised by Italian statistician Corrado Gini and is often used internationally as a measure of income disparities between households. It ranges between 0 and 1, where the closer to “0” the coefficient is (i.e. perfect equality) the smaller the inequality and vice-versa.

Figure 12: Long-term change in per capita GDP and urban-rural income inequality in China



Sources: Compiled from respective editions of the “China Statistical Yearbook”

4. Prospects for a complete victory in poverty elimination and the realization of a moderately prosperous society in China

It is widely acknowledged that 2020 is a year of milestone significance for China, one in which it is set to finish building a moderately prosperous society in all respects, realize its first centenary goal, and win a decisive victory in its battle to eradicate poverty. In this extraordinary year, the novel coronavirus, as a public health emergency that appeared out of nowhere to become both the fastest and most widespread epidemic and the most difficult to prevent and control since the founding of New China, has thrust a major challenge into China’s path as it attempts to realize these national goals. China’s determination to achieve these goals is unwavering however, something that was again clarified in last month’s session of the National People’s Congress.

This matter was also addressed at the aforementioned press conference of the State Council Information Office, where Liu Yongfu stated that: “The next step is to deal proactively and resolutely with the impact of the epidemic on our battle against poverty. We must minimize the impact of the COVID-19 pandemic on poverty alleviation work. We will not allow a scenario whereby the epidemic affects our progress in attaining poverty alleviation targets.” Moving on to specifics, Liu stated that the government will (1) make it a priority to arrange for the migration of poor labor; (2) develop activities that support the poor through consumption, focusing on the sale of agricultural goods, especially those sold by poor people; (3) launch and resume poverty alleviation projects with the aim of completing them within the first half of the year; (4) formulate and monitor the implementation of individual projects for the 52 poor counties and the 1,113 most impoverished villages of the 2,707 poor villages, with a view to accomplishing yet-to-be-achieved poverty elimination goals, and to ensure that these people are lifted out of poverty on schedule; and (5) so as to consolidate the current achievements in eliminating poverty, take emphatic steps to ensure that, of the 93 million poor people that have

been lifted out of poverty, those who are relatively vulnerable do not return to poverty.

Further to this, a key article by President Xi Jinping that was published in the May 1 edition of *Qiushi Journal* (a bimonthly political theory periodical published by the Central Committee of the CPC) presenting the text of his “Speech at a Symposium on Targeted Strategies in the Battle Against Poverty,” emphasized the following points. “Eliminating poverty in a targeted manner was designated as one of ‘three tough battles’ at the 19th National Congress of the CPC (October 2017) and it is of critical importance to completing the construction of a moderately prosperous society as planned and to achieving the first of our ‘two centennial goals’ (i.e. to build a moderately prosperous society to celebrate the CPC’s centenary and to build a modern socialist superpower to celebrate the centenary of the PRC). We must understand both the tremendous difficulties we face in securing a decisive victory in the tough battle against poverty and the distinctive challenges that arise in practical implementation, fully recognize the urgency of resolving these issues and place top priority on raising the quality of poverty alleviation without rest, pause or neglect. We must focus on areas of extreme poverty and must continue to press forward steadily in our battle to eradicate poverty.” (April 30, Xinhua News Agency; China News Service).

China’s achievements in poverty reduction are evaluated as follows. “We must fully acknowledge the decisive progress that has been made in our push towards overall victory in the battle against poverty. Since the 18th CPC National Congress (November 2012), the CPC Central Committee has included poverty alleviation in the “Five-Sphere Integrated Plan” (a plan to promote coordinated economic, political, cultural, social, and ecological advancement) and the “Four-pronged Comprehensive Strategy” (a strategy of comprehensive moves to finish building a moderately prosperous society in all respects, deepen reform, advance law-based governance, and strengthen Party self-governance), seeing it a key task to reach the first centenary goal, i.e. building a moderately prosperous society in China by the centenary of the founding of the CPC. It has unveiled a series of critical tasks and arrangements, launched an all-out attack on the battle against poverty, achieved the most significant results in poverty reduction in the history of our nation, promoted the rapid development of impoverished areas, built a powerful system of cooperation that enables poverty relief to be tackled by society as a whole, established China’s unique systems to overcome poverty, and contributed Chinese wisdom and a Chinese blueprint to the cause of global poverty reduction. The poverty eradication efforts have reached unprecedented levels in terms of their intensity, scale and impact, with the result that decisive progress has been made, there have been marked improvements in the production and living conditions of the poor in poverty-stricken areas, and China has written a new chapter in humanity’s history of fighting poverty.” (ibid)

In an expression of great confidence and determination, Xi Jinping has revealed that “resolving poverty in this generation will bring great happiness to me,” suggesting that China is on track to meet its poverty reduction goals and realize a moderately prosperous society in all respects by the end of the year.

“Yes, burdened sore, the people live in grief, But we perchance may give them some relief.”

This is the first line from a famous ode entitled “*Min Lao*,” one of the “Major Odes” or *daya*, in the *Shijing* or “Book of Odes,” which dates from the 11th to 7th centuries, and is the origin of the word ‘*xiaokang*’ meaning ‘moderately prosperous,’ that expresses an earnest wish for the Chinese people. This word, then, offers a sense of the strong kinship between the will of China as a nation and the wishes of its people. It is a long-held dream that, after more than seventy years, is finally showing signs of fruition, but the full realization of a moderately prosperous society in China, a country whose population has grown to an order of magnitude far greater than that of ancient China, is no trivial matter; it might, in fact, be considered a human project on the grandest of scales. Whilst the impact of the COVID-19 pandemic has been unprecedentedly large, China, which was quick to suppress widespread infection and where normal economic and social activity has gradually resumed, is largely expected to be on track to achieving these important historical goals on schedule thanks to the unified efforts of its people and government and the mobilization of various measures to overcome the various problems and difficulties it faces,⁴ and to be capable of laying key foundations for the realization of its second “centennial goals.” That said, ensuring employment and financial security for its population remains an urgent priority, and finding ways to secure financial security for the nation’s poor who are most vulnerable to the coronavirus and target poverty reduction initiatives in these areas is expected to continue to prove challenging; there can be little doubt that this will test the capabilities of the Chinese government to their limit.

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⁴ In a press briefing held on May 22, He Lifeng, chairman of the National Development and Reform Commission, explained that an economic growth rate of just 1% in 2020 would still see the nation’s GDP reach 1.91 times that of 2010, whilst a growth rate of 3% would lift that to 1.95 times, and a 5% growth rate to 1.99 times 2010 levels. He stressed that, either way, China is very close to achieving its goal of doubling the 2010 GDP by the end of the year, a key numerical target for the realization of a moderately prosperous society that was set in 2016, and expressed his confidence in China’s ability to finish building a moderately prosperous society despite the challenges thrown down by the COVID-19 pandemic.