

**RURAL POVERTY ALLEVIATION
IN CHINA: RECENT REFORMS
AND CHALLENGES**

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Executive Summary

1. Poverty alleviation was the highlight of the “13th Five-Year Outline Plan” released in March 2016. The plan also sets the aim to lift all rural poor out of absolute poverty by 2020. In 2016, the target is over 10 million rural residents.
2. Central government’s earmarked fund for poverty alleviation would see an over 43% increase in 2016 compared to that in 2015.
3. By end 2015, the number of rural people living below the poverty line was a whopping 55.75 million, or about 9.2% of rural population.
4. Since the 1980’s, China has initiated rural development programmes to reduce poverty. Before 2010, these programmes were largely regional-based.
5. Challenges to targeting the rural poor are first, the difficulty of defining the beneficiaries, many of whom are not poor, while many poor have been left out. Second is the over-emphasis on income level, leaving out some crucial dimensions of poverty.
6. Third is the heterogeneous impact of poverty reduction programmes for the rural poor. Fourth is the accuracy of targeting which is lower in some regions where the poverty head count ratio is low.
7. In the 13th Five-Year Plan, targeted poverty alleviation (*jinzhun fupin*) plan to improve the targeting accuracy of poverty reduction programmes, and policies to focus on adjacent regions with disadvantaged natural and economic conditions have been underlined.
8. By building up the databases of rural households, the rural poor can be targeted more accurately and reasons for poverty can also be addressed more accurately.

9. Other concerns about recent initiatives include low government capacity, lack of information and ineffective coordination among government departments.