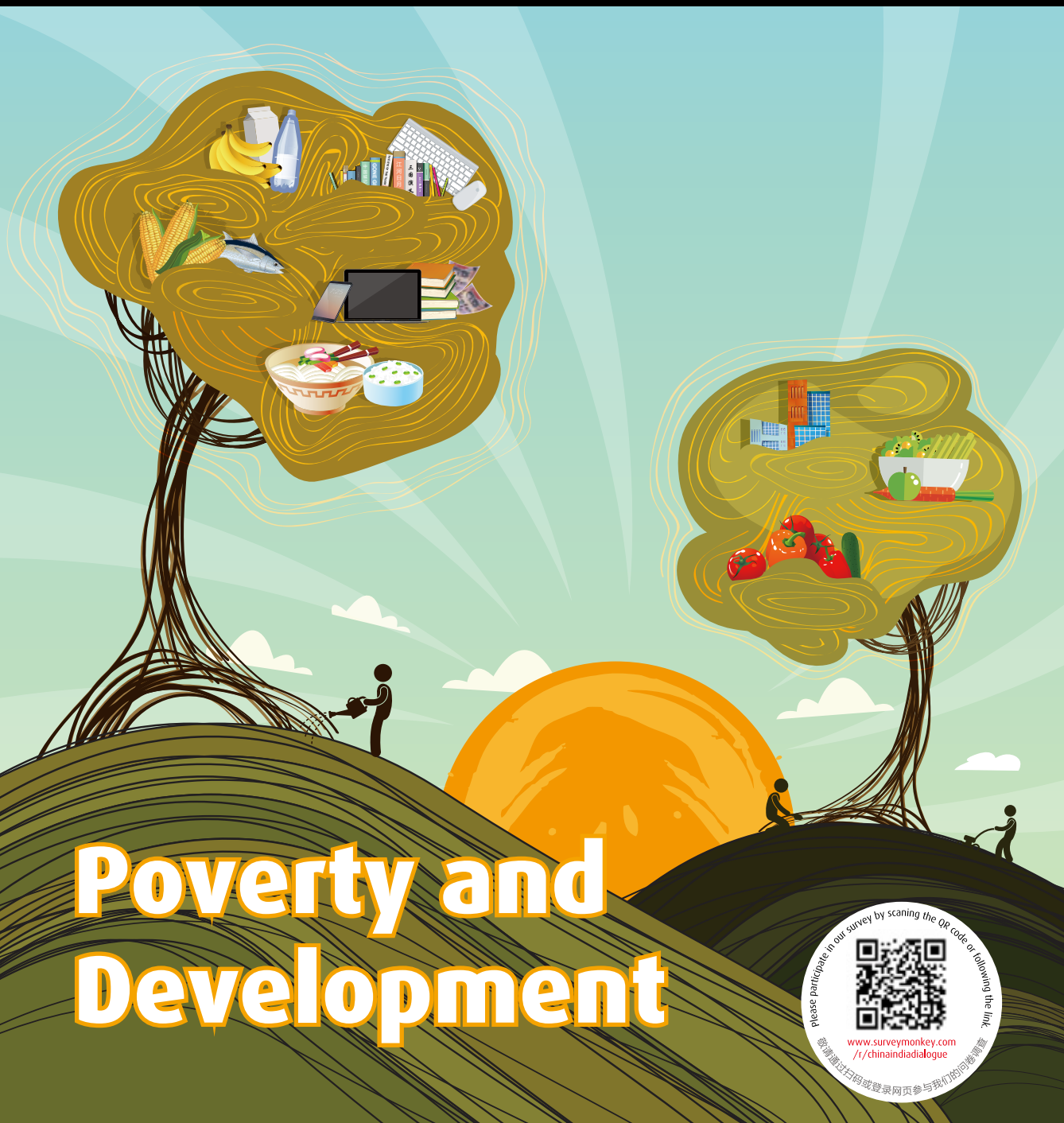


Internet and  
E-commerce to  
Combat Poverty

# CHINA-INDIA DIALOGUE

Wealth and  
Inequality in India

Issue 3 | March-April 2016



## Poverty and Development



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## CHINA-INDIA DIALOGUE

Issue 3 | March-April 2016

## 2016 China-India Tourism Year Launched

The "China Tourism Year" for Indian tourists was launched at the Siri Fort Auditorium in New Delhi on January 14. Chinese President Xi Jinping sent a message of congratulations to the event's opening ceremony. Chinese artists staged a traditional Huangmei opera called *The Seven Fairy Maiden*. In 2015, when China hosted the "India Tourism Year," mutual tourist traffic was estimated to be about 900,000; in 2016, it could be more than a million. China has scheduled nearly a hundred tourism promotion and exchange activities this year, including special advertisements about China Tourism Year in India's mainstream media and web portals, invitations to Indian journalists and travel managers for a tour to China, and special tourism promotion activities related to the Silk Road. In 2016, China is expected to overtake the United States as the world's largest business travel market.



## Asian Infrastructure Investment Bank Officially Opens

**China** is the largest stakeholder with **30.34%** shares

On January 16, China-backed Asian Infrastructure Investment Bank (AIIB) was formally opened in Beijing. After three days of negotiation, India and 56 other founding members reached a consensus on the proportion of shareholding and on the Article of Agreement of the Asian Infrastructure Investment Bank. China is the largest stakeholder with 30.34 percent of the shares. India is the second largest stakeholder with 8.52 percent shares. Together, Asian countries hold over 70 percent of the total shares. AIIB was formally established in Beijing on December 25, 2015. It is a multilateral development institution tasked with financing infrastructure development across Asia. India extended its full support to the newly-launched AIIB. India is one of the first countries to join AIIB. On February 5, AIIB announced the appointment of five vice-presidents. India's D.J. Pandian, a former chief secretary of Gujarat state, has been appointed vice-president and Chief Investment Officer.

**India** is the second largest stakeholder with **8.52%** shares

## IMF Reforms: China, India Get Greater Say

On January 27, the IMF's quota and governance reforms became effective, giving emerging markets more power and greater say. Shares of the BRICS countries (China, India, Brazil, Russia, and South Africa) will see an increase. China's voting share at the IMF is now

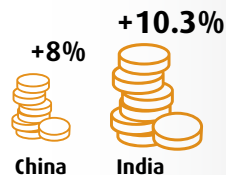
**China's voting share at the IMF**



up from 3.8 to 6 percent. China will have the third largest IMF quota and voting share after the United States and Japan, and India rose to become the eighth largest IMF member. The reforms were approved by the IMF's Board of Governors in 2010. These reforms will double the IMF's quota resources and reallocate the quota, thus increasing the shares of emerging nations by around 6 percent.

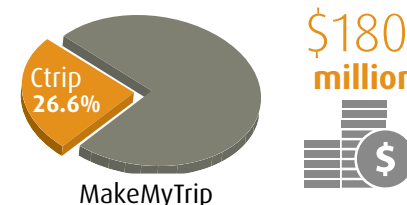
## China and India to Get Biggest Salary Raise in 2016

A forecast issued by Korn Ferry Hay Group, the pre-eminent global people and organizational advisory firm, reveals a positive outlook on salary increase around the world. The forecast contains data for more than 8,500 organizations. Along with the rapid growth of the countries' GDP, China and India will witness the biggest real wage rise. Workers in China are set to see an 8 percent salary increase on average. Indian workers are set to see an increase of 10.3 percent. Developed countries are set to see an average salary increase from 1.9 to 3 percent. Real wages will rise up 2.5 percent, as pay rises combine with low inflation. In Asia, real wages are expected to rise by 4.2 percent – the highest globally.



## China and India's Largest Online Travel Agencies Establish Strategic Relations

On January 7, India's MakeMyTrip Ltd. announced it has signed an agreement with China's Ctrip.com International Ltd. The Chinese travel services firm will invest \$180 million (Rs 1,200 crores) through convertible bonds in India's largest online travel agency. Ctrip will own as much as 26.6 percent of MakeMyTrip's shares.



The Chinese company will also get a seat on the MakeMyTrip board. Ctrip, established in 1999, is now the leader in China's online travel market. Ctrip was listed on the Nasdaq in December 2003, and is now valued at over \$10 billion. MakeMyTrip is India's largest OTA agency. The 15-year-old company offers quality booking service that covers flights and hotels. In 2015, the number of Chinese tourists traveling to India through Ctrip grew by 100 percent. In 2016, Ctrip listed outbound tourism in South Asian countries, especially in India, as the year's top destination.

Numbers of Chinese tourists traveling to India through

**Ctrip** grew by **100%**



## India-China Mobile Phone Industries Hold Talks



**500 million** mobile phones and 15 lakh jobs by **2019**

The "China-India Mobile Phone and Component Manufacturing Summit" took place on January 13. Mobile phone industry players of India and China deliberated on cooperation opportunities to enhance handset manufacturing eco-system in the country. Around one hundred delegates representing the likes of Techno, Water World, Transsion, Huiye and Mafe got a flavor of the vibrant Indian market for the first time. India has set up a Fast Track Task Force (FTTF) to achieve production target of 500 million mobile phones and 15 lakh jobs by 2019. China is set to overtake the US as the second largest smartphone market by 2017, and organizing component suppliers, who are critical to building an ecosystem for manufacturing mobile phones in India.

## LeEco Enters India

**LeEco** sold **70,000** smartphones in **2 seconds**

On January 20, Chinese technology giant LeEco held its launch event in Gurgaon, India. Its star smart devices, Le Max and Le 1s, will be sold in the Indian market. On February 2, LeEco sold 70,000

Le 1s smartphones through India's leading online retail partner Flipkart in just 2 seconds. LeEco created three new records in history: the largest number of phones sold in a single flash sale; the shortest ever time for sale of such a large number of phones; and the highest presale registration. LeEco has also inked content deals with over-the-top players ErosNow and YuppTV. Starting from an internet video company in 2004, LeEco now has developed into a transnational enterprise covering content, mobile phone and car production, sports industry, internet technology, etc.



## CFLD Keen to Develop Industrial Parks in Haryana



**10 billion**  
of investment

On January 22, China Fortune Land Development Company Limited (CFLD), China's biggest industrial park developer, inked a memorandum of understanding on developing industrial parks in Haryana. CFLD will support local regional economic development, invest in infrastructure, and help with development of industrial clusters and urban facilities around New Delhi. On the day of the event, Haryana and CFLD also signed joint investment intentions with five other Chinese enterprises. This will spur an investment surge by Chinese enterprises in Haryana. More than 100 companies are considering setting up a foundation in the state, which will bring Haryana 10 billion dollars of investment as well as many jobs.

## China's Baidu Eyes Indian E-commerce Start-ups

After opening an e-commerce mall in China, Baidu Inc is in talks to invest in Indian e-commerce start-ups including India's leading restaurant search provider Zomato, the country's top online seller of movies and events tickets BookMyShow and the online grocer BigBasket. Baidu is an internet technology group with the world's largest Chinese search engine and website. As more and more

Indians engage in online shopping, India's e-commerce market is booming with a 35 percent annual increase. The e-commerce market could grow in terms of the value of goods sold to \$220 billion by 2025 (\$11 billion in 2015), according to a Bank of America Merrill Lynch estimate.

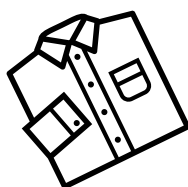


**220 billion**  
of goods sold by  
2025

## Wanda Plans \$10 Billion India Development Project

On January 22, Billionaire Wang Jianlin's Dalian Wanda Group Co. agreed to spearhead a \$10 billion project to build an industrial park in the northern Indian state of Haryana. Wanda Group is China's biggest commercial-property developer. The first phase of "Wanda Industrial New City," whose construction may begin this year, will span 13 square kilometers (5 square miles) and house industries ranging from software to auto mobile and healthcare. The agreement is a result of talks between Modi, Wang and Haryana State Chief Minister Manohar Lal Khattar that began in June of 2015. Should the project be completed, it will mark a success for Prime Minister Narendra Modi's efforts to bring in foreign capital as the investment would be the largest such in India.

## India Plans China-type Economic Zones



According to *The Times* of India, the Indian government is drawing up plans to build mega coastal economic zones, and replicate China's success with such

enclaves to boost exports and command a global presence in leading markets in several sectors, particularly electronics and textiles. Official sources said discussions are on to draft a plan to build these zones in states such as Gujarat, Maharashtra, Tamil Nadu and Andhra Pradesh. China Special Economic Zone is a specific area in which a certain range of foreign economic activities are conducted in a more open and flexible manner compared with other regions in the country. To promote economic and technological development of the zones, China offers exemptions or tariff reduction to create a good investment environment and encourage foreign investment to introduce advanced technology and scientific management methods.

## Complete the Building of a Moderately Prosperous Society in All Respects

全面建成小康社会 (Quan Mian Jian Cheng Xiao Kang She Hui)

Edited by Xu Shuyuan

A moderately prosperous society is a strategic idea of China's economic and social development proposed by Deng Xiaoping in 1979. As the ultimate goal of Chinese modernization, a moderately prosperous society is a stage where people have adequate food and clothing but which is not yet a well-off society. Its goals include people's livelihood, and economic, political and social development. As the nation progresses, the connotation of a moderately prosperous society is constantly enriched. By the end of the 20th century, China had entered a moderately prosperous society in general. However, it was still low-leveled, non-comprehensive and unevenly-developed. In this context, the Communist Party of China (CPC) put forth in the report to its 16th National Congress a higher standard of "building a moderately prosperous society in all respects." In the Report to the 18th CPC National Congress launched in 2012, the term was revised as "complete the building of a moderately prosperous society in all respects."

China started its policy of reform and opening up in 1978. In the 30 years that followed, China's economy took off. Now it is in a new era of rapid economic development and modernization. China has gone through a series of challenges such as international financial crisis, and adapted to the "new normal" of economic development. As a result, China has seen great progresses in the past five years, becoming the world's second-largest economy with per capita GDP increasing to US\$7,800. At present, as compared to

the period when reform and opening up began, China's main objective is a bit different, i.e., "building a moderately prosperous society" in "all respects," which means that it will benefit not only sections of the population, but all of the country's 1.3 billion people. Bidding farewell to the stage of "letting a part of people get rich first," China is now moving towards common prosperity.

The next five years (by 2020) are described as being decisive for building a moderately prosperous society in the CPC Central Committee's Proposal on Formulating the 13th Five-year Plan (2016-2020) on National Economic and Social Development. The proposal requires medium-high economic growth and aims to double China's 2010 GDP and per capita income of both urban and rural residents by 2020. The proposal also lists attaining higher living standards, achieving poverty alleviation under the prevalent poverty line and creating a better eco-environment as targets for the next five years.

The proposal says that agriculture is the foundation of building a moderately prosperous society in all respects and that helping the rural population out of poverty is the most arduous task in realizing this goal.

Excerpts from the proposal are:

■ Vigorously promote agricultural modernization. Accelerate the transformation of the growth model of agricultural development, and develop moderate-scale agricultural operations in diverse forms as the leading force of modern agriculture construction.

■ Construct a policy system to foster new types of agricultural business entities. Nurture new-style professional farmer. Deepen reform of the rural land system. Perfect the rural collective property right and interest. Deepen rural financial reform, and promote the development of the agricultural insurance system.

■ Ensure abundant and quality farm production. Explore the establishment of functional food production areas and protection zone for important agricultural products. Strengthen comprehensive agriculture benefit.

■ Promote agricultural standardization and IT application. Improve the quality and safety of the regulation system during the full process of agricultural production, technological innovation and promotion system for modern agriculture, and the agricultural social service system. Increase the level of agricultural mechanization. Improve the agricultural subsidy policy. Improve the storage system for grain and other important agricultural products. Strengthen the construction of facilities for the flow of agricultural products and the market.

■ Implement poverty alleviation project. Take targeted measures for poverty alleviation and shaking off poverty. Implement corresponding tactics according to different situations to improve the effectiveness of poverty alleviation. Provide support according to different classification of poor families. Implement the subsistence security system and poverty alleviation to guarantee insurance for the poor.

## China's War on Poverty Challenges and Experiences



By Zuo Changsheng

THE GOAL OF COMPLETING THE BUILDING OF A MODERATELY PROSPEROUS SOCIETY IN ALL RESPECTS WILL NOT BE FULFILLED UNLESS POVERTY-STRICKEN AREAS BECOME WELL-OFF AND THE IMPOVERISHED SHAKE OFF POVERTY.

After 37 years of efforts since its implementation of the reform and opening-up policies, China has lifted more than 700 million of its rural population out of poverty. China is also the first country to complete the objective on poverty reduction in the United Nations (UN) Millennium Development Goals.

Facing the future, China set the Two Centennial Goals, of which the first one is to accomplish the task of building a moderately prosperous society in all aspects and double its 2010 GDP and per capita income of residents in both rural and urban areas by

2020. The goal of completing the building of a moderately prosperous society in all respects will not be fulfilled unless poverty-stricken areas become well-off and the impoverished shake off poverty. The government has attached great importance to lifting all its impoverished population out of poverty within the 13th Five-Year Plan period (2016-2020).

### OBJECTIVES AND CHALLENGES

China's objectives are that by 2020, adequate food and clothing, compulsory education, basic medical care and housing will be available to the poor; per capita net income growth rate of poor

peasants will be higher than the national average; and, leading indicators of basic public services available for the poor will be close to the national average. Moreover, all rural impoverished population will be lifted above the poverty line, and 832 state-class poverty-stricken counties freed of poverty, thus eliminating overall regional poverty. To achieve the objective, however, China is facing many challenges.

**First, time is of the essence to complete the tough task.** By the end of 2015, China still had 14 contiguous extremely poor regions, 832 poverty-stricken counties, 129,000 poverty-stricken villages, and

more than 60 million rural residents living under the poverty line. To achieve the 2020 objective, the country needs to annually lift more than 10 million people out of poverty in the following five years, which is an arduous task. Over the past decades, those areas and people with better conditions to shake off poverty have been lifted out of poverty. The rest who remain stuck in poverty usually lack capacity of self-development. It is more costly and difficult to lift those people out of poverty.

**Second, reasons behind poverty are complicated, and it is hard to end poverty.** Due to historical, natural and social factors, it is hard to help China's current poverty-stricken areas and population out of poverty. Presently, the majority of impoverished people live in 14 contiguous extremely poor regions with harsh living conditions, fragile ecological environments, poor infrastructure, and underdeveloped public services. A large proportion of those people are impoverished due to illness,

educational costs, and physical disability. It is common for those who formerly obtained adequate food and clothing to fall into poverty again because of natural disasters and diseases.

**Third, the "new normal" of the Chinese economy hinders impoverished people from getting employed and increasing their incomes.** After more than three decades of rapid growth, China's economy has entered a "new normal" period. The nation faces new challenges in stabilizing economic growth, transforming growth modes, adjusting economic structure, and preventing risks. Against a backdrop of the continuing economic downturn, it is difficult for impoverished people to find jobs and increase incomes. Some rural residents fall into poverty once again after losing their jobs.

**Finally, poverty reduction mechanisms and policies need to be improved.** Various government departments are entitled to formulate policies related to poverty reduction, but they lack coordination

and have not formed a joint force to fight poverty. Financial policies are incompatible and cannot meet the demands of precision poverty reduction. Moreover, poverty relief mechanisms need to be improved, and there are no effective, reliable social poverty alleviation platforms.

To fulfill the 2020 objective in poverty reduction, the government has formulated policies to promote precision poverty alleviation by strengthening leadership and coordination.

First, clarify responsibilities and strengthen leadership.

Second, coordinate all sectors to form a joint force.

Third, formulate poverty reduction plans.

Finally, implement precision poverty reduction for different categories of poverty-stricken areas and households.

### STRENGTHENING INTERNATIONAL COOPERATION

The Chinese government has attached great importance to international cooperation in poverty reduction. Through carrying out various kinds of international cooperation, China, on the one hand, has learned from the advanced ideas and experiences of foreign countries in poverty alleviation and constantly improved its own policies and practices in promoting domestic poverty relief. On the other hand, China cooperates with other developing countries to carry out inter-governmental dialogues, personnel training, pilot programs, and exchange of experiences in poverty alleviation, which



A settlement for the relocated poor in Mengnuo Town, Longling County, Yunnan Province. Migration to areas with better conditions is also a way to beat poverty. [Courtesy of the International Poverty Reduction Center in China]



not only helps concerned countries reduce poverty but also deepens people-to-people friendship. Over the past more than six decades, China has offered aid of nearly RMB 400 billion to 166 countries and international organizations. It has exempted seven times zero-interest loans owed by heavily-indebted poor countries and least developed countries. Moreover, China has provided medical assistance to 69 countries in Asia, Africa, Latin America, the Caribbean and Oceania and offered help to more than 120 developing countries in fulfilling the Millennium Development Goals.

In recent years, the Chinese government has taken significant measures to further promote international cooperation in poverty reduction and development. In 2014, China and the African Union co-issued the *Outline on Strengthening Poverty Reduction Cooperation Between China and the African Union*; and, China and Africa reached a consensus on promoting poverty reduction, improving infrastructure construction, enhancing cooperation in vocational and technical education and training of poverty reduction specialists, and strengthening the demonstration of agricultural technologies. In 2015, the *China-Africa Plan on Poverty Reduction and People's Welfare* was promulgated, according to which China would launch 200 "Happy Life" projects and specialized poverty relief programs focusing on women and children and cancel debts in the

form of bilateral governmental zero-interest loans borrowed by least developed African countries that matured at the end of 2015. In 2014, China put forward the East Asia Cooperation Initiative on Poverty Reduction, according to which the nation would offer RMB 100 million to promote rural poverty reduction projects in East Asia and establish poverty relief pilot sites in the region, pushing international cooperation in poverty reduction to a new level.

At the 2015 UN summits, China put forward a series of measures aiming to help developing countries promote economic development and improve people's livelihood. For example, China announced a US\$2 billion fund to support South-South cooperation and help developing countries fulfill the Post-2015 Development Agenda. China would also continue increasing its investment in the least developed countries to US\$ 12 billion by 2030. China also announced waiver of interest-free government loans given to the least developed countries, landlocked developing countries and small-island developing states that matured at the end of 2015. In the next five years, China will offer aid to developing countries by launching the "Six 100s" program, including 100 poverty reduction projects and 100 schools and vocational training centers, providing 120,000 opportunities and 150,000 scholarships for citizens of other developing countries to receive training

and education in China, and helping train 500,000 professional technicians for the rest of the developing world. China will also set up an Academy of South-South Cooperation and Development.

As the world's two largest developing countries, China and India share many commonalities in poverty reduction. According to the World Bank's US\$1.9/day poverty measure, India still had 230 million living below the poverty line by 2012, thus facing tremendous challenges in poverty reduction and development. The next five to 15 years are vital for the development of China and India. China is willing to further exchange and cooperation with India in the realm of poverty reduction, so as to promote innovation of its poverty relief mechanisms and policies by introducing and learning from India's successful experiences in poverty reduction. Meanwhile, China would like to share its own experiences in poverty reduction and development with India, especially in terms of precision poverty alleviation, thus facilitating the two countries and the world to fulfill the 2030 Agenda for Sustainable Development. ■

*The author has served as director of the International Poverty Reduction Center in China since October 2012. Earlier, he worked with the Ministry of Agriculture in its departments: the Department of Rural Economic System and Management, the Department of Sectoral Policy and Law, the Department of International Cooperation, the Research Center for Rural Economy, and the General Office.*

# Poverty Management in India Some Lessons for China



By Mahendra P Lama

NO NATION CAN BECOME GREAT WHEN THE LIFE CHANCES OF SO MANY OF ITS CITIZENS ARE BENIGHTED BY POOR NUTRITION, LIMITED BY POOR LEARNING OPPORTUNITIES, AND SHRIVELLED BY GENDER DISCRIMINATION.

India's *Economic Survey 2014-15* stated that "Sixty-eight years after Independence, poverty remains one of India's largest and most pressing problems. No nation can become great when the life chances of so many of its citizens are benighted by poor nutrition, limited by poor learning opportunities, and shrivelled by gender discrimination." Despite the economic growth rate of 6-7 percent in the last few years, nearly half of India's children under three are malnourished, i.e., the largest number in the world, and a situation where the rate of malnutrition is worse than that in Africa on average.

The nature of poverty is characterized by symptoms of socio-economic deprivation, politico-cultural alienation, and inaccessibility to state resources and technology and particular type of spatial distribution.

Though most estimates do indicate that there has been a steady decline in the national and provincial, and urban and rural poverty ratio, the variations in these estimates are quite remarkable. A significant decline in the number of people below the poverty line from 45.3 percent in 1993-1994 to 21.9 percent by 2011-2012 has been recorded. Despite this, over 270 million people are still living in abject poverty.

## MNREGA AS A FUTURE PIVOT

Several macro and micro level interventions have been made in the last several decades to alleviate poverty and bring down inequality. This varies from subsidies extended through the Public Distribution System (PDS) on essential consumption items like food, sugar, edible oil, kerosene, and LP gas to providing employment that generates income among the poverty-stricken; and, from providing easy and compulsory access to education to building homes and health facilities.

The Indian government has mostly used four broad instruments in addressing poverty

and food security. PDS, a guardian of food security, and the most widely used has largely helped in addressing transient food insecurity. Along with the procurement policy of food, it translates macro-level self-sufficiency in food grains to the micro-level availability by ensuring access to food and other essential items to poor families. The other three are related to wage employment schemes, often linked to grain for work programs, credit-based self-employment programs like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and the more specific nutrition-oriented programs like Integrated Child Development Services (ICDS).

Government has also been providing subsidies in electricity, fertiliser, water, and in procuring food like wheat and rice from the farmers by giving them minimum support prices. This is part of the

estimated direct fiscal costs of these select subsidies of Rs 3,780 billion or about 4.2 percent of Gross Domestic Product (GDP). Table I shows some major policies that are targeted towards poverty alleviations.

MNREGA, popularly known as “100 days programme”, is now a household name in India and is an innovative yet largely successful programme. It has reached the lowest echelons and is taken advantage of by poor households in plain lands, coastal areas, deserts, hills and Himalayan regions. For more details, see Case Study.

The National Food Security Act(2013) is the latest initiative that provides subsidized food grains to approximately two thirds of the population. Launched with a lot of political conviction, it attracted a range of sustainability questions. Though a number of states are yet to implement, this Act provides the

beneficiaries 5 kilograms of food like rice at Rs 3 (4.4¢ US) per kilogram; wheat at Rs 2 (3.0¢ US) per kilogram and coarse grains at Rs 1 (1.5¢ US) per kilogram.

### DIRECT BENEFITS TRANSFER

Three direct benefit transfer schemes linked through Jan Dhan (bank deposits), Aadhaar cards (unique identity number given to individuals) and mobile phones (JAM) have been recently launched to take these subsidies to the individual level and to reduce the heavy leakages that have characterised all these schemes. The resources thus saved could even generate a part of public investment. For instance, India’s *Economic Survey* forthrightly states that the kerosene subsidy extended through PDS was Rs 204.15 billion in 2011-12 out of which 41 percent is lost as leakage, and only 46 percent of the remainder is consumed by poor households. Similarly,

out of the subsidies allocated under different heads in the PDS system, 15 percent of rice, 54 percent of wheat and 48 percent of sugar are lost as leakages. Most water subsidies are allocated to private taps, whereas 60 percent of poor households get their water from public taps. In other words, subsidies have been usurped by those sections which are relatively powerful and have access to political authority.

The JAM trinity makes seamless transfer to individual bank accounts and opens up the potential for expanding the set of welfare and anti-poverty measures and “could boost household consumption and asset ownership and reduce food security problems”. This will drastically cut the cumbersome bureaucratic practices that the poor households are subject to. It is estimated that there are about 125.5 million Jan Dhan bank accounts, 757 million Aadhaar numbers, and approximately 904 million mobile phones.

### ORGANISING THE FARMERS

One of the biggest replicable success stories in poverty eradication has been the organisation of farmers all across the country as milk cooperatives at the village level. Following the Anand Milk Union Limited (AMUL) model, a cooperative of farmers located in Anand in Gujarat, the National Dairy Development Board launched Operation Flood (OF, or White Revolution) in 1970. It is this farmers’ movement which has made India the largest

milk-producing country in the world (142 million tonnes in 2014-2015 as against 17 million tonnes in 1951), and per capita availability is currently over 300 grams per day as against 130 grams in 1951. India is a net exporter today, having advanced from a situation of serious deficit and import dependence. The Gujarat Cooperative Milk Marketing Federation Ltd. (GCMMF) alone procures approx 14.85 million litres of milk per day from 18,536 village milk cooperative societies, 17 member unions covering 31 districts, and 3.37 million milk producer-members located in Gujarat. It has recorded a sales turnover of US \$ 3.4 billion.

The strength of this program initiated by an engineer turned management expert Verghese Kurien lies in its focus on: (i) price policy being made adequately remunerative to the milk producing farmers, (ii) availability of hygienic milk to the urban consumers at an economical price, and (iii) intensive and extensive participation of the farmers in the decision-making process. This movement provided income and employment to millions of farmers on a daily basis. Today, there are 198 district cooperative milk unions, covering about 0.16 million villages, reaching out to 15.4 million milk producers of which 4.4 million are women members.

Given the huge dairy market, Chinese farmers may find this experiment worth emulating.

### MICRO-LEVEL INTERVENTIONS

Over the years several grassroots actions have been

undertaken to ensure alternative routes and sustainable means of food security and poverty eradication. These initiatives have mostly come from non-governmental organisations. Ralegaon Sidhi in Maharashtra led by famous Gandhian community leader Anna Hazare; Pani (water) Panchayats of Village Mahur; Bio-Village in Pondicherry; Samridha Krishak Yojana of Assam; TANWA Women’s Agriculture Project of Tamil Nadu are some examples of these micro-level interventions. Their operational features are critically driven by i) their own community and geography-centric orientations; ii) strong and reliable local leadership; iii) use of local resources and knowledge; iv) application of appropriate yet friendly technology, and v) regular and visible impact assessment by the communities themselves. All these grassroots actions have taken forward human security programs and practices to a high level.

Despite the onslaught of second-generation reform and talk of third-generation reform and steadily joining the club of top economic actors at the global level, it is a long way to go for India in terms of alleviation of poverty and reduction of inequality. ■

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Table 1: Food to the Poor: Important Schemes and Programmes in India

Schemes	Provisions/ Targets/Beneficiaries
Drought Prone Areas programme (DPAP)- 1973-74	People in areas constantly affected by droughts
Common Minimum Programme – 1997	Can buy 10 kilograms of cereals every month at half the regular ration shop prices. For families living below the poverty line.
Antyodaya Anna Yojana – 2000	35 kilograms of food grains to each eligible family at Rs 2 per kilogram of wheat and Rs 3 per kilogram of rice. For 1.50 crore of the poorest among the BPL families
Mid Day Meal Scheme – 2004	Provides meal to school children in primary and upper primary classes nationwide primarily to improve their nutritional status. It serves over 120 million children in over 1.3 million schools.
Sampoorna Grameen Rojgar Yojana (SGRY) – 2001	Merging of Jawahar Gram Samridhi Yojana and Employment Assurance Scheme. For all rural poor who are in need of wage employment and desire to do manual and unskilled work. It is targeted to generate 100 crore man days of employment per year.
Swarnajayanti Shahari Rozgar Yojana – 1997	Urban poverty alleviation
National Food for Work Programme (NFFWP)- 2004	Rural Labour force. Launched in 150 most backward districts to generate additional wage employment with food security.
Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) – 2006	To enhance livelihood security by generating wage employment through work that develops the infrastructure base of rural areas including rural roads, wells etc. It is aimed at providing at least 100 days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work with a stipulation of one-third participation of women. Implemented in all the districts with rural areas.

Source: Economic Surveys, Government of India, New Delhi



# Poverty Common Enemy of India and China

By Shastri Ramachandaran

CHINA AND INDIA NEED TO DISSOLVE THE DISTRUST, RESOLVE BILATERAL DISPUTES AND COME TO TERMS WITH EACH OTHER FOR ELIMINATING POVERTY.

One term which had gained much currency in the first decade of the new millennium was “Asian Century.” The term represented a promise, a prospect and a goal; and, almost invariably, was used with optimism. For a while, it was as evocative as the term “21st Century” was in the 1980s, replete with visions of new vistas of life, living and development far removed from the poverty, deprivation and tribulations the world’s oppressed majority suffered in the 20th century.

When the 21st century was actually upon us, much of the romantic yearning for it had ceased. Similarly, invocation of the term “Asian Century” ceased to resonate with the robust aspirations it brought to mind. It came to be used less frequently, especially in capitals such as Beijing and New Delhi. In the last few



May 28, 2014: Children in a queue for food in an NGO orphanage on World Hunger Day, in Chennai, southern India. [REUTERS/Babu]

years, Asia’s movers and shakers seem to have all but abandoned both the phrase and the promise held out by its usage. If there are any who continue to nourish hopes of an Asian Century, they keep it concealed. Even those striving for it have stopped uttering what has become an empty cliché and mocks the impoverished people of Asia, particularly of India and China, which dined out on the term at the world’s high tables.

The Asian Century meant different things to different

countries. However, there was a general agreement that it would mean the end of the American Century and a global power-shift from West to East. And, when the world’s centre of gravity moved from the western to the eastern hemisphere, then Asian powers China and India would emerge as the twin drivers of the new international order. The global financial crisis of 2008 – which saw Western capitalism in a funk, India bucking the downtrend and China riding

high on three decades of turbo-charged growth – further fed these aspirations of an Asian Century.

Although the Asian Infrastructure Investment Bank (AIIB) has been launched, and the IMF has included the Chinese RMB in the SDR basket as a fifth currency along with the US dollar, the British pound, the euro and the Japanese yen, there have been no game-changing moves towards reform of international institutions, particularly the prevalent financial architecture.

However, as much as international structures, there are serious internal challenges that hold back the continent, especially India and China, from taking any effective steps for bringing about the Asian Century. In their preoccupation with seasonal ups and downs of the economy, the market, the investment cycles and the currency, China and India tend to lose focus on the common, and central, challenge facing the two countries, namely: poverty and inequality. This is a challenge facing Asian economies, which is made worse by the disparity within countries, between countries and even within prosperous regional forums such as ASEAN.

It is imperative to address this rich-poor divide – which is actually deepening – within and between Asian countries, for there can be no Asian Century unless and until the gap between advanced Asia and developing Asia is reduced to acceptable levels.

The avowed pursuit of an Asian Century, howsoever

presumptuous, meant that the Asian giants could neglect poverty in their country and the region only at their peril. There was a time when, as much as India, China and international organisations, the problem engaged thought leaders such as Nobel laureates Amartya Sen, Martha Nussbaum and Joseph Stiglitz. The discourse on elimination of extreme poverty in India and China in the foreseeable future was visible and inspiring, and commanded as much attention as the political priorities of the season. That is no longer the case.

Today, the climate for sustained focus on fighting poverty seems to be changing, and for the worse. At this juncture, it may be pertinent to recall what India’s Finance Minister Pranab Mukherjee had said a few months before he became President. Setting the tone for a two-day expert group discussion on the “Role of India and China” in the Asian Century, Mukherjee, who had also served as External Affairs Minister, said: “To gain in unison, we must act in unison. Even in existing multilateral fora, including the G-20 and the IMF, we should aim to coordinate more in areas where there is significant collective gain to be achieved.”

Although he did not explicitly mention China, clearly Mukherjee was making a strong pitch for greater India-China cooperation across the continent and on the world stage. He cited poverty and inequality as the common challenge facing Asian economies. The underlying

assumption in such exercises is that the enormity of the issue – poverty – would compel India and China to find answers to the hard questions which haunt bilateral relations; and, generate new impulses for greater cooperation to advance the interests of Asia and developing nations.

Closed-door discussions of India-China cooperation always bring to the fore two realisations: One, that to take advantage of the global centre of gravity shifting to the East, the Asian giants must join hands. Two, coming together and moving forward in tandem requires greater trust. The latter implies a recognition that several initiatives of New Delhi and Beijing to dissolve the existing distrust have not succeeded.

Despite the good rapport between the political leadership, successful bilateral visits and booming trade, recurrent strains in the relationship prevent cooperation in combating poverty with resolve and vigour. The mutual distrust is unsettling enough to preclude any joint effort to end poverty in the world’s two most populous countries. Yet sooner than later, China and India need to dissolve the distrust, resolve bilateral disputes and come to terms with each other for eliminating poverty in their respective countries and in Asia. Only when the two countries accept this global responsibility, can they hope to take the first steps towards ushering in the Asian Century. ■

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## Precision Poverty Relief

# China's New Anti-Poverty Strategy

By Wang Sangui

CHINA CUT THE NUMBER OF POOR BY MORE THAN 700 MILLION IN THE PAST 30 YEARS. ITS CONTRIBUTION TO REDUCING THE RATE OF GLOBAL POVERTY EXCEEDED 70 PERCENT.

Since the late 1970s, China has made great progress in large-scale poverty reduction in the process of its reform and opening-up, making considerable contribution to the realization of the UN Millennium Development Goals (MDGs). However, the nation is still facing problems such as income inequality, comparatively lower poverty line, huge poor population, and lack of targeted poverty alleviation measures. In this context, the strategy of "precision poverty relief" needs to be taken further for hastening large-scale poverty reduction.

## PROGRESS IN POVERTY ALLEVIATION

More than three decades since it began the reform and opening-up policy, China has greatly reduced poverty while maintaining rapid economic growth. According to the World Bank's poverty line of US\$1 a day, the country cut the number of poor by more than 700 million in the past 30 years. In 2000, the UN Millennium Summit passed the MDGs, setting a goal to halve the number of the poor from the 1990 figure. China was the first country to reach the goal. By 2002, it had reduced the percentage of the poor in rural areas to 30 percent, which was 60 percent in 1990. The figure was further lowered to 4.2 percent in 2014. During the period, China's contribution to reducing the rate of global poverty exceeded 70 percent.

Rapid economic growth over decades has substantially

increased incomes and consumptions, being decisive in large-scale poverty reduction. This large-scale poverty reduction is attributed to a combination of factors. Firstly, growth in agriculture is particularly important for poverty alleviation. According to a research report released by the World Bank, growth in China's agricultural sector is four times as effective in reducing poverty as growth in the secondary and tertiary industries. Secondly, targeted poverty alleviation effort has helped narrow the gap between different regions and accelerate economic and social development of poverty-stricken areas. Thirdly, China began to establish a social security system for rural areas in 2007. Measures such as guaranteed minimum income, the new-type rural cooperative medical care system and the rural pension

insurance system have ensured provision of basic living and public services. Fourthly, inclusive rural policies have benefited vast sections of the impoverished in rural areas. In 2003, the country launched the "grain for green" campaign in poverty-stricken areas, and farmers who returned their farmland to forests and grasslands were paid with allowances. In 2006, agricultural tax was abolished, and a policy to provide general subsidies for agricultural development was implemented. From 2008, nine-year free compulsory education began nationwide for all children. Fifthly, the basic land system and land operation pattern ensure that the poor benefit from agricultural growth. The household contract responsibility system was adopted as the basic land system in rural areas, according to which rural lands are



Villagers of Tuanping Village in Qingyouhe Town, Shangnan County, in Shaanxi Province's Shangluo City, hold a meeting to assess poverty-stricken households. [Courtesy of the International Poverty Reduction Center in China]

collectively owned, but farmers enjoy long-term use and management right of the land contracted. In the early 1980s, farmlands were distributed to farmers in a basically equal manner, so that impoverished households could also benefit from their farmland and agricultural development.

### CHALLENGES IN POVERTY REDUCTION

Despite great progresses in economic development and poverty reduction, it is undeniable that the income gap

dropped from 21.59 percent in 2002 to 17.38 percent in 2010. The more income a rural household earns, the faster its net income grows. From 2002 to 2010, the per-head net income of farmers with the lowest incomes increased at an annual rate of 11.1 percent, while that of farmers with the highest incomes increased at an annual rate of 14.1 percent, resulting in a further expansion of the income gap. From 2002 to 2009, the annual income growth rates for poor rural households and average

structure has shifted from agriculture that is labor-intensive to manufacturing and service industries, resulting in expansion of the income gap. Due to the fact that the country adopts a land system featuring equal distribution, the income distribution in its agricultural sector is comparatively equal. However, income inequality grows in the secondary and tertiary industries that are capital- and technology-intensive. Second, the population and labor migration between rural areas and urban areas also causes income inequality. Due to their comparatively lower educational level and comprehensive capacity and the shortage of capital and information, migrant workers from poverty-stricken rural areas are more unlikely to find jobs in cities than those from comparatively richer rural areas. This further widens the income gap. Third, although development-oriented relief effort has greatly improved infrastructure, production, and living conditions in poverty-stricken areas, it remains hard for poor households to substantially increase their incomes by utilizing improved infrastructure as the rich households did. Finally, it is difficult for the poor to enjoy effective financial services, which impedes a rise in their incomes.

Against the backdrop of growing income inequality, it has become harder to reduce the number of the poor through economic development and regional poverty alleviation. Therefore, it is increasingly important to

## The key content of precision poverty alleviation is elimination of all the factors and obstacles that cause poverty through targeted assistance for the poor and enabling their self-development towards the goal of sustainable poverty reduction.

between the rich and the poor continues to expand. China's Gini coefficient grew from 0.288 in 1981 to 0.469 in 2014. As relief measures accelerated economic growth of poverty-stricken regions, income inequality in those regions continued to increase. During the implementation of the Outline for Development-oriented Poverty Reduction for China's Rural Areas (2001-2010), the ratio of households with lowest incomes to highest incomes in key counties for poverty alleviation

rural households in key counties for poverty alleviation were 2.75 percent and 11.76 percent – the former is 9 percent lower than the latter, while the national average stayed at 11.04 percent. The ratio of the income of poor households to that of the average households nationwide continued to fall – from one third in 2002 to one fifth in 2009.

The increase in income inequality is attributed to various reasons. First, the mainstay of China's economic



October 10, 2015: Workers transport stones for a water conservation project under precision poverty relief in Fengkouba Village of Xuan'en County in Hubei Province's Enshi City. The village is one of the county's second group of key villages for poverty reduction through tourism development. [CFP]

directly help the poor through more targeted relief policies.

### PRECISION POVERTY ALLEVIATION STRATEGY

In November 2013, President Xi Jinping first put forward the strategy of "precision poverty alleviation" during his visit to Xiangxi Tujia and Miao Autonomous Prefecture in Hunan Province. So far, the strategy has remained a significant part of China's fight against poverty.

The strategy aims to enhance the relevance and efficacy of relief effort, so as to offset the drop in the effect of economic growth on poverty reduction. The key content of precision poverty alleviation is elimination of all the

factors and obstacles that cause poverty through targeted assistance for the poor and enabling their self-development towards the goal of sustainable poverty reduction. Simply put, precision poverty alleviation targets every poor household and individual, instead of promoting regional development of poverty-stricken areas. Precision poverty alleviation includes precision in identification, assistance, management, and assessment. Precision identification means identifying poor households and population in a certain way and figuring out the key factors that cause the poverty of those households and population. That is the basis of precision poverty alleviation. Precision

assistance means formulating and implementing targeted measures to help different poor households eliminate factors that cause their poverty and enable their self-development after guaranteeing their basic livelihood, thus achieving sustainable poverty reduction. Precision management means registering poor households and population in the records, and timely updating of details, such as family condition, reasons for poverty, and measures taken for assistance. The registration records of poor households and population shall be renewed once every year according to changes in their livelihood condition to ensure that all of those in need get appropriate assistance. Precision assessment means,



on the one hand, evaluating the results of poverty alleviation projects to ensure that poor households shake off poverty; and, on the other hand, assessing the poverty alleviation performance of local governments, so as to urge them to give priority to reducing poverty and improving people's livelihood.

According to a survey conducted by the National Bureau of Statistics of China, the country had 70.17 million below the poverty line at the end of 2014. (It is estimated that the figure will be reduced to 60 million in early 2016). The government has taken a series of measures to further innovate its relief mechanism, so as to facilitate the implementation of its precision poverty alleviation strategy and ensure eradication of poverty by 2020. In terms of precision identification, China has identified 29.48 million poor households with a total population of 89.62 million since 2013. (Currently, the second round of poor identification is underway, and although the findings are yet to be revealed, it is believed that the identified poor would be less in numbers). Moreover, the country has registered all poor households and population and details about the families, available resources, income sources, and reasons of poverty in the national poverty alleviation information system.

The government has taken a series of measures to push forward precision poverty alleviation. First, supporting a batch of poor households



February 10, 2016: Volunteers send donated winter clothes, books, and toys to more than 100 left-behind children and impoverished students in Yuanjiao Village, Dezhuo Township, in Guizhou Province's Bijie City. [CFP]

through industrial development and employment and solving their difficulties in relation to technology, capital, and marketing. Second, relocating 10 million of the poor in remote areas with harsh natural conditions to comparatively more hospitable villages or small towns with a view to improving the environment and conditions for their development. Third, helping a batch of poor households reduce poverty through ecological compensation policies such as subsidies for those who returned their farmlands to forests. Fourth, helping a batch of poor households reduce poverty through strengthening education. The measures include developing preschool

education in poverty-stricken areas, providing free high school or occupational school education and living allowances for students from impoverished families. This will not only reduce the education expenditure of poor households, but also help end inter-generational poverty. Finally, helping a batch of poor households through social security measures such as expanding the coverage of minimum living allowances, launching rural cooperative medical care system, and providing severe-disease medical insurance and assistance, and pension insurance. By 2020, China's minimum living security system will lift all its citizens above the poverty line.

Moreover, China has reformed its poverty relief fund management system with the aim of strengthening the integration of funds. The right to manage and use poverty relief funds has been devolved to county-level governments. County or township governments are entitled to determine what kinds of relief projects they can implement and how to implement according to their respective conditions, so as to meet the stratified and varied demands of poor households. Statistics released by the State Council Leading Group Office of Poverty Alleviation and Development show that the management right of 80 percent special funds for poverty alleviation has been devolved to the county level. In addition, poverty relief funds in various sectors are also required to be coordinated by county-level authorities, so as to achieve precision poverty alleviation. The central and province-level governments are mainly responsible for supervision, inspection, assessment and evaluation of relief projects, especially for guaranteeing efficacy, and preventing of misuse funds. China is also exploring cooperative patterns between local governments and financial institutions in comprehensive financial services such as guaranty, insurance, and credit. The country's poverty alleviation campaign has a working mechanism featuring a clear division of duties, in which the central government is responsible for

overall planning, province-level governments for coordination, and county-level governments for implementation. To strengthen community-level poverty alleviation capacity, governments at various levels have dispatched officials to act as first secretary and poverty relief team leaders in 128,000 poverty-stricken villages. Academic institutions, NGOs, and ordinary citizens are also encouraged to participate in relief effort by various means, such as establishing independent third-party poverty reduction appraisal mechanism.

### CHINESE EXPERIENCE IN POVERTY RELIEF

China's success in large-scale poverty reduction over the past three decades, as well as its ongoing effort in precision poverty alleviation, are useful experience for developing countries. China's successful experience can be summarized as follows:

First, sustained economic growth has been combined with development-centered relief effort. For any country, economic growth is a necessary prerequisite for large-scale poverty reduction. Against a backdrop of increasing income inequality, precision poverty relief is indispensable to end poverty.

Second, the country has realized an organic integration of poverty alleviation and social security. Essentially, in order to achieve sustainable poverty reduction, a country needs to enhance the self-development ability of poverty-stricken areas and population through

development-oriented relief effort. Moreover, providing necessary social security policies will not only guarantee the poor's basic livelihood, but also lay the foundation for development-oriented poverty alleviation. If the poor lack basic living guarantee, it is impossible to achieve sustainable poverty reduction.

Third, government-led relief effort should be alongside with social mobilization. With primary liability for poverty alleviation, governments at various levels are responsible for formulating relief strategies, providing and mobilizing relevant resources, and drafting and implementing relevant plans and policies. Poverty alleviation is a comprehensive, systemic project that involves various sectors and requires specialized knowledge and expertise. Therefore, broad participation of market entities, NGOs and citizens is vital to enhance the effectiveness of poverty relief efforts.

Finally, rational institutional arrangements are helpful for poverty reduction. China's fair land distribution system has considerably magnified agriculture's role in poverty reduction. Moreover, the popularization of free compulsory education and cooperative medical care helps the poor increase their human capital and enhance their capacity for development. ■

The author is a professor at the School of Agricultural Economics and Rural Development in the Renmin University of China, and director of the university's Anti-Poverty Research Center. He is dedicated to research on rural poverty.



# Internet and E-commerce to Combat Poverty

Interview with Tang Min, Consultant of the State Council of China and Executive Vice Chairman of YouChange

By staff reporter Wen Zhihong

WITH “INTERNET+” THINKING, THERE IS NEW HOPE FOR ENDING POVERTY, EDUCATIONAL INEQUALITY, AND THE DIGITAL DIVIDE.

On September 19, 2014, when China's leading e-commerce company Alibaba Group was listed on the New York Stock Exchange, Jack Ma invited eight of the company's customers to ring the opening bell. One of them was Wang Xiaobang, who runs an online store on Alibaba's Taobao.com (the Chinese version of eBay). Hardly one to be noticed in a crowd, Wang was born into a farmer's family in 1978 in a mountainous village in Luliang City, northern China's Shanxi Province. After serving as a migrant worker in Beijing for six years, he returned home with a computer and a second-hand book, *Handbook for Starting an Online Store*, and opened an online

store selling local agricultural products on Taobao. Though hobbled by delivery delays and manpower shortage in the beginning, his store gradually overcame those difficulties and enlarged its supply base from his village to the entire province. Currently, the store offers more than 80 categories of products and receives over 200 orders daily. In 2015, its sales exceeded six million yuan.

Taobao has a huge number of customers. Although it is hard to calculate how many have shook off poverty by running online shops like Wang does, no one denies that the wave of “internet+” is sweeping across China, including its poorest villages. By 2014, there were more than 300 counties, including 21

state-class poverty-stricken counties, with Taobao shops recording sales of 100 million yuan or more. At the end of 2015, the State Council passed a decision, which incorporates “poverty alleviation through e-commerce” in the precision poverty relief campaign. In the next five years,



Thanks to the rise of the internet, instead of being a traditional farmer, Wang Xiaobang is now a popular online shop owner. [YouChange China Social Entrepreneur Foundation]

the “internet+” strategy could benefit more impoverished people. Meanwhile, its logistics network that connects to every village will add value to underdeveloped areas.

Apart from encouraging residents in poverty-stricken regions to start businesses with the help of the internet, improving efficient utilization of high-quality educational resources and bringing good education to poverty-plagued areas by means of internet technologies is also one of the fundamental ways to end poverty. In the autumn of 2013, videotaped courses of the High School Affiliated to Renmin University of China (“RDFZ” for short), one of the country's most prestigious middle schools, were offered to 13 rural schools in Beijing, Hebei Province, and Guangxi and Inner Mongolia autonomous region. The online education program known as “MOOC 1+1” or “Dual Teachers” was co-launched by Tang Min, executive vice chairman of the China Social Entrepreneur Foundation (“YouChange” for short), and Liu Pengzhi, president of RDFZ. To date, the new type of MOOC (massive open online courses) has enabled more than 130 schools in poverty-stricken areas to access RDFZ classes.

A renowned economist, Tang consecutively worked with the Asian Development Bank and the China Development Research Foundation. In 2010, he became executive vice chairman of YouChange. Tang was appointed consultant of the State Council in April 2011.

His long overseas experience facilitated him with deep insight into development inequality in different countries. He pays great attention to poverty reduction in China and other developing countries, and has realized that education is the key to poverty alleviation. From an economist's perspective and with internet thinking, Tang launched a MOOC revolution through programs like “Dual Teachers” in the last five years while introducing the idea of MOOC into rural e-commerce training.

Recently, *China-India Dialogue* had an interview with Tang, whose Weibo (China's equivalent of Twitter) account has 7.82 million followers, to discuss how the internet could be used to reduce poverty. Excerpts from the conversation are:

**In today's China, “internet+” has become the hottest word in various fields including poverty reduction. What role do you think the internet can play in poverty alleviation?**

**Tang:** Poverty is a common challenge facing both China and India. Both countries have made remarkable achievements in poverty reduction through traditional ways. Currently, about 3 percent of China's population still suffers extreme poverty, and traditional poverty relief effort is facing more challenges. Even if China eliminates absolute poverty by 2020, relative poverty will remain. New approaches and efforts are needed to solve the problem.

The government, along with various social



Economist Tang Min, who served the Asian Development Bank and China Development Research Foundation, became executive vice chairman of YouChange China Social Entrepreneur Foundation in 2010. In April 2011, he was appointed consultant of the State Council. [Laurent Hou]

organizations, has been working hard to integrate the “internet+” with poverty reduction. Most poverty-stricken areas are in mountainous regions with poor transportation conditions. If those areas can get access to the internet, locals will no longer be limited in information due to geographic remoteness. Moreover, underdeveloped education is one of the major reasons behind poverty. The internet can help poverty-stricken areas access quality online education. With the continuous development of internet technologies, there would be great potential for internet-based initiatives aimed at poverty relief.

**What problems in the area of poverty eradication would be resolved through e-commerce?**

**Tang:** E-commerce platforms can help people in poverty-stricken areas send information about their

agricultural products directly to consumers, thus increasing their incomes through boosting sales. However, there are challenges to be overcome for poverty-stricken areas towards developing e-commerce: First, geographic remoteness results in higher logistics costs; second, some products have limited output; finally, local products are uneven in quality due to lack of suitable quality inspection and control standards. Moreover, online shops in poverty-stricken areas usually have low packaging capability. In view of these challenges, the promotion of e-commerce in rural areas will result in the Matthew Effect, namely, the rich getting richer and the poor becoming poorer. Generally, the comparatively rich rural areas are close to cities, thus enjoying lower transport costs. They have stronger capacity in production and product packing. So, those areas will become richer soon. Consequently, the poorer rural areas may lose in market competition, and this may make it even more difficult to sell the local products.

Therefore, poverty reduction through e-commerce is more than just promoting e-commerce in rural areas. The state needs to provide special assistance and allowances for poverty-stricken areas to develop e-commerce. For instance, the state can provide more technical training and offer subsidies to commercial logistics companies, so as to encourage them to discharge their social responsibility for poverty

reduction.

Currently, YouChange is attempting an approach aimed at boosting the demand side in cities through mobilizing “consumption volunteers.” We help the first secretary of each poverty-stricken village set up a “poverty relief support team.” For example, if a public institution sends someone to act as first secretary of a rural village to help locals reduce poverty, all youngsters in the public institution will form a support team. If needed, the first secretary informs team members of products that locals intend to sell via WeChat or other means. Team members can then help marketing or themselves buy products. By encouraging consumers to buy products from these areas, more people would be mobilized to participate in poverty alleviation.

**Statistics released by EDX, one of the world’s largest MOOC platforms co-founded by Harvard University and the Massachusetts Institute of Technology (MIT), show that the number of its students from China is only half of that from India, and the number of Chinese students who obtain diplomas from EDX is one third of that from India.**

**What is the difference between this approach and poverty reduction programs on e-commerce platforms such as JD and Taobao?**

**Tang:** Many indigenous products of poverty-stricken mountainous villages cannot be mass manufactured, and lack attractive packaging. So, they are hard to be sold on JD or Taobao. Our approach is to pay more attention to assistance via the social networking platform – WeChat, with which we help locals promote sales.

**Is this approach merely an idea or has it been implemented? How did YouChange connect with poverty-stricken villages? Does YouChange cooperate with local institutions?**

**Tang:** We have conducted small-scale experiments in some 100 villages. We plan to extend it to 10,000 villages this year. Most of those villages are located in Guizhou, Sichuan, Hebei, and Jiangxi provinces. Wherever we reach, we cooperate with local institutions, in areas



September 2013: A session of the “Dual Teachers” program at No.2 Middle School of Qingshuihe County, Inner Mongolia Autonomous Region. According to teacher Shi Xiaojun, not only has the students’ academic performance considerably improved, but local teachers have learned much from their counterparts at RDFZ since the program began two years ago.[YouChange China Social Entrepreneur Foundation]

such as rural supply and marketing cooperatives.

**Do you think India can learn from China’s poverty reduction effort through e-commerce?**

**Tang:** Yes, I think so. Although India lags behind China in terms of e-commerce infrastructure, it is witnessing rapid development in mobile internet. And, with mobile internet, one can access a majority of e-commerce platforms. If India wants to achieve “corner overtaking” as China did, it needs to pay more attention to the “internet+” development. Traditional poverty alleviation methods are usually time-consuming.

**Why are you committed to promoting MOOC in China?**

**Tang:** Statistics released by EDX, one of the world’s largest MOOC platforms co-founded by Harvard University and the

Massachusetts Institute of Technology (MIT), show that the number of its students from China is only half of that from India, and the number of Chinese students who obtain diplomas from EDX is one third of that from India. Amol Bhawe, a 17-year-old from India, was accepted by MIT after scoring higher than 97 percent students on EDX’s circuits and electronics course. Indian students account for 10 percent of those studying on Coursera, a free online education platform founded by two professors at Stanford University, second only to students from the United States. China should not be lagging behind in the “internet+” education revolution. In my opinion, China’s MOOC practice should blaze a new path in resolving educational inequality, unemployment of college graduates, and inadequate innovation capacity.

**You said that MOOC raised hopes of solving many education deadlocks in China. How should this be interpreted?**

**Tang:** For a long time, people believed that the key to improving education in poverty-stricken areas is solving problems concerning “hardware,” such as classrooms and teaching equipment. Nowadays, however, the major problem isn’t hardware any more, but uneven distribution of educational resources. Few quality teachers are willing to permanently stay in poverty-stricken areas. Educational quality may impact the future living standards of children.

Improving educational quality in poverty-stricken areas is not only a matter of educational equality, but also a matter of ending intergenerational poverty.

The internet can solve problems that cannot be solved in traditional ways, such as bringing quality education to poverty-stricken areas. The “Dual Teachers” program has been carried out for three years and achieved remarkable effects. Today, the overwhelming majority of Chinese schools can access the internet. The prices of projectors are affordable. If the low-cost program can be spread wider, there will be an answer to ending educational inequality.

**In your opinion, how can the MOOC model be extended to more areas?**

**Tang:** Large-scale popularization of MOOC requires efforts by the government. But, public welfare organizations should carry out experiments and explorations during the preparatory period. Non-governmental and social forces are needed to promote relevant reforms. My ideal education is: first, education is more equal; second, education is more innovation-oriented, so as to cultivate talents with great creativity; finally, education benefits all, not only in-school students. With the “internet+” thinking, new hope has emerged for ending poverty, educational inequality, the digital divide, and intergenerational poverty. ■



# Rethinking Role of Village Teams

By Wang Xiaoyi

EXTERNAL DEVELOPMENT OFFICIALS AND EXPERTS NEED TO SHIFT THEIR ROLE AND BECOME AMBASSADORS OF THE POVERTY-STRICKEN VILLAGES THEY WORK IN AND FULLY PARTICIPATE IN LOCAL PUBLIC AFFAIRS.

What role and functions should development experts and officials perform in poverty reduction? This is a question haunting various poverty alleviation and relief organizations. In its practice of implementing precision poverty relief, the Chinese government has dispatched some 480,000 officials to 125,000 poor villages around the country to help locals shake off poverty. The move, based on the advantage of China's political system, is considered an effective approach in poverty reduction. It not only reinforces government investment, but also increases human resources for fighting poverty. The results of the policy, as well as problems arising thereby, merit reconsideration.

## FROM GOVERNMENT OFFICIAL TO VILLAGE AMBASSADOR

The Poverty Relief Team in Lianhua Village, Huajiang Town, in southwestern

China's Guizhou Province, has set a good example. The head of the team, Zhou Qibing, was formerly an official in the Immigration Bureau of Anshun City. The bureau is a "pairing assistant" of Lianhua Village. In 2011, Zhou was sent to the village as head of the Poverty Relief Team. "Pairing assistance" is a poverty relief mechanism unique to China. The mechanism links government departments and state-owned enterprises (SOEs) with specific poverty-stricken villages and defines the poverty reduction obligations and objectives of those government departments and SOEs. Through sending officials or employees to their pairing villages, the government departments and SOEs can learn of the different demands of different villages, thus realizing precision poverty alleviation.

Whether an outsider can be accepted by local villagers as their leader depends on

whether he or she can bring them tangible benefits. When Zhou arrived at Lianhua Village, some farmlands of the

**In its practice of implementing precision poverty relief, the Chinese government has dispatched some 480,000 officials to 125,000 poor villages around the country to help locals shake off poverty.**

village had been rented to outside investors at low prices to plant pitayas. Zhou believed that renting their farmlands was unhelpful for villagers to increase their incomes and could even impede sustainable develop-

ment of the village. Then, he organized locals to form a farmers' union to plant and sell pitayas by themselves.

Villagers faced three major challenges. The first was lack of funds for initial investment. As a government official, Zhou is familiar with supportive policies for farming. Thus, he represented the village to apply for funds from local agriculture authorities, which were used to support villagers in pitaya planation.

The second challenge was the lack of distribution channels. Poor transport conditions blocked products of the mountainous village from reaching the outside market. Dealers would have come to the village to purchase pitayas if the road linking the village and the outside world had been better. Rebuilding the road required a large investment. Zhou helped raise the funds through three channels: supportive fund from the Immigration Bureau, supportive fund from the government, and funds from among the villagers.

The third challenge was to build a cooperative mechanism which would enable poor households to benefit when the project succeeded and reduce risks and loss when it failed. Thanks to Zhou's effort, the village established a farmers' union, in which poor households pooled their farmlands as shares and rich households invested funds as shares. Moreover, the union's profits were used to ensure incomes to poor households, and then investors and, lastly, the village as the whole.



A pitaya plantation base in Hualian Village. Currently, China has some 20,000 hectares of pitaya fields, of which one third are in Guizhou, making the province the largest pitaya producer in the nation.

Within the "pairing assistance" mechanism, the Immigration Bureau is obligated to aid the village, but the amount and its utilization should conform to the development plan provided by Zhou. Thus, Zhou played the combined roles of leader, coordinator, and resource mobilizer. His development plan, as well as his planning and execution capacity, won recognition from local villagers. Though an outsider, Zhou became an ambassador and poverty relief leader of the village. Zhou spent five years helping the village reduce poverty. When he left, villagers entreated him to stay and help them realize a better future for the village.

## UNIQUE ROLE OF POVERTY RELIEF TEAM LEADERS

The case of Lianhua Village indicates that relief team leaders play a role different from that of development experts in many international aid projects.

First of all, the head of a poverty relief team has greater flexibility in formulating special poverty alleviation

measures according to villagers' demands and his or her personal understanding of the village's situation. For instance, Lianhua Village once planned to relocate its extremely poor households from the remote area with harsh living conditions to a better area. Through field surveys, Zhou realized that except for poor transportation, the area inhabited by the poor households was rich in exploitable natural resources and, hence, migration was not the best way to rescue them from poverty. Eventually, those households didn't migrate from their homes, but gradually got rich through growing the plum.

Second, few development experts have an impact on the power structure of the poverty-stricken villages where they work. However, residents of Lianhua Village re-elected the director of their village committee – partially due to the effort of Zhou. In China, village committee election campaign is held every three years. Unlike rich villages, the capable elite in poverty-stricken villages



would rather start their own business than get elected as village officials. To end its poverty, the village needs a capable leader. Zhou mobilized a villager surnamed Huang to run for director of the village committee, who finally won the election. While assisting the village to achieve development, Zhou took solid action to realize the villagers' aspirations, instead of simply seeking their suggestions.

Third, in international aid projects, community-level experts and officials are responsible merely for implementation. Few of them participate in fund-raising. However, usually, the relief team head raises the funds needed for the development of the village where he or she works through his or her social relations. In fact, his or her ability to raise funds or solicit supportive projects is an important indicator for villagers to judge whether he or she is qualified. Asking help from the government department or SOE that sent him or her to the village is the most direct way to get financial support. Applying for funds from local relief authorities is also an important way. If a village's relief team leader is powerful and capable, the village may be given priority in fund allocation.

A major reason why Zhou won recognition from the villagers is that he helped Lianhua Village get funds for many projects, including for planting cash crops, building roads, and constructing a square to meet the demand for a cultural space.

## LESSONS LEARNED

Presently, the overwhelming majority of poverty-stricken areas in China receive adequate food and clothing. Therefore, the major challenge isn't raising grain yield for subsistence, but increasing their incomes. That means poor laborers in rural areas must enter the market. Due to bad transportation and inadequate information channels of poverty-stricken areas, however, they lack necessary information, technology, and fund. Their experience and knowledge are unable to help them handle problems such as how to enter the market and how to further develop in a market economy. In this context, it is difficult for the poor to find their development path if we only stress on participation and empowerment.

Therefore, external intervention is necessary. Moreover, there are varying reasons why China's 125,000 villages fell into poverty. Most development plans formulated by external relief officials can only achieve transient success. Different villages should take different strategies to realize sustainable poverty alleviation.

In fact, only a small proportion of China's 125,000 village relief teams achieved success as Lianhua Village did. From the 1980s, governments at various levels began sending officials and volunteers to help poverty-stricken villages formulate development plans and carry out development projects. Like development experts from international organizations, many of them

didn't succeed in poverty alleviation. Some promoted development of local industries, but those industries proved unsustainable; some raised funds to launch "vanity projects" that appeared generous but turned out to be unhelpful for development of the local economy; others did little to reduce poverty, and passed the time waiting for the end of their tenure. Against such a backdrop, the relief story in Lianhua Village can provide us with some new experiences.

First, the barrier between external development experts and community members, as well as that between external knowledge and indigenous knowledge, in poverty aid projects should be removed. External development officials and experts need to shift their role and become ambassadors of the poverty-stricken villages they work in and fully participate in local public affairs. The shift, on the one hand, is based on personal willingness and effort, and on the other hand, needs recognition from villagers. Nevertheless, the process is time-consuming and depends on their personal ability.


Second, unlike experts from international aid organizations, an excellent relief team leader usually has many years of working experience in poverty-stricken villages. Moreover, some international organizations often limit the term of the experts hired to implement aid projects in poverty-stricken areas, in order to reduce costs. Their limited time prevents the experts from making a re-

quired role transformation. Members of Chinese poverty relief teams are required to work for at least one year on a single precision poverty alleviation project. During the period, they must stay for at least 20 days a month in the villages where they work.

This may help them make role transformation.

Third, in order to become a village's poverty relief ambassador, one needs to not only stay long enough in the village, but also to have strong abilities. When international organizations recruit project

officials and experts, their educational background and work experience are the main factors considered. However, this cannot guarantee that those candidates are capable of working on poverty relief projects. The Chinese government has realized that sending capable and responsible officials to poverty-stricken villages is an effective way to make a good use of resources and achieve precision poverty alleviation. Moreover, the performance of the officials in poverty alleviation becomes a factor influencing their future promotion.

Finally, if a government department is assigned the task to help a village reduce poverty, it will be obligated to not only send a poverty relief team to the village, but also to provide effective support if needed. In this context, the government department will accord priority to the village when allocating resources under its jurisdiction, and mobilize its auxiliaries to provide as many resources as possible for poverty alleviation. Therefore, when poverty-stricken villages choose their pairing assistants, institutions at higher levels and with greater power in resource allocation are preferred. A successful poverty relief mechanism should combine personnel and excellent resources, thus helping poor villages to end poverty. 

## Profile: Lianhua Village



**L**ianhua Village is located in Huajiang Town, Guanling Bouyei and Miao Autonomous County, in Guizhou Province's Anshun City, about 300 kilometers southeast of Guiyang, capital of the province. The village includes Shaoshang and Nongpao villages, with a total area of 19.5 square kilometers. As of 2014, the village had 14 villagers' groups of 536 households with a registered population totaling 2,633, including 873 from 290 families who worked as migrant workers elsewhere. Out of all the local residents, 580 graduated from junior high schools, 123 from senior high schools, and 54 received college or higher education. Eight local families – a total of 28 – were deemed as extremely poor households.

The village has nearly 285 hectares of farmlands, at an average altitude of 750 meters. The area has a subtropical monsoon climate, with an annual average temperature of 16.2°C and an annual rainfall ranging from 1,205.1 to 1,656.8 millimeters. Its soil is suitable for growing cash crops rather than cereals. The poverty of Lianhua Village is primarily attributed to three causes. First, more than 540 square kilometers of Guanling County's territory, including Lianhua Village, are suffering from rocky desertification. Such geological conditions are unsuitable for growing grain crops; and, at the same time, local villagers lack technology and fund to grow cash crops. Second, the village suffers from extremely poor transport connection despite an expressway nearby. Finally, lack of education and expertise for better-paid jobs drove most villagers to make a living through manual work in cities.

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# MNREGA and Poverty Alleviation

## Case from Andhra Pradesh

By CH. Ravi Kumar

ANDHRA PRADESH WAS PERCEIVED AS ONE OF THE BEST PERFORMERS IN THE COUNTRY IN MNREGA WITH ITS UNIQUE IMPLEMENTATION ARRANGEMENTS.



### INTRODUCTION

The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) was enacted in 2005 with the main objective of enhancing livelihood security of households in rural India by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. Creation of durable assets through works like water conservation and harvesting, drought proofing, providing irrigation facilities, land development, flood

control, road construction, etc., that strengthen the livelihood resource base of rural poor is also stated as an important objective of the scheme (Ministry of Rural Development, 2006). The annual expenditure on MNREGA Scheme, implemented in all the states, is around Rs 400 billion (US \$6.7 billion) and covers about 80 million workers. In the wake of completion of 10 years of its coming into existence, it is appropriate to review its role towards alleviation of poverty of certain marginalised sections in the

rural areas. While the effects and achievements of this legislation are multi-fold, this paper focuses only on the impact on rural agriculture workers with marginal holdings in the erstwhile, undivided state of Andhra Pradesh (AP), which is now divided into the states of Telangana and Andhra Pradesh from June 2, 2014.

### STUDY METHODOLOGY

This paper is based on the compilation and analysis of information, data, observations, opinions and case examples from multiple

sources till 2014. Primary data related to profiling of job card holders was used from four selected villages in four districts, i.e., Tamarapally in Visakhapatnam, K.N. Palem in Anantapur, Chowderpally in Mahabubnagar, and Devennapet in Warangal district. Perceptions and processes of change were captured through focussed group discussions with landless workers, small and marginal farmers, and other stakeholders from these villages. Household-level impact documentation was made from interactions with

several households from various places in the state, of which a few selected case examples were presented.

### MNREGA IN AP

Andhra Pradesh was perceived as one of the best performers in the country in MNREGA with its unique implementation arrangements (Dreze, 2008 and Khera, 2011). The salient features of implementation systems in AP were, an extensive and innovative use of information technology; a Rural Standard Schedule of Rates (RSSR) based on work-

time motion studies; institutionalisation of an independent and regular social audit process; specific payment process schedule and compensation system for delayed wages; automatic payment of unemployment allowance to the workers in cases of failure to provide wage employment within 15 days of work application; promotion of organisation of workers in the form of Shram Sakthi Sanghas (SSS), and partnership with civil society organisations, etc. Other key innovative features are: Prioritising works on the lands of Scheduled Caste (SC) and Scheduled Tribe (ST) communities, preparing village-level Natural Resource Management (NRM) plans, introducing new technologies like e-musters, and mobile-based monitoring.

With the above key features, MNREGA has been widely made accessible to the rural workers in AP, which is reflected in the performance indicators related to the number of registered workers, number of days, and number of works completed and assets built, which are relatively impressive when compared to the progress in other states. There are also some limitations in terms of enforcing the provisions of unemployment allowance, timely wage payments, and compensation for delayed payments, etc.

The Scheme has been in implementation in 69,071 habitations of 21,862 panchayats in 1,098 mandals of 22 districts in the state. Out of around 25 million registered



workers belonging to 13.5 million households, 18.9 million individuals (around 75 percent) of 9.4 million households accessed wage employment in MNREGA up to 2013, since its inception in 2006. These figures indicate the coverage of most of the agriculture workers, whose number stands at around 17 million in the state as per the 2011 census, as well as significant number of cultivators or other categories of workers in the rural areas. Out of the total participating in the scheme, 10 million workers (53 percent) are women. Workers belonging to SCs are 4.8 million, and STs are around 2.6 million. Together SC and ST workers constitute nearly 40 percent of the total, which is higher than their proportion – around 24 percent – in the total population.

### BENEFITS AND THEIR IMPACT

In terms of benefits, a landless agricultural worker household can secure a maximum income of Rs 20,000 (US \$300) in a year from MNREGA in the form of wages at current daily wage rates in AP, whereas a small and marginal land holder can secure benefit of up to Rs 100,000 (US \$1,675) in the form of investment in addition to yearly wage income of up to Rs 20,000. A major part of investments from MNREGA have also been made directly or indirectly for the benefit of small and marginal farm holdings, particularly of SC and ST families. Development of individual fallow land and land under cultivation together consti-

tute around 25 percent of the total expenditure on MNREGA works in AP. Other major expenditure is related to the development of water resources, common lands and other works which also contribute to increasing productivity of the farmlands. Taken together, these constitute around 75 percent in number of the total MNREGA works as well as expenditure, which amounts to around Rs 200 billion (US \$3.35 billion). The positive impact of MNREGA investments on farming, land and water resources development is well established by field research by the reputed institutions like Council for Social Development, Indian Institute of Science (Bangalore), KPMG, NIRD, Sambodhi, etc., which is also the case in the study villages.

The combined impact of wages and investments on small and marginal farmers has led to enhancement of their income and asset base and has also contributed to



June 15, 2015: Farmers plant saplings in a rice field on the outskirts of Srinagar in India. [REUTERS/Danish Ismail]

sustainability and profitability of their agriculture. Field-level findings and innumerable case studies documented by independent sources as well as the Department of Rural Development, GoAP establish the transformation of majority of the workers who have land, from agriculture workers to farmers, both materially, socially and psychologically, even in villages with below average level of implementation of MNREGA (GoAP-2012, KPMG-2012, Kumar-2014). Further, given their asset profile, this benefit triggers a wider chain reaction enabling the household to move up to the next level in the livelihoods ladder.

This can be captured from the experiences shared by a group of small and marginal farmers of SC community of Chowderpally village. *“The present means of our livelihood are agriculture in own lands, wage employment in MNREGA and in others farms, in that order of priority. The importance of MNREGA is that it provides cash income in significant amounts periodically and at crucial times to use for farm investments for Kharif season. We get 2,000-3,000 rupees at once in contrast to small amounts of 100-150 rupees of daily agriculture wage income. On an average each family is earning 7,000-8,000 rupees in a year from MNREGA. Some families are even earning more than 10,000. As a result of this, the dependence on local money lender for small consumption and investment needs has reduced to a significant extent. Because of MNREGA, we have cut down participation as agriculture labor in other’s lands to*

*around 50% and are able to concentrate and spend more time on our own agriculture. Through MNREGA an average investment of rupees 10,000 to 20,000 was made in our lands which helped to bring them into cultivation and improve the quality. The works that were taken up mostly are farm bunding and silt application. Now, mostly the persons who are indebted go to do farm work in the lands of respective lending farmer-cum-landowners involuntarily, whereas others are going on their own choice and terms. In this process, mutual exchange of labour has increased among small and marginal farmers, balancing the increased labour costs.”*

This enabling condition of MNREGA for the landed worker households and factors of unreliability – associated with the implementation of the scheme for the completely landless households – because of its unsure nature, limited employment opportunity and delayed wages are reflected in the higher participation of landed households than the landless agriculture labourers in the selected four villages. The number of households that have accessed MNREGA is more in the villagers where the landless households are very less and vice versa. The above findings are also supported by a comparison of agriculture worker population (Population Census, 2011) and number of people who accessed wage employment in the scheme (2012-13) presented. In the districts where agriculture worker population is high combined with high landlessness and prevalence of irriga-

tion-intensive agriculture (Guntur, East Godavari, West Godavari and Krishna), the participation in MNREGA is relatively low; and, in the areas with significant agriculture workers combined with large number of small and marginal holdings and rain-fed agriculture (Mahabubnagar, Nalgonda, Prakasam and Anantapur), the participation in MNREGA is relatively high.

### CONCLUSION

It is a fact that agricultural work for wages is not a voluntary profession for anybody. It is only undertaken under compulsion and in the absence of any other, better alternative, and in India, it is linked with caste oppression. The number of agriculture labourers has been constantly increasing at more than 20 percent for the last two decades between each census period of 10 years. MNREGA has increased the bargaining power of agriculture workers, particularly women, to the extent of restoring their statutory right to minimum wages, which lead to a marginal increase in their income. However, in the absence of any productive assets of their own, this increase does not have multiplier effect. In the case of landholding workers, MNREGA has helped wage workers to move up the occupational and social ladder as farmers. In the long run, this upward mobility is even likely to make MNREGA irrelevant for them.

Therefore, provision of agricultural land or any other supportive occupational asset

to the landless agriculture workers would also enable them to step on this transformative path.

To realise the full potential of MNREGA, its implementation should be further strengthened in terms of better planning and maintaining quality of works, timely provision of works and payment of wages, etc., in addition to robust land reform measures. Diversifying, stabilising and making the farming of small and marginal farmers profitable and sustainable through appropriate agriculture policies would be another set of strategies. This would be possible if agriculture is perceived as a sustainable livelihood option that provides self-employment, dignity and food security to a majority; as a holistic process involving livestock, fisheries, poultry, value addition at village level and as a collective venture by groups of farmers in terms of sharing labour, preserving seed, crop planning, storage, processing and marketing, etc., rather than as a feeding ground for profit-making by a few corporates and a minority of large landholders, leaving the majority of the farmers and landless workers in poverty and distress. ■

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# Child Poverty Alleviation in China

These children are among the “new left-behind children” group. They were originally children of migrant workers. They became left-behind children of the city they are living in, because their parents work in another city. Photo shows the “new left-behind children” in a station waiting for the train to their hometown. [Du Jian]

By Zheng Fengtian

## ENDING INTERGENERATIONAL POVERTY AND PROMOTING DEVELOPMENT OF CHILDREN ARE THE FUNDAMENTAL WAY TO CHILD POVERTY ALLEVIATION.

Childhood is a time most vulnerable to poverty. It is difficult to grow up healthily if one suffers a poverty-stricken childhood. Poor children lack basic nutrition, education, and medical care. They adversely impact their physiological and psychological development. Underprivileged children usually lack self-confidence, find it difficult to socialize, and are deprived of the equal right to social participation. It is likely that, as they grow, they would continue being trapped in poverty, thus making for

intergenerational poverty.

For the majority of Chinese poverty-stricken families, whether their children can grow up in a healthy way with channels to improve their social status is a key factor in working to shake off poverty. Essentially, child poverty is an issue about development of human beings. The reasons for poverty will be eliminated only when there are effective constitutional guarantees for the growth and development of impoverished children. Guaranteeing poor children's right to subsistence and development, and reducing

and even ending intergenerational poverty is the only way to sustainable economic development and social progress.

### GOVERNMENT AID

Ending intergenerational poverty and promoting development of children are the fundamental way for child poverty alleviation. In recent years, China has adhered to the principle of “priority to children” in poverty relief and paid great attention to the development of children, which has proven effective in overall poverty alleviation. The Chinese mode of child

**The method of the government of Yina Town of Weining County in Guizhou Province – identifies impoverished households according to the conditions of their housing, grain stock, labour force, and education of their children – is worth emulating.**

poverty alleviation is helping impoverished children develop through the agency of both governmental and nongovernmental forces. Measures were taken to increase medical subvention for severe diseases, gradually raise per capita education expenditure for special schools, and facilitate the spread of free compulsory education. Services provided by the government and services purchased from social organizations were combined to give full play to market forces and mobilize participation for offering (health) care and (education) guarantee to impoverished children from birth till completion of compulsory education.

In the 30 years since the Law on Compulsory Education of the People's Republic of China was enacted in 1986, the historic mission to

popularize the nine-year compulsory education and eliminate illiteracy among young adults has been completed. Moreover, underprivileged children's right to basic education is guaranteed. In 2014, under the nine-year compulsory education, the enrollment ratio of primary schools reached 99.8 percent and that of junior high schools nearly 100 percent. That year, the infant mortality rate dropped to 0.89 percent, and the mortality rate of children under age five was 1.17 percent. The same year, more than 32 million rural students under compulsory education benefited from the Nutrition Improvement Program, and 50,000 students obtained aid from the Directed Student Enrollment Program for Poverty-stricken Areas.

In 2014, China formulated the National Plan for the Development of Children in Poverty-stricken Areas (2014-2020), the first such strategic plan. According to the Plan, targeted and practical measures are to be taken to promote child development in poverty-stricken rural areas

with a focus on addressing key shortcomings. The Plan stresses measures to guarantee the health and education of children in rural areas, thus ensuring a safety net for healthy development of impoverished children.

Further, great importance is attached to preventing malnutrition. The Plan has formulated a family poverty-reduction policy with children at the core and nutrition supply as an integral part of basic public health services. Moreover, it favors increased budgets for improving women and child health; structured management of medical human resources; a development and cultivation mechanism in rural areas that is led by the government; and, integration of sectors and departments including public health, human resources and social security, finance, and hospital facilities.

### NON-GOVERNMENTAL EFFORT

Non-governmental organizations (NGOs) have also played a vital role in reducing child poverty. China has formulated policies to en-



November 29, 2015, Beijing, China: The little “angels” of Beijing Youth Development Foundation are raising a fund by themselves to buy lamps for the poor children in mountainous areas. [IC]

courage market forces and social organizations to participate in poverty reduction.

In April 2011, hundreds of volunteers including journalist Deng Fei, as well as dozens of mainstream media organizations, launched the Free Lunch program together with the China Social Welfare Foundation. The program calls for donating three yuan each day to provide free lunch for a student in poverty-stricken areas. To guarantee its transparent implementation, volunteers helped schools included into the program set up Weibo (Chinese equivalent of Twitter) accounts to openly post information about donation revenue and expenditure. Meanwhile, they invite local governments, media organizations, NGOs, parents, and netizens to participate in supervision. Relying on such a combined social force, the program raised donations totaling 46 million yuan from April 2011 to April 2013 for providing free lunch in more than 200 schools.

Currently, charity programs such as the Free Lunch, Rural Kindergartens, Nutrition Improvement Program for Students in Rural Boarding Schools, Sunshine School Dinner Network, Nutrition Package, and Early Childhood Education have mushroomed in poverty-stricken areas, thereby enriching children development modes.

#### BROAD PRINCIPLES FOR POVERTY ALLEVIATION

The Chinese government has promised that by 2020 it would lift 70.17 million in



Two girls are reading a book in a community center for migrant workers and their kids in Daxing, on the outskirts of Beijing. [Laurent Hou]

rural areas above the poverty line. Of this target population, 7.1 million are children.

The government should understand and make surveys of child poverty from the perspective of incomes, education, and nutrition; improve the quality of public services including education and medical care; carry out new, appropriate institutional schemes for relieving child poverty; help impoverished children develop as human capital; and, end intergenerational poverty.

The method adopted by the government of Yina Town in Weining County, Guizhou Province, is worth learning. Here, impoverished households are identified with reference to the conditions of their housing, grain stock, labor force, and children's education. By examining their living, land ownership, and production conditions, and educational level and assessing whether family members are capable, disabled or sick,

an estimate is made of the households' potential for development and educational expenditure.

Social security measures should be further refined. Currently, there are no specialized policies for child poverty relief. Despite the fact that almost all local governments have formulated policies to provide different social security measures for different groups of people, it is hard to identify different groups of people in practice. Therefore, groups of people in need should be further categorized and standardized. China can draw lessons from the categorization methods of some Latin American countries, based on which the government can implement conditional transfer of funds.

Social organizations must be encouraged to participate in poverty reduction. Compared to the uniform social security system adopted by the government, NGOs are more flexible and can better mobilize public welfare organizations and volunteers to participate in relief campaigns, thus maximizing the efficacy of poverty relief efforts. Usually, the NGOs carry out specialized programs targeting different groups, and these are more interactive. The participation of social organizations will help supplement precision poverty alleviation. ■

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# Nutritional Status of Impoverished Children

By Dr Rajendra Dayal

IN INDIA, BESIDES INCOME AND ACCESS TO FOOD, THERE ARE SEVERAL OTHER DETERMINANTS OF UNDER-NUTRITION.

India today faces a unique development paradox of being in the front rank of fast growing global economies, with vibrant economic growth rates and yet, in stark contrast, around 35 percent of India's children under three years of age are undernourished. Undernourished children majorly belong to poor households and socially disadvantaged groups, but there is also undernourishment among children and women in the higher monthly per capita expenditure groups in rural India. This means that, besides income and access to food, there are several other determinants of under-nutrition.

The important determinants other than food and micronutrient intakes include factors such as access to healthcare, hygiene, environment, and caring practices. Health interventions related to antenatal care, institutional deliveries, prevention and

management of common neonatal and childhood illness (respiratory infections, diarrhea), timely and complete immunization, requisite vitamin A and IFA (iron and folic acid) supplementation, de-worming and regular monitoring of child growth and development contribute to improvements in nutrition outcomes. Cultural and behavioural practices with respect to child rearing too influence child nutrition, survival and development.

The Government of India, in recognition of the complex determinants of under-nutrition, has, over a period of time, been moving in the direction of multi-sectoral interventions for promoting maternal and child nutritional well-being. But, the progress has been very slow. India has one of the highest incidences of malnourishment among children in the world, despite the fact that India has a vibrant democracy, a fast

growing economy, and a free and responsible Press, grows enough food, has very extensive public distribution system, and runs the world's largest maternal and child healthcare and nutrition programme.

#### GOVERNMENT INITIATIVES, JUDICIAL INTERVENTIONS AND CIVIL SOCIETY ACTIVISM

The government prepared the National Nutrition Policy (NNP) in 1993. In 1995, it drafted the National Plan of Action on Nutrition (NPAN). In 2003, the National Nutrition Mission was set up for effective coordination of the various nutrition-related interventions, and it launched a pilot project in 51 nutritionally deficient districts to provide free of charge grains to children and lactating mothers belonging to the below-poverty-line (BPL) households through the Targeted Public Distribution System (TPDS).

Nutrition assumed the



place of a central concern in the development discourse with the setting up of the Prime Minister's National Council on Nutrition Challenges in 2008. In 2010, the National Advisory Council within the PMO constituted a special group on food security and Integrated Child Development Services (ICDS) reforms, and also drafted the National Food Security Bill in 2011. In 2013, the government enacted the National Food Security Act to provide food and nutrition security as legal entitlements.

It may be noted here that in the shaping and evolution of the nutrition policy, the activism of civil society organizations and judicial interventions have had a major influence. In particular, the Jan Swasthya Abhiyan, the Right to Food Campaign and the Citizens Alliance Against Malnutrition have been instrumental in bringing under-nutrition on to the public policy agenda of the government and sensitizing citizens to the consequences of malnutrition.

#### THRUST AREAS OF NUTRITION CHALLENGE

In the backdrop of a vigilant Supreme Court, its observations and directives as well as the issues flagged by civil society organizations, the Prime Minister's National Advisory Council in 2010 formulated a framework of strategic interventions for meeting the nutrition challenge. This framework also underpinned the 12th Five-Year Plan strategy to meet the nutrition challenge. It has

four key thrust areas where interventions are called for: (a) strengthening and restructuring the ICDS; (b) prioritizing nutrition in the various sectoral programs of different ministries; (c) introducing multi-sector programmes in selected 200 high-burden districts; and, (d) conducting nation-wide campaigns to raise awareness of malnutrition and its consequences.

Integrated Child Development Services (ICDS) was to be restructured and strengthened because it is the mainstay of the government's initiatives to foster children's nutritional well-being. Henceforth, it was to have special focus on the needs of pregnant and lactating mothers, and children under three, who as past experience had shown, generally remained outside the coverage of ICDS. Secondly, ICDS was to actively promote optimal infant and young child feeding practices that inter alia stressed on breastfeeding and discouraged bottle-feeding with milk substitutes. Thirdly, the ICDS was to focus on combating micro-nutrient deficiencies by encouraging its use and supplying nutritional supplements, and keep a record of nutrition and health-related data. Further, as part of strengthening ICDS, the numbers of Anganwadi Women Workers (AWWs), Accredited Social Health Activists (ASHAs) and Auxiliary Nurse Midwives (ANMs) in the 200 high-burden districts were to be increased and given skills training. Restructuring ICDS also implied that, henceforth, there would be programmatic

convergence with programs run by other departments such as the Ministry of Health and Family Welfare and the Ministry of Rural Development.

The second thrust area was to prioritize the nutrition component in the various sectoral programs of different ministries. For instance, the programs of the Ministry of Health and Family Welfare with relevance to preventing and reducing under-nutrition were to be focused upon, such as (i) Immunization Programme; (ii) newborn care; prevention and management of common neonatal and childhood illnesses including diarrhea and Acute Respiratory Infections; (iii) care of the sick child – at the community level through ASHA and, at the institutional level, through primary healthcare facilities; (vi) Vitamin A administration; (v) Anemia management and pediatric de-worming; (vi) school health programmes with supervised weekly IFA supplementation and six-monthly de-worming;

### Nutrition assumed the place of a central concern in the development discourse with the setting up of the Prime Minister's National Council on Nutrition Challenges in 2008.

and, (vii) Nutrition Rehabilitation Centers – for sick and severely malnourished children.

Third, since nutrition is a complex issue, which cuts into many sectors, such institutional mechanisms and implementation platforms were to be set up that could bring about effective convergence of direct nutritional and indirect multi-sectoral interventions. While at the national level there was to be the PM's National Nutrition Council, with executive committee headed by the Minister of Health and an empowered committee to plan, implement and oversee multi-sectoral convergence, at the state level and below it, Chief Minister's Nutrition Councils, District Nutrition Council, Village Health Sanitation Nutrition Committee (VHSN) were to be formed, where they were hitherto non-existent. These nutrition councils at the state and district levels had to prepare the Nutrition Plan at the relevant level, and oversee its implementation and monitor progress. The panchayat raj institutions with its Gram Sabhas (Village Councils) and VHSN committees on the ground were to be the cutting edge of all multi-sectoral interventions.

And, lastly, as there was little public awareness and understanding of the consequences of malnutrition, the government had decided to launch a nationwide campaign against malnutrition. For this, a national communication strategy framework was to be developed through strategic partnership with

CSOs, professional networks, voluntary groups, community colleges and other actors.

#### NUTRITIONAL STATUS TODAY

The progress on the nutrition front since 1992-93 is presented below in Table 1 and Table 2.

**Table 1:**  
Reduction in malnutrition rates for children <3 in India

	NFHS1 1992-93	NFHS2 1998-99	NFHS3 2005-06
STUNTED %	N.A	51	44.9
WASTED %	N.A	19.7	22.9
UNDERWEIGHT %	51.7	42.7	40.4

Source: NFHS-3 (IIPS 2007a)

**Table 2:**  
Reduction in malnutrition rates for children <5 in India

	NFHS-3 2005-06	NFHS-4 2014-15
STUNTED %	42	37
WASTED %	48	22
UNDERWEIGHT %	39	34

Source: Rukmini. S. 'Child Stunting declines, but still high'. *The Hindu*, Jan 21, 2016.

The extent of malnutrition, however, varies greatly across India. The NFHS figures (1, 2, and 3) are national averages. In poorer states and among socially and economically deprived groups, the malnutrition figures are more appalling.

Besides, the NFHS-4 survey results, which are only for half of the country and, therefore, to that extent limited, there is another data source – Rapid Survey of Children (RSOC) which conducted the survey in 2013-14 along with UNICEF. Jean Dreze, the development economist, regards it as some sort of a substitute for the NFHS-4, whose work is not yet complete. RSOC data fills in the huge gap in India's social statistics, and fortunately it is

modelled on the NFHS, which makes possible comparison of data with NFHS-3.

According to RSOC, there is marked improvement in many aspects of maternal and child nutrition between 2005-06 and 2013-14. But, progress is on the whole slow and uneven across different indicators. The areas of progress relate to safe birth deliveries, vaccination and breastfeeding.

There are several reasons for the slow and uneven progress. The Right to Food Campaign finds that though social sector financial outlays have increased significantly since the 10th Five-Year Plan, it still remains far short of what is needed to fight the scale of malnutrition among children in India. Then, there are governance issues related to problems in horizontal coordination among different ministries and between state and non-state agencies in producing convergent action in the fight against malnutrition. Further, the mode of delivery and implementation remains centralized and bureaucratized, while peoples' involvement through panchayat raj institutions remain perfunctory. Above all, health and nutrition have still not become public issues over which electoral battles are fought. ■

*The author is Associate Professor at Aryabhatta College, University of Delhi. He teaches Political Theory and Indian Government, and Politics. His research interests include rural development, public policy, and identity politics. He is author of Constitutional Democracy in India: Institutions at Work (2015) and has edited two books: Introduction to Political Processes in India (2016) and Development Process and Social Movements in India (in press).*

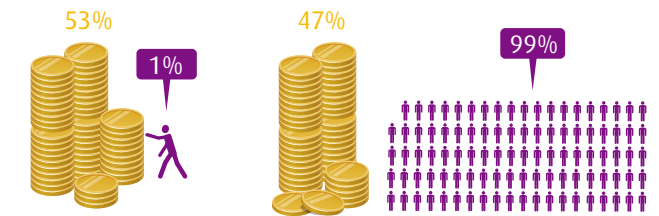


# Wealth and Inequality in India

by Bodapati Srujana and Prabir Purkayastha

India is currently becoming one of the most unequal regions in the world. According to Credit Suisse Global Wealth Data Book 2015<sup>1</sup>, the top 1 percent of the Indian population own more than half, i.e., the 53 percent of the total private wealth in country (See Figure 1).

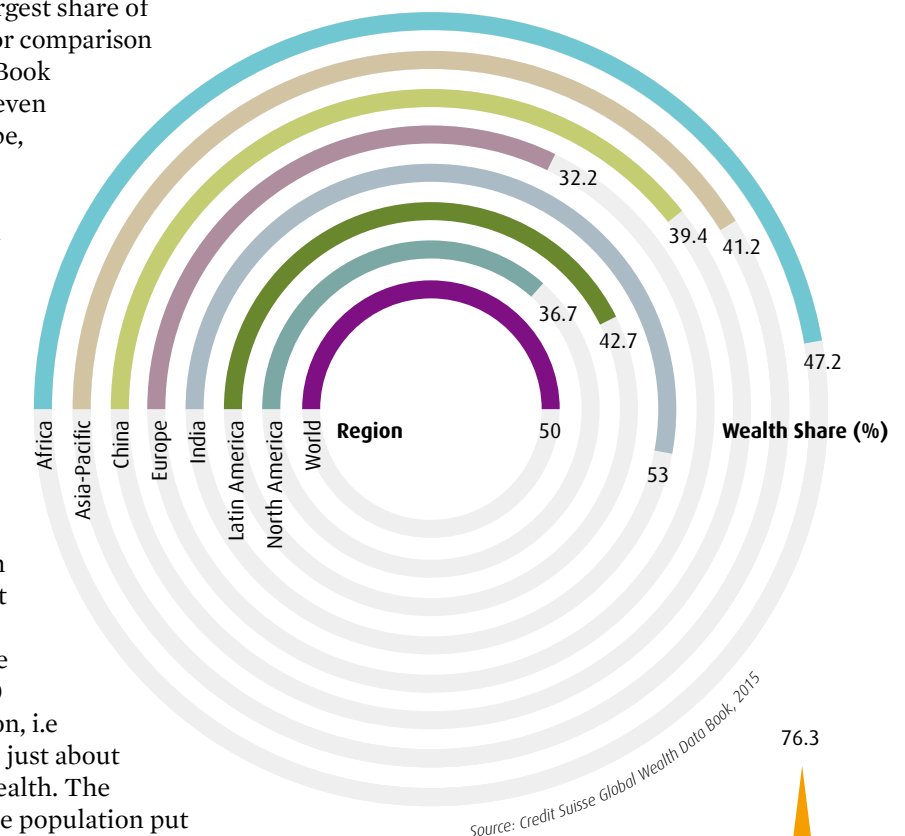
**Figure 1: India's Top 1 percent own more than half of the country's wealth**



Source of data: Credit Suisse Global Wealth Data Book, 2015.

Among all the regions, India's richest 1 percent own the largest share of their region's wealth. For comparison across regions the Data Book divides the world into seven different groups –Europe, North America, Latin America, Africa, Asia-Pacific, China and India (See Table 1). Considering the large populations in these two countries, China and India were accorded the status of two different regions.

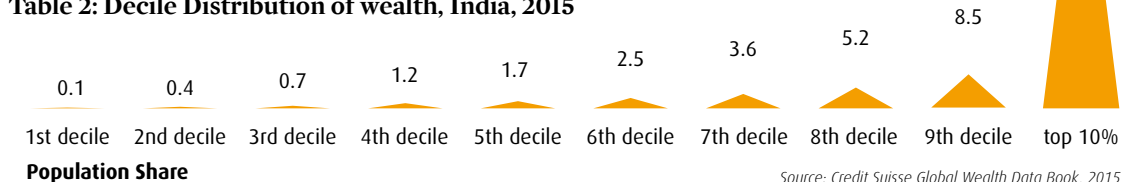
**Table 1<sup>2</sup>: Share of top 1 percent in wealth, 2015**



Source: Credit Suisse Global Wealth Data Book, 2015

If we take a closer look at India's wealth distribution, the poorest own very little of the country's wealth. All the wealth of the bottom 50 percent of the population, i.e. 625 million of people, is just about 4 percent of the total wealth. The bottom 90 percent of the population put together have less than a quarter of total wealth, as the top 10 percent appropriated 76 percent of the total wealth (See Table 2 & Figure 2).

**Table 2: Decile Distribution of wealth, India, 2015**



Source: Credit Suisse Global Wealth Data Book, 2015

1: Source: <http://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=C26E3824-E868-56E0-CCA04D4BB9B9ADD5>

2: This data is reproduced from the Credit Suisse Global Wealth Data Book, 2015. All the shares do not exactly add up to 100%, likely due to rounding off to the first decimal.

Figure 2<sup>3</sup>: Wealth Distribution in India, 2015

Source of data: Credit Suisse Global Wealth Data Book, 2015

The starkness of India's wealth inequality is such that, today Mukesh Ambani, the richest man in India, owns more wealth than the combined wealth of the bottom 20 percent of the population (250 million). Fifteen richest Indians own more wealth than the bottom 50 percent of the population and hundred richest Indians own more wealth than the bottom 70 percent of the population<sup>4</sup>.

India's wealth distribution

was not always of such extreme inequality. In the year 2000 the share of India's top 1 percent was 36.8 percent. India's situation was better compared to the world, where the top 1 percent population owned 48.7 percent of the total world wealth. Now, after 15 years, while the share of the world's top 1 percent in world's wealth increased by 1.3 percentage points, the share of India's top 1 percent increased by a whopping 16.2 percentage points<sup>5</sup>.

The Credit Suisse data also shows that, economic growth in India largely benefited the top 1 percent. A total wealth of \$ 2.3 trillion was created in the Indian economy between the years 2000 and 2015. Out of this newly created wealth, the top 1 percent appropriated 61 percent (\$1.4 trillion), while the next 9 percent got 21 percent share (\$ 0.5 trillion). The bottom 90 percent of the population was left with only 18 percent (\$0.4 trillion) of this new wealth<sup>6</sup> (see Figure 3).

Figure 3<sup>7</sup>: Between 2000 and 2015, Indian economy created a wealth of \$2,284 billion. More than three/fifths of the wealth went to the the top 1 percent.



Source of data: Credit Suisse Global Wealth Data Book, 2015

3: The data here is reproduced from the Credit Suisse Global Wealth Data Book, 2015. All the shares do not exactly add up to 100%, likely due to rounding off to the first decimal.

4: To make these comparisons, net worth data from Forbes list of India's 100 richest has been used, along with <http://www.forbes.com/india-billionaires/list/#tab:overall>

5: These calculation were made using data from Credit Suisse Wealth Data Book for year 2014 and 2015.

6: The calculations on wealth growth were made using wealth data at constant exchange rates, taken from Credit Suisse Wealth Data Book, for years 2014 and 2015.

7: The shares in this pie chart do not exactly add up to 100%, due to rounding off to the first decimal.

Even among the top 1 percent which is about 12.5 millions of people (India's population is 1.25 billion), it is really a handful at the top that benefited from the growth, as can be seen by the fact that the top 0.2 percent of the India's population, i.e., 'one fifth of the top 1 percent' own more than 40 percent of the country's wealth (See Table 3).

Table 3: Wealth distribution within the top 5 percent, India, 2015

Population Share	Wealth Share (%)
Top 0.2 percent	41.40
next 0.8 percent	11.60
next 2.2 percent	11.00
next 1.8 percent	4.60

Source: Credit Suisse Global Wealth Data Book, 2015

The Credit Suisse data also shows that the so-called thriving middle class in India in fact is a very small section of the population. The data book places a meager 3 percent of India's population in the middle class<sup>8</sup>, i.e., only 37.5 million people out of 1.25 billion Indian population belongs to the middle class. Middle class and the rich<sup>9</sup> together constitute just 3.2 percent of the total population, leaving almost 97 percent of the population below the level of middle class.

While the growth in inequalities has been low in India, during the UPA II period, the first year of the Modi government showed a sharp growth in inequality. The share of the top 1 percent has risen by about 4 percent points in just one year alone, much higher than anything we have witnessed from 2000 onwards (See Figure 4).

Figure 4: Yearly increase in the wealth share of top 1 percent



Source of data: Credit Suisse Global Wealth Data Book, 2015

It is obvious that the policy path followed by successive Indian governments has contributed to growing inequalities. If the rate at which the top 1 percent has been eating up the wealth pie - an increase of one percentage point every

year - in another 12 years, their share in India's wealth is likely to go up to 75 percent. What we are seeing is actually a trickle up effect, rather than 'trickle down' as some economists claim would happen with the expansion of the economy.

Prabir Purkayastha is the chairperson of the Knowledge Commons and founder-editor of the NewsClick, an online news portal.

Bodapati Srujana is a researcher in the Knowledge Commons, working on issues in digital economy and on inequalities in India.

8: Credit Suisse has defined middle class (India) as those who have a net worth between \$13,700 and \$ 137,000 approximately.  
9: Rich (India) are defined as those with more than \$ 137,000 in net worth.



## A More Holistic Approach Should Be Adopted

We encounter many homeless, poverty-stricken pavement dwellers in our everyday life. In the metropolitan cities of India, the population living in the slum areas is increasing day by day. The landlessness among farmers remain the bulk of the unemployed in rural areas, which condition amplifies rural-urban migration and this, in turn, leads to more poverty.

In India, poverty is truly multidimensional and associated with socio-economic, cultural, environmental and political factors. The causes of poverty, too, vary. Huge dissimilarities in ecological conditions, population density, technology, infrastructure etc. have been the root causes of poverty across regions.

Poverty is a vicious cycle. Low income results in lower capacity to invest in health and education, which in turn, leads to low productivity and capital formation, and ultimately it again re-

sults in poverty.

In India, where social class or status of an individual has played an important role since time immemorial, its association with poverty is quite obvious. History clearly shows that marginalized social groups, especially Scheduled Castes (SCs) and Scheduled Tribes (STs), have always been victims of subjugation and economic exploitation, and the socio-economic oppression continues till date.

Since Independence, the government has launched numerous poverty alleviation program. It would be unfair to say that these programmes were complete failures, but their implementation was rather limited, and the results acutely

insufficient. They were often unsuccessful in reaching the target groups in the right way. As poverty in India is multi-dimensional, its alleviation requires policymakers to adopt a more holistic approach.

### Madhusree Jana

Age: 24

Occupation: Research Scholar (MPhil)

College Major: Geography

Place of Birth : Contai, West Bengal, India

### Sarmi Sinha

Age: 24

Occupation: Student (M.A.)

College Major: Chinese

Place of Birth : Bolpur, West Bengal, India



## Improving Society Through Developing Education

I was born in a village in Chengdu, capital of Sichuan Province. Dubbed the "land of plenty," Sichuan is ideal for agricultural development due to its favorable climate and geographical conditions.

From 2013 to 2015, I worked as a volunteer teacher at a middle school in a township in Baoshan City, southwestern China's Yunnan Province. Transportation was extremely inconvenient there. It took about two days to travel from the township to Kunming, capital of Yunnan Province. The township is a vast area, with the remotest village under its jurisdiction being 45 kilometers away from the seat of its authority. Locals led a poor life. Many households lived in shabby structures left behind by earlier generations and eked out a living by selling agricultural produce such as walnuts, corn, sugarcane, tobacco

leaves, and pine rosins. Their incomes fluctuated with the prices of the produce. Most youngsters and some middle-aged people who received elementary school or middle school education left their hometown and worked as migrant workers in cities, and the rest survived on farming. Some of them were illiterate, thus lacking the education to find jobs elsewhere. Underdeveloped transportation and education are two main factors that impede the development of local economy and cause poverty.

During my two years there, I visited every village in the township. I realized that lack of education was a major reason behind poverty.

The young adults are an integral part of the local poor. To some extent, their poverty was "innate" due to the fact of being born into poor families. However, they still have opportunities to shake



### Luo Tao

Age: 28

Occupation:

IT engineer in a charity organization

College major: Astronomy

Place of birth: Chengdu City, Sichuan Province

Place of residence: Beijing

off poverty as long as they receive good education. These young adults are easy to be educated, and they can become a major force in society. If we provide local children good education, and more and better options in life, incomes in the township will rise as the children grow up and become the backbone of the local community.

## A Long Way To Be Out of Poverty

One week after the beating, I could still find bruises and scars all over my body. I was beaten by my mother with a bamboo strip, leaving me with bruises and scars, which were marks of her desperation, born of her poverty.

After so many years, this beating still remains fresh in my memory. I had

broken the key around my neck when chopping firewood – that's why I was beaten. At that time, there was always one month of food scarcity in my household each year. The granary was nearly empty, and the new crops were not yet ripe for harvesting, which meant the whole family needed to eat side crops for more than one month before the autumn harvest fell due. At that time our only income came from a lovely hen raised at my home. We used her eggs to trade for my school supplies such as pencils and daily necessities such as salt. So, it is not difficult to understand the desperation behind my mother's anger.

Families like mine were common in the village. Those getting sufficient grain for their families were considered "well off." People lived on land, however, limited land could only produce limited quantity of grain, which meant if we depended only on our land, we would be impoverished from generation to generation.

Beginning from the 1990s, my father went to work in cities, since then my family has lived a better life than aver-

age in the village. For many, seeking a job in cities has become another way to get out of poverty, besides "sending children to school" or "to join the army." However, seeking a job in cities cannot guarantee being out of poverty. Sometimes I find that the life has become even more difficult for today's migrant workers. Today's migrant workers are caught in a dilemma: We can hardly survive in cities but have no place to go back to in rural areas. I cannot imagine what kinds of challenges the migrant workers of next generation will face.

We, migrant workers, have created abundant social wealth by dint of hard work, but still, we can't shake off poverty. More families have become impoverished because of serious illnesses, high cost for education or house dismantling and relocation. It seems that when people are gradually getting out of material poverty, but now they have more worries and misgivings, losing directions in life or living solely for the sake of survival. This, I believe, is the worst poverty of all.

I believe that poverty is a big issue that the world majority will have to tackle over a long period.



### Yang Meng

Age: 29

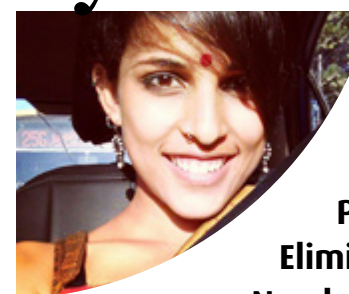
Occupation: Volunteer in a social work agency for migrant children

Education: Senior high school

Place of birth: Junlian County, Yibin City, Sichuan Province

Place of residence: Shenzhen

# Many Ways to Ending Poverty



## Poverty Elimination Needs Global Measures

### Manisha Shastri

Age: 24

Occupation: Advocacy Officer, The Concerned for Working Children, Bangalore, Karnataka, India.

College Major: M.A. in Social Work in Disability Studies and Action, Tata Institute of Social Sciences, Mumbai. B.A. in English Literature (Honours), Gargi College, New Delhi, India.

Place of Birth: New Delhi, India

In a country like India, there are several reasons behind poverty. These include absence of employment opportunities; lack of access to education, health care, and welfare programs; and, changing international economic trends which affect the country. I often come across individuals experiencing poverty in my everyday life. These individuals are mostly victims of their circumstances and the socio-economic class they belong to.

Social class, economic environment, government policies and the level of social development are all factors that contribute to poverty and have a negative impact on poverty alleviation measures in the country.

The groups affected by poverty which concern me the most are persons with disabilities/mental illness, children, women and those belonging to sexual minorities. These groups are already pushed to the margins in society. Individuals belonging to these groups expe-

rience deprivation in more severe forms as compared to others living in poverty.

Based on my experience in my work, I feel that in order to address poverty, policy makers must engage with those experiencing and living in conditions of poverty to understand their ground realities; and make policies based on that. Poverty is a manifestation of larger problems within an unequal society which need to be recognised, understood and addressed in a sustained manner.

Personally, and based on my professional experience, I am not too optimistic about poverty being eliminated in the future, given that the inequality between the rich and the poor is only further increasing. In order to eradicate poverty, measures are required to be taken globally and not just nationally. The global economy, in my opinion, is what aggravates poverty, and there is a need for all nations to address these trends with collective will and resolve.



# Playing Holi India's Festival of Colors

Text and photos by Zheng Huansong

THE MYRIAD COLORS, AS WELL AS LAUGHTER OF PEOPLE CELEBRATING THE FESTIVAL, REMAINED FRESH IN MY MEMORY LONG AFTER I RETURNED TO CHINA.

The author (right) with an Indian girl during Holi.

An iconic Hindu festival, Holi is also known as the festival of colors in India. Typically, the festival is celebrated around the nation in March, and the celebration may last for several days. For Indians, the Holi festival marks the beginning of spring and their joyful expectations for the coming year. The festival embodies the nation's rich history and culture. During Holi celebrations, everyone – rich and poor, young and old – enjoys the festival of colors. During the two years that I worked in India, I was lucky to photograph and experience three Holi festivals. The myriad colors, as well as laughter of people celebrating the festival, remained fresh in my memory long after I returned to China.

In March 2013, I set foot on Indian soil for the first time as a photojournalist. Holi was my first photography project in the South Asian country. On the advice of a colleague who had been there for years, we chose Mathura, a town in northern India's Uttar Pradesh, to photograph the festival. For Hindus, Mathura is the birthplace of Lord Krishna, a deity commonly worshipped in India. For this reason, Mathura is considered a sacred city by Hindus. There, visitors can witness the most traditional Holi celebrations.

The festive atmosphere was palpable as our vehicle approached the old district of Mathura. The staff at a toll station we passed had their faces painted red with colors,

and they looked as though they were drunk. We saw children chasing and squirting colored water at each other with water pistols in villages on our way to Mathura. When we arrived in Mathura, we found the streets crowded with people and vehicles. Almost all people – motorcycle riders, peddlers, and pedestrians, as well as cattle on the streets, had their bodies and faces painted in myriad colors.

Because the street to the central part of the town was open only to pedestrians, we got off our vehicle and photographed while walking. Though a stranger to the country, I was soon submerged in bright colors, thanks to the enthusiasm of those celebrating Holi. People rubbed dry, powdered color on one another. As an outsider, I was "besieged" by locals spraying pigments and colored water on me. Surprised at their enthusiasm, I shouted, "It's all right to color me, but be careful about my camera." Although worried about my camera, I couldn't help

but keep pressing the shutter all the way.

I spent two hours shooting Holi celebrations along a street that's only several hundred meters long. That day, in the South Asian town, I took hundreds of photos of people playing Holi in full flow with joy amidst much laughter and cheering with smiles on everyone's face. My own face was so thickly colored that it had turned black. This was my first experience of Holi, which I found intriguing and exciting.

After one year in India, I had a better understanding of its society. I was more experienced when it came to my second Holi photography project. Apart from making my camera dust-proof and waterproof, I photographed by choosing a theme.

I still chose Mathura as the place to photograph Holi. On March 12, 2014, I arrived in the town, several days before that year's festival. This time, I focused my lens on Lathmar Holi, in which women, wearing colorful clothes and headscarves, hit men with sticks while the latter "fought" back with petals and color powders as "weapons." Legend has it that Lord Krishna visited his beloved Radha's village on this day and playfully teased her and her friends. Taking offence at this, local women chased him away with sticks. This is how Lathmar Holi originated.

In Lathmar Holi, women showed no mercy when beating men. It was as if they were taking revenge for the unfair treatment they received in everyday life.



Being "beaten" during Holi deepened the author's understanding of Indian culture.





Regardless of identity, social status and class, however, all participants – men being beaten with sticks or women being “attacked” by colored powders – enjoyed the festival, with their laughter reverberating in the air. The color splashing was followed by a grand dance. That day, though merely a witness as a male photographer to record the occasion, I received a blow on my back. I snapped a picture of the woman who hit me

with a stick. Every time I saw the picture, I missed the Lathmar Holi I had experienced. It was the blow that made me better understand the local culture.

Time flies quickly. My third Holi was my last project before I left India. To experience a Holi festival different from the two that I had photographed before, I came to Santiniketan, a town of cultural and historical importance in eastern India's West

Bengal. The town is known the world over as the home of the famous poet Rabindranath Tagore and the Visva-Bharati University that he founded.

Perhaps, due to the academic ambience of Santiniketan, Holi celebrations here appeared more “gentlemanly” and “civilized.” People merely colored each other with dry powders in a gentle, polite manner, and participants did not need

to worry about their clothes getting stained with colored water. On the playground of Visva-Bharati University, I saw people from all over the country dancing in a swirl of colors, students playing with each other, and children enjoying the festival under the watchful eyes of their parents. Everything looked peaceful, civilized, and natural. Compared to the carnival-style Holi in Mathura, the comparatively peaceful Holi

in Santiniketan was heart-warming.

During my two years in India, I developed a strong liking for Holi. Through my camera lens, I recorded many lovely, smiling faces of revelers. Holi celebrations made me feel warm and happy especially when taking photos of some of the revelers, including beautiful women, distinctive-looking men, and adorable children. I wondered whether I would have

any more chance to experience the festival of colors after leaving India.

Today, the old jacket which I wore during the three Holi festivals adorns my wardrobe. The indelible colors on it never fail to stir fond memories. ❹

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The author joined Xinhua News Agency's Photo Department in 2008, and served as its photojournalist in India from March 2013 to April 2015.



# BOOKS



Looking for a Home

## Living Poverty and People's Destiny

Edited By Chen Yingfang / Wei Wei

Shanghai Ancient  
Books Publishing House,  
June 2015

Nowadays, quite a section of people in China's metropolises don't have decent homes. For a middle-aged cleaning woman, home is a small room in an old alley in a bustling area of Shanghai. Some migrant workers, who came to Shanghai to plant vegetables and flowers on contracted lands, lived in temporary shacks in the fields. Some others have made park benches their home. In 2009, sociologist Chen Yingfang, who has been concerned about China's urbanization, began to host a two-year research program on "living assistance to city dwellers." Lives of Shanghai's denizens are recorded, and made into the book *Looking for a Home*.

The book, in the form of investigative reports, shows the lives of people, especially migrants, living in poor conditions in Shanghai. It brings out how they work, study, pay taxes, seek medical attention, explore new opportunities, and find their own place in the city. Through this book, Chen attempts to provide an understanding of the poor, especially migrant workers,

and their deprived condition in major Chinese cities. She hopes that such social research will serve as a basis for a system of assistance to the urban poor. "I hope to enhance the general public's empathy and sense of association through stories in the book, thus setting up a social base for promoting institutional reform," says Chen. The influential *China Youth Daily's* "Ice Point," a column known for in-depth reports, observes that this book is "profound and detailed at the same time."

The author, Chen Yingfang, who has a doctorate from Osaka City University, is professor in the School of International and Public Affairs, Shanghai Jiao Tong University. She is a specially-appointed researcher with Urban Culture Research Center in Shanghai Normal University. Her books include *City Chinese Logic* and *Youth and Social Change in Modern China*. Co-compiler of the book Wei Wei, doctor of laws of East China Normal University, authored *Research on "Collectivity" of Households to Be Relocated*.

### HUMAN'S DESTINY IS OUR LASTING CONCERN

For migrant populations in cities, mutual assistance for living such as "lodging" is common. This is a big help for people without a dwelling or money to pay for hotels or rooms to avoid life on the streets.

Mutual assistance and support network among social members have always existed in society at various times. Such assistance and network are considered basic for people to build and maintain order in daily life, and is typical of "self-generating social orders" in some communities. While doing research, two aspects caught our attention. One, is that many interviewees attribute their finding a job and living in a major city to the help received from relatives and friends. They either got temporary lodging with friends or relatives on arrival, or they have been living with them at low or no cost. The other is that, many migrants rented a house or shared a bed along with others. One of the interviewees said that she had shared a bed with three others, with two of them sleeping during the day and the other two at night. Amidst extremely difficult living conditions, migrants have formed a mutually-beneficial cooperative relationship and found relief in co-renting and space-sharing.

At the same time, we find that our cities are lacking adequate relief schemes to provide shelters for impoverished migrants. We looked at the trend of assistance related to accommodation to low-income or no-income migrants. Based on the source of assistance, we classify it as follows:

**Public Assistance:** Municipal governments provide non-profit housing or dorms.

**Community Assistance:** Communities or social organizations provide non-profit housing or dorms.

**Self-assistance:** Individuals or families obtain residence through labor or housing markets.

**Mutual Assistance:** Individuals provide living assistance to each other.

During research, we noticed that except for relief stations, at all levels, which focus on providing temporary relief rather than supportive stable housing, municipal governments have not constructed shelters or living facilities for poor migrants. However, our investigations found that several non-governmental organizations were providing living assistance to the homeless. Some of them are charity organizations providing daily living assistance to, and some are enterprises giving vocational training and other services to vagrants for their assimilation in society. Therefore, among urban migrant population, formation of a structure for living is linked to the housing absorption mechanism and, at the same time, determined by laws and ethical codes.



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