



Technical Assistance Consultant's Report

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PRC: Strategic Policy Conferences and Studies for Poverty Reduction

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Prepared by China Foundation for Poverty Alleviation

For State Council Leading Group Office for Poverty Alleviation and Development (TA
Executing agency)

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Asian Development Bank

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Abbreviations:

PA: poverty alleviation

MOF: Ministry of Finance

PAD: poverty alleviation and development

PAO: poverty alleviation office

PADO: poverty alleviation and development office

Preface

To increase communication among the government, the public, the research institute and the private sector in policy in China and help the government make long effective PA policies, the ADB approved of the technical-aid *Fund for Strategic Policy Conferences and Studies for Poverty Reduction* (TA4200) in Oct. 2003 and began to carry it out after discussing with the State Council LGOPA and MOF. Since its beginning, the LGOPA initiated 22 research projects and meetings closely related to PA policies, which produced noticeable results in that they provided very good suggestions and strong support for making new policies to meet new challenges to poverty reduction.

To sum up these results, the CFPA, entrusted by the LGOPA, invited some experts to review and evaluate all the research projects and activities, and provide proposals for the LGOPA and ADB to carry out similar programs in the future.

The report falls into five parts, i.e., the project background, project practice, project results, their influence on poverty reduction in China, and problems and suggestions.

Our gratitude goes to Mr. Wu Zhong, Mr. Cao Hongmin and Mr. Yuzhou from the LGOPA International Department and Mr. Chris Spohr from the ADB.

1. Project Background

To increase communication among the government, the public, the research institute and the private sector in terms of policy in China and help the government make long effective PA policies, the State Council LGOPA, after discussing with the Ministry of Finance (MOF), sent in 2003 an application to the ADB for carrying out a technical-aid program with a fund for studies and meetings on PA Policies in China. Between July and August that year, the ADB, the LGOPA and the MOF reached an agreement on the objective, coverage, organization and investment of the applied program, which won approval from the ADP headquarters in October, known as *A Fund for Strategic Policy Conferences and Studies for Poverty Reduction* (TA4200).

1.1 What is the project for?

The general objective of this Fund is to increase communication among the government, the NGOs, the research institutes and the private sector in poverty reduction and related fields (e.g., employment and social security) so that the PA policies in China can be more effective and sustainable.

1.2 What is the project about?

The ADB established this fund to quickly respond to meetings and studies that support poverty reduction. The research projects and meetings financed by the fund must be related to poverty reduction and should include such shareholders as national and local governmental departments, donors, research institutes, private sectors, NGOs and the poor. The project fund can cover expenditures on materials for meetings, meeting fees, consulting fees, business trip expenses and other logistic fees.

1.3 How much is budgeted?

The budget for the project totals US\$500,000, including \$400,000 donated by the ADB from its fund for cooperative poverty reduction, and \$100,000 provided by the Chinese government in such forms as offices, vehicles, and pay for workers.

1.4 How is the project operated?

The State Council LGOPA serves as the general organizer of the TA4200 project. Any component to win its fund must send its proposals to the LGOPA. The institution that has won the fund serves as the operator of the component. The LGOPA and the ADB (through its Representative Office in China) will work together for examining all applications according to established criteria and procedures. Without special permission, a component can get a maximum fund of \$20,000. All the project capital is appropriated by the ADB through the LGOPA in the form of reimbursement.

The TA4200 project began in October 2003 and was planned to finish in October 2005, with a time limit of 24 months. But later, the LGOPA, after getting permission from the ADB, extended the deadline to September 2006 and the time limit to 36 months.

2 Project Practice

2.1 Project operation and management

The LGOPA assigned its international and social department to the general operation and management of the TA4200 project and its planning and financial department to its financial management and appropriation. To ensure its effectiveness, the LGOPA made special regulations on project operation and management and signed a project operation contract with the operator of every component. The contracts clearly define the rights and duties of the operator and set clear requirements for project activities and reporting of project progress and financial management.

Moreover, the LGOPA and the ADB held quite a few programs to train project managers and financial managers in procedures for project management and financial reimbursement so that they are clear about the rules. These training programs laid a good foundation for the smooth progress of all components.

Thanks to its standardized practice and management, the TA4200 project was chosen as one with good management by MOF and ADB in 2005.

2.2 Project components

Organized by the LGOPA and the ADB, the governmental departments and NGOs were both active in applying for the fund. There were altogether over 30 institutions proposing near 40 components. After evaluation, 22 research projects and meetings proposed by 19 institutions won the final approval.

The financing of these 22 components fell into two stages. The first stage (from Oct. 2003 to Oct. 2005) saw 10 practiced and the second stage (from Nov. 2005 to Sept. 2006) saw another 12 carried out. All the 22 components are listed in Table 1.

For all the 22 components, the ADB donated a total of \$400,000 with an average of \$18,000 for each (Only two received more than \$20,000 for each).

Table 1 A List of ADB TA4200 Components

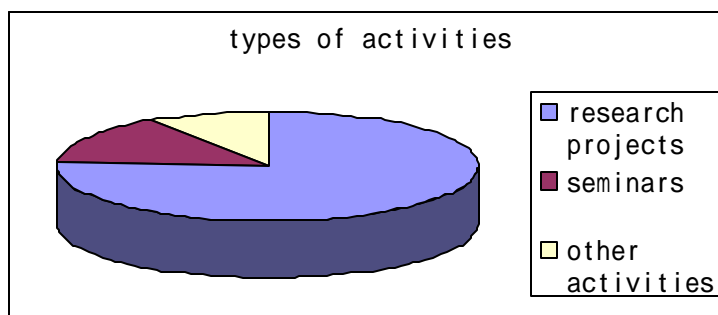
No.	Components	Type	Operator
1	Advocacy of Poverty Reduction through Multimedia	Activities.	MOF International Department
2	Seminar on Poverty Alleviation Patterns in Rural Guizhou Areas in the New Era	Workshop.	Center of Foreign Capital Management of Guizhou PAO
3	A Pilot Study of Multifactorial Poverty—Analysis, Targeting & Mapping.	Research project.	National Training Center for Officials from Poor Areas
4	An Evaluation and Study of NGO PA Projects in China	Research project.	China Foundation for Poverty Alleviation
5	A Study of the Performance of Public Policies and New PA Mechanisms in Rural Areas	Research project.	MOF Research Institute of Financial Science
6	A Report on the Relationship of Natural Disasters to Return to Poverty	Research project.	Chengdu Research Institute of Mountainous Disaster and Environment, CAS
7	Workshops on Health Services for Migrant Workers in Big Cities	Workshops.	Shanghai Dacheng Medical Research Institute
8	A Study of Management of Poverty Alleviation Credit	Research project.	University of International Business and Economics
9	A Study of Labor Export from Poor Areas	Research project.	Beijing Dongfang Hope Economic Research Center
10	A Study of How Major Enterprises in Poor Areas Help Increase the Incomes of Rural Households	Research project.	
11	A Report on Partners' Conference on Establishing "the China Research Center of International Poverty Alleviation"	Activities.	Preparatory Committee of "China Research Center of International Poverty Alleviation"
12	A Study of the Framework & Performance of International Cooperation in Poverty Alleviation in China	Research project.	China Foundation for Poverty Alleviation
13	A Study of Fundraising And Management of International Charitable Institutions And Their Contributions to China	Research project.	Huayu Strategy Research Institute
14	A Pilot Study of Feasibility for Constructing a System for Involving Social Forces in Poverty Reduction	Research project.	China PAD Services Center
15	A Study of Building a Harmonious Society through PAD in Poor Area.	Research project.	China Agricultural University
16	The Influence of Changing Employment Environment in Developed Coastal Regions on Labor Export from Poor Areas—Taking Wenzhou, Suzhou, and Dongguan for	Research project.	Urban School of Wenzhou University

	Example		
17	A Study of Taxation Reforms And Public Services Supply & Demand in Poor Areas	Research project.	Gansu Agricultural University
18	A Study of Rural Healthcare Cooperatives—the New Rural Community Health Services System	Research project.	The Social Policies Research Institute of Chinese Academy of Social Sciences
19	A Mid-Term Evaluation of the Practice of <i>the Rural China Poverty Alleviation and Development Program (2001-2010)</i> in Jiangxi	Research project.	Jiangxi PADO
20	A Study of the Changing International Trade Environment and Countermeasures for Industries in Poor Areas	Research project.	Beijing Normal University
21	A Review and Prediction of Foreign Capital Poverty Alleviation in China	Workshops.	Foreign Capital Project Management Center
22	A Summary And Assessment of TA4200 Components	Research project.	China Foundation for Poverty Alleviation

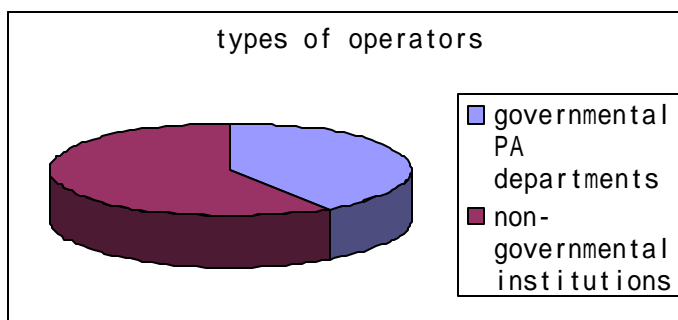
2.3 An analysis of component features

The 22 components involved almost all fields of poverty alleviation, with a wide coverage, rich content and wide participation.

According to the type, most components focus on policy studies, with 16 research projects (77% of all), three seminars (14%) and two other activities (9%) (See Fig. 1).



From the perspective of operators, nine components were carried out by governmental PA departments (41% of all), and the rest 13 by non-governmental institutions (59%), including universities, research institutes, NGOs and private sectors. The diversity of operator types indicates the wide participation in the TA4200 program.



From the angle of research fields, the components involve all the main areas in poverty alleviation, such as the relations between rural public financial policies and poverty alleviation, management of PA projects, rural labor force transfer, the relations between natural disasters and poverty, development of industries in poor areas, the role that NGOs and public welfare organizations play in poverty reduction, the use of foreign capital to alleviate poverty, the evaluation of *the Rural China Poverty Alleviation and Development Program*, and the analysis of factors that cause poverty.

3 A Summary of Project Results

Since the TA4200 components involve a wide range of research and activities, we designed *A Table of ADB TA4200 Components* to sum up their results and proposals (see the Index). Next is a presentation of some important results.

3.1 Public policies and poverty alleviation in rural areas

The components involving this field include “A Study of the Performance of Public Policies and New PA Mechanisms in Rural Areas” (No. 5, carried out by MOF Research Institute of Financial Science in 2004) and “A Study of Taxation Reforms And Public Services Supply & Demand in Poor Areas” (No. 17, carried out by Gansu Agricultural University in 2005). In those two years, the national government made quite a few financial policies favorable for rural development by increasing the pay transferred from the national government to local governments. By studying the influence of rural public policies on the rural economy and society, esp. in poor areas, these components examined the contributions of public policies to rural poverty reduction and related problems, and raise some proposals for making and practicing better rural public policies including those for compulsory education, healthcare and taxation.

The study found that some of the rural public policies may do no good to achieving the objectives of rural poverty reduction, even in contrast to rural PA policies.

(1) Policies for rural education.

The insufficient investment in rural education is in sharp contrast to the national strategy of developing education first. The imbalanced distribution of financial duties and rights between the national and local governments causes some serious problems in poor areas. For instance, the policy of “township government as the main investor in compulsory education” imposes excessive burdens on both the local governments and families. The situation of rural compulsory education in need of money, however, is getting better thanks to the adjusted financial management. First, the original system of “the township government as the main investor in education” was replaced with that of “the county government as the main investor”. Second, the transferred pay for compulsory education was greatly increased because the school budget was increased after the taxation reforms. Besides, dangerous building reconstruction was

financed by a special fund using the national debt. This special fund, which has been provided for several years, proved fruitful.

(2) Policies for rural health services.

Weak in fundraising, governments at various levels spent very little on rural health services, which cover small areas and remain insufficient. There is a sharp conflict between the demand for healthcare capital and its supply. The little fiscal capital, mostly spent on the township hospitals, seldom goes to village clinics. While poor families are often overburdened with medical fees, township hospitals are weak in self-development and local governments are unable to give the needed support. But things are better in the areas where a new system of rural healthcare cooperatives has been practiced.

(3) Rural taxation reforms.

These reforms make it difficult for county and township governments to get adjustable revenues. The poor townships and villages quickly become weak in fundraising and have to rely on state subsidies and transferred payment. The insufficiency of public services poses serious threats on their sustainable development. Major problems include shortage of input into compulsory education, health services and infrastructure. Besides, debts have become a conspicuous problem that affects the smooth operation of township governments and village communities.

(4) Rural social security.

While the traditional rural social security system is confronted with extreme difficulty in fundraising, the new social security programs begin to work effectively. Under the traditional system and due to reduced revenues, the township governments can no longer afford to ensure a decent life of armyman's and martyr's families and the "five-guarantee" families (families that consist the aged, the infirm, old widows or widowers, or orphans only may be provided with food, clothing, healthcare, housing and burial expenses). However, it is worth noting that the experimental new social security programs, like rural healthcare cooperatives and the award to birth-controlled families, have proved fruitful and are warmly welcomed.

3.2 Management of PA loan capital

In the past two decades, the Chinese government has provided exclusive funds for poverty alleviation amounting to a trillion RMB *yuan*, half of them in the form of loan capital. Therefore, evaluating the use and effectiveness of the governmental PA capital is of great importance to improving the distribution and efficiency of the PA loan capital and the capital for other PA purposes.

“A Study of Management of Poverty Alleviation Credit” (No. 8, carried out by the University of International Business and Economics) makes a historical review of the development of loan capital in China and analyzes its results and problems.

(1) From the angle of effectiveness, the biggest problem lies in inaccurate targeting, i.e., PA funds are unlikely to reach the true poor households.

(2) To the operator (the agricultural banks), assets for PA loans are often of low quality.

(3) To the real poor, they have extreme difficulties getting PA loans.

The research project found out six causes of these problems.

(1) The conflict between the objectives of fiscal-supported loaning and those of commercial banks.

(2) High operating costs involved in making loans to poor households.

(3) High capital costs involved in providing loans for poor areas.

(4) Administrative intervention from governments.

(5) The discount interest paid by the government not enough for making up loan losses.

(6) Low-interest loans disturbing the financial market order.

3.3 Research of Labor transfer

For a long time in China, rural labor markets were isolated from urban ones, i.e., it was impossible for rural laborers to move to the cities in those days. With the development of economic reforms, especially with the development of well-organized,

large-scale PA programs, a large number of rural laborers have been set free from their limited croplands and thronged to the cities, which became an imposing “tide of migrant workers”. As an important means, labor export has been highly appreciated by the national government in its PAD strategies. The two research projects on rural labor transfer were carried out by Beijing Dongfang Hope Economic Research Center and the Urban School of Wenzhou University.

The report “A Study of Labor Export from Poor Areas” (NO. 9) holds that labor training can benefit labor transfer a lot in various aspects and therefore, is of strategic importance. First, it can increase the incomes of poor people and relieve the ecological burdens on poor areas. Second, it can meet the demand for qualified workers in the process of industrialization and urbanization. Finally, it can improve the general qualities of the rural population. There are diversified patterns for labor training. From the angle of space distribution, it includes local training and cross-regional training. Training institutions fall into three types, i.e., training bases set up by the governmental PA departments at various levels, rural vocational schools and organizations sponsored by social forces. There are still a lot of problems in labor transfer and training.

- 1) Insufficient attention is paid to the issue and few measures are taken.
- 2) The training programs that have been held remain purposeless, casual and not standardized.
- 3) Few children from poor households take part in these programs because of their insufficient advertising and publicity.
- 4) The training cannot meet the requirements of employers.
- 5) The management of cross-regional training programs involve many difficulties for a lack of smooth channels.

The project “The Influence of Changing Employment Environment in Developed Coastal Regions on Labor Exports from Poor Areas— Taking Wenzhou, Suzhou, and Dongguan for Example” (No. 16) concludes that the contradiction between labor

shortage on the one hand and great troubles for the peasants that throng to cities to get jobs on the other does not simply result from the poor treatment of migrant workers or the imbalanced labor supply and demand, but is a reflection of industrial and economic transformation. Firstly, the all-round development of China's economy and society has brought about major changes in the economic patterns of different regions. The implementation of the strategy of the western development introduced vast investment in infrastructure and basic industries into the western regions. The national programs of revitalizing old industrial bases in northeast China and the rise of central China in recent years has led to rapid development of their socio-economy and increasing demand for labor force, not only for skilled workers, but also for general laborers. As the situation that only the labor-intensive industries in coastal regions absorb large numbers of migrant workers has largely changed, the diversion of labor force becomes an inevitable trend in the rapid development of regional inland economy. At the same time, realizing the strategic importance of "the three rural issues" (i.e., agriculture, rural communities and rural people), the Chinese government has begun to increase investments in agriculture and cut down or exempt agricultural taxes, which greatly increases the farmers' incomes and their choices of livelihood. Secondly, the comparative incomes of migrant workers in coastal regions have declined, and their work conditions have deteriorated. "Many enterprises show no respect to migrant workers, detain their ID cards and temporary resident certificates, and some bosses or monitors even beat and scold them at will." For these reasons, enterprises in coastal areas have become less attractive to migrant workers. Thirdly, the structure of migrant workers has changed and they have become more concerned with the work conditions. The survey shows that the structure of migrant workers has greatly changed, with about 85% under 25. Compared with the older generation of migrant workers, the younger workers are often better educated, more knowledgeable, shoulder less financial burdens and have more expectations. They come to the city not only to make a living but also to pursue opportunities for personal development. Some of them have a strong sense of protecting their own rights and realizing their own

values. As the employment environment is changing, the new generation of migrant workers begins to choose where to go and what to do and dare say “no” to their employers. All these factors are the causes of labor shortage in coastal cities.

3.4 Natural disasters and poverty

Seventy percent of poor counties in China are located in ecologically vulnerable areas, where frequent natural disasters pose serious threats to agriculture and serve as a major cause of poverty. The occurrence of poverty in an area is closely related to natural disasters as well as local incomes. Studies show that natural disasters are a major cause of large scale return to poverty. Therefore, the study of the relationship of disasters to poverty restoration and the corresponding policies is of strategic importance to fighting regional poverty and sustainable rural development, both at present and in the long run.

The report on “the Relationship of Natural Disasters to Return to Poverty” (No. 6, accomplished by the Chengdu Research Institute of Mountainous Disaster and Environment, CAS), chose three typical regions in Inner Mongolia, Yunnan and Sichuan to study the relationship of droughts, snowstorms, mountainous disasters and floods to poverty. It concludes that natural disasters not only damage the local ecological environment, but also affect the circulation of social economy, and therefore, turn out to be a long-term restraint of economic development in the country. The positive relationship of natural disasters to rural poverty mainly lies in the following aspects.

(1) Natural disasters increase the incidences of rural poverty. The natural disasters in China mostly occur in poor rural areas, especially the western part of the country, which dramatizes adverse conditions, vulnerable ecology, backward infrastructure, frequent disasters and people’s inability to resist risks. The study of the relationship of droughts and floods to poverty show that 10% increase of these disasters will increase the occurrence of poverty by 23%, with an elastic coefficient of 0.26 and 0.17 in terms of disaster-damaged area and disaster-affected respectively.

(2) Natural disasters cause a high proportion of people to slide back into poverty. Thanks to the drastic measures taken, a lot of farmers managed to get rid of poverty. However, they are often pulled back into poverty by disasters. In 2004, such farmers in the state-key PA counties accounted for 42.2% of the national whole in this field.

(3) Natural disasters intensify backward infrastructure and stagnation of culture, healthcare services and education, hence low qualities of human resources. This is actually the major cause of the chronic rural destitution, which is hard to eliminate.

(4) Frequent natural disasters prevent the rural economy from healthy development. Statistics show that in 1984, the economic loss of total agricultural output values caused by rural disasters was 11.5%. But in 1994, it jumped to as high as 21.2% while in 2004, it dropped to 7.72%. Each year sees 5.09% of GDP taken away by such disasters as forest and prairie fires and pest plagues.

3.5 Development of industries in poor areas

Two components, i.e. “A Study of How Major Enterprises in Poor Areas Help Increase the Incomes of Rural Households” (No. 10, carried out by Beijing Dongfang Hope Economic Research Center) and “A Study of the Changing International Trade Environment and Countermeasures for Industries in Poor Areas” (No. 20, carried out by Beijing Normal University), examined how to promote the development of industries in poor areas from the angles of international trade environment, policy-making and the role of major enterprises.

Since the 1990s, international trade has been growing very fast, with more and more transnational corporations appearing, regional economies integrating, the world economy globalizing and the services trade quickening. With the trade of green products enlarging day by day, the “green” barriers have also become increasingly complicated. With technologies playing a more and more important role in development, technological barriers become more pervasive. With the acceleration of electronic information and paperless transactions, international trade is taking a

completely new form.

The poor areas stay at low levels of resource use, land productivity, labor productivity and resource development. Their simplex economic structures and lack of backbone industries result in bad economic results. The primary industry takes up a too large proportion while the secondary and tertiary industries remain underdeveloped. A few poor areas focus on energy-consuming industries producing serious pollution problems. Upgrading and optimizing the industries in these areas is faced with many difficulties, such as ecological adversity, poor agricultural conditions, large population with poor qualities, peasants' resentment due to improper intervention from local governments, and slow industrial restructuring.

Thanks to the flourishing international trade, foreign trade of China is increasing rapidly. While poor areas are challenged in the short term, there also exist opportunities for them in the long run. As more and more transnational corporations come in and non-state enterprises become the major force in foreign trade, China is quickly integrated into economic globalization. Poor areas have come to participate in international labor division and cooperation. Tourism and labor-intensive industries also await opportunities of development. The severer trade friction has an impact on labor transfer, commodity trade, energy-consuming industry and organic agriculture in poor areas. With the accelerating development of new international trade forms such as electronic information and paperless transactions, poor areas have to meet challenges. In spite of noticeable results from reforms in our foreign trade mechanism, it is still imperative to deepen such reforms.

3.6 The role of NGOs and public welfare organizations in poverty reduction

In China, poverty reduction is the field where NGOs take the most active part. Compared with other fields, the poverty reduction attracts the most NGOs in terms of number, type, contribution and influence. NGO's participation in this field not only

introduces capital and material input in poverty reduction, but also plays an active part in innovating publicity and mechanisms, which is of supplementary or even demonstrative importance to governmental PA programs. However, research in this field did not begin until the 1990s. As the Chinese government has placed increasingly higher emphasis on NGOs participation in poverty reduction, it has become a trend to integrate NGOs' PA actions into the national PA programs and to combine them with the governmental actions so that the PA resources can be more wisely allocated. It is also necessary and important to assess the results of NGO PA projects, identify the secrets to their success and diffuse them.

Financed by the ADB TA4200 project, the China Foundation for Poverty Alleviation, the Huayu Strategy Research Institute and the China PAD Services Center carried out three research components, involving evaluation of NGO PA projects in China, fundraising and management of international charitable institutions, and constructing a system for involving social forces in poverty reduction. The research reports discuss the macro environment, legal guarantee, cultural background, internal management and self-discipline required for engaging NGOs, charitable institutions and individuals in poverty reduction, which provide various proposals for making new PA policies, winning more support from the government and diffusing new PA patterns.

“An Evaluation and Study of NGO PA Projects in China” (carried out by the China Foundation for Poverty Alleviation) concluded that the operation of successful and effective NGO projects is often immersed into the current social structure, either formal or informal. The success of immersion may result from the affinity between NGOs and local organizations (including the government). One reason that NGOs projects tend to be more successful is that they often adopt more reasonable methods. Another is that NGOs often turn to the existing formal system or the informal but important social network for help in terms of resources collection, which makes possible smooth project progress and intensifies mutual accountability among the project operator, local society and the donor or investor.

“A Study of Fundraising And Management of International Charitable Institutions And Their Contributions to China” (No. 13, carried out by the Huayu Strategy Research Institute) concludes that, for historical, religious and cultural reasons, the American charitable foundations differ from their European counterparts in that they practice Puritanism, communitarianism, and voluntarism. It was the American religious and cultural history that determines the birth of its charitable institutions. At the same time, relevant laws play a significant part in promoting the development of the non-profit-making institutions, esp. the charitable foundations. Good management and effective fundraising are two determinants for the successes of charitable foundations.

The report on “Feasibility for Constructing a System for Involving Social Forces in Poverty Reduction” (No. 14, carried out by the China PAD Services Center) holds that, while talking about the achievements obtained in poverty alleviation, we should never forget the job done between 1949 and 1978, during which the Chinese government spared no efforts to promote public education and health, in spite of poverty the whole people suffered. All these efforts are of great importance to the achievements obtained after 1978, when the reform policies were pursued. According to the study, disequilibrium and insufficiency of information is not only a cause of poverty, but also a major cause of little progress in poverty reduction, since it may affect communication between the donor and the beneficiary, thus inducing corruption. Therefore, there should be a central information system that provides services for poverty reduction. The report also suggests that measures be taken to encourage volunteers to participate in poverty reduction. On the one hand, volunteers, representing the social good and public welfare, should be regarded as the most active force in poverty reduction. On the other hand, millions of volunteers joining non-profit-making organizations will greatly relieve the pressure on employment.

3.7 An Analysis of poverty

The component “A Pilot Study of Multifactorial Poverty—Analysis, Targeting & Mapping” (No. 3, carried out by LGOPA’s National Training Center for Officials from Poor Areas) focuses on improving targeting in poverty alleviation. By introducing the term “multifactorial poverty”, the researchers tried to analyze the distribution of poor areas and various features of their poverty by using multifactorial methods, study the relations among the poverty-related data, combine their results with the GIS, and draw a detailed national map of poverty, which is of practical use.

(1) The 2070 counties across the country are divided into 10 groups, i.e. three groups of poor counties, two of average ones and five of rich or relatively rich ones. Such grouping indicates different extents of poverty and different features of development, which can help plan further development and poverty alleviation.

(2) The counties of a certain type are located in a certain area. But the poor and average counties are scattered across the country, except for Shanghai.

(3) The state-key PA counties designated in 2000 are mostly distributed in the three groups of poor counties, with only a few producing good indexes. Combining the distribution of the state-key PA counties with the grouping results, one can conclude that priority should be given to three types of poverty in six poor regions.

—The poorest group, often faced with dual burdens from adverse ecology and large populations.

* The Loess Plateau (covering North Shaanxi, Gansu, Ningxia and North Shanxi).

* The Qinling Mountains (covering South Shaanxi, western parts of Hunan and Hubei, West Sichuan and West Chongqing).

* The Yun-Gui Plateau (covering Guizhou, West Guangxi, Yunnan and South Sichuan).

* The southwestern part of Xinjiang.

—The very poor group, accompanied by underdeveloped society and fast

population growth.

* South Qinghai and northwest Yunan.

—Multifactorial poverty.

* Borderlands between Shanxi, Hebei and Inner Mongolia.

3.8 The rural health services

It is worth mentioning that there are two reports on this issue, one about the health services for migrant workers in cities and the other about the new-type rural healthcare cooperatives. Both the two reports are of great realistic significance.

The component “Workshops on Health Services for Migrant Workers in Big Cities” (No. 7, carried out by Shanghai Dacheng Medical Research Institute) reviewed the situation of migrant workers in big cities, the healthcare problems facing them and the national medical security system for floating populations and analyzed the conditions and restrictions for establishing such a system. According to those present at the meeting, the main factors that prevent this system from establishment include the following ones.

- 1) Lack of policy supports. Except for some local policies and sector regulations, no more related policies have been made.
- 2) Discrimination against migrant workers, restrictions on their permanent urban residence and of their social communication network.
- 3) Negative attitude and insufficient management of urban governments.
- 4) Improper design of mechanisms and systems.
- 5) Employers’ unwillingness to participate in such a system.
- 6) High mobility of migrant workers.
- 7) A lack of comprehensive public services for migrant workers.
- 8) Insufficient demands of migrant workers for such a system.

On the basis of this analysis, the seminar recommended some measures that are of importance for the government to design a national medical security system.

1) Establishing a healthcare insurance fund for migrant workers in cities to cover their major diseases. Its premium, to be managed by the social insurance agent as a special fund, may consist of individual pay and governmental finance, whose proportions shall be differentiated referring to realities in different areas. The migrant workers who have paid their premiums can go to designated hospitals with a “major disease treatment card”. Both the individual premium and the sum insured can be different according to the rate of major diseases and their expenditures, but should be relatively small at the beginning, though they can be gradually raised. In this way, the system can be smoothly promoted and ultimately integrated into the urban medical security system.

2) Establishing a differentiating pension fund for migrant workers. Those with steady jobs in the city for a long time have actually become a part of “urban populations” and should be included into the local urban pension system. These migrant workers can pay their pension premium the same way as the “urban permanent residents”, that is, their employers must pay for them a premium not less than 20% of their total contracted wages while the workers themselves pay a premium not less than 7-8% of their own wages. For those without stable jobs, a transitional system is proposed. For example, different individual premium rates can be arranged for these workers to choose from and, at the same time, the employers must pay to add to the chosen individual premiums. Those self-employed businessmen can be included into the security system for urban self-employed people. Meanwhile, individual pension accounts shall be opened for all the migrant workers who have joined in the fund.

3) Ensuring a minimum standard of living for the rural people who have abandoned their own croplands and settled down in the city. Specific criteria for a minimum life should be worked out with reference to local economic development and governmental revenues. The general social security system should encourage rural people who have settled in the city to abandon their croplands, which can help reduce their risks and the rural populations and promote large-scale farming at the

same time.

4) Practicing stricter management on employment regulations. The government must require the employers to sign contracts while employing workers. In fact, most of the jobs migrant workers do are bad paid and looked down upon by local urban people. It is true that the wage cost will rise to a certain degree if enterprises pay social security premiums for the migrant workers. But their demand for migrant workers will not be affected because migrant workers' wages still remain far below those of local urban workers and the employers are unlikely to get laborers cheaper than migrant workers.

“A Study of the New Rural Community Health Services” (No. 18, carried out by the Social Policies Research Institute of Chinese Academy of Social Sciences) assesses a two-year experiment with the new rural healthcare system to seek for a new pattern of rural community health services and to study the development of the new-type healthcare cooperatives and related mechanisms, such as how to control the supplier, how to provide disease prevention and healthcare services and how to make sure of the consumer's participation while checking the behavior of the suppliers. This study proposes policies for rural cooperative health services.

The experiment involves the following items.

- The families join the Rural Healthcare Cooperative (RHC) on a voluntary basis. Family representatives elect village representatives to form the township RHC council, with a head elected.
- Every villager who joins the RHC should pay a yearly premium of at least ¥10-15. An ideal way is to open RHC individual accounts. In the first year of the experiment, the individual premium was put into the members' accounts in advance by the project fund. The RHC members can use the virtual premium first and then repay it, thus taking no risks. From 2006, when the experiment entered its stage of small-scale fundraising, the RHC members began to pay the premiums themselves.
- All the premiums are managed by the township RHC council and, for the

moment, are used in the form of group purchase. The township hospital serves as the general supplier who will set up community health centers to provide primary medical services. In the long run, the township RHC council will become an independent fundraiser, negotiate and sign contracts with the supplier, and monitor its observation of the contract, so as to protect the members' benefits and rights.

- The RHC is entitled to choose healthcare suppliers, which can be either the township hospital or any other independent but capable organization. The RHC can sign a contract with the supplier in the form of general budget and group booking for medical services.
- The township hospital has promised to set up community health centers to provide integrated health services for the RHC members, including setup and keeping of personal medical records, providing health education and maternity and child care (government-purchased services included), exemption of diagnosis charges, the price differences between drug wholesale and retail less than 10%, management of chronic patients, and free charge of household services except for the traffic costs.

The assessment presents the following results.

1) The community health services.

Farmers in the test town are most satisfied with the drug pricing (63.8%) and distribution of health facilities (72.5%), which are the two main fields that receive most resources put in rural health services reforms. The relatively unsatisfactory items include follow-up services for chronic patients and (30.0% satisfied) and those who have recovered, services for disease prevention and health care (36.5% satisfied), and services for emergency treatment and home treatment (38.9% satisfied). Nevertheless, the general situation is much better in the test county than that in the control county.

2) The new-type cooperative health services.

The experiment with the new-type cooperative health services in Jiuxian Town is the first of its case and worth evaluating in that it provides a possibility of studying

how to make the new-type cooperative health services more attractive to farmers. Investigations show that over 70% farmers from both the test and control towns are in favor of the new pattern, with the insurance for major disease treatment the first reason for them to join in the new mechanism. Local farmers hope that they can benefit from both the two aspects: On the one hand, quite a proportion of expenditures on major disease treatment can be covered by the new system; and on the other, inexpensive drugs can be easily bought for minor diseases.

3) The Rural Healthcare Cooperatives.

The Rural Healthcare Cooperative is a major innovation in the experimental program. As a mechanism to maintain their rights of getting health services, such a cooperative is warmly welcomed by farmers. 80% of the interviewees from both the test and the control towns hold that it is necessary to set up such cooperatives, join them, and elect their own representatives to voice their opinions. Most farmers (69.5% in the test town of Jiuxian and 76.2% in the control town of Huaibai) want to elect healthcare representatives by themselves. Farmers from both the two towns believe that the healthcare cooperatives and representatives will play a positive part. But those from the test town have more trust in them in terms of improving grass-root services and maintaining their healthcare rights.

4 The Influence of TA4200 Components on Chinese PA Policy-making and Application of Their Results

TA4200 is a new form of TA programs carried out hand in hand by ADB and LGOPA in China. Taking into account the new features of poverty and the needs for innovative PA patterns in the new era, TA4200 makes it possible for the government to organize specific research projects, which provide good suggestions for making new PA policies. Besides, the results from these projects, which have been or will be applied, have made positive contributions to our poverty reduction and will make

further contributions.

4.1 General influence on Chinese PA policy-making

In general, the practice of TA4200 components has influenced Chinese poverty alleviation and development in the following three aspects.

(1) Widening the range of research of poverty reduction. The wide range of research projects is of benefit to studying and analyzing poverty. For example, the studies of rural public financial policies and rural health services emphasize the governmental duties in poverty reduction and put forward constructive suggestions for PA policy-making.

(2) Identifying the focuses in rural poverty reduction, i.e., the strategy of whole-village promotion through industrialization and labor export. Related components analyze the influence of governmental policies on the practice of this strategy on the one hand and on the other, propose specific measures with reference to the realistic features of poor areas and poor populations.

(3) Wide participation from various institutions. The wide range of research bodies, involving not only governmental PA departments, but also other research institutes and universities, attracts wider attention to poverty reduction and its studies and helps identify new forces for such studies. What is worth mentioning is that the participation of Guizhou PAO and Jiangxi PADO in the project brings experience and voice from the PA forefront.

4.2 Application of the project results.

Since most of the research projects and seminars target at the new challenges and questions facing China in the new era, quite a number of project results have already been adopted in making and practicing new PA policies and produced noticeable outputs¹.

¹Since the application of project results involves time, some of the results have already been seen while others are

(1) Seminar on PA Patterns in Rural Guizhou Areas in the New Era

This meeting, held by the Center of Foreign Capital Management of Guizhou PAO, plays an important role in promoting poverty alleviation and development across the whole province. The Guizhou provincial government has come to attach much greater importance to poverty alleviation and development and give much stronger support to foreign-funded PA projects and to the provincial PAO itself. The Center of Foreign Capital Management, which was once an isolated organization, has now become a subordinate department of the provincial PAO and been provided with the needed offices and business expenditures. The Provincial Committee of Reforms and Development and the Provincial Department of Finance also have come to provide stronger support for foreign-funded projects. The JICA credit project, which was put on the shelf for many years, finally won approval in 2005 and will soon be practiced. Besides, the past two years have seen increasing PA programs funded by international and domestic NGOs. For instance, international organizations such as action aid, JICA and Oxfam Hong Kong have given more financial aid for Guizhou. Meanwhile, Guizhou has become a major project area of action aid. And Oxfam Hong Kong has set up its representative office in the province.

(2) A Pilot Study of Multifactorial Poverty—Analysis, Targeting & Mapping

Inspired by the results from this component, the LGOPA has already set up its information center. Besides its routine work of maintaining LGOPA's website, the center is planning to build a national platform for collecting, processing and analyzing poverty-related data. It also plans to draw an electronic map to monitor and present the dynamics of poverty across the country.

(3) An Evaluation and Study of NGO PA Projects in China

The component provided the LGOPA a better understanding of the methods and results of NGO PA projects and helped both the government and the NGOs realized the importance and effectiveness of cooperating with each other. All this laid a solid

still to be applied. Our report just focuses on the application of results of the components completed in 2004-2005. Those practiced in 2005-2006 have not yet produced much obvious results.

basis for the LGOPA, the MOF and the ADB to join hands in practicing “the pilot program for village-level poverty reduction through cooperation between governments and NGOs”.

(4) A Study of the Relationship of Natural Disasters to Return to Poverty

Carried out by the CAS Chengdu Research Institute of Mountainous Disaster and Environment, this component gave a good interpretation for the growth, instead of decline, of poor population in China in 2003 by pointing out that natural disasters have become a major cause of poverty and poverty restoration. For this reason, the LGOPA has provided more support for disaster relief since 2004 and required PAOs at various levels to follow suit. Poverty reduction efforts have now been better combined with disaster relief and after-disaster rehabilitation.

(5) A Study of Management of Poverty Alleviation Credit

This component presents the problems in the current management of PA credit and gives some advice on how to improve it. The LGOPA, together with the MOF, began to reform the mechanism of managing and using the national budget used to pay for the discount interest in PA loans. Instead of giving the whole fund to the headquarters of China Agricultural Bank as a compensation for discount interest, the LGOPA has chosen 200 state-key PA counties for trial by taking ¥ 100 million from the fund and transferring it directly to the PAOs of these counties, which can be paid directly to local agents that provide PA loans, including both the local agricultural banks and rural credit cooperatives, instead of the former only.

Besides, the research results have also been used for the practice of some PA measures. For example, the LGOPA has now required that such issues as health services and labor security or migrant workers be addressed in labor transfer and training. The “Mid-Term Evaluation of the Practice of *the Rural China Poverty Alleviation and Development Program (2001-2010)* in Jiangxi” carried out by Jiangxi PADO made great contributions to evaluating the *Program* across the whole country.

5 Problems and Suggestions

Generally speaking, TA4200 produced very good results in that its components involve wide participation and various major fields closely related to poverty reduction and make great contributions to poverty alleviation and development in the new era in that they put forward very good suggestions for policy-making and practice. But since this is the first project for the LGOPA to use the ADB fund for “Strategic Policy Conferences and Studies for Poverty Reduction”, there are some problems in project management, component targeting and output application, which call for improvement in the future.

5.1 Main problems

(1) The types of components funded by the project are not diversified, with most being research projects and a few seminars. Of all the 21 components that have been completed, 16 are research projects (77% of all), and only three are seminars (14%). More seminars and workshops would have attracted more experts, scholars and governmental officials to the project so that more ideas can be collected and the project itself can have greater influence.

(2) Some components did not complete the required activities in time. Only few of the first 11 components (2004—2005) were completely carried out in time. Some of the components were even delayed for about a year. But with project management strengthened, the second 11 components succeeded in completing all required activities before the deadline.

(3) The quality of components varies greatly from each other. Some of the component reports are very good while others are mediocre.

(4) Project management and coordination need to be improved. For example, the LGOPA assigned the general operation and management of TA4200 project to its international department and the financial management to its financial department.

Thanks to insufficiency of staff members, the international department could not afford to assign a person to deal with the routine work of the project. Moreover, because the project involves two departments, there are some problems in project coordination and capital appropriation. For example, during the practice of the first 11 components, project acceptance and financial reimbursement were often delayed. But things were much better when the second 11 components were carried out.

(5) More efforts should be made to diffuse and apply the project results. Before practicing, all components have some plans for demonstrating and diffusing their results. But these plans are often ignored during and after the component.

5.2 Suggestions

5.2.1 Greater efforts to be made for diffusing and applying project results.

The component operators are strongly recommended to set up a mechanism for diffusing and applying project results so that they can make greater contributions to PA policy making and practice. The LGOPA and the ADB are advised to set up a national platform for such diffusion and application. For example, they can construct a special web page on their own websites to make these results known to the public. Meanwhile, some important results can also be shared among governmental PA departments at various levels or be reported to higher policy makers.

5.2.1A fund for PA policy studies to be established.

With the fast development of society, economy and poverty reduction, new challenges and problems related to poverty have become increasingly conspicuous, such as rural public health, HIV, environmental protection, and bird flu. The national 11th ‘Five-Year Plan’ calls for innovative work in poverty reduction and policy making.

To sustain the results achieved from TA4200 so that they can continue serving the LGOPA in PA strategy and policy making, we suggest that the LGOPA and the

ADB practice more such projects by setting up a standing fund for conducting better research in this field and making better strategies and policies.

Next are some specific proposals for future TA projects.

(1) Building a special team for project operation and management. The LGOPA is advised to assign this project to one or two particular officials for its daily routines and coordination. If it is difficult to choose one from the present staff of the international department, it can consider transferring one or two workers from other departments or subordinate branches. It can also trust a certain subordinate branch with project organization and management.

(2) Choosing the components and their operators through public bidding. The LGOPA or the project organizer should make procedures and regulations for management and evaluation before announcing the bidding information. Both the governmental departments and other organizations should be encouraged to apply for the project. The component to be practiced and the operator to be chosen shall be finally decided by the ADB, the LGOPA and the experts together after evaluation.

(3) The new fund should continue financing meetings and research projects on poverty reduction. But it should balance the number of these two types of components by controlling the latter and increasing the former.

(4) The LGOPA or the chosen project organizer may set up a special platform for this project for the purpose of communication and interaction. For example, it can construct a special web page to regularly announce the bidding information, project progress, notices about the project and project results. It can also be considered to publish a non-periodical journal to carry the project progress and results and send it to related governmental departments or other institutions.

Index A Table of ADB TA4200 Components

Components	Type	Operator	Objectives/Methods	Results & Conclusions	Proposals for future policies
1. Advocacy of Poverty Reduction through Multimedia	Activities.	MOF International Department	Poverty reduction projects financed by the ADB and the WB are chosen to show that, besides providing financial support, they have far-reaching influence on updating the ideas of rural people, private enterprises and local governments. The publicity activities also present the development of ADB and WB projects in China.	The ADB and WB TA projects largely promoted poverty alleviation and development in China in that they not only provided financial support, but also played a unique role in updating ideas, innovating patterns and training people.	Close cooperation should be sustained with the WB and the ADB for more TA projects to be carried out, focusing on management technologies and innovative patterns.
2. Seminar on Poverty Alleviation Patterns in Rural Guizhou Areas in the New Era	Workshop.	Center of Foreign Capital Management of Guizhou PAO	The ADB, WB and JICA projects practiced in Guizhou were examined to learn lessons from PA projects of various types, especially the foreign-funded ones. Discussions also involved methods and channels of promoting poverty alleviation and development in rural areas.	A documentary entitled <i>Exploration</i> was made about the ADB TA3150 project in Nayong County and the Sandu Participatory All-Round PA Trial Project (funded by JICA ?). Besides played for those present at the seminar, it was also played on Guizhou TV, producing good results. The seminar was also reported by Guizhou TV, Guizhou Radio and the Guizhou Branch of Xinhua News Agency. The success of this seminar made its host feel that theoretical research on the basis of practices is of vital significance. Some issues worth thorough studies	This seminar was the first of its kind held at the forefront of poverty alleviation and turned out to be a good beginning of realistic theoretical studies. It is proposed that more such meetings be held to help exchange experience in this field.

				include how to choose realistic projects, how to improve project management, how to alleviate poverty in ethnic areas, how to use PA capital more effectively, how to combine PA projects with the balanced development of both man and nature, and how to fight poverty under the conditions of market economy.	
3. A Pilot Study of Multifactorial Poverty—Analysis, Targeting & Mapping.	Research project.	National Training Center for Officials from Poor Areas	<p>1. To introduce the term of multifactorial poverty in targeting state-key counties for poverty alleviation.</p> <p>2. To analyze distribution of poor areas and their various features of poverty by using multifactorial methods</p> <p>3. To study the causes of poverty in state-key PA counties and provide support for differentiating PA policies.</p> <p>4. To analyze the relations among the poverty-related data for interpreting poverty and PA measures. At the same time, shortcomings of these data will be pointed out to improve the indexes and statistics.</p> <p>5. To combine our results with the GIS and draw a detailed national map of poverty.</p>	<p>1. Grouping of the 2070 counties in the country indicates different extents of poverty and different features of development, which can help plan further development and poverty alleviation.</p> <ul style="list-style-type: none"> ● The 2070 counties across the country are divided into 10 groups, i.e. three groups of poor counties, two of average ones and five of rich or relatively rich ones. ● The poor counties are further divided into the poorest counties (25% of all the counties analyzed), most with large populations; the very poor counties (8%), often accompanied by adverse ecology and poor education; and the self-sufficient but underdeveloped counties (30%). This division suggests that most counties remain underdeveloped in economy and society, which entails great PAD efforts. <p>2. The counties of a certain type are located in a certain area. But the poor and average counties are scattered across the country, except for Shanghai.</p>	<p>1. The four regions where the poorest counties are located should make use of the compensatory policies for reforestation on croplands by focusing on economic forests in adjusting their agricultural structures, which at the same time can do good to ecological environment. The development of ecological industries can also be put on the agenda.</p> <p>2. The regions with most very poor counties should alleviate poverty mainly by developing ecological industries, such as ecological tourism and planting of medical herbs and mountain vegetables.</p> <p>3. Poor counties on the</p>

				<p>3. The state-key PA counties designated in 2000 are mostly distributed in the three groups of poor counties, with only a few producing good indexes.</p> <p>1) 52% of the state-key PA counties are in the poorest sub-group, 11% in the very poor sub-group while 29% in the self-sufficient sub-group. And all the indexes of these groups are far below those of the group average.</p> <p>2) A few the state-key PA counties are in the average group, with some indexes better than the group average.</p> <p>3) About 90% of the state-key PA counties, besides being much poorer within the group, have shared a common population growth rate of about 5‰ a year, which means a heavy burden on local development. But the vegetation coverage in these counties in 2004 increased to a certain degree compared to that in 2003, which means that the ecological protection projects may have played a part.</p> <p>4) Combining the distribution of the state-key PA counties with the grouping results from our research, we can conclude that priority should be given to three types of poverty in six poor regions.</p> <p>(1) The poorest group, often faced with dual burdens from adverse ecology and large populations.</p> <ul style="list-style-type: none"> ● The Loess Plateau (covering North Shaanxi, Gansu, Ningxia and North Shanxi). ● The Qinling Mountains (covering South Shaanxi, 	<p>borderlands between Hebei and Inner Mongolia should catch the chance of the national project of sandstorm-source treatment and reforestation on croplands practiced in Beijing and Tianjin to restructure their agriculture by developing animal husbandry, water-saving farming and ecological tourism.</p> <p>4. Poor counties on the borderlands between North Shanxi and Inner Mongolia should provide better services for surplus farmers to work outside and increase their non-farming incomes by offering more training programs. At the same time they can develop some secondary and tertiary industries.</p> <p>5. Besides preferential policies for ecological protection, policies for population, education and social security</p>
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				<p>western parts of Hunan and Hubei, West Sichuan and West Chongqing).</p> <ul style="list-style-type: none"> ● The Yun-Gui Plateau (covering Guizhou, West Guangxi, Yunnan and South Sichuan). ● The southwestern part of Xinjiang. <p>(2) The very poor group, accompanied by underdeveloped society and fast population growth.</p> <ul style="list-style-type: none"> ● South Qinghai and northwest Yunan. <p>(3) Multifactorial poverty.</p> <ul style="list-style-type: none"> ● Borderlands between Shanxi, Hebei and Inner Mongolia. 	are also of vital importance to poverty alleviation in these counties. While the birth-control policy should be continued to practice, better education and training and an improved system of social security should also be provided for local people so that they can escape from poverty.
4. An Evaluation and Study of NGO PA Projects in China	Research project.	China Foundation for Poverty Alleviation	Investigations are made into the progress and results of NGO projects to draw some lessons, pin down new patterns for them to participate in poverty reduction, set up platforms for communication, and propose policies for governments to support NGO projects and apply new PA methods.	Four NGO projects are studied to find out the “secrets” for their success, i.e. their willingness to learn. Since the idea of NGOs involved in poverty reduction comes from the western world, the Chinese NGOs are good at combining new ideas with local realities. Besides, they place high emphasis on learning from the governments and close cooperation with them.	NGOs take some advantages in poverty alleviation. Their efforts, supplementary to the governments’, should be guided and supported by the government and included in its overall planning. On the other hand, NGOs should respect local realities by communicating and cooperating with local governments for better results of their PA efforts.

<p>5. A Study of the Performance of Public Policies and New PA Mechanisms in Rural Areas</p>	<p>Research project.</p>	<p>MOF Research Institute of Financial Science</p>	<p>By studying the influence of rural public policies on the rural economy and society, esp. in poor areas, this project is to examine the performance of public policies and related problems in rural poverty reduction, and raise some proposals for making and practicing better rural public policies.</p>	<p>Some policies do no good to rural poverty reduction.</p> <p>(1) Policies for input into compulsory education.</p> <p>Varying from village to village and township to township, per-student public expenditures on compulsory education remain far below those on non-compulsory education. Educational appropriations in the budget of governments at various levels also range widely. One major problem in poor areas is that the policy of “county government as the main investor in compulsory education” imposes excessive burdens on both the local governments and families. Therefore, the investors should be moved to higher levels of governments.</p> <p>(2) Policies for input into rural health services.</p> <p>Weak in fundraising, governments at various levels spent very little on rural health services, which cover small areas and remain insufficient. There is a sharp conflict between the demand for health care capital and its input. The little fiscal capital, mostly spent on the township hospitals, seldom goes to village clinics. While poor families are often overburdened with medical fees, township hospitals are weak in self-development and local governments are unable to give the needed support.</p> <p>(3) Policies for replacing various charges with a single tax.</p> <p>These policies make it difficult for county and township</p>	<p>1. Policies for rural compulsory education:</p> <p>(1) To increase the general proportion of educational appropriations in GDP.</p> <p>(2) To balance financial distribution by increasing investment in rural education for the purpose of providing free compulsory education across the whole country.</p> <p>(3) To re-define the governmental duties in educational appropriations by strengthening the duties of governments above the county levels, especially the provincial and the state governments. High emphasis should be placed on the development of rural compulsory education in the distribution of state budget.</p> <p>(4) To practice stricter management and monitoring for higher efficiencies of the governmental money spent on</p>
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				<p>governments to get adjustable revenues. The townships and villages quickly become weak in fundraising, esp. in poor areas. The insufficiency of public services poses serious threats on their sustainable development. Some specific problems include shortage of input into compulsory education, health services and infrastructure. Besides, debts have become a conspicuous problem that affects the smooth operation of township governments and village communities.</p>	<p>rural compulsory education.</p> <p>2. Policies for rural health security.</p> <p>(1) To raise the national investment in poor areas and its rate in the general state budget.</p> <p>(2) To provide more governmental money for rural Medicaid for the purpose of shortening the gap between urban and rural areas in health services. The governmental investment should focus on disease prevention and control, maternity and child care, health promotion and sanitation supervising and monitoring.</p> <p>(3) To optimize the resources allocation by establishing more health services facilities at the township and village levels.</p> <p>(4) To improve the use of governmental money for health services by supporting both their providers and users.</p> <p>(5) To establish a medical</p>
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					<p>security system in rural areas for the sake of reducing risks of disease development.</p> <p>3. Policies for rural taxation.</p> <p>(1) To introduce all-round reforms for a new mechanism of national economy.</p> <p>(2) To make special policies for infrastructure building in poor areas.</p> <p>(3) To increase the social power of counties, townships and villages.</p> <p>(4) To solve the debt problem by providing a special national fund for townships and villages to pay off their debts so that they run smoothly.</p>
6. A Report on the Relationship of Natural Disasters to Return to Poverty	Research project.	Chengdu Research Institute of Mountainous Disaster and Environment,	Return to poverty is a world problem facing many countries, including some developed ones. Rural poverty is related to disasters as well as local incomes, the former of greater significance. Therefore, the study of the relationship of disasters to poverty restoration and the corresponding	<p>I. Characters</p> <p>1. The frequency of natural disasters keeps going up, with obvious cycles and increasing coverage.</p> <p>2. Rural disasters are often caused by multifactors.</p> <p>3. Space distribution of natural disasters is closely related to regional, social and economic differences.</p> <p>4. There is a sharp contrast between the weakening ability to endure, prevent, reduce and fight disasters and the</p>	<p>1. Combining disaster reduction with poverty alleviation to set up an effective long-term mechanism to fight rural poverty.</p> <p>(1) To go on with the programs of cropland reforestation.</p> <p>(2) To set up responsibility and</p>

		CAS	<p>policies is very important to fighting regional poverty and sustainable rural development, both at present and in the long run.</p>	<p>increasing incidences and destructions of disasters.</p> <p>II. The correlations of natural disasters to rural poverty</p> <ol style="list-style-type: none"> 1. Natural disasters increase rural poverty. 2. Natural disasters cause a high proportion of people to slide back into poverty. 3. Natural disasters intensify backward infrastructure and stagnation of culture, health care and education, hence low qualities of human resources. This is actually the major cause of chronic rural destitution, which is hard to eliminate. 4. Frequent natural disasters prevent the rural economy from healthy development. 	<p>excitation mechanisms for ecological and environmental protection, taking into account a proper combination of responsibilities with rights and benefits.</p> <p>(3) To set up a system for ecological construction and compensation.</p> <p>2. Combing governmental financial aids with agricultural insurance to set up a security system to resist rural disaster risks.</p> <p>(1) To establish an agricultural insurance system based on governmental subsidies. The <i>Law of Crop Insurance</i> should be made as soon as possible to impose compulsory insurance on bulk crops that are of vital importance to the national economy and people's livelihood.</p> <p>(2) A cooperative insurance system for disaster relief should</p>
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					<p>be practiced in rural areas.</p> <p>(3) Joint crop insurance groups should be set up between the government and social forces.</p> <p>3. Combining poverty alleviation with education and migration to improve the general qualities of rural populations and their living environment.</p> <p>4. Combining poverty alleviation with subsistence maintenance to control re-occurrence of poverty.</p>
7. Workshops on Health Services for Migrant Workers in Big Cities	Workshops.	Shanghai Dacheng Medical Research Institute	<p>This study tries to identify migrant workers' demands for and use of health services and their medical expenditures, as well as their attitudes to and feelings about current medical security system to provide evidences for policymakers, and tries to evaluate the effectiveness of healthcare security system for migrant workers by comparing the use of health services, burdens of health expenditures before and after its practice, find out main problems and seek for ways or models</p>	<p>1. Lack of policy supports. Except for some local policies and sector regulations, no more related policies have been made. Therefore, it is imperative to make and practice new policies for a social security system to benefit the migrant workers</p> <p>2. Restrictions on migrant workers' permanent urban residence and discrimination against them. "Migrant workers" refer to those surplus peasants thronging into cities, where they are discriminated against by urban people and governments, and live in small social circles.</p> <p>3. Negative attitude and insufficient management of urban government. Many city governments prevent rural people from entering. It is not rare that a migrant</p>	<p>International practices suggest differentiating medical security systems implemented according to different levels of economic development, except for some countries like Thailand, which covers its whole population with a single plan of "30 Thai Baht for health". To prevent the urbanization processes from harming vulnerable populations, HMO was used to</p>

			<p>to improve the system.</p>	<p>household is fined for a lack of permit. However, the underlying issue has not yet been addressed.</p> <p>4. Employers' unwillingness. If signing formal contracts with a migrant worker costs too high, employers are unwilling to buy social insurances for them.</p> <p>5. Flexibility. There are both vertical (by various governmental departments) and horizontal (by industries) regulations on managing migrant workers. But these regulations remain isolated from each other. The state government should integrate them so that they can work more efficiently and effectively.</p> <p>6. A lack of comprehensive public services for migrant workers. Training centers and employment policies should be established for those people who leave their land but know little about urban employment.</p> <p>7. Insufficient demands of migrant workers. Many migrant workers have received no job-training knew very little about urban rules and regulations and lack a sense of legal protection.</p>	<p>solve the healthcare problems among the disadvantaged groups. Pragmatically we should first address the crucial issues facing the migrant workers</p> <p>1. Some experts believed that current personal accounts can address the problem of high mobility of migrant workers.</p> <p>2. Consultation hotlines or centers are recommended They can be run by NGOs, funded by big companies, and politically supported from government.</p> <p>3. It is suggested that facilities like "migrant-worker homes" be set up to help those cropland losers live in cities and get known to urban employment, legal consultation and medical security, and social services.</p> <p>4. Qibao, Sanlin and Xinjing?, where the number of migrant workers exceeds local citizens,</p>
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					<p>could be chosen as healthcare reform pilots.</p> <p>5. Public healthcare facilities, like from community healthcare centers and tertiary hospitals, pay little attention to migrant workers for a lack of information. Thus the healthcare and services delivery system should become flexible. Contracting with health facilities (including private clinics) is a feasible way.</p> <p>6. A public-private partnership model can be piloted with support from the government. Private organizations like commercial insurance companies can practice such projects.</p> <p>7. Multi-sector cooperation and technical supports are needed.</p> <p>8. Cooperation in the following fields should be promoted:</p> <p>A. Internationally effective models can be introduced and</p>
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					<p>tried in certain cities.</p> <p>B. Maternal healthcare centers for female migrants can be set up to provide them with packaged reproductive services.</p> <p>C. Job-placement and training centers for those vulnerable hunters should be set up in cities.</p> <p>D. Organizing a delegation including officials and scholars to investigate abroad new models and experiences.</p> <p>E. Cooperation in other issues.</p>
8. A Study of Management of Poverty Alleviation Credit	Research project.	University of International Business and Economics	A shortage of loan capital is a major factor that prevents poor areas from development and incomes of poor households from increase. This project is to study domestic and international practices in making loans for poverty alleviation and propose realistic credit patterns and policies for managing such loans so as to improve the Chinese poverty alleviation mechanism.	<p>I. Current problems in poverty alleviation loan capital.</p> <ol style="list-style-type: none"> 1. PA loans are unlikely to reach the true poor households because of inaccurate targeting. 2. Assets for PA loans are of low quality. 3. Poor households have extreme difficulties getting loans. <p>II. Causes of the ineffectiveness of PA loans.</p> <ol style="list-style-type: none"> 1. The conflict between the objectives of fiscal-supported loaning and those of commercial banks. 2. High operating costs involved in making loans to poor households. 3. High capital costs involved in providing loans for 	<p>To achieve better results from PA loans, distinctions should be made between commercial credit and fiscal aid, so as to avoid taking the former as the latter. Special channels should be developed to assist poor households (e.g., subsidies for savings & charitable organizations) and agricultural production (e.g., discount interest & policy-favoured</p>

				<p>poor areas.</p> <p>4. Administrative intervention from governments.</p> <p>5. The discount interest paid by the government not enough for making up loan losses.</p> <p>6. Low-interest loans disturbing the financial market order.</p> <p>III. Lessons from international practices.</p> <p>1. A sustainable commercial rural financial system often produces better results.</p> <p>2. Microfinance credit, the best international model for poverty reduction, is worth diffusing in China.</p>	<p>insurance). Finally, the risks of microfinance credit can be lowered through discount interest paid from fiscal revenues and risk sharing systems so that the current credit capital can help achieve the double objective of supporting agriculture and reducing poverty at the same time, without discouraging financial institutions.</p> <p>The rural financial reforms since the mid-1990s, carried out without altering the traditional system of rural credit cooperatives, have actually increased their monopoly in the rural financial market. The key to such reforms, however, is to break such monopoly and replace the existing system with a competitive market.</p> <p>Before a diversified, sustainable market is</p>
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					<p>developed, poverty alleviation credit, as a transitional means, should be commercialized with proper preferential policies so that they can benefit the poor without discouraging their operators and that the financial departments of governments at various levels can tolerate their costs. All this calls for competitive mechanisms to be introduced (e.g., bidding or price investigations) for choosing the operators. In the future, poverty alleviation loans can entail normal interest rate. At the same time, the money used to pay the discount interest can be divided into two parts. One goes to establishing a fund for poverty alleviation loans to compensate for the risks facing operators. The other can be directly delivered to the households. Afterwards, some new mechanisms can be</p>
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<p>9. A Study of Labor Export from Poor Areas</p>	<p>Research project.</p>	<p>Beijing Dongfang Hope Economic Research Center</p>	<p>This component is to study the problems in labor export from poor areas, discover the successes in training and organizing surplus laborers before they go out and propose some policies for improving labor training and skills of poor farmers, so that the movement of surplus rural laborers can be well-organized, their legal benefits and rights can be protected, and their incomes can go up.</p>	<p>Two conclusions:</p> <ol style="list-style-type: none"> 1. The very low qualities of laborers from poor areas remain bring them much difficulty getting jobs in modern manufacturing and services industries. 2. The migrant workers are unable to protect their own rights and benefits on account of their little education received and ignorance of legal basics. The fact is that employers have difficulty getting skilled workers while a large number of laborers from rural areas remain jobless in cities. That is to say, the labor market is in bad need of skilled workers, either in the developed eastern parts or in the western parts. But on the other hand, the surplus rural laborers find no way to get rich thanks to a lack of training. <p>Labor training is of strategic importance in that it can not only increase the incomes of poor people and relieve the ecological burdens on poor areas, but also can help provide qualified workers in the process of industrialization and urbanization and ultimately, can improve the general qualities of the rural population.</p> <p>Five problems existing in labor training:</p>	<p>practiced by learning from international practices in microfinance credit to improve our system of risk control and awards and penalties.</p> <p>Improving labor training and transfer requires three principles, i.e. combining governmental guide with commercial operation, integrating training into labor transfer, and cooperating between labor exporting and importing areas. To make it more specific, efforts should be made in the following aspects.</p> <ol style="list-style-type: none"> 1. To place higher emphasis on labor training, with duties defined and mechanisms set up to address issues like capital use and objective management. The heads of PAD departments at various levels should personally address labor training and transfer and assign it to specific offices and
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				<p>1. Insufficient attention is paid to the issue and few measures are taken. In some provincial PAOs, there is no official or department assigned to labor training.</p> <p>2. The training programs that have been held remain purposeless and casual, without consistent requirements in terms of conditions and procedures for enrolment, standards and payments of subsidies, and signing of employment contracts and after services.</p> <p>3. Few children from poor households take part in these programs because of their insufficient advertising and publicity.</p> <p>4. The training cannot meet the requirements of employment because of poor facilities, aging trainers, and out-dated books.</p> <p>5. The management of cross-regional training programs involve many difficulties for a lack of smooth channels. The fiscal PA capital, which seldom goes to the developed eastern areas, cannot be transferred through legal channels to them to pay for training as soon as it goes to the western provinces, esp. when it gets to the county governments. All this discourages the training institutions, mostly located in the eastern areas.</p>	<p>individuals. A system of periodical, statistical reporting should be set up so that successful practices can be diffused while delayed actions will be exposed to the public. The performance in labor training and transfer can be related to the appropriation of the special fund.</p> <p>2. To construct a complete network for demonstration and direction. Among the 20.37 million surplus rural laborers across the country, 7.15 million have already been transferred while the other 13 million are still waiting. It is impossible for the governmental PA departments to train all these labors. But they should focus on training demonstration and guide. Besides the present 11 LGOPA training bases, more such bases should be built, until each province enjoys at least</p>
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					<p>one, with the provinces that accept more rural laborers having two or three. At the same time, each province, prefecture and county should establish its own demonstrative bases. All these bases can form a large network across the country.</p> <p>3. To make greater efforts to attract more children from poor households to take the training programs. News media should play an important part. Special columns on “rural labor training and transfer” should be set up in LGOPA journals to carry national policies and practices in different areas.</p> <p>4. To make labor training programs sustainable through integrated resources and innovative mechanisms. While the present training agencies can serve as the main body, diversified resources should be</p>
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					<p>introduced with proper guide and preferential policies. Social forces and industries should be encouraged to enter this field. Governments should further stimulate individual farmers, employers, training agencies and industries to create diversified channels and methods of training at various levels. With a pattern of governments in charge of general planning, industries responsible for organizing, and various agencies and employers holding training programs, labor training can safely become sustainable.</p> <p>5. The training should be oriented toward the market and closely related to employment. The governmental PA departments should adopt a “partnership strategy”, i.e. communicating with the labor departments, trade unions,</p>
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					Youth League committees and Women's Federations and cooperating with them in labor export through the established channels. After learning the procedures and methods through such cooperation, the PA departments can develop their own ways of labor export.
10. A Study of How Major Enterprises in Poor Areas Help Increase the Incomes of Rural Households	Research project.	Beijing Dongfang Hope Economic Research Center	Such methods as enterprises plus production bases, companies plus rural households and households entering markets are studied to diffuse the successful practices for the purpose of household income rise, economic growth in poor areas, more efficient use of discount loans and better results of PA programs through large-scaled and industrial PA programs.	<p>I. Industrial programs are a necessity to poverty alleviation and development in the new era.</p> <p>1. They are needed for increasing family incomes.</p> <p>The industrial operation of agriculture has great potentials for increasing the incomes of farmers, esp. those from poor areas, in the long run. It is also the inevitable way to lead the poor farmers into the market.</p> <p>2. They are necessary to agricultural restructuring.</p> <p>There are two main factors that affect agricultural restructuring in poor areas. One is the small scale of production, widely scattered croplands and poor quality of products. The other is the little education of the farmers and their inability of self-development. Industrial PA programs can help solve both these problems.</p> <p>3. They are of importance to developing competent industries and the whole regional economy.</p>	<p>With more attention paid to industrial PA programs, greater efforts should be made in the following aspects.</p> <p>1. Give priority to competent enterprises so that they can become leaders and promoters of the development of the whole area. One point is that private sectors should be encouraged to play a more important part in practicing industrial PA programs. Another is to invite enterprises from developed eastern areas to start businesses in poor western areas through the coordinating</p>

			<p>4. They can create innovative mechanisms and improve the results of poverty alleviation programs.</p> <p>Practices show that promoting industrialization by leading PA enterprises is an effective measure to relieve poor areas and populations from poverty. First of all, it increases the incomes of rural people. Secondly, it raises agricultural efficiencies by an optimized industrial structure. Thirdly, it promotes the development of rural markets. Finally, it quickens the paces of industrialization, urbanization and modernization in the poor areas. Large-scale industrial operation of agriculture is appropriate for developed areas, but more so for underdeveloped areas and poor populations.</p> <p>II. Successful practices to be diffused.</p> <p>1. Establishment of mainstay industries and production bases.</p> <p>2. Practice of favourable policies to support the leading enterprises. The first is the preferential policies in taxation and financial support. The second is to provide them more loan capital. The third is to simplify the procedures for administrative permission. The fourth is to do them more favour while making policies for social forces participating in poverty alleviation.</p> <p>3. Exploration into win-win mechanisms for both the enterprises and the farmers. A complete enterprise mechanism governed by market economic rules can help</p>	<p>PA framework with the same local preferential policies applied to them.</p> <p>2. Study how to combine the benefit of farmers with that of enterprises by ensuring the former in the process of industrialization. For the fast development of “indent-produce” production, the common pattern of “company + bases + farmers” is to further improve so that a steady relationship of selling and buying can be set up between the farmer and the enterprise.</p> <p>3. Practice the pattern of delivering loans to households to quicken the pace of poor farmers participating in industrialization. How to make the farmers benefit from industrialization by joining it is a key question to PA programs since a major problem facing</p>
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				<p>reconcile the benefits of all shareholders, esp. of the farmer and the enterprise, and therefore, is of vital importance to smooth progress of PA programs and their good performance.</p>	<p>them is the lack of initial fund.</p> <p>4. Place high emphasis on produce safety so as to ensure its differentiating advantages. Safe quality is of vital importance to products from poor areas with their selling points to be “green”, “natural” and “harmless”. Industrial PA programs should practice quality control and monitoring in the whole process of base construction, crop planting, animal husbandry and produce processing.</p> <p>5. Make plans for carrying out industrial PA programs</p> <p>Such plans should be consistent with the general plans for local economic development and the plans for agricultural transformation. They should also be down-to-earth in the local area and helpful to ecological and resources protection.</p>
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					<p>6. Make preferential policies.</p> <p>Local governments should, within the framework of national law, make preferential policies for industrial PA programs in terms of land, power and water supply. Programs that conform to industrial policies and prove effective in poverty reduction at the same time should receive credit support.</p> <p>7. Integrate industrial PA programs into the coordinating framework and the one-department-one-county mechanism . While the former should be used to organize eastern produce processing enterprises to set up new factories in western areas, the latter should be active in introducing enterprises to these areas. Suppose one governmental department or agency can invite one</p>
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					enterprise to the poor county it is assigned to, there will be altogether more than 270 enterprises to enter the poor areas. 8. Industrial PA programs should target at poor areas and poor populations.
11. A Report on Partners' Conference on Establishing "the China Research Center of International Poverty Alleviation"	Activities.	Preparatory Committee of "China Research Center of International Poverty Alleviation"	<p>1) To introduce preparations for establishment of the "China Research Center of International Poverty Alleviation".</p> <p>2) To introduce the organizing and management structure of the Center, with some advice given.</p> <p>3) To pursue further support for establishing the Center from various organizations.</p> <p>4) To speed up establishing the Center.</p>	At the conferences held in the US, preparations for establishing the Center was made known to those present, who made various recommendations, all of which will be integrated into the organizing and management structure of the Center. Meanwhile, the meetings further strengthened the partnership among relevant organizations and speeded up progress in preparations for establishing Center.	An international research center is important to improving international communication in poverty alleviation and can serve as a useful platform to promote international cooperation in this field.
12. A Study of the Framework & Performance of International Cooperation in Poverty Alleviation	Research project.	China Foundation for Poverty Alleviation	The project is to assess the performance of international cooperation on the basis of a historical review before recommending the	<p>Contributions of International Projects</p> <p>1. International PA projects, to a certain degree, added to domestic capital resources and quickened the pace of poverty reduction in poor areas.</p> <p>2. The successful practice of international PA projects noticeably reduced poverty of their target populations or</p>	<p>New fields for international cooperation in poverty alleviation.</p> <p>1. Targeting at the main tasks for domestic social and economic development and</p>

in China			<p>framework of such cooperation in the future.</p>	<p>communities and improved their ability of self-development.</p> <p>3. In preparing and practicing the foreign-funded projects, the PAOs at various levels improved their capacities in project management and development, which laid a solid foundation for further domestic projects.</p> <p>4. The introduction and diffusion of updated ideas and effective systems in wider areas and at higher levels had positive influence on PA theories, policies and methods, and promoted innovation in domestic PA systems.</p> <p>5. The success in the design, practice, monitoring and management of international projects set a good example for innovating domestic PA projects.</p> <p>6. The emphasis on project sustainability, especially on the ability of self-development of the beneficiaries, contributed to sustainable development of the project area.</p> <p>7. The successes of foreign-funded projects in China provided valuable experience in poverty reduction for the whole world and promoted international cooperation in the field.</p> <p>Existing problems</p> <p>1. The thoughtful design of a project often entails complicated operation procedures, which may affect project progression on account of inflexibility.</p>	<p>poverty alleviation.</p> <p>2. Experimenting on combining foreign loans with national financial budget.</p> <p>3. Exploring new channels for fundraising.</p> <p>4. Innovating PA patterns in the overall plan for balancing urban and rural development.</p> <p>5. Attention to vulnerable rural groups, the rights and benefits of women and their development.</p> <p>6. Combining poverty alleviation with environmental protection.</p> <p>7. Exploring and trying an effective pattern for NGOs to participate in poverty alleviation.</p> <p>8. Strengthening joint research of PA policies and theories.</p> <p>Recommendations.</p> <p>1. Observing the national guidelines and policies</p> <p>2. Making preferential policies.</p>
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13. A Study of Fundraising And Management of International Charitable Institutions And Their Contributions to China	Research project.	Huayu Strategy Research Institute	<p>Objectives of this research project include:</p> <p>—What are the characters of charitable institutions in developed countries?</p> <p>—What determine their growth?</p> <p>—How do they raise and manage fund?</p>	<p>1. Both the ideas and ranges of charitable foundations in the US differ greatly from those in China. Compared to the large variety of American charitable foundations, China has very few such institutions. For this reason, proposals for development of such institutions, though not totally wrong, tend to be incomplete. So it is necessary for Chinese people to get a full understanding of American charitable foundations.</p> <p>2. For historical, religious and cultural reasons, the American charitable foundations are also different from their European counterparts in that the former practice</p>	<p>1. Legislation: To introduce laws of taxation and monitoring from developed countries and adapt them to our domestic needs.</p> <p>2. Management: To mobilize social forces to participate in poverty alleviation.</p> <p>3. Foundations: To learn from international</p>

				<p>Puritanism, communitarianism, and voluntarism. Without a thorough knowledge of American history, it is difficult for us to get a full picture.</p> <p>3. It was the American religious and cultural history that determines the birth of its charitable institutions. At the same time, relevant laws play a significant part in promoting the development of the non-profit-making institutions, esp. the charitable foundations.</p> <p>4. Good management and effective fundraising are two determinants for the successes of charitable foundations.</p>	<p>practices in management and fundraising and apply them in China.</p> <p>4. The public: To develop the public welfare culture among Chinese people.</p>
14. A Pilot Study of Feasibility for Constructing a System for Involving Social Forces in Poverty Reduction	Research project.	China PAD Services Center	<p>This project is aimed at:</p> <ul style="list-style-type: none"> —analyzing the status of poverty alleviation and reduction in China and discovering the secrets for its success; —studying the factors that may affect further poverty reduction in the new era; and —studying the necessity and possibility of constructing a comprehensive system for social forces to participate in poverty alleviation. 	<p>1. While talking about the achievements obtained in poverty alleviation, we should never forget the job done between 1949 and 1978, during which the Chinese government spared no efforts to promote public education and health, in spite of poverty the whole people suffered. All these efforts are of great importance to the achievements after 1978, when the reform policies were pursued.</p> <p>2. For all these noticeable achievements, China is still a developing country. Among a large number of people, the daily expenditures per capita remain below US\$1, only half of the international index for poverty. Further progress entails more input, including capital, human and public welfare resources. Since most poor people are widely scattered in distant areas, the marginal costs of poverty reduction will get increasingly high.</p>	<p>Coordinated by the government, a central information system may effectively mobilize and social forces to participate poverty alleviation programs. This system should be operational, effective, advanced and efficient.</p> <p>The construction of infrastructure for poverty alleviation has entered a new era. Possible ways of building operating such a system will be studied through cooperation among shareholders.</p>

				<p>3. Disequilibrium and insufficiency of information is not only a cause of poverty, but also a major cause of little progress in poverty reduction. Disequilibrium of information may affect communication between the donor and the beneficiary, thus inducing corruption. Therefore, there should be a central information system that provides services for poverty reduction.</p> <p>4. Measures should be taken to encourage volunteers to participate in poverty reduction. On the one hand, volunteers, representing the social good and public welfare, should be regarded as the most active force in poverty reduction. On the other hand, millions of volunteers joining non-profit-making organizations will greatly relieve the pressure on employment.</p>	<p>The researcher will submit a flexibility report to the government on building a services system for mobilizing social forces to participate in poverty alleviation in China. It is hoped that this plan can be accepted and carried out by the government.</p>
15. A Study of Building a Harmonious Society through PAD in Poor Area.	Research project.	China Agricultural University	This project is to propose a framework for building a harmonious society in poor areas by learning from historical practices and analyzing which to be inherited and which to be updated.	<p>From the perspective of systems and social background, the current rural issues are faced with two possible ways out. One is that, with the government withdrawing from the main aspects of rural life, the market economy will further the random flow of various productive factors from the countryside to the city, including such good resources as the rural elite. The rural areas will further deteriorate and become poor fragments at the bottom of society. Under these circumstances, poverty alleviation will become a hard, painful moral cause of the government at the social margins. The other possible way is that the government,</p>	<p>The current mechanism for rural poverty alleviation has to be improved. Poverty alleviation should not serve as a minor economic force in the process of industrialization and urbanization of the rural areas. It should be a comprehensive social force that is concerned not only with various superficial factors of poverty, but also with the ultimate social</p>

				<p>while withdrawing from the rural life as a major economic and political force, will play a more important role as a major social force to balance various market factors. Under these circumstances, rural poverty alleviation will find a new way out. The Chinese government has realized the significance of rural issues and began to address them, by practicing such ideas as “harmonious society”, “scientific development” and “new-type socialist rural communities”, which promises a bright future for both rural development and poverty alleviation.</p>	<p>background of poverty and becomes a major force for the national government to develop the whole rural society into a human habitat with its own culture and individuality. In other words, rural poverty alleviation should help develop local organizations, cultural values and community spirit as well as the local economy so that the rural areas can appeal to people, self-government can become an effective way for the rural elite to work for rural welfare, and the local governments can realize the usefulness of rural areas by benefiting from performing their social duties. At the same time, the national government should establish a new market system that provides the same opportunity for the farmers as for the urban people. It should also make compensations for</p>
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					the farmers through redistribution of public revenues and establish a system for social support and security aimed at helping the disadvantaged group in the process of urbanization.
16. The Influence of Changing Employment Environment in Developed Coastal Regions on Labor Export from Poor Areas— Taking Wenzhou, Suzhou, and Dongguan for Example	Research project.	Urban School of Wenzhou University	Recent years have seen an increasing shortage of migrant workers in developed coastal regions, which attracts wide attention and greatly affects the labor-intensive industries in these regions. Such influence will inevitably spread to the world market through the industrial chain. Why does this happen to China, where there is a large population of surplus laborers? What is the ultimate cause of such a paradox? What influence it will have on the inland labor market, especially on labor export from poor regions and on the whole country's economy? This report is to study these questions.	The report holds that the coexistence of labor shortage for the employers on the one hand and great troubles for the peasants that throng to cities to get jobs on the other does not simply result from the poor treatment of migrant workers or the imbalanced supply and demand of labor force, but from the changes of the world economy and new problems arising from deepened economic reforms, which calls for upgrading industrial structure and transformation of the national economy.	In order to solve the conflict, we should not only pursue innovative systems and supporting policies but also strengthen education & training to improve the quality and skills of migrant workers so that they can be transformed from disadvantaged peasants to qualified industrial workers
17. A Study of Taxation Reforms And Public Services	Research project.	Gansu Agricultural University	This is to investigate the public services supply-demand in rural taxation reforms in poor areas, and	1. The township government, whose revenue greatly reduced during the reforms, now heavily relies on state subsidies and transferred payment.	1. The governments to be the main body of fundraising for rural public services in poor

Supply & Demand in Poor Areas			propose a framework for improving rural public services.	<p>2. The situation of rural compulsory education in need of money is improved thanks to the adjustment in its financial management. First, the original system of “the township government as the main investor in education” was replaced with that of “the county government as the main investor”. Second, the transferred pay for compulsory education was greatly increased because the school budget was increased after the taxation reforms. Besides, dangerous building reconstruction was financed by a special fund using the national debt. This special fund has been provided for several years and proved fruitful.</p> <p>3. Investment in agricultural infrastructure and public welfare remains insufficient.</p> <p>4. Medical organizations at town levels have difficulty in operation while the problem of too expensive health care still exists. Investigations indicate that township hospitals and village clinics have extreme difficulty in sustaining themselves. It is very common that farmers cannot afford medical expenses. But things are better in the two towns under the new rural cooperative healthcare system in Lingtai.</p> <p>5. While the traditional rural social security system is confronted with extreme difficulty in fundraising, the new social security programs begin to work effectively.</p>	<p>areas.</p> <p>2. An effective public financial system to be set up.</p> <p>3. Further reforms to be introduced in restructuring township governments.</p> <p>4. The trial program of social security to be diffused.</p> <p>5. The construction of a public services system to be included in the general program of developing new-type socialist rural communities.</p>
18. A Study of Rural	Research	the Social	This project is to examine the	1. An evaluation of the community health services.	

<p>Healthcare Cooperatives—the New Rural Community Health Services System</p>	<p>project.</p>	<p>Policies Research Institute of Chinese Academy of Social Sciences</p>	<p>efficiencies and sustainability of the trial plan and its applicability.</p>	<p>Compared with the control town, farmers in the test town are most satisfied with the drug pricing (63.8%) and distribution of health facilities (72.5%), which are the two main fields that receive most resources put in rural health services reforms. The relatively unsatisfactory items include follow-up services for chronic patients and (30.0% satisfied) and those who have recovered, services for disease prevention and health care (36.5% satisfied), and services for emergency treatment and home treatment (38.9% satisfied). Nevertheless, the general situation is much better in the test county than that in the control county.</p> <p>2. An evaluation of the new -type cooperative health services.</p> <p>The experiment with the new-type cooperative health services in Jiuxian Town is the first of its case and worth evaluating in that it provides a possibility of studying how to make the new-type cooperative health services more attractive to farmers. Investigations show that insurance for major disease treatment is the first reason for them to join in the new mechanism. Local farmers hope that they can benefit from both the two aspects: On the one hand, quite a proportion of expenditures on major disease treatment can be covered by the new system, and on the other, inexpensive drugs can be easily bought for minor diseases.</p> <p>3. An evaluation of Rural Healthcare Cooperatives.</p> <p>The Rural Healthcare Cooperative is a major innovation in the experimental program. As a mechanism to maintain their rights of getting health services, such a cooperative is warmly welcomed by</p>	
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				<p>farmers. 80% of the interviewees from both the test and the control towns hold that it is necessary to set up such cooperatives, join them, and elect their own representatives to voice their opinions.</p> <p>Most farmers (69.5% in the test town of Jiuxian and 76.2% in the control town of Huaibai) want to elect RHC representatives by themselves. Farmers from both the two towns believe that the healthcare cooperatives and representatives will play a positive part. But those from the test town have more trust in them in terms of improving grass-root services and maintaining their healthcare rights.</p>	
<p>19. A Mid-Term Evaluation of the Practice of <i>the Rural China Poverty Alleviation and Development Program (2001-2010)</i> in Jiangxi</p>	<p>Research project.</p>	<p>Jiangxi PADO</p>	<p>This project is to evaluate the leadership, mechanism and results of the practice of the <i>Program</i> in Jiangxi, identify the successes and problems and propose some policies for further improvement of PAD and obtaining the general objectives set in the <i>Program</i>.</p>	<p>The provincial government has given strong support to the practice of the <i>Program</i> by taking innovative measures in poverty alleviation, and obtained its general mid-term objectives. Specifically speaking, the poverty alleviation projects become more accurate in targeting and more standardized in capital and project management. Thanks to these projects, the poor begin to enjoy growing incomes, better life and improving facilities. The farmers' status has been greatly raised because their rights to information, participation, decision-making and monitoring are well maintained. The economy, society, culture and environment develop in harmony in the key villages for poverty alleviation. The relations of the government to the public and of the</p>	<p>Issues to be addressed by the provincial government.</p> <p>1. Integrating poverty alleviation into the overall development of the province. Poverty reduction should be listed as a major issue in the provincial 11th Five-Year Plan and treated as one of the basic jobs in rural development. The governments in poor areas should regard it as the first step toward the objective of building new-type rural</p>

				<p>officials to farmers have been greatly improved. All this makes great contributions to developing the whole province into a harmonious and prosperous society.</p> <p>By the end of 2004, the occurrence of poverty in Jiangxi dropped to 2.47%, 0.01% lower than the national average. Meanwhile, the rate of poverty reduction in the key counties was a little bit higher than the provincial average. The public revenues and the rural incomes per capita both increase to a large degree.</p> <p>However, there is still a long way to go because the gap between the poor areas and the average development rate in the province keeps widening.</p>	<p>communities. The provincial government should give still stronger support to poverty reduction efforts year by year and include their results into the indexes for evaluating the performance of officials at various levels.</p> <p>2. Improving the organizing and coordinating capabilities of PA departments at various levels. It is necessary to build the provincial, prefecture and county PAOs into powerful administrative bodies, endowed with corresponding duties and powers, stronger coordinating capabilities, adequate staffs and capital support. If possible, the government should provide special pay for the PA workers so that they can be more devoted to poverty reduction.</p> <p>3. Pursuing more PA resources and their integrated use. In the next five years, the province</p>
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					<p>should try to win more PA capital from the national government. At the same time, it should practice a effective mechanism to integrate, manage and use the existing PA resources. The provincial government can consider putting together the fiscal aid (over ¥ 300 million a year) and the “work-relief” fund (over ¥ 200 million a year) and give them to the provincial PAO for integrated use : ¥ 300 million for helping the remaining 3800 poor villages (¥ 80 thousand for each), ¥ 20 million for sustaining the achievements obtained in the 1200 key villages in the past five years, ¥ 180 million for helping the migrants (fifty thousand people a year), and the rest ¥ 100 million for large-scale technical training for labor transfer.</p>
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				<p>4. Raising home-building subsidies for migrants. It is necessary to make different criteria for home-building subsidies and policies that allow the migrants themselves to build their own homes so that they do not have to shoulder high debts.</p> <p>Issues to be addressed by the national government.</p> <p>1. Priority given to rural healthcare and education in poor areas. It is necessary for the national government, on the basis of the current preferential policies, to increase the transferred pay to the poor areas, and practice an effective mechanism so that the poor households can enjoy health services and basic education with no or very little charges.</p> <p>2. Policies to be abandoned that require the state-key PA counties to provide supporting</p>
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					<p>funds for the capital appropriated from the national government. The money needed on account of this is to be provided from the transferred pay by the provincial or national government.</p> <p>3. The power of deciding the key PA counties to be delegated to the provincial government, which can manage them dynamically and make some adjustment if necessary.</p> <p>4. Jiangxi to be chosen as a province for experimenting with the national program of poverty alleviation for voluntary migrants. Corresponding policies need to be made for such programs in terms of financial support.</p> <p>5. The poverty-line criteria to be raised. It is suggested that the international poverty-line criteria be adopted so that our</p>
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					<p>domestic criteria can be in line with the international practices, which will help develop an all-round well-off society and obtain the UN Millennium Development Goal.</p> <p>6. Fiscal capital for poverty alleviation to be increased proportionate to the growth of national fiscal revenues. Besides, the national government should also consider returning a proportion of taxes (such as VAT, corporate and personal income taxes and mineral royalties) to the poor areas so as to increase their financial strength.</p> <p>7. Methods of discount credit and work relief to be improved. It is proposed that the final settlement of discount credit be transferred to local governments, who can clear up the accounts according to the function of projects that get</p>
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					loans from the agricultural banks. The projects without the function of poverty alleviation will not get discount loans. The saved discount capital can be transferred to fiscal PA fund. The present work-relief fund shall also be transferred to national fiscal PA fund so that it can be used more effectively.
20. A Study of the Changing International Trade Environment and Countermeasures for Industries in Poor Areas	Research project.	Beijing Normal University	Based on investigations into features and changes of international trade as well as the current state and features of industries in poor areas of China, the project analyzes how the changing international trade environment influences poor Chinese areas and provides some advice on development of industries in these areas.	1. Features and trends of changes in international trade environment. Since the 1990s, international trade has been growing very fast, with more and more transnational corporations appearing, regional economies integrating, the world economy globalizing and the services trade quickening. With the trade of green products enlarging day by day, the “green” barriers have also become increasingly complicated. With technologies playing a more and more important role in development, technological barriers become more pervasive. With the acceleration of electronic information and paperless transactions, international trade is taking a completely new form. Governmental intervention in business trade has become more obvious. In a word, international trade is fast changing in all terms of its ideas, patterns, systems, policies, structure,	1. To improve people’s qualities by updating their ideas, raising their literacy, training them in practical skills, improving their sanitation habits and helping the disadvantaged groups. 2. To take comprehensive measures to optimize and transform the industrial structure, such as providing financial support, developing leading mainstay, characteristic or foreign-trade-oriented industries and applying advanced technologies.

			<p>and tools.</p> <p>2. The status and features of industries in the poor areas. The poor areas stay at low levels of resource use, land productivity, labor productivity and resource development. Meanwhile, their simplex economic structures and lack of backbone industries result in bad economic results. The primary industry takes up a too large proportion while the secondary and tertiary industries remain underdeveloped. A few poor areas focus on energy-consuming industries producing serious pollution problems. Upgrading and optimizing the industries in these areas is faced with many difficulties, such as ecological adversity, poor agricultural conditions, large population with poor qualities, peasants' resentment due to improper intervention from local governments, and slow industrial restructuring.</p> <p>3. The influence of the changing international trade environment on poor areas in China. Changes in the international trade environment have a far-reaching influence on China's economy, whose changes will influence development of poor areas either directly or indirectly. Thanks to the flourishing international trade, foreign trade of China is increasing rapidly. While poor areas are challenged in the short term, there also exist opportunities for them in the long run. As more and more transnational corporations come in and</p>	<p>3. To restructure the primary industry by optimizing its products, upgrading its techniques, enlarging its scale, practicing market operation and emphasizing environmental protection.</p> <p>4. To decide which secondary industries to be developed. Two points should be kept in mind. First, the secondary industries to be developed in poor areas must be related to the local primary industries and helpful to extending their industrial chains. Second, they must depend on small towns.</p> <p>5. To orient the development of the tertiary industries, which should be fit for bettering people's life, updating the industrial structure, improving infrastructure for a better trade environment, developing labor-intensive industries, and developing tourism.</p>
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<p>21. A Review and Prediction of Foreign Capital Poverty Alleviation in China</p>	Workshops.	Foreign Capital Project Management Center	<p>This project reviews the background and development of foreign capital poverty alleviation in China, and then summarizes its forms, items, achievements and basic experience in the past decade. The project report analyzes the main opportunities and challenges facing China and expounds the prospect for the development of China's foreign capital poverty alleviation in the next five years.</p>	<p>1. All participants appreciated the achievements of China's foreign capital poverty alleviation in the past decade and its influence.</p> <p>2. The workshops gave those present a clear picture of how to promote international cooperation in poverty alleviation and development.</p> <p>3. The conference presented achievements of China's foreign capital poverty alleviation and development in the past decade, and provided a greater understanding of international organizations for China's poverty alleviation and development.</p> <p>4. This conference helped build a platform for</p>	

				<p>cooperation and exchange between FCPMC and other poverty alleviation organizations.</p> <p>5. Proposals made at the meeting can help the State Council LGOPA make policies for international cooperation in poverty alleviation, and the FCPMC further develop the scope and channel of poverty alleviation.</p>	
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Notes:

The coordinating framework: A mechanism practiced by the national government to reconcile the poverty alleviation programs in the eastern western parts of the country.

The one-department-one-county mechanism: A mechanism practiced by the national government to assign certain departments and agencies to carry out poverty alleviation programs in western poor areas. Usually one department or agency of various ministries is to choose one state-key PA county for practising such programs.