The Importance of Targeted Poverty Alleviation Policy — The Improvement and Experience from Past Policies

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ABSTRACT. Poverty is an issue faced by most if not all the countries in the world and it proposes a great challenge to all governments and their people. It is one of the 17 sustainable development goals set by the United Nations. Since the last century, the UN has recognized that about 11.6% of the world population was in extreme poverty in 2000. Many countries and governments try to tackle this problem and use various methods to reduce the poverty population. Within them, the Chinese government has done an impressive job in the last 40 years as they have decreased the poverty population by 800 million, which has contributed to 70% of the reduction in poverty worldwide. To better promote the anti-poverty ideology and provide a reference and example for other countries working on this task, this paper mainly summarizes the strategies used by the Chinese government in their anti-poverty plan, mainly focusing on the last stage: the plan-targeted poverty alleviation policy, summarizing its method and improvement from the past practice. Which includes the establishment of a centralized agency, the precise identification of poverty, and different approaches for different causation. Also, this paper will conclude with experiences and lessons learned from China’s anti-poverty plan. These include the importance of government-led projects, multidimensional anti-poverty strategies, and encouraging self-sustainable development in poor areas. Despite the mass success achieved by the Targeted Poverty Alleviation Policy, many challenges still lay in the future of poverty reduction. Such as the decreasing marginal effect between financial input and the poverty reduction, low competitiveness of the products made by the poor population compared to large-scale production, and the problem of dependency of the poor population on aid provided by the government.

Keywords: Poverty, Targeted Poverty Alleviation, Government, Experience

1 Introduction

The elimination of poverty is a goal to be met by all the countries in the world, the UN has also listed No Poverty as a priority on their 17 development goals as it is closely linked to all the other goals. Poverty used to be understood as a pure economical and developmental issue and is only tackled through those scopes. However, as more research has been conducted, countries now have a clearer understanding of the situation, it is a problem with multidimensional causation, not only economic. Relevant causes
can be lack of education and health care system, lack of transportation methods, or food insecurity. As time progressed, many countries took different methods and proposed solutions to reduce the poverty population, and it was overall successful. From 1970 until 2021, the world bank has raised the extreme poverty lowest income line from 1.05$ per day to 2.15$ per day, suggesting the increasing average income over the years. The poverty population also dropped from 42.6% in 1981 to 8.6% in 2018, of which China has contributed 70 % of them [1].

The Chinese government has adopted multiple large-scale poverty reduction plans over 40 years and has reduced the poverty rate from more than 50% to zero by 2021. In which the Chinese government has claimed to raise more than 700 million people in rural areas out of poverty. Therefore it is very important to summarize the methodology, pointing out the solution that the government used to overcome the difficulties during the process. This will give valuable insight to enhance the effect of the policy and provide ideas to other developing countries with similar poverty issues.

This paper mainly summarizes China’s poverty reduction plan over the past 40 years and focuses on the later stage of the poverty reduction plan, that is the Targeted Poverty Alleviation Policy, analyzes its importance, and argues its necessity in the path of China’s poverty alleviation plan. This paper also concludes the lessons learned from the 40 years of the anti-poverty policy and summarizes the main factors that contribute to the success of China’s poverty reduction policy, so as to offer some references for other developing countries to reduce poverty.

2 The achievement of China’s poverty reduction plan -- PRE-TARGETED poverty alleviation policy

2.1 The raise of poverty threshold

Poverty threshold is a line that marks the income level of an individual, if one’s income is lower than this line, he is then marked as in poverty. Since China’s reform and opening, it has raised its poverty threshold while the poverty level is decreasing, table one shows the poverty threshold per month set by the Chinese government and the world bank in the same year. Table 1 below shows the comparison of China’s poverty threshold and the World bank’s poverty threshold.

<table>
<thead>
<tr>
<th>Year</th>
<th>China’s Poverty threshold (¥)</th>
<th>World bank’s poverty threshold ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978</td>
<td>100</td>
<td>1.01</td>
</tr>
<tr>
<td>2008</td>
<td>1,196</td>
<td>1.25</td>
</tr>
<tr>
<td>2010</td>
<td>2,300</td>
<td>1.25</td>
</tr>
<tr>
<td>2011</td>
<td>2,536</td>
<td>1.90</td>
</tr>
<tr>
<td>2015</td>
<td>2,855</td>
<td>1.90</td>
</tr>
</tbody>
</table>
China’s poverty line is mainly based on covering the basic need for one to live, that is 2,100 Kcal for food and other social needs. The threshold is based on the cost of living, including the cost of food, consumption of necessities, and spending on social services. The adjustment of the threshold is mainly based on the increase in the social and economic development of China, and improvement in living standards, which will lead to an increase in living costs, therefore, the poverty threshold must cover the inflation to ensure the basic living for poor people. The poverty threshold was 100¥ in 1978, which is a very low standard, only covering the basic requirement for one to purchase enough food with 2,100 Kcal. Statistics show that poor people spend 85% of their income on food, which leaves almost no savings for the poor population. In 2008, China raised its poverty threshold to 1,196¥. In 2008, this was in response to the increasing living standards and costs. This gave the people a more flexible spending structure, the percentage spent on food decreased to 60%, giving more room for investment and saving. The threshold in 2010 is 2,300, another major increase, mainly driven by people moving from rural areas to urban areas and the urbanization of certain areas. Further increase in threshold is mainly driven by inflation and increase in living standard, that is the increase in 2011 and 2015 [4].

Comparing the threshold set by the Chinese government and the World bank, it can be seen that China's poverty reduction plan was taking effect. In 1978, China’s threshold was 100¥, and the world bank's exchange rate in yuan was 1,054¥. The gap between them is very large. In 2008, although both China and World bank raised their threshold, the world bank’s threshold is still higher than the China one, if adjusted to the exchange rate, 550 higher than the Chinese threshold, however, we can see the margin between closing at a high pace. In 2010, China raised its threshold again while the world banks did not, and in the following year, China's threshold stayed above the world banks’ threshold by a large margin. Although the high development speed has contributed to this increase in income and living standard, the role played by the poverty reduction policy is also very important.

2.2 The change in poverty population

Since 1981, China has had a 40% poverty rate, which means that over 40% of its population lives below the 1$ threshold [1]. However, the poverty ratio fell at a consistent rate over the years. Between 1978 and 2015, the Chinese government decreased its poverty population by a large margin, 739.9 million, which is 94.6% of the original poverty population. Figure 1 below is from the World bank and it shows the decreasing trend that China's poverty rate suggests.
Improvement in living conditions and infrastructure

In addition to the reduction in true poverty headcount, another important achievement of the poverty reduction plan is the living condition and the number of consumer goods affordable to poor people. Take the example of large appliances. In 2017, per every 100 families, the possession rate of fridges, washing machines, and colored TV are respectively 78.4, 83.5, and 108.9, which is an increase of 31.4, 31.2, and 10.6 compared to the data from 2012 respectively. The possession rate of cars and computers are 13.1 and 16.8 respectively, which is a significant increase from the data of 2012 [1].

Furthermore, the housing condition has also been improved. The rate of RC (reinforced concrete slab) made houses in rural areas is 58.1% in 2017, which increased from 18.9% in 2012. Rural areas also have more access to safe drinking water, families declared with “no drinking water issue” have increased from 81% to 89.2% in 2017.

The shortcoming of the old plan-arguing the importance of Targeted poverty alleviation

Although China’s poverty reduction plan before 2015 has been a general success, many problems concerning poverty in China still exist. Before 2015, China’s poverty reduction scheme relied on the theory of “trickle-down economics”. Benefiting from the high development speed of China’s economy, many suburban areas have achieved their anti-poverty goals. However, as China’s high-speed development starts to transition at a
steady pace, differences between suburban and rural are starting to emerge. Many poverty populations after 2015 share the characteristics of geography remote, economically remote, and most families have more aged population than young. Moreover, many families still in poverty have one or more severely ill or low-level education family members, this renders their ability to help themselves with the “self-development driving” poverty reduction plan. Therefore, it is very important and necessary to have a new policy to help those families out of poverty. Not only this further decreases the poverty rate in China, with a 304.6 million population, but if the economic potential of the poor population can be mobilized, it will also be a huge boost to China’s economy.

3.1 The difference between suburban and rural areas

In theory, “trickle-down economics” should allow all parts of China to enjoy development, leading to a reduction in poverty. However, in practice, it is observed that economic development is not trickling down into all parts of the country, some extremely remote areas have experienced very low distribution of development. This can reflect an unequal distribution of income rise and social service opportunities. One main factor in measuring development is income level. As shown in Figure 2 below, although the average income level has risen in the past 40 years, the degree of increase is significantly larger in urban and suburban areas.

![Diagram 1. Income level of different area in China between 1978-2018](image)

Comparing two lines in Figure 2, it can be seen that although the income of both groups is rising over the years, the difference in income is also on the rise.

Apart from income differences, a household's happiness and sense of security are other important factors. This is highly dependent on the government supply of insur-
ance, which China has five main national insurance: pension, maternity insurance, medical insurance, injury insurance, and unemployment insurance. Those, according to the National Bureau of Statistics of China, are also distributed unevenly over China. Taking the example of farmers, over the population of 2865.2 million, only 602 million have a pension, which is 21% of the population; 622.5 million have medical insurance, 21.73% of the population; 489.7 million have unemployment insurance, 17.09%; 780.7 million have injury insurance, 27.25% of the population [6]. Those low percentages suggest that the distribution of government benefits is very uneven.

Furthermore, the level of education is also very unevenly distributed. A family on average has 55,687.6 yuan in education spending in Beijing while this number decreases to 12236.78 in Sichuan. This reflects that the capability to get educated is very different in China [6].

Therefore, it can be seen that the necessity of having an improved anti-poverty plan helps those populations in rural areas instead of a development-based anti-poverty policy.

3.2 The difference between causation of poverty

One important reason for the remaining poverty population is their complicated causation of poverty, some families lack the workforce due to illness and disability, and some lack the required education level. This makes the development-based anti-poverty policy unable to raise the living standard as those families have no workforce to earn income at all. Some families in rural areas lack the capital to start their own business and therefore remain in poverty, Figure 3 below shows the percentage of different causes of poverty.

![Pie chart showing the percentage of different causes of poverty](meta-chart.com)

**Fig. 3.** Percentages of different causes of poverty [6]
As shown in Figure 3, the difference in causation between individuals is very large and therefore cannot be generalized into a simple policy, the new policy must be detailed and targeted to each different case.

3.3 Lack of regulation & shortage of hands

In addition to the complicated poverty situation, the old anti-poverty plan also has some inherited drawbacks. In the old system, Beijing and rural officials had a mass Information asymmetry, that is the party does not have the full picture of the situation locally. And due to the lack of ability of local officials to draw the full picture of poverty, the party then cannot make the perfect plan for reducing poverty. Furthermore, this may cause many disciplinary problems such as corruption, and giving poverty benefits to wealthy families. This lack of regulation and the difficulties of parties to use their influence will decrease the efficiency of the policy and cause mass waste of resources and possible corruption.

Furthermore, to have the marxism effect of the anti-poverty policy, the government needs to be more official than the 2014 level. Taking the example of Henan Xinxiang, in total there are 12,216 families, that is 41,268 individuals in poverty in 2014. If we let one official take responsibility for three families, that will require 4,072 officials to manage the area, and the number is far away from this line [6]. Thus, as shown from the above examples, China in 2014 is in need of a new policy and system to reduce the poverty in rural areas and push the poverty rate down further.

4 China’s targeted poverty alleviation policy

4.1 Summary of the policy

To further enhance the effect of the past 40 years of anti-poverty action and to achieve the goal of zero poverty, the Chinese government introduced the Targeted Poverty Alleviation Policy (policy as short) [11]. From the past practice of anti-poverty policy, currently, China’s anti-poverty mission is at a stage of stagnation, with more budget to spend and less effect to be seen. This suggests a new type of more meticulous plan to solve the problem. Therefore the Policy is introduced.

This policy follows the philosophy of precise helping, that is: identifying who needs help? What type of help is needed? Who will manage the process? Who will evaluate the effect? With the policy being precisely targeted to one area or even a family, the government can help them out of poverty faster and with more efficiency.

The policy’s main mission is to (1) Lift the poor household who has the ability to work with industrial development. (2) reallocate poor households who live in extremely remote areas or build more infrastructure in those areas. (3) work with poor households to give them the ability to have a sustainable economic status. (4) aid those who have physical disabilities with medicine or advanced treatment [2].
4.2 Improvement based on the old practice

The establishment of a centralized agency.
To better organize the mass human and financial resources that will be involved in the policy, the Chinese government has established a centralized agency to facilitate better resource distribution and communication [8]. This agency will work as a command center for the whole operation of the plan, but the power of making specific decisions and policy will be delegated to each county magistrate, while the agency will assign a secretary to each county to help carry out the policy. This type of group management strategy can ensure that all resources are used to their maximum potential and the understanding of the plan for every county will be consistent throughout the country. Furthermore, this centralized managerial power will allow all the resources and reports to be integrated and thus the government can have a more complete picture of the problem.

Precise identification of poverty.
Before China’s targeted poverty alleviation policy, the old poverty reduction practice was a “wide-ranged” poverty reduction plan [1], this caused a lot of resources to be wasted in areas that are not urgent or not poor at all. Therefore, the biggest change in the new plan is the precise identification of poverty. During the analysis of past poverty reduction plans, officials have found two main types of error when identifying poverty, “type E” and “type F” [6]. Type F is mistakenly documented people who are not in poverty as a poverty population, and type E is mistakenly documented people who are in poverty as people not in poverty. In the section below, I will mainly discuss the method China used to avoid those errors.

The appointment of “Helper”.
The agency has assigned the mission of identifying true poverty to each village’s head, following his lead, officials will personally go to every household to check the information, however, this type of verification can not give the officials a dynamic picture of household’s situation, therefore, the agency has agreed on the appointment of “Helper” [7]. Helper is an assigned official who will be in the identified village for a long period of time, and he will carry out the main practices of the policy. And to gain a more dynamic view of each household’s situation, the Helper will go into every household to check once a week, with the helper in the household, he can gain a better knowledge of the situation in the family, avoiding errors in identifying poverty.

4.3 The method of identification
In the household, officials will take three main methods to avoid two types of error. Table 2 below has listed the main practice and drawbacks of each method.

<table>
<thead>
<tr>
<th>Method</th>
<th>Description</th>
<th>Advantage</th>
<th>Disadvantage</th>
</tr>
</thead>
<tbody>
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<td></td>
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<td></td>
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</table>

Table 2. The main practice and drawback of each method
Classified targeting
Using the observable differences in characteristics of each family to classify every household. Some example characteristics will be: the number of members, age, gender, and level of health.

This type of targeting is cost saving and time-saving.

The causes of poverty in different areas of China can vary, and some causes of poverty can not be easily identified from those characteristics.

Evaluation of the household detail
This type of targeting is to check and evaluate the household detail, such as assets and property, and income level.

This type of targeting can clearly show the difference between real and fake poverty.

The weighting of each property and asset can be challenging, and income levels may require officials to visit each household.

Self-oriented targeting
Using the difference in time and income management between real and fake poverty to make them self-identify.

This is cost and time-saving for officials and could be potentially more effective.

The effectiveness of this type is based on the design of the project.

With the integration of all the policies above, officials can identify most different types of poverty and can include most of the poor population into the system, while significantly decreasing the rate of making type E and F errors.

**Classified targeting.**
To include as much of the poverty population in the system as possible, officials have taken a scheme of using classified targeting before evaluation of households [2]. By using classified targeting, officials can include all the potential population in the scope, avoiding type F error from happening, then by using evaluation of households, officials can further decrease type E error from happening.

China has mainly classified 7 different types of households, which are: major sickness, disability, no workforce, rely on subsistence allowance, rely on five minimal insurance, dilapidated house, and mass petition. To further decrease the possibility of type F error, governments mainly focus on the possible omission when classifying households. Overall, the method of targeting and reduction of type F errors are listed in Table 3.

<table>
<thead>
<tr>
<th>Type</th>
<th>Reason</th>
<th>Potential omission</th>
<th>Reduction in type F error</th>
</tr>
</thead>
</table>

**Table 3.** The method of targeting and reduction of type F error
<table>
<thead>
<tr>
<th>Major sickness</th>
<th>People who work in town with sickness</th>
<th>Encourage communication between family members and visit the household regularly</th>
</tr>
</thead>
<tbody>
<tr>
<td>The spending on major sickness exceeds the paying ability of the household.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disability</th>
<th>Mental disability</th>
<th>To examine the mental and physical status of a household.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The disability of a household will result in a lack of income for the family and a low standard of living.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>No workforce</th>
<th>Elderly living alone</th>
<th>To pay extra attention to old people and ensure they are not living alone.</th>
</tr>
</thead>
<tbody>
<tr>
<td>A household with no workforce will result in low income and low standard of living.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Rely on subsistence allowance. | | |
|--------------------------------|----------------------------------------------------------|
| This type usually lacks income and has a low standard of living | | |

| Rely on five menial insurances | | |
|-------------------------------|----------------------------------------------------------|
| This type usually has enough income but has a low standard of living | | |

<table>
<thead>
<tr>
<th>Dilapidated house</th>
<th>House in an extremely remote areas, such as in mountain area,</th>
<th>The official must ensure every area with people living is covered.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in a dilapidated house means the basic need for living is not met.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Mass petition | | |
|---------------|----------------------------------------------------------|
| This type often has very low satisfaction of their living standard so will send lots of petitions to the local government. | | |

**Household evaluation.**

Living standards and income are direct reflections of the poverty situation of a household. However, as poor households are outside the tax system, the government usually has no understanding of the real income and assets of poor people. Therefore, China used direct visiting and observation to collect data about the income of each household, although this can greatly increase the administrative cost, this can also greatly decrease the rate of Type E and F error [6].
There are many different types of income in poverty areas, such as salary, production revenue, asset revenue, subsidy, and alimony. Different types of income will have different ways of examination.

Salary from work is usually the main income source for a household, but there are many differences as the labor force will be working in different jobs, it will be difficult to ensure the accuracy of the data from the self-report by the household. Therefore, during the visit to each household, the household will be asked to explain the type of job and location he is practicing. Then from the average income of that occupation, the official can ensure the accuracy of the data.

The main source of product revenue is from home-raised livestock and crops, the usual practice is to estimate the income from the average price of those products [10]. Asset revenue such as land is often hidden and hard to evaluate, so officials will ask households to show the check with the firm to verify. The subsidy is government expenditure and therefore will be documented, so it is very hard to the fake subsidy. Alimony and a social donation can take many forms, making this the hardest to evaluate. Therefore, officials will also check the occupation of the child in the household to verify the accuracy of the data.

**Self-oriented targeting.**

From the combination of household evaluation and classification, most poverty populations are in the system, and type E errors are effectively controlled, however, to further increase the efficiency of allocation of resources, and decrease the spillover effect of the policy, during the employment training for poor household, the strategy of self-oriented targeting was used [9].

Employment training aims to train labor and teach them simple labor skills, facilitating their income and living standards. Everyone who joined this program will be given 200¥ as a reward, however, this is significantly lower than the average income of normal jobs. Therefore this can effectively deter people who have skills or are not in poverty, as they usually have a stable income source.

### 4.4 Different approaches for different causation

The basic philosophy of the Targeted Poverty alleviation policy is to give different solutions to different causation, as shown in 3.2 and 4.2 of this paper, the causation can be very different and complicated.

According to different causes of poverty, China has raised different solutions, the aim is to include all populations in poverty in the targeted poverty alleviation scheme. Table 4 below shows some examples of the solution used to alleviate poverty [6].

<table>
<thead>
<tr>
<th>Causation of poverty</th>
<th>Solution</th>
</tr>
</thead>
<tbody>
<tr>
<td>sickness</td>
<td>subsidized medical care, free physical examination</td>
</tr>
</tbody>
</table>
Lack of education | Free lunch, uni-subsidy, free pre-school education
---|---
Lack of labor | Government subsidy, free training
Lack of starting fund | Government subsidy
Lack of skills | Free training, employment aid
Lack of natural resources | Subsidy of transportation
Poor transportation | Relocate living area.

4.5 New way of involvement of firms in poverty alleviation

China has introduced a new method for firms, both private and public, that can be involved in poverty reduction. Compared to the common practice, charity, where there would be no extra value created apart from the donated money, can hardly be targeted to a certain household. The new practice allows private firms to train poor people and hire them at a lower salary, where the extra bit will be covered by government subsidies. From that, the poor population can gain skills and incomes, and the firms can gain cheap labor and lower their cost of production. Furthermore, requiring charity by the government can generate dissatisfaction from firms and deter them from donating large amounts of money, therefore reducing the effectiveness of the plan. By adopting the new government-firm cooperation scheme, they will be more willing to help poor people, increasing the efficiency of poverty reduction.

For state-owned firms, the old donation scheme will not decrease their willingness to cooperate, but it still lacks the power of eliminating poverty in the long term. In the targeted poverty alleviation policy, state-owned firms are required to build a helping relationship with one village, being fully responsible for the poverty alleviation in that village, the firm also needs to have a commissioner who is responsible for carrying out the operation. One implication is that the village-produced product can be directly sold to the firm to earn some income, giving the village some opportunity to build some capital for further development, also the firm will be very keen on ensuring the effectiveness of the policy as it can be used as an evaluation factor for their job.

5 Lessons from China’s poverty reduction plan

5.1 The importance of open-up and further reform, reducing poverty through economic development

The continuation of opening-up policy and social reform, and reducing poverty through economic development were the main driving force of China’s poverty alleviation in the past 40 years. In the early stage of opening-up policy, policies such as marketization, rural housing responsibility system, and the promotion of better agricultural plans have played a critical role in poverty reduction. Furthermore, the series of reforms and
improvements, as a result, has significantly increased the agricultural productivity in rural areas, and further increased the living condition and income of the poverty population. In the process of targeted poverty alleviation policy, many officials are facilitating local production and efficiency rather than giving direct aid. This act has been very effective in reducing poverty in a permanent manner.

5.2 Government leadership in the poverty reduction plan, and the importance of centralized control

China has established one specialized agency for development and carrying out poverty alleviation plans, which enhances the organizational management power through well-defined tasks and well-made result evaluation mechanisms. The establishment of a specialized agency ensures that the plan and policies can be done in an efficient manner. The agency also works as a platform for different officials to discuss and share their success, increasing coordination within the poverty reduction plan. Centralized control and resource distribution also ensure less corruption and more transparency in the poverty reduction plan. Over many years of concluding experience, the agency has formulated the China Rural Poverty Alleviation and Development Program (2011–2020), which clarified the tasks, focus, steps, and measures for Government departments at different levels and provided detailed guidance for the implementation of poverty alleviation activities.

5.3 The cooperation between government and private sector

Private sector has played an important role in reducing poverty in China. They helped China to reduce poverty in a sustainable manner by creating jobs, providing insurance, and training workers. Furthermore, many social programs and organizations have contributed to this policy, they have provided free training and medical aid for poor populations. The helping relationship between state-own firms can ensure the product from the village can be sold without market competition, increasing the income while helping the village to be more efficient.

5.4 Self-development types of poverty reduction

Development and self-help-oriented poverty alleviation are always a crucial part of China’s poverty reduction plan. China has realized the direct provision of money and consumer goods is not a sustainable way of reducing poverty. In many areas preferential policies are undertaken, these policies are customized with the specialty of the local environment and development opportunities, increasing production in those areas even after the poverty alleviation policy. Many essential infrastructures were built in the rural areas, such as roads, internet, and clean water. These infrastructures can improve living conditions and encourage people to start their own businesses, making poverty alleviation more sustainable in the long term.
5.5 Innovating and adopting new ways of poverty alleviation strategies in different stages of development

China has adjusted its poverty reduction strategy several times according to different development stages to ensure that maximum efficiency can be achieved. Over the years, China has shifted its policy from a more development-oriented to a more targeted and focused one. From 1978 to 1985, rural poverty alleviation was based mainly on the "trickle-down effect" philosophy. The policy at the time has limited specific goals and measures of poverty alleviation but focused on the general growth of wealth of the entire country. At this stage, poverty alleviation was mainly about providing essential consumer goods to rural poor groups. After 1986, China’s poverty reduction plan was mainly based on development-oriented poverty alleviation. In 1986, China announced a planned rural poverty alleviation strategy, but it was focused on the regional level, not specific poor households. In 2007, the previous anti-poverty strategy was replaced by a development-oriented and relief-type poverty reduction strategy, combined with an institutionalized social security system. By 2014, China implemented the targeted poverty alleviation policy, which is mainly focused on the household level. And are mainly targeted in the extremely remote area, aiming to achieve the goal of zero poverty. By that it can be seen that China’s poverty reduction strategy overall was from vague to detailed, only the economy is developed enough then the focus can be shifted to individuals and households. By adapting to changes in strategies, China’s plan can be more effective compared to other schemes that have not adapted to the development level in the country.

6 Conclusion

Over the course of 40 years, China has alleviated 400 million people out of poverty. That is a result of a well-planned, multi-stages poverty reduction plan. Many different sectors of the economy have contributed to this success. To overcome the difficulties and enhance the effectiveness of the previous stages of the plan, in the final stages, the targeted poverty alleviation policy, China has raised many new strategies to cover even the most remote areas in China that are in poverty. A new established centralized agency is organized so that resources for alleviating poverty can be used and distributed most effectively; the appointment of a “Helper” who is only responsible for a few households; a better scheme to identify and classify poverty; and raise different method of alleviation to help the household in a different classification. Those new policies and methods have led to a significant result as China has claimed to achieve zero poverty in 2021, and the households who are helped out of poverty are reported to be self-sufficient in their future development [12].

The aim of this research is to summarize the main method adopted by the Chinese government in their targeted poverty alleviation policy and to conclude what lesson can other countries or organizations gain from it. In general, the main lessons that can be learned are the importance of reform and development-based poverty reduction; the usefulness of a government-led anti-poverty campaign; and the possibility of private sector-government corporations in this area.
However, we must recognize that there are still possible deficiencies in the plan, and the effectiveness of it still needs follow up policy to ensure. There are still possibilities to do further studies about the possible follow up policies that cover the current problem, such as how to ensure the long term poverty reduction and the damage to the environment, etc.

7 AUTHORS’ CONTRIBUTIONS

This paper is independently completed by Qifan Zhao.

8 ACKNOWLEDGEMENTS

I will have to thank my economic teacher Mr. Perry, who taught me enough knowledge so that I can write this paper; the organization cetus-talk, I would not have had the chance to write this paper without their help from them; also professor Lichtenberg, and his assistance, they helped me to finalize the ideas; and finally my parent who gave me enough confidence and encouragement during the process of writing. I would not have been able to finish this paper without help from all of them.

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