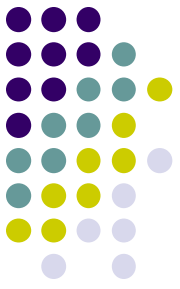


Poverty Reduction in China since 2013

Yang Song
(Renmin University of China)

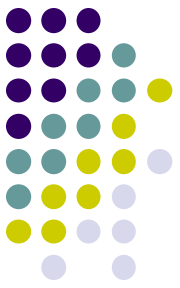
August, 2019



Poverty reduction in China

- Poverty rate:
- 1978: 97%
- 2012: 10.2% (“New Normal” Starts)
- 2019: 1.7%
- Why? Rapid economic growth in the past four decades, and what others?

Definitions and measures in China



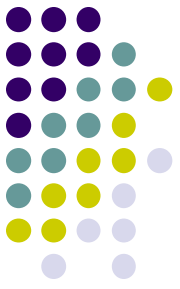
- Absolute poverty
 - China: 1274-2300-2800-3000-3300
 - International poverty line:
\$1.9/person/day (2011, in PPP terms)
- Income oriented multidimensional poverty (income, housing, education, medicare)

Anti-poverty principles since 2013



- Targeted poverty reduction
- Broad anti-poverty principle
- Deadlines and responsibilities

Targeted poverty reduction



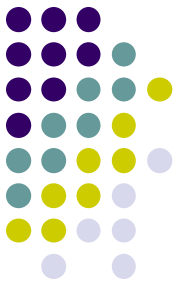
- Targeted identification
- Targeted help
- Targeted management
- Targeted evaluation

Broad anti-poverty principle



- Entire process management
- Cross-agency collaboration
- Cross-region collaboration
- The entire China is working on reducing poverty.

Deadlines and responsibilities

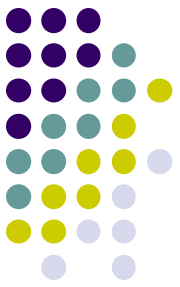


- Set deadlines, i.e., eliminate absolute poverty by 2020
- Different level of governments have different responsibilities
- County leader in poor areas cannot move until poverty disappears in the county

Specific policies



- Life-cycle perspective
- Education policies (free schooling for poor students)
- Subsidized but voluntary home movements for poor and remote villages
- Creating more jobs in some poor villages (especially for the disabled)
- Subsidies for work (EITC)
- Minimum living guarantee system (Dibao, unconditional cash transfer)



Possible research questions

- Evaluation of the impact of anti-poverty programs (e.g., a fuzzy RD design)
- How to deal with targeting challenges when income data is hard to get? Need more solid evidence
- Cost-benefit analysis of anti-poverty policies (fiscal costs, administrative costs, etc)