

China's Aid Policy to Africa

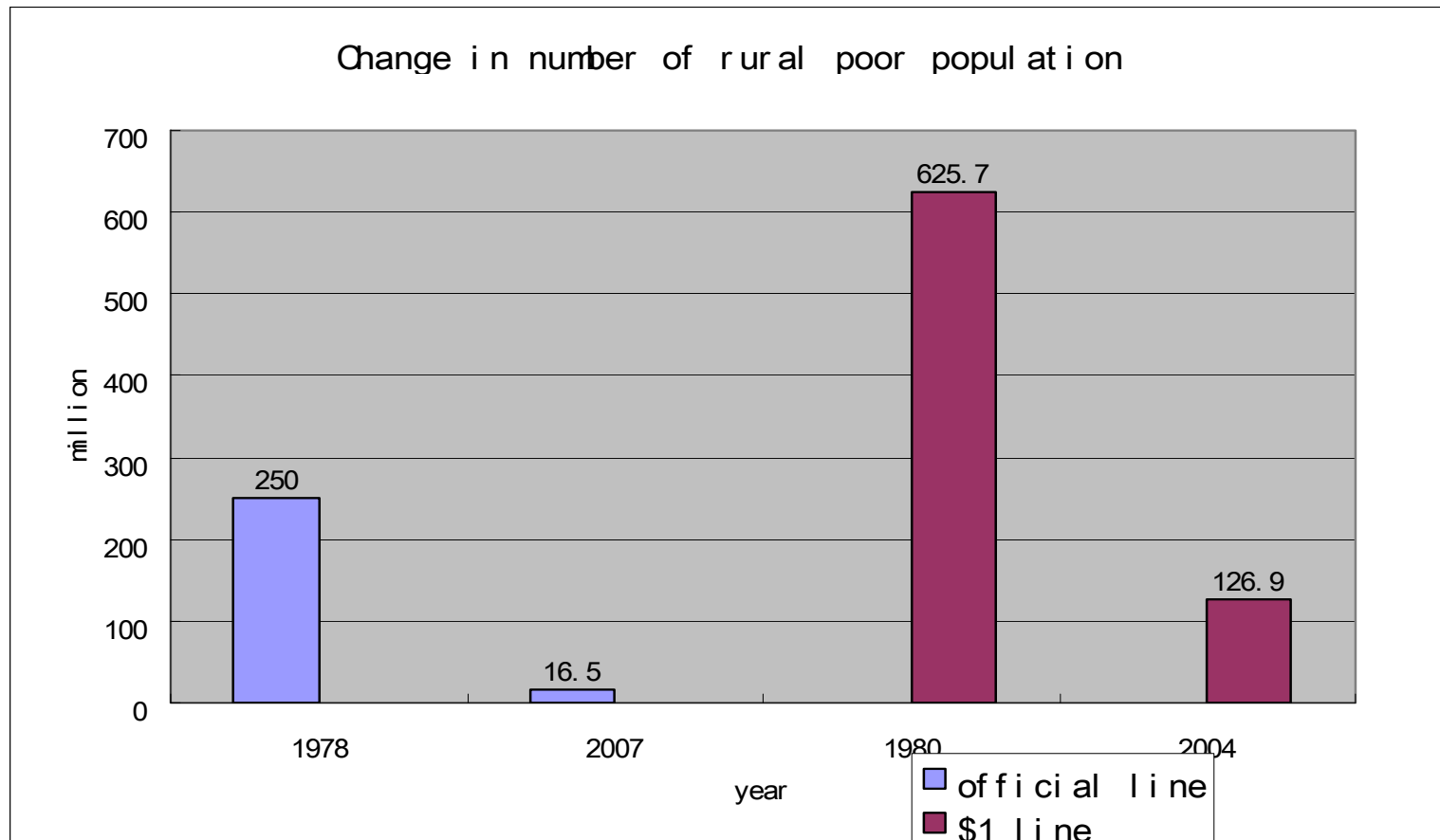
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Issues Discussed

- Facts of China's Poverty Reduction
- Methodological issues for discussing the lessons from China in poverty reduction
- Factors underling China's success in poverty reduction
- Lessons for African countries

Poverty Reduction in China



Methodologies for looking at the value of China's lessons in poverty reduction

- No doubts on the achievement made in poverty reduction, but few consensuses reached on whether, what, to what extent, lessons from China in poverty reduction replicable in other regions up to date.
- Difficulties in methodology and data availability
- Contextual situations, like size, natural endowments
- Unique Institutional factors of the country
- Besides, there must be something in common underling the poverty reduction.
- One option is to analyze the value and implications of each key factor for China's success in poverty reduction to other countries. It involves some problems like weight, interaction
- Focusing rural poverty reduction only

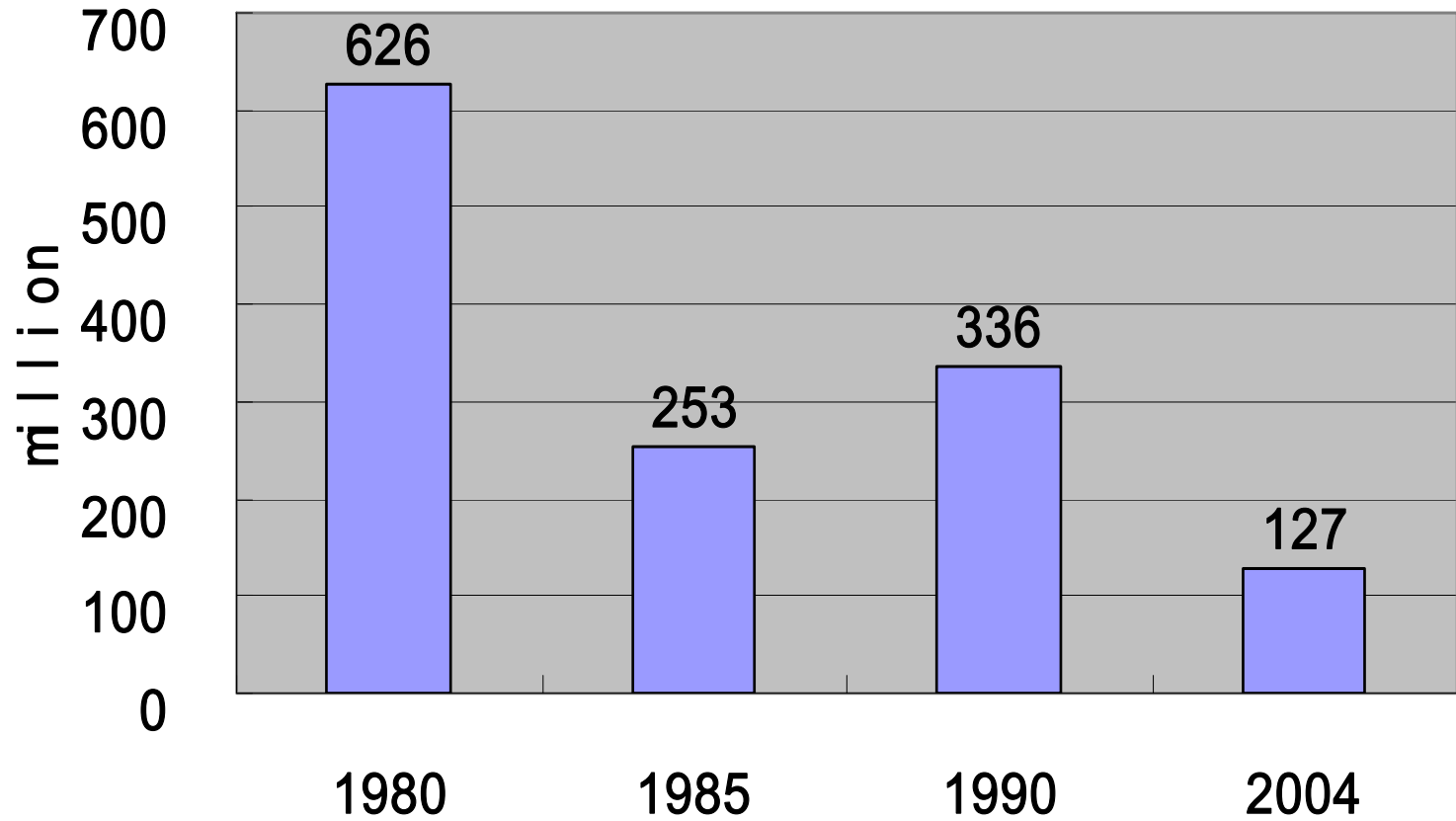
Key factors underlining the achievements

- Growth pattern benefiting to the poor
- Targeting poverty intervention
- Improvement in access to social services
- Social security system established for protecting the vulnerable from falling in poverty
- Participation of all concerned actors
- Improvement in management effectiveness

Growth pattern benefiting to the poor

- Agricultural development in early phase (1978-1985)
- Development of labor intensive sectors (processing industry, construction and services) through fast industrialization and urbanization supported by active government investment and FDI, created millions of jobs for rural migrants (after 1992)
- Facilitated by development of SMEs

Change of the number of poor population



Targeting poverty intervention

- Intervention of Chinese characteristics, but it is important for poverty reduction
- Aims at removing the constraints for development
- Area targeting poverty intervention, 18 regions 1986, 592 counties identified 1994, 180,000 villages identified 2001
- Development capacity improvement prioritized
- Comprehensive intervention
- Responsibility system for governments and other actors
- Interventions based on the contexts and causes of the targeting areas

Improving social services to the poor

- Education
 - Improving access and affordability of the poor
 - It helps realize social mobility and improve the skills of the people
- Health care
 - Improving access and affordability of the poor
 - Break vicious cycle between sickness and poverty, and improve labor productivity

Social security system established for protecting the vulnerable from falling in poverty

- Basic need protection (Minimum living standard protection system)
- Cooperative medical care system
- Direct assistance and relief system

Participation of all concerned actors

- Government plays dominated roles
- Private sector makes largest contribution by creating jobs, taxes, direct assistance
- Civil organizations in social mobilization, innovation of poverty reduction ways
- International organizations brought in new ideas and knowledge
- The poor's efforts

Improved management of the poverty reduction projects

- Attention drawn to improving governance, accountability of the management of poverty intervention projects and fund delivery, institutionalizing transparent and participatory planning and implementation
- Efforts made to improve the effectiveness and targeting

Process and dynamics of innovations in poverty reduction in China

- Learning from outside and the past
- Pilot first, and upscale the effective ones
- Listening to the grassroots (incl. NGOs and communities) . But It takes time

Lessons for Africa

- Pro-poor growth pattern and strategy
- Pay more attention to the social development of the poor
- Targeting poverty intervention, when possible
- Participation of all actors in poverty reduction
- Pilot first, scale up
- Management matters in poverty reduction
- Right direction is more important

Thanks!!