China: The Fight against Poverty

Millions in rural southwestern China have been uplifted from the vicious cycle of poverty by an innovative and exhaustive poverty reduction program that, for the first time in China, put money directly into villages, financing initiatives the residents themselves suggested. From water storage tanks, to new schools, jobs and job training.

“Annual income averages 250 yuan [about $30] per year.”
--Tan Zhi An

Wei Ming Rui and Tan Zhi An have never met, despite living only an hour apart as the crow flies in their respective villages of Nongxiang and Nongma in Southwest China. But they share similar experiences. Before water tanks were built, they spent backbreaking hours carrying water. Now, with the tanks guaranteeing a supply, they can concentrate on business. Wei, 45, still makes the journey through the Stony Mountains, but now, instead of water on his shoulder pole, he carries chairs, which he sells for $1 each at the market. Tan’s village has bought livestock, and the residents have taken out loans to buy fertilizer. Yearly income has jumped to 250 yuan (about $30) from 200 yuan.

“Everything has been uplifted: not just the teaching but the entire educational atmosphere.”
--Lu Jian Jun

Long Shi School looks like an old, abandoned stone train station. The roof over an entire wing has collapsed. The students are barefoot. “This is horrible, the worst place I have ever taught. There are no lights. Conditions are miserable,” says the school’s principal Wei Jin Shou, 50. A decade ago, schools like Long Shi were commonplace. Now schools like the nearby San Li School—one of 1,600 that have been upgraded—are more the norm. The 230 children attending San Li sit at proper desks; the teachers have real chalk and blackboards. The school’s principal Lu Jian Jun is enthusiastic. “Everything has been uplifted: not just the teaching but the entire educational atmosphere.”

“If the farmer isn’t interested, the project won’t work.”
--Alan Piazza

When Alan Piazza first started working in Duan County in Southwest China with the World Bank, he felt he had been given a hopeless task. Such was the diversity of the challenges and the entrenched nature of poverty in the area. Ten years on, he says the results have been “earth-shattering.” Official Chinese figures say poverty has fallen from 31.5 percent to 12.9 percent between 1995 and 2001. But Piazza says that he learned one thing early on: “If the farmer isn’t interested, the project won’t work. Listen to the villagers.” Almost without exception, the farmers wanted a job. Piazza’s team helped them find work in China’s booming cities. So far, these new workers have sent over $163 million home to their relatives.

“Market share is rising.”
--Qin Qi Yang

To create jobs in places such as remote Duan County in Southwest China is so challenging, Chinese and World Bank officials have had to think outside the box. One innovative job creation project involved financing a bottling line and warehouse for the Yaoling Winery. The winery crushes a wild grape that grows in the neighboring hills. Picking the grapes has become a promising source of income for the local residents. And the wine’s popularity is growing. Managing director Qin Qi Yang says, “Market share is rising, and foreign distributors are developing a nose for these unique vintages.”

Updated May, 2004