



中國國際扶貧中心

IPRCC International Poverty Reduction Center in China

Financial Crisis and Poverty Reduction

—A Study on China's Economic Stimulus Package
and Its Poverty Impact

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Foreword

Eliminating poverty is the primary objective of the United Nations New Millennium Goal; it is also a consensus reached and a commitment made by the international communities. Since the year 2000, a great deal has been achieved in reaching the New Millennium Goal, however, the outbreak of the global financial crisis in 2008, which has been turned into a global economic slowdown, has presented the UN New Millennium Goal with a new challenge. According to an estimate by the World Bank, the number of the absolute poor with a daily consumption below 1.25 US\$ on the world will be increased by 89 million by the end of 2010, thanks to the global financial crisis. This will present a serious threat to the Millennium Goal of “halving the world poor population by the year 2015”. By the same token, the global financial crisis has also brought huge challenges for the poverty reduction and development efforts by the Chinese Government.

In order to understand the impact of the financial crisis on the poor areas and poor people in China, to provide the government with the policy recommendations and to provide the international communities with the Chinese lessons, International Poverty Reduction Center in China (IPRCC) has conducted the research project on “Financial Crisis and Poverty Reduction”, under the guidance of the State Council Leading Group Office of Poverty Allevia-

tion and Development of China, with the guidance and financial support from UNDP.

The research team consists of the experts from IPRCC and the International Economic Research Institute of NDRC. Following a number of joint meetings, the research team undertook serious desk reviews and conducted field studies in a number of counties in Zhejiang, Jiangsu, Shaanxi and Chongqing. This report is based on the information collected from the desk review and from the interviews in the above four provinces and in Beijing.

The report has five parts. Part I is an introductory part, presenting the readers with the background, objectives and methods of the study. In Part II, the outbreak and impact of the global financial crisis on poverty, as well as the transmission mechanism of the crisis to the poor people and communities are analyzed. The Impact of the financial crisis on the poverty in China is discussed in Part III and the stimulus package of the Chinese government and its poverty impact are discussed in Part IV. The policy recommendations in the short and long term are made in Part V.

A longer timeframe is required for us to fully understand the impact of the financial crisis on the poor and the effectiveness of the government stimulus policies. International Poverty Reduction Centre in China will conduct follow up studies.

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