Poverty in Belt and Road Countries and the Improvement of China's International Poverty Reduction Cooperation System¹

School of Sociology, Central China Normal University

Ly Fang

Abstract: This article studies poverty features and poverty reduction needs in countries along the Belt and Road Initiative, and reflects and analyzes the history of China's international poverty reduction cooperation. On this basis, it presents the policy suggestions on improving China's international poverty reduction system against the Belt and Road background. The article believes that the development of this system should be guided by President Xi Jinping Thought on "developing a community of shared future for mankind without poverty". China should join hands with developing countries along the Belt and Road to develop multi—layer negotiation and cooperation mechanism and promote joint poverty reduction. During poverty reduction cooperation, we should consider the development stages and poverty situation features in Belt and Road countries and plan responsive programs; we should develop a poverty reduction cooperation participated by the government, the market and social forces; we should enhance study on basic theories and application; we should promote social responsibility and capacity building of Chinese enterprises; we should improve the capacity of Chinese social organizations to participate in international poverty reduction cooperation; we should develop a package of "demonstrative programs" to promote the international sharing of China's poverty reduction experience.

Key words: Belt and Road, poverty reduction cooperation, "community of shared future for mankind with no poverty"

¹ This report is one of the research results on "Poverty Reduction Cooperation between Belt and Road Countries" commissioned by the IPRCC. It is edited based on the research report provided by the responsible institution. The report only represents the ideas of the author.



During the visit to Central Asia and Southeast Asia in September and October, 2013, President Xi Jinping proposed the Belt and Road Initiative, which received great attention and active responses from the international community. Promoting poverty reduction cooperation among Belt and Road countries is a major component for realizing the UN 2030 Sustainable Development Agenda, and it will open up a new prospect for south—south cooperation. However, the study on Belt and Road poverty reduction cooperation is now still at the initial stage. We believe that the study on poverty reduction cooperation among Belt and Road countries has great theoretical and practical significance for bridging the knowledge gap.

This article will explore the theories and methods of poverty reduction cooperation among Belt and Road countries and present policy suggestions from the following aspects: the first is to acknowledge the social and economic development status and poverty status in Belt and Road countries. On this basis, the second is to stick to President Xi's initiative of "building a community of shared future for mankind with no poverty" and combine China's poverty reduction history and status with the new outcomes and features of global poverty reduction cooperation to enhance the theoretical framework of Belt and Road poverty reduction strategy. In the end, the article presents policy suggestions on China's international poverty reduction cooperation on the basis of the above–mentioned analysis.

I. Social and economic development status and poverty status in Belt and Road countries

The Belt and Road cover 65 countries, including China, in Central Asia, South Asia, Southeast Asia, West Asia and Central and Eastern Europe. Among these countries, 12 are developed economies, 18 are transitional economies, 36 are developing economies (including Turkey, Iran, Syria, Iraq, UAE, Qatar, Bahrain, Kuwait, Lebanon, Oman, Yemen, Jordan, Palestine, Vietnam, Laos, Cambodia, Thailand, Malaysia, Singapore, Indonesia, Brunei, the Philippines, Myanmar, East Timor, India, Pakistan, Bangladesh, Afghanistan, Nepal, Bhutan, Sri Lanka, Maldives, Mongolia and Egypt) and 9 are the least developed countries (Afghanistan, Bangladesh, Bhutan, Laos, Cambodia, East Timor, Myanmar, Nepal, Yemen).

1. Overview of the social and economic development in Belt and Road countries

Based on the data from the World Bank in 2016, the total population in countries along the Belt and Road was 4.625 billion in 2016, about 62.13% of the world's total. Apart from Syria, the total GDP of countries along the Belt and Road was 23.59 trillion U.S. dollars in 2016, only 31.07% of the world's total. The total population in countries along the Belt and Road accounted for about two thirds of the world's total, but the economic aggregate was only one third of the world's total.

In terms of regional differences (see Table 1), East Asia and Central and Eastern Europe are the richest in land resources. The two regions have modest populations and rich percapita resources. In South Asia, Southeast Asia and West Asia, the population is dense; the population density in South Asia is 844.84 persons per square kilometers. East Asia, Southeast Asia and South Asia have the richest labor resources. They have a huge number of laborers, a low aging level and a low unemployment rate, and they have good demographic dividends. Central Asia and West Asia do not face population aging problems, but their unemployment rate is high. In Central and Eastern Europe, population aging and unemployment are series problems. According to statistics from the World Bank in 2016, the population aged 65 or above accounted for 16.42% of the total and unemployment rate was 10.55%, much higher than the rest of the areas.

Table 1 Social Development Status of Regions along the Belt and Road²

Region	Land area (10,000 square kilometers) Total population (10,000 persons)		Population density (Persons per square kilometer)	Proportion of the population aged 65 or above (%)	Proportion of unemployed population (%)	Total labor force (10,000 laborers)	
East Asia	1094.18	138169.24	74.40	7.03	5.65	80431.2	
Southeast Asia	434.05	63989.27	844.84	6.15	2.54	32974.0	
South Asia	477.16	176638.35	494.22	5.27	4.47	68696.0	

^{2□} Source: World Bank Database. https://data.worldbank.org.cn.

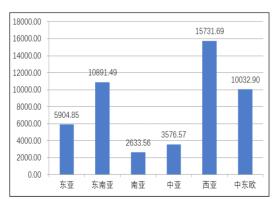


Region	Land area (10,000 square kilometers)	Total population (10,000 persons)	Population density (Persons per square kilometer)	Proportion of the population aged 65 or above (%)	Proportion of unemployed population (%)	Total labor force (10,000 laborers)	
Central Asia	Central Asia 392.56		37.63	4.61	8.25	3239.4	
West Asia 741.40		19369.69	238.82	5.33	9.49	15486.1	
Central and Eastern Europe	1850.07	32153.44	77.95	16.42	10.55	16063.5	

Judging from the social development status of regions along the Belt and Road (Table 1), in the 65 countries, East Asia has the largest economic aggregate, thanks to China's huge economic size. South Asia, Southeast Asia, West Asia, Central and Eastern Europe and Central Asia follows East Asia in terms of economic aggregate. In terms of per-capita GDP, West Asia takes the leading role with a per-capita GDP of 15,731.69 U.S. dollars, followed by Southeast Asia and Central and Eastern Europe. Central Asia and South Asia have low per-capita income. 80% of the countries along the Belt and Road are at the mid-speed or low-speed growth stage; 4 are at the high-speed growth stage and 8 have negative growths. Apart from two developed countries, namely Singapore and Israel, the rest countries are at low economic development levels.

Picture 1 GDP of countries along the Belt and Road (unit: 100 million U.S. dollars)





(东亚: East Asia 东南亚: Southeast Asia 南亚: South Asia 中亚: Central Asia 西亚: West Asia 中东欧: Central and Eastern Europe)



2. Poverty in countries along the Belt and Road

With the development of poverty reduction globally, the impoverished population in East Asia, the Pacific region and South Asia has decreased significantly. In particular, Indonesia and China have made great achievements in poverty reduction. At present, the impoverished population mainly concentrate in Sub–Saharan Africa, which accounts for 41% of the world's total, followed by South Asia (15.1%)³ and Eastern Europe, Central Asia and East Asia (5.8%).

In countries along the Belt and Road, 365 million impoverished people in 35 countries live under the poverty line of 1.9 U.S. dollars a day. (see Table 2). Populous countries, such as India, China, Indonesia, Bangladesh and Pakistan still have the largest number of impoverished population, and Laos, India, Yemen and Bangladesh have the highest poverty incidence. In terms of the depth of poverty, under the poverty standard of 1.9 U.S. dollars a day, East Timor, Laos, Yemen, India, Nepal, Bangladesh and Macedonia are in the deepest poverty.

Chart 2 Poverty in Countries along the Belt and Road under the Poverty Line of 1.9 Dollars a Day⁴

Region	Country	Year	Proportion of the impoverished population (%)	Total impoverished population (10,000 persons)	Poverty gap
East Asia	China	2014	1.4	1909.98	0.3
East Asia	Mongolia	2016	0.5	1.51	0.1
	Indonesia	2016	6.5	1697.25	1
	Vietnam	2015	2.6	238.45	0.5
Southeast Asia	The Philippines	2015	8.3	844.25	1.6
	Myanmar	2016	6.4	338.47	1.5
	Laos	2012	22.7	145.62	5.3
	East Timor	2014	30.3	121.2814	6.7

^{3□} World Bank: Poverty and Shared Prosperity 2016.

 $^{4\}square$ Source: World Bank Database. https://data.worldbank.org.cn.



Region	Country	Year	Proportion of the impoverished population (%)	Total impoverished population (10,000 persons)	Poverty gap
	India	2011	21.2	26441.40	4.3
	Pakistan	2013	6.1	1108.45	0.9
	Sri Lanka	2012	1.9	38.81	0.3
South Asia	Bangladesh	2016	14.8	2411.68	2.7
	Nepal	2010	15	405.35	3.1
	Maldives	2009	7.3	2.63	1.5
	Bhutan	2012	2.2	1.66	0.4
C. A. I.A.	Kyrghyzstan	2016	1.4	8.52	0.2
Central Asia	Tajikistan	2016	4.8	41.93	1
	Iran	2014	0.2	15.68	0
	Iraq	2012	2.5	81.94	0.4
	Turkey	2016	0.3	23.85	0
***	Israel	2012	0.7	5.54	0.3
West Asia	Yemen	2015	18.8	506.02	4.5
	Egypt	2015	1.3	121.91	0.2
	Georgia	2016	4.2	15.62	1
	Armenia	2016	1.8	5.26	0.3
	Estonia	2015	0.5	0.66	0.4
	Lithuania	Lithuania 2015 0.7		2.03	0.5
Central and Eastern Europe	Hungary	2015	0.5	4.92	0.3
	Macedonia	2014	5	10.39	2.5
	Serbia	2015	0.1	0.71	0
	Slovakia	2015	0.7	3.80	0.3
Zurope	Croatia	2015	0.7	2.94	0.4
	Latvia	2015	0.7	1.38	0.4
	Ukraine	2016	0.1	4.50	0
	Moldova	2016	0.2	0.71	0

The multidimensional poverty index (MPI) is an important index to reflect the poverty status of a country. Table 3 demonstrates the MPIs of 37 countries along the Belt and Road under the poverty line of 1.9 dollars a day. Since the data was collected in different years, it cannot be compared among countries. But we can infer that multidimensional poverty incidence is high in Southeast Asia and South Asia.



Table 3 MPI in Impoverished Countries along the Belt and Road⁵

Region Country Vear MP1 impoverished population(100%) deprivation(100%) Education Health Living standard Mongolia 2012 0.023 5.2 43.3 30.0 36.6 33.4		Country	Year	MPI	1 ^ 1		The proportion of deprivation in		
Country Fear Part Impoversion Impoversion Education Include Education Include Education Include Education Include Incl	Region						each dimension in multidimensional		
East Asia China 2012 0.023 5.2 43.3 30.0 36.6 33.4									
China 2012 0.023 5.2 43.3 30.0 36.6 33.4							Education	Health	
East Asia		China	2012	0.022	5.2	42.2	20.0	36.6	
Indonesia 2012 0.024 5.9 41.3 24.7 35.1 40.2	East Asia								
Thailand									
Vietnam 2013 0.016 3.9 39.9 39.6 24.3 36.1									
The Philippines 2013 0.033 6.3 51.9 35.3 30.2 34.5									
Asia Asia The Philippines 2013 0.033 6.3 51.9 35.3 30.2 34.5	Southeast								
Laos 2011 0.186 36.8 50.5 37.7 25.4 36.9	1								
East Timor 2009 0.322 64.3 50.1 20.0 30.4 49.6									
South Asia South Asia South Asia South Asia South Asia India 2005 0.282 55.3 51.5 52.0 36.2 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 31.6 32.5 32.3 32.3 31.6 32.5 32.3 32.5 32.3 32.5 32.3 32.5 32.			2011	0.186	36.8	50.5	37.7	25.4	36.9
Pakistan 2012 0.237 45.6 52.0 36.2 32.3 31.6		East Timor	2009	0.322	64.3	50.1	20.0	30.4	49.6
Bangladesh 2014 0.188 40.7 46.2 28.4 26.1 45.5 Nepal 2014 0.116 26.6 43.7 32.2 25.6 42.2 Maldives 2009 0.008 2.0 37.5 31.9 47.9 20.2 Bhutan 2010 0.128 29.4 43.5 40.3 26.3 33.4 Afghanistan 2010 0.293 58.8 49.9 45.6 19.2 35.2 Kazakhstan 2010 0.004 1.1 36.4 4.3 83.9 11.8 Kyrghyzstan 2014 0.008 2.2 36.3 13.0 73.5 13.5 Turkmenistan 2006 0.011 3.0 37.0 7.4 82.5 10.1 Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Iraq 2011 0.052 13.3 39.4 50.1 38.6 11.3 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 34.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Macedonia 2011 0.007 1.7 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7		India	2005	0.282	55.3	51.5	22.7	32.5	44.8
Nepal 2014 0.116 26.6 43.7 32.2 25.6 42.2 Maldives 2009 0.008 2.0 37.5 31.9 47.9 20.2 Bhutan 2010 0.128 29.4 43.5 40.3 26.3 33.4 Afghanistan 2010 0.293 58.8 49.9 45.6 19.2 35.2 Kazakhstan 2010 0.004 1.1 36.4 4.3 83.9 11.8 Kyrghyzstan 2014 0.008 2.2 36.3 13.0 73.5 13.5 Turkmenistan 2006 0.011 3.0 37.0 7.4 82.5 10.1 Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Iraq 2011 0.052 13.3 39.4 50.1 38.6 11.3 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Esterne Europe 2012 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Pakistan	2012	0.237	45.6	52.0	36.2	32.3	31.6
Nepal 2014 0.116 26.6 43.7 32.2 25.6 42.2	Coudh	Bangladesh	2014	0.188	40.7	46.2	28.4	26.1	45.5
Maldives 2009 0.008 2.0 37.5 31.9 47.9 20.2	1	Nepal	2014	0.116	26.6	43.7	32.2	25.6	42.2
Afghanistan 2010 0.293 58.8 49.9 45.6 19.2 35.2 Central Asia Kazakhstan 2010 0.004 1.1 36.4 4.3 83.9 11.8 Turkmenistan 2014 0.008 2.2 36.3 13.0 73.5 13.5 Turkmenistan 2006 0.011 3.0 37.0 7.4 82.5 10.1 Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Japiestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 Yemen 2013 0.2 40.0 50.1 29.	Asia	Maldives	2009	0.008	2.0	37.5	31.9	47.9	20.2
Central Asia Kazakhstan 2010 0.004 1.1 36.4 4.3 83.9 11.8 Kyrghyzstan 2014 0.008 2.2 36.3 13.0 73.5 13.5 Turkmenistan 2006 0.011 3.0 37.0 7.4 82.5 10.1 Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Iraq 2011 0.052 13.3 39.4 50.1 38.6 11.3 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2		Bhutan	2010	0.128	29.4	43.5	40.3	26.3	33.4
Central Asia Kyrghyzstan 2014 0.008 2.2 36.3 13.0 73.5 13.5 Turkmenistan 2006 0.011 3.0 37.0 7.4 82.5 10.1 Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Iraq 2011 0.052 13.3 39.4 50.1 38.6 11.3 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016		Afghanistan	2010	0.293	58.8	49.9	45.6	19.2	35.2
Central Asia		Kazakhstan	2010	0.004	1.1	36.4	4.3	83.9	11.8
Turkmenistan 2006 0.011 3.0 37.0 7.4 82.5 10.1 Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Iraq 2011 0.052 13.3 39.4 50.1 38.6 11.3 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Central and Eastern Europe Elarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Kyrghyzstan	2014	0.008	2.2	36.3	13.0	73.5	13.5
Tajikistan 2012 0.031 7.9 39.0 13.4 52.6 24.0 Uzbekistan 2006 0.013 3.5 36.6 3.7 83.4 12.8 Iraq 2011 0.052 13.3 39.4 50.1 38.6 11.3 Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Central and Eastern Europe Elarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Turkmenistan	2006	0.011	3.0	37.0	7.4	82.5	10.1
Traq 2011 0.052 13.3 39.4 50.1 38.6 11.3	Asia	Tajikistan	2012	0.031	7.9	39.0	13.4	52.6	24.0
Syria 2009 0.028 7.2 39.1 54.7 34.0 11.3 Jordan 2012 0.004 1.2 35.3 31.5 65.0 3.5 Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Europe Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Uzbekistan	2006	0.013	3.5	36.6	3.7	83.4	12.8
Vest Asia Palestine 2012 0.004 1.2 35.3 31.5 65.0 3.5		Iraq	2011	0.052	13.3	39.4	50.1	38.6	11.3
West Asia Palestine 2014 0.005 1.4 38.2 20.8 67.8 11.5 Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Europe		Syria	2009	0.028	7.2	39.1	54.7	34.0	11.3
West Asia Yemen 2013 0.2 40.0 50.1 29.5 32.3 38.2 Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Europe Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Jordan	2012	0.004	1.2	35.3	31.5	65.0	3.5
Egypt 2014 0.016 4.2 37.4 45.6 46.7 7.8 Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Palestine	2014	0.005	1.4	38.2	20.8	67.8	11.5
Georgia 2005 0.008 2.2 37.6 7.4 67.4 25.2 Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5	West Asia	Yemen	2013	0.2	40.0	50.1	29.5	32.3	38.2
Armenia 2010 0.002 0.6 37.0 3.4 87.7 8.7 Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Egypt	2014	0.016	4.2	37.4	45.6	46.7	7.8
Azerbaijan 2006 0.009 2.4 38.2 20.0 50.7 29.3 Albania 2008 0.005 12.0 38.3 22.4 47.1 30.5 Macedonia 2011 0.007 1.7 38.0 2.2 86.1 11.7 Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5		Georgia	2005	0.008	2.2	37.6	7.4	67.4	25.2
Central and Eastern Europe Belarus 2005 0.001 0.002 0.001 0.002 0.002 0.003 0.002 0.003 0.002 0.003		Armenia	2010	0.002	0.6	37.0	3.4	87.7	8.7
Central and Eastern Europe Belarus 2005 0.001 0.002 0.001 0.002 0.002 0.003 0.002 0.003 0.002 0.003		Azerbaijan	2006	0.009	2.4	38.2	20.0	50.7	29.3
Central and Eastern Europe Montenegro 2011 0.007 1.7 38.0 2.2 86.1 11.7 Belarus 2014 0.002 0.4 40.6 30.7 40.7 28.7 Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5	and Eastern		2008	0.005	12.0		22.4		30.5
Central and Eastern Europe Serbia 2014 0.002 0.4 40.6 30.7 40.7 28.7 Belarus 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5									
and Eastern Europe Montenegro 2013 0.002 0.5 38.9 22.0 59.9 18.1 Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5									
Europe Belarus 2005 0.001 0.4 34.5 2.6 89.7 7.7 Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5									
Ukraine 2012 0.001 0.4 34.5 19.0 77.5 3.5									
		Moldova	2012	0.004	1.1	38.4	11.0	66.9	22.1

^{5□} Source: UN, Human Development Report 2016





3. Overview of poverty in regions along the Belt and Road

(1) Poverty in South Asia

Since 1990, poverty incidence in South Asia has decreased from 45% to 15.1% in 2013, but the impoverished population in this area is still 250 million, about one third of the world's total. So to speak, South Asia is the main distribution area of the impoverished population along the Belt and Road. In recent years, countries in South Asia rely on their comparative advantages in terms of population, resources and environment and enter a stage of rapid growth. They have formed a strong trickling—down effect on poverty reduction, but at the same time, they face challenges in several aspects: first, in rapid development, regional gap is widening. Second, the literacy rate in South Asia is low, and the age structure is young. Third, the Agricultural economic departments in South Asian countries is less modernized, small—peasant economy is still the main agricultural form in South Asia. In South Asia, agricultural technological level is low, labor productivity is weak, and agricultural livelihood is fragile due to natural disasters. In formulating poverty reduction strategies, countries in South Asia focus on promoting agricultural economic development and rural community development, expanding employment, improving public service and reducing poverty for special groups.

(2) Poverty in Southeast Asia

According to the data from the World Bank, in 2013, the total population of nine countries in Southeast Asia (excluding Singapore and Brunei) was 620 million, 90 million of which were impoverished, and the poverty incidence was 14.6%. Indonesia, the Philippines, Myanmar, Vietnam, East Timor and Laos took up 81% of the total population and 87.4% of the impoverished population in Southeast Asia, showing a concentration of poverty6. At present, poverty reduction in Southeast Asia still faces challenges in multiple areas. First, the development gaps between developing countries are widening, the development of impoverished mountainous areas is not markedly improved, and there is the "deep

poverty phenomenon". Second, agriculture takes up a large proportion of the national economy, especially in Laos, Cambodia, Myanmar and Vietnam, where rural impoverished population account for over 80% of the total population. Grain agriculture, especially rice agriculture is still the dominant form. Due to insufficient technological investment, agricultural productivity is low. Third, under the influence of natural and geographical factors, ecological fragility and natural disasters have added to the fragility of the agricultural economy, and disaster–related poverty is prominent. In the end, Southeast Asian countries also face the constraints of inadequate education and technology. Due to the limited financial power, technological and educational investment is not enough; the problem is especially prominent in terms of human capital shortage.

3. Poverty in Central Asia

In recent years, the situation in Central Asia is generally stable. Central Asian countries have accelerated growth, adjusted their industrial structure and achieved rapid trade development. However, the overall economic development level in Central Asia is still low, with weak infrastructure, backward social programs and insufficient development funds. Terrorism, splittism and extremism pose great challenges to peaceful development. The development of Central Asia is faced with both opportunities and challenges. Unlike poverty in South Asia and Southeast Asia, poverty in Central Asia has its unique historical background and realistic challenges. First, since the new millennium, poverty has been alleviated in all countries with the economic recovery, but the situations in different countries differ largely. Second, due to domestic political and economic environment, some countries have suffered from the outflow of laborers and high unemployment. Third, poverty has become the hotbed for terrorism, splittism and extremism, In the end, China attaches great importance to cooperation with Central Asian countries in areas such as infrastructure, energy, technology, poverty reduction and international security. The cooperation will bring opportunities for promoting common development and poverty reduction.

s

^{6□} Wu Liang, Zhong Shuai et al., Study on Poverty and Poverty Reduction and Development Model in Southeast Asia against the Background of the Belt and Road Initiative, Science and Technology for Development, Vol. 6, 2017.



II. International Background and Experience Basis of Poverty Reduction Cooperation among Belt and Road Countries

Poverty reduction cooperation among Belt and Road countries is a major component of the global poverty reduction undertaking. It represents China's responsibility as a big country and its idea to join hands with developing countries to promote common development and build a "community of shared future with no poverty".

1. International background: the UN 2030 Agenda for Sustainable Development

On September 25 to 27, 2015, the long-awaited UN Sustainable Development Summit was convened in the UN Headquarters in New York. On the opening day of the meeting, 193 member countries approved a document, Transforming our World: The 2030 Agenda for Sustainable Development. This programmatic document includes 17 sustainable development goals and 169 specific goals that will realize 3 unprecedented achievements in the next 15 years, namely eliminating extreme poverty, ending inequality and injustice and curbing climate change? The UN 2030 Agenda for Sustainable Development proposes that ending poverty in all its forms, including extreme poverty, is the biggest challenge of the whole world, and is the precondition for sustainable development. It urges all countries and stakeholders to join hands to implement the plan. Promoting poverty reduction cooperation among Belt and Road countries can help establish a public platform for joint poverty reduction and development and push forward the implementation of the UN 2030 Agenda for Sustainable Development with pragmatic cooperation. It will serve as a major component of global poverty reduction cooperation.

2. Experience basis: historical experience of China's international poverty reduction

As a responsible developing giant, China is dedicated to global poverty reduction while tackling its own development problems. It supports developing countries, especially the least developed countries to reduce poverty through bilateral and multilateral mechanisms.

China's international poverty reduction cooperation involves Southeast Asia, Africa, Latin America and Oceania. China has expanded its support scope and innovated its poverty reduction methods, and its contribution and achievements have won respect and recognition of the people around the world, especially those in developing countries. Since World War II, the development aid and poverty reduction cooperation led by western countries has accumulated much precious experience, but it also faces many problems and challenges. Some Africa countries have lost their independence in receiving the intervention development aid from the west, and their social and economic status has worsened. In the past several decades, the poverty reduction cooperation between China and African and ASEAN countries have registered great achievements and formed a new type of cooperation relations different from the western official development aid system. Guided by the principle of "equal cooperation", "mutual benefit and win-win results", "people's livelihood first" and "endogenous power-led", China has organized aid programs to improve capacity building, community development, infrastructure development, education and healthcare. China has challenged traditional western aid. It is actively influencing the south-south cooperation and the theoretical and practical development in the traditional western development aid circle. China has thus provided new topics, concepts and practical models for global poverty reduction and governance.

III. Improvement of China's international poverty reduction cooperation system against the background of the Belt and Road Initiative

Against the background of the Belt and Road Initiative, China's international poverty reduction cooperation has entered a new historical stage, with numerous new topics and challenges. Improving China's international poverty reduction cooperation system is an action to actively participate in the development of a community of shared future for mankind with no poverty, and a measure to promote the implementation of the UN 2030 Agenda for Sustainable Development. China sticks to the idea of "developing a community of shared future for mankind with no poverty" and applies the principle of

 10

^{7□} Economic and Trade Office of the Permanent Mission of the People's Republic of China to the UN Office in Geneva, Transforming our World: The 2030 Agenda for Sustainable Development (Chinese and English versions), http://genevese.mofcom.gov.cn/article/wjysj/201604/20160401295679.shtml



2018-2
Working Paper series

13

achieving shared growth through discussion and collaboration to promote social and economic development and the cooperation in global governance.

1. Establishing a multi-layer Belt and Road poverty reduction cooperation mechanism

Poverty reduction cooperation among Belt and Road countries should enhance existing regional and sub-regional mechanisms (such as the ASEAN 10+3 mechanism and the Lancang-Mekong cooperation mechanism) to explore bilateral and multilateral negotiation mechanism that suit the features and needs of Belt and Road regions. Poverty reduction cooperation among Belt and Road countries has its unique features. Developing countries along the Belt and Road can be divided into several main categories. Besides, some poverty-related issues (terrorism, splittism and extremism and cross-border drug crimes) are important governance topics of the government, the public or even the international community. Resolving these prominent problems will not only add to the stability and prosperity of relevant countries, but also improve regional stability and the overall regional environment. Besides enhancing poverty reduction cooperation with developing countries, we should also strengthen communication and cooperation with major recipient countries along the Belt and Road to reach wider consensuses.

2. Transforming the development opportunities brought by Belt and Road development into poverty reduction outcomes of developing countries along the Belt and Road

Development is the fundamental way to eliminate poverty and related problems. Poverty reduction in the process of development has its meaning in two dimensions. First, economic growth can drive poverty reduction. The improvement of agricultural productivity and the expansion of non-agricultural employment are conducive to poverty reduction. Second, tackling poverty in development can create a favorable social environment and basis for development and improve the sustainability and quality of development. In this regard, poverty reduction should be placed in the overall background of Belt and Road development, including the platform development and program implementation in areas of infrastructure, trade, investment and finance. Belt and Road poverty reduction cooperation

is an important way to transform the outcomes of the Belt and Road Initiative into the wellbeing of the public in Belt and Road countries.

3. Developing a three-dimensional international poverty cooperation pattern with the government, the market and social organizations as participants

Policy mechanisms, market mechanisms and social mechanisms have their respective advantages and limits in tackling poverty. Only by combining the three mechanisms can we effectively improve the modernization and governance capacity of the poverty reduction and governance system. In the past 60 years, China's international poverty reduction has exited from the stage of pure development aid, and has formed a three-dimensional international poverty cooperation pattern with the government, the market and social organizations as participants. One experience of the Chinese poverty reduction path is to continuously improve the pattern of great poverty reduction in practice. China applies the form of large-scale cooperation in poverty reduction and push forward the formation of endogenous power for social and economic development and tackle poverty problems.

4. Planning new-type poverty reduction cooperation demonstration programs based on the poverty reduction and development situation in Belt and Road countries

In South Asia and Southeast Asia, rural impoverished population takes up a large proportion, small peasant farming is still the main form of agriculture, and agricultural productivity is low. Therefore, China–Africa poverty reduction cooperation experience can provide good reference for poverty reduction cooperation among Belt and Road countries. On the other hand, South Asia and Southeast Asia has unique natural and geographical features, and their agricultural production also has distinct characteristics. Mountain farming faces pressure from the constraint of ecological fragility and challenges from natural disasters; therefore, in promoting the development of demonstration programs, we should give full consideration to local knowledge and pay great attention to the adaptive challenges in promoting these programs. In 2017, China introduced the "entire–village advancement" experience and launched the rural poverty reduction cooperation



demonstration program in Laos, Cambodia and Myanmar. In Central Asia, with the implementation of a batch of construction and investment programs, and the development of trade connectivity, local employment and economic development will boost. We can take measures such as human capital development, employment promotion and economic development to promote economic transformation in relevant countries. By doing so, we will promote regional security, social stability and economic prosperity, and explore demonstrative cooperation programs that can eliminate poverty and resolve related social problems.

5. Innovating poverty reduction cooperation programs and models and enriching the poverty reduction cooperation toolkit on the basis of poverty reduction needs

Countries along the Belt and Road, especially ASEAN countries and South Asian countries, have witnessed rapid economic growth in recent years. These countries are at the initial stage of modernization, and they generally choose strategies to develop the economy, build social infrastructure, improve agricultural productivity, facilitate urbanization and expand employment, especially labor–intensive employment. In these sectors, China has the dual advantage in terms of resources and experience for international poverty reduction cooperation. In recent years, Chinese private enterprises have invested a growing amount of money in ASEAN and South Asian countries, and most of the investment is in labor intensive industries. Establishing employment platform by promoting skill training and capacity building can create room for Chinese enterprises to go global, and facilitate the poverty reduction and development in relevant countries.

6. Enhancing study on basic theories for poverty reduction cooperation among Belt and Road countries

China's theoretical basis of international poverty reduction cooperation lags behinds its achievements. In the new era, President Xi proposed the idea of "developing a community of shared future for mankind with no poverty". He put forward and promoted poverty reduction and development cooperation among Belt and Road countries, and provides



15

guidance and requirements for relevant theoretical study. We should actively promote relevant studies on fundamental theory and form Chinese discourse to better serve theoretical development and national strategies. At the same time, we should strengthen study on the poverty reduction cooperation experience. In particular, we should we should combine study with the realities in Belt and Road countries to promote infrastructure development, capacity cooperation, trade connectivity, investment and financing and give play to the driving effect of poverty reduction cooperation. The study on these topics will not only enrich the global poverty reduction knowledge bank, but also help form new theories on international development cooperation and poverty reduction cooperation.

7. Enhancing the social responsibility awareness and capacity building of Chinese enterprises

China advocates and participates in the poverty reduction cooperation with Belt and Road countries. The system is integrated and three dimensional. It includes official aids, market entities and third sectors. In particular, during the Belt and Road development, a batch of Chinese SOEs and private enterprises have carried out a large number of programs to promote sustained growth of trade and investment in Belt and Road countries. However, in practice, Chinese enterprises still face multiple challenges in the investment and development in relevant countries. Propelling Chinese enterprises to shoulder social responsibilities and participate in Belt and Road poverty reduction cooperation can help them expand resources, innovate mechanisms and development forms and handle relations with local governments and communities.

8. Helping Chinese social organizations go global and improving their international poverty reduction cooperation capacity

Social organizations are an importance force in international poverty reduction cooperation. They have the strongest social innovation capacity and they are the most responsive to diversified and differentiated needs. In China's international poverty reduction cooperation system, the governments and market entities perform actively and apply more



mature methods; however, the participation of social organizations is limited. In recent years, China's social organizations are developing rapidly, and some organizations are active in the global development and poverty reduction sector. But compared with western organizations, they are still weak in capacity and limited in participation. The participation of social organizations in Belt and Road poverty reduction cooperation has its significance in many dimensions, and we should enhance capacity building in this area in the future.

9. Enhancing the sharing of China's poverty reduction experience and paying special attention to the internationalization of micro experience and key experience

China and developing countries along the Belt and Road share similar development stages. China's multi-layer experience at different stages over the past 40 years has great referential significance for developing countries along the Belt and Road. The experience at the micro level, such as rural industrialization, agricultural technological innovation, rural reform, community governance and e-commercial poverty reduction and great promotion value. In recent years, China has formed some outcomes in sharing poverty reduction experience, but there is still large room for improvement. China's poverty reduction experience has its special features, but it can provide reference for problems related to basic principles and methods of global poverty reduction. At the same time, we should see that we are at the initial stage in sorting out China's experience and developing communicable international poverty reduction knowledge products, and we should enhance our work in this area.

Bibliography

- 1. Xi Jinping. Promote Friendship Between Our People and Work Together to Build a Bright Future-Speech at Nazarbayev University. September 8, 2013.
- 2. Xi Jinping. Xi Jinping's Important Speeches at the Belt and Road Forum for International Cooperation. Foreign Languages Press, 2018.



17

- 3. Li Xiaoyun. Changes of the Global Pattern and the Rise of New Development Knowledge, People's Tribune-Academic Frontier, Vol. 8, 2016.
- 4. Zheng Yu. Ideas on Aid Effectiveness and New Development Cooperation Models, World Economics and Politics, Vol. 8, 2017.
- 5. Tang Lixia and Li Xiaoyun. Evolution and Development of the International Development Aid System, Foreign Theoretical Trends, Vol. 7, 2016.
- 6. Li Xiaoyun, Zhang Yue and Liu Wenyong. The Imbedding and Encounters of Knowledge and Technology: China's Aid Practice, Journal of Southwest University for Nationalities, Vol. 11, 2017.
- 7. Ju Hailong and Shao Xiancheng. China-ASEAN Poverty Reduction Cooperation: Features and Deepening Path, International Studies, Vol.4, 2015.
- 8. Zhen Zhimin. China-ASEAN Poverty Reduction Cooperation: Realistic Basis, Implementation Mechanism and Development Trends, Guangxi Social Sciences, Vol.3, 2017.
- 9. Wang Xiaolin and Liu Qianqian. China-Africa Cooperation: New Means to Improve Development Effectiveness, International Studies, Vol.5, 2012.
- 10. An Chunying. Developing a Win-win China-Africa Poverty Reduction Cooperation Model, International Economics Cooperation, Vol.8, 2016.
- 11. An Chunying. Comparison and Analysis of Development Concepts of China and Africa, Vol.5, 2010.
- 12. Ju Hailong and Shao Xiancheng. China-ASEAN Poverty Reduction Cooperation: Characteristics and the Way Forward, China International Studies, Vol.4, 2015, pp115–132.
- 13. Sebastian Edwards. "Economic Development and the Effectiveness of Foreign Aid: A Historical Perspective", Kyklos, Vol.68, No.3, 2015, pp.277-316.
- 14. Craig Burnside and David Dollar. "Aid, Policies, and Growth", The American Economic Review, Vol.90, No.4, 2000, pp.847–868.
- 15. William Easterly. "Can Foreign Aid Buy Growth?", The Journal of Economic Perspectives, Vol.17, No.3, 2003, pp.23-48