



# *The Exploration of China Targeted Poverty Alleviation and its Practice-- Based on Examples of Mechanism Building, Relocation Projects for Poverty Alleviation and Grassroots Organizations Development*

Beijing Information Science & Technology University

Hou Junqi

Abstract: Since China first implemented targeted poverty alleviation strategy, all regions of the country applied the strategy into local economic and social development and came up with numerous poverty alleviation experience. Thanks to the effort, rural residents (especially poor farmers) have greatly improved their production and living standard, household income and social security. China has secured decisive progress in the battle against poverty. This report is based on case studies and includes perspectives such as targeted poverty alleviation mechanism, relocation projects for poverty alleviation, and grassroots organizations. It analyzes in details mechanisms for poverty reduction and alleviation, the effects of poverty alleviation, as well as strategies and recommendation for problems encountered in the case study.

**Key Words:** Targeted poverty alleviation; relocation projects for poverty alleviation; poverty alleviation through developing local industries with special characteristics; Grass-roots party organizations

Since 18th National Congress of the Communist Party of China (CPC), under the strong leadership of the CPC Central Committee with Comrade Xi Jinping at the core, the top-level design of battle against poverty has been made. The targeted poverty alleviation and elimination efforts have won the recognition of Chinese people. A working mechanism has been formed, with secretaries of Party committees at the five levels of province, city, county, town and village leading the poverty alleviation work and all Party members mobilized to



assist in solving the poverty problem. All policy deployments have been implemented and important milestones have been reached. According to the current national village poverty standard (calculated based on 2010 price-adjusted data), impoverished population in rural areas of China was reduced to 30.46 million in 2017 from 98.99 million in 2012, down by 68.53 million. The annual average reduction of poor population is 13.7 million; national poverty incidence in rural areas has dropped from 10.2% in 2012 to 3.1% in 2017, decreasing by 7.1 percentage points. The annual average decrease is 1.42 percentage points. Poor areas have explored different poverty alleviation models, with numerous successful cases worth studying. Their explorations are based on their own land resources, advantages, local culture, and natural conditions, covering perspectives such as relocation projects, mechanism building and grassroots organization development.

### **Building poverty alleviation mechanisms— example of Wei County in Hebei Province**

Wei County is among key counties for national poverty alleviation work. It has 30 years of poverty reduction history. Located at the junction of Hebei, Shandong, and Henan Province, Wei County is home to 24,270 registered poor households (94,252 people). By the end of 2017, 22,446 households (89,022 people) have been lifted out of poverty, and 1,824 households (5,230 people) are still on the poverty list. Poverty incidence of the county has decreased to 0.86%. The main causes of their poverty include 1) poor condition for agricultural production. More than one third of the county is located in the bitter water area with severe desertification. To increase production, farmers have to use greater amounts of chemical fertilizer. This leads to higher costs and degraded farmland, thus increasing farmers' burden. 2) Weak industrial infrastructure and public financial expenditure. Villages have weak infrastructure foundation. To make up for the shortage, local government incurred severe debts. 3) Lack of talents. As more local top students are attracted to Beijing, Tianjin and other first-tier cities, the brain drain of Wei County severely impedes its social and economic development. 4) The problem of falling into or returning into poverty due to illness is serious. Many villagers fall into the poverty trap because of critical diseases or chronic diseases. A third of registered poor households return into poverty because of illness.

### **The main approach to building a targeted poverty alleviation mechanism** **Identifying the object for poverty prevention to solve the problem of “who to protect” .**

Wei County fully uses big data technologies to analyze and draw two lines, i.e. poverty warning line and poverty protection line, for households who have been lifted out of poverty and rural households with low income but not registered. These two groups are non-high-standard out-of-poverty households and non-poverty low-income households. (Abbreviated as “two-non-groups” ). Poverty-alleviation, education, social security, and civil affairs departments are responsible for drawing poverty-warning lines. They will conduct big data analysis on relevant expenditures and cases of all villagers in the country, covering medical care, schooling, and disaster frequency in the past three years. Each field has its own standard. For example, the medical warning line for non-high-standard out-of-poverty households is 5,000 yuan (U.S.\$ 723) after self-financed charges for inpatient service; for low-income households the line is 20,000 yuan (U.S.\$ 2895). The warning line of education for “two-non-groups” is 8,000 yuan (U.S.\$ 1158), including tuition fee, boarding fee, and textbook fee; the warning line for natural disasters is 10,000 yuan (U.S.\$ 1447). Meanwhile, to prevent miss identification of people under the warning line due to related expenditures, the county also opens a self-declaration “path” . The income standard for the poverty protection line is 1.5 times higher than that of last year' s national poverty alleviation standard. People who prove to have lower than standard income will receive insurance compensation.

### **Clarifying responsibilities to confirm the question of “who is the protector” .**

The county poverty alleviation office has signed an agreement with China Pacific Insurance (Group) Company to jointly set up the “targeted poverty prevention insurance” . County financial department will pay 4 million yuan (U.S.\$ 579,080) for the poverty prevention insurance. 10% of rural population will be covered with the targeted insurance. The standard of insurance premium for each villager is 50 yuan (U.S.\$ 7.2) per year. The poverty prevention premium will be issued based on results from “warning line monitoring” , in which big data technologies and the “self-declaration” approach are used. The county poverty prevention office will send the results to land and resources departments, market



regulatory departments, traffic police divisions and other departments for further verification. Information of every reported household will be checked, including house ownership, existence of business entities and vehicle ownership. The task will be designated to township units. Township party committee and government will organize two-village committees to comment, disclose and confirm the list for the insured and report it to the county poverty prevention office. The county poverty prevention office will review and record the results and inform the insurance company to release poverty prevention insurance compensation.

#### **Clearly understanding the path to solve the problem of “how to prevent” .**

In October 2017, Wei County Leading Group of Poverty Reduction and Development first issued the document of “Action Plan on Targeted Poverty Prevention” after extensive study. This document has clearly defined the issuing of compensation of poverty prevention insurance.

As for preventing poverty due to illness, non-high-standard out-of-poverty households and non-poverty low-income households have different identification and subsidizing standards. Non-high-standard out-of-poverty households that prove to be under the warning line and meet the standards will receive poverty prevention compensation after self-financed 5,000 yuan (U.S.\$ 723). The insurance compensation is issued based on a staircase mechanism. If the remaining amount is less than 10,000 yuan (U.S.\$ 1447), between 10,000 (U.S.\$ 1447) to 30,000 yuan (U.S.\$ 4343) or above 30,000 yuan (U.S.\$ 4343), the issuer will receive compensation equaling to 70%, 60% and 50% of their remaining payment, respectively. Non-poverty-low-income households with the same condition will receive insurance compensation after their self-financed payments of 20,000 yuan (U.S.\$ 2895). The remaining part will also follow the staircase arrangement, i.e. below 50,000 yuan (U.S.\$ 7238), 50,000 yuan – 100,000 yuan or above 100,000 yuan (U.S.\$ 14,477). The issuer will compensate 30%, 50% and 70% of the remaining expenditure, respectively.

In terms of preventing poverty that are caused by lack of education, the “two-non-groups” will receive insurance compensation after their own educational payment of 8,000 yuan

(U.S. \$1158). They will get 100%, 80% or 60% of their remaining expenditure compensated, depending on whether their remaining expenditure is under 3000 yuan, 3000–5000 yuan, or above 5000 yuan .

As for preventing natural disasters-led poverty, the “two-non-groups” will receive insurance compensation after their own payment of 10,000 yuan (U.S.\$ 1447). There are also three ranges, i.e below 10,000 yuan (U.S.\$ 1447), 10,000–30,000 yuan (U.S.\$ 1447–4343), or above 30,000 yuan (U.S.\$ 4343). The insured will get 40%, 60% and 80% of their remaining expenditure compensated, respectively, based on the staircase arrangement. The maximum amount is no more than 30,000 yuan (U.S.\$ 4343). The insured that has suffered from traffic accidents without compensation from judicial procedures or those who need long-term medical treatment will get insurance compensation. The compensation will be issued based on two conditions: 1) the financial loss is so high that the insured may probably return to poverty or fall into poverty. The insurance compensation will be issued according to regulations on the prevention of poverty due to natural disasters. 2) The medical expenditure is so high that the insured may probably return to poverty or fall into poverty. The insurance will compensation will be issued according to regulations on the prevention of poverty due to illness.

#### **The effects of targeted poverty alleviation mechanism: preventing poverty and achieving prosperity**

Wei County has explored and improved a model of “3+X” for long-term and stable poverty alleviation and income growth. “3” means labor export, stock cooperative mechanism, and “small factories for poverty alleviation” . These three industrial development approaches are widely adopted in poor areas; “X” means other poverty alleviation options such as photovoltaic industry, e-commerce, tourism and finance. Poverty alleviation approaches such as “small factories” , labor export and finance are used to promote income growth of the “two-non-groups” . Poor households who have lost working abilities may receive dividends from shareholding cooperative companies or photovoltaic power stations. In this way, poor villages and households are fully covered with employment and industrial help.



In terms of poverty alleviation through employment, Wei County, which is the hometown of 300,000 migrant workers, has built a well-known service brand -- "Down to Earth" and formed a three-level labor network (covering counties, towns and villages) for villagers. The county takes market-oriented operations and actively promotes the cooperation between schools and enterprises, in order to improve the skills and quality of its rural poor population. A large job fair, "Spring Breeze Action", is held in the county annually to help poor people find jobs.

Shareholding cooperative system of the county keeps developing. The county takes the lead to implement the model of "subsidizing poor households with shares of enterprises". It fully integrates government funds for rural development in poor counties with poverty alleviation funds, and cooperates with leading enterprises that have solid economic base. The enterprises' shares are bought with poor households benefits and shares of village collective economy. The annual stock dividends have increased from 500 yuan (U.S. \$72.3) per household to 1,500 yuan (U.S. \$217) per household.

The approach of poverty alleviation through micro factories is based on the reality of the county, where many labors are working outside and most Left-Behind women could only work part-time. To achieve "full coverage of industries and employment", the county has explored to establish "poverty alleviation micro factories". Currently, the county has set up 252 such factories, providing 6,160 jobs for poor people. Its contribution rate for poverty alleviation is 52.2%. The average additional income for poor labors is 18,000 yuan (U.S. \$2,605).

As for poverty alleviation through finance, non-high-standard out-of-poverty households who have intention to start businesses and develop their businesses will get entrepreneurial support of "subsidized small loan"; non-poverty-low-income households could apply for 2-year zero-interest entrepreneurship loan. The county helps households promote local animal husbandry, high-efficiency plantation, family workshop and other industries based on households' condition. In this way, households will have more sources of operative revenues.

In terms of poverty alleviation through the photovoltaic industry, the construction project of 24 photovoltaic power stations for poor villages was launched in 2016. By June 2017, all power stations are finished and connected to the power grid. The first beneficiaries are 1,440 poor households whose annual income increases to 3,000 yuan (U.S. \$434) per households and the village collective economy receives 20,000 yuan (U.S. \$2895) each year as revenue. As for poverty alleviation through e-commerce, the Wei County has built 541 rural online service centers, with 100% coverage of e-commerce. There are 11 leading e-commerce companies, including Xingda Company and Hebei Wangchuang Company. More than 20,000 online stores on T-mall, Taobao and JD.com are from Wei County. In 2017, trading volume of Wei County's online stores reaches 460 million yuan (U.S. \$66 million). The county also introduced Suning stores to provide trainings for villagers and opened online Chinese provincial specialty store -- Wei County branch on "Suning". "Model Mom" cloud call center, which is Alibaba's Philanthropic project, as well as other e-commerce projects were also launched. Customers could conveniently buy Wei County's agricultural products on COFCO's Womai.com.

### **Poverty reduction through relocation – the Example of Lujia Village of Tongyu County**

Tongyu County, located in the west of Jilin Province and the east tip of Horqin grassland, is affiliated to Baicheng City. It is the major county for national poverty alleviation work, one of the contiguous poverty-stricken areas at southern range of Greater Khingan Mountains and one of the two most impoverished counties in Jilin province. By the end of the year 2015, there were 90 poor villages, with 28,764 households (54,598 people) in poverty. Its poverty incidence was 21.52%. By the end of 2016, the county helped 13,954 households (27,299 people) get rid of poverty. In 2017, 8,227 households (15,373 people) was lifted out of poverty and 24 poor villages exited from the list of poor villages. Currently, there are 66 poor villages with 10,139 households and 17,856 people in poverty. The poverty rate has declined to 7.08%. Lujia Village is affiliated to Wu Lanhua Town of Tongyu County. The village has one natural community, 3 village groups, with 391 households (917 people). In 2015, the average income of the village was 5,500 yuan (U.S. \$796) per capita. The average income of registered poor



household was 2,810 yuan (U.S. \$ 406) and 70% of villagers were in debt. Village collective economy had an income of 468,000 yuan (U.S. \$ 67,752), while its debt burden was more than 1 million yuan (U.S. \$ 140,000). In 2016, Lujia Village was included as the pilot village into the relocation projects for poverty alleviation in Jilin province. Through village relocation and the reform of property rights system, the living standard and income of local residents have been significantly increased. In 2017, its income from operation, transfer of land-use rights salary, and stocks reached 41,082 yuan (U.S. \$5954) per household. The average income of villagers may soon surpass 17,561 yuan (U.S. \$ 2,542).

### **Main causes of poverty in Lujia Village and poverty reduction obstacles**

Single source of income and narrow ways to increase wealth.

Lujia Village is located in 47.5 kilometers northwest from Tongyu County, and at the east tip of Horqin grassland. Due to remote location and weak industrial base, the village economy is lack of leading industries. Villagers only have one source of income. Most of them are farmers who grow corns, wheat, green beans and other traditional crops. As income from farming is relatively low. Young workforce has to seek jobs outside of the village. However, their choices are limited and salaries are low, due to limit of knowledge and skills. Before 2016, villagers' average income from salary only accounted for 12% of the total, lower than the provincial average of 18.8%.

Low efficiency of agricultural production

The land resource of Lujia Village is profound. The average arable lands for every person are 18.8 mu (around 1.25 hectares) but two thirds of them are either sandy land or alkali soil. Local land is rather infertile, due to severe desertification and soil loss caused by water erosion. The income from traditional agriculture cannot support daily life expenditures of villagers. In addition, affected by the climate, local crops can only be sowed in spring and harvested in autumn with only one harvest for a year. Low temperatures injury in spring and autumn also harm the growth and production of agricultural products.

Scattered house location leads to difficulties in communication.

Households in Lujia Village, who live far away from each other, have little communications.

To improve the condition, a huge investment on infrastructure is needed.

### **The Main Approach to Poverty Alleviation via Relocation in the case of Lujia Village**

Relocation.

The funds of Lujia Village' s relocation come from three aspects: 1) land transfer policies issued by Ministry of Land Resources (now the Ministry of Natural Resources) to reclaim lands in old and demolished areas. Such approach could generate 1536.3 mu (around 102 hectares) of land transfer quota. After trading with Changchun New area, the village could receive a quota-transfer revenue of 150 million yuan (U.S.\$ 21.7 million); 2) loan of 66 million yuan from the Agricultural Development Bank of China; 3) central and provincial political funds of 67,000 yuan (U.S. \$ 9,699) per registered poor household, totaling 13.266 million yuan (U.S.\$ 1.9 million), based on national and provincial policies for supporting poverty alleviation through relocation. The total revenue is 163.266 million yuan (U.S. \$ 23.6 million). The expenditure for engineering, cash redemption, and land reclamation fee is 113.783 million yuan (U.S.\$ 16.4 million). The balance is 49.483 million yuan (U.S. \$ 7.1 million).

Lujia Village has built 6 relocation buildings, with 12 car garages. The construction cost per square is 1,700 yuan (U.S\$ 246). Tongyu County Government subsidies 500 yuan (U.S.\$ 72.5) per square, so relocated households will only spend 1,200 yuan (U.S\$ 174) per square for their new houses. Based on the land transfer policies, each relocated households will be subsidized 1,500 yuan (U.S\$ 217.5) per demolished square for brick houses, and 1,000 yuan (U.S\$ 145) per demolished square for soil houses. After the purchase of buildings and garages in Lujia New Community, each household could receive cash reimbursement of 107,000 yuan (U.S\$ 15,515). Since the problem of funds has been solved, rural households are more motivated to join the relocation program.

Settling down to a stable life

1) Building multiple income streams. In terms of family operating income, 17,200.5 mu (around 1146 hectares) arable lands were traded through the land transfer program, achieving 9,878 yuan (U.S.\$ 1432) of income for every household, and 4,212 yuan (U.S.\$ 610) per capita. In terms of income from salaries, the large-scale land management has freed a large number



of labors. Instead of working on farms, they could work for the land cooperative shareholding companies (土地股份合作社 "tu di gu fen he zuo she") and the property management company or work outside the village. As a result, the average labor income reaches 28,000 yuan (U.S.\$ 4,059) per household, and 11,938 yuan (U.S.\$ 1,730) per capita. In terms of income from the transfer of land, as the "supportive and protective agricultural subsidy" still belongs to rural households, after the transfer of lands, average income from subsidies reaches 2,403 yuan (U.S.\$ 348) per household and 1,024 yuan (U.S.\$ 148) per capita. As for property income, the compensation from relocation program, after subtracting the expenditure on buildings and warehouses in new areas, is 107,000 yuan (U.S.\$ 15,511) per household; each household will be exempt from heating fee for less than 50 square meters, resulting an average income of 801 yuan (U.S.\$ 116) per household and 342 yuan (U.S. \$ 49.5) per capita. Average income of villagers increased from 5,500 yuan (U.S.\$ 797) in 2015 to 17,516 yuan (U.S.\$ 2539) in 2017. 2) Upgrading infrastructure to guarantee a stable life. First of all, the problem of housing is solved through the construction of unified buildings for all villagers. Secondly, the county has established complete infrastructure, including a cement road starting from the community to the China National Highway 301 (G301), a standardized village service center, a cultural square, a kindergarten, nursing home for the elderly and a vegetable plantation covering an area of 100 square meters per household. In this way, the new area could have multiple functions, such as living, health care, education, village administration, which increases the convenience of the community. Thirdly, setting up property center to manage heating, water, electricity, and gas in a collective way to guarantee the livelihood of villagers. 3) Improving motivation for more confidence. Lujia Village has witnessed great changes under the reform of collective property rights, in which "resources are turned into shares, funds into share capital, and villagers into shareholders". Lujia Village has changed its productive method, improved infrastructure, and enhanced life style of villagers with industrialization, scale economy and intensive management of its collective land ownership. All villagers have moved into new houses and believe that their life has become better. What's more, they become more voluntary and motivated in the participation of the development of grassroots spirit and civilization.

Further Development.

To help relocated poor households become well off, Lujia Village takes the relocation program as an opportunity to push forward reform on property rights system and the large-scale operation of lands and to make sure that members of the village collective economy have skills and capacity for the sustainable growth of income.

1) The reform of property rights system on village collective economy has accelerated three changes. First of all, the Action Plan for the Evaluation and Liquidation of Lujia Village's Collective Assets was announced. Secondly, a liquidation and evaluation work force was set up under the document. It followed procedures to classify and investigate all village assets and to make clear financial record. Thirdly, to better manage the village collective assets, Lujia Village set up an asset management model of "three village committees + a company". In this way, the management and operation of village collective assets was separated from village administrative work. Lujia Village also set up Village Collective Assets Operation and Management Limited Company and designated the "three endowments" agent of Wu Lanhua town (The rural collective "three endowments" refers to the rural collective funds, assets, and resources. Rural collective "three endowments" belongs to the group collective economic organizations of all members of the collective.) to escrow its financial accounts. The company is under the supervision of corporate supervisory board, township CPC party committee and township government. The company holds 20% of collective share from the operative assets. Its subsidiaries include, the land cooperative shareholding company, the agricultural machinery cooperative, a property management company, and herding community.

2) Large-scale operation of lands promotes changes of Lujia Village in three ways. Through developing the land cooperative shareholding company, agricultural cooperative, family farm and other new types of agricultural operative entities, the operation and management of village collective lands become more scaled, intensive and industrialized. It is a more efficient, safe and sustainable path for modern agricultural development. a) For strengthening the land cooperative shareholding company, Lujia Village strives to build its



cooperative into the main entity that operates and manages village resources assets, such as village collective lands, in the market, to realize scaled operation and management of village collective lands; b) the transfer of land use rights is further promoted. Land use rights are leased to 6 family farms of villagers in Lujia Village. The operation and management of village collective lands become more intensive. In 2017, the land machinery operation rate reaches 90% and 380 farmers have “turned into” industrial workers; c) promoting multiple cooperation to benefit from the platform; the village actively explores cooperation for land operation and management, and promotes industrialized development for village collective lands. The scaled management of village collective land is used to attract political projects, including the construction of 5,000-mu (around 333 hectares) well-facilitated farmland, 12.2-kilometers transmission and transformation lines, and full coverage of electric irrigation motors. The village cooperates with Zhenze Dairy Company of Tongyu County to build 480 mu (around 32 hectares) of meat lamb husbandry zone for mutton lamb breeding, processing with the combination of crop and livestock production. It also cooperates with enterprises such as the Financial Holding Group of Jilin Province, Anhua Agricultural Insurance Company, Tongyu Grain Warehouse of China Grain and Logistic Corporation. They have jointly created an operative model of “leading companies + cooperatives + family farms (poor households)” which connects all industrial chains from making loans, food production to the sale of the products.

#### The Effect of Poverty Alleviation via Relocation in Lujia Village

After two-year development, 60 households (129 people) were lifted out of poverty in 2016, and 32 households (69 people) were lifted out of poverty in 2017. As of 2017, all poor households have been out of poverty and Lujia Village has exited from the list of poor village. Its income from land lease and the management fee are 969,100 yuan (U.S.\$ 140,296) and 110,000 yuan (U.S.\$ 15,924) respectively. The revenue from kindergarten lease is 30,000 yuan (U.S.\$ 4,343). The original residential lands of Lujia Village have been reclaimed into high-standard water farmland and rented to high-skilled farmers in the village. Every year, additional revenue of 500,000 yuan (U.S.\$ 72,385) is generated. In 2017, the collective economy received a total income of 1.7 million yuan (U.S.\$ 0.25 million).

Rural households could receive an average income of 9,878 yuan (U.S. \$ 1432) per household, and 4,212 yuan per capita, from the transfer of land-use rights. The adoption of large-scale farming has not only increased household income but also freed a number of rural labors. Thanks to the coordination of CPC Tongyu County Committee, Tongyu County Government and departments in charge, the labor export of Lujia Village increases to more than 130 people. Their average income is more than 30,000 yuan (U.S. \$ 4343). In addition, Lujia Village Asset Management Company provides jobs for 100 people who seek part-time jobs through its subsidiaries such as the rural land stock cooperative and the property management company. Their average income is 12,000 yuan (U.S.\$ 1,734) per capita. Despite of the transfer of land-use rights, the original rural households registered in the Land Responsibility Book are still entitled to the “three into one subsidy” (combine “three subsidies” of direct subsidies to grain producers, general subsidies for agricultural production supplies, and subsidies for superior crop varieties into one subsidy of “supportive and protective agricultural subsidy”). The annual average subsidies that they have received reach 2,400 yuan (U.S.\$ 347) per household, and 1,024 yuan (U.S.\$ 148) per capita. In 2017, villagers’ average income totals 17,516 yuan, more than 3 times of that in 2015.

### **Grassroots Organizations Development and Poverty Reduction: A Case Study of Jinpo Village, Xunyang County, Shaanxi Province**

Deep in the Qinling-Daba Mountains, Jinpo Village is located in the southeast of Shaanxi Province with a total area of six square kilometers. It is affiliated to Xiaohe Town of Xunyang County and is one of the key targets for poverty alleviation in Xunyang County. As Jinpo Village is far from the county, surrounded by steep mountains with poor transportation infrastructure, agricultural products here can hardly be transported elsewhere. What made things worse is the severe lack of water. Drinking water is not easily accessible for humans and animals, and the infrastructure development requires a lot of financial funds.

#### **Approaches of Grassroots Organizations<sup>1</sup> Development**

Poverty Alleviation Model of “CPC Branch + X + Poverty-Stricken Households”

<sup>1</sup> Grassroots organizations include grassroots government, grassroots Communist Party of China (CPC) organizations, and other grassroots organizations.



In the poverty alleviation model of “CPC Branch + X + Poverty-Stricken Households” , the CPC branch helps X educate and organize poverty-stricken households through political leadership and support, of which X refers to the various players involved in poverty alleviation, such as cooperatives. On the one hand, with the support of the CPC branch, households can be more closely connected with X, so that they can develop hand in hand and benefit each other. On the other hand, X and households can provide the CPC branch with timely feedback, enabling timely policy adjustments to develop the local economy and facilitate poverty alleviation, so that X and households can both be better-off.

“CPC Branch + Kongdian Company + Poverty-Stricken Households + First CPC Secretary” model. In view of the transportation challenges and the fact that most agricultural products can hardly be transported elsewhere, this model was created under the guidance of Jinpo Village CPC Branch. Led by the CPC branch, supported by the platform of Kongdian Company (literally meaning air stores) and promoted by the first CPC Secretary in the village, the village committee staff visits each of the households living in poverty to raise awareness of the model. Households are able to combine their own agricultural products into a “hundred yuan package” , for example, 30 eggs + 4 kg of soybeans = 100 yuan. Households can then sell the packages directly to Kongdian Company at the village CPC committee, and they can get the cash as soon as the packages are checked and accepted, after which the packages will be delivered to the county for sale. Kongdian Company sells these agricultural products in its urban community stores (leveraging its more than 420 thousand registered users, tens of thousands of online stores and more than 300 urban physical stores), and expands its physical stores to villages, building “air farmer’ s market” in rural and urban communities so that the income of households with surplus agricultural products can be increased at home. This model not only reduces the transportation cost of agricultural products, but also creates small industrial chains of some agricultural products for poverty-stricken households. However, this approach is only effective for driving the development of some small industries, and the benefits are not as significant as those brought by large cooperatives.

“CPC branch + Cooperatives + Poverty-Stricken Households” model. In order to develop large cooperatives, Jinpo Village has attracted a great number of people with expertise to return home to start businesses. Based on the local environment in the mountainous area, the cooperatives mainly grow loquats and cherries, the areas of which are 150 mu (around 10 hectares) and 50 mu (around 3.3 hectares), respectively. Under the loquat trees and cherry trees, 200 mu of peonies are planted to make full use of space. Two years after being planted, the fruits have not started to generate significant profits, but the peonies have already showed their economic value. At the same time, the village committee liaised closely with sales enterprises for the cooperatives. By working in the cooperatives, or investing with funds and land shares, local households have increased their income.

#### Poverty Alleviation Model of “Moral Council + Benevolence Supermarket”

The moral council is something created during the development of China’ s rural social structure, combining the traditional Chinese governance system of “township autonomy” and modern governance capabilities. In Jinpo Village, it is an important part of rural autonomy and poverty alleviation. Under the leadership of the CPC branch, Jinpo Village’ s moral council aims to nurture and encourage virtue among villagers. A moral council committee is set up, comprised of senior CPC members, retired officials and villager representatives. The committee will commend cases in which a high level of morality is demonstrated, and properly expose misconduct with follow-up measures and re-evaluation.

While the moral council plays a guiding role, the benevolence supermarket offers incentives. A point system is implemented, and goods in the benevolence supermarket need to be purchased with points, not free of charge. Households commended in the moral council’ s review, which is carried out at least quarterly, will be rewarded with points. Households living in poverty can also earn points by means of volunteer labor, cleaning, management of public affairs, and compliance with village regulations and rules. As a result, in Jinpo Village, poverty-stricken households are all clean and tidy, with simple and warmhearted people.





#### Achievements in Poverty Reduction

The village organizations of Jinpo Village have lifted many households out of poverty through industrial policies and safety nets. In 2014, 66 households (212 people) are identified as poverty-stricken. As of 2017, 183 of them have been lifted out of poverty. In a more accurate review, 14 households (22 people) are currently identified as poverty-stricken.

To promote infrastructure development, Jinpo Village actively integrated project resources and invested a total of over 8 million yuan (U.S. \$1.16 million). 8.5 kilometers of roads all around the village, 3 kilometers of roads connecting households, 1 kilometer of roads for industrial purpose, and 15.8 kilometers of cement roads have been built. Funds of more than 1.3 million yuan have been invested in two Safe Drinking Water Projects for Humans and Animals, making tap water accessible to each and every household. Funds of 400,000 yuan (U.S. \$57,906) have been invested to build two garbage storage houses, 75 garbage disposal pools, and establish a public toilet for tourists. The lighting project has been implemented, installing 43 street lamps for roads of 2 kilometers. Rural networks have been reconstructed, enabling full coverage of digital TV and network communication. Public facilities such as the library, cultural activity plaza and village-level clinic are in place, providing complete service functions and comprehensively improving the infrastructure environment.

In terms of grassroots organizations development, Jinpo Village organizations and the Resident Support Team actively played their leading role, and established various forms of organizations based on the village organizations, such as the Moral Council, the Mutual Financial Association, and the Service Station for Left-Behind Elderly/Women/Children. They are all essential to poverty alleviation in Jinpo Village.

In terms of asset income, the village led 52 normal households and 58 poverty-stricken households to join the cooperative via land and capital shares, so that they could obtain income from land, technology, employment, and share-based dividends. Their average household income has been increased by more than 2,000 yuan (U.S. \$ 289).

In terms of ecosystem services for poverty alleviation, 8 eco-farm guards were selected from poverty-stricken households in Jinpo village, and their annual salary increased by 5,000

yuan (U.S. \$ 723). The ecological public welfare forest compensation was implemented for 116 households with a total area of 3,865 acres and a total amount of 38,804 yuan (U.S. \$ 5617), including 45 poverty-stricken households (159 people) with a total area of 1,141 acres and a total amount of 11,455 yuan (U.S. \$ 1658).

In terms of financial services for poverty alleviation, Jinpo Village has issued 247 small-scale credit loans for farmers since the launch of poverty alleviation work in 2015, with a total amount of 11.98 million yuan, covering 128 households.

In terms of relocation for poverty alleviation, Jinpo Village needs to relocate 10 households (33 people). Specifically, four households settled and built houses in the designated area of the village, four households purchased apartments in the Xiaohe Relocation Community, and two households were granted apartments at the Old Street Resettlement Site.