

The Definition and Content of Assets Incomes and Path Choice of Poverty Alleviation through Assets Income Management from the Perspective of Sustainable Poverty Reduction¹

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Abstract: Poverty alleviation through assets income management is a major mechanism innovation for targeted poverty alleviation, so it is of great significance for regulating poverty alleviation through assets income management and improving the sustainability of poverty alleviation to clarify the definition and content of assets incomes and optimize the implementation path in the future. Based on the investigation in typical provinces such as Anhui, Sichuan, Gansu, Jiangsu and Shanxi, the research team discovers through analysis on relevant policy documents that the poverty alleviation through assets income management in China has experienced three phases, namely theoretical discussion, pilot exploration, and overall promotion. However, the definition and content of assets incomes for poverty alleviation is still unclear, there are obstacles in the conversion of some definitions, and there is obvious regional difference for definitions. In the future, the definitions should be further standardized with category-based approaches to avoid “smothering up with the same pattern”; the industries and subjects for implementation should be carefully chosen to avoid “smothering up with random investment”; the interests should be balanced with good connection to avoid “smothering up with unrealistic shareholding”; the supervision should be enhanced with sound mechanism to avoid “smothering up with impractical dividends”.

Key Words: Sustainable Poverty Alleviation; Poverty Alleviation through Assets Income Management; Definition and Content; Path Choice

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1. Introduction

A path of development-oriented poverty reduction with Chinese characteristics has been found in China since the reform and opening up. The poverty-stricken population in rural China fell from 770 million in 1978 to 16.6 million by the end of 2018, with the incidence of poverty dropping from 97.5% to 1.7%. Decisive progress has been made in poverty alleviation, creating a Chinese miracle in the history of poverty reduction. Although China has made such remarkable achievements, the remaining poverty-stricken people are “hard nuts” to be cracked. Among them, the proportion of poverty-stricken population caused by illness and disability is still high. By the end of 2017, 42.3% of the poverty-stricken population had fallen into poverty for illness while 14.4% for disability, 17.5% of the poverty-stricken population had been elderly over 65, and 96.6% of them had been with education below junior middle school. The proportion of poverty-stricken people lacking the internal driving force for getting out of poverty had increased from 11.3% by the end of 2015 to 13.2% by the end of 2017 (Liu Yongfu, 2018). These poverty-stricken people are weak in the ability to achieve self-development, so it is difficult to realize sustainable and stable poverty alleviation through traditional poverty alleviation projects and it is necessary to provide targeted assistance for them. Meanwhile, although absolute poverty will have been eliminated by 2020, relative poverty will still exist for a long time. Moreover, the accuracy of traditional model of poverty alleviation is declining, which requires us to keep up with the times to innovate and improve the thoughts and policies for development-oriented poverty alleviation and explore new model for targeted poverty alleviation. Poverty alleviation through assets income management is a major mechanism innovation for targeted poverty alleviation. This innovative policy tool or policy method is more in line with the requirements of “targeted poverty alleviation.” (Zeng Shengcong, 2016). It not only greatly enriched the

powerful measures for stably lifting people currently in absolute poverty out of poverty but also effectively expanded the income channels for improving the living conditions of those in relative poverty after 2020.

In April 2019, General Secretary Xi Jinping affirmed the effect of poverty alleviation through assets income management during a symposium on solving the prominent problems in the efforts to ensure that “rural poor people have no worry about food and clothing and have access to compulsory education, basic medical services, and safe housing”. Meanwhile, he pointed out that there are still problems in implementation of the strategy of targeted poverty alleviation like “smothering up with unrealistic shareholding” in unified shareholding for dividends. On the whole, most provinces (municipalities, autonomous regions) have explored poverty alleviation through assets income management in diversified forms since the pilot work in Jiangxi, Hu’nan, Sichuan, Gansu, and Guizhou in 2015. A number of new practices and new models have emerged and made achievements for current stage. However, the poverty alleviation has entered the most critical stage, so “mobilized governance” for solving the rural poverty problem in the short term is adopted in many practices in primary levels (He Xuefeng, 2017) and many policies merely take lifting poverty-stricken population out of poverty before 2020 into account. Therefore, “poverty alleviation through assets income management” is considered as a basket. All policy innovations involving assets such as resources and funds, is put into it blindly, causing serious problem of generalization of the policy. Prominent problems like insufficient effect in poverty alleviation, unsustainable value preservation and increment of assets, impractical income distribution mechanism, and ineffective risk prevention system have emerged in the poverty alleviation through assets income management in many regions. In addition, the situations for poverty alleviation through assets income management with different assets are greatly different, so it is difficult to ensure their role in sustainable poverty alleviation.

The root cause of these problems lies in the fact that whether different assets like resources and funds can be truly used for poverty alleviation through assets income management in reasonable, legal and effective way or not is still not fully clarified. In other words, the definition and content of assets income for poverty alleviation has not been clarified. Thus, it can be seen that it is of great significance for regulating poverty alleviation through assets income management and improving the sustainability of poverty alleviation to clarify the definition and content of assets income for poverty alleviation.

Although poverty alleviation through assets income management is an institutional innovation that has been promoted since 2015, it has gained much attention of many scholars in China. Most researches are qualitative summary and analysis of the connotation, characteristics, model, and function of poverty alleviation through assets income management based on the pilot programs or typical areas in China. (Dai Xuhong, 2016; Yu Ji, 2016; Zeng Shengcong, 2016; Tan Xuewen, 2017; Huang Kaiteng et al. 2018; Han Haiyan et al. 2018; Liu Weilin et al. 2019). Some scholars have proven in theory that income-support assistance policy based on income poverty is facing certain difficulties while “assets expansion” assistance policy based on assets poverty has the potential advantages in promoting stable income, asset accumulation, and professional skills development of rural poverty-stricken people. (Chen Yunfan, 2017; Zou Wei, 2017). Some scholars have looked into the asset management and income distribution mechanism for poverty alleviation through assets income management. It is believed that there is lack of asset management supervision in some cases (Shi Haibo et al. 2019), the major bottleneck in the development of poverty alleviation through assets income management is the absence of a stable cooperation mechanism between leading enterprises and cooperatives (Zhang Yanlong, 2019), and there are legal risks in realizing the rights of poverty-stricken households to proceeds generated by assets (Zhang Yunshu et al. 2018) in the practice of poverty alleviation through

assets income management. For the research on definition and content of assets income for poverty alleviation, many scholars defined the definition and content on the basis of the top-level documents and innovative cases, yet the criteria and dimensions of different scholars for the classification are different, causing great differences in the structure of the classification. (Wang Sangui et al. 2017; Liu Yang et al. 2017; Li Zhuo et al. 2018). A few scholars have paid attention to the definition and content of assets income for poverty alleviation. They believe that the resource boundary is unclear and lack of sustainability (Yang Qinggui, 2018) and assets for poverty alleviation should be limited to collective assets in principle. (Lin Wanlong et al. 2018). Generally speaking, the current understanding of the connotation, characteristics, and effect of poverty alleviation through assets income management is relatively consistent, yet the comprehension of definitions and contents is not consistent. Besides, the definition and content are changing dynamically with the deepening of poverty alleviation efforts and the definition and content for top-level design and practice in primary level are probably different. Therefore, it is necessary to clarify the definition and content suitable for poverty alleviation through assets income management and grasp the reasonable definition and content of assets income for poverty alleviation.

The data used in this paper is from three special investigations into poverty alleviation through assets income management of the research team from 2018 to 2019, including the investigations in Jinzhai County of Anhui Province and Qingchuan County and Cangxi County of Sichuan Province from July to August in 2018, the investigations in Dongxiang County and Minxian County of Gansu Province and Huai’an District and Shuyang County of Jiangsu Province from July to August in 2019, and the investigations in Shilou County of Shanxi Province in October in 2019. During the investigations, the research team discussed with representatives from relevant departments to poverty alleviation through assets income management like poverty alleviation

department, finance department, and agriculture and rural department, visited the assets formed by various types of poverty alleviation funds like photovoltaic power plants, factories for poverty alleviation, and greenhouses, and communicated with personnel from relevant business entities, poverty-stricken households, and ordinary rural families. Focusing on the evolution of the policies for poverty alleviation through assets income management, the paper provides comparative analysis of the definition and content of assets income for poverty alleviation from both the top-level design and practice in primary level and puts forward policy suggestions as the reference for relevant decision-making.

II. Evolution of the Policies for Poverty Alleviation through Assets Income Management

The poverty alleviation through assets income management have been continuously enriched in theory, innovated in practice, and perfected in supervision. The central government and relevant departments have issued a series of policy documents and action plans to promote the top-level design of poverty alleviation through assets income management and its implementation at primary level and support the development and perfection of the model of poverty alleviation through assets income management. The policy system for poverty alleviation through assets income management integrating the top-down top-level policy design and the bottom-up implementation plans at primary level has taken shape. To be specific, the evolution of the policy for poverty alleviation through assets income management could be put into the following three stages:

(I) Theoretical Discussion (Before 2015)

Poverty alleviation through assets income management originated from the assets poverty theory which had been discussed abroad in as early as the

1950s, while relevant research in China is lagged behind. It was not until 2010 that the topic began to be discussed in China, yet there had been no research on which type of assets could be used for poverty alleviation through assets income management for a long time. Although poverty alleviation through developing photovoltaic technology, granting of shares in rural cooperatives and enterprises for farmers in exchange for the contribution of land-use rights, and other ways had been promoted in many regions before 2015, these methods for poverty alleviation had not been defined in a unified way or as “poverty alleviation through assets income management” .

(II) Pilot Exploration (2015–2016)

In 2015, pilot work on poverty alleviation through assets income management was launched in Jiangxi, Hu’nan, Sichuan, Gansu, and Guizhou. Later, the experience was summarized and promoted. In October 2015, it was officially proposed during the Fifth Plenum of the 18th CPC Central Committee that “we will explore a system for supporting those living in poverty by helping them realize returns on asset investments” . In the same month, the Ministry of Finance issued the Guiding Opinions on Supporting the Pilot Work on Developing Village-level Collective Economy which requires to “explore the conversion of assets formed by financial subsidy funds into shares for village collective and farmers in poverty-stricken villages and establish the mechanism of poverty alleviation through equities.” In November 2015, the sources and types of assets, the operational subjects and methods, the distribution of income, and the supervision and management for poverty alleviation through assets income management were clarified in the Decision of the CPC Central Committee and the State Council on Eradicating Poverty in China. In the Outline of the Thirteenth Five-Year Plan for National Economic and Social Development of the People’s Republic of China adopted in March 2016, exploration of a system for supporting those living in poverty by helping

them realize returns on asset investment was considered as an important innovation for development-oriented poverty alleviation. In March 2016, it was pointed out in Opinions on Promoting Poverty Alleviation through Developing Photovoltaic Electricity Generation issued by five governmental departments including the National Development and Reform Commission that “the model of poverty alleviation through developing photovoltaic electricity generation should adopt the institutional arrangement of poverty alleviation through assets income management.” In May 2016, the National Development and Reform Commission and the Ministry of Water Resources issued Pilot Plan for Implementation of the Project on Poverty Alleviation through Developing Small Hydropower in Rural Areas. It was pointed out that exploration will be made to convert assets or income formed in rural small hydropower construction invested by the central government into shares for poverty-stricken villages and households. Meanwhile, the management of assets and income as well as the distribution of income were clarified. In September 2016, the General Office of the State Council issued Pilot Program for Reforming Poverty Alleviation through Assets Income Management in Development of Hydropower and Mineral Resources in Poverty-stricken Regions. It was proposed to gradually establish the system for poverty alleviation through assets income management in development of such resources as hydropower and minerals in poverty-stricken areas. The pilot work was implemented in Jiangxi and Guizhou. In November 2016, poverty alleviation through assets income management was included in the five key tasks for poverty alleviation through industrial development in the Notice of the State Council on Issuing the National Plan for Poverty Alleviation in the 13th Five-Year Period. In December 2016, it was pointed out in Plan for Providing People with Work in Place of Relief Subsidies in the 13th Five-Year Period issued by the National Development and Reform Commission that “we should actively explore the new model of poverty alleviation through assets income management to convert assets into shares and poverty-stricken people into shareholders in the efforts to provide

work as a form of relief.” In general, the period is characterized by exploration and the definition and content of assets income for poverty alleviation are limited.

(III) Overall Promotion (2017–present)

In 2017, the Ministry of Finance, the former Ministry of Agriculture, and the State Council Leading Group Office of Poverty Alleviation and Development issued Notice on Effectively Providing Financial Support for Agriculture in Poverty Alleviation through Assets Income Management to clarify the overall requirements, scope of assets, organization and implementation, and supporting measures for providing financial support for agriculture in poverty alleviation through assets income management in order to promote the healthy and orderly development of relevant work. In response to the arrangement of the central government, most provinces in China have issued Measures for Promoting Poverty Alleviation through Assets Income Management or Opinions on the Pilot Work on Poverty Alleviation through Assets Income Management according to their actual situation to design the objectives, scope, subject, major contents, and steps of the work for full implementation of poverty alleviation through assets income management as one of the key measures of targeted poverty alleviation. In general, different regions have defined the scope of assets on the basis of their actual conditions. Although the specific scope of assets involved in poverty alleviation through assets income management varies, it mainly includes the assets developed from special funds of the government and other agriculture-related funds while some provinces include other types of assets. In this period, the scope of the pilot work promoted by different ministries and commissions has been expanded and more definitions and contents have been specified.

III. Definition and Content of Assets Income for Poverty Alleviation: Top-level Design and Practice in Primary Level

(I) Top-level Design for the Definition and Content of Assets Income for Poverty Alleviation

It is discovered after systematic review of national policies relevant to poverty alleviation that the definition and content of assets income for poverty alleviation clarified in current policies can be generally put into four categories: natural resources, resources or rights owned by poverty-stricken households and village collective, funds directly invested for poverty alleviation, and production facilities and real estate developed with funds for poverty alleviation. The natural resources include tourism resources, solar resources, hydropower resources, mineral resources, and so on, that could be used for promoting poverty alleviation through assets income management. Resources or rights owned by poverty-stricken households and village collective include such assets as the land and forest management rights and land designated for housing of poverty-stricken households as well as the rural collective assets and land that could be used for promoting poverty alleviation through assets income management. Funds directly invested for poverty alleviation include special funds of the government at all levels and other agriculture-related funds (“poverty alleviation funds” for short) that could be used for promoting poverty alleviation through assets income management. Production facilities and real estate developed with funds for poverty alleviation include assets formed by investing funds for poverty alleviation into agriculture and aquaculture, large-scale agricultural machinery, and such productive assets as shops, factory building, and parking lots in areas for relocating people from inhospitable areas, that could be used for promoting poverty alleviation through assets income management.

Generally speaking, the definition and content of assets income for poverty

alleviation have not been clearly defined in top-level policies since the launch of the pilot work on poverty alleviation through assets income management in 2015. In other words, the specific scope and definition for poverty alleviation through assets income management haven't been clarified in a systematic way, so the definition and content of assets income for poverty alleviation are determined by the unique attributes of the resources for poverty alleviation and the existing legal and policy restrictions relevant to them in most cases. Nevertheless, a small number of regional policy documents on poverty alleviation through assets income provide relatively clear definition for the scope of relevant definition and content, like those in Jiangsu Province, Shanxi Province, Suqian City, and Guangyuan City and so on.² Meanwhile, the definition and content of assets income for poverty alleviation have also been gradually standardized in national policies on poverty alleviation, because designers of top-level policy have realized that the methods for reasonable, legal, and effective use of different resources, funds, and other definition and content of assets income for poverty alleviation are not fully clarified and should be further standardized while it is also proposed in relevant documents that poverty alleviation through assets income management should be standardized.

(II) Practical Definition and Content of Assets Income for Poverty Alleviation

The economic base, resources endowments, and poverty status of different regions in China vary greatly from each other. Considering the local condition,

² For details, please refer to Opinions on Enhancing Poverty Alleviation through Assets Income and Relevant Management (Trial) (No. 23 (2018) of Jiangsu Poverty Alleviation Office), Opinions of the Office of Guanyuan People's Government on Effectively Strengthening the Work on Poverty Alleviation through Assets Income (No. 80 (2018) of Office of Guanyuan People's Government), Guiding Opinions of the General Office of Shanxi Provincial People's Government on Promoting Pilot Work on Poverty Alleviation through Assets Income (No. 144 (2016) of the General Office of Shanxi Provincial Government), Opinions of the General Office of the CPC Suqian Municipal Committee and the General Office of Suqian People's Government on Construction the “611” Supervision Mechanism for Poverty Alleviation Funds and Assets (No. 51 (2017) of the General Office of Suqian)

there are often inconsistencies between the policies on poverty alleviation through assets income management and the scope of definition and content in local practice. The practice in primary level has greatly expanded the definition and content of assets income for poverty alleviation of the policies on poverty alleviation through assets income management.

1. Natural Resources

It is clarified in national policies that tourism resources, solar resources, hydropower resources, mineral resources, and so on, could be used for promoting poverty alleviation through assets income management, yet two resources are more frequently used in local practice, namely solar resources and tourism resources. For example, solar resources have been used in Jinzhai of Anhui, Dongxiang of Gansu, Shuyang, Siyang, Huai' an, and Xiangshui of Jiangsu to promote poverty alleviation through developing photovoltaic electricity generation; featured tourism resources haven been used in Qingchuan of Sichuan, Shexian of Anhui, and Laishui of Hebei to promote poverty alleviation through developing tourism. In both cases, funds for poverty alleviation from different sources have been used to construct photovoltaic power stations, tourism facilities, and other assets while the institutional arrangement for poverty alleviation through assets income management is adopted to ensure the stable income for poverty-stricken households. Because the scope of the pilot work on poverty alleviation through assets income management with such assets as hydropower and minerals which should be in closed operation is limited and the effect is not particularly significant, these ways haven' t been promoted yet. Local governments have also actively explored the use of other natural resources for poverty alleviation through assets income management. For example, Fogang of Guangdong has launched the wind power project jointly with CR Power in 2018; Liupanshu of Guizhou has converted the ancient ginko tree into shares of local tourism

development company to promote poverty alleviation through assets income management.

2. Resources or Rights Owned by Poverty-stricken Households and Village Collective

It is clarified in national policies that such assets or rights owned by poverty-stricken households as the land and forest management rights and land designated for housing of poverty-stricken households could be used for promoting poverty alleviation through assets income management and they have also been used for poverty alleviation through assets income management in local practice. For example, the conventional usufruct on rural land for agricultural operations of poverty-stricken households has been converted into shares in such subjects of new type of agriculture operation as enterprises and cooperatives in many places like Nandan of Guangxi, Haifeng Village in Binhai of Jiangsu, and so on; 33 rural households in Lijiacun Village of Liyang in Jiangsu have converted idle property of 6.55 million yuan into shares in cooperative to promote poverty alleviation through assets income management. However, the land and forest management rights are mostly circulated to subjects of new type of agriculture operation practice in primary level and seldom converted into shares like the above-mentioned way. Meanwhile, the assets or funds (self-owned or credit funds) of poverty-stricken households have been used for poverty alleviation through assets income management in different regions. For example, the bulls kept for covering purchased by poverty-stricken households with the subsidy for promoting industrial development have been converted into shares in the cooperative at 6000 Yuan for each in Luoping of Yunnan; poverty-stricken households in Daban Town of Dongxiang in Gansu have invested 10,000 yuan of their own into Xindayuan Farming Cooperative for dividends; poverty-stricken households in Luanping of Hebei have invested the financial credit

funds at 50,000 yuan, 200,000 yuan, and 300,000 yuan guaranteed by the industrial park into the industrial park as their shares.

Regarding the resources or rights owned by the village collective, it is clarified in the national policies that the rural collective assets and land could be used for promoting poverty alleviation through assets income management, yet the types of assets are not clarified. In practice, various types of resources and assets have been used, including the land, forest, water surface, and houses owned by the collective. For example, Zhoujiazhai Village of Zhongshan in Guizhou has converted the management rights of 67 hectares of tea shrub forest owned by the collective into the shares of Minrun Farmers Cooperative; Changji Village of Binhai in Jiangsu have used the idle school assets and Lutan Village of Huai'an in Jiangsu have rented the old village office building for promoting poverty alleviation through assets income management.

3. Funds Directly Invested for Poverty Alleviation

Funds directly invested for poverty alleviation include special funds of the government at all levels and other agriculture-related funds. It is clarified in national policies that special funds of the government at all levels and other agriculture-related funds could be used for promoting poverty alleviation through assets income management, yet the types of funds are not specified. In the practice in primary level, funds for poverty alleviation are generally invested directly in the such form as shares, loans, and so on. Because it doesn't involve project construction and purchase and the profits are directly distributed to the poverty-stricken households or village collectives, it is an effective, efficient, and feasible way for poverty alleviation through assets income management. For example, Lingqiu of Shanxi has invested 6.2 million yuan of poverty-alleviation funds as shares into Shanxi Runsen Blotech Co., Ltd.; Cuiping of Sichuan has invested 3.2 million yuan of poverty-alleviation funds as shares into Hongxin Planting and Breeding Cooperative; Nandan of

Guangxi has invested 238,000 yuan of poverty-alleviation funds as shares into Danyang Red Kiwi Industrial Development Co., Ltd.; Dongzhi of Anhui has invested 280,000 yuan of poverty-alleviation funds as shares into Sande Zen Tea Company; Xunwu of Jiangxi has invested 10 million yuan to buy the shares of Xunwu Taihu Reservoir Investment Development Co., Ltd.

4. Production Facilities and Real Estate Developed with Funds for Poverty Alleviation

It is very common to use the production facilities and real estate developed with funds for poverty alleviation for promoting poverty alleviation through assets income management and the scope of definition and content has been greatly expanded in practice in primary level. It is clarified in the national policies that assets formed by investing funds for poverty alleviation into agriculture and aquaculture, large-scale agricultural machinery, and such productive assets as shops, factory building, and parking lots in areas for relocating people from inhospitable areas could be used for promoting poverty alleviation through assets income management. In the practice of different regions, assets formed by investing funds for poverty alleviation into agriculture and aquaculture and large-scale agricultural machinery have been used more for promoting poverty alleviation through assets income management while such productive assets as shops, factory building, and parking lots in areas for relocating people from inhospitable areas have been less used. For the using of assets formed by investing funds for poverty alleviation into agriculture and aquaculture, the types of assets have not been specified in the policies. Various types of assets have been used in practice, including agricultural machinery, greenhouses, standardized colony houses, and other agricultural facilities. For example, Shuyang of Jiangsu has used 65 million yuan of funds for targeted poverty alleviation for construction of 250,000 square meters of greenhouse for developing agriculture since the launching of the 13th Five-

Year Plan; Huai'an of Jiangsu has invested 148.6 million yuan into planting and breeding projects for promoting the construction of such infrastructure as standardized colony houses and purchasing agricultural machinery and tools; Gangzui Village in Guannan of Jiangsu has invested 3.7 million yuan for construction of 2000 square meters of sheep house and supporting facilities. In this way, profits could be gained through the cooperation with subjects of new type of agricultural operation or renting of related facilities and equipment.

Moreover, the specific types of production facilities and real estate developed with funds for poverty alleviation have been further expanded in some regions. The investment into production facilities have reached the service link at the end of the agricultural production chain, like agricultural trading centers, comprehensive food service centers, cold storage, and so on. The investment into real estate have covered workshops, factory buildings, retail shops, billboards, and so on, yet the proportion of factory buildings and retail shops for agricultural production is small. The factory buildings have been mainly rented by labor-intensive manufacturing enterprises focusing on clothing, textile, leather processing, medical equipment. For example, Fengxian of Jiangsu has invested 12.83 million yuan to build agricultural trading center; Pingming Town in Donghai of Jiangsu has invested 10 million yuan to build the grain e-commerce, drying, and storage center; Maxing Village in Tongshan of Jiangsu has invested 2.4 million yuan to build intelligent cold storage with constant temperature; Shiguan Town in Laian of Anhui has invested 1.4 million yuan of poverty alleviation funds to purchase grain dryer and build factory buildings; Dongxiang of Gansu, Qiaochen of Anhui, Juancheng of Shandong, and other places have invested poverty alleviation funds to build workshops; Shuyang of Jiangsu has invested 163 million yuan to build or purchase 310,000 square meters of standardized factory buildings, used 6.35 million yuan

targeted poverty alleviation funds for construction of e-commerce industrial park for poverty alleviation, and constructed 36 billboards and electronic signs along the provincial highway; Huai'an of Jiangsu has invested 213.7 million yuan to purchase retail shops and standardized factory buildings or build standardized factory buildings; Ningdu of Jiangxi has used 21.3 million yuan for construction of standardized factory buildings. In this way, profits could be gained from the rents.

(III) Basic Characteristics of the Definition and Content of Assets Income for Poverty Alleviation

1. The Definition and Content of Assets Income for Poverty Alleviation is Still Unclear

Although there are many policies on poverty alleviation through assets income management while the definition and content have been gradually standardized, the specific definition and content haven't been clarified in a systematic way and there is merely general but not detailed explanation for such definition and content as natural resources, resources or rights owned by poverty-stricken households and village collective, funds directly invested for poverty alleviation, and production facilities and real estate developed with funds for poverty alleviation. Meanwhile, the definition and content of assets income for poverty alleviation involve many government departments, including poverty alleviation, finance, agriculture, and so on. The focus of these departments on the definition and content of assets income for poverty alleviation are different. For example, poverty alleviation department pays more attention to the effect of poverty reduction, finance department attaches greater importance to the performance in the use of funds, and agriculture department highlights more industrial development.

2. The Conversion of Some Definitions and Contents Faces Obstacles

There are comparatively great practical obstacles in the conversion of some resources assets into poverty alleviation resources, while the conversion of operational assets into poverty alleviation resources still faces many limitations in geographical location, policies, and so on. For example, although some poverty-stricken regions are rich in tourism resources, it is difficult to develop tourism for poverty alleviation due to the limited transportation condition. The pilot work on poverty alleviation through assets income management with such assets as hydropower and minerals should be in closed operation, so it is comparatively difficult to replicate and promote the model due to the constraints of the natural environment. Poverty-stricken households merely have land and relevant rights, so they own very a few assets. In underdeveloped areas, there are a small quantity of collective assets and even less operational assets. Moreover, the conversion of such operational assets as collectively-operated construction land into poverty alleviation resources for poverty alleviation through assets income management faces many practical problems.

3. The Regional Difference of Definition and Content is Obvious

Village collectives in regions with better economic development generally have more operational assets and the profits can be directly used to support the poverty-stricken people, so there is greater demand for poverty alleviation through assets income management with more enthusiasm and innovation. On the contrary, there is often few operational assets in regions with larger poverty-stricken population and deeper level of poverty, so these regions have less initiative and creativity in promoting poverty alleviation through assets income management. The definition and content also demonstrate obvious regional characteristics. Areas affected by extreme poverty often use solar resources to promote poverty alleviation through developing photovoltaic electricity generation and directly invest poverty alleviation funds as shares, so the definition and content and models are relatively simple. While more

developed regions could make full use of such assets as tourism resources, resources or rights owned by poverty-stricken households and village collective, production facilities and real estate developed with funds for poverty alleviation, and so on, to promote poverty alleviation through assets income management, so the definition and content are more diversified and the scope is wider.

IV. Conclusion and Suggestions

Based on the investigation in typical provinces such as Anhui, Sichuan, Gansu, Jiangsu and Shanxi, the research team discovers through analysis on relevant policy documents that the poverty alleviation through assets income management in China has experienced three phases, namely theoretical discussion, pilot exploration, and overall promotion. However, the definition and content of assets income for poverty alleviation are still unclear, there are obstacles in the conversion of some definitions and contents, and there is obvious regional difference for definitions and contents.

As a result, the following four policy recommendations are proposed:

(I) The Definitions and Contents should be Further Standardized with Category-based Approaches to Avoid “Smothering up with the Same Pattern”

Firstly, the definition and content should be standardized. The “source” of poverty alleviation through assets income management should be traced in order to clarify the relevant definition and content of assets income for poverty alleviation. The combination of policy norms and innovation in practice in primary level should be upheld to encourage different regions to reasonably

innovate the types of definitions and contents within the scope of the policies

and promote the mature experience nationwide. Transparent mechanism for conversion of poverty alleviation resources should be created on the basis of the characteristics of the sources of definitions and contents and relevant policies, laws, and regulations. Secondly, category-based approach should be adopted. From the perspective of different types of definitions and contents, attention should be paid to promote the use of resources or rights owned by poverty-stricken households and village collective while the use of funds directly invested for poverty alleviation and production facilities and real estate developed with funds for poverty alleviation should be standardized and the use of natural resources could be innovated. From the perspective of different regions, the use of operational assets in developed areas for promoting poverty alleviation through assets income management should be standardized. In areas affected by extreme poverty, such natural resources as solar energy, geothermal energy, and tourism could be further explored while directly investment of funds as shares should be standardized. In addition, the stereotyped way to build such assets as greenhouses, factory buildings, and workshops should be avoided. Thirdly, attention should be paid to materialization of assets. It should be encouraged to use the funds for promoting poverty alleviation through industrial development in the investment into fixed assets and the purchase of production materials for poverty-stricken households, village collectives, and subjects of new type of agricultural operation. The risks caused by high-leverage operations of funds for promoting poverty alleviation through industrial development in such ways as interest subsidies, guarantees, and risk compensation should be avoided. The proportion of operational assets and public welfare assets should be set in a scientific and rational way on the basis of the characteristics of different types of industries for poverty alleviation, like photovoltaic electricity generation, agriculture, and tourism.

(II) The Industries and Subjects for Implementation should

be Carefully Chosen to Avoid “Smothering up with Random Investment”

Firstly, industries with competitive advantages should be chosen. The development of agricultural should be relied on for promoting poverty alleviation through assets income management. The projects with obvious effects in poverty reduction, good sustainability, and strong ability to withstand market risks should be selected to avoid “random investment. The development of relevant non-agricultural industries should be standardized. The speed and scope of industrial promotion should be reasonably controlled to avoid unilateral pursuit of industrial scale and coverage. Secondly, the subjects for implementation should be carefully chosen. The subjects of new type of agricultural management which are willing to help the poor and with good social responsibility, strong economic strength, sound governance structure, standard financial management, successful market operation, and good faith could be chosen. Democratic decision-making mechanism for choosing the subjects for implementation should be optimized on the basis of decision making by villagers. Thirdly, attention should be paid to the construction of platforms. The government should actively construct different “blood making” platforms, integrate small platforms, and upgrade large platforms to ensure “excellent performance on good platforms”. Attention should be paid to the building of industrial parks relevant to agriculture to gather industries and assets. The big data platform for poverty alleviation through assets income management should be established to effectively share all kinds of information like implementation subjects, funds investment, poverty-stricken people covered, and project progress among different departments at different levels. The platform for connecting production with sales should be built to ensure good sales of products from poverty-stricken regions. The platform of technology and talents should be highlighted to solve the problem of insufficient support for industrial development.

(III) The Interests should be Balanced with Good Connection to Avoid “Smothering up with Unrealistic Shareholding”

Firstly, the distribution plan should be optimized. We should avoid laying down rigid rules on the return on assets without consideration of the project period to overemphasize the short-term rate of return of single project but neglect the comprehensive effects of industrial clusters and employment promotion. Such mature models as “guarantee income + dividends by shares” should be promoted. Differential distribution of return should be implemented to avoid “extensive welfare” caused by even distribution of return. In addition, the beneficiaries should be adjusted in time. Secondly, the interest of the subjects should be balanced. The distribution of interests among multiple subjects including villages, households, and individuals should be effectively balanced through establishment of a long-term mechanism for mutual benefit. The “demand” for benefits of subjects should be determined in a reasonable way to avoid counter-marketization behaviors. The income differences between poverty-stricken villages and other villages as well as poverty-stricken households and other households should be taken into account to avoid the logical mistakes that “poverty-stricken villages get less than other villages and poverty-stricken households get less than other households.” Thirdly, policies for different periods should be linked well. Before the elimination of extreme poverty, the returns from poverty alleviation through assets income management should be used mainly for lifting poverty-stricken population out of poverty. After 2020, it should shift to the building of stronger village collective economy, realizing the change of focus from “households” to “villages”. Focusing on the revitalization of rural industry and the growth of collective village economies, the relationship among poverty alleviation through assets income management, development of village collective economy, and the rural revitalization should be properly handled.

(IV) The Supervision should be Enhanced with Sound Mechanism to Avoid “Smothering up with Impractical Dividends”

Firstly, the assets management should be more targeted. We should make full use of the achievements and experience of the reform of rural collective property rights system to include the management of poverty alleviation assets into the management of the assets of rural collective organizations and realize the unified collection of poverty alleviation assets data. We should gradually and steadily resolve issues inherited from the past, effectively prevent the legal and moral risks caused by the solidification of property rights of assets for poverty alleviation, explore the possibility to fix the ownership rights of some operational assets at township or county level, and establish village level regulation system for operational rights and rights to benefit from it. Secondly, the risk prevention and control should be strengthened. We should strengthen risk prevention and control from the source through establishing the mechanism for assessing potential risks before implementation of projects for poverty alleviation through assets income management and avoid risks arising from such non-agricultural models as cross-regional and park-based development in large-scale “cluster development” and “enclave economies”. Third-party assessment should be adopted to enhance the “legal examination” and dynamic monitoring over the risk of assets in the whole process. Thirdly, the supporting mechanism should be improved. A project library for poverty alleviation through assets income management should be established. Projects should be classified into different types like planning for improvement, idle for exits, and so on, to realize dynamic management mechanism. Corresponding mechanisms to permit and rectify mistakes should be perfected to effectively prevent waste of assets, “micro corruption” practice in primary level, and other problems in rural management. The mechanisms for offering incentives and imposing constraints should be strengthened through exploring the performance evaluation of poverty alleviation assets with scientific and reasonable

performance evaluation system. The results of performance evaluation should be included into the rural revitalization assessment system on the basis of the local circumstances.

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