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China's War on Poverty

A Case Study of Fujian Province, 1985-1990

Thomas P. Lyons

香港亞太研究所
Hong Kong Institute of Asia-Pacific Studies
The Chinese University of Hong Kong
Shatin, New Territories
Hong Kong

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About the Author

Thomas P. Lyons is Associate Professor of Economics at Cornell University and Director of Cornell's East Asia Program. He received his Ph.D. at Cornell in 1983 and taught at Dartmouth College before returning to Cornell in 1986.

Most of Lyons' work pertains to spatial aspects of China's economic development. He is the author of *Economic Integration and Planning in Maoist China* (Columbia University Press, 1987).

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Introduction

In 1985, China launched a war on poverty, targeting several hundred backward counties and over 100 million poor people across the country. If Chinese accounts are at all credible, the ensuing campaign is the largest and most pervasive effort ever to address poverty in China—and among the largest and most concerted anywhere in the world.

Outside China, the war on poverty has received little attention in either the popular press or scholarly analysis.[1] While it is commonplace to observe that income disparities are widening under the post-Mao reforms, surprisingly few observers have inquired into the plight of those at the bottom of the income distribution. The contours of the Maoist "safety net" are widely known, and the rending of this net by recent reforms now widely recognized—yet almost no one has examined how the continuing and pressing needs of the poverty-stricken are addressed under the post-Mao regime. This paper takes up such questions. Specifically, the purposes of this paper are to (1) ascertain the extent of poverty in

post-Mao China and identify its probable causes, (2) identify the central elements of post-Mao anti-poverty strategy and the key policy measures and organizational devices through which this strategy is being implemented, (3) ascertain the magnitude of the government's commitment—in terms of funding and administrative effort—to solving the poverty problem, and (4) assess the results achieved.

The dearth of outside analysis cannot be attributed to lack of evidence: the progress of China's war on poverty have been reported in thousands of articles in the Chinese press. To permit a systematic and reasonably comprehensive survey of relevant evidence, this paper focuses upon a single province—Fujian. While this does entail some loss of generality, it also accords greater visibility to the actual prosecution of the war in poverty-stricken villages. Fujian includes a large portion of one poverty belt (of eighteen) identified by the national government in the mid 1980s.[2] But Fujian is in some respects a case of poverty amidst plenty: pockets of hunger and deprivation border upon areas that are relatively prosperous and rapidly growing. Furthermore, much of the poverty in Fujian is not readily attributable to the overburdening of fragile ecologies. The solution in Fujian is not to move people out, but rather to understand the causes of poverty and to address the poverty problem through appropriate policy changes, systemic reforms, and structural adjustments.

Section II briefly reviews the war on poverty from a national perspective and places the economy of Fujian in national context. Sections III through V then examine key phases of the poverty campaign within Fujian. Section III begins with provincial attempts to define and measure poverty and to identify its causes. Section IV takes up the formulation of goals and general strategies, and Section V the commitment of administrative and financial resources. Section VI then turns to specifics of "poverty work" itself—prosecution of the campaign within poverty-stricken areas. Section VII briefly considers progress and problems.

Preliminaries: Fujian in National Context

The National Anti-poverty Campaign

Prior to the late 1970s the Chinese press seldom referred explicitly to the persistence of poverty and provided virtually no direct evidence concerning its scope and severity. Nor were outsiders allowed to travel freely in rural China, where they might observe poverty firsthand. Only after Mao's death (in 1976) did Chinese leaders begin to refer, rather vaguely, to pockets of rural poverty—typically placing the number of persons living in poverty at 100-200 million.[3] This rough estimate is consistent with scraps of published evidence. A 1979 survey of 339 rural brigades found 30 with per capita distributed incomes of less than 50 *yuan* (approximately the retail value of 200 kilograms of foodgrain). If the sampled brigades are more or less representative, the survey results imply that, nationwide, over 71 million people belonged to brigades distributing less that 50 *yuan* per capita.[4] A study publicized in 1981 found "chronic poverty" in 221 counties—with "chronic poverty" defined as county-wide distributed collective income per capita of 50 *yuan* or less in 1977, 1978 and 1979. The populations of all 221 counties totalled 88 million.[5] The total number of people living in poverty exceeds these figures—71 million and 88 million—because many such people were scattered in brigades and counties other than those identified as poverty-stricken.[6]

It remains an open question whether or not the Chinese leadership discovered the existence of widespread poverty only after 1976. In any case, a burst of national attention to the poverty problem followed the initial revelations of the late 1970s (Table 1). Between 1979 and late 1984, efforts to address the poverty problem seem to have focused mainly upon poor mountain areas, "old revolutionary-base areas," and the Sanxi region of Northwestern China (a region of severe deprivation and massive ecological degradation) and upon redirecting existing poverty programs from "consumption relief" to "developmental investment."[7]

Anti-poverty work took on a new note of urgency in 1984. A

Table 1 Evolution of Anti-poverty Efforts, in Central Documents and Programs

1980-	Grants and loans for old-base, minority, and remote areas (Ministry of Finance, People's Bank, and Agricultural Bank); tax relief for poor mountain areas
December 1982	Nine-ministry circular on aid to poverty-stricken rural households
1983-	Program for agricultural development of the Sanxi area (an area of severe poverty in Northwestern China)
September 1984	State Council circular on helping to speed the transformation of poor areas
October 1984	Ministry of Civil Affairs convenes meeting to discuss experiences in anti-poverty work; 26 provinces represented
1985-87	Central program of in-kind payments for labor on infrastructure projects in poor mountain areas
March 1985	Nine-ministry petition (*qingshi*) on helping poor households escape poverty by developing production
May 1985	Ministry of Civil Affairs convenes conferences on poverty work in poor counties of 22 provinces
June 1985	Hu Yaobang tours poor mountain areas of Northwestern China
October 1985	Ministry of Civil Affairs and Chinese Science Advisory Board (Zhongguo Kexie) issue circular on using science and technology to alleviate poverty
1986-90	Special low-interest loans for key-point poverty counties
January 1986	Central Document on Rural Work includes section on facilitating transformation of poor areas
February 1986	Hu Yaobang tours poor areas in Southwestern China
April 1986	Fourth Session of Sixth National People's Congress resolves to include, as a part of the Seventh Five-Year Plan, a Chapter on economic development of poverty-stricken areas

Table 1 Evolution of Anti-poverty Efforts, in Central Documents and Programs (continued)

June 1986	First meeting of State Council's new Leading Group for Economic Development of Poor Areas
August 1986	National conference on problems of poverty and development convenes in Shanxi
February 1987	State Council convenes meeting on anti-poverty work of central ministries
October 1987	State Council circular on strengthening the economic development of poor areas

Sources: For 1980-83: *Outlines*; ZGNYNJ83, pp. 450-51; for 1984-86 in-kind: *Outlines*; for 1984: ZGNYNJ85, pp. 382 and 456-58; for 1985: ZGNYNJ86, pp. 355-56, 453, 454 and 457; for 1986-90 loans: *Outlines*; for 1986: FJRB, 2/25/86, p. 3; FJRB, 6/20/86, p. 1; FJRB, 8/27/86, p. 4; *The Fourth Session of the Sixth National People's Congress (April 1986)* (Beijing: Foreign Language Press, 1986), pp. 106-08; for 1987: FJRB, 2/11/87, p. 1; ZGNYNJ88, pp. 482-85.

national survey in that year found that 26% of the 37,422 rural households surveyed had net incomes per capita (from all sources, not just collective) below 200 *yuan*. Furthermore, despite the boom in rural development during the early 1980s, almost 4% of the surveyed households in five provinces had experienced declines in income between 1978 and 1984.[8] At the end of 1985, the share of rural households with incomes of less than 200 *yuan* per capita reportedly stood at 12.2% (a more plausible estimate than that of the previous year); these households accounted for 102 million people—with over 38 million of these having incomes below 150 *yuan* per capita.[9] Poverty-stricken households (those with incomes below 200 *yuan* per capita) were concentrated mainly in 18 poverty

belts encompassing a total of 430 counties. These poverty belts were studied in some depth, yielding profiles of the poverty in each belt (in terms of various economic and social indicators), identification of factors contributing to poverty in each, and proposed strategies for escaping poverty.[10]

Based upon the surveys and studies of the mid 1980s, the central government outlined a national anti-poverty campaign for the Seventh Five-Year Plan period (1986-90) and set up a new leading group for poverty work in the State Council. The central objective of the national campaign was to solve, by 1990, the problems of basic subsistence for at least 90% of the people living in poverty-stricken areas, mainly through employment-creating projects and investment in infrastructure and training. About 300 counties were designated as national poverty "key-points," eligible for low-interest loans from a new anti-poverty fund of 1 billion *yuan* per year, 1986-90. The key-points included counties with net rural income per capita of less than 150 *yuan* in 1985, old revolutionary-base areas and minority areas with incomes of less than 200 *yuan*, plus a number of special cases (typically with incomes in the 200-300 *yuan* range).[11] Each province designated additional poverty counties, as well as poverty townships and villages.

The central government also allocated grain, cotton, and cloth to support infrastructure projects (mainly roads and potable-water systems) in poor areas. These allocations, valued at 2.7 billion *yuan* for 1985-87, were motivated in part by surpluses accumulated after the record harvests of the early 1980s. The allocated goods were used in lieu of cash to pay workers or were monetized by the provincial governments for purchase of construction materials. Central allocations were supposed to be matched by funding from provinces and locales. The 1985-87 program was succeeded by a similar program, using surplus industrial consumer goods, beginning in 1989.[12]

According to Chinese sources, the war on poverty has been quite successful. By the end of 1988, 83 of the key-point poverty counties had reportedly solved the problem of basic livelihood

(i.e., attained an income per capita equivalent, in real terms, to 200 *yuan* of 1985/86), with the number of people in poverty-stricken households declining to 88 million (from 102 million in early 1986). By the end of 1990, the basic-needs problems of the vast majority of poverty-county people were reportedly solved—the exceptions being mainly minority areas of the Southwest and Northwest. The State Council's leading group therefore called for shifting the goal of poverty work from solving basic needs to long-term development of poor-area economies.[13] A World Bank study, however, is much less sanguine, suggesting that the poverty head-count may actually have increased—or, at best, declined only marginally—by the late 1980s.[14]

Fujian in the National Economy

Fujian as a whole is not a particularly poor province. In terms of net material product (NMP) per capita, it ranked 12 (out of 23) in the 1950s and 12 (out of 24) in the mid 1980s.[15]

Table 2 provides data pertaining to long-term growth in Fujian and to the structure of the provincial economy in 1978 (just prior to the emergence of poverty as a major concern). Between the 1950s and the 1980s, Fujian lagged in industrial development, especially in the development of heavy industries. This lag is generally attributed to the reluctance of the central government to permit large investments in a "front-line" province prior to the easing of tensions across the Taiwan Strait. Agricultural NMP per capita in 1978 and the distribution of output value across branches of agriculture are similar to those for China as a whole—and agricultural NMP per capita in Fujian is substantially higher than that in the poorest provinces (e.g., Guizhou, at 72 *yuan* in 1978).

Table 2 Structure of Fujian's Economy, 1978

	Fujian		China	
1. Trend growth rate per annum, 1952-87				
real NMP per capita	3.4%		4.1%	
real industrial NMP per capita[a]	6.3%		7.1%	
2. NMP utilized per capita, 1978 (*yuan*, current prices)	260		311	
accumulation	74	(28.6%)[b]	114	(36.5%)
consumption	186	(71.4%)	197	(63.5%)
3. NMP per capita, 1978 (*yuan*, current prices)	233		315	
agriculture[c]	105	(45.2%)	112	(35.4%)
industry	84	(35.9%)	147	(46.8%)
transport	11	(4.8%)	12	(3.9%)
construction	17	(7.4%)	13	(4.2%)
commerce	16	(6.7%)	31	(9.8%)
4. Gross value of industrial output per capita, 1978 (*yuan*, 1970 prices)[c]	248		442	
heavy industry	102	(41.1%)	253	(57.2%)
machine-building	51.3	(20.7%)	120.6	(27.3%)
metallurgy	6.6	(2.7%)	38.5	(8.7%)
chemicals	40.6	(16.3%)	54.8	(12.4%)
light industry	146	(58.9%)	188	(42.8%)
using products of agriculture as input	101	(41.0%)	129	(29.2%)

Table 2 Structure of Fujian's Economy, 1978 (continued)

	Fujian		China	
5. Gross value of agricultural output per capita, 1978 (*yuan*, 1970 prices)[c]	143		152	
crops	92	(64.4%)	103	(67.8%)
husbandry	14	(9.5%)	20	(13.2%)
fisheries	7	(4.9%)	2	(1.4%)
forestry	8	(5.8%)	5	(3.0%)
sidelines	22	(15.4%)	22	(14.6%)
6. Transport: tons originated per capita, all modes, 1978	1.72		2.59	

a. To 1985 only.
b. Numbers in parentheses are shares in total.
c. On pre-1984 definition: village sidelines included in agriculture.
Sources: (1) Thomas P. Lyons, "Interprovincial Disparities in China: Output and Consumption, 1952-1987," *Economic Development and Cultural Change*, 39(3), April, 1991, p. 484;
(2 and 3) GMSR, pp. 10, 16, 29, 242 and 246;
(4) FJTJNJ87, p. 25; FJFJ, p. 53; SYC85, pp. 309-10;.
(5) FJTJNJ83, pp. 10 and 43; SYC85, p. 239;
(6) FJTJNJ90, p. 175; SYC88, p. 445.

Table 3 presents several indicators of rural welfare in Fujian during the late 1970s and early 1980s. Again, provincial net income per capita and consumption per capita (at the top of the Table) are roughly similar to those for China as a whole. In 1984, however, only 7.2% of 420 households surveyed in Fujian had net incomes per capita below 200 *yuan*—as compared to over 12% nation-wide in 1985, as noted earlier. The remaining indicators in the Table reflect the rapid pace of commercialization, dietary enhancement, and diffusion of consumer durables during 1978-84.

Table 3 Rural Survey Data, Fujian, 1978-1984

	Average, all survey households[a]				
	1978	1981	1982	1983	1984
Net income					
per capita (*yuan*)[b]	137.54	231.65	268.16	301.84	344.94
	(133.6)[c]	(223.4)	(270.1)	(309.8)	(355.3)
Consumption					
per capita (*yuan*)[b]	112.73	199.25	231.14	261.86	287.87
	(116)	(190.8)	(220.2)	(248.3)	(273.8)
of which:					
purchased (%)	49.8	55.8	57.5	58.00	59.4
on-farm (%)	50.2	44.2	42.5	42.02	40.6
Food consumption per person per day[d]					
energy (kCal)	2229			2599 2385	2457
protein (gm)	48.72			57.35 67.07	70.02
Ownership of consumer durables (units per 100 households)					
bicycles	10	17	21	33	42
sewing machines	11	29	38	47	51
radios	7	30	35	38	37
televisions			0.5	1.7	5.2
Note: Retail price index (1978 = 100)		111.8	115.8	117.6	119.8

a. n = 420, except 1978 (n = 410).
b. Current prices.
c. Figures in parentheses: national averages (n = 6,095).
d. Two sources differ, as indicated.
Sources: FJFJ, pp. 182-84; for food consumption, FJJJNJ85, p. 347, and NMSR, p. 340; national data, SYC83, p. 501, and SYC85, pp. 572-73.

As suggested in Table 3, Fujian has benefitted enormously from new national policies initiated in the late 1970s. Fujian, along with neighboring Guangdong, pioneered post-Mao China's reopening to the outside world with one of four original Special Economic Zones, and has served as an experimental area for comprehensive economic reform. "Outward-oriented" development, driven by foreign trade and foreign investment, has spread from Xiamen and other coastal cities to interior areas that supply labor and materials to enterprises along the coast and develop their own export-oriented agricultural "bases" and local factories. During the 1980s, some 3 million workers have left agriculture to move into cities, take jobs in local factories, or start their own small businesses.

Fujian has benefitted, too, from subsidies provided by the central government: as shown in Table 2, NMP utilized exceeds NMP, reflecting net inflows. These are less an indication of relative poverty than of Fujian's designation as a front-runner in reform and opening up, which has required large investments in port facilities and urban infrastructure.

Poverty in Fujian: Extent and Causes

How Many?

In the late 1970s and early 1980s, poverty was defined in terms of distributed collective income per capita. The 1981 report cited in the previous section identified 11 counties with "chronic poverty" in Fujian and at least 23 counties in which distributed collective income per capita fell below 50 *yuan* in one or more of the three years studied (Table 4). Figure 1 shows the locations of the "chronic-poverty" counties. Most are located in the east, rather than in the more remote and mountainous prefectures of the interior. Although one might expect that proximity to a large city makes for higher farm incomes, two of the counties with chronic poverty border the province's capital and largest city (Fuzhou), and two border the third largest city (Quanzhou). At the upper end

of the income distribution, Fujian had 2 counties (of 343 nation-wide) with distributed income exceeding 150 *yuan* per capita in 1980, but none (of 22 nation-wide) exceeding 300 *yuan*.

Table 4 Distribution of Counties by Income per Head of Agricultural Population in Fujian, 1977-1982

	1977	1978	1979	1977-79 (in all three years)	1980	1982
Number of counties below 50 *yuan*	23	22	12	11[a]		0
of which, number below 40 *yuan*	11	9	3			
Population of counties below 50 *yuan*						
millions				4.26		
share of total				22.6%		
Number of counties above 150 *yuan*					2[b]	
Population of counties above 150 *yuan*						
millions					0.42	
share of total					1.95%	

Note: Total number of counties (and cities): 67. Data pertain to distributed collective income.

a. Huian, Nanan, Anxi, Yongchun, Yongding, Ningde, Shouning, Luoyuan, Lianjiang, Putian, Yongtai.

b. Jianou, Sanming.

Sources: Nongyebu renmin gongshe guanli ju, "1977-1979 quanguo qiong xian qingkuang," *Xinhua yuebao*, 2/81, pp. 119-20; ZGNYNJ81, p. 70; ZGNYNJ83, p. 182.

Figure 1. Counties with Chronic Poverty, 1977–79

Note: * indicates major city.

"Distributed collective income" was rendered obsolete by the collapse of the commune regime. Since about 1983, poverty has been defined primarily in terms of net income from all sources. A provincial economic survey published in 1984 characterizes households with net incomes below 100 *yuan* per capita in 1978 as poverty-stricken.[16] For the mid 1980s, households with incomes below 200 *yuan* per capita are characterized as poverty-stricken or as "not yet having solved the problems of basic livelihood," and those with incomes per capita below 150 *yuan* are "severely poverty-stricken" or "especially poor."[17] These thresholds were subsequently adjusted upward, in the face of accelerating inflation. The 200-*yuan* standard of 1984-86 increases to 245 *yuan* per capita for 1987 and 320 for 1988.[18] The same standards are applied to villages, townships, and counties, as well as to households. (E.g., a village with per capita net income of less than 200 *yuan* in 1985 is poverty-stricken.) Exceptions to this scheme are made, mainly for "old revolutionary bases," to allow favored areas to qualify for poverty assistance.

In each of the years from 1986 through 1988, the poverty line stands at about one-half of rural income per capita province-wide. The consumption bundle represented by the poverty line has not been identified in detail, but it is clear that foodgrain accounts for a large portion of it. The movement of the (nominal) poverty line reflects a jump in the value imputed to grain produced and consumed on-farm, in addition to increases in the price of grain actually purchased by poor households; the average retail price of grain in Fujian increased from about 280 *yuan* per ton in 1978 to 376 *yuan* in 1985, 421 *yuan* in 1987, and 590 *yuan* in 1988.[19] The tragic circumstances of life below the poverty line are also clear, in reports of begging and scavenging for food, fuel, and scraps of clothing, of long hours carrying jugs of water from distant streams—and even of selling children.[20]

Apart from net income per capita, poverty is sometimes defined with respect to additional indicators. At the household level, for example, consumption of 220 kilograms of rice (or equivalent) per capita per year is taken as the threshold of basic

subsistence. At the township and county levels, poverty is frequently defined in terms of budgetary balance (with repeated deficits indicative of poverty) and aggregate output, especially industrial output. Some commentaries refer to a composite index of poverty built up from eleven or twelve separate measures, but in Fujian this index does not appear to have been of any great significance in poverty head-counts or formulation of anti-poverty policies.[21]

Table 5 Distribution of Rural Households by Income Class in Fujian, 1978-1984 (%)

Net income per capita[b] *(yuan)*	Share of households[a]				
	1978	1981	1982	1983	1984
<100	31.2	0.2	1.2	—	—
100-150	65.7	11.7	5.7	2.4	1.7
150-200		31.7	18.3	9.8	5.5
200-300		35.9	44.3	43.6	32.1
300-400	3.1	15.0	19.5	27.6	32.9
400-500		3.6	6.0	8.5	15.2
500-800		1.9	5.0	7.9	11.0
800-1,000				0.2	1.4
>1,000	—	—	—	0.2	1.0

Note: For price index, see Table 3.
a. Survey data. n = 420, except 1978 (n = 410).
b. Current prices.
Sources: Zhang84, p. 634; FJSHTJ, p. 53.

Tables 5, 6, and 7 view the distribution of rural net income from several different perspectives. Table 5 shows that almost one-third

of the rural households surveyed in 1978 had net per capita incomes below 100 *yuan* (the poverty threshold for the late 1970s). As noted earlier, by 1984 only 7.2% of the households surveyed were still poverty-stricken, by the prevailing 200-*yuan* standard of the mid 1980s. In each year, the great majority of households cluster within a fairly narrow range of incomes—for example, 100-300 *yuan* in 1978 and 200-400 *yuan* in 1984.

Table 6 Distribution of Fujian Counties by Net Rural Income per Capita and Net Material Product per Capita, 1983-1984

Income or NMP per capita (current *yuan*)	Number of counties[a]		
	Income		NMP
	1983	1984	1984
≤200	2	0	0
200-250[b]	13	4	2
250-300	23	11	6
300-350	18	24	12
350-400	2	15	10
400-450	0	4	9
450-500	0	0	6
>500	0	0	11
Median	287.5	329	390.1
Mean[c]	280.7	327.9	418.9
Standard deviation[c]	44.8	48.1	122.9
Coefficient of variation[c]	0.16	0.15	0.29

a. n = 58; cities omitted.
b. Greater than 200 and less than or equal to 250; similarly, other intervals.
c. Unweighted (by population).
Sources: NMSR, p. 347; FJJJNJ86, pp. 621-22 and 627-28.

Unsurprisingly, the dispersion of rural net income per capita across counties is also quite narrow (Table 6). In 1983, the first year for which data are available, all but a few counties fall within the 200-350 *yuan* range, and only two counties qualify as poverty-stricken by the 200-*yuan* income standard.[22] Of the 11 counties identified as suffering chronic poverty in 1977-79, eight still rank near the bottom in 1983 in terms of rural income from all sources (rather than distributed collective income, as in 1977-79), and all 11 rank well below the median. By 1984, no counties in Fujian qualified as poverty-stricken by the 200-*yuan* standard; 15 counties, however, posted incomes per capita in the 200-300 *yuan* range—i.e., still barely above the level thought adequate to cover the most basic needs.[23]

Net income per capita is positively correlated with output per capita across counties, as one would expect—although this correlation does appear to collapse at the highest output levels.[24] The dispersion of income across counties is much narrower than that of output, reflecting smoothing via intercounty transfers and, perhaps, more private remittances to households in poor areas. In fact, some of the lower county-level incomes exceed output—e.g., net income per capita of 220 *yuan* and NMP per capita of 200.2 *yuan* in Anxi, as of 1984.

With the intensification of the national anti-poverty campaign, counties in Fujian and elsewhere conducted extensive surveys and compiled counts of households with incomes below 200 *yuan* per capita as of 1985 (Table 7).[25] The data in Table 7 paint a bleaker picture than that implicit in either the 1984 household survey (Table 5) or the county-wide income figures just summarized. The province-wide head-count index runs to 10% in 1985 (i.e., over 2.4 million people), far exceeding the 7% suggested by the 1984 survey.[26] In several counties, the head-count index runs to 40%; indeed, it exceeds 30% for Ningde prefecture as a whole.

Counties characterized as areas of chronic poverty during 1977-79 tend to show high head-count indices in 1985—Anxi (40%), Yongding (37%), Ningde (32%), Shouning (34%), Luoyuan (31.5%); Huian appears to be an exception. Table 7 also shows

surprisingly large counts in some counties with high per capita incomes—among them, Jinjiang (525 *yuan* and 22%) and Ninghua (447 *yuan* and 25%); if these data bear any relation to reality, they would seem to suggest highly skewed income distributions within some counties.

Table 7 Net Rural Income per Capita and Number of Low-income Households by Prefecture and County, 1985

Prefecture	Income per capita (current *yuan*)	Households with income per capita			
		<150 *yuan*		<200 *yuan*	
		Number	Share[a]	Number	Share[a]
Fuzhou	419			82,600	(9)
Xiamen	559				
Putian	410				
Sanming	442			32,500	(9)
Jinjiang	408			155,900	(17)
Longxi	403			80,448	(12)
Jianyang	423			~47,500 w/246,100	(12)
Ningde	330	100,000 w/470,000	(20)	165,000 w/775,000	(32)
Longyan	360	67,100	(17)	91,000 w/494,000	(23)
County					
Fuzhou prefecture					
Minhou	436			3,570	(3)
Minqing	407			4,789	(9)
Yongtai	353			10,450	(18)
Changle	487				
Fuqing	410				

Table 7 Net Rural Income per Capita and Number of Low-income Households by Prefecture and County, 1985 (continued)

County	Income per capita (current *yuan*)	Households with income per capita			
		<150 *yuan*		<200 *yuan*	
		Number	Share[a]	Number	Share[a]
Pingtan	351			14,850	(25)
Lianjiang	347				
Luoyuan	272			(13,300)	31.5
Xiamen prefecture					
Tongan	481				
Putian prefecture					
Putian	374				
Xianyou	370			12,150	(8)
Sanming prefecture					
Yongan	532				
Mingxi	461			409	(3)
Qingliu	450			1,953	(10)
Ninghua	447			12,500	(25)
Datian	367			~1,500	(~3)
Youxi	469				
Shaxian	403				
Jiangle	434			1,012	(5)
Taining	465			3,165	(17)
Jianning	352			2,499	(12)
Jinjiang prefecture					
Huian	394	<10,000		19,300	(10)
Jinjiang	525			44,000[b] w/203,000	(23)
Nanan	421	~8,000 w/40,000	(4)		

Table 7 Net Rural Income per Capita and Number of Low-income Households by Prefecture and County, 1985 (continued)

County	Income per capita (current *yuan*)	Households with income per capita			
		<150 *yuan*		<200 *yuan*	
		Number	Share[a]	Number	Share[a]
Anxi	269			58,482 w/313,768	40
Yongchun	308			>5,000	(>6)
Dehua	374			(10,100)[c]	22.86[c]
Longxi prefecture					
Longhai	498				
Yunxiao	353				
Zhangpu	372				
Zhaoan	318				
Changtai	463				
Dongshan	492				
Nanjing	452				
Pinghe	246			30,307 w/156,000	36.3
Huaan	354			3,743	(15)
Jianyang prefecture					
Nanping	438			2,537	(5)
Shaowu	467			4,400	(11)
Jianyang	434			7,557 w/39,987	(17)
Shunchang	482			1,824	(6)
Jianou	416			4,593	(6)
Pucheng	401			4,395	(6)
Chongan	424			3,836	(12)
Guangze	404			~2,640 w/13,350	(13)

Table 7 Net Rural Income per Capita and Number of Low-income Households by Prefecture and County, 1985 (continued)

County	Income per capita (current *yuan*)	Households with income per capita			
		<150 *yuan*		<200 *yuan*	
		Number	Share[a]	Number	Share[a]
Songxi	393			7,904 w/38,240	34.4
Zhenghe	363			9,353	(32)
Ningde prefecture					
Ningde	379			17,000	28
Fuding	340			>13,000	(13)
Xiapu	370			20,590	(23)
Fuan	324			42,900	(44)
Gutian	402			12,000	(18)
Pingnan	280			10,870	(39)
Shouning	240			14,000	32.8
Zhouning	309			10,535	36
Zherong	295			~3,700	20
Longyan prefecture					
Longyan	442			6,860	(12)
Changting	304			13,400	(22)
Yongding	363	9,400	13.2	26,122	37
Shanghang	357			~20,000	(29)
Wuping	316			21,100	(40)
Zhangping	383	(1,100)[c]	2.9[c]		
Liancheng	369			14,400	(31)

a. As share of agricultural households, in percent.
b. 1983.
c. 1984.
( ) Indicates derived or estimated; otherwise, as reported.
w/ Indicates number of persons.
Sources: Provincial yearbooks, journals, and newspapers. Details available from author.

Why?

In Fujian as elsewhere in China, concern with poverty and regional inequality has precipitated attempts to understand why some regions have failed to grow rapidly, why pockets of poverty have persisted or emerged, and why some households remain (or become) poor despite the relative prosperity of their villages.[27] Apart from household-specific factors such as the death of the principal income-earner, the apparent causal factors that emerge from provincial analyses fall into five categories:

(1) deficient natural resources, most frequently a low land/man ratio, but also mountainous terrain and/or susceptibility to erosion or natural disaster;

(2) inadequate social overhead capital—poor transportation and communications; weak health, education and technical-service infrastructure;

(3) national and provincial policies that caused local economies to pursue "irrational" development paths, with underemployment and a collapse of interregional trade; high rates of (implicit) taxation in rural areas; and the weakening of incentives through excessive egalitarianism;

(4) deficient economic institutions, which further weakened incentives (through collectivism, until 1980 or so) and which provided inadequate means of channeling resources into farmland capital construction and other productive uses (during the 1980s);

(5) shortcomings of the victims—apathy, cynicism, unwillingness to cooperate with local leaders, a desire to depend upon government handouts, stubborn refusal to adopt proven crop varieties and cultivation practices, and indifference to minimal standards of occupational safety and village sanitation.

Table 8 Agricultural Resources in Fujian Counties, 1980

	11 chronic-poverty counties	Rest of province	17 key-point poverty counties	Rest of province	Fujian
Cultivated area per capita (*mu*)	0.56	0.84	0.85	0.75	0.77
Sown area per capita (*mu*)	1.21	1.69	1.62	1.55	1.57
Multiple cropping index	2.18	2.01	1.92	2.08	2.04
Effectively irrigated area, as share of cultivated area (%)	67	68	62	70	68
Machine-plowed area (%)	23	37	31	35	34
Chemical fertilizer, per *mu* cultivated (kg)	18.8	19.2	17.0	19.7	19.1
Use of electric power (kwh)					
per *mu* cultivated	31	34	25	36	33
per capita	17	28	21	27	25
Agricultural machinery: motive power (watts)					
per *mu* cultivated	136	121	88	134	124
per capita	75.5	101	75	100	95

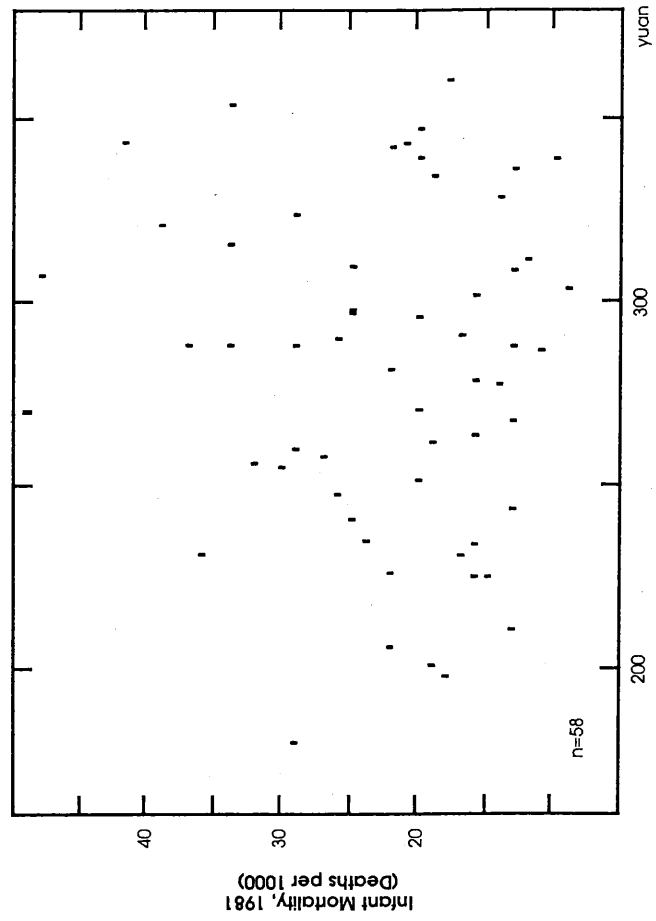
Sources: ZGFX, pp. 198-215.

"Deficient natural resources"—item (1) in the preceding catalog—may not be of much use in explaining why some areas remain undeveloped and poverty-stricken and others do not. Some of the counties with high NMP and high income per capita are mountainous and relatively inaccessible; some are densely populated. Conversely, some of the low-income counties enjoy cheap transportation, relatively low population densities, and abundant forest and mineral resources. By way of illustration, Table 8 shows that, as a group, 17 counties designated by the central and provincial governments as poverty areas have slightly more cultivated area per capita and sown area per capita than does the rest of the province.[28] (The "chronic-poverty" counties of 1977-79 have less.)

Item (2) may not be all that useful either, if measures such as infant mortality and illiteracy are at all indicative of the state of social overhead capital. As Figure 2 illustrates, there is no significant correlation between income and infant mortality across counties in Fujian. Local surveys, apart from finding generally low levels of education, do suggest a significant correlation between household income and educational attainment. A survey in Jianyang found, for example, that only 17% of those farmers with incomes below 200 *yuan* had completed primary school, whereas 77.5% of those with incomes exceeding 500 *yuan* had. In Shaowu, rural households in which no one had more than an elementary education earned an average of 3,542 *yuan*, while those with a high-school graduate earned 4,195 *yuan*.[29] Figure 3 shows that, across counties, income per capita is negatively correlated with the illiteracy rate. The figure also suggests, however, that there are a number of exceptional cases and that, in general, the relationship between income and illiteracy is not a very close one.[30]

Items (3) and (4) seem more promising, although their separate impacts are difficult to untangle. There is little doubt that the Maoist development strategy caused serious misallocation and that the costs of this misallocation varied considerably by region. Under the Maoist strategy, each locale tried to develop agriculture and small-scale industry so as to become self-sufficient in neces-

Figure 2. Net Income per Capita and Infant Mortality, by County, 1981/83



Source: Population Census Office of the State Council, *Population Atlas of China* (Hong Kong: Oxford University Press, 1987), pp. 174-75.

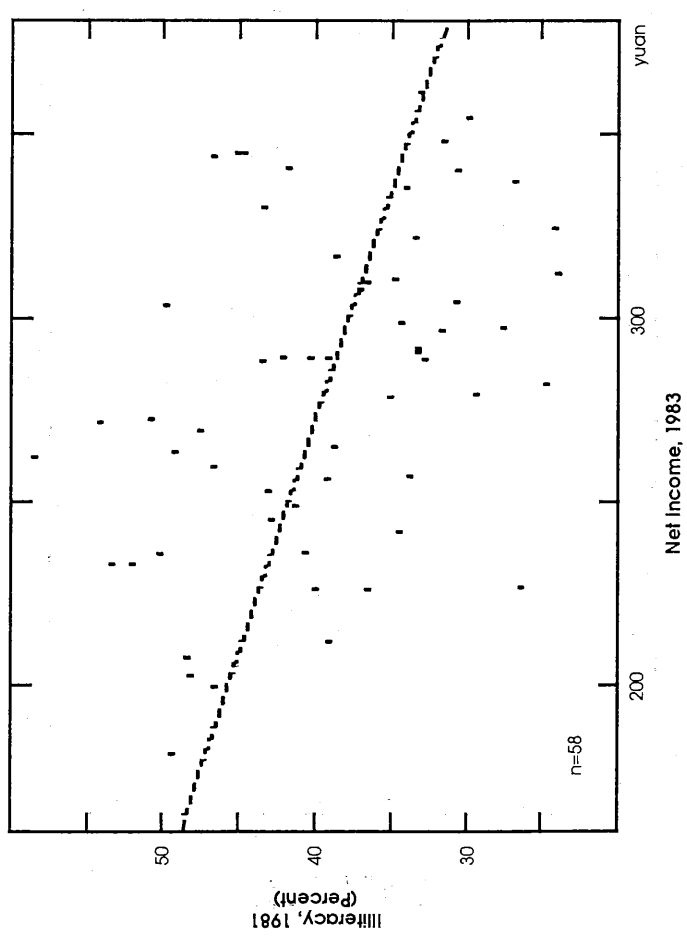


Figure 3. Net Income per Capita and Illiteracy, by County, 1981/83

Source: See Figure 2.

sities, and then diversified into other activities serving local needs. Locales were generally not permitted to relieve population pressure by out-migration, nor did institutional means exist for investment by one locale in another. These elements of the Maoist strategy encouraged specialization contrary to comparative advantage, since areas suited to cash crops had to shift into grain to feed themselves, whereas areas suited to grain production could diversify into other crops. Areas unable to grow enough grain to feed themselves were locked into poverty trying to do so.[31]

In Fujian, concerns with securing adequate grain supplies figured prominently into provincial and local policy formulation, and counties that had previously specialized in fruits, sugar, tea, and other cash crops were seriously affected. Interestingly, of the 11 chronic-poverty counties of 1977-79, one is traditionally the largest fruit producer, two are leading sugar producers, one is the largest tea producer, one is the largest tobacco producer, and three are among the leading producers of seafoods.[32] Fujianese recall with considerable bitterness the forced conversion of orchards and cane fields to rice—and the resulting impoverishment—in Nanan and other cash-crop areas.

Interaction between the blanket implementation of general policy (such as "grain first") and the resource endowments of particular locales results in a kind of random discrimination (when a locale happens to have an endowment that is not congenial to the prevailing policy). The tempering of self-reliance, via the development of "grain bases," added an explicit discrimination in the allocation of state-controlled inputs such as high-quality fertilizer, agricultural machinery, and electrical generating equipment. Table 8 suggests the possibility that poor regions in Fujian remained poor partly because the state did not give them access to modern inputs. As a group, the 17 poverty counties of 1987 had less fertilizer, electricity, agricultural machinery and irrigation, per unit of land cultivated, than did the rest of the province. (This relationship is less clear for the chronic-poverty counties of 1977-79.) Provincial analyses also suggest that the rural tax regime has been regressive, imposing higher tax rates upon farmers in the

poorer counties.[33]

The evidence surveyed in this section suggests that Chinese analyses, which generally place heavy emphasis upon natural resources as the principal cause of poverty, should be viewed with some skepticism. Instead, the evidence recommends careful inquiry into central and provincial policies that closed off certain local development paths (e.g., those contingent upon securing large inflows of food or exploiting scale economies and an external market) and into local policy adaptations to these constraints on the one hand and to resource endowment on the other.[34]

Goals and Strategies

The anti-poverty campaign in Fujian is best understood as the convergence and intensification of existing policy programs. This section first reviews pre-1985 programs, then summarizes the key goals and strategies of the campaign since 1985.

Antecedents of the Campaign, 1979-1985

Prior to 1985, the provincial government's anti-poverty efforts were divided among four overlapping programs: relief for destitute and disaster-stricken households, support for mountain-area economic development, and preferential treatment for old-base areas and for ethnic minorities.

Beginning in 1979, the provincial bureau of civil affairs (*minzheng ting*) began to replace some of its emergency aid to the destitute and disaster-stricken with production-oriented loans and investment assistance. The principal forms of such assistance included technical advice and material inputs for developing the household economy (via diversification into such products as livestock, fruit, and mushrooms), provision of marketing and other services, supporting village-level infrastructure projects, and finding off-farm jobs for the poverty-stricken, sometimes in enterprises opened specifically to create such jobs.[35] This governmental aid to households initially supplemented collective relief; however, by

1985 the collective economy had pretty much collapsed in many areas, so that a portion of the governmental aid is best viewed as a substitute for, rather than an addition to, aid from other sources. State and collective poverty aid reached about 8% of the agricultural population of Fujian in 1980 and about 5% in 1984. By 1985, about 186,000 households had received loans totalling about 27 million *yuan*, and about 72,000 of these households reportedly escaped poverty.[36]

The program to develop mountain areas dates from 1981, with the provincial Party committee's call to exploit neglected mountain and coastal resources (*"nian shan-hai jing"*). A "two-front development strategy" (the two fronts being the seacoast and the mountains of the interior) was endorsed by the provincial Party Congress in June 1985 and elaborated in an address by Governor Hu Ping in September of that year. The mountain-area component of this strategy focused upon exploiting neglected resources, such as forests, grazing lands, minerals, and hydroelectric potential; building local factories to process forest products previously sold in unprocessed form; and implementing measures—such as tax relief—to help poverty-stricken mountain townships and villages and to encourage skilled people to take up temporary residence therein.[37] In 1985, Fujian began to receive allocations of foodgrain and cotton cloth from the central government, which it used as payment for work on infrastructure projects in mountainous areas.[38]

Revolutionary bases, which in Fujian encompass 7,300 villages scattered in 62 counties and cities, are areas occupied by Communist insurgents beginning in the 1920s. Until 1957, the provincial government had provided these areas with special assistance in their recovery from the war and their attempts to provide relief to those left destitute. In 1980, the revolutionary base office (*lao qu ban*) was reestablished in the provincial government and assistance was resumed. This assistance, totalling about 45 million *yuan* for 1981-85, was directed toward "economic construction," mainly in the areas of farmland development and irrigation, treecrops, livestock, small-scale industry, roads, hydropower stations and

power lines, health services, and education (including training of teachers and technicians). Even by 1985, only about one-half of the revolutionary-base villages in Fujian were accessible by motor vehicle (and some of these only by tractor or jeep) and only 36% had electricity; about 35% of the people in these villages remained poverty-stricken.[39]

An even larger share of Fujian's minority population lives in extreme poverty. "Minority areas" include several hundred villages, located mainly in 18 townships of northeastern Fujian and populated mainly by the She and Hui. In 1983 Fujian established a special provincial-level commission to assume, from the bureau of civil affairs, responsibility for minority affairs. Surveys of minority areas found a net rural income per capita of only 127 *yuan* in 1984, 162 *yuan* in 1985, and 172 *yuan* in 1986 (compared to 345, 396, and 419 for the province as a whole). Given such low incomes, the modest sums allocated as special assistance to minority areas—a total of 6.8 million *yuan* for 1981-85—must have been used mainly for current consumption. Provincial reports do note, however, some progress in farmland capital construction, hydropower, village enterprises, and provision of safe drinking water.[40]

Launching the Campaign

The efforts of 1979-84 have been widely criticized in the provincial press for failing to produce a conspicuous improvement in the plight of the poverty-stricken or to contain the gap between rich and poor. In the mid 1980s, allocations to existing programs continued, but they were increasingly integrated into a province-wide anti-poverty campaign with explicit goals, a general strategy, an overall leadership, and a coordinating bureaucracy. This integration of earlier programs can be traced to a flurry of provincial meetings in 1984-86 and, especially, to two provincial documents (Table 9). In response to Beijing's concern with poverty, in early 1985 the provincial government promulgated its own circular on fighting poverty. A year later, the Fujian Party Congress issued the key decision of the provincial campaign, widely publicizing both the decision itself and Party Secretary Chen Guangyi's address concerning the poverty problem.[41]

Table 9 Emergence of Fujian's Anti-poverty Campaign, in Provincial Documents and Programs, 1984-1986

August 1984	Provincial government convenes meeting of municipal and county leaders to discuss organization of poverty work
February 1985	Provincial rural work conference; document "Key tasks for 1985" calls upon coastal areas to aid development of poor mountain areas Provincial government and Party committee issue circular on implementing the central policies of September 1984 (concerning transformation of poor areas); preferential policies for poor mountain areas
June 1985	Provincial Party Congress elaborates "two-front" (coastal and mountain areas) development strategy
September 1985	Meeting of municipal and county leaders to discuss organization of poverty work; "3/5/8" target agreed upon Governor Hu Ping delivers address on speeding up the economic development of mountain areas
December 1985	Conference of representatives from poverty-stricken and border areas; address by Governor Hu Ping First provincial conference on technologies suitable for mountain areas
April 1986	Provincial leaders tour poverty areas in western Fujian Meeting on rural party rectification emphasizes that helping poor areas escape poverty is to be a "guiding idea" of rural work Vice-Premier Tian Jiyun visits poor areas in Anxi and Chongan counties Provincial telephone conference on poverty work

Table 9 Emergence of Fujian's Anti-poverty Campaign, in Provincial Documents and Programs, 1984-1986 (continued)

May 1986	Provincial Party Congress takes up poverty issues; Party Secretary Chen Guangyi delivers report on speeding up poverty alleviation Party decision on speeding up poverty alleviation in old-base areas, minority areas, border areas, and on coastal islands Supplementary decision on development policies and measures for old-base, minority, border and island areas
June 1986	Provincial leaders make inspection tours of poverty-stricken areas
September 1986	Annual meeting on poverty work discusses progress of campaign and current problems
October 1986	County-by-county inspection of implementation of anti-poverty measures

Sources: For 1984: FJJJNJ87, p. 68; for 1985: FJJJNJ86, pp. 66, 77, 653 and 709; for 1986: FJRB, 4/11/86, p. 1; FJJJNJ87, pp. 70-72; FJRB, 5/10/86, p. 1; FJRB, 5/11/86, p. 1; FJRB, 5/12/86, p. 1; FJRB, 5/14/86, p. 1; FJRB, 6/1/86, p. 1; FJRB, 9/8/86, p. 1.

The provincial circular of 1985 designated 11 counties in which anti-poverty efforts were to be concentrated. In 1986, this list was expanded to include 16 counties—14 national key-point counties, plus Jianning and Zhenghe. In 1987, a seventeenth county—Pingtan—was added (Figure 4). All 17 of the designated poverty counties are revolutionary-base areas. In 1985 the provincial government designated 153 poverty townships, plus 14 minority townships also targeted for special assistance; this list was subsequently expanded to 206 townships (including 18 minority townships), and 768 villages. Most of the poverty townships and villages are located in the designated poverty counties of the

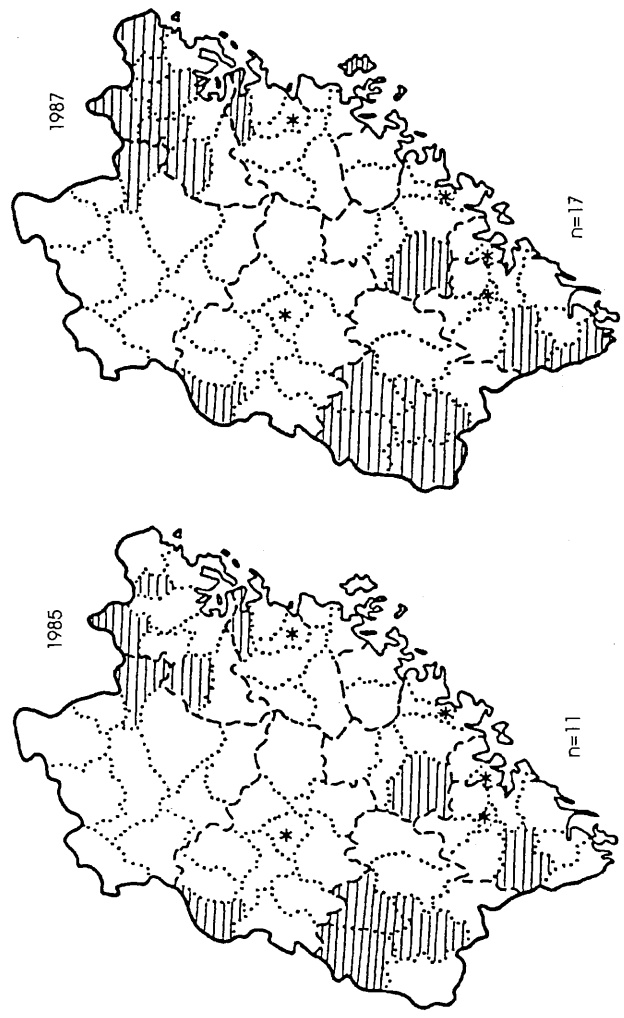


Figure 4. Designated Poverty Counties

northeast and southwest.[42]

The precise criteria used in designating counties, townships, and villages are not entirely clear. Insofar as national "key-point" status is concerned, the 14 counties appear to qualify by virtue of being revolutionary bases (which, as noted in Section II, can be designated as poverty key-points even if their incomes are not especially low). Interestingly, only three of the 11 chronic-poverty counties of 1977-79 are among the national key-points of 1986 (compare Figures 1 and 4). Yongchun—which ranked eighth from the bottom in income per capita as of 1985—is neither a national key-point nor a provincially designated poverty county. On the other hand, Zhenghe—designated by the province—stood at #22 from the bottom, with a higher income per capita in 1985 than six counties that were not designated. It may be that certain counties were designated partly in order to win the cooperation of prefectural administrations that would otherwise have no immediate interest in the anti-poverty campaign, and that others were passed over to avoid concentration of poverty assistance in relatively prosperous prefectures. Designation of townships and villages, like that of counties, is probably also based rather loosely upon income per capita, with special consideration for revolutionary-base and minority areas and with concessions to under-represented administrative jurisdictions.

The Party Congress of 1986 adopted the "3/5/8" target for poverty work, as proposed by a meeting of county leaders: solving the basic-needs problem for the great majority of poor households within ***three*** years (1986 through 1988), solving the problem of local budget deficits within ***five*** years, and enabling poor areas to make a positive contribution to the provincial economy (and in particular, to remit revenues to the provincial government) within ***eight*** years (Table 9). Similar formulations have been widely repeated since 1986, sometimes distinguishing between solving the household's immediate subsistence problem and setting it upon the "road to prosperity" so that it can sustain itself over the long term.[43]

Beginning in 1986, annual targets for the campaign have been

specified mainly in terms of households escaping poverty (i.e., attaining an income of 200 *yuan* per capita, in 1986 prices). Hence, the target for 1987 was to enable 30-50% of the poverty-stricken to escape poverty; the target for 1988 was an additional 20-30%. This sort of target is of questionable value, however, given the ample room for deception in reporting household incomes—and the limited utility of head-counts in themselves. Other frequently mentioned targets include annual increases in county-wide income per capita, budgetary revenue, and aggregate output in poor counties and townships.[44]

Strategy

Although the initial "general principles" of the anti-poverty campaign in Fujian were quite vague, provincial authorities subsequently developed a fairly precise strategy, as evidenced by both their own statements of intent and reports concerning actual prosecution of the campaign. The main strands of anti-poverty strategy are (1) investment in human capital, (2) commercialization, (3) readjustment of villages' economic structures, and (4) implementation of bundled projects.

(1) Human Capital

Provincial analyses, as noted earlier, point to widespread illiteracy; in addition, these analyses point to a near-total "technical ignorance" among the poor population. Moreover, local leaders frequently lack managerial skills—and are themselves barely literate and poorly trained. One report finds, for example, that almost one-third of the scientific/technical personnel in mountain areas have no more than an elementary school education.[45] Hence, people in poor areas lack both the knowledge to solve problems and the inclination and ability to seek out such knowledge; readily implemented measures that would curb endemic diseases or protect crops against insect infestation remain unknown and unused.[46]

Numerous authoritative statements about the provincial anti-

poverty strategy note the crucial importance of addressing these deficiencies—and, in particular, of ensuring that every poor household acquires technical expertise in at least one line of agricultural or handicraft production. The campaign has in fact entailed a massive injection of knowledge into poverty-stricken areas, through general education, short-term technical training, continuing technical services, and intensive training for local leaders—and through mobilization of large numbers of people equipped to provide such education and services. In the first year of the campaign, technical personnel sent into 11 designated poverty counties conducted over 540 training classes, attended by over 51,000 people. Cumulative attendance exceeded 1 million, in all 17 designated counties, by the end of 1990.[47]

(2) Commercialization

Some poor areas of Fujian are little touched by the market. Province-wide in 1986, purchased commodities accounted for 54.4% of total consumption for poor rural households (the rest being produced on-farm), whereas the share for all rural households was 67.1% and that for rich households 86.5%. According to provincial analysts, poor areas that nurture periodic markets and other forms of local commerce develop more rapidly than those that do not, partly as a result of better diffusion of commercial and technical information among farmers and greater fiscal capacity for local governments dependent upon commercial taxes.[48]

Party Secretary Chen Guangyi and other provincial leaders consistently point to "developing commodity production" (i.e., production of goods for sale) as the crucial component in speeding up alleviation of poverty.[49] The most conspicuous element of the entire campaign has in fact been a concerted effort to drag every poor household into market-oriented production, by diversifying family farms (and, especially, introducing exportable specialty crops), opening small non-farm businesses, and providing commercial services and market information.

Beyond drawing individual households into the market

economy, the anti-poverty campaign has increasingly emphasized a broader "outward orientation." This includes various forms of cooperation between poor areas and richer ones (e.g., joint ventures, subcontracting, and satellite factories set up in poor areas by urban enterprises); setting up export-oriented agricultural "bases" in poor areas; attracting investment and technical and managerial assistance from Taiwan, from overseas Chinese, and from Fujian natives resident in Shanghai and other relatively developed areas of China; and sending teams of laborers to work on construction projects and tea plantations elsewhere.[50]

(3) Restructuring

Despite the frequent attribution of poverty to deficient resource endowment, anti-poverty work itself clearly presumes that poor areas can attain a degree of prosperity through economic restructuring that corrects past misallocation and ecological degradation (Section III, above) and fully exploits local resources. According to provincial analysts, successful restructuring will typically involve modernization of farming through farmland capital construction, manufactured inputs, and extension work; "developmental agriculture"—opening up new orchards, tea plantations, fishponds, and forests; transfer of surplus labor out of agriculture and into local industry, commerce, and services; and upgrading the local export base, with more value added (e.g., selling canned foods rather than unprocessed mushrooms, or furniture rather than lumber).[51]

(4) Project-centered Implementation

Allocation of resources to poverty work is supposed to be conditional upon prior identification of specific development projects and upon accountability for proper use of resources allocated to them. This approach addresses ingrained tendencies to allocate among locales by rule of thumb (e.g., on the basis of local population) without much consideration of costs and benefits, to allocate a large portion of poverty aid for immediate consumption, and to scatter resources in uncoordinated, piecemeal efforts.[52]

The province's general guidelines call for orienting most assistance toward directly-productive projects and infrastructure (rather than toward current consumption). More specific guidelines favor projects that

- use local resources, require relatively small investment, and yield returns within a short time;
- admit participation by a large number of poor households;
- are likely to stimulate further investment through backward or forward linkages;
- have potential for gradual upgrading (in terms of scale of production, technical sophistication, and stages of processing—e.g., from lumber to furniture), as skills are accumulated and markets penetrated [53]

Based upon such criteria, counties are supposed to screen locally proposed projects. Funding from various sources, allocations of materials, and assignments of technical and administrative personnel are then to be "bundled" and attached to the approved project, via a project director. Planning, financial, and auditing bureaus are supposed to incorporate projects into the development plans for poor areas and oversee project implementation, guarding against diversion of resources to other uses.[54]

Provincial analyses and decisions point to the complementarities among these strands of anti-poverty strategy and between anti-poverty strategy and other dimensions of economic policy-making. For example, even though large-scale infrastructure projects have not been as prominent in Fujian as in other provinces, provincial analyses do point to the need for transport and storage facilities, market places, and "technical- and commercial-service centers" (for extension work, delivery of inputs, and dissemination of market information) to support commercialization and restructuring, and for more and better schools and clinics to support improvement of social services. To absorb the labor pouring out of agriculture and to serve as local growth poles, development plans for some poor areas have come to depend heavily upon private and cooperative non-farm enterprises—and hence, upon

the continuing progress of the larger economic reforms that accommodate such enterprises. And, especially since 1988 or so, anti-poverty strategy has been explicitly viewed as an integral part of larger designs for promoting provincial growth and dealing with its uneven spread and its adverse effects upon certain locales, and for ensuring that local growth translates into a general improvement in household welfare.

Funding and Organization

The anti-poverty campaign would not be of much interest if it amounted to little more than enunciation of goals and strategies, without commitment of resources. This section briefly examines the extent to which the central government and the province (including sub-provincial levels of government) have supported the campaign financially and administratively.

Funding

Prior to about 1985 anti-poverty efforts were relatively modest and were effected mainly through the four programs already described in Section IV. Beginning in 1985, the funding picture becomes much more complex, and the allocations involved increase substantially. Figure 5 is a schematic diagram summarizing the main financial flows that provincial reports explicitly associate with the anti-poverty campaign. Table 10 collects data pertaining to anti-poverty spending during 1986-90. (Sections A through C of the Table correspond to flows shown in the Figure.)

The top portion of Figure 5 shows central allocations to the anti-poverty campaign in Fujian. These include allocations under the minority and old-base programs carried over from the 1981-85 period and the program of in-kind grants for infrastructure projects begun in 1985. In 1990, for example, Fujian received goods valued at over 9.2 million *yuan* under the latter program (with the provincial government providing 4.6 million *yuan* in matching funds), and used these resources to build 356 kilometers of roads

Figure 5. Funding of Poverty Programs

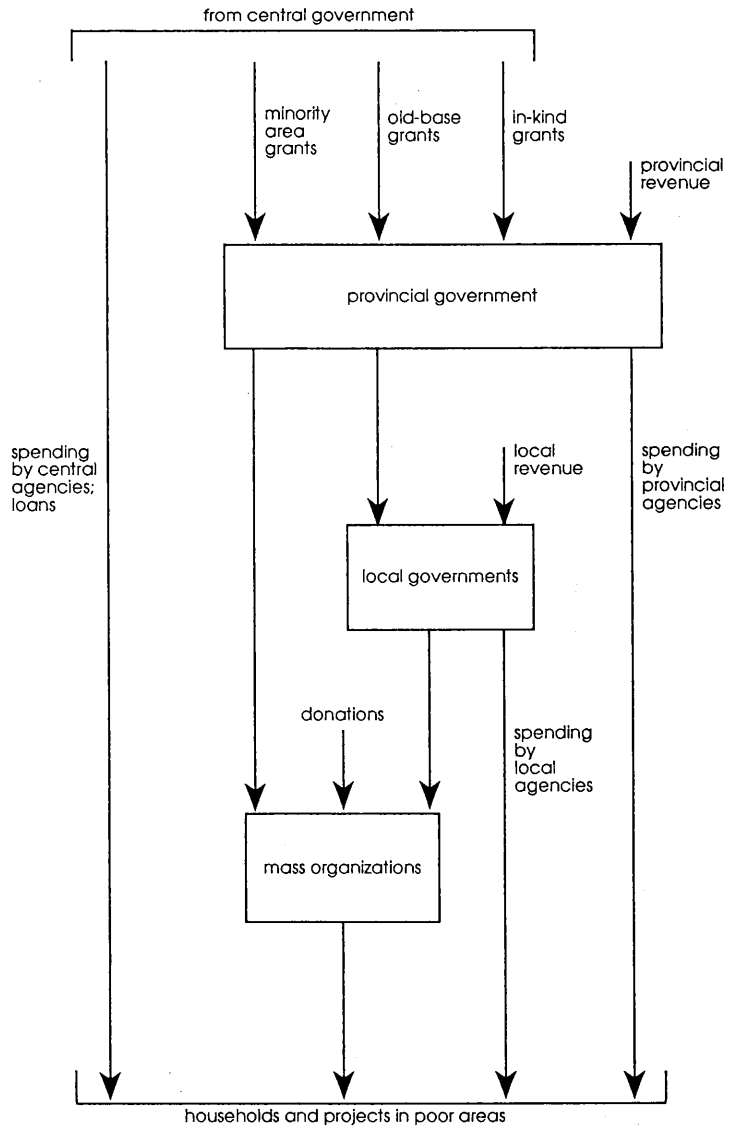


Table 10 Funding the Anti-poverty Campaign in Fujian, 1986-1990

	Funding (millions, current *yuan*)				
	1986	1987	1988	1989	1990
A. Total spending, central plus provincial[a]	253	298	264	256	279
central grants in-kind, for payments to labor on infrastructure projects		33.75[c]			9.2
central grants for old-base construction	20	20	22	22.5	21.15
central aid to minorities					
central low-interest loans for poverty counties	44			d	38.5
provincial fund for economic development of poor areas	30	34.4	35.6		60[e]
B. Local spending[b]		64	78		
C. Non-governmental					
collective poverty relief	1.34	1.16	1.57	2.57	
contributions from mass organizations					
D. Agricultural Bank					
lending to poor households	103	225			
E. Technical-renovation					
investment in poverty counties		270[f]			

a. "Funds put into poverty areas by the center and by provincial departments."
b. "Local discretionary funds that prefectures and counties used for fighting poverty."
c. For roads.
d. 158, 1986-89.
e. 1989 and 1990.
f. 1986 and 1987.

Sources: A (total): FJJJNJ89, p. 58; FJJJNJ90, p. 68; FJJJNJ91, p. 56;
A (details): FJRB, 7/10/86, p. 1; FJRB, 1/4/90, p. 2; FJJJNJ87, pp. 51 and 72-73; FJJJNJ88, p. 60; FJJJNJ89, p. 42, FJJJNJ90, p. 56; ZGNYNJ91, p. 119;
B: FJJJNJ88, p. 70; FJJJNJ89, p. 58;
C: ZGNCTJ88, p. 285; ZGNCTJ89, p. 327; ZGNCTJ90, p. 301;
D: FJJJNJ87, p. 70; FJRB, 11/20/87, p. 1;
E: FJJJNJ88, p.70.

and potable-water systems for 277,000 people. The largest single item of central financing for poverty work in Fujian has been the program of low-interest loans to poor counties (shown at the left of Figure 5). Distribution of the loans across counties is decided by the provincial government, with loans actually extended via the Agricultural Bank. These loans, which began in 1986, were intended to supplement—not replace—funds already available in poor areas, for employment-creating and production-oriented projects.[55]

The middle portion of the Figure shows the anti-poverty spending of the provincial government, including its distribution of funds received from the center and earmarked for anti-poverty programs. As the campaign heated up in 1985, the provincial government announced establishment of its own special 100-million *yuan* "fund to support the economic development of poor areas" during 1986-88 (later expanded and extended through 1990). This fund, managed by the Huaxing Investment Company on behalf of the provincial government, was to be used for education, investment in infrastructure, and interest-free loans for productive projects, with output from funded projects supporting loan repayment. Prefectural and county governments have directed some locally-raised revenues into their own anti-poverty "development funds"—for example, 10 million *yuan* for 1986-88 in the case of Fuzhou municipality, and 25 million for 1986-90 in Ningde prefecture.[56]

In addition to its allocations earmarked for poverty work, the provincial government introduced a number of preferential measures for poor areas—48 such measures in 1985 and 19 more in 1986. In general, these measures were intended to provide greater local autonomy in economic decision-making, increase locally retained budgetary revenues, and improve the investment environment (so as to attract investment from richer areas). Specific measures included

- increasing the locally-retained share of the tax on bamboo and wood products from 30% to 50% in designated poverty counties (with the remainder remitted to the province);
- suspending the agricultural tax in designated poverty townships;
- placing locally-paid teachers in poverty townships on the state payroll;
- exempting poverty townships from mandatory purchases of government bonds;
- granting poverty areas preferential access to state-supplied (and heavily subsidized) building materials;
- converting the state's grain purchases in poverty townships entirely to a negotiated-price basis (by eliminating contract-purchase quotas), thereby increasing the average price paid;
- granting tax holidays for township- and village-run enterprises in poor areas.

The 67 preferential measures introduced in 1985 and 1986 were estimated to be worth on the order of 100 million *yuan* per year to the designated poverty counties and townships.[57]

Of course, some of the loans made by state banks and some of the construction and technical-renovation investments undertaken by various government bureaus have also been incorporated into the anti-poverty campaign. (These are not shown in Figure 5; the extent to which they are included in the provincial, central and local spending in Table 10 is unclear.) And local economic collectives and non-governmental entities—both existing mass organizations and new anti-poverty charitable groups—raise money through voluntary contributions and various local levies and make loans for household projects and grants for small village projects (Figure 5, bottom).[58]

Total spending in poverty areas has been substantial—exceeding 1.3 billion *yuan* over five years, 1986 through 1990 (Table 10). By way of comparison, this is about 6% of all government budgetary expenditure in Fujian over the same period and about 400 *yuan* on average for each person in poverty-stricken households.[59] Unfortunately, beyond the funding categories shown in the Table, a breakdown of the total expenditure by end

use (education, health, investment in enterprises, farmland capital construction, etc.) is not available. And some of the spending reported in Table 10 represents crowding out of other programs that might have benefitted the poor—or simply renaming of allocations that would have occurred even had there been no anti-poverty programs at all. The magnitudes in the Table and the explicit targeting of poverty areas, however, leave little doubt that a substantial increase did occur in spending on the poor.

Organization

Spending a large amount of money naturally requires a large bureaucracy. The anti-poverty campaign in Fujian was organized along lines prescribed by the central government, with new leading groups at the provincial, prefectural, and county levels, and with work teams and instructional teams in poverty-stricken areas.

The provincial leading group for economic development of poor areas, established in 1986, includes members of the provincial leadership and directors of various provincial bureaus. It answers directly to the State Council's leading group for poverty work, cooperates with the provincial planning commission in formulating economic development plans for poor areas of Fujian, and takes responsibility for overall organization and coordination of anti-poverty efforts. The provincial anti-poverty office, under the direction of the leading group, promulgates anti-poverty policy, conducts inspections of poverty work, and audits anti-poverty spending. Members of the leading group and other high officials in the provincial government each have "contact points"—assigned poverty-stricken counties which they visit occasionally and about whose efforts and progress they are supposed to remain well-informed.[60]

Anti-poverty work teams project the campaign directly into poverty-stricken townships and villages. In 1986, 506 people from provincial bureaus participated in the first round of work teams; the number of participants increased to about 600 for the second and third rounds (1987 and 1988). Each provincial work team was assigned to a poor area for a period of about one year, to promulgate provincial policies, initiate model projects to attract local participation and stimulate emulation, and assist local leaders in making and implementing development plans. Prior to being dispatched, teams assembled in Fuzhou for instruction in the specific goals of the year's work and for farewell addresses from provincial leaders. For example, the third-round teams were instructed to focus upon four tasks: investigation and research, followed by popularization of relevant provincial policies; improving local leadership; providing technical assistance and popularizing technical knowledge; and developing commodity production.[61]

Apart from supplying personnel for work teams, provincial-level bureaus and institutes directly participate in anti-poverty work in three other ways. First, they conduct surveys and investigations related to their own areas of expertise.[62] Second, they dispatch teams of technical specialists—frequently recent technical-school graduates—to take up temporary posts in poor-area schools and to train village youth in practical skills.[63] Third, they set up long-term "direct links" with poor areas, sending groups of employees to assist with local development planning and with project selection, design and implementation. The Agriculture Bureau, for example, sent technical experts into Shanghang, Liancheng, Pingnan, Zhenghe, and Shouning to assist in setting up export-oriented production bases for local specialty crops; the Light Industry Bureau assisted enterprises in Shouning in adopting international standards so as to improve the quality of their products. The provincial leading group for poverty work convenes annual meetings at which provincial bureaus report their "direct-link" activities, and requires that bureaus explicitly accommodate such activities into their overall plans.[64] Provincial "mass organizations," such as the Communist Youth League, also organized teams of teachers, technicians, and health-care workers to provide consulting services, hold training sessions, and operate mobile clinics in poor areas.[65]

Many of the organizational devices implemented by the

province have been replicated at sub-provincial levels. Beginning in mid 1986, leading groups for poverty work and poverty-work offices were established at the prefectural and county levels (and sometimes at the township level, in those areas where poverty is concentrated). Leaders at the prefectural and county levels have "contact points" analogous to those at the provincial level—township contact points for prefectural leaders, and villages for county leaders. Each year, roughly 10,000 people have participated in work teams and instructional teams formed by prefectures and counties.[66]

Within the poor townships and villages, local officials and party members have been drawn into an anti-poverty responsibility system, whereby each guarantees to oversee implementation of anti-poverty programs and design of anti-poverty plans for certain households. Under the poverty responsibility system in Changting county, for example, 1,275 government officials and over 2,000 party members entered into agreements with 13,400 poverty-stricken households, guaranteeing to keep households informed of government policies, to ensure implementation of anti-poverty projects, to ensure that payments due the household and obligations of the household are paid in a timely fashion, to provide guidance and supervision, and to ensure that the household escapes poverty within a specified period.[67] Evaluation of each official's job performance is supposed to be based partly upon his fulfilling his anti-poverty responsibilities, as delineated in such contracts.

Many locales in Fujian set up "anti-poverty foundations" (*fupin jijinhui*) and, more recently, "economic development companies" (*jingji kaifa gongsi*). Although the precise nature of these organizations is not clear, they are sometimes described as local mechanisms for concentrating funds from various sources upon selected anti-poverty projects and for monitoring use of such funds. They receive funding from governments and, in at least some cases, raise funds by selling shares to individuals and businesses.[68] Local anti-poverty foundations frequently support various "anti-poverty economic entities" (*fupin jingji shiti*)—

enterprises that directly employ people from poor households or that organize household production around a hub providing technical and business services. For example, by the end of 1987 Jianning county had 65 such enterprises; the one in Zhongshe village was a rare-earth mine set up with 300,000 *yuan* of anti-poverty funds and providing employment for almost all of the village's poor people.[69] Anti-poverty foundations and economic entities are apparently directly responsible to local authorities for actual use of anti-poverty funds.

Implementation: "Poverty Work" in Key-point Counties

The frameworks for funding and administering the anti-poverty efforts of different locales are broadly similar, due to the definition of a general strategy and prescription of a common set of institutions at the provincial level. At the same time, however, the anti-poverty campaign is intended to accommodate adaptation of strategy and institutions to suit local conditions, formulation of purely local measures, and variation across locales in the sorts of projects undertaken. This section attempts to gain some sense of how the key strands of Fujian's anti-poverty campaign played out in practice, by first tracing the development of the campaign in a single county and then generalizing across key-point counties.

Luoyuan county, in Fuzhou prefecture, is one of the 11 "chronic-poverty" counties of 1977-79 and one of the 11 (later 17) designated poverty counties of 1986-90. Luoyuan has eight designated poverty townships (out of 11) and 73 poverty-stricken villages, some with net incomes per capita as low as 100 *yuan* in 1986.[70] County-wide, almost one-third of all rural households fell below the poverty threshold of 200 *yuan* per capita in 1985, as shown in Table 7.

Beginning in 1984, the county government sent groups of county officials into rural areas to conduct door-to-door surveys of poor households and to compile files showing the conditions of each

household and the apparent causes of its poverty.[71] Based upon this information, the anti-poverty groups tried to design income-enhancing measures, to be implemented through six "channels": "economic entities" that supply technical training and marketing services to households, village-run enterprises that employ members of poor households to process products of local agriculture, anti-poverty foundations (of the sort noted in Section V, above), anti-poverty partnerships (*lianheti*) formed between poor families with underemployed labor and better-off families with capital and skills, specialized commodity bases set up under the guidance of county agencies, and diversified household farms developed with expert assistance arranged by county and township governments and village committees. The county commission for science and technology set up "household economy demonstration sites" in poverty townships and established a center to provide technical training in diversified household production.

To accelerate diversification, in 1986 the county government began to promote the "seven ones"—having poor households plant one field of grain, maintain one stand of trees or bamboo, raise one flock of chickens or ducks, grow one shed of mushrooms, participate in raising one pond of fish or prawn, manage one patch of tea plants, and engage in one line of commodity processing.[72] Depending on local conditions, each poor household was supposed to engage in several of these "ones." County agencies introduced measures aimed at making loans available to poor households otherwise unable to diversify, supplying seedlings and feed, providing services, and initiating "seven-ones" projects (e.g., by assigning responsibility to individual cadres). Apart from county policies, townships developed their own programs to facilitate diversification. Baita, for example, consolidated anti-poverty funding from various sources into a 150,000 *yuan* fund, which was turned over to an anti-poverty foundation responsible for arranging its effective use; poor households in Baita received loans at subsidized interest rates (with the subsidy paid from township revenues), intended to promote production of soy, tubers, pigs, poultry, rabbits, and mushrooms, and to improve

production of cereals through greater use of chemical fertilizers and pesticides.[73]

By summer of 1986, the province and prefecture (Fuzhou) were sending their own anti-poverty workers into poor areas of Luoyuan—almost 300 such workers as of June. After conducting local surveys, the provincial teams selected and launched projects intended to increase household incomes within a year or so and to strengthen productive potential over the long term. The latter focused upon development of Luoyuan Bay via prawn fields and commercial fishing, the development of new tea and fruit orchards, afforestation, and new township and village enterprises (142 by the end of 1986).[74] Prefectural efforts included "direct links": each of the 25 severely impoverished townships in the prefecture was linked to one bureau and one or two enterprises in a three-year "responsibility" arrangement. Under this arrangement, the responsible bureau and enterprise(s) sent employees into the township to formulate a development plan and design appropriate projects in cooperation with residents of the area and to render ongoing assistance.[75]

A few examples will serve to illustrate the range of activities undertaken by teams engaged in anti-poverty work in Luoyuan. A team of township cadres took up residence in Jianxia village, investigated the economic situation of every household, and identified poor management of productive resources and demoralization—caused by a large accumulation of debts and lack of trust in local officials—as principal causes of poverty. The team focused first upon improving work in the village's grain fields and helping households raise pigs and ducks and grow mushrooms, then turned to afforestation and development of fruit orchards and tea groves. Provincial work teams assigned to Baita township and Gangli village (in Zhongfang township) brought in agricultural technicians and supplies to help poor households grow mushrooms. A provincial team assigned to the coastal townships instructed farmers in raising prawn and traveled Luoyuan Bay to assist prawn farmers facing threat of storm damage or prawn disease. In Xifeng village (Huokou township), members of the

Communist Youth League formed a veterinary service team that traveled door to door to inoculate livestock and provide veterinary advice. The #1 Hospital in Fuzhou sent teams into Zhongfang (a poverty township) to provide health care. In Chengfeng village (Songshan township), village officials provided interest-free loans and technical assistance to poor households, enabling them to purchase fishing nets and repair fishing vessels.[76]

During the later half of 1986, the provincial science and technology consulting center, in cooperation with the Luoyuan county government and the Fuzhou science association, formulated Luoyuan's Seventh Five-Year-Plan for Economic Development.[77] The plan includes measures for renovating enterprises in such industries as tea processing, cigarettes, canning, and textiles, promoting production of prawn and oysters in Luoyuan Bay, protecting and expanding forests, upgrading tea plantations, expanding cultivation of cash crops, and improving grain yields. In January 1987, the provincial consulting and service center and the county government signed an "agreement for scientific and technical cooperation in accelerating the economic development of Luoyuan county": the consulting center agreed to organize a team of experts to supply technical information to Luoyuan, recommend suitable development projects, assist in attracting capital and technology, and in establishing links with enterprises in other areas.

As a result of the planning exercise in late 1986, the county seems to have hit upon a new line of attack on the poverty problem. During 1987 the county's poverty work took on a distinctive contour, giving rise to the "Luoyuan model" (one of several different models widely cited in the provincial press). The Luoyuan model exploits linkages from processing industries to agriculture, using the industrial and commercial growth of the locale to drive development of the farm household economy.[78] Initially, the county chose seven product lines—tatami mats and other products of woven straw, bamboo products, high-quality teas, mushrooms, lean pork, seafoods, and down. These were chosen on the basis of local resource endowment, marketing possibilities, and potential

for linkages to poor households. In each product line, "backbone" county- or township-run enterprises served as the hub of a larger network, which included scattered small enterprises and households. The backbone enterprises took charge of solving technical and commercial problems for their entire networks. County agencies, including the supply and marketing cooperative, commerce bureau, agricultural bureau, aquatics bureau, and light-industry bureau helped launch the new system—with loans, technical and commercial information, and supplies; collective and private enterprises also began to supply new services to households producing raw materials for the processing plants.

In the case of lean pork, the backbone enterprise was a pig farm run by the county commerce bureau. In 1987, the farm established two branch farms and designated three specialized villages (i.e., villages specializing in lean pork production). The backbone farm supplied piglets, feed, and veterinary services, and took responsibility for transport, marketing, and exporting. In the case of woven straw-products, the county straw-products company organized a network of 27 township and village factories and 200-odd household enterprises and took responsibility for importing equipment, improving product quality, and addressing management and sales problems. The supply and marketing cooperative assumed exclusive purchasing authority in straw-producing areas, to ensure a steady flow of raw materials to production of exportable tatami mats. In the case of mushrooms, the county supply and marketing cooperative set up a technical-service center, which developed outlets county-wide for providing technical information and assistance with loans, materials, processing, and sales. Some 70% of the agricultural households in the county received training in mushroom production.[79]

By the end of 1987, almost 80% of the rural households in Luoyuan had been drawn into one or more of the seven networks, and some had become large specialized suppliers of raw material to processing plants. The seven product lines accounted for about 47% of the county's gross output and 70% of its exports.[80] In 1988, networks for two more product lines—cigarettes and alcohol-

based solvents (*jiujing rongji*)—were added.[81] In 1988 and 1989, all nine product lines accounted for 62% of the county's gross output, with 682 processing sites (as of late 1988).[82]

As of spring 1988, almost all of the poor households in Luoyuan had reportedly solved the problem of basic livelihood. The county government called for phasing out support for individual households, in favor of support for service organizations and "economic entities" (such as processing plants) and investment in longer-term regional projects—in particular, developing the seafood industry on Luoyuan Bay and forest products and fruits in upland areas, upgrading the quality of farmland, strengthening the village collective economy through small-scale industrialization and renovation of existing plants, and improving basic infrastructure.[83] The county also cultivated links with the city of Fuzhou. As of late 1988, 25 enterprises in the county were affiliated (e.g., as subcontractors or designated export producers) with companies in the city.[84]

Table 11 reflects a rapid restructuring of the rural economy in Luoyuan between 1985 and 1990. First, the growth of industry far outstrips that of agriculture, as shown in the gross value data. The number of township and village enterprises increased by over 50% between 1985 and 1988 and the number of persons employed in such enterprises nearly doubled. (The subsequent drop reflects the impact of restrictive policies imposed nation-wide in 1989.) Second, output of such agricultural products as fruits, seafoods, tea, and mushrooms increased at very high rates. More generally, the forestry, fishery, and livestock branches of agriculture grew much more rapidly than did the farming branch; the share of farming in the gross output of the entire agricultural sector fell from 57% in 1983 to only 34% in 1990.[85] Third, commercialization—and injection of the technical and business knowledge necessary to compete successfully—are reflected in the phenomenal growth of exports. Although the development of infrastructure is not so apparent in Table 11, the provincial press reports substantial gains. For example, 66 villages in Luoyuan gained access to safe drinking water between 1985 and 1988, 53

Table 11 Economic Development in Luoyuan County, 1985-1990

	1985	1986	1987	1988	1989	1990
GVIAO per capita (*yuan*)[a]	511	597	706	857	931	962
industry only	212.5	263	329	442	511	533
	(41.6)[b]	(44.1)	(46.6)	(51.6)	(54.9)	(55.4)
agriculture only	298.5	334	377	415	420	429
Township and village industry						
enterprises	1,247	1,389	1,699	1,931	1,954	
employment	10,131	13,591	17,348	19,985	15,800	
Agricultural output						
grain (tons)	68,600	70,000	75,000	76,500	80,000	80,000
fruit (tons)	637	906	821	1,229	1,767	2,163
tea (tons)	583	667	746	849	810	745
mushrooms (tons)	27.1[c]	439.6				
aquatic products (tons)	6,456	7,024	8,527	9,704	8,878	8,905
afforestation (*mu*)	62,000	63,000		69,000	51,500	102,600
Exports (million *yuan*)[d]	3.33	7.02	12.05	16.52	18.82	
Infrastructure						
roads (kilometers)	329			336	353	365
telephones	584				638	1,135
hospital beds	453	425	425	373	383	356
NMP per capita (*yuan*)[e]	409.7	484.6	646.2	837.3	919.2	1,056.2
	(67.4)[f]	(72.6)	(79.3)	(77.5)	(73.8)	(81.4)
Net income per capita (*yuan*)[g]	272	322	393	496	588	657
	(68.6)[f]	(76.9)	(81.1)	(80.9)	(84.3)	(85.9)

a. Gross value of industrial and agricultural output per capita, in 1980 constant *yuan*.
b. Figures in parentheses: as share of sum, in percent.
c. 1984.
d. Procurement by foreign trade departments in current prices.
e. Net material product per capita, in current *yuan*.
f. Figures in parentheses: as share of province-wide level, in percent.
g. Rural net income per capita, in current *yuan*.

Sources: FJJJNJ87, pp. 576-78, 912 and 915; FJJJNJ88, p. 466; FJJJNJ89, pp. 474-75; FJJJNJ90, p. 428; FJTJNJ90, pp. 451-519; FJTJNJ91, pp. 461-504; Zhang86, pp. 40 and 44.

were electrified, 12 were connected to the road network, and 5 built new schools.[86] While it is impossible to ascertain just how much of the progress reflected in Table 11 is attributable to poverty work, the coincidence of the actual directions of change in Luoyuan with the anti-poverty campaign's stated objectives and strategies does point to a causal relationship.

Examining other counties' experiences confirms that Luoyuan is broadly representative. In other counties, as in Luoyuan, both the fundamental strands of Fujian's anti-poverty strategy (restructuring, market orientation, technical knowledge, and a developmental and project-based approach to providing assistance) and the role of work teams and government agencies are very much in evidence. In fact, many of the devices for implementing anti-poverty strategy also appear to be quite similar across locales—notably, technical- and commercial-service centers, "developmental agriculture" schemes in hilly areas, use of corvee labor and in-kind grants for local infrastructure projects, pervasive efforts to diversify family farms, small-scale non-farm businesses, short-term technical training schemes, and "anti-poverty foundations."

On the other hand, examining the experiences of other counties also confirms that the substance of local policy—the choice of specific projects—exhibits considerable diversity. Anxi's effort focuses upon (1) "using science and technology to climb out of poverty," mainly by popularizing better farming techniques; (2) starting joint ventures (such as the Anxing Rattan Company) and other "outward-oriented" enterprises in processing industries, by exploiting connections with overseas Chinese and with firms in richer areas of Jinjiang prefecture; and (3) upgrading and commercializing traditional local specialties. The "Zhaoan/Pinghe model" calls for family farming, but with "unified planning" so as to concentrate production of exportables in "base areas" and provide for systematic development of appropriate infrastructure, services, and processing capacity. Liancheng has developed projects to introduce and popularize technologies for overall development of mountain areas, focusing upon high-yield cultivation of fruit trees and modernization of fruit preservation, production of tung oil, fresh-water fish farming, bamboo growing and processing, and cultivation of mushrooms and "wood ears" (edible fungus). Zhenghe is developing the energy and transportation sectors, renovating local enterprises, expanding and upgrading tea production, and promoting development of mountain areas via popularization of such products as long-haired rabbits, mushrooms, apples, and jasmine.[87]

Progress in Alleviating Poverty

Results

The anti-poverty campaign in Fujian was designed to promote commercialization, the restructuring of local economies, and the dissemination of knowledge and skills, so as to stimulate growth and create new income streams for poor people. The 17 poverty counties have invested heavily in social overhead capital supporting these objectives: between 1985 and 1988, 2,000 kilometers of new roads, 100,000 kilowatts of generating capacity, new schools totalling 630,000 square meters and health-care facilities totalling 78,000 square meters, potable-water systems serving 1.1 million people, and new telephone systems (in all but four of the 17 counties). They have also mobilized surplus labor in many "developmental agriculture" schemes, opening 800,000 *mu* of tea and fruit orchards and 40,000 *mu* of prawn ponds and completing 3.2 million *mu* of afforestation. And they have built and renovated hundreds of "backbone" factories—and attracted direct foreign investment in nearly 100 local enterprises.[88]

The effectiveness of such investments cannot be fully assessed until some years have passed—as more children finish school, as endemic diseases are overcome, as new orchards begin to bear fruit. (And, of course, even then it will be difficult to isolate effects specific to poverty work, especially since a broader program of economic reform has been underway since the late 1970s.) In the

meantime, the 17 poverty counties as a group (as in the single case of Luoyuan, in Table 11) report considerable progress in commercializing and restructuring. Their "commodity rate" increased from 12.3% in 1985 to 19.5% in 1990, and their exports quadrupled—to about 300 million *yuan* by 1990. The share of industry in gross value of industrial and agricultural output (GVIAO) increased from 44.6% in 1985 to 58.7% in 1990, and the 17 counties developed the beginnings of an industrial base in such industries as processing of foods and forest products, textiles, garments and shoes, and building materials. In terms of improving human capital, fully one-third of the poor families in the 17 counties are reported to have put into practice at least one newly acquired area of technical expertise.[89]

The ultimate goals of the anti-poverty campaign are of course growth and welfare. Figure 6 compares the growth of output (here, GVIAO) per capita in the 17 key-point poverty counties as a group with that in the rest of Fujian—exclusive of large cities. On the one hand, growth in the poverty counties as a group seems quite respectable, with a doubling of GVIAO per capita in just ten years. Along with output, and especially industrial output, local budgetary revenue also increased sharply.[90] On the other hand, the absolute gap in GVIAO between the poverty counties and the rest of Fujian widened from 120 *yuan* per capita in 1980 to 580 in 1990, and the relative gap widened from 1.37:1 to 1.83:1 over the same period.[91] Across the entire set of counties in Fujian, Table 12 points to a widening of relative disparities in GVIAO—and in NMP—since the early 1980s. In fact, this trend ***within*** Fujian province replicates in microcosm a similar widening of disparities ***across*** provinces, and has evoked considerable concern among provincial decision-makers.[92] In short, then, whatever impact the anti-poverty campaign may have had, it has not been sufficient to halt growing inequality at the county level or to overcome the need for budgetary subsidies aimed at lagging counties.

For net rural income per capita (as opposed to output), the relative gap between the poverty counties as a group and the rest of the province has been successfully contained. In 1985, rural

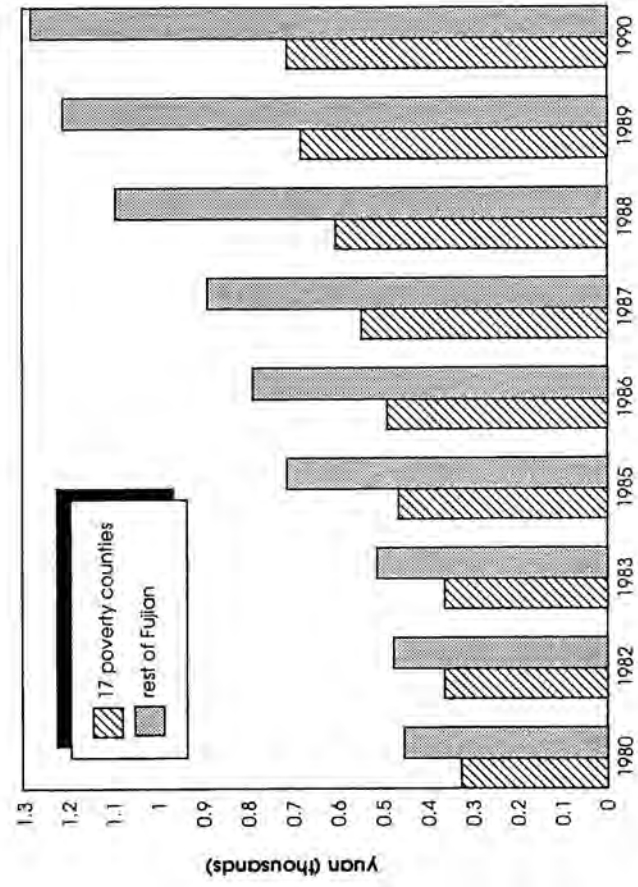


Figure 6. GVIAO per Capita, 1980–1990 (1980 constant prices)

Source: See Table 12.

Table 12 Output and Income by County: Summary Statistics, 1980-1990

	Lowest	Highest	Median	Mean[d]	Standard deviation[d]	Coefficient of variation[d]
Income (*yuan*)[a]						
1983	180	361	287.5	281	45	.16
1984	220	432	329	328	48	.15
1985	240	525	376.5	385	67	.17
1986	271	602	399	411	78	.19
1987	313	787	478.5	478	99	.21
1988	396	1204	598.5	610	132	.22
1989	472	1340	682.5	697	148	.21
1990	498	1145	750.5	751	141	.19
Output (*yuan*)						
GVIAO[b]						
1980	196	907	384.5	414	145	.35
1982	209	981	419	456	161	.35
1983	223	1043	434	479	182	.38
1985	277	1327	610	632	227	.36
1986	261	1502	641	691	266	.39
1987	327	1617	713	784	306	.39
1988	404	2187	851	959	432	.45
1989	417	2563	931	1087	534	.49
1990	453	2811	957	1145	590	.52
NMP[c]						
1984	200	730	390	419	123	.29
1985	239	985	479	511	165	.32
1986	245	1146	496	573	208	.36
1987	293	1390	608	692	263	.38
1988	388	1970	840	925	369	.40
1989	385	2347	944	1056	442	.42
1990	413	2439	983	1099	448	.41

Note: n = 58; cities are omitted.
a. Net income per capita, agricultural households, current prices.
b. Gross value of industrial and agricultural output per capita, 1980 constant prices.
c. Net material product per capita, current prices.
d. Unweighted.
Sources: FJJJNJ86-90, FJTJNJ83-91, and Zhang86; details available from author.

income per capita in the poverty counties as a group stood at 78.8% of the province-wide level; by 1988, it had reached 81.3% (in terms of current prices for both years).[93] Interestingly, however, Table 12 points to increasing inequality across the entire set of counties in Fujian, despite the narrowing gap between the two groups (i.e., poverty counties versus all other).

Focusing only upon the poor households in poor areas yields a more favorable assessment of short-term results—if official reports are to be accorded any degree of credibility. The designated poverty counties report dramatic decreases in the numbers of villages and households below the poverty line (Table 13), rapid increases in the incomes of those initially classified as poverty-stricken, and improvements in nutrition and access to medical services and education.[94] Province-wide, the share of rural households with incomes below the poverty line (200 *yuan* of 1986) is reported to have fallen from 10% in 1985 to less than 1.5% by the end of 1988 and 0.5% by 1991.[95]

Apart from immediate improvements in the living standards of poor people and investments aimed at further improvements in the future, the anti-poverty campaign has reportedly worked significant changes in attitudes. For example, Jia Qinglin, chairman of the provincial leading group for poverty work, notes changing attitudes toward the market, toward local planning and choice of projects, toward interregional economic cooperation, and toward community service by government offices and mass organizations.[96] These claims, however, are difficult to assess from afar.

Problems

Fujian seems to have made impressive progress toward eradicating poverty (although not sufficient enough to solve the poverty problem within the optimistic timeframe initially envisaged). This progress in a very difficult venture suggests that the provincial anti-poverty strategy is basically sound. Unsurprisingly, however, implementation of the strategy has been plagued by a number of problems that tend to reduce its effectiveness.

Table 13 Poverty-stricken Households in Designated Counties, 1985-1990

County	Number of households				Success rate (%)[b]	
	1985	1986[a]	1987[a]	1988[a]	1988	1990
Pingtan	14,850	8,900		740	95.0	98.7
Luoyuan	13,300	5,320	<2,700	1,400	>90.0	98.1
Jianning	2,500	1,500	<500	74	97.0	98.9
Anxi	58,482		24,819	6,961	88.0	98.0
Zhaoan					90.2	96.0
Pinghe	30,307		9,431	3,319	89.05	97.0
Zhenghe	9,353	5,573	2,191	375	96.0	96.3
Fuding	>13,000				91.4	
Fuan	42,900			3,900	90.9	
Pingnan	10,870	7,500	2,500	565	94.8	97.3
Shouning	14,000	9,300			95.0	97.5
Zhouning	10,535	8,500			85.0	
Zherong	3,700	~2,300	<740		95.2	
Changting	13,400	9,304	3,217	870	93.5	
Shanghang	~20,000	~14,500	~4,400	~1,225	94.0	
Wuping	21,105	~17,600	8,216	3,081	85.4	
Liancheng	14,400		4,300	1,600	89.0	

a. Number of 1985 poverty households remaining below official poverty level at year-end.
b. Share of 1985 poverty households having escaped poverty at year-end.
Sources: Table 7 and provincial yearbooks, journals and newspapers; details available from author.

Bureaucracy

An inclination to invoke bureaucratic methods and, in particular, a fixation on quantitative targets are very much in evidence in Fujian's war on poverty. For example, the 1987 target for all of Anxi was 31,600 households—i.e., the basic subsistence problems of 31,600 households, out of the 58,482 shown in Table 7, were to be solved by year-end. (Of course, this target was reportedly fulfilled, with 33,663 households escaping poverty.)[97] One comes away from provincial analyses with the suspicion that, for a good many of the office workers assigned to work teams and sent into poverty-stricken villages, being able to report attainment of targets and to return to the city overwhelmed sincere concern with the plight of the poor. In fact, many articles in the provincial press point to a fixation on get-rich-quick schemes and a tendency to abandon poor households to their own devices once they attain bare subsistence.[98]

Malfeasance

Large sums are at stake in the anti-poverty campaign. Despite the attention to auditing and inspections reported in the provincial press, local governments have diverted anti-poverty funds to other uses, anti-poverty projects have been wastefully prosecuted and, of course, individuals have managed to enrich themselves at the expense of the tax-paying public. For example, a 1989 investigation in the designated poverty counties found that, of 14.93 million *yuan* in agricultural-tax rebates intended for poor households, units of local government retained 5.75 million. Local officials pass off bail-outs of "old, weak, sick, and crippled" enterprises as anti-poverty projects. Farmers default *en masse* on loans received under anti-poverty programs, and collection is never attempted.[99]

Piecemeal and Uneven Implementation

Despite the strong emphasis on coordination and bundling of projects, the predominant image conveyed by reports from any single locale is one of piecemeal efforts, driven more by the whims

of work-team members than by comprehensive development plans, project banks, or feasibility studies. And implementation across locales is, perhaps inevitably, uneven; the enthusiasm and astuteness of local leaders and the quality of work teams undoubtedly vary widely across locales. Furthermore, the emphasis on annual targets has focused anti-poverty efforts on the designated counties, townships, and villages to which such targets were attached; poor people not resident in these areas, although not intentionally shut out from the anti-poverty campaign, are in fact neglected.[100]

Insecurity of Food Supplies

Promoting diversion of resources into cash crops, into other branches of agriculture, and into local industry presumes continuing access to adequate and secure supplies of purchased grain. Since Fujian as a whole is a grain-deficit province, the pace and ultimate extent of structural readjustment are partly determined by central policies toward the interprovincial grain trade. These policies have vacillated somewhat in the 1980s—first toward relatively free trade and later (in 1988) toward reimposition of restrictions, especially on trade in rice. Uncertainty about the security of their food supplies undoubtedly weighs heavily upon poverty-stricken households, since they are least able to insure against future adversity.[101]

Impediments to Commercialization

To some extent, promoting commercialization as a path out of poverty is putting the cart before the horse. Most obviously, many poverty-stricken villages are inaccessible by motor vehicle and without modern communications: commercializing agriculture in such villages immediately runs up against constraints that cannot be relieved cheaply or quickly. Furthermore, the government of Fujian has tolerated many artificial barriers to trade, such as transit-tax stations, that are clearly inconsistent with the logic of the anti-poverty campaign and indicative of a "beggar thy neighbor" approach to development on the part of local governments that refuse to bow to market outcomes.[102]

Although reforms of the post-Mao period have countenanced a large element of marketization, they have stopped short of displacing remnants of Soviet-type planning; markets for many goods remain circumscribed by quantitative constraints (e.g., contract-sale targets), price controls, and government regulations—apart from the shortage of supporting infrastructure. Under the current mixed allocation regime, prices do not generally provide good "scarcity" signals. In particular, it is not at all apparent that prevailing prices will allow villages to discover their true "local advantages." Clearly, every area cannot have an advantage in mushrooms—but every area is trying to sell them. Bandwagoning, and the segmentation and thinness of markets, cause price volatility. Prices plummeted for some of the commodities—such as mushrooms—that figure into get-rich-quick schemes throughout Fujian, and in some locales stocks of such commodities became virtually unsaleable.[103]

Recidivism

The poverty threshold is so low that villages can hover above it, still without a road, without electricity, without a source of safe drinking water. Households rising just above the threshold—although they are no longer nominally poverty-stricken—still cannot save and invest. They remain highly susceptible to transitory decreases in income (due to, e.g., poor harvests); indeed, their exposure to risk is increased by the very nature of many anti-poverty projects, which draw households into volatile markets. Provincial reports indicate that 5 or 10% of those households who have escaped poverty typically slip back below the poverty threshold in any single year.[104] The consequences of such relapses may be extremely serious, in terms not just of current income but also future receptiveness to developmental schemes.

Mistrust of Government

A "blame the victim" approach to explaining the very existence of poverty is not one that inspires trust of government on the part of

the poverty-stricken. Items in the provincial press allude to the cool receptions that farmers have accorded anti-poverty work teams—a perfectly reasonable reaction in view of a long history of bothersome government, the frequency with which government policies have hurt farmers, and the intrusive design of the anti-poverty campaign.[105]

Concluding Comments

The exploration of Fujian's anti-poverty campaign in previous sections leaves little doubt that, unless Fujian is grossly unrepresentative, China has indeed prosecuted a war on poverty of remarkable dimensions—and certainly one deserving of greater attention than it has received to date.

The war on poverty has entailed, on the one hand, striking departures from past practice. One is struck, for example, by the apparent concerns with commercializing agriculture, popularizing technical skills at the level of the farm household, and bundling projects in a sensible and effective manner—none of which was of any importance under the Maoist regime. The pronounced differentiation across local development paths and the expressed intent to accommodate local voices in determining those paths are also dramatic departures from the blanket prescriptions imposed during the Maoist era. Perhaps most strikingly, Chinese policymakers seem to be receptive, as never before, to arguments based upon economic principles, international experience, and systematic appeal to hard evidence. The substance of policy discussion in Fujian borrows liberally from Albert Hirschmann, T.W. Schultz, and other economists virtually unknown in China ten years ago and from the analyses and recommendations of the World Bank and other international agencies. Indeed, the overall design of the anti-poverty campaign in Fujian is strongly reminiscent of that recommended by the Bank in its 1990 report.[106] Even on so sensitive a topic as poverty, the body of evidence and discussion publicly available (as sampled in this paper) suggests

that a rich data base informs policy.

On the other hand, one is struck too by resonances with campaigns of the Maoist past. Again, complex problems are traced to the wrongheadedness of farmers: under Mao, farmers were recalcitrant petty capitalists; now they are too slow to trust to the wonders of the market. Again, farmers are being enlightened by government cadres from offices in the cities—cadres held personally responsible for remaking rural lifestyles. Again, farmers bear all the risks of departure from practices that—though they yielded only a subsistence income—did promise subsistence. Ironically, the goals of this exercise in bureaucracy and paternalism are marketization and individual initiative.

The results of campaigns are frequently illusory. Indeed, if the actual achievements of Maoist campaigns had approached those claimed, there would have been no poverty problem in the China of the early 1980s. If the current anti-poverty campaign runs true to form, official reports will trumpet the end of poverty in China. Then, as the campaign winds down, a substantial amount of poverty will reemerge: the pressure to doctor local head-counts will subside, departing work teams will take with them their money, expertise, and entree to government bureaus, the subsidies propping up local government budgets and local consumption standards will taper off—and households hovering just above the official poverty threshold (in fact or through creative accounting) will backslide.

Of course, this is not to say that China's war on poverty must fail—as have those in far richer places. As noted in earlier sections, some of the progress reported to date is real, and substantial investments in physical and human capital promise progress well into the future. Even the sort of jumpstart associated with transitory campaign tactics will suffice to rescue some locales—and others can help themselves, now that they are freed from the more onerous Maoist restrictions on cropping patterns and commercial pursuits. The knowledge about poverty and its causes accumulated in the 1980s and the experiences of thousands of officials who have tried to deal with it will survive the end of the current

campaign, to inform future policies. And the apparent reinvigoration, after a lull in the late 1980s, of economic reform and the open door augers well for continued national and provincial growth and, hence, for increasing capacity to address the needs of the less fortunate.

Abbreviations Used in Notes and Tables

FJFJ	Fujian sheng tongji ju, *Fujian fenjin de sishi nian*. Beijing: Tongji, 1989.
FJJJ	*Fujian jingji* (Fuzhou; monthly).
FJJJNJ	Fujian jingji nianjian bianji weiyuanhui, *Fujian jingji nianjian*. Fuzhou: Fujian renmin, 1985-.
FJJJYJ	*Fujian jingji yanjiu* (Fuzhou; monthly).
FJLT	*Fujian luntan* (jingji shehui ban) (Fuzhou; monthly).
FJRB	*Fujian ribao* (Fuzhou).
FJSHTJ	Fujian sheng tongji ju, *Fujian shehui tongji ziliao*. Fuzhou: Fujian sheng tongji ju, 1986.
FJTJNJ	Fujian sheng tongji ju, *Fujian tongji nianjian*. Fuzhou: Fujian renmin, 1984-86; Beijing: Tongji, 1987-.
FZYJ	*Fazhan yanjiu* (Fuzhou; monthly).
GMSR	Guojia tongji ju, guomin jingji pingheng tongji si, *Guomin shouru tongji ziliao huibian 1949-85*. Beijing: Tongji, 1987.
NMSR	Guojia tongji ju, nongcun chouyang diaocha zongdui, *Gesheng zizhiqu zhixiashi nongmin shouru xiaofei diaocha yanjin ziliao huibian*. Beijing: Tongji, 1985.
Outlines	Office of the Leading Group of Economic Development in Poor Areas, *Outlines of Economic Development in China's Poor Areas*. Beijing: Agricultural Publishing House, 1989.
SYC	State Statistical Bureau, *Statistical Yearbook of China*. Hong Kong: Economic Information and Agency, 1981-.
ZGFX	Guojia tongji ju nongcun shehui jingji tongji si, *Zhongguo fenxian nongcun jingji tongji gaiyao*. Beijing: Tongji, 1989.
ZGNCTJ	Zhongguo tongji ju, nongye tongji si, *Zhongguo nongcun tongji nianjian*. Beijing: Tongji, 1986-.
ZGNYNJ	Zhongguo nongye nianjian bianji weiyuanhui, *Zhongguo nongye nianjian*. Beijing: Nongye, 1981-.
Zhang84	Zhang Ruiyao and Ni Shidao, *Fujian jingji gailun*. Fuzhou: Fujian sheng jihua weiyuanhui, 1984.
Zhang86	Zhang Ruiyao and Lu Zengrong, *Fujian diqu jingji*. Fuzhou: Fujian renmin, 1986.

Notes

1. Ehtisham Ahmad and Yan Wang, "Inequality and Poverty in China: Institutional Change and Public Policy, 1978 to 1988," *The World Bank Economic Review*, 5(2), 1991, pp. 231-57, is the notable exception. See also Wang Xiaoqiang and Bai Nanfeng, *The Poverty of Plenty*, tr. Angela Knox (New York: St. Martin's Press, 1991).
2. The "Minxinan/Mindongbei" poverty belt, which includes 23 counties in Fujian, Zhejiang, and Guangdong; *Outlines*, following p. 35; and ZGNYNJ89, p. 125. Concerning poverty belts, see Section II, below.
3. E.g., *Renmin ribao*, 5/14/80, p. 1. Poverty in China has been treated as almost entirely a rural phenomenon.
4. ZGNYNJ81, p. 338.
5. Nongye bu renmin gongshe guanli ju, "1977-1979 quanguo qiong xian qingkuang," *Xinhua yuebao*, 2/81, pp. 117-20. For further comment concerning chronic poverty, see Dwight Perkins and Shahid Yusuf, *Rural Development in China* (Baltimore: Johns Hopkins University Press, 1984), pp. 115-19; and Nicholas R. Lardy, *Agriculture in China's Modern Economic Development* (Cambridge: Cambridge University Press, 1983), pp. 171-76.
6. On the other hand, not every person in a poverty-stricken brigade or county is necessarily poverty-stricken.
7. Concerning revolutionary bases, see Section IV, below. Concerning efforts to alleviate poverty during 1979-84, see the sources cited in Table 1 and, for the case of Fujian, Section IV.
8. ZGNYNJ86, pp. 302-03.
9. *Outlines*, p. 38; ZGNYNJ89, p. 127. The drop in the share of households with incomes below 200 *yuan* per capita is partly attributable, of course, to the rapid economic growth of the mid 1980s. It may also be attributable partly to introducing a more inclusive definition of income (for example, to better account for unearned income such as remittances).
10. E.g., Jiang Dehua *et al.*, *Zhongguode pinkun diqu leixing ji kaifa* (Beijing: Luyou jiaoyu, 1989).
11. Concerning this campaign, see *Outlines*, pp. 49-50.
12. Zhu Ling and Jiang Zhong-yi, "Impact of Public Works in Poor Areas of the People's Republic of China" (paper prepared for the project "Public Works for Food Security," International Food Policy Research Institute, December 1990), pp. 14 and 26-28; ZGNYNJ87, p. 84; ZGNYNJ91, pp. 514-15.
13. For counties, ZGNYNJ89, p. 127, and *Outlines*, p. 73; for households, ZGNCTJ89, p. 300; for 1990s, FJRB, 3/16/90, p. 1.
14. Ahmad and Wang, "Inequality and Poverty," pp. 237-43. Chinese reports frequently fail to adjust adequately for inflation, yielding overly optimistic estimates of real progress; Ahmad and Wang address this problem.
15. GMSR; Xizang (Tibet) omitted; Beijing and Tianjin included in Hebei, Shanghai included in Jiangsu, Ningxia included in Gansu; no data for Guangxi in the 1950s.
16. Zhang84, p. 634.
17. FJRB, 5/14/86, p. 1; FJJJNJ86, p. 656; FJJJNJ87, p. 731.
18. FJJJNJ88, p. 27; FJJJNJ89, pp. 527, 577, and 583.
19. FJTJNJ86, p. 196; FJTJNJ89, p. 347. Concerning the composition of consumption among poor households nation-wide, see Zhu and Jiang, "Impact," pp. 3-4 and 6.
20. E.g., FJRB, 12/11/88, p. 1.
21. For grain, FJJJNJ89, p. 527; see also FJJJNJ88, p. 524. For budgets and output, FJJJNJ87, p. 922. On composite indicators, *Outlines*, p. 54; and Zhu and Jiang, "Impact," pp. 7-8.
22. Anxi and Luoyuan.
23. Anxi, Shouning, Luoyuan, Pinghe, Yongchun, Changting, Pingnan, Zherong, Fuding, Wuping, Zhaoan, Dehua, Huian, Yunxiao, and Datian.
24. The correlation coefficient is 0.61 for 1984 (and 0.66 for 1985).

25. These data are subject to the well-known deficiencies of head-counts—most importantly, they fail to take into account the severity of poverty, since households that fall far below the threshold and households that fall barely below it are weighted equally. They are also subject, of course, to objections to the underlying net income measure itself and to the specified threshold.
26. E.g., FJRB, 5/10/86, p. 1; FJRB, 5/14/86, p. 1; FJJJNJ86, p. 107; the 2.4 million figure is given in *China Daily*, 6/7/91, p. 4.
27. The following catalog is based upon, e.g., FJRB, 5/10/86, p.1; FJJJNJ87, p. 24; FJJJNJ86, p. 654; FJJJYJ, 2/87, p. 11; FJRB, 3/21/86, p. 2. See also *Outlines*, pp. 42-45, and Jiang *et al.*, *Zhongguode pinkun diqu*, pp. 11-37.
28. Concerning designated counties in Fujian, see Section IV, below. Erosion and soil deficiencies are serious problems in Fujian, and it is of course conceivable that the cultivated land in poorer areas is, as a rule, of lower quality than that elsewhere.
29. Jianyang prefecture (in 1985): FJJJYJ, 2/87, p. 6; Shaowu (in 1989): FJRB, 7/11/90, p. 3.
30. Illiteracy here refers to that share of the population, age 12 and above, who are "illiterate or semi-literate"—i.e., recognize fewer than 1,500 characters.
31. For elaboration, see Thomas P. Lyons, *Economic Integration and Planning in Maoist China* (New York: Columbia University Press, 1987); and Lardy, *Agriculture*.
32. Fruit, Nanan; sugar, Putian and Nanan; tea, Anxi; tobacco, Yongding; seafoods, Lianjiang, Huian, Putian.
33. E.g., Lin Yingxiang, "Nongmin fudan wentide diaocha yu sikao" (Fuzhou shi tongji ju, n.d.) finds a tax rate of 14.26% in Pingtan (a poor county), as compared to 12.96% in Minhou (a richer one) and 12.87% in suburban Fuzhou, one of the richest agricultural areas of the province.
34. The county-level study in Section VI clearly points to the influence of good local leadership.

35. FJRB, 5/8/86, p. 1.
36. FJRB, 9/16/86, p. 1; ZGNCTJ85, p. 290.
37. FJRB, 6/21/86, p. 1; FJJJNJ86, pp. 653-60; see also FZYJ, 1/86, pp. 49-50.
38. ZGNYNJ87, p. 84; FJJJNJ86, p. 75; FJJJNJ87, p. 71. See Section V, below.
39. FJJJNJ86, pp. 77-78.
40. FJJJNJ86, pp. 75-76; FJJJNJ87, pp. 74-75; FJJJNJ89, pp. 43-44.
41. FJRB 5/10/86, p. 1; FJRB, 5/11/86, p. 1; FJRB, 5/12/86, pp. 1 -2; FJRB, 5/14/86, pp. 1 and 4; FJRB, 5/16/86, pp. 1 and 3. In 1986, the provincial newspaper (FJRB) initiated a column entitled "News on escaping poverty."
42. FJJJNJ87, p. 69.
43. FJJJYJ, 8/85; p. 13; FJRB 5/5/86, p. 1; FJRB, 5/11/86, p. 1; FJRB, 5/16/86, p. 2; FJJJNJ86, p. 656; FJJJNJ88, p. 27.
44. E.g., FJJJNJ87, pp. 25 and 922; FJJJNJ88, p. 739.
45. FJJJYJ, 2/87, p. 9.
46. FJJJNJ87, p. 24; FJLT, 4/84, pp. 58-60; see also FJLT, 10/87, p. 37.
47. FJRB, 12/30/86, p. 1; ZGNYNJ91, p. 120. See also FJRB, 4/28/86, p. 1; FJRB, 6/25/86, p. 1; FJJJNJ87, p. 465; FJJJNJ88, pp. 27 and 71; FJJJNJ89, pp. 58-59.
48. FJJJYJ, 12/87, p. 30; FJJJ, 4/87, pp. 36-37.
49. FJRB, 5/12/86, p. 2.
50. E.g., FJRB, 1/15/87, p. 4; FJJJNJ88, pp. 60 and 143; FJRB, 2/23/88, p. 2; FJJJNJ89, p. 59; FJJJ, 3/91, pp. 7-8.
51. FJRB, 3/31/86, p. 1; FJRB, 5/11/86, p. 1; FZYJ, 5/88, pp. 38-39; FJLT, 12/86, pp. 33-34; FJLT, 3/87, pp. 44-45; FJLT, 1/88, pp. 27-29.
52. E.g., FJJJYJ, 8/85, p. 13.
53. FJJJNJ87, p. 25; FJJJNJ88, pp. 70-71; FJJJNJ89, p. 58.

54. FJJJNJ86, p. 658; FJJJNJ88, pp. 26 and 28; FJJJNJ89, p. 58.
55. In-kind grants: FJJJNJ91, p. 56; loans: FJRB, 9/7/86, p. 1; ZGNYNJ87, pp. 426-27.
56. FJRB, 6/19/86, p. 1; FJJJNJ86, p. 658; FJJJNJ87, p. 70; ZGNYNJ91, p. 119.
57. FJRB, 5/12/86, p. 2; FJRB, 6/19/86, p. 1; FJJJNJ86, p. 658; FJJJNJ87, pp. 21 and 69; FJJJYJ, 2/87, p. 11; ZGNYNJ91, p. 119.
58. FJJJNJ89, p. 58. See Section VI, below.
59. The budget data are from FJTJNJ90, p. 306; for the number of poor persons, note 26, above.
60. FJRB, 5/14/86, p. 4; FJJJNJ87, p. 21 and 69; FJJJNJ89, pp. 57-59.
61. FJRB, 5/5/86, p. 1; FJRB, 2/12/87, p. 1; FJRB, 3/14/87, p. 1; FJRB, 2/26/88, p. 1; FJRB, 3/4/88, p. 2; FJJJNJ87, pp. 23-24 and 69; FJJJNJ88, p. 381.
62. FJRB, 4/4/86, p. 1; FJRB, 5/24/86, p. 2; FJRB, 8/17/86, p. 2; FJJJNJ88, p. 77.
63. FJRB, 4/4/86, p. 1; FJRB, 6/28/87, p. 2; FJRB, 7/8/87, p. 1.
64. FJRB, 4/4/86, p. 1; FJRB, 7/8/86, p. 1; FJRB, 2/27/89, p. 1; FJRB, 5/15/89, p. 1; FJJJNJ89, p. 57.
65. E.g., FJRB, 4/10/86, p. 1; FJRB, 5/18/86, p. 1; FJRB, 3/4/88, p. 1; FJRB, 11/13/88, p. 2.
66. FJRB, 5/14/86, p. 4; FJJJNJ87, pp. 21 and 69; FJRB, 12/30/86, p. 1; ZGNYNJ91, p. 119.
67. FJJJNJ87, p. 69. On the five guarantees in Changting, see FJJJNJ89, p. 57.
68. FJRB, 5/8/86, p. 1; FJRB, 9/9/86, p. 1; FJRB, 9/16/86, p. 1; FJRB, 12/17/87, p. 2; FJRB, 3/4/88, p. 4. Originally, they may have been loosely modeled on the "development foundation" set up by the central leading group in 1986 "to open more channels for pooling funds and to mobilize more social forces to help the development of poor areas." See Section VI, below.
69. FJJJNJ88, p. 71. See also FJJJNJ89, p. 42; Section VI, below;

ZGNYNJ88, p. 483; and Guo Shutian, *Zhongguo nongcun gaige yu fazhan shinian* (Beijing: Nongye, 1990), p. 238.

70. For townships, FJRB, 5/20/86, p. 1; for villages, FJRB, 12/21/86, p. 1; FJRB, 6/29/87, p. 1. On the economic geography of Luoyuan, see FJRB, 5/13/86, p. 2; and Zhang86, pp. 36-45.
71. This paragraph is based upon FJRB, 4/17/86, p. 1; and FJRB, 5/20/86, p. 1.
72. FJRB, 9/1/86, p. 2; FJRB, 12/11/88, p. 1.
73. FJRB, 8/30/86, p. 2.
74. For number of team members, FJRB, 6/6/86, p. 1; on the work of the teams, FJRB, 3/4/88, p. 2; FJJJNJ87, pp. 22-23.
75. FJRB, 6/6/86, p. 1; FJRB, 9/8/86, p. 1.
76. On the team in Jianxia village, FJRB, 9/1/87, p. 2; on Baita and Gangli, FJRB, 1/6/88, p. 2; on Xifeng village, FJRB, 9/1/87, p. 2; on #1 Hospital, FJRB, 9/1/87, p. 2; on Chengfeng village, FJRB, 9/1/87, p. 2.
77. This paragraph is based upon FJRB, 1/17/87, p. 1; see also FJRB, 8/28/86, p. 2.
78. This paragraph is based upon FJRB, 12/11/87, p. 1; FJJJNJ89, p. 58; FJRB, 3/4/87, p. 1; FJJJNJ88, pp. 28 and 59.
79. Pork: FJRB, 3/4/87, p. 1; tatami: FJRB, 7/8/86, p. 1; FJRB, 3/4/87, p. 1; FJRB, 10/28/87, p. 3; mushrooms: FJRB, 12/11/88, pp. 1-2.
80. FJJJNJ89, p. 58; FJRB, 12/11/87, p. 1.
81. FJJJNJ89, p. 476.
82. FJJJNJ89, p. 476; FJRB, 12/11/88, p. 1.
83. E.g., FJRB, 5/4/88, p. 1; FJRB, 6/19/88, p. 1.
84. FJRB, 12/11/89, p. 1.
85. FJTJNJ83, p. 44; FJTJNJ91, p. 478; 1980 constant prices in both years; team sidelines excluded in 1983, for comparability.
86. FJRB, 12/11/88, p. 1.

87. This paragraph is based upon a number of items in FJRB, FJJJNJ, and provincial journals such as FJJJ.
88. FJJJNJ89, p. 57; FJJJNJ88, pp. 26 and 70; ZGNYNJ91, p. 120.
89. The commodity rate is the ratio of purchases of farm and sideline products to the gross value of agricultural output; FJTJNJ87, pp. 279-81; FJTJNJ91, p. 500. For exports and skills, e.g., ZGNYNJ91, p. 120. For GVIAO shares, FJJJNJ87, p. 914; FJTJNJ91, pp. 478-79 and 487-88.
90. FJJJNJ91, p. 55.
91. In terms of NMP per capita, the relative gap widened from 1.44:1 in 1984 to 1.55:1 in 1990 (in current prices). Conceptually, NMP is a better indicator of output than GVIAO. In this case, however, GVIAO is preferred, because it is available from 1980 (as compared to 1984 for NMP) and it is reported in constant prices (rather than current prices, for NMP).
92. Lyons, "Interprovincial Disparities in China;" FJRB, 5/9/86, p. 1; FJJJ, 5/90, p. 33.
93. FJJJNJ89, p. 56.
94. E.g., FJJJNJ87, p. 21, and FJJJNJ88, p. 554 (incomes in Zhenghe); FJJJNJ89, p. 588 (foodgrain and access to clean drinking water in Ningde prefecture); FJJJNJ89, p. 59 (schooling in Zherong).
95. FJJJNJ89, p. 56; *China Daily*, 6/7/91, p. 4. These figures apparently pertain to households that at some point crossed above the poverty threshold—whether or not they stay above it. In any case, the margin of error surrounding these figures is undoubtedly quite large. See Section VIII for further comment.
96. FJRB, 3/4/88, p. 2.
97. FJJJ, 8/88, p. 28.
98. E.g., FJRB, 5/7/87, p. 1.
99. On the tax rebate, FJLT, 5/91, p. 36; on enterprise bail-outs, FJJJYJ, 9/87, pp. 9-10; on loan defaults, FJRB, 9/11/86, p. 2; FJJJ, 11/90, pp. 35-36; FJLT, 5/91, p. 36. See also, on favoritism, FJRB, 9/29/86, p. 4.
100. E.g., FJRB, 8/30/86, p. 2.
101. For further discussion, see Thomas P. Lyons, "Grain in Fujian: Intraprovincial Patterns of Production and Trade," *The China Quarterly*, no. 129, March 1992. The simplest way to insure is, of course, to store grain in the household—a possibility precluded by subsistence-level incomes.
102. For an interesting discussion, see FJRB, 1/11/88, p. 1; see also FJRB, 6/28/88, p. 1.
103. E.g., FJRB, 9/29/86, p. 4; FJRB, 12/19/86, p. 3; FJRB, 10/31/86, p. 3; *Zhongguo jingji wenti*, 2/88, p. 60.
104. E.g., FJJJNJ91, p. 55.
105. E.g., FJJJNJ87, p. 22.
106. World Bank, *World Development Report 1990: Poverty* (New York: Oxford University Press, 1990).

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