

A Poverty Reduction Strategy of Resources Integration and Geographical Concentration Development in the Extreme Poverty Areas

—The Guangxi Practice of Integrated Infrastructure Development in the Extreme Poverty Areas

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Abstract: The geographical concentration of poverty is a special phenomenon of poverty problem. With the summarizing and studying on Guangxi's practice of integrated infrastructure development in the extreme poverty areas, the paper holds the view that it must integrate manpower and fund, comprehensively improve the lag-behind infrastructure and public facilities, and create a better environment for the development of poor farmers to reduce the geographical concentration of poverty.

Key words: Extreme Poverty Areas , Infrastructure, Resources Integration, Integrated Development

Situated in south of China, Guangxi Zhuang Autonomous Region is a board and poor region with concentration of ethnic minorities. Since the poverty reduction and development entered into new period in 2001, Guangxi has integrated its force and fund to carry out integrated, geographic concentration development in the extreme poverty areas while it is doing good job in village planning of 4060 key poverty villages. From 2001 to 2002, Guangxi integrated 2.1 billion yuan for the infrastructure construction in frontier regions. From 2003 to 2004, Guangxi integrated 2.2 billion yuan for the infrastructure construction in the 3 counties of Donglan, Bama and Fengshan. As a result, the 2 investments have improved the production and living condition of 2.4 million people in the frontier regions and 0.7 million people in the revolutionary areas. In 2007, Guangxi again integrated 1.625 billion yuan for the infrastructure construction in the 5 state designated key poverty-stricken counties of Du'an, Dahua, Long'an Mashan and Tiandeng which situated in Karst mountainous areas with ethnic minorities concentration, to create condition for the poor people to

shake off poverty. Meantime, cites like Nanning, Liuzhou, Yulin and Fangchenggang have also adopted the same way to integrate 1.2 billion yuan to implement the integrated development on the infrastructure construction in the mountainous areas and townships with extreme poverty.

Through the practice of resources integration and geographical concentration development in the past 5 years, Guangxi has made obvious achievement in reducing poverty. The regional absolute poor people who have not solve the food and clothing problems and low-income people have declined respectively from 1.5 million and 6.5 million in 2000 to 0.76 million and 2.83 million in 2006. the income growth rate of farmers in poor areas has higher than the regional average level in five successive year.

I. Historical background

Poor people Guangxi mainly concentrated in the areas of western Karst mountains, northern High Latitude and Cold Mountains and southwest Frontier. There are 5 obvious features in these areas: first, the poverty degree is deep and people's production and living condition is difficult with low income, large quantity of poverty villages and huge poor population. Poverty villages in the areas accounts for above 60% of total villages and poor population accounts for above 40% of total population. Second, the regional natural condition is worse and regional infrastructure at all levels of county, township, village and outside household is lag behind. The investment environment is bad and social undertakings are backward. For example, in the 3 geographical concentrated counties of Donglan, Fengshan and Bama, there is no road in the village; no grade 2 roads between counties and the roads from county to township are sand roads out of grade. In addition, other infrastructure like electricity, communication, education and health is also backward. Third, the local people have low capacity for self-development and the local government has limited fiscal revenue. Obviously, it is difficult to shake off poverty only depending on the local people and government. Fourth, the residents are ethnic minorities. Guangxi has 12 original ethnic groups like Zhuang, Han, Yao and Tong with a population of 18.9 million. Most of them lived in the areas with worse natural condition. The key to solve the

problem of ethnic minorities is shaking off their poverty as soon as possible. Fifth, the areas are geographically concentrated. The special geographic feature has significant influence to the development of the whole region. The 3 areas jointly account for 50% of the total area in Guangxi. The overall poverty-stricken areas are called extreme poverty areas in Guangxi.

Practices with many years shows that the key to address the poverty problem of people in extreme poor areas is to find a solution to improve the lag-behind infrastructure and public facilities in these areas. The backward infrastructure resulted in the lag-behind market economy and processing industry which constrained the development of poor farmer's plant and animal farming. The backward infrastructure also led to the lag-behind social undertakings which limited the improvement of poor farmer's quality. Obviously, with regard to these areas, if poverty reduction and development only limited to key poverty villages or poor farmers, the poor farmer would have difficulty to get rid of poverty and become rich. Therefore, poverty reduction must be guided by the scientific development outlook and start from changing the backward infrastructure to create an internal and external environment for poor farmer's rapid development through comprehensively improve the infrastructure and public facilities of transportation, water conservancy, communication, education and health care within a short time.

However, it needs a large sum of fund for the integrated development of infrastructure in the extreme poverty areas. The work will involve in all sectors and can not be realized only depending on the poverty reduction fund and local governmental investment. It must integrate the fund and force of governments at all levels, all related sectors and the whole society. This resources integration is not only necessary, but also feasible.

Firstly, Chinese government attached importance to the development of extreme poverty areas. This year, the central government has put forward the goal and requirement to carry out the scientific development outlook, build socialist harmonious society and new socialist countryside. It is the difficult and key point for building harmonious society and new socialist countryside to address the problem of

the development in extreme poverty areas. Therefore, governments at all levels paid more attention to improve people's life and to the vulnerable areas and groups. Meanwhile, since economic strength of governments at all levels has grown up in recent years, they have the capacity to integrate funds for large-scale public undertakings. Under the circumstance, the government will make decision to conduct integrated development project in the extreme poverty areas if the selected regions and operational plans are practicable and can solve the root problem and bring welfare to the local people.

Secondly, all related sectors and the whole society share the same wish to integrate resources for the comprehensive development of extreme poverty areas. The all governmental sectors have the fund and plan to help the development of all kinds of local social undertakings. It is only a priority to integrate the fund for the integrated development of the extreme poverty areas, which does not add burden to the government and change the use of governmental earmarked fund. In addition, because the social undertakings in extreme poverty areas are an organic body with inter-relationship and inter-condition, the integrated investment does conducive to improving the efficiency of funds used to support the development of all social undertakings. For this reason, all sectors in Guangxi have actively joined into the integrated development of extreme poverty areas, hoping to make contribution to their leap-frogged development.

Thirdly, the people in the extreme poverty areas have the strong demand for change the backward situation. The cadres and people in the extreme poverty areas lived in the backward environment for a long time, they longed for comprehensively change the situation as soon as possible. For a long time, they did hideous work in changing the backward situation, but it was difficult for them to change the current situation in an all round way and eliminate the root cause because of their limited resources. Integrated development provided a historical opportunity form them and encouraged their enthusiasm. During the implementation of the integrated development projects, a number of migrant workers returned to hometown to participate in the construction by giving up their jobs with the salary of 1000-2000

yuan per month and many farmers have sold their pigs and chicken to invest in the infrastructure construction.

II. Main Activities

In the past several years, based on the practice and active research, Guangxi has formed a set of relatively mature guideline, method and experience to conduct integrated development in extreme poverty areas.

1. Identify the project scope and goals

To select out the integrated development projects, the following 4 keys should be give priority based on the goal to get rid of farmer's poverty. First, the project can directly benefit farmers by helping them improve basic production and living condition; second, the project can improve the infrastructure and public facilities of poverty villages; third, the project can improve the infrastructure and public facilities outside the poverty villages; fourth, the project can improve the infrastructure and public facilities which will attract investors and develop local strong industry. According to the 4 keys, 12 types of projects are selected ranging from transportation, drinking water, production water, energy, communication, flood prevention, education, health culture, broadcasting and television, agricultural products markets to environmental protection. The project covers the poor farmers, villages, townships, county towns in the whole region and outside the region.

The goal of integrated development is to create condition for the self-development of the poor farmers and villages and for the developing of local strong industries by improving the infrastructure and public facilities up to the standard of regional average level with 2 years. Based on the above project scope and goals, the extreme poverty areas set up their own objectives and investment. For example, the integrated development projects in Donglan, Bama and Fengshan amounted to 75,312 with the total investment of 2.2 billion yuan, while in Du's and other 4 counties areas, the projects amounted to about 40,000 with the total investment of 1.62 billion yuan.

2. Establish project units and enhance the leadership

To do a good job in the integrated development, the regional government has established a special commanding headquarter consisting of 25 related departments

like poverty reduction, development and reform, finance, transportation, water conservancy and education etc.. a vice president from the regional government took the position of director and below the commanding headquarter, an office (in poverty reduction department), a project coordination group (in development and reform department) and a fund coordination group (in finance department) were set up to jointly organize, command and coordinate the integrated development projects. Sub-commanding headquarter also established by governments at related cities and counties. Officials were placed to commanding the project implementation and capable staff members from all sectors are employed to work for the infrastructure construction. Main leaders from the member units of the regional commanding headquarter have participated in the coordination, management and other related work of projects implemented by them. The leaders in charge often went to the project sites to study the new situation, solve the new problem and summarize the new experience to ensure the smooth operation of integrated development projects.

3. Clarify the task and responsibility

Since the integrated development project is a large and complicated systematic project, it must clear up the task and establish the responsibility system to ensure the smooth project progress. First, the responsibility on commanding headquarters at different levels must be cleared. The Regional commanding headquarter is mainly responsible for project and fund coordinating and planning, and formulating project standards and policies. The city commanding headquarter is mainly responsible for guiding, service, supervision and checking. The county commanding headquarter is mainly responsible for project organization and implementation. Second, the responsibility of different departments must be cleared. Poverty reduction department is responsible for daily management and overall coordination; the development and reform department is responsible for approving project plan; the finance department is responsible for collecting, allocating, managing and checking project funds. Third, the responsibility of all project management units must be cleared. All project management units are responsible for project preparation, raising project funds, enhancing technical service and organizing

project completion check for their own projects. Fourth, the responsibility of service department must be cleared. According to the principle of Special Project with Special Treatment and based on related regulation and real situation, the departments of land, environmental protection, commerce and industry administration and taxation should timely get through the red-tape work related to land, taxation and environmental protection of project implementation; the supervision and auditing department should enhance supervision and check to ensure the fund used in right place; agricultural and economic development department should strengthen the guideline and support to the industrial development; the propaganda department should publicize the big battle against the poverty.

4. Raise fund and strict management

To ensure the fulfillment of the infrastructure, Guangxi has raised the fund through a number of channels. First, the regional government arranged fiscal fund; second, all related regional departments arranged their own fund; third, efforts have been made to win over funds from above departments; fourth, the social funds have been channeled into the projects; fifth, the investment has been expanded by attracting private funds; sixth, the local people were encouraged to be self-independent; seventh, the regional government studied and issued favorable policies for project implementation, reducing project investment by exempting and reducing the taxes and fees which can be exempted or reduced.

To ensure the efficient use of project funds, the regional government issued a set of scientific and reasonable fund use and management method, in which the project fund was not only under strict management, but also can be efficiently allocated, timely secured to prevent the later fund security from affecting project implementation. The fiscal fund was operated in a special account and in a closed cycle. Departments of finance, auditing and supervision enhanced the supervision and auditing to project fund. Because of the strict management, the efficiency of fund utilization was greatly improved and the funds losing and diverse were eliminated.

5. Make comprehensive plans and detailed measures

To timely fulfill the task of great battle against the poverty, governments and

departments at all levels formulated accordingly and practically the implementation plan and detailed project operational procedures based on the deep study. All works were arranged in a count-down way, and dismantled to a year, a quarter, a month and a day. All work was ensured by each single task and each single procedure. The whole task to be finished by a guarantee system that every week guaranteed by every day, every month by every week, every quarter by every month, the project period by current work, the whole projects by single project and the overall project by part of the project. The project procedures were operated in a cycle way and progressed in an integrated way. According to the real situation, governments and departments at all levels worked out specific measures, for example, to timely finish the task of road design, cities required engineers from counties with the task and prevented the late design from affecting the project implementation. To avoid the material price increase due to concentrated purchasing, related department made a specific plan to purchase the materials periodically, thus, it will neither affect the project progress nor result in the cost increase by soaring material price. To accelerate project progress, some counties limited the number and areas of projects contracted by a single contractor to prevent that project progress was affected by a contractor with several contracted projects.

6. Ensure project quality by scientific implementation

During project implementation, governments and departments at all levels adopted regulated procedures and scientific management, with strict operation and controlling, to ensure the project quality. First, strict construction and quality standards were set up. Second, clear regulation were made to the procedures in inviting and selecting bids, materials supplying, fund allocating, fund settling, which set up clear rules for project operation and eliminated the illegal behavior of sub-contracting or contract-transferring. Third, the project quality was ensured by life-time responsibility, people who design, implement or check the project should be responsible for their work. Fourth, the procedure of project completion check was strictly executed, by which, all projects were under the strict completion check. Fifth, the safety in project implementation was emphasized. Safety protection and

supervision were enhanced to avoid production incidences. Thanks to the strict project implementing regulation, project progress and quality were effectively guaranteed.

7. Conduct a dynamical monitoring and clear incentive system

The regional commanding headquarter conducted monitoring and check to infrastructure projects done by governments and departments at all levels and praise the outstanding units and urge the lag-behind ones by publicizing monthly their project progress and fund utilization. Governments and departments at all levels seriously organized and executed the project checks to timely find out problems and timely solve them through combinations of joint check with special check, ordinary people supervision with press supervision and fixed-time check with random check. For the convenience of ordinary people's supervision, the data including project activity, scale, and investments were open to public at county, township and village levels. Meantime, an incentive system was formulated as the awarding policy. The regional commanding headquarter awarded those who raised project funds in thousands of thoughts and ways, made rapid project progress, did good job in project quality and project fund management, worked hard and won the praise from ordinary people.

8. Enhance project publicizing and create a favorable atmosphere

The propaganda and press departments at all levels have taken full advantage of media to publicize the achievement, progress and experience of infrastructure by opening special column and making successive reports. They also publicized the outstanding deeds done by all governments and departments, cadres and ordinary people to encourage their enthusiasm to participate in the project implementation. Briefings were complied by commanding headquarters at all levels to exchange information and experience, and summarize and spread the good experience and methods. Commanding headquarters at all levels have mobilized the ordinary people and conducted specific publicizing work. Meantime, the whole society was mobilized to participated in the campaign and donate manpower or fund. According to the statistics, donation to Donglan, Bama and Fengshan infrastructure construction

amounted to 27.33 million yuan. An favorable atmosphere to build the infrastructure was formed across the whole region.

9. Hard and concrete work

During the infrastructure construction, governments, commanding headquarters, and related departments at all levels and the ordinary cadres and peoples have carried out the spirit of hard work, selflessness and devotion. Their emotion was close to the ordinary people; their work style was deep in to the ordinary people; their work was dependent on ordinary people. They often went to the project sites, did extra work and forget themselves. Cadres, especially the cadres at county, township and village level, have played the function of demonstration and worked with self-discipline, selflessness and devotion and without any complaints. The ordinary people fully carried out the function of main force and activity, innovation, self-dependence and hard work to participate in investing manpower and materials. They changed their production and living condition with their own hands. According the incomplete statistics, ordinary people have invested 6.4 million working day in the infrastructure construction of Donglan, Bama and Fengshan area.

III. Main achievements

Through the integrated and geographical concentrated development, the backward extreme poverty areas took a new look and their society and economy realized the leap-frogged development.

1. The production and living condition of poor people made new improvement and strongly accelerate the progress of poverty reduction.

Through the integrated development, 212 out of the 219 poverty villages in the 3 counties of Donglan, Bama and Fengshan have accessed to the road with grade 4, accounting for 96.8%, accomplished in 5 year advance the regional goal of 70% administrative villages available to access to road by 2010. 1094 natural villages with 20 households have accessed to village road, accounting for 60% or more of total villages; all the poverty villages have access to the electricity with the users of 76,736

households, accounting for 93.42%, over-fulfilled the regional goal of 90%. The 3 counties have newly built 60,000 methane pits, increased the total number to 87,900 pits, representing a coverage rate of 68.9% and ranking the first group in Guangxi and even in China. The methane pits can save 110 million yuan per year. The newly built water pits and irrigation fields are 14,500 piece and 18,200 mu, laying foundation for raising grain production and adjusting industry structure of poor farmers. The newly built water supply stations in township level and drinking water projects in village amounted to 31 and 109 respectively, solving the drinking water problem of 156,000 people. The land of 295,000 mu have been done by the Grain for Green project, which not only made an easier job to control the Karst areas, but also bring stable income source to 54,000 farmers for they received the national grain and cash subsidy of 600 yuan. The annual per capita net income of farmers in the 3 counties increased from 1177 yuan in 2002 to 1791 yuan in 2006, a rise of 5.15%, significantly higher than the 37.66% average growth rate in the region; the absolute poor population in the 3 county has reduced for 122,000 in 2002 to 83,000 in 2006; people with low-income decreased from 243,000 to 148,800; both significantly higher than the average declining rate in the region.

2. The infrastructure made new breakthrough and investment environment got advanced and improved

Through the integrated development, the 3 counties of Donglan, Bama and Fengshan ended the history of no Grade 2 roads and now the counties are connected by Grade 3 paved roads, all townships by Grade 4 paved roads connected and 85% administrative villages by Grade 4 or above roads. The time spent on the trip to neighboring counties was obviously shorten, making the areas being one of the most perfect road network in Guangxi, Taking Fengshan county as the example, the tour buses have increased from 258 at the end of 2002 to 378 at the end of 2006, a rise of 45.59%; the trucks increased from 200 to 362, a rise of 64.5%; the motorcycles increased from 1811 to 4957, a rise of 173.72%. These vehicles greatly increased the transportation capacity. The electricity network in the 3 counties was enhanced with sufficient electricity supply and stable and declining electricity price. The county flood protection dike was

built up to the standards to encounter 20 year or above. All townships have newly built or rebuilt markets and all villages can access to telephone. The hard condition for investment has been improved and the soft one also made obvious progress, creating a good atmosphere for attracting investment and developing their economy.

3. Attracting merchants and investment made new breakthrough and economic growth kept strong.

In the past, because of the backward infrastructure in the 3 counties of Donglan, Bama and Fengshan, outside merchants shrank back at the sight of local resources. After the implementation of integrated development projects, the investment environment has changed significantly and local economy got rapid growth. First, attracting merchants and investment made breakthrough. According to the statistics, over 200 projects and 2 billion yuan fund have been attracted to the 3 counties since the integrated development project started and a number of large-scale poverty reduction leading enterprises with strong driving force have been newly built. Secondly, the industry with local features in the 3 counties developed rapidly. By the end of 2006, Donglan county planted 22,500 mu Chinese chestnut, 25,000 mu Cat Bean, 20,800 mu mulberry fields; Bama planted 370,000 mu oiltea camellia and raised 330,000 fragrant pigs; Fengshan planted 320,000 mu star anise, 83,000 mu walnut and 42,000 mu mulberry fields. The industry with local feature in the 3 counties increased by times than that in 2002, effectively promoted the industry restructuring. Third, the tourism industry has strong driving force to local economy. In 2006, the domestic and overseas tourists to Bama and Fengshan amounted to 373,800 persons with total income of 52.886 million yuan, realized doubt growth. Fourth, comprehensive economic strength has been obviously enhanced. The GDP in the 3 counties increased from 1.41 billion yuan in 2002 to 2.762 billion yuan in 2006, a rise of 95.89%; the local fiscal revenue increased from 117 million yuan to 228 million yuan, a rise of 94.6%; both are higher than the average level of the region.

(四) Social undertakings made new breakthrough, people's quality has been improved.

Through the integrated development project, the 3 counties of Donglan, Bama and Fengshan newly built and expanded 153,000 square meters schoolroom in primary and secondary schools, rebuilt 42,000 square meters Grade D risk schoolrooms and most of the Grade C risk schoolrooms. For example, Fengshan built a senior high school to end its history without independent senior high school. The school area occupied by each student in the senior high school has increased from 7.5 square meters to 11.12 square meters. In 2006, the county saw a historic high record of 384 students enrolled by colleges or universities. The house area for medical service in the 3 counties increased to 25,000 square meters, reaching 1.5 hospital beds per 1000 persons. The medical equipment has been further improved; village health care station and family planning room have built and improved; 90% farmers can access to basic health care service, greatly solved the problems of hospitalization for ordinary people. 100% administrative village's offices were up to the standards, which further enhanced the rural organization construction. The problems of food, clothing and housing faced by a number of old people with special care and five guarantees have been addressed. The television coverage rate in the 3 counties was 94.79%, greatly enriched the spiritual and cultural life of ordinary people, promoted the change of their point of views and improved their self-development capacity.

5. the city and township construction made new breakthrough, creating good base and condition of industry concentration

With the integrated development project based on the rebuilding of county town flood protection dike, the 3 county towns steadily improved their urban management through city beautiful , lightening up, greening, road brick and pavement projects. Some place built cultural marketplace, new agricultural market, active center for youth and teenagers through market operation. These made great changes in the outlook of 3 county towns. For example, the areas of the county town of Donglan increased from the original 0.8 square kilometers to present 1.68 square kilometers, the residents (including permanent and temporary population) increased from original 28,000 to present 40,000. The overall functions of the towns have gradually been improved; city quality got further raised; the good base and condition have been

created for industry agglomeration.

6. The environmental protection made new breakthrough and ecology and environment got obvious improvement.

Through the integrated development project, the s counties have built 60,000 methane pits, which effectively solved the rural energy problem and ended two thirds population's history to go to the hill for woods in the 3 counties. The 14,500 water pits and 300,000 mu Grain for Green land further protected the environment of the s counties, increasing the forestry coverage (including shrub woods) rate to 69.41%, seeing an obvious improvement in environment.

In conclusion, it is an innovation and practice of Guangxi government in solving the poverty problem to focus resources on integrated development projects in extreme poverty areas, which provides a successful example and effective model for comprehensively addressing the problem in geographic concentrated poverty. Certainly, the poverty reduction and development in Guangxi still has a long way to go since there are some people who do not solve the problem of food and clothing and some extreme poverty areas like northern high-latitude and cold mountains and some Karst mountains have not conduct integrated development. Thus poverty reduction and development should be further enhanced and promoted in a deep degree.