

# **The Strategy and Its Impact of Cooperation between Eastern and Western Regions in Alleviating Poverty**

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**Abstract:** China is a developing country with unbalanced development between regions. It is an important poverty reduction strategy with outstanding Chinese characteristics by carrying out cooperation between eastern and western regions in alleviating poverty in which the eastern developed provinces or cities are organized to help the poor areas in western China. This paper made a complete analysis in the strategic background, political goals, main achievements and basic measures of cooperation between eastern and western regions in alleviating poverty, and based on that, further analyzed its existing problems and provided clear directions for its basic principles, working framework and promotion mechanism.

**Key word:** cooperation between eastern and western regions in alleviating poverty

## **1 . The strategic background and political goals of cooperation between eastern and western regions in alleviating poverty**

### **1.1 Strategic background**

( 1 ) Cooperation between eastern and western regions in alleviating poverty is the requirement of Common Rich concept. Started from the national benefit and strategy, the Chinese government has all the time taken the realization of Common Rich as the basic concept and goal for promoting regional economic development. As early as 1980s, Deng Xiaopin has put forward the thought of Two Vital Situations. He said: “the costal areas should quicken their steps in opening up, achieve rapid development in the areas with a population of 200 million and then help driving the development of inland areas. That is a vital situation and the inland areas should show consideration for the vital situation. On the contrary, when the coastal areas developed to some extend, it is required that they should allocate more forces to help the inland

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areas. That is another vital situation, and the coastal areas should abide by the vital situation at that time.<sup>2</sup>” In the Speech of South Cruises in 1992, Deng Xiaoping specifically pointed out: “To stick to socialist road is to realize gradually the Common Rich. The concept of Common Rich is that: some areas with certain advantages can develop in advance; some areas may take slow steps. The developed areas should help the underdeveloped areas to reach the Common Rich in the end.<sup>3</sup>” Jiang Zemin has repeatedly emphasized: “we should stick to and improve the income distribution according to work as main form and develop diversified methods of distribution, permit some areas and some people to get rich in advance, and let the rich one help the poor ones to realize common rich step by step.<sup>4</sup>” Under a context of such development concept and value orientation and as one of the important components of the China’s overall strategy against poverty, the central government put forward the cooperation between eastern and western regions in alleviating poverty, in which the economically developed eastern coastal provinces and cities support the economic development in counterpart provinces and regions in western regions to quicken the development step, narrow the development gap and realize the goal of common rich.

( 2 ) Cooperation between eastern and western regions in alleviating poverty is the requirement of China’s balance development. Since the implementation of reforming opening up policy, the wonder of rapid Chinese economic growth and the great progress in social development have aroused the world’s extensive attention. However, beginning from 1980s, the economic development gap has been increasingly expanding between China’s urban and rural areas and among different regions. Especially, while eastern areas achieved fast economic growth and made social progress by their geographic location and other advantages, the western areas, especially the ethnic minority areas, remained in the situation of absolute or relative poverty. The contradiction of unbalanced economic development between eastern and western regions has been increasingly worsening and become a threat to China’s national unification and social stability. Therefore, after experienced years of unbalanced economic and social development, the Chinese government must take

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<sup>2</sup> Deng Xiaoping: Deng Xiaoping’s Selected Works, volume 3, page 277, 278. People Press, 1993.

<sup>3</sup> Deng Xiaoping: Deng Xiaoping’s Selected Works, volume 3, page 373—374. People Press, 1993.

<sup>4</sup> Jiang Zemin: Hold High the Banner of Deng Xiaoping’s Theory, To Completely Promote the Construction of Socialist Society with Chinese Characteristics to the 21st Century, People Press, 1997.

serious consideration for the severe social problem caused by the unbalanced development. Cooperation between eastern and western regions in alleviating poverty is an important measure to change China's unbalanced development into balanced development.

Indication	Eastern provinces and cities	Western provinces
Area (Square kilometers)	845,300	5,648,000
Population (Person)	428,945,300	356,689,100
Of which, rural population (Person)	188,804,700	233,202,300
Per capita GDP (yuan/person)	29680.45	9892.25
The first industry %	6.75%	16.54%

**Table 1. The main economic and social development indications of two parties of cooperation between eastern and western regions in alleviating poverty**

The second industry %	49.96%	43.79%
The tertiary industry %	43.29%	39.68%
Per capita local fiscal revenue (yuan/person)	3004.89	727.96
Per capita local fiscal expense (yuan/person)	3758.76	2012.47
Per capita import and export turnover (dollar/person)	3573.27	591.88
Per capita urban resident's disposable income (yuan/person)	4821.44	2617.57
Per capita farmer's disposable income (yuan/person)	5541.30	2380.85

Note:

1. The eastern provinces and cities referred to: Beijing, Tianjin, Shanghai, Liaoning, Shandong, Jiangsu, Zhejiang, Fujian, Guangdong; and the western provinces referred to: Inner Mongolia, Shaanxi, Ningxia, Gansu, Qinghai, Xinjiang, Chongqing, Sichuan, Yunnan, Guizhou and Guangxi.

2. Related data are from China's Statistics Yearbook 2006 published by China Statistics Press and

( 3 ) Cooperation between eastern and western regions in alleviating poverty is the requirement of building socialist harmonious society. It must suitably coordinate the interests of all aspects and correctly handle all kinds of social conflicts to build socialist harmonious society. At current stage, disparity in regional development, disparity in urban and rural development and disparity between economy and society consist of three outstanding social conflicts. The key to address the disparity in regional development is to quicken the development steps in western areas, especially western poor areas. There are three ways: the first is self-independence by the western areas themselves; the second is to enhance the central government's transfer payment to support western areas; the third is to carry out eastern and western cooperation in poverty reduction. Among the 3 measures, the western self-independence is the key and base. To compare with the vertical support of central government's transfer payment, the horizontal support of eastern and eastern cooperation can better meet the requirement to build a socialist harmonious society.

### **1.2 The policy goal**

Compared with other regional cooperation and the cooperation between eastern and western regions in alleviating poverty, the root difference is the policy goal. The policy goal of the latter one is poverty reduction, which is to help quickening the development in western areas by way of regional cooperation. Therefore, the work goals of China's national poverty reduction at different stage are the ones of eastern and western cooperation. During the implementation of the Seven-year Priority Poverty Reduction Program (1994-2000), China's poverty reduction goals focused on addressing the problems of food and clothing of poor people. After the implementation of the Development-oriented Poverty Reduction Program for Rural China (2001-2010), the striving goals set for the poverty reduction and development are: to solve as quickly as possible the subsistence problem for a few remaining absolute poor; "to further improve the basic production and living condition in poverty-stricken areas; to consolidate the achievement obtained in the past; to raise the quality of life and general abilities of the poor; to enhance the infrastructure construction in poor rural areas; to improve ecological environment; to change

gradually the economic, social and education backwardness in poverty-stricken areas so as to pave way for a well-off life.”

## **2 . The main achievements and basic measures of cooperation between eastern and western regions in alleviating poverty**

### **2.1 main measures**

( 1 ) Team work in the poverty alleviation led by provincial party and government head. Since 1996, most of the heads of provinces which joined into the cooperation went to the counterpart western provinces and regions to conduct investigation and study and arrange the poverty reduction work. Poverty reduction cooperation agreements have been signed between Shanghai and Yunnan, Guangdong and Guangxi, and Jiangsu and Shaanxi. Main leaders from Fujian and Ningxia held joint meetings annually to study and formulate the work plans, assign 5 teams of party and government cadres, technicians, teachers, political and law cadres, medical experts to work in Ningxia, carrying out the assistance measures. Zhejiang held the annual meeting on helping the counterpart province’s poverty reduction to study and arrange the work. Leaders from party committees and governments at all levels attached importance to the cooperation, which was the fundamental guarantee for the cooperation in poverty reduction.

**Table 2. The Counterpart Provinces in the Eastern and Western Poverty Reduction Cooperation**

Eastern developed provinces and municipalities (supporter)	Western underdeveloped provinces (beneficiary)
Beijing	Inner Mongolia
Tianjin	Gansu
Shanghai	Yunnan
Liaoning	Qinghai
Shandong	Xinjiang
Jiangsu	Shaanxi
Zhejiang	Sichuan
Fujian	Ningxia
Guangdong	Guangxi
Dalian, Qingdao, Shenzhen and Ningbo	Guizhou
Xiamen, Zhuhai	Chongqing

( 2 ) Mobilized the general public to participate in the poverty alleviation.

Poverty reduction cooperation is both governmental and social behaviors, with governmental organization standing important position. During the implementation of cooperation poverty reduction, governments at different areas have researched actively the ways of mobilizing social force for poverty reduction and the forms are diversified. Guangdong has taken the its supported Getting Rich Road in Guangxi as the youth patriotism education base to organize college students and young cadres to visit and study, receiving the hard work education. The Zhuhai city has taken the poverty reduction cooperation as the measure to form a good moral atmosphere in the whole city and organized Five 10-thousand Project : that is, 10 thousand cadres help 10 thousand poor families; 10 thousand students help 10 thousand poor students; 10 thousand youth donate 30 thousand books; 10 thousand urban families donate 100 thousand pieces of clothes and help to train 10 thousand laborers with a kind of technology. The eastern governments have organized different study teams of cadres, entrepreneurs and volunteers to conduct investigation in western areas, stimulate their enthusiasm of poverty reduction and developing the poor areas, further enhanced the force of poverty reduction cooperation.

( 3 ) Directly sent assistance to villages and households based on governmental poverty reduction and development. By combining with the large-scale battle against poverty implemented by its counterpart Guangxi government, Guangdong has taken the Karst mountainous areas of Baise and Hechi as the main battle field to conduct migration poverty reduction project, which benefited 100,000 people who basically solved the problems of food and clothing at the year of migration. According to the poverty reduction task of Yunnan Province, Shanghai has allocated funds and assigned cadres to help them. It took the poor villages as the key and the poor households as the target to conduct poverty reduction projects, which started from improving local people's basic production and living, education, health conditions, built three levels of demonstration of Villages Solved Subsistence Problems, Villages with Comfortable Life, and Villages Striving for a Well-off Life, radiating and driving the development of poverty areas. The combination of cooperation poverty reduction

and governmental poverty reduction has forcefully promoted the development of rural poor areas and benefited the poor farmers.

( 4 ) Overall development with focus on economic cooperation. It is the main work and base of cooperation poverty reduction to carry out economic cooperation and promote the western economic growth. The eastern governments actively organized famous enterprises with strong strength to build bases in counterpart provinces, carry out project combination and drive local economic development. Many provinces, regions and cities have held economic and trade exchange events to help their counterpart provinces in attracting merchants and investment and exploring the market. Shenzhen has cooperated with five banks to establish a fund for economic cooperation and development, helping the poor areas to build blood-producing projects. With the characteristics of mutual benefits and double wins, these economic cooperation injected fuels to engine for the sound development of poverty reduction cooperation. Meantime, the cooperation scope kept enlarging, from economic field to fields of technology, education, health. The talent exchange has expanded from simply mutual assigning party and governmental cadres to exchanging talents of business operation and management and other talents. The labor cooperation has changed from simply sending laborers in poor areas to the developed areas to the labor cooperation including technical training and even reversing migration of laborers from developed areas to poor areas. These partnership poverty reductions with different features have further richened the forms and contents of cooperation poverty reduction.

( 5 ) Make partners by levels and identify task and responsibility. Based on the central government's decision of 15 eastern provinces and cities to support 11 western provinces and regions, the both counterpart partners further identified the goals and dismantled the tasks to carry out the partnership between the rich areas and poor areas. At present, 216 counties and cities made partnership with the poor counties and cities in the western areas. On basis of the above work, provinces and municipalities like Beijing, Tianjin and Jiangsu actively carried out the One to One assistance according to the principle of department to department assistance and dismantling task and responsibility to each department. Through the partnership

assistance and task and responsibility identification, the cooperation poverty reduction was ensured to carry out smoothly.

## **2.2 Main achievements**

Started from 1996 to the end of 2006, the eastern provinces and cities have donated 4.97 billion yuan to western poor areas, implemented 66,000 projects with total investment of 62.07 billion yuan, organized and arranged 1.792 million migrant workers who earned the total income of 13.62 billion yuan, help to train 280,800 talents with all fields, help to build 4131 schools, introduced 2138 applied technologies; build 10053.4 kilometers roads and 3.084 million mu arable land, implemented drinking water projects to solve the problem of 2.124 million persons and 7.605 million pieces of livestock. From 2003 to 2006, eastern areas sent to western areas 1725 cadres who directly work in the western areas ( including 24 prefecture leaders and 246 county and division chief ) , 2238 experts and technicians ( including 1992 teachers, 220 doctors and 305 agricultural extension experts), 2056 poverty reduction volunteers. The leaders at all levels participated into the horizontal study and investigation amounted to 32381 person/ time, of which, provincial leaders were 791 person/time.

The achievements of eastern and western cooperation in poverty reduction made great contribution to solve the subsistence problems of the poor people and strongly promoted the national economic development, ethnic unification, frontier and social stability. Especially, during the cooperation, the eastern cadres further knew about China's situation, learnt from the poor areas cadres the spirits of self-independence and hard work and forged their minds for entrepreneurship. The western cadres and people knew about the significant achievement that China made by the reforming and opening up, touched the care and support from eastern areas, further firmed their confidence and decision to shake off poverty and get rich. The both partners have conduct mutual-assistance, hand in hand struggle and jointly development to further enhance the Chinese national cohesion and centripetal force, which are significant to build socialist harmonious society.

## **3 . Existing problems and development direction of cooperation between eastern**

## **and western regions in alleviating poverty**

### **3.1 Existing problems**

Though the eastern and western cooperation in poverty reduction has made obvious achievement, there are some potential and room for the work according to the requirement of scientific development outlook and the real situation between the 2 regions. At present, problems existed in the cooperation are imbalanced work among eastern provinces, and the less regulation in concrete work.

( 1 ) Imbalance was showed in the work of different provinces and the different work fields within a province. Analyzing in the data from 2003 to 2006, among the 3 municipalities of Beijing, Tianjin and Shanghai, the amount of government support funds from 2 municipalities only accounted respectively for 33% of that of the other municipality; the largest amount of assistance fund was 9.65 times as much as the smallest amount received by the western provinces; regarding to enterprise cooperation, most provinces had the newly added enterprise partners, with the highest of 98 partners enterprises and the lowest with 0 partners; for talent exchange, the highest number of cadres sent by eastern province reached 793, the lowest was 0; in terms of social force poverty reduction, there was serious imbalance. The largest amount of social donation received by the province was 118 million yuan and the smallest amount was only 10,000 yuan. Within the same province, work fields like governmental assistance, enterprise partnership, social donation and talent exchange were progressed unevenly. As one of several work fields were outstanding, other work fields would remain weak.

( 2 ) less regulation mainly showed up as the incidental selection of projects and the lack of unified management regulation on project funds. Since the eastern and western cooperation started in 1996, there was no corresponding and regulatory guiding document with a nationwide view. The work was facilitated by promotion and self-willingness of eastern provinces and the work requirement was not specific and of excessive flexibility. With the specific work, the project selection is too incidental, which mainly depended on the purposes of both partners and sometimes was not in accordance with the central government's policy. There was no clear and unified project fund management regulation, especially no complete management regulation on government assistance funds. The regulation insufficiency may directly affect to the impact of cooperation in reducing poverty.

### **3.2 Development direction**

( 1 )The basic principles of eastern and western cooperation in poverty reduction should be further clarified. As an important part of Chinese featured poverty reduction and development, the poverty reduction cooperation means firstly a poverty reduction work. At present, except for the clear principles of Complimentary in Advantages, Mutual Benefits, Long-term Cooperation and Jointly Development which should be stick to in the enterprise partnership, there was no a clear work principle for the whole eastern and western cooperation. Therefore, further study is necessary for putting forward a clear work principle for the cooperation to gradually focus efforts in promoting poverty reduction and development, strengthening economic cooperation and promoting social development, and guided the cooperation towards the direction of partnership assistance, extensive cooperation, eastern and western interaction and joint development.

( 2 ) the work framework for the eastern and western cooperation in poverty reduction needs further improved. The work framework should be built form the aspects of governmental assistance, enterprise partnership, talent exchange and social donation:

The first is governmental assistance. The main form of Governmental assistance is fiscal assistance fund, which is the important foundation of the cooperation. The fiscal assistance fund should give priority to improve the basic production and living condition of state designated poverty counties and villages in western areas. Clear requirements must be made to the amount and proportion of the fiscal assistance funds supported by the eastern provinces and cities.

The second is enterprise partnership. Enterprise partnership is the development direction of the eastern and western cooperation in poverty reduction. The basic principles are Complimentary in Advantages, Mutual Benefits, Long-term Cooperation and Jointly Development and the basic requirements are innovating mechanism, expanding scale and achieving economic profits.

The third is talent exchange. Talent exchange is the bridge and hub of the eastern and western cooperation in poverty reduction. The talent exchange includes that both partners mutually send party and governmental cadres for investigation, training and work; organize the eastern talents of all fields to service in western areas and arrange western talents of all kinds to receive training in eastern areas; carry out the labor

cooperation between eastern and western areas.

The fourth is social donation. Social donation is a supplementary for the eastern and western cooperation in poverty reduction. Social donation includes donation form general public and volunteer service.

( 3 ) Further study in promotion mechanism is necessary for the eastern and western cooperation in poverty reduction. To carry out eastern and western cooperation in reducing poverty and quicken the development of poor areas are the strategic work related to the overall situation, which are the sacred mission of parties and governments at all levels in the western areas and the irresistible political responsibility of parties and governments at all levels in the eastern areas. The main leaders from the both partners should make mutual visits on a regular basis to go down to the practice, coordinate major problems and identify implementing units and specific measures. The both partners should enter the cooperation into their own economic and social development program and work out medium and long-term plan and yearly work plan for it. According to the work mechanism of joint responsibility, making partnership at all levels on the basis of provincial partnership and integrated work promotion, the both partners should organize the prefectures and cities and related departments to participate in the cooperation and clarify the assistance task and responsibility, gradually integrating the cooperation poverty reduction into the institutionalized and regularized track.