

From Rural to Rural Urban Integration in China: Identifying New Vision and Key Areas for post-2020 Poverty Reduction Strategy

Kevin Chen, Guobao Wu, Xiaojun He, Jieying Bi, and Zimei Wang

East and Central Asia Office, International Food Policy Research Institute
(IFPRI)

April 28, 2018

This publication has not been peer-reviewed. Any opinions stated herein are those of the author(s) and are not necessarily representative of or endorsed by the International Food Policy Research Institute (IFPRI).

Table of Contents

Acknowledgement	i
Acronyms & Abbreviations	ii
Executive Summary	1
1 Background	7
1.1 China's social and economic transformation	7
1.2 China and global poverty trends and challenges	9
1.3 Objectives and methods	10
1.4 Content and organization	11
2 Current situation and poverty trend in China	12
2.1 Rural poverty in China	12
2.2 Urban poverty in China	15
2.3 Poverty of migrant workers in China	16
2.4 Poverty of China's urban and rural vulnerable groups	17
2.5 Multidimensional poverty measurement in China	18
2.6 Reflection	19
3 Evolution and challenge of China's poverty alleviation system and policy	19
3.1 China's rural poverty alleviation policy	20
3.2 China's urban poverty alleviation policy	21
3.3 Chinese poverty alleviation policy on migrant workers	23
3.4 China's poverty alleviation system and expenditure	23
3.5 Challenges faced in China's targeted poverty alleviation work	26
3.6 Current Situation and Challenges of the Chinese Social Protection System	27
3.7 Poverty alleviation reform pilots in Eastern China	34
4 International experience in poverty reduction	37
4.1 International experience in poverty measurement and standard setting	37
4.2 International experience on poverty targeting	39
4.3 International experience in conditional cash transfers	40
4.4 International experience on rights-based social protection systems	42
4.5 International experiences on urban poverty reduction	48
4.6 International experiences on poverty alleviation governance	49
5 New vision and key strategic areas of post-2020 poverty reduction	50
5.1 Strategic Context	50
5.2 A Need for new vision of post-2020 poverty reduction	51
5.3 Key strategic areas of post-2020 poverty reduction strategy	52
References	56
Annex 1	60

List of Tables

Table 1. Improvement Conditions of Infrastructure and Public Services in National Poor Rural Communities in 2013-2016 (%).....	13
Table 2. Poverty Incidence of China's Urban and Rural Area and Migrant Workers in 2015 (%)	19

List of Figures

Figure 1. Numbers and Poverty Incidences of China's Rural Poor under Different Standards, 1978-2017	12
Figure 2. Increasing Per Capita Disposable Income of Farming Households during the 12th Five-year Plan.....	14
Figure 3. Beneficiaries of China's Urban Subsistence Allowance (million).....	15
Figure 4. Trends of Migrant Workers in China, 2011-2017.....	16
Figure 5. Changing Trends of Urban and Rural Subsistence Allowances Beneficiaries, 1996-2016	28

Acknowledgement

This report is supported by Ford Foundation "Supporting Development of China's Post-2020 National Poverty Reduction Strategy and Action", National Social Science Foundation Key Project "Dynamic Monitoring and Evaluation of the Precise Poverty Reduction Strategy" and China contribution to CGIAR (IFPRI).

The core research team consists of Dr. Kevin Chen, Head of East and Central Asia Office (ECAO) of IFPRI, Mrs. Xiaojun He, Consultant and the former Deputy Director General of International Poverty Reduction Center of China (IPRCC), Dr. Guobao Wu, Consultant and Director of Poverty Research Center of Chinese Academy of Social Science, Dr. Jieying Bi, Consultant and Assistant Research Fellow, the Agricultural Information Institute of the Chinese Academy of Agricultural Science, and Ms. Zimeiyi Wang, Research Analyst of East and Central Asia Office of IFPRI. We deeply appreciated the valuable comments and suggestions from the members of Advisory Committee who took their valuable time to discuss with the team on the current and future directions and opportunities for poverty alleviation in China. In particular, we want to thank Professor Shi Li, Professor Sangui Wang, Mr. Xingqing Ye, Ms. Guoxia Su, Ms. Linxiu Zhang, Ms. Pingping Wang, Professor Fengying Nie, Professor Xiaoyan Lei, Professor Yang Du, Professor Chengwei Li and Mr. Yang Wan.

We are also grateful for the assistance received from the IFPRI, Food and Agriculture Organization (FAO) of United Nations, Japan International Cooperation Agency, Japanese Embassy in China and Chinese Academy of Agricultural Sciences to introduce experts in Thailand and Japan. Insights, publications and other supportive documents were provided by Ms. Tomomi Ishida from FAO Asia and Pacific Regional Office, Mr. Gasper Fajth and Mr. Rim Nour from United Nations International Children's Emergency Fund Asia and Pacific Regional Office, Mr. Kraisid Tontisirin from Mahidol University Thailand, Dr. Siriwat Tiptaradol, Senior Advisor to National Health Commission Thailand, Mr. Nobuo Okayama, Mr. Yoshitsugu Minagawa and Ms. Ruan Wei from Norinchukin Research Institute Co. Ltd, Mr. Osamu Koyama from Japan International Research Center for Agricultural Sciences, Professor Aya K. Abe from Tokyo Metropolitan University, and Professor Yoshihisa Godo from Meiji Gakuin University.

We are grateful to other supporting members including Huaqi Zhang and Adrian Aldana from the IFPRI ECAO; Dr. Sui Yang and Dr. Qingxiang Tan from Poverty Research Center at Chinese Academy of Social Sciences, Dr. Junping Guo from Institute of Agricultural Economics and Development at Chinese Academy of Agricultural Science, Ms. Xuejing Yin from China Agricultural University and Mr. Song Hu, a development consultant.

Acronyms & Abbreviations

ADB	Asian Development Bank
CCT	Conditional Cash Transfers
FAO	Food and Agriculture Organization of the United Nations
GDP	Gross Domestic Product
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
IPO	Initial Public Offerings
OECD	Organization for Economic Co-operation and Development
UN	United Nations
UNDP	United Nations Development Programme
WASH	Water, Sanitation And Hygiene program

Executive Summary

China's achievements in poverty reduction in the past 40 years were impressive. Since the reform and opening up in 1978, the rural population under poverty in China was decreased by 94% with a total of 726 million poor in 1978 to 43 million in 2017. By the end of 2017, there were 30.46 million rural poor and 12.64 million urban poor (defined by those who received subsistence allowance). At the same time, China's continued poverty reduction is facing a number of new issues. First, some poor migrants and rural poor populations are not included in the official pool of poverty alleviation targets. Second, with rising urbanization, accelerating population aging and economic slowdown in the transformation period, new poor will be generated, especially with new residents transferred from rural villages to cities. These new residents may become the new urban poor for various reasons. Third, the urban poor who receive the subsistence allowance are not included in the current targeted poverty alleviation strategy. Fourth, with rising income, the future poverty line may need to be adjusted from time to time, which will lead to more new poor by definition. These issues will become increasingly prominent along with the continuing socio-economic transformation occurring in the foreseeable future, especially after 2020. As a result, China is entering a new era of poverty reduction, and policy makers need to understand these dynamics clearly and adopt countermeasures. For this purpose, the Ford Foundation entrusted the International Food Policy Research Institute to carry out a project on China's Post-2020 poverty alleviation strategy. It aims to study the characteristics and trends of urban and rural poverty in China; to sort the changes and challenges of the poverty alleviation policy; to analyze the domestic and international poverty circumstances, as well as new problems faced by China's poverty reduction. Based on the new challenges identified, the study identifies a need for a new vision of China's post-2020 poverty reduction, in accordance with international experience, and to provide a policy-making reference in formulating the new poverty reduction strategy during the post-2020 era.

China's poverty trends and governance system. Five major findings are emerged.

First, under the socioeconomic transformations, coupled with rapid urbanization, population aging and rising income gaps, China's poverty situation exhibits new characteristics. There has been an increase of new urban poor populations transferred from rural areas. The country is facing increasingly prominent social protection challenges (pension and medical care) brought by population aging. The multidimensional nature of poverty trends with inadequate levels of health, nutrition and education is observed. There has been increasing difficulty for poverty alleviation in some specific areas. These new characteristics have put forward higher requirements for poverty targeting, dynamic monitoring and assistance, and compel the focus of poverty reduction to be expanded to include the cities, as well as the rural social protection system, the household registration system and other underlying problems. The establishment of an urban-rural integrated social protection system has become the emerging issue.

Second, China's rural poverty rate continues to decrease as *per capita* disposable income of farmers has been increasing considerably. Housing, water, and sanitation conditions for rural residents have also been improved significantly. The reach of transportation, electricity,

communication and other infrastructure in poor areas has expanded rapidly in recent years, and medical care, education and other public services have also been improved. However, at the same time, the income inequality between urban and rural residents and between regions is still very high and significant. The troubling trend observed is that the income gap among farmers is widening. From the perspective of multidimensional poverty, education is the most deprived dimension of rural poverty in China, followed by health. Women, children and the elderly are the three vulnerable groups in rural areas to fall under poverty. Moreover, the distribution of rural poverty in China is uneven, of which the poverty incidence in the western region is the highest. Guizhou, Yunnan and Henan are the three provinces with the largest proportion of the nation's population under poverty. Three autonomous regions and three autonomous prefectures are the main poverty areas in China and also the focus of poverty alleviation efforts. As there is no official standard of urban poverty in China, the government standard of subsistence allowances for urban residents is utilized to capture the extent of the urban poor. The proportion of the urban population who received the subsistence allowance is 2.08%. Unlike the rural poor, health is the most deprived dimension of urban poverty. In particular, the poverty level of migrant workers is much higher than the average level of urban residents, using various poverty measurements and standards. Similar to the rural poor, education is the most deprived dimension among migrant workers. On the whole, education and health are the two critical dimensions of multidimensional poverty in urban and rural areas of China.

Third, China does not have a unified poverty governance system in urban and rural areas. The current and past governmental poverty reduction efforts have focused on poverty reduction in rural areas. China's rural poverty alleviation policy has undergone three significant changes since 1978. The first change was from resolving basic food and clothing needs of farmers to providing a comprehensive solution of farmers' development needs. The second change was from focusing on meeting the material needs of farmers to focusing on meeting both the material needs and basic social service needs of farmers at the same time. The third change was to include the reversion of a widening development gap into the strategic targets of poverty alleviation directly. Unlike rural poverty alleviation policy, China has no systematic urban poverty alleviation system. China's urban poverty alleviation efforts began with the urban unemployment caused by the reform of state-owned enterprises during the 1990s. The urban poverty alleviation policy mainly includes two parts: employment and re-employment support, and social protection. At present, the major challenges of urban poverty are housing and employment. A critical issue is that migrant workers have long been excluded from the poverty alleviation and urban-rural social support policy. Migrant workers are the neglected group in China's current poverty alleviation efforts, which are largely based on the household registration system. The social protection system, which focuses on basic old-age care, basic medical care and subsistence allowances, has now largely been established in the country as a whole, but the protection level is still relatively low. Moreover, intra-regional and inter-regional equalization of urban and rural areas and different groups remains a significant challenge. From the perspective of social equity and urban-rural regional balanced development, social protection resources in China should be re-distributed towards to the central and western regions. The integration of urban-rural social protection should be continuously promoted where migrant workers and other neglected groups should be included in the social protection system fully and equitably. The next step should be to reduce and eventually eliminate the

social protection gap among different groups and to promote a rights-based social protection system to ensure its inclusiveness.

Fourth, China's investment in poverty alleviation continues to grow, while the population under poverty is decreasing over time. However, in the context of urbanization, China's poverty reduction is facing new challenges. The fragmented urban-rural poverty governance system creates the currently complicated poverty situation in China. The standard of poverty alleviation in urban and rural areas is not uniform. There is a significant urban-rural gap in accessing public services and social protection. The poverty of migrant workers is largely overlooked. Moreover, the efficiency of poverty reduction policy remains to be improved, due to an involvement of multiple departments in making decisions and implementing interventions. In particular, the two systems of poverty alleviation and subsistence allowance are run separately by different agencies. Meanwhile, it has been a while that an unproportioned attention has been paid to income growth instead of social protection. Given the current social and economic conditions, now is a time to strengthen an inclusive social service and to improve targeting of specific vulnerable groups. The formulation of specifically targeted policies and measures in education, nutrition, medical care, and health is in order. The top-down approach to poverty alleviation governance with its overwhelmingly unbalanced attention to industrial development needs to be re-thought. The attention should be focused on meeting the actual needs of the population under poverty through enhanced participation of people and communities under poverty. With the declining effectiveness of poverty alleviation based on the traditional industrial development approach, innovative ideas are needed to line up new industrial growth and poverty alleviation. The government plays an important role in poverty alleviation, but social participation, especially from the private sector, is weak. Lastly, the sustainability of large-scale central poverty alleviation investment is questionable and may crowd out public investment in other low-income groups.

Fifth, in view of the above challenges, a number of poverty alleviation reform pilots have been attempted in selected provinces in Eastern China, including Zhejiang and Shandong. The pilots in Zhejiang and Shandong are exploring new ways to overcome the obstacles of poverty alleviation mechanism and governance. These pilots are experimenting with new practices, such as the formulation of new poverty measuring methods and standards, poverty targeting, integrated urban and rural development, and social participation.

International lessons on poverty reduction. As China faces new characteristics and challenges from its domestic poverty issue, this study also summarizes a number of the international experiences and lessons that may be applicable to China. As the economic development furthers, the absolute poverty measurement has gradually turned into a relative poverty measurement globally. At the same time, multidimensional poverty is gradually being adopted by more countries, and used in targeted public services as well as in performance monitoring of conditional transfer programs. The issue of poverty is also being extended from static to dynamic, especially improving the developmental capabilities of populations under poverty, as well as the ability to prevent and respond to risk. In terms of poverty targeting, it is noted that targeting methods are often used in combination with close attention to balance the cost and benefits of targeting. The Single Registry is an important innovation in coordinating,

managing and monitoring poverty alleviation projects for better targeting of populations under poverty. In terms of social protection, under the concept of national social protection coverage, many countries explore the combination of payment and non-payment based methods to expand the coverage and standard of inclusive social protection, and actively introduce the private sector through a provision of social services and products, according to their economic development stage and financial capability. Health, education, and nutrition have gradually become the focus of social protection, and the conditional cash transfer program is an effective practice to target long-term human capital development for the population under poverty and to block the intergenerational transmission of poverty. The experience of global urban poverty reduction mainly includes incorporating urban poverty reduction into urban development planning, urban employment support, community promotion and formal organization of informal employment groups. In terms of poverty governance, a unified urban-rural poverty governance system is needed. In arranging their social welfare departments, developed countries tend to coordinate the participation of many departments, encourage the community to participate, and fully mobilize social resources, which include private enterprises, social organizations and international institutions, to participate in poverty alleviation, and pay close attention to enhancing the government's ability to manage poverty.

Need for new vision for post-2020 poverty reduction. The report of the 19th National Congress of the CPC clarifies the two stages of development for the coming 30 years and aims to realize socialist modernization by 2035, laying the basis for developing a new poverty reduction strategy. The current goal of poverty reduction is to eliminate rural poverty by 2020 under the 2010 poverty standard. That does not really mean a complete elimination of poverty in all forms. With the new poverty characteristics and trends observed above, China will need a new poverty reduction strategy during the post-2020 era. Over the forty years' reform, the focus of Chinese poverty policy has recently shifted from a development oriented approach to regional targeting and precision poverty reduction. In the post-2020 era, the focus will need to be shifted to a rights-based social protection system that is inclusive and sustainable. Such a shift will symphonize well with a number of key national policy goals that have been adopted recently, including rural urban composition development and rural revitalization plan. The new vision of post-2020 poverty reduction will aim to establish an integrated urban-rural poverty governance system by 2035 through a sequence of policy actions. It will propose a strategic direction and action on poverty reduction through an equalization of urban and rural public services, education, and medical care. Poverty reduction goals will need to be more specific, including the reduction of the income gap between urban and rural residents, compulsory education for urban and rural populations under poverty, equitable medical care, housing and other equal distribution of public services. Other goals may also include: i) specific poverty reduction goals for the elderly, women, children, people with disabilities, migrant workers and other vulnerable groups; ii) the establishment of unified poverty measurements, identification, targeting and urban-rural intervention systems; and iii) the improvement of the sustainable fiscal and financial system for poverty alleviation.

Key strategic areas of post-2020 poverty reduction strategy. The report puts forward five key strategic areas which deserve an in-depth study, in order to formulate a

sustainable poverty reduction strategy for the post-2020 era.

First, accurate predictions of the socio-economic development trend are preconditions for post-2020 strategic design. It is of paramount importance to base future anti-poverty policies on the prospective analysis of new social and economic conditions. It is necessary to conduct simulation studies of the socio-economic conditions in 2020, 2025, 2030, and 2035, especially the dynamics of resource constraints, industrial structure and demographic structure.

Second, it is critical to apply the new poverty standard and estimate the size and distribution of new poverty populations. A new standard can help identify the size and characteristics of the population under poverty and navigate the anti-poverty efforts. With the realization of the poverty reduction goal by 2020, absolute poverty under the current poverty standard is expected to be eliminated, leaving three options for the formulation of a new poverty standard: a higher absolute poverty standard, a new relative poverty standard, and a multidimensional poverty standard. Given the goal of achieving socialist modernization and rural revitalization in 2035, as well as a new vision of poverty reduction, after 2020, policy makers will need to pay more attention to narrowing the gaps of income and living standards among residents, highlighting the relative poverty measurement which prioritizes fairness.

Third, it is important to develop a unified poverty governance system. A new poverty reduction strategy requires establishing the unified poverty governance system, which could coordinate urban and rural sectors, as well as get various departments involved. The responsibilities of different entities in the system, especially government, markets, and social organizations, should be clarified. Innovation, capacity building of local governments, and mobilization of social and financial resources should be encouraged.

Fourth, pro-poor poverty reduction strategy calls for a rights-based social protection system. An underdeveloped social protection system is a weak point for poverty alleviation in China, which needs to be upgraded to a pro-poor system in the context of urban-rural composition development. China should expand the coverage of the social protection system to all citizens. The benefits of social protection programs should be increased, especially pension, healthcare, and education programs targeting rural areas. Special assistance programs should meet the needs of populations under poverty, such as healthcare, education, housing, and employment. Special attention should be given to vulnerable groups. For example, children in poverty should get support in terms of nutrition, health, and education. Elderly people living in poverty should be helped and have the chance to enjoy care services. Citizens with disabilities should receive medical care and employment support. Migrant workers should be covered by social protection programs and have no worries for their children's education.

Fifth, reforms of the fiscal system and innovation of the financial mechanism are needed to strengthen a sustainable poverty reduction strategy. The new strategy requires reform and innovation of the fiscal and financial systems, which play important roles in achieving poverty reduction goals. The distribution mechanism, long confined by rural-urban and interdepartmental segmentation, should be adapted to the unified poverty governance structure. The structure of fiscal expenditure needs to be optimized. It currently prioritizes the agricultural sector and infrastructure development, while inadequately supporting basic public services, such as science, education, culture, hygiene, old-age care, and healthcare. The equalization of

public services requires fiscal support on the services targeting poor communities and areas, especially rural areas. In recent years, the accessibility and efficiency of financial services have been improved significantly, with policy-based finance, development finance, commercial finance and cooperative finance, showing their respective advantages in precis poverty reduction practices. However, the tough “last mile” remains as an obstacle for financial services to benefit underdeveloped areas, rural and urban vulnerable groups, as well as small and micro businesses.

1 Background

For the 40 years of reform and opening up, rapid economic growth has made remarkable achievements in eliminating extreme poverty in China, which has made important contributions to global poverty reduction. World Bank data shows that from 1981 to 2012, China's absolute population under poverty has decreased by 740 million, accounting for more than 70% of the total global poverty reduction in the same period. From 2012 to 2017, the rural population under poverty in China was reduced from 98.99 million to 30.46 million, under the current poverty standard (Poverty Alleviation Office of the State Council, 2018). Meanwhile, the nutritional status, education level, life expectancy and other welfare indicators have also been improved. However, the situation of China's poverty reduction is still challenging. The scale of the population that remains in poverty is fairly large. The poverty is still severe in certain regions and the costs of poverty alleviation and the difficulties of stabilizing poverty alleviation are high. After 2020, China will step into a developmental stage of building a comprehensively prosperous society. At that time, the absolute poverty will be completely eliminated, and the problems of relative poverty and multidimensional poverty will become increasingly prominent, such as the inequities in income, social and public services, and the shortage of health, education and social protection. In addition, China's society and economy will also face a series of new changes, especially the acceleration of aging and the rapid advancement of urbanization, and the poverty problems will also present new characteristics. Under this backdrop, it is necessary to interpret and assess the connotation, trend and challenges of development in the post-2020 period, and design an effective poverty reduction strategy accordingly.

1.1 China's social and economic transformation

China's economy has been in a steady and rapid development period since the reform and opening up. From 1978 to 2017, per capita GDP increased from RMB 385 to RMB 59,660 (National Bureau of Statistics, 2018). According to the classification standard proposed by the World Bank, China has entered the ranks of the Upper-middle income countries. With the rapid development of its economy, China has changed its economic structure from agriculture to manufacturing and service industries. From 1980 to 2017, the proportion of value added from agriculture to GDP has decreased from 30.2% to 7.9%, while the proportion of service industry has increased from 21.6% to 51.6%. Compared with the proportion of agriculture in GDP, the proportion of the agricultural labor force decreased slowly from 70.5% to 27.7% from 1978 to 2016 (National Bureau of statistics, 2017). The growth of average labor productivity in the agricultural sector is lagging behind that of the non-agriculture sector, and it is more difficult to drive the farmers out of poverty through agricultural development.

Driven by the rapid economic development, China has entered a rapid urbanization process. Since 2006, the development speed of urbanization in China has surpassed its pace of economic growth. In 1980, 80% of the population lived in rural areas, while the urbanization rate of the resident population had reached 58.5% (National Bureau of statistics, 2018) in 2017, which had a gap from the average level of 80% in developed countries and indicated a great potential for urbanization. The "13th Five-year" Plan proposed China's urbanization rate shall be up to 60% by 2020. According to a prediction from the United Nations, China's urbanization rate will reach 70% in 2030, and will be up to about 76% in 2050 (UN, 2014, UNDP, 2013). Another characteristic of rapid urbanization is the massive transfer of the rural labor force. Confined to the dual household registration system of urban and rural areas, the household registration of farmers in the city is still in the countryside. They are usually employed in the informal sector

or engaged in their own business activities, and become migrant workers between urban and rural areas¹. Since 2008, the total number of China's migrant workers has increased by 60 million, and has been up to 290 million at the end of 2017, accounting for 21% of the country's total population. Its growth rate has slowed down, and has been less than 2% for 4 consecutive years, but the total number is still large (National Bureau of Statistics, 2018). The income and consumption levels of migrant workers are lower than those of urban residents, and migrant workers cannot usually access the social welfare and public services received by urban residents. As a result, attention shall be paid to the issue of their survival and development.

While economic growth continues, economic reform has also appeared to widen the gap of China's income distribution. In 2016, the China's Gini coefficient was 0.465, rising from year 2015, but the widening income gap trend has not fundamentally reversed (National Bureau of Statistics, 2017). First of all, the income gap between urban and rural areas is still significant. In 2017, the per capita income gap between urban and rural residents was 2.71. If the welfare enjoyed by urban and rural residents is added, the real income gap between urban and rural residents is greater. Second, the income gap within the rural community is expanding. *Statistical Communique on the 2016 National Economic and Social Development* adopted five equivalent incomes of national residents for the first time, which showed that the proportion of per capita disposable income between the high-income group and the low income group was 10.7 to 1. Third, there is a significant income gap between regions, industries and different units. The income level of the eastern region is significantly higher than that of other areas. The average wage of agriculture, forestry, animal husbandry and fishery is significantly lower than that of manufacturing, construction, finance and other industries. There is also a significant difference between the wage levels of state-owned units, urban collective units and other units in the same industry. The social protection and public services are important means for the government to adjust the income distribution gap and alleviate poverty. However, the income gap to some extent is further widened due to the non-unified social protection system, a less-than-robust system, small coverage, low financial support, seriously inadequate public services for the rural and urban migrant population,² and poor adjustment of the income distribution gap under the current urban-rural structure.

At the same time, China's population structure has changed significantly, showing the characteristics of aging and fewer children. Due to the effects of increased life expectancy and low birth rate brought by the family planning policy, the degree of the aging Chinese population is accelerating. In 2016, 10.8% of the Chinese population (150 million people) was 65 years old or older, and the old-age dependency ratio was 15.0%. In 2017, the population aged 65 and over accounted for 11.4% of the total population. Meanwhile, the proportion of the working-age population in the total population continues to decrease (National Bureau of Statistics, 2018). It is expected that the old-age dependency ratio will reach 23% by 2030 (World Bank, 2013) and the proportion of aging above 65 will be 21% by 2035 (The National Working Commission on Aging, 2018). The aging acceleration tends to cause a series of social and economic problems. When it is combined with the development trend of urbanization, the urban population burden and social protection pressure may continue to rise, which will bring new challenges to poverty reduction.

¹Migrant worker refers to the laborer whose census registration is still in a rural area; enters cities to work and engages in non-agricultural labor for 6 months or more. Local migrant workers refer to the migrant workers who are employed in the household registration area. Outgoing country workers refer to the migrant workers who are not employed in their household-registration-designated place.

²Migrant population refers to the population whose residence location and household registration location are different.

1.2 China and global poverty trends and challenges

Under the context of a rapid economic structural transformation, a significant income gap, rising urbanization and an aging population, China's poverty situation presents new characteristics. First of all, with the promotion of poverty reduction in rural areas, the difficulty of alleviating the remaining populations from poverty is increasing, and the task of poverty alleviation in the specific poverty areas is very arduous. Second, a robust rural social protection system has not yet been established. In the period of accelerated aging, the problems of pensions and medical care in rural areas will be aggravated. Third, the rural labor force transferred in the urbanization process may become the new urban poor, due to various reasons, and the difficulties of reducing this newly generated poverty are real, which could bring more serious social problems if not handled properly. Fourth, the multidimensional poverty in the population, particularly the problems of health, nutrition and education, is becoming prominent, and urgently needs long-term investment to eliminate the poverty caused by diseases and child malnutrition. The gap between urban and rural areas, regions and groups in education and public services is still very significant, which is conducive to intergenerational poverty transmission.

Poverty characteristics, development environment and the new urban-rural integration poverty reduction strategy are the key problems that need to be studied urgently after building a prosperous society in 2020. Firstly, the dynamic changes in poverty conditions are demanding higher level of poverty monitoring, targeting and assistance. There is urgent needs to study the changing situation of poverty, the reasons for those changes, and how to target these vulnerable and poor groups in a long-term sustainable way to help them get out of poverty. Secondly, more attention has been paid to rural areas instead of cities for a long time. In the process of socio-economic transformation, poverty began to transfer from rural areas to cities. Currently, China's urban poverty standards and the poverty scale measurements have yet to be studied, and urban housing and employment problems are particularly prominent. It is expected that the practice and experience of the international community on urban poverty reduction will be a reference for China. Finally, the equalization of social protection services in the socio-economic transformation, especially the social protection of urban and rural integration, is also a key issue to be studied for China's poverty reduction.

Some changes in China's poverty situation are universal in the world. The number of people under extreme poverty has fallen dramatically in the world. In 1990, 35% of the world's population lived below the international extreme poverty line (\$ 1.9/day for each person), and was reduced to 12.4% in 2012 (World Bank, 2016). Before 2000, the poverty incidence in main developed countries, such as America, Japan and Australia, was less than 5% (Ravallion, 2014). From the current global poverty distribution trend, the population under poverty is mainly transferred to middle-income countries (72%) from low-income countries, which is related to the continuous economic development of China, India and other Asian countries and the gradual entry into middle-income countries from low income countries (Andy Sumner, 2010). From the perspective of urban and rural comparison, the urban poverty incidence is about half of rural poverty incidence (World Bank, 2017), but with the continuing urbanization process, the urban poverty trend is becoming progressively more obvious. From the perspective of specific social groups, the child poverty incidence has been high, and this problem is especially prominent in developing countries. Developed countries however are facing the poverty problem through an aging population, which raises higher requirements for their social protection system.

In a time of accomplishing great achievements, global poverty reduction is also facing new challenges brought by ever-changing international political, economic and social situations. On

the one hand, globalization, urbanization and high-speed economic development will not only help some people get out of poverty, but also make more economic impacts. Shifted populations that lack education and training can easily become the new urban poor. In addition, the progress of science and technology, the popularization of production automation, and constant compression of the development space for labor-intensive industries, the job opportunities for those under poverty sharply reduces accordingly. On the other hand, there is uncertainty between the future economic growth rate and the economic growth rate's effect on poverty reduction. An economic slowdown will affect people's standard of living, especially for the low-income groups. Subject to the economic growth rate, the social protection expenditures in various countries face heavy pressure, and the social protection standard and social service capability need to be urgently upgraded.

1.3 Objectives and methods

This research is designed to better understand and assess the current situation, characteristics and existing problems of China's urban-rural poverty; sort out the existing problems and changes in the poverty alleviation policy; analyze the new problems under both the domestic and international circumstances, faced by China's poverty reduction work; and summarize the international experience regarding these problems. The information generated is then used to help identify China's new post-2020 vision of poverty reduction and key areas for a new poverty reduction strategy.

This research obtains and analyzes relevant information based on literature reviews, data analysis and expert interviews. The research team adopts the methods from literature reviews and policy reviews to focus on discussing the system, policy and gap of China's urban-rural poverty alleviation, and to study the Chinese social protection system and its influence on poverty reduction. In terms of global poverty reduction, this study summarizes the global poverty status, its trends and characteristics, and conducts a systematic arrangement for research on poverty measurements and targets, social protection, urban poverty and poverty governance, etc. by the World Bank, IFPRI and other international institutions, and puts forward policy suggestions for China's poverty alleviation work.

This research uses data to analyze the current situation and trend of China's urban and rural poverty. Apart from using China's public rural poverty statistical data, subsistence allowance data published by Ministry of Civil Affairs, and China's urban and rural poverty data published by World Bank, this research specifically applies the 2015 sample survey data from partial urban and rural residents published by National Bureau of Statistics. This research establishes the multidimensional poverty measurement system, including three dimensions with ten indicators, to analyze the current situation of China's urban and rural multidimensional poverty. The system measures poverty depth and breadth by Foster-Greer-Thorbecke (FGT), and evaluates the poverty reduction effect of subsistence allowance, endowment insurance and medical insurance.

In addition, the research team consulted with poverty reduction research experts from the World Bank, the Asian Development Bank, the Food and Agriculture Organization, the United Nations Development Program, the International Food Policy Research Institute and other international institutions, as well as the Poverty Alleviation Office of the State Council, the Development Research Center of the State Council, the International Poverty Reduction Center in China, the Ministry of Commerce, the Ministry of Finance, the Chinese Academy of Social Sciences, Peking University, Renmin University of China, Beijing Normal University and other policy-making departments and research institutions through seminars, expert interviews and

other forms. Based on literature reviews and expert seminars, the research team went to Shandong, Zhejiang and Guizhou to learn about their practices in targeted poverty alleviation, poverty alleviation through industrial development, urban-rural poverty alleviation and relocation, and an exploration of post-2020 poverty alleviation efforts. In terms of international poverty reduction experiences, based on comparative analysis on economic and social situations of various countries, the research team selected Japan and Thailand to conduct the field investigation. We interviewed the Norinchukin Research Institute Co. Ltd; Japan International Research Center for Agricultural Sciences; the University of Tokyo; Meiji Gakuin University; the Thailand National Health Council; Thailand Mahidol University; the Thailand Office of the UNICEF. The research team also participate in the *South-South Learning Workshop to Accelerate Progress to End Hunger and Under-nutrition* convened by the International Food Policy Research Institute in Bangkok, Thailand; as well as the 2018 Asia Pacific Agricultural Policy Roundtable with the theme of "Enhancing Regional Food Security through Inclusive Rural Transformation - Focusing on Social Protection Protection and Poverty Alleviation", convened in Chiangmai. The team also carried out interviews regarding poverty reduction, social protection experiences, urban poverty reduction experiences, and poverty reduction and social protection experience in Japan during the 1950-1960 transformation period.

1.4 Content and organization

The International Food Policy Research Institute formed a research team together with the experts and scholars from the Chinese Academy of Social Sciences and the Chinese Academy of Agricultural Sciences. Through literature reviews, expert interviews, seminars and other methods that obtain relevant information and carry out thematic research, the team has drafted six background reports in Chinese on China's current poverty situation and its policies, and other on international lessons for poverty reduction during a rapid transformation and implications for China. The title and authors of those reports are listed in Annex 1.

Based on these those sub reports together with further consultations with key policy makers and leading researchers, we completed this final synthesis report. The main contents of this final report include five parts. The first part introduces the research background, methods, and main contents of the report. The second part quantitatively analyzes the present situation and trend of China's rural and urban poverty, with attention to the poverty of women, children, and senior citizen and other such special vulnerable groups in urban and rural areas, and assesses the poverty problem of the urban migrant population, which is represented by migrant workers. The third part sorts the evolution of China's urban-rural poverty alleviation policy, management system and poverty alleviation input resource model since 1978. This part also studies the development and present situation of the urban-rural social protection system, and evaluates the role played by major projects, such as the subsistence allowance, endowment insurance and medical insurance, etc. in poverty reduction. The fourth part studies the significance of drawing from international experiences in poverty reduction for China, as well as introduces the strategies, policies and experiences of representative middle income countries and international organizations in poverty measurements and targeting, urban-rural social protection systems, urban poverty, and poverty governance. Based on the analysis and assessment of the first four parts, the fifth part of the report puts forward key issues for a new vision for poverty reduction and developmentally coordinated poverty reduction targets and strategies under the overall context of post-2020 urban-rural development.

2 Current situation and poverty trend in China

China lacks a uniform standard of urban-rural poverty, which creates a challenge for poverty measurements. This research analyzes the rural poverty status with the current poverty standard of villages in China, and takes the USD 3.1/person/day of the World Bank calculated on the basis of purchasing power parity as the absolute poverty standard for urban residents and migrant workers. In addition, we use 50% of urban residents' median income in 2015 as a relative poverty standard. In 2015, urban residents' per capita median income was RMB 29,129, meaning the urban relative poverty standard was RMB 14,564.5. Per capita median income of rural residents was RMB 10,291 in 2015; therefore, the rural relative poverty standard was RMB 5,146.

2.1 Rural poverty in China

Since the reform and opening-up policy, the number of China's rural population under poverty has decreased sharply, and the poverty incidence has steadily declined. In accordance with the current poverty standard (annual per capita net income is RMB 2300/year, which is the same as that in 2010), China's rural population under poverty reached 770 million in 1978, and the poverty incidence was 97.5%. At the end of 2017, the rural population under poverty reached 30.46 million, and the poverty incidence was 3.1% (National Bureau of Statistics, 2018). In the last 40 years, rural population under poverty has in total decreased by about 726 million, and the poverty incidence has decreased by 94%.

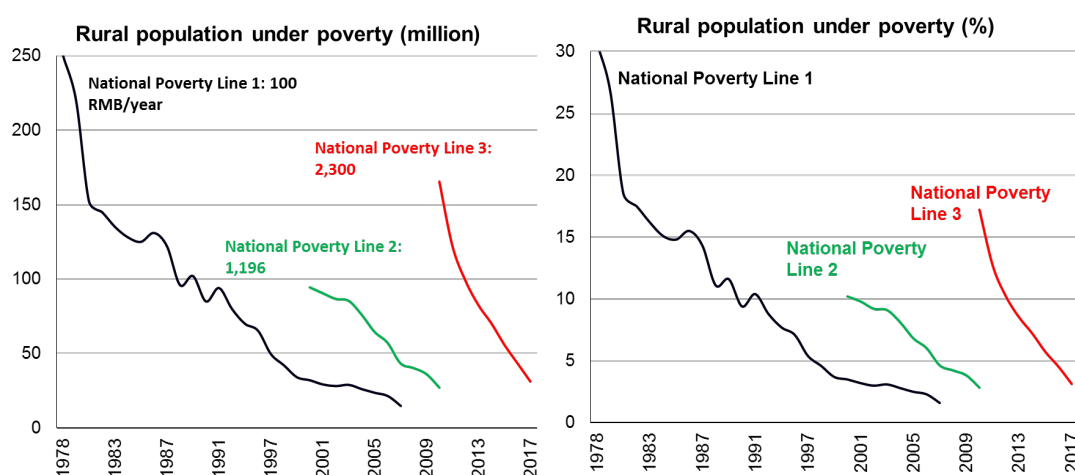


Figure 1. Numbers and Poverty Incidences of China's Rural Poor under Different Standards, 1978-2017

Source: National Bureau of Statistics of China.

The rural residents in poverty-stricken regions pursue the income level in other villages, and the gap between their income levels and the incomes in national villages has further reduced. In 2017, the per capita disposable income of rural residents in poverty-stricken regions was RMB 9,377, which was 69.8% of RMB 13,432 (the average level of national villages), an increase by 7.7% since 2012. In 2013-2017, the average annual per capita disposable income of rural residents in poverty-stricken regions actually increased by 10.4%, and the actual growth rate is 2.5% higher than China's rural average level (National Bureau of Statistics, 2018).

When the income of rural residents constantly increases, their housing, drinking, sanitation, etc. is also constantly improved. As the coverage scope of traffic, electricity, communication and other infrastructure in poverty-stricken regions gradually expanded, public services such as the medical care, education, etc. also continuously improved.

Table 1. Improved Infrastructure and Public Services in the Poor Rural Communities in 2013-2016 (%)

	2013	2014	2015	2016
Proportion of peasant households living in bamboo grass adobe	7.7	7	5.7	4.5
Proportion of peasant households using lighting electricity	99.2	99.5	99.8	99.3
Proportion of peasant households using the pipe water supply	53.1	55.5	61.5	67.4
Proportion of peasant households using tap water through purification treatment	30.9	33.4	36.4	40.8
Proportion of peasant households without difficulty in drinking water	80.4	82.3	85.3	87.9
Proportion of peasant households exclusively using toilets	92.3	93.2	93.6	94.2
Proportion of peasant households that cook a meal with firewood	61.1	59.4	54.9	51.4
Proportion of peasant households with local natural villages connected to highways	97.8	99.1	99.7	99.8
Proportion of peasant households in the local natural village where the main road is hardened	88.9	90.8	94.1	96
Proportion of peasant households in the local natural village where the public bus can be taken conveniently	56.1	58.5	60.9	63.9
Proportion of peasant households with local natural villages connected with telephones	98.3	99.2	99.7	99.9
Proportion of peasant households in the local natural village where cable TV can be received	79.6	88.7	92.2	94.2
Proportion of peasant households with local natural villages connected with broadband			71.8	79.8
Proportion of peasant households in the local natural village where waste can be collectively disposed	29.9	35.2	43.3	50.9
Proportion of peasant households in the local natural village where sanitary stations exist	84.4	86.8	90.4	91.4
Proportion of peasant households in the local natural village where a kindergarten is available	71.4	74.5	76.1	79.7
Proportion of peasant households in the local natural village where a primary school is available	79.8	81.2	81.7	84.9

Data source: Household Survey Office of National Bureau of Statistics, *2017 Monitoring Report about China's Rural Poverty*, China Statistics Press.

Although part of the incomes of rural residents is higher than that of the poverty standard, considering children's education, new home construction, illness treatment, pension, and prevention of other uncertain events, it usually controls the current consumption level under the poverty line to increase savings, in case of any need at any time (Li Shi, 2002, Wang Zengwen, et al., 2014). The research analyzed a part of the 2015 sample data of urban and rural residents surveyed by the National Bureau of Statistics, and found that the poverty incidence of China's rural income was 6.4% under the current poverty standard, while the consumption poverty incidence was 9.3%. These vulnerable farmers whose family income levels are slightly higher than the poverty line return the poverty very easily. Under insufficient social protection, they are more inclined to reduce current consumption in the face of potential expected expenditure. Their dilemma is often neglected in the income poverty analysis.

Compared with the national rural average, the rural income under poverty is still inferior, and the relative poverty phenomenon cannot be ignored. Part of the 2015 sample survey data of urban and rural residents from the National Bureau of Statistics showed that, under the relative standard, China's rural poverty incidence was 19.1% (the income poverty incidence in the corresponding period was 6.4%), of which the rural relative poverty incidence in the western region was the highest (24.6%). Income inequality still exists among different rural residents and different regional levels. The rural residents were grouped into five equal parts, according to per capita disposable income from low to high. In 2011-2015, the per capita disposable income gap and the proportion of per capita disposable income between the high-income residents and the low-income residents tended to be enlarged. The grouping results of rural residents based on the eastern, middle and western parts, the northeast regions, and the comparison result of per capita disposable income of peasant households among regions, showed that in 2011-2015 the peasant households in the western and eastern regions had the largest per capita disposable income gap, and this gap has expanded overall and reached RMB 5,204 in 2015.

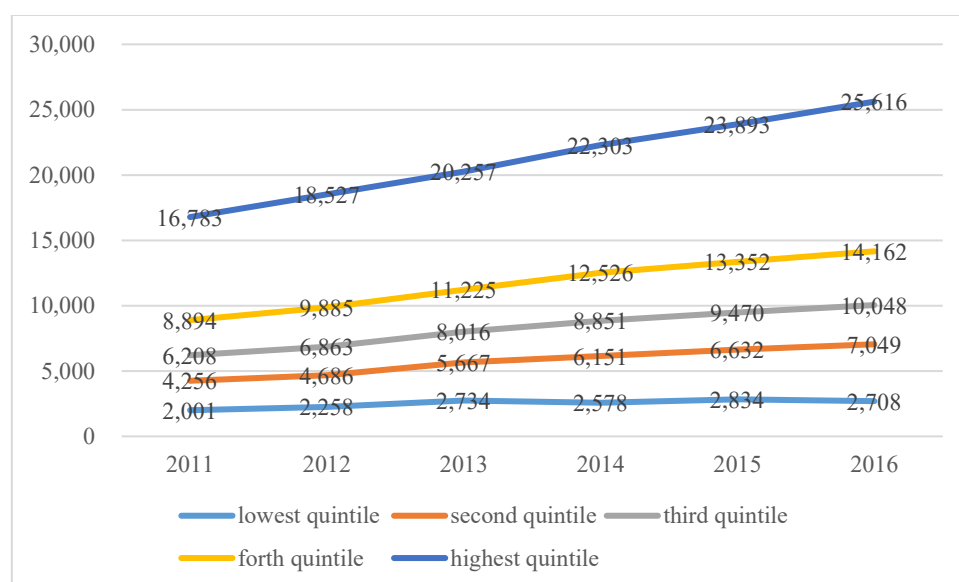


Figure 2. Per Capita Disposable Income of Farming Households during the 12th Five-year Plan (in 2011 RMB)

China's rural poverty areas are significantly characterized by an imbalanced distribution. The populations under poverty are focused in the middle and western regions, and parts of those

regions have deeper levels of poverty. Up to 2017, the rural population under poverty in the eastern, middle and western regions of China was at 3 million, 11.12 million and 16.34 million, respectively, which accounted for 9.8%, 36.5% and 53.6% of the national rural population under poverty. From the perspective of the provinces, Guizhou, Yunnan and Henan had the poorest populations in the whole country. The proportion of the national population under poverty in 14 concentrated destitute areas, confirmed in *Outline for Poverty Alleviation and Development in Chinese Rural Areas (2011-2020)*, is always about 50%, in which the proportions of populations under poverty in the rocky desert area of Yunnan, Guizhou and Guangxi, Wuling mountainous area and Wumeng mountainous area are the highest. At the end of 2016, Tibet, the Tibetan areas in four provinces (Qinghai, Yunnan, Sichuan and Gansu), four prefectures (the Kashi Prefecture, Hotan Prefecture, Kizilsu Kirghiz Autonomous Prefecture and Akesu Prefecture) in South Xinjiang, Sichuan Liangshan Yi Autonomous Prefecture and Gansu Linxia Hui Nationality Autonomous Prefecture (three regions and three prefectures) still had 3.1854 million in population, and the poverty incidence reached 16.7%. As such it is still difficult to achieve poverty alleviation in deep poverty-stricken regions on schedule.

2.2 Urban poverty in China

With the transfer of the agricultural population and rapid urbanization, urban poverty increasingly becomes a social problem worthy of attention. Since China never officially established an urban poverty line, and does not have official urban poverty data, the quantization of urban poverty lacks a uniform standard. The urban subsistence allowances are calculated in the expenditure approach of basic living expense in general, calculated on the basis of fee expenditure of residents' basic food and other daily necessities (Ministry of Civil Affairs, 2011). Considering its similarity with the poverty standard measurement method, the expenditure approach could be used to estimate the urban population under poverty. During the period of 2007-2016, China's population on urban subsistence allowance decreased to 16.50 million from 22.43 million, and the proportion decreased to 2.1% from 3.7%, with a decreasing amplitude of 1.62%.

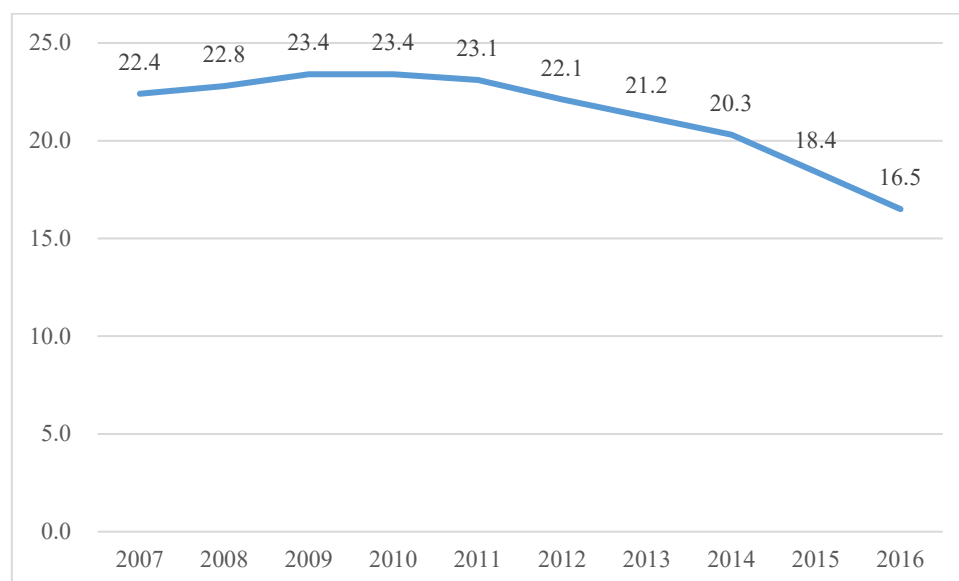


Figure 3. Beneficiaries of China's Urban Subsistence Allowance (million)

The international poverty line issued by the World Bank is also an important reference standard

for confirming China's urban poverty line, and the poverty data measured accordingly is convenient for domestic and international comparison. Calculated on the basis of the international poverty standard of USD 3.1/person/day, China's urban population in 1981 was characterized by this form of poverty, and the poverty incidence reached 96.32%, which decreased to 3.44% in 2013 (World Bank, 2018). Through an investigation of urban resident sample survey data of 8 provinces in 2015 by the National Bureau of Statistics using the international poverty line (USD 3.1), it was found that the income poverty incidence and the consumption poverty incidence in China's cities reached 0.5% and 4.9%, respectively. If the urban relative poverty line (half of the median of per capita disposable income of urban residents) was adopted, the relative poverty incidence of China's cities was 11.8%, which is far higher than the absolute poverty incidence. It can be seen that the income level of the urban population under poverty is enough to support the survival demand, but falls behind the overall development level of society, so it is necessary to adjust the income gap layout in the redistribution of structures, such as social protection, etc. so that more urban residents can share the results of an economically developed society.

2.3 Poverty of migrant workers in China

With the development of urbanization, increasingly frequent population mobility makes migrant workers who temporarily leave their registered residence without permanent residence in the city become new subjects in urban poverty. The total number of migrant workers in 2017 reached 286.52 million, increasing by 1.7% compared with last year, when the quantity of local migrant workers reached 114.67 million, increasing by 2.0%. The migrant workers who work outside their registered township reached 171.85 million, increasing by 1.5%. The average monthly income level of migrant workers is RMB 3,485, which increases by 6.4% from year 2016 (National Bureau of Statistics, 2018).

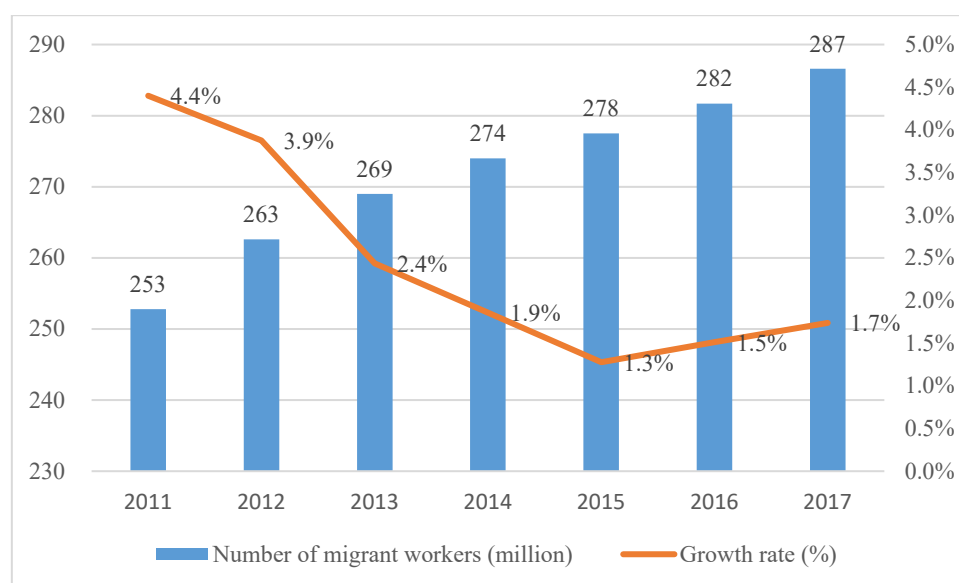


Figure 4. Trends of Migrant Workers in China, 2011-2017

The Asian Development Bank estimated the income poverty incidence of China's migrant workers was 5.2% in 2004 by utilizing the household survey data from the National Bureau of Statistics, while the poverty incidence of consumption expenditure reached 52.3% (Asian

Development Bank, 2008). Du, Gregory and Meng (2006) discovered that, if the subsistence allowance line is used as the poverty standard, the poverty incidence of China's migrant population was 10%, while the poverty incidence of urban residents was 3%; If the poverty standard calculated in the basic demand method is higher than the subsistence allowance line, accordingly, the poverty incidence of the migrant population was 16%, while the poverty incidence of urban residents was 6%.

Such research evaluated the poverty status of China's migrant workers by utilizing the resident survey data of the National Bureau of Statistics in 2015. Under the international poverty line standard (USD 3.1), the income poverty incidence of migrant workers was 2.1%, and the consumption poverty incidence was 12.3%. If the relative poverty standard (half of median of per capita disposable income of urban residents) is used, the poverty incidence of migrant workers was 26.3%, which far exceeded the above value and the poverty incidence of urban residents under the same standard (11.8%). Judged from the income perspective, the incomes of most migrant workers exceeded the set poverty line, but there exists a larger gap when compared with the income level of urban residents. Therefore, the poverty problem of migrant workers cannot be ignored in the urbanization process. The poverty problem of migrant workers under the consumption perspective is more serious. Because rent, medical care, education and big expenses are independently paid, in addition to weak employment and livelihood circumstances, migrant workers tend to reduce consumption and cope with the uncertainty of future life through precautionary savings.

2.4 Poverty of China's urban and rural vulnerable groups

The poverty of China's urban and rural vulnerable groups, such as women, children, old men and other special groups, is more prominent. The feminization of poverty summarizes the phenomenon that the quantity of "female-headed households" in families under poverty has increased and that the quantity of women under poverty is more and more common in the population. This has gradually become the huge challenge confronted by developing countries in the urbanization process. In terms of psychology and physiology, children are a more especially vulnerable group than adults, and poverty is an important threat to the healthy growth and comprehensive future development of children. As China's important human capital basis for the future, children should receive special attention to avoid the influence of poverty. With the exacerbated problem of population aging, the problem of elderly under poverty becomes more apparent, which is a concern of education circles and society. The data from the 2013 National School of Development at Peking University *Survey of China's Health and Pension Tracking* showed that, for the 22.9% of those over 60 years old (42.4 million), their consumption level is less than the poverty line.

In the research, the income poverty incidences of rural women, children and the elderly in 2015 were 6.3%, 7.9% and 10.4%, respectively (the income poverty incidence of national villages in that year was 6.4%), and their consumption poverty incidences were 9.1%, 10.9% and 23%, respectively. The consumption poverty problem of the rural elderly is severe most. Li Shi et al. (2017) researched the structural characteristic differences of China's rural poverty groups in 2015, and found the poverty incidence of a family only raising children was higher than that of family only supporting the elderly, the poverty incidence of a family raising both the elderly and children was the highest (8.0%). Therefore, these special groups and the economic burden they bring to the family are worthy of attention.

The income poverty degree of China's rural vulnerable groups is relatively low, and the 2015 data showed their income poverty incidence did not exceed 1.0%. However, their consumption

poverty problem, especially the consumption poverty of the urban elderly, is still worthy of attention. In 2015, their consumption poverty incidence was 13.3% (the urban consumption poverty incidence was 4.9% in the same period). In addition, relative poverty obstruct the survival and development of urban women and children, and their relative poverty incidence were 11.8% and 15.7%, respectively in 2015.

2.5 Multidimensional poverty measurement in China

The poverty problem is complex, because the poverty groups not only have insufficient income and consumption, but are also deprived of education, health, assets, etc. With a deep understanding of poverty, an increase of obtainable data, and the enhancement of data processing, in recent years, scholars have started to measure poverty status by utilizing the multidimensional poverty method, and most results show that the multidimensional poverty incidence in China's villages is higher than the traditional income poverty result (Yang Long, et al, 2015; Wang Suxia, et al, 2013; Gao Yanyun, 2012; Labar et al., 2011; Li Jialu, 2010). This research set up a multidimensional poverty measurement system with three dimensions and ten indicators, including education (educational background), health (physical condition) and living conditions (housing, outdoor roads, drinking water, sanitary toilets, showering facilities, energy for cooking, quantity of assets, and communication) (refer to Appendix Sub-report 1). In accordance with the international academic experience, 0.4 is selected as the cut-off of poverty deprivation, and China's rural multidimensional poverty incidence is 14.8%. Through a regional comparison, the rural multidimensional poverty incidence in the western region is the highest (20.3%). Among the three dimensions selected in the research, the educational condition (39.4%) of rural household family members makes the most contribution to the multidimensional poverty indicator, then comes health (30.6%), which embodies the practical significance and urgency of social services and social protection measures in the enhancement of rural education and health. In the living condition indicator, China's rural poverty is mainly embodied in the deprivation of sanitary toilets, energy for cooking, showering facilities, quantity of assets and communication.

Similar to rural poverty, urban poverty is multi-dimensional and complex. The multidimensional poverty measurement system in this research is utilized to analyze the China's urban poverty. It has found that the urban multidimensional poverty incidence is 3.1% when the cut-off of poverty deprivation is 0.4, and the multidimensional poverty incidence in Northeast China is the highest (4.4%). Among the three dimensions selected in this research, the health dimension contributes the most to the multidimensional poverty index (52.1%), which indicates the health service demand of urban poverty residents is not met, and the medical strength of security can upgraded to begin providing aid.

The poverty of migrant workers also needs to be researched from a multidimensional perspective. The measurement indicators of multidimensional poverty used in previous research include income, consumption, residence, health, education, medical care, vulnerability, work, living condition, subjective feeling, etc. (Sun Yongmei, 2016a, 2016b, 2016c). The research finds that the multidimensional poverty incidence of migrant workers is 7.8% when the cut-off of poverty deprivation is 0.4, and the poverty incidence in the western region is the highest (11.8%). Among the three dimensions selected in this research, the education dimension contributes the most to the multidimensional poverty indicator (43.1%), then comes the health dimension (32.1%). Since migrant workers do not have the urban registration, they cannot enjoy the equivalent social welfare and public services as urban residents. Compared with urban residents, migrant workers receive significantly lower education, and their guarantees in health and medical care also are not optimistic.

2.6 Reflection

Since the reform and opening-up policy, China's rural population under poverty has continuously decreased, peasants' per capita disposable income has increased substantially, and living conditions and various public service conditions have also improved. However, compared to the national rural average, the income of the rural population under poverty is still at a disadvantage, and the income gap among regions and villages still exists, so poverty alleviation still focuses on deep poverty-stricken regions. From the perspective of multidimensional poverty, education is the most serious dimension of rural multidimensional poverty in China and other regions. In terms of urban poverty, the income the population under poverty is enough to support the survival demand, but falls behind the overall development level of urban society. From the perspective of multidimensional poverty, health is the most deprived dimension in urban poverty. The degree of poverty among migrant workers is higher than the average level for urban residents under various measurement methods and standards, and education is the most deprived dimension in multidimensional poverty. In addition, the poverty of women, children, the elderly and other special groups needs to be shared concerned in the work of urban and rural poverty reduction.

Table 2. Poverty Incidence of Urban and Rural Area and Migrant Workers in 2015 (%)

	Income poverty incidence	Consumption poverty incidence	Relative poverty incidence	Multidimensional poverty incidence
Village	6.4%	9.3%	19.1%	14.8%
Rural women	6.3%	9.1%	19.0%	-
Rural children	7.9%	10.9%	23.5%	-
Rural elderly	10.4%	23%	18.6%	-
Town	0.5%	4.9%	11.8%	3.1%
Urban women	0.4%	4.8%	11.8%	-
Urban children	0.4%	5.4%	15.7%	
Urban elderly	0.9%	13.3%	6.6%	
Migrant workers	2.1%	12.3%	26.3%	7.8%

Data sources: 2015 Sample Data of Part of Urban and Rural Residents surveyed by National Bureau of Statistics

3 Evolution and challenge of China's poverty alleviation system and policy

Although China has achieved remarkable success in poverty reduction, China utilizes a binary governance mode for urban-rural segmentation instead of a uniform poverty governance system for national poverty governance. The significant difference exists in the urban-rural

poverty alleviation policy and inputs. As urbanization progresses forward, urban poverty and the poverty of the migrant population are increasingly prominent, which bring new challenges to China's poverty alleviation governance system and poverty alleviation policy. This report sorts through the development of China's urban-rural poverty alleviation policy, poverty alleviation system, current input situation, as well as existing challenges; deeply analyzes the current situation and challenges of China's social protection system purposefully; and finally, researches the possibilities of poverty alleviation in the eastern poverty alleviation reform pilot area under these challenges and new challenges confronted in the pilot area.

3.1 China's rural poverty alleviation policy

Between the founding of People's Republic of China in 1949 and the reform and opening-up policy in 1978, China's rural poverty alleviation policy focused on social relief, with single and dispersive forms. After the reform and opening-up policy, China's rural poverty reduction made significant achievements, which benefited from the rapid economic development and large-scale poverty reduction efforts led by the government to a great extent. It gradually developed precise poverty alleviation by improving economic conditions in poverty-stricken regions and promoting the capabilities of the population under poverty. The policy development of poverty alleviation after the reform and opening-up policy can be divided into six stages.

1978-1985: Economic reform promotes rural poverty reduction. During this period, the main method for poverty reduction was to promote economic reform and to enhance productivity at the institutional level. China implemented the household responsibility system and improved the procurement price of main agricultural and sideline products, such as grain and cotton, etc. Meanwhile, the preliminarily reformed purchase-sale system and the circulation system of agricultural products led farmers to carry out various agricultural operations. Poverty alleviation policy started to aim at the poorest former revolutionary base areas by changing from free survival assistance relief to a policy that combines production help and compensated relief, and started to implement work relief.

1986-1993: Start of large-scale development-oriented poverty alleviation. In 1986, the government of China started a special rural anti-poverty plan. The central government established a leading group for economic development of the State Council in poverty-stricken regions and its offices, and the governments above the county level also established corresponding specialized agencies. China's poverty alleviation policy changed into a development-oriented poverty alleviation policy to provide poverty areas deficient in technology, capital, culture and other factors, so that these communities can break free from poverty through their own development. While clarifying the basic policy guidelines of regional poverty alleviation, the whole country was divided into 18 regions with concentrated poverty, and 3 special poverty alleviation capital funds (development funds, work relief funds and special loans for poverty alleviation and interest subsidy) were set up for the undeveloped regions.

1994-2000: The period of alleviating of 80 million people from poverty within seven years. In 1994, China introduced the *National Crucial Plan for Poverty Alleviation of 80 Million People within Seven Years*, and planned to solve the subsistence problem in the villages at that time within 7 years (1994-2000). It is the first poverty alleviation and development plan with clear objectives, targets, measures and a deadline in China. China's poverty alleviation organizational system was gradually refined, and established the poverty alleviation and development responsibility system, a graded system that focused on the province as the source of implementing poverty alleviation. The poverty alleviation and development system was

aimed at 592 poverty-stricken counties, and gradually established the working guidelines for the village and household levels. Poverty-stricken families were gradually more inclined to receive the rural poverty alleviation capital. Capital investment was strengthened, and investment methods were diversified. The "great poverty alleviation layout", which combined special poverty alleviation, industrial poverty alleviation, social poverty alleviation and the international cooperation, gradually formed.

2001-2010: Development period for comprehensive poverty plan. In 2001, China introduced the second guideline document for rural poverty alleviation -- *Outline for Poverty Alleviation and Development in Chinese Rural Areas (2001-2010)*, which perfected the development-oriented poverty reduction strategy and confirmed the rural poverty alleviation and development policy of "government domination, social participation, self-dependence, development and poverty alleviation, comprehensive development". China adjusted the poverty alleviation counties and poverty alleviation standard. It focused on 0.14 million poor villages, and implemented poverty alleviation for entire villages. The development and poverty alleviation of agriculture industrialization were promoted gradually, and labor force training and transfers were launched. China also established a system of subsistence allowances (referred to as subsistence allowance) in national villages, in order to provide a living guarantee for the farmers who were caught in extreme poverty due to lost labor capability or an accident.

2011-2013: The period of enhanced comprehensive poverty alleviation development. In 2011, the government of China issued the *Outline for Poverty Alleviation and Development in Chinese Rural Areas (2011-2020)* (referred to as *Outline 2*), which substantially improved the rural poverty alleviation standard from RMB 1,274 to RMB 2,300. Meanwhile, *Outline 2* confirmed that the concentrated destitute areas were main battlefields for national rural poverty alleviation and development. The 14 concentrated destitute areas were divided and 680 poverty-stricken countries were regarded as the key objects of national rural poverty alleviation development. It also defined industrial poverty alleviation, special poverty alleviation and social poverty alleviation as the three basic methods for China's rural poverty alleviation to construct a new large structure for comprehensive poverty alleviation.

From 2014 to now, China's rural poverty alleviation has entered a new period of focusing on "targeted poverty alleviation and precise poverty alleviation". Its core function is to accurately recognize the poverty-stricken household; conduct accurate assistance on the basis of cause of poverty; conduct dynamic management, according to the poverty alleviation target's practical situation; and check the effect of assistance on the poverty-stricken family, in order to guarantee accurate alleviation from poverty. China preliminarily constructed the comprehensive poverty alleviation methods, including the poverty alleviation through industrial development, poverty alleviation through employment, poverty alleviation through relocation, poverty alleviation through asset income, ecological protection for poverty alleviation and social protection for poverty alleviation. China has also started to implement new poverty alleviation methods, such as the solar power poverty alleviation, poverty alleviation through e-commerce, and poverty alleviation through tourism.

3.2 China's urban poverty alleviation policy

Unlike its rural poverty alleviation, China has no systematic urban poverty alleviation system and policy. Current urban poverty alleviation policy started in the 1990s mainly in order to cope with urban unemployment brought by the state-owned enterprise reform, including employment and re-employment support and social protection (the social protection part will be discussed specifically in section 3.6). In terms of the salvation and re-employment aid aspect

for urban laid-off and unemployed workers, main measures include receiving unemployment insurance, enjoying employment services, and entrepreneurship support. Urban personnel with employment difficulties (employment difficulties due to physical condition, skill level, family, loss of land, etc., failure to find employment after continuous unemployment for a certain time) could enjoy all of the above treatments of registered unemployed personnel. The government also requires public employment service institutions to set up support systems for people with employment difficulties, and offers priority support and help.

As part of the urban resident population, migrant workers currently face a poverty challenge, and this is an important problem that is being neglected at present. The monitoring survey report of national migrant workers from the National Bureau of Statistics shows that the average age of national migrant workers was 39 years old in 2016, in which, migrant workers of 40 years old and over account for 46.1%, and those of over 50 years old account for 19.2%. In addition, migrant workers with independent employment account for 30% of the total number of rural migrant workers, which means that quite a number of migrant workers engage in unstable low-income work in the informal sector and confront huge unemployment risks. They urgently need to be supported by the government in employment and social protection, in order to deal with challenges in the employment, medical care, pension, children's education, etc. However, they have been excluded from the urban-rural poverty alleviation and social support policies for a long time, and act as the group neglected in the current poverty alleviation system, based on the census in China. As the 2014 *Opinion of the State Council about Further Serving Migrant Workers* and the 2016 *Notice of the State Council about Implementing Several Fiscal Policies of Supporting the Urban Integration of the Transferred Agricultural Population* reports were issued, such situations has been gradually changed. Both the central department and local department introduced relevant policies to improve the livelihood status of migrant workers.

With regard to employment training and social assistance, since 2014, Dalian and other cities have successively included migrant workers into the benefit scope of integrated urban-rural poverty alleviation policies, such as urban employment training, social assistance, etc. However, most urban migrant workers cannot access such assistance. Regarding housing security, Sichuan, Guangxi and other provinces and cities introduced a new housing security policy in recent years, in which eligible migrant workers are selected and supported. However, these policies set up stricter conditions in general, and very few migrant workers can benefit from them. Regarding the education of the children of rural migrant workers, the State Council in 2001 clearly proposed for the first time that the compulsory education of migrant children shall be the focus of local governments and public schools. The State Council clearly informed to implement the combination of fiscal transfer payments and the urban integration of transferred agricultural populations in 2015, and has unified the " free textbooks, exemption of miscellaneous fees and living allowance for boarding students " policy of urban and rural students with compulsory education since 2017, which alleviates the problem of educating the children of rural migrant workers to some extent. Regarding medical care and pension security, the government of China in recent years has proactively promoted long-distance medical care settlement of medical insurance and the arrangement and long-distance transfer of social pension insurance for urban and rural residents. However, subject to the lagging development of the national uniform social protection information system, lower medical insurance reimbursement ratios, and the lowest social endowment insurance subsidy standard of urban and rural residents, the poverty condition of migrant workers due to sickness is difficult to substantially change, and the urban pension system also confronts many challenges.

3.3 Chinese poverty alleviation policy on migrant workers

China's poverty alleviation work for migrant workers is still on the margins, and the urban integration barrier of migrant workers related to the household registration system will need to be overcome. At present, the government of China is improving basic urban public services by also transferring services mainly provided to the locally registered to resident populations, so that the rural migrant populations can enjoy basic urban public services. However, under the context of lacking a national urban-rural development poverty alleviation policy, there are still two main barriers in solving the poverty problem of migrant workers. First, the cost sharing principle in poverty alleviation is not clearly defined, namely the system and implementation method for sharing the poverty alleviation cost between central and local governments, among governments in different regions and between the government and enterprises are not divided specifically. As a result, the urban integration process of migrant workers is hindered, and migrant workers cannot enjoy various public services. Second, China's social protection systems, such as the urban subsistence allowance, implement a system that focuses on local financial input. If these systems were completely open to migrant workers or to the migrating rural populations for the purpose of enjoying the subsistence allowance, the current fiscal resources could not be affordable. After 2020, China's urbanization level will be further improved, the urban-rural social economy will be further integrated, and the problem the government of China will need to face is how to formulate a poverty alleviation policy for urban residents and migrant workers under new conditions. With the acceleration of an aging population, national economic structural adjustments and technical progress, the structure and characteristics of the urban poverty group will change greatly. The government of China will need to systemically formulate more coordinated policies in employment security and support, social service, social protection, etc. to handle the urban poverty problems that focus on the elderly, the ill and the unemployed.

3.4 China's poverty alleviation system and expenditure

Over time, the government of China has strengthened and partly reconstructed the poverty alleviation governance system. In order to make the system the organizational and institutional basis of achieving targeted poverty alleviation. However, as noted in the preceding discussion, China implemented a divided binary governance model, instead of the unified urban-rural poverty governance system. It attaches great importance to rural poverty, and constructed a horizontal and vertical governance mechanism to solve the rural poverty problem. In terms of vertical governance for poverty alleviation, China established a five-level model for government to manage poverty alleviation from top to bottom.

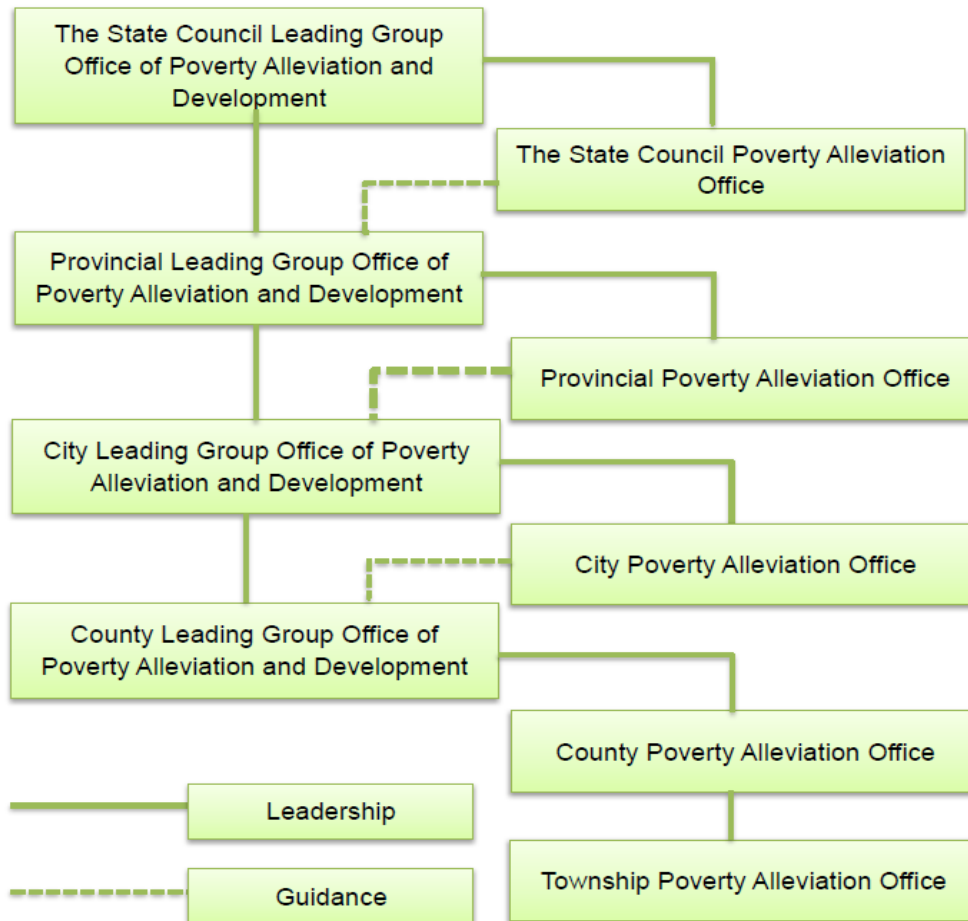


Figure 5. Poverty Governance Mechanism in Rural China

Organization and coordination of provincial poverty alleviation leadership and operating mechanisms have made apparent improvements. After 2015, mid-western provinces (cities and autonomous regions) set up the leading group of poverty alleviation development, in which, the Secretary of the Provincial Party Committee serves as the secretary for group leaders. Most of the provincial Poverty Alleviation and Development Offices reach the departmental level standard. Few provinces even arrange for the Deputy Secretary General of the Provincial Party committee or the Deputy Secretary General of the Provincial Government Office to concurrently serve as the director of the Provincial Poverty Alleviation and Development Office. The substratum governance system for poverty alleviation is also improved and strengthened. The establishment of a performance appraisal system of the Party committee government and a strict accountability system gradually make poverty alleviation and development become the center work of the County Party Committee and the government, and effectively supplements the rural operating mechanism and poverty alleviation personnel. All poor villages are staffed with a major secretary and working crew for poverty alleviation. In terms of vertical poverty alleviation governance, each industry sector and government in the eastern developed regions have a clear responsibility to alleviate poverty, and most departments undertaking this responsibility have successively formulated an implementation plan. Relevant provincial and municipal governments in the eastern region in cooperation to alleviate poverty also introduced a specific collaboration support plan. Since 2013, China has also gradually refined the accountability, check and evaluation system for poverty alleviation, which plays a proactive role in guaranteeing the implementation of targeted poverty alleviation policies and

plans, and reduces the loss and waste of poverty alleviation resources.

One reason why China achieves huge achievements in poverty reduction is due to the continuous growth of public expenditure on poverty reduction. Since 2013, the government of China preliminarily set up the system of poverty alleviation expenditure by increasing the specialized financial input of poverty alleviation, integrating the current special funds involving agriculture, promoting financial resources and mobilizing social resources. The fiscal input for poverty alleviation mainly includes poverty alleviation funds of the central financial budget and local financial budget at all levels, arranged by centering on the periodic poverty alleviation goal program. From 2013 to 2017, the Central Financial special poverty alleviation funds increased to RMB 86.1 billion from RMB 39.4 billion, and the accumulative amount reached RMB 282.2 billion with an average annual growth of 22.7%. The local financial poverty alleviation funds also increased greatly, which were similarly consistent with the growth rate of central financial special funds. The government of China also arranged RMB 120 billion of local government debt to improve production and living conditions in poverty-stricken regions. In addition, the government arranged RMB 99.4 billion of local government debt and RMB 50 billion of special construction funds for poverty alleviation relocation.

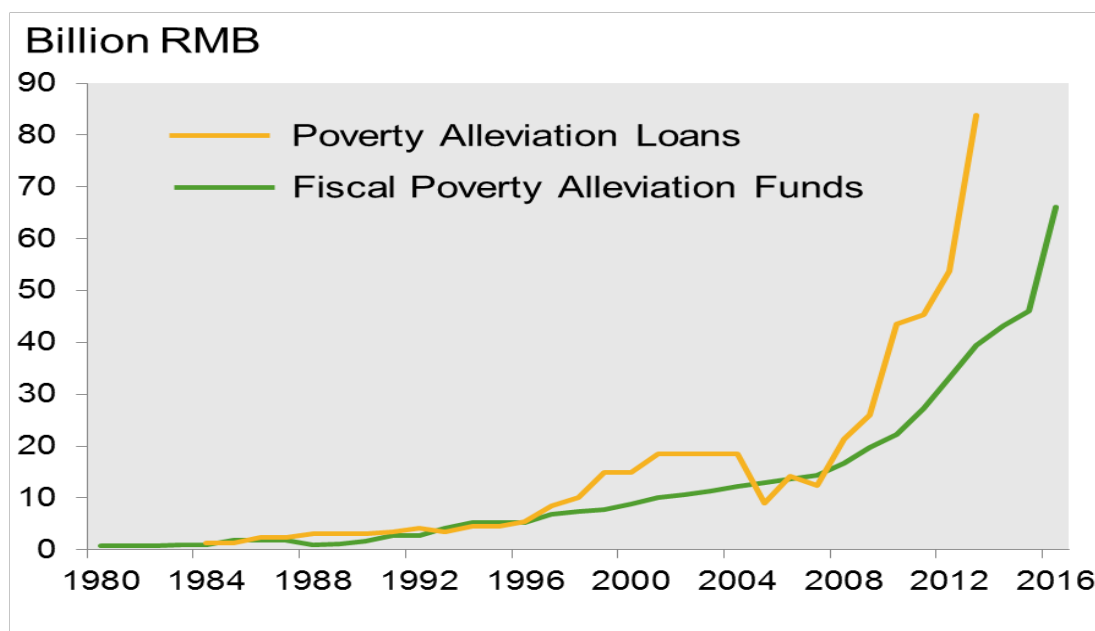


Figure 6. Annual Investment on Poverty Alleviation by Central Government, 1980-2016

Source: World Bank

When directly increasing China's investment in financial special funds for poverty alleviation, the government of China also further increased the poverty alleviation input by integrating agriculture-related special funds in poor counties, and started to pilot allocation and usage of the relevant financial agriculture-related funds at central, provincial and municipal levels, which decentralized poor counties completely. By the end of 2016, there were 961 poor counties in the entire country that carried out the integration pilot, and the total scale of financial agriculture-related funds at all levels included in the integration scope exceeded RMB 320 billion. The financial poverty alleviation input was mainly used to provide for poverty alleviation re-lending, micro-credit and other financial services to support crucial poverty alleviation, including industrial loans for poverty alleviation, special loans for poverty alleviation relocation, infrastructure loans in poverty-stricken regions, etc. Central and local

governments and financial departments made several new efforts to promote the crucial poverty alleviation aspect of the financial resources used, and to substantially increase investment in available financial resources and financial products for poverty alleviation, as well as increase opportunities for the poverty alleviation targets to obtain financial services.

Originating in Guizhou, the concept of "three changes", elaborated as "resources changed into assets, assets changed into capital, farmer changed into shareholder", was proactively explored in the respect of financial poverty alleviation. In addition, poverty alleviation through securities and insurance also obtained certain progress. For instance, China Securities Regulatory Commission (CSRC) opened up the green channel for IPO enterprises in poverty-stricken regions. Insurance companies ensure the agricultural development and agricultural income of poor households in underdeveloped regions by designing anti-poverty insurance, which is part of the preferential agricultural insurance targeted in poor areas. The former China Insurance Regulatory Commission (CIRC) and former China Banking Regulatory Commission (CBRC) are exploring to provide micro-credit loan users with loan insurance for poverty alleviation, by spreading the loan risk among insurance companies, financial institutions carrying the loans, and local governments.

While taking the lead in governmental increases of resource investments for poverty alleviation, China also integrates and mobilizes all forces to solve problems through the capable social mobilization contained in the political system. The government of China adjusted relations between the eastern and western areas; transferred the poverty alleviation focus of eastern and western cooperation into poverty-stricken ethnic regions that have deeper poverty; and revised the assessment method of eastern and western poverty alleviation cooperation, in order to promote effective poverty alleviation cooperation. Each relevant department mobilizes and integrates professional technical talents to support poverty-stricken regions, according to the work demand for crucial poverty alleviation. China also guides and supports private enterprises to participate in targeted poverty alleviation, and constantly innovates the poverty alleviation model of private enterprises. In addition to establishing industrial investment funds in poverty-stricken regions, like the "thousands of enterprises help thousands of villages" initiative and other programs, various different poverty alleviation models from enterprises have appeared.

3.5 Challenges faced in China's targeted poverty alleviation work

China's reconstruction of its poverty alleviation and governance system during targeted poverty alleviation is designed as a central objective to strengthen the effectiveness of government organization and implementation of poverty alleviation work. From the perspective of practical results, the poverty governance system is reforming towards more effective government leadership than before. However, it also objectively weakens the role of the primary-level organizations and poverty groups in poverty-stricken regions in the planning, implementation and management of poverty alleviation interventions, and reinforces dependency of grass-root poverty alleviation work on government organization. Once the poverty alleviation organizational system built for targeted poverty alleviation is not in operation, especially after the withdrawal of nearly millions of major secretaries and stationed working teams dispatched every year, the ability of primary-level organizations in poor villages to move forward may be reduced.

The current problems of different degrees of content overlap in assessments and evaluations and frequent crisscross in poverty alleviation monitoring work have increased the time and energy of grass-roots poverty alleviation workers in preparing and accompanying supervision checks, and assessment evaluations. These problems have also diverted the attention of local

grass-roots poverty alleviation work, and have easily caused grass-roots poverty alleviation workers to shift the focus of work to handle inspections and assessments, even compelling them to counterfeit so-called digital assessments and digital poverty alleviation. In addition, current monitoring and evaluation of poverty alleviation is still led by the government. Assessments from grass-roots organizations and participating poor populations are lacking to a large extent, which also greatly influences the quality and results of monitoring and evaluations.

Current targeted poverty alleviation policy has the following important characteristics, namely the government centralization and mobilization of large amounts of resources in a short period to support targeted poverty groups in order to guarantee scheduled poverty alleviation. This kind of policy invests a large quantity of resources, but few people benefit from it (only for the registered poverty-stricken family). Although it is beneficial to achieving poverty alleviation in the short term, unsustainability and risk still exist when considering long-term economic and technical aspects. First, the investment model of large-scale poverty alleviation resources is difficult to operate for a long term, otherwise other important development demands on the one hand would not be met, which influences the coordinated development of the national social economy. On the other hand, such a model would also occupy the original finance, banking, manpower, organization, employment and other resources of rural non-poverty alleviation targets in non-poverty regions. This would adversely impact its development in different degrees, and easily sharpen the contradiction between the beneficiaries of targeted poverty alleviation policy and the majority of society's populace, especially the poor marginal populations. Second, targeted poverty alleviation policy mainly depends on the strong intervention of external strength from the government, but neglects the development of rural grass-roots organizations and the improvement of poverty alleviation targets. Once the external strength leaves or weakens, the effect of poverty alleviation is hard to sustain. Third, during the implementation of targeted poverty alleviation policies, relaxed loan conditions bury the greater risk of reimbursement and the hidden danger of bad debt. In addition, agricultural products supported by industrial poverty alleviation projects in various areas are greatly consistent. If differentiated brands and business strategy lacked, low-price competition would form, which would cause a catastrophic blow to poverty-stricken regions and their poverty alleviation targets, and further aggravate potential financial risk.

By centering on the comprehensive elimination of rural absolute poverty by 2020, China's poverty reduction work has been at a crucial stage, and its gradual change in focus from development-oriented poverty alleviation to a combination of development-oriented poverty alleviation and poverty alleviation through social protection. Under this context, where the organizational system and investment model of targeted poverty alleviation are to be further adjusted, it is necessary to consider the poor groups and poor marginal populations in the resource distribution process, and pay more attention to improving their development and risk resistance capabilities. The social protection system based on basic and fair rights can play an important fallback role for the poor. Starting from the perspective of inclusive development, establishing and perfecting the social protection system will be the important link in targeted poverty alleviation.

3.6 Current Situation and Challenges of the Chinese Social Protection System

3.6.1 Overview of social protection system

After nearly 40 years of reform and practice, China has formed a social protection system

consisting of social assistance, social insurance and social welfare. Social Assistance is the basic institutional arrangement of China's social protection system. A complete and clear social assistance system has been established from *Temporary Measures for Social Assistance* effective in 2014, which focuses on eight systems (subsistence allowances, support for people in exceptional poverty, rescue for affected people, medical assistance, educational assistance, housing assistance, employment assistance and temporary assistance) and social participation.

As a direct cash assistance system, the system of subsistence allowances is the most important institutional innovation of the Chinese government in the social assistance, undertaken since the reform and opening up. The system of subsistence allowances for China's urban residents started a pilot in Shanghai in 1993 and then covered all cities in China. There are two main groups that enjoy the subsistence allowance standard in the city. One is the traditional "three no's" family (no source of livelihood, no capacity to work, no ability to determine support for dependents) who may enjoy full minimum security in accordance with subsistence allowance standards; The other is the new urban poor group who face economic difficulties due to unemployment or illness and enjoy subsidies in accordance with the difference between household incomes per capita and local security standards. At the same time, the rural subsistence allowance system has been established in some areas and covered all the agricultural counties by the end of 2007. After experiencing rapid expansion, the urban-rural subsistence allowance system has entered a stable stage of development. The number of people with subsistence allowance and the proportion to the total population has increased for several years, but has declined since then. At the end of 2017, the number of people enjoying the subsistence allowances for urban residents was 12.64 million and those enjoying the subsistence allowances for rural residents was 40.47 million (National Bureau of Statistics, 2018).

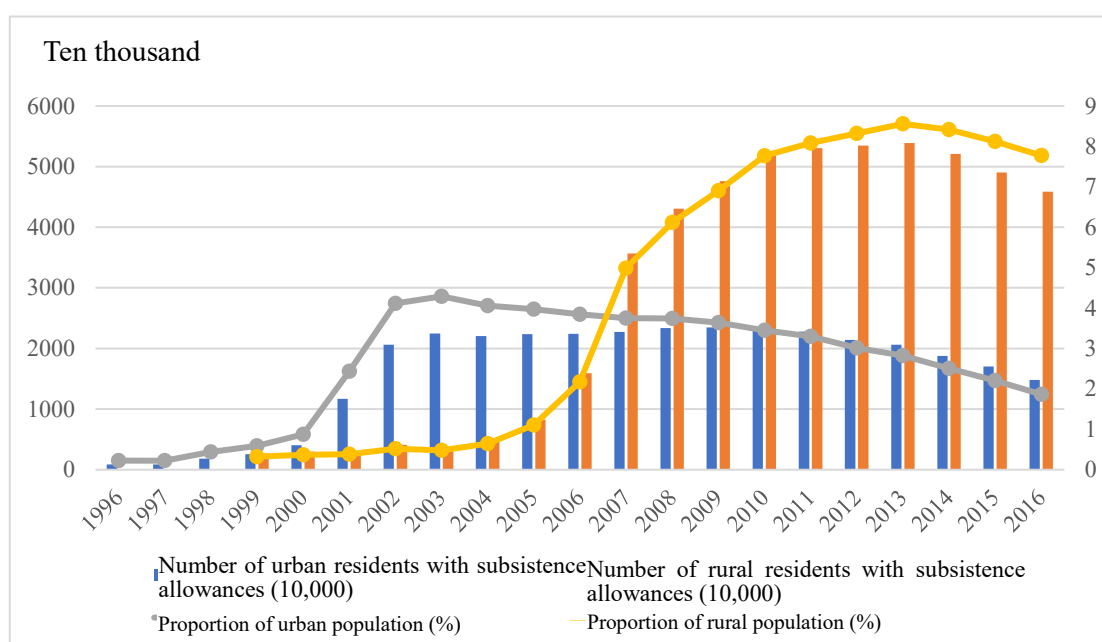


Figure 5. Urban and Rural Subsistence Allowances Beneficiaries, 1996-2016

Source: National Bureau of Statistics

In the aspect of support for urban and rural people in exceptional poverty, China has established a system regarding the support for "five guarantees" in villages, the relief of "three no's" urban people (No ability to work, no source of livelihood, no ability to determine support of dependents or its legal obligor unable to fulfil its obligations) and the welfare home support system. The support standard is determined by the municipal people's government in the

provinces, autonomous regions, and municipalities, directly under the central government or districts. By the end of 2017, 4.76 million rural people in exceptional poverty enjoyed relief and support in the whole country.

The implementation of the urban-rural subsistence allowance system and the special hardship support system have initially solved the problems of daily life for families with difficulties, such as eating and dressing, but whom still cannot meet their special needs in medical care, school attendance and housing. To this end, the Ministry of Civil Affairs has made efforts to promote special and temporary assistance systems such as medical assistance, educational assistance, housing assistance, employment assistance, disaster relief, and to create a social safety net for people in need to ensure life fundamentals.

The urban and rural medical assistance, which was started in 2003, is the arrangement of China's multi-level medical security system, which mainly adopts two methods: The first is to subsidize the participation of urban and rural residents in medical insurance and the new type of rural cooperative medical care for urban and rural residents living on the subsistence allowance and other people with special difficulties. The second is to give aid to the families who are still have difficulty in paying their own medical expenses after the NCMS reimbursement or urban medical insurance. In 2016, 55.6 million persons participated in basic medical insurance, and RMB 6.34 billion was provided for the basic medical insurance fund.

Educational assistance mainly refers to the state providing the necessary study and life help to the students with financial difficulties in the compulsory education stage, as well as providing a living allowance for boarding students who have family financial difficulties. At the same time, governments at all levels also provide financial assistance to students from economically disadvantaged families who receive general high school education, general higher education and vocational education through fee remission, grants, student loans and special hardship grants, work-study aid and other forms of assistance. By 2015, a total of 84.33 million students (children) had received financial assistance (excluding free textbooks for compulsory education and subsidies for nutrition and meals), with a cumulative sum of RMB 156.025 billion.

Housing assistance refers to the housing relief provided by the state to families with the subsistence allowances that meet the prescribed standard, and the special poor persons who are provided for separately. The development of China's housing system has experienced four stages: the stage of complete welfare, the stage of commercialization, the stage of high marketization, and the stage of indemnificatory apartments. At present, China's housing system includes commercial housing, price-limited housing, economically affordable housing, low-rent housing, public rental housing, other resettlement houses and fund-raising houses. In addition to commercial housing, other types of housing have security attributes. In addition to urban affordable housing, China's affordable housing also includes the reconstruction housing in forest areas, reclamation areas, and coal mine shantytowns, as well as the transformation of dangerous houses into housing in rural areas, as part of the national security housing project. The priority target of urban housing assistance will be to distribute the public rental housing and grant rental subsidies to low-income families with housing difficulties. As for the distribution of public rental housing, the rent should be reduced and exempted. The priority target of rural housing assistance will be to include reconstruction plans for dangerous houses in local rural areas. By the end of September 2014, the housing difficulties for more than 40 million urban families had been solved by means of low-rent housing, public rental housing, rehabilitation and housing of shantytowns and the granting of low-rent housing lease subsidies, including about 4.5 million urban subsistence allowance families (People's network, 2014).

Employment assistance is employment relief to the members of a family on subsistence

allowances with the ability to work and in a state of unemployment by such measures as discount interest on loans, social insurance subsidies, job subsidies, training subsidies, fee deductions, public welfare job placement, etc. The rescue for affected people refers to the state establishing and improving the natural disaster relief system and providing relief to those whose basic lives are critically affected by natural disasters. In addition, China also grants temporary assistance to those families whose basic living is experiencing temporary but serious difficulties due to fire, traffic accidents and other accidents, and family members suffering from serious illnesses, or those families with subsistence allowances which have been unable to cope with the sudden increase in the expenditure of necessities of life and cause severe temporary hardship in basic life and other special difficulties.

In the aspect of social insurance, endowment insurance is one of the most important social protection system arrangements. At present, China's pension system consists of three major systems: basic pension insurance for workers, basic pension insurance for urban and rural residents, and basic pension insurance for staff of government departments and public institutions.

China has gradually established a multi-level pension insurance system for employees, covering basic insurance, supplementary insurance for enterprises and personal savings insurance, in which the basic insurance system is based on the combination of social planning and personal accounts. With the promotion of the reform of the basic pension insurance for workers and the coverage expansion, the number of people participating in the insurance has increased year by year, reaching 401.99 million in 2017.

Since 2014, the new rural social endowment insurance and the social pension insurance for urban residents have been combined and implemented, forming a unified national system of basic social pension insurance for urban and rural residents. Individuals who participate in the endowment insurance of urban and rural residents, who are 60 years old or above and have paid for 15 years, and have not yet received the basic pension insurance benefits stipulated by the state, can receive the pension insurance benefits of urban and rural residents on a monthly basis. The number of urban and rural residents participating in this social insurance for the aged grew slowly from 483.7 million in 2012 to 512.55 million in 2017.

China has established "three horizontal and three vertical" medical security system: Horizontally it is divided into three levels, including the basic medical insurance system, the urban-rural medical assistance system and the supplementary medical security system. The basic medical insurance system as the main body is divided into three main systems vertically, including the basic medical insurance for urban workers, the basic medical insurance for urban residents and the new rural cooperative medical insurance. It has fundamentally transformed from the free medical and labor insurance medical cares to the social medical care security system. These three basic medical insurance systems covered more than 95% of the population during the 12th Five-Year Plan period, and achieved the basic goal of universal coverage of the medical insurance system.

China's medical insurance system for urban workers started in 1993, and has covered the vast majority of prefecture-level and overall planning areas in 2002. In 2017, 303.2 million people participated in the basic medical insurance for urban workers. The proportion of employed workers participating in employee medical insurance in urban employment has increased continuously and reached 53.6% in 2013. It indicates the principal status of basic medical insurance for workers.

In 2002, the State Council called for the establishment of a new rural cooperative medical care system which is dominated by comprehensive arrangement for serious diseases. In 2015, the

participation rate of NCMS was close to 99%. In order to solve the problem of medical insurance for non-employees in cities and towns, especially primary and secondary school students, young children, the elderly, the disabled and other groups, the State Council has started the pilot work on basic medical insurance for urban residents since 2007. The basic medical insurance system for urban residents has been gradually established and expanded. With the rapid development of economy and society and the increase of population mobility, the negative effect of the residents' medical insurance system due to the division of urban and rural areas is beginning to appear, and there are some problems such as repeated participation, repeated input, and inadequate treatment and so on. In 2016, China proposed to promote the integration of medical insurance for urban residents and the new rural cooperative system, and gradually establish a unified basic medical insurance system for urban and rural residents throughout the country. By the end of 2017, the number of people participating in basic medical insurance for urban and rural residents had reached 873.43 million.

Because of the low level of the basic medical security system in China, the burden of medical expenses for ordinary residents is still heavy. In 2015, the State Council made it clear that critical illness insurance should cover all urban and rural residents who participated in the medical insurance, and the proportion of payment should be over 50% at the end of the year. By 2017, China has basically established a relatively perfect insurance system for serious illness, linked up with medical assistance and other systems, jointly exerted the function of supporting medical care, and prevented catastrophic medical expenses from occurring in families.

Supplementary medical insurance is mainly used to meet medical needs other than basic medical insurance, including enterprise supplementary medical insurance, commercial medical insurance, social mutual assistance and community medical insurance, etc. It is a powerful supplement to basic medical insurance and an important part of multi-level medical insurance system. Urban and rural medical assistance is at the bottom of China's multi-level medical security system, which mainly helps people in need to participate in basic medical insurance, and provides subsidies for the individual who cannot afford to pay for their own expenses.

In 1986, China established an unemployment insurance system, which was extended to all urban enterprises and institutions and their staff and workers. The employment insurance is jointly paid by the employer and its employees. In 2016, the number of people participating in unemployment insurance was 187.84 million. Since the mid-1980s, China has started a pilot reform of industrial injury insurance in some regions. Industrial injury insurance premiums are paid by enterprises on time rather than working individuals. In 2017, 227.26 million people participated in industrial injury insurance, including 78.07 million migrant workers. In *Measures for Trial Implementation of Maternity Insurance for Employees in Enterprises* formulated in 1994, the maternity security mode assumed and managed by the original unit was transferred to the social pooling. Maternity insurance is paid by unit rather than by individual. The number of people participating in maternity insurance in 2017 was 192.4 million.

With the gradual establishment of social assistance and social insurance systems, China's social welfare undertakings have gradually improved. Entering the stage of rapid development of population aging, perfecting the welfare policy for the elderly is the key to reforming social welfare in China. In 2013, the State Council explicitly set the goal of accelerating the development of the old-age service industry. By 2020, a comprehensive old-age service system covering urban and rural areas will be built on the basis of households, supported by communities, supported by institutions, with a perfect function and an appropriate scale. Pension service products are more abundant. Market mechanisms continue to improve and

pension services sustain a healthy development. Subsequently, various regions have started to establish pension service evaluation mechanisms, and improve the subsidy system for the elderly and disabled in financial difficulties. Home and community pension service reform and long-term care insurance system have been carried out in order to promote the improvement of the pension service system. China's children welfare system is still lagging behind economic and social development. It is urgent to establish a protection-type modern child welfare system which is compatible with the economic and social development level of China and matched with the needs of the child development, and is connected with the social welfare system. At present, pilot projects for the construction of moderately inclusive child welfare system have been carried out in some provinces and cities. The rights and interests of rural left-behind children, troubled children (disabled, seriously ill, street children) and other groups have been gradually concerned and guaranteed. With regard to the welfare of people with disabilities, since 2016, China has implemented a nationwide subsistence allowance for people with disabilities and a subsidy system for severely disabled people. These two special welfare subsidy systems represent significant progress in the establishment of a social welfare system for people with disabilities.

3.6.2 Poverty reduction effects of social protection system

Social protection is an important link in poverty reduction as a system arrangement to regulate the distribution and guarantee basic living needs of residents. This research analyzed the poverty reduction effects of subsistence allowances, basic pension and basic health care system using the sampling survey data of the National Bureau of Statistics in 2015. It is found that the targeting effect of the urban subsistence allowance standard is better than that of countryside. More than 70% of urban subsistence allowance recipients are among 20% of households with the lowest income, of which 47.5% of families rank among 10% with the lowest income. Still, 2.3% of households belong to the top 10% of families in income. In rural areas, only 21% of recipients are in 10% of households with the subsistence allowance, and a significant proportion of middle-income and high-income groups also receive a minimum. In order to give full play to the effect of poverty alleviation in rural areas, it is necessary to improve the effectiveness of targeting and the efficiency of fund use.

The data also shows that the poverty reduction role of subsistence allowance standards is most prominent in many forms of social assistance, both in urban and rural areas, where the decline in poverty incidence is largely attributed to subsistence allowance. From the whole sample, the poverty reduction effect of the urban subsistence allowance standard is lower than that of rural areas, which is related to the low number and proportion of urban coverage. However for the subsistence allowance samples, the poverty reduction effect of the urban subsistence allowance standard is stronger than in rural areas, because the guarantee standard of the urban subsistence allowance standard is higher than that of the rural areas. The urban poverty incidence, initially 17.0%, fell to 7.2% after receiving a subsistence allowance income and to 6.1% after receiving other relief incomes. Poverty reduction in rural areas is less effective than in urban areas. The rural poverty incidence, initially 14.4%, fell to 10.6% after receiving a subsistence allowance income and to 9.8% after receiving all reliefs.

The effect of pensions on poverty reduction The study found that the urban and rural pension coverage rate was 89.5% and 76.8% respectively in families with people over 60 years of age. The income level and share of pensions in urban areas are significantly higher than in rural areas, so the poverty reduction effect in urban areas is more significant. Measured by the poverty standard of \$3.10/day, pension income has reduced the urban poverty incidence from 10.7% to 0.8%. In rural areas, pension income has reduced the poverty incidence from 13.7%

to 11.0%, with little effect on poverty reduction.

The reimbursement of medical expenses for drug purchases, outpatient treatment or hospitalization, including basic medical insurance for urban workers, basic medical insurance for urban and rural residents and serious illness insurance, is a transfer income, which accounts for a very low proportion of household disposable income. The proportion is less than 1% in urban areas and is about 1.5% in rural areas. As a result, the impact of poverty reduction has been limited. After receiving reimbursement for medical expenses, the poverty incidence fell by less than 0.5% in urban areas, and by less than 1% in rural areas.

3.6.3 The challenge of social protection equalization and urban and rural integration

At present, the social protection system, which focuses on basic pension insurance, basic medical care and system of subsistence allowances, has been by and large established. It is expected that the system will be fully covered by 2020.³ However, under the context of deepening the reform of the income distribution system, promoting the development of new urbanization and overall urban-rural development, the urban-rural social protection still faces many obstacles in system design, level of security, coverage, capital investment and management system. People actually get unequal social protection treatment. There is a certain degree of adverse adjustment to income distribution.

China's social protection system has been initially established, but the policy link between urban and rural areas is not smooth. In 2014, the new rural social endowment insurance and the urban residents' social pension insurance merged into the national unified basic pension insurance system for urban and rural residents. It was the first step in the overall planning of urban and rural social protection system. Since then, the basic medical insurance for urban and rural residents has also been gradually established. However, the system of subsistence allowances has not yet realized overall urban-rural development. The security system for residents and workers is still unable to join together. In addition, the regional segment and the management of multiple branches of government also make it difficult to implement the protection of different places.

China's social protection level has gradually improved, but still hovering at a relatively low level, and there are differences between urban and rural areas and regions. By 2017, China had raised basic pensions for urban workers for 13 consecutive years⁴, while the level of pension insurance for urban and rural residents remains to be raised. The monthly average was RMB 125 per capita in 2017.⁵ The average standard of urban subsistence allowances has risen from RMB 1,788 in 1999 to RMB 5,935 in 2016. The average standard of subsistence allowances in rural areas increased from RMB 851 in 2006 to RMB 3,744 in 2016. Between urban and rural areas, the level of security is quite different. Due to the principle of localizing management in China, there are still large regional differences in the subsistence allowance standard. The subsistence allowance standard is generally higher in coastal provinces with developed economies. In the second quarter of 2017, Shanghai's urban and rural subsistence allowance standards were the highest in the country, at RMB 11,168 and RMB 11,160, respectively. The urban subsistence allowance standard in Xinjiang is the lowest at RMB 4,727; the rural subsistence allowance standard in Guangxi is the lowest at RMB 3,146 (Ministry of Civil

³Report of the 18th CPC National Congress, 2012

⁴Guangming Daily, "Focus on the increase in pension for successive 14 times and deal with the pressure of pension payment", 2018, http://www.xinhuanet.com/fortune/2018-03/26/c_1122588213.htm

⁵People's network, "Two ministries to raise pension insurance benefits for urban and rural residents will benefit 500 million urban and rural residents", 2018 <http://politics.people.com.cn/n1/2018/0330/c1001-29899854.html>

Affairs, 2017).

The coverage of the social protection system is expanding, but it is difficult to cover the new social groups accompanied by urbanization, such as migrant workers and landless farmers. Migrant workers have strong mobility and social protection is difficult to implement, so they are generally excluded from the social protection system. Landless farmers often face the dilemma of no land, no post and no social protection, which makes it difficult to withstand economic risks. The social protection deficiency of these two groups should be the key problem in the next step of system design. In addition, it is difficult for different social groups to enjoy equal social protection treatment, and the welfare gap between urban and rural residents, urban workers and public officials still exists.

Financial investment in the social protection system increases, but the total investment is still limited. Taking the minimum guarantee system as an example, the urban subsistence allowance fund for all levels of public expenditure rose from RMB 290 million in 1997 to a peak of RMB 75.67 billion in 2013, and the rural subsistence allowance fund increased from RMB 1.62 billion in 2004 to RMB 101.45 billion in 2016. Although the absolute amount of subsistence allowance funds is steadily rising, the share of the country's total fiscal expenditure remains at a low level of about 1%.

At present, China's basic social protection system still faces regional, urban-rural and different population equalization challenges. From the point of view of social equity, urban and rural areas and regional coordinated development, the distribution of social protection resources in China should be inclined to the central and western regions in order to narrow the welfare gap between different regions. On the basis of realizing the system of pension insurance and basic medical insurance, we should continue to promote the integration of urban and rural social protection, and bring the neglected groups such as migrant workers into the scope of security. The next step should be to reduce the gap of social protection treatment among different groups and to promote the fairness of social protection system after ensuring inclusiveness.

3.7 Poverty alleviation reform pilots in Eastern China

In order to explore a new way to eliminate the dual system between urban and rural areas, to promote the integration of urban and rural areas, and to explore new ways to break through the obstacles of the system and mechanism of poverty alleviation and development, the Poverty Alleviation Office of the State Council approved the establishment of poverty alleviation reform pilot areas, in order to play a leading role in the new round of poverty alleviation and development battle. Compared with the central and western regions, some of the economically developed areas in the eastern part of the country have already completed the task of lifting themselves out of poverty, according to current standards and are exploring and testing new poverty alleviation systems and methods suitable for their development conditions and levels. The test of poverty alleviation systems and methods in the eastern poverty alleviation reform areas is of great significance for the design and planning of the post-2020 poverty reduction strategy. According to the research team's survey in Zhejiang and Shandong, the project analyzes the poverty alleviation innovation and challenge in the eastern poverty alleviation pilot area which can refer to the Sub-report on *Evolution, Current Situation and Challenges of China's Poverty Alleviation Policy* and the *Field Report on Poverty Alleviation Mechanism in Poverty Alleviation Reform Pilot Area in Shandong*

First, exploring the transformation of poverty alleviation policy from absolute poverty to relative poverty. In the eastern developed areas, Zhejiang Province early began the policy adjustment of poverty alleviation from absolute poverty to relative poverty. Since 2008, the

Zhejiang Provincial Government has formulated the poverty alleviation standards and determined the poverty alleviation targets, according to the requirements of peasants' per capita net income of about 45% and not less than 10% of the rural household registration population last year. Poverty alleviation efforts mainly check income growth of low-income populations, rather than the decline in the poverty incidence. The poverty alleviation targets for each term of government are relatively stable within five years. On the whole, we have broken the cycle of "increasing and decreasing, decreasing and increasing" the number of people under poverty caused by adjustments in poverty alleviation standards. Although other provinces and cities in the eastern region, such as Beijing, Shanghai, Shandong, have not explicitly put forward and implemented poverty alleviation policies dominated by relative poverty as Zhejiang Province, most of them take reference to changes in farmers' income levels in various localities and dynamically adjust poverty alleviation standards and target practices. In addition, Zhejiang Province has also constructed a standardized and detailed household income accounting system, which improves the precision of household income acquisition and fully considers the differences in the affordability of different families (For example, there is a distinction between families with persons with disabilities, families with diseases and single-parent families, etc.). It also proposes ways to integrate rigid spending on education, health care and life into the poverty identification system. The specific formula is: Actual annual per capita income = (Total household income of low-income farmers last year - Rigid expenditure)/number of family members. The core significance of this method is to reflect the government's sense of responsibility for the public service, and try to examine the real income of the residents after eliminating the rigid expenditure required by the residents in the public service, and ensure the access to the real disposable income of the populations (Li Shi, 2017).

Second, combining regional targeting and group targeting. In the test of poverty alleviation in the eastern developed regions, the policy of combining regional poverty alleviation and population poverty alleviation is being adopted. On the one hand, most provinces and cities have established underdeveloped counties (districts), towns and villages, and the government has provided special support. For example, in 12 underdeveloped counties in Zhejiang Province, measures have been taken to enhance the level of public services in the region, and strengthen endogenous development capabilities. Five actions have been conducted, namely to implement financial service support, provide special regional support, promote mountain and sea cooperation, help and care for the community, and promote reform and innovation. Shandong Province has identified "4 * 2" (2 regions, 20 underdeveloped counties, 200 key support towns, 2000 key support administrative villages) as the key poverty alleviation areas, and was given special support in the aspect of capital investment. On the other hand, for the poverty alleviation targets to take the precise support measures, provinces and cities must help alleviate groups from poverty. For example, Zhejiang Province has identified 1.76 million low-income poverty alleviation families and 4.17 million people, and successively implemented the "Project for Low-income Farmers to move towards a Well-off Society" and the "Income Doubling Plan for Low-Income Farmers". "Income Doubling Plan" may help low-income farmers to increase their income steadily through industry development, employment and entrepreneurship promotion, farmers' relocation, social assistance, and public service promotion.

Third, exploring the institutional transition from poverty alleviation in rural areas to poverty alleviation in urban and rural areas In recent years, some provinces and cities in the east have made new progress in exploring and establishing a poverty alleviation system of overall urban-rural development. In addition to realizing the social protection system of overall urban-rural development faster than the whole country, some eastern regions are still exploring a new system of overall urban-rural development in poverty alleviation. For example, Zhejiang Province mainly explored the combination of poverty alleviation relocation and rural

population urbanization, and promoted the transfer of rural populations to counties, central towns, small towns and central villages through the poverty alleviation relocation. The leading group and its office of urban poverty alleviation and development were set up in Huangdao District, Qingdao City, Shandong Province. They co-work with the leading group and office of rural poverty alleviation and development to coordinate the work of poverty alleviation and development in rural areas and towns in the whole area. However, Jinan Licheng District explores the expansion of government relief policies from rural areas to urban areas, where poverty alleviation policy enjoyed by the rural poor population is equally enjoyed in urban areas, and self-financing solutions are found in the areas where higher authorities have no funds. In the aspect of linking the subsistence allowance standard and poverty alleviation, Zhejiang Province keeps the synchronization trend between the low guarantee line and the poverty line (one high and the other low), according to the two different ways of thinking. Let the subsistence allowance perform the function of social assistance, give full play to the role of blood transfusion, and protect the lives of the extremely poor groups without worry; Enable poverty alleviation and development to fully perform hematopoietic functions, provide a platform and a way to become rich for groups in urgent need of improving their capacity for development.

Fourth, exploring the cooperative mechanisms among government, market and social power

In the course of poverty alleviation in the eastern regions, while strengthening the government's poverty alleviation efforts, we should actively use the market method and social forces to help the poor, and form a pattern of government, market and society working together to help the poor. Shandong, Zhejiang and other provinces have explored the experience of supporting poverty alleviation through financial innovation and insurance. In the process of supporting the aged and helping the poor, Shandong has introduced social participation through government purchase of services and volunteer activities. Wenzhou, Zhejiang Province has implemented "leaders + organs + enterprises + towns + villages" group-type link-together help model since 2012. It is an important form of poverty alleviation in many eastern developed areas to explore the way of organization in the aspect of industrial poverty alleviation and to promote industrial poverty alleviation by establishing and strengthening the connection between poor households and other economic organizations. For example, in the process of poverty alleviation in Zhejiang Province, efforts have been made to promote the "three systematizations" of industrial poverty alleviation: First, through leading enterprises, cooperatives and technical support systems, low-income farmers should be organized to build a new agricultural management system with certain scale and quality advantages; Second, low income farmers shall be organized into the rural industrialization system through material processing agents, incoming processing sites (enterprises) and rural electronic commerce; Third, we should organize low-income farmers through poverty alleviation and mutual aid associations and provide cooperative financial services for low-income farmers.

Fifth, exploring long-term assistance and support for special vulnerable groups

Zhejiang Province pays more attention to consolidating the existing poverty alleviation achievements and helping vulnerable groups and the marginal poor groups. "Income Doubling Plan for Low-Income Farmers" determined the peasant household with income per capita below RMB 4600 (twice the poverty line) as low-income households to consolidate support, provided the wages of low-income family members may not be included in the household income for a certain period of time to maintain their low-income household status during the consolidation period. This policy of "getting rid of poverty with policy" in Zhejiang Province is worthy of reference for the western region. While focusing on the new poor, it does not abandon the aid and monitoring of low-income households with income per capital below RMB 4600. Even if the families archived have lifted themselves out of poverty, they are still considered vulnerable

groups under poverty. The government continues to support poverty alleviation for some time.

4 International experience in poverty reduction

In addition to the exploration of new post-2020 poverty reduction strategies and measures in the experimental area of poverty alleviation reform in eastern China, there are some successful practices and experiences in the advanced ideas and practices of poverty reduction among the international community, especially the international institutions and countries that have experienced economic and social transitions similar to China. In view of the current and future challenges caused by aging and urbanization with Chinese economic development, the challenges of poverty reduction in China (such as deep poverty, social protection, urban poverty and poverty management) and the poverty reduction challenges faced by special vulnerable groups (such as women, children and the elderly), this research organized the international good practices and experiences in the fields of poverty measurement and standard setting, poverty targeting, social protection, urban poverty, poverty alleviation systems and governance, etc., in order to provide a reference for China's current poverty reduction work and design of post-2020 poverty reduction strategy. For details please refer to the sub-report on *International Lessons for Poverty Reduction During a Rapid Transformation and Implication for China*.

4.1 International experience in poverty measurement and standard setting

Poverty measurement is the foundation and premise of poverty targeting and intervention. With socio-economic development, the improvement of people's living standard, the deep understanding of poverty, the increase of available data and the enhancement of data processing ability, the content of poverty measurement is more and more extensive. Poverty measurement is experiencing a trend from absolute poverty to relative poverty, from single poverty to multidimensional poverty, from static poverty to dynamic poverty.

From absolute poverty to relative poverty. Absolute poverty measures the state of subsistence and living standards (such as food, clothing, health care, housing, etc.). The basic needs approach is a more commonly used method for absolute poverty in developing countries. Its core is to identify the most basic types and quantities of resources needed to sustain individual health and well-being from a consumer perspective in the long term, and accordingly convert to income/consumption as the poverty line. The absolute poverty standard that is widely used by the World Bank is the extreme poverty standard of \$1.90 per person per day. It is worth noting that the standard has been adjusted many times with economic development and with the adjustment of the price index. With the development of both economy and society, some countries have gradually eliminated the absolute poverty standard and started to use the relative standard to measure poverty. Relative poverty is mainly used to measure the difference and inequality within the poor population, which reflects the emphasis of a country on social inclusiveness and opportunity equity in a given time and space. The countries that adopt relative poverty standards are mainly developed countries. The setting of the relative poverty line is often matched by a broad and well-established social protection system. The poverty situation and the income gap after redistribution are the main policy objectives of policy makers. At present, the standard of relative poverty, which is widely used, is proposed by Organization for International Economic Cooperation and Development (OECD), that the poverty line of a country or region is 50% to 60% of the median income of a country or region.

From single poverty to multidimensional poverty. Amartya Sen believes that the nature of poverty is the poverty of poor population's ability and opportunity to create income. Poverty means that the population under poverty lacks the ability to obtain and enjoy a normal life. Therefore, "ability poverty" is Sen's core idea. One contribution of Sen's view on ability

poverty is to shift the focus of research from means (income, etc.) to a real purpose and extend the logic of the definition of poverty to "poverty-well-being deprived-basic needs-ability" (Wang Xiaolin, 2009). Multidimensional poverty measurement is based on Amartya Sen's theory of functional ability, which includes equal access to educational resources, health facilities, safety drinkable water, housing and political rights for the poor population. The improvement of workable ability can help to enrich people's life in a direct and indirect way, and make them reduce the deprivation and gain greater freedom. In addition, with the increase of available data and the enhancement of data processing capacity, the possibility of measuring a single indicator to a multidimensional system has greatly improved (Michel Aglietta, 2011). Multidimensional poverty measurements can find out the deprivation of the subjects in each dimension, so it can make public policy find priority areas for intervention with more operability and more policy guidance significance. What is currently commonly used internationally is the multidimensional poverty measurement system covering three dimensions and ten indicators, developed by United Nations Development Programme (UNDP) and Oxford University including health (nutrition, child mortality), education (years of schooling, school attendance), and living standards (cooking fuel, latrines, electricity, consumer durables, floors, and drinking water). On this basis, Bi Jieying (2016) constructed the multidimensional poverty indicator system with two more dimensions (food security and social capital) and compared the differences between measurements of income poverty and expenditure poverty. The multidimensional poverty index can reflect the characteristics of different groups, such as people from a given region, ethnic group or gender. It can be broken down according to group size, allowing for meaningful international comparisons between countries of different sizes. It can be broken down into dimensions to reveal to decision makers what factors contribute most to multidimensional poverty in any particular region or population group. In addition, multidimensional poverty has derivative application value, such as targeted public services, performance monitoring of conditional transfer programs, etc., but the main challenge in the application of the multidimensional poverty approach lies in the subjectivity in selecting a poverty dimension, specific indicators and weights.

From static poverty to dynamic poverty. The complexity of poverty is also reflected in its dynamic and long-term nature. According to the duration of poverty, scholars distinguish chronic poverty from transitory poverty, and the research and predictions of this dynamic change of poverty generates the issue of poverty vulnerability. The significance of studying transitory poverty and long-term poverty is the difference in causes, farmer types and solutions. The development of more targeted interventions requires a distinction between different poverty situations, but the current static measurement of poverty does not easily distinguish between chronic and transitory poverty. In addition, the need for long-term data for dynamic analysis of poverty is a major challenge in the study of the dynamics and vulnerability of poverty (Franklin et al. 2012). The study of poverty dynamics is the need for a comprehensive study of poverty, so it is necessary to establish a long-term traceable poverty monitoring database and to strengthen the study of poverty dynamics and vulnerability. To improve human capital, anti-poverty policies for specific poor regions and people (such as those suffering from illness) can effectively alleviate long-term poverty in the long run, while poverty can be reduced in the short term by increasing sources of income, increasing the intertemporal smooth income of households. In addition, from the perspective of vulnerability poverty, in preventing and responding to poverty, we should, on the one hand, focus on enhancing the development capacity of populations under poverty and increase their income; on the other hand, we should pay attention to risk prevention and response in the process of gradually raising the welfare level of populations under poverty.

4.2 International experience on poverty targeting

Poverty targeting is the process of using policy tools to guide the transfer of resources to target groups and to improve poverty reduction by increasing the benefits of the target poor population in the established budget. There has been a long debate between poverty targeting and universal social welfare, but remarkable progress was made at the end of the 1980s. At a time when government budgets were under enormous pressure in many countries, universal subsidy schemes were called into question, because they often benefited the better-off more so than the poor. World Development Report 1990 summarized the evidence of the degree of targeting bias of general subsidies and advocated for long-term measures to solve the poverty problem by the development of labor-intensive growth, the increase of human capital for populations under poverty, and the combination of targeted social safety net measures.

Poverty targeting methods mainly include group targeting, indicator targeting, regional targeting, self-targeting and poverty mapping. In practice, one or more targeting methods are often used in combination. The aim of poverty targeting is to allocate limited poverty alleviation resources to the target group effectively and to maximize the effect of poverty reduction by taking into account the number of benefit groups and the level of intervention. The World Bank found that targeting was effective, based on a survey of 122 intervention projects (Coady et al, 2004). The targeting project allocates 25% more resources to the poor than the inclusive project. Optimal targeting projects can focus resources highly on poor individuals or households. Argentina's employment programs target 80% of resources to 20% of the poorest population, but not all of them are more effective, and also 25% of projects are less effective than randomly assigned ones. In practice, the difference in the targeting effect of different methods comes from the targeting method itself. Del Ninno C. Et al (2015) summarized the advantages and disadvantages of various targeting methods. There is no single method that is obviously better, for it is mainly affected by the execution process. The design and implementation of the targeting scheme is very important to improving the targeting effect, and 80% of the difference in targeting effect is caused by the design and implementation of the targeting scheme. Due to differences in national conditions, the implementation effect of the intervention project is poor. With improvements in income level, project execution ability, the government's implementation effect, and decreases in the degree of inequality, the design and implementation of the targeting scheme has great potential for improving targeting effects.

Poverty targeting faces increases in some cost, compared with universal poverty alleviation measures. It mainly includes the management cost of collecting information and the personal opportunity cost of households when they accept the transfer payment and give up some income opportunity. The existence of eligibility criteria for poverty may lead to indirect incentive costs for families or stakeholders to change their behavior in an attempt to become policy beneficiaries. The exposure of targeting results for poor families may bring shame and other social costs to the beneficiaries and the exclusion of non-poverty groups, and may produce political costs. It is necessary to weigh the cost of poverty targeting and the expected effect in poverty targeting. It is not allowed to only pursue targeting accuracy regardless of cost. In practice, there will inevitably be a certain degree of targeting error. In general, there are two types of vulnerable targeting errors: one is undercoverage, which is the failure to reach some of the target group, the other is leakage, which is where benefits accrue to those outside the target group. The possible reason of poverty targeting error is as follows: first, the definition of real poverty is not accurate; second, the policy is not designed precisely and does not benefit the target group; third, the management corruption and poor policy implementation benefit non-poor populations. For example, project and capital division is determined according to the will of policy makers. The target of policy makers is inconsistent with the performer; Village cadres control project funds, beneficiaries, etc. in multi-sectoral application and replace the

purpose of project funds. In Thailand's Child Benefit Support Policy, the practice of certification of applicants by two local cadres has contributed to corrupt practices in poverty targeting. It is estimated that the leakage from the child support policy is about 20-40%. The main reasons for the leakage include the lack of complete application documents for poor children, missing the application deadline, cumbersome application procedures, not daring to apply, being told by local cadres that they will not receive subsidies, different registration and transportation to the bank, lack of money to open an account with the bank and other reasons (Somchai 2018).

Improving the efficiency of poverty assistance to the most vulnerable families and reducing administrative costs have been the focus of poverty targeting policies. In order to effectively coordinate and manage poverty alleviation projects in various fields, an important innovation is the Single Registry, which registers recipients of public expenditure projects in all fields. Single Registry can improve the accuracy of identifying eligible families, avoid two kinds of errors, such as leakage and under-coverage, and greatly simplify the administrative work, thus creating conditions for the continuous reform and perfection of the entire welfare system. Brazil was a pioneer in the Single Registry. The system has undergone a series of developments and improvements since it was established and implemented in 2001. It is the largest comprehensive database of poor families and individuals in Brazil. In 2014, the number of low-income families covered by the system reached 24.8 million, of which 78% were urban households, covering about 74 million people, or about 37% of the country's total population. Single Registry not only provides for poverty among poor groups, but can also be used to understand their socio-economic characteristics, such as household members, address, water, electricity and sanitation, and expenditures, taxation and inclusion in social programs (social welfare programs, discounted fees and contributory services, credit breaks and interest rates, technical and facility services, and social services). The existence of the system avoids duplication of social projects between different sectors to the greatest extent, reduces the cost of managing poverty alleviation projects, and can be used to better target social projects. At the same time, the harmonization of social policies and the further expansion of poverty reduction and social policies have also proved to be key tools for the implementation of social protection projects, such as conditional cash transfers. Corresponding to the huge system and integrated functions, the establishment, operation and maintenance of the Single Registry require huge input costs. The average cost per registered family in Brazil under the 2010-2013 system version was \$2.06, while the average cost of a similar system in Colombia was \$2.52. In addition to explicit financial investment, the Single Registry also has indirect costs that are difficult to measure directly, including the time and material costs (registering household and individuals, preparing materials, participating in interviews, transportation, etc.), the publicity communication costs from lowest-level data collection to the completion of the registration process, inter-departmental communication management costs, etc. In addition, the frequency with which the system is updated to ensure the targeting of the latest poor families is also an issue to be considered (Phillippe L. et al 2017).

4.3 International experience in conditional cash transfers

In the aspect of targeting special groups, conditional cash transfers are aimed at strengthening the human capital and social capital of poverty groups such as children, pregnant women and so on. It is a good international practice that helps block the intergenerational transmission of poverty. In the mid-1990s, some Latin American countries began to try to innovate the poverty alleviation system in order to reduce the gap between the rich and the poor. Mexico was the first to launch a national social experiment that triggered a strong global response - by

subsidizing the poorest families in cash and replacing food subsidies that had been in place for decades, on the condition that children were educated and immunized. The experiment is called conditional cash transfer (CCT). The social context was a widening gap between the rich and the poor in Mexico, increased political and economic uncertainty. A discussion of social protection focused on effective targeting options. Health, nutrition and education interventions are proved to be the most effective way to reduce poverty. The World Bank lists CCT as an important tool for implementing the social protection strategy - *From Safety Net To Spring Bed*. Nancy Birdsall, the chairman of the Center for Global Development called CCT as the "Magic Bullet" in the development program and held that "there are transformational events in every generation, and CCT is one of them." CCT is also included into the innovation action of "Social protection forum" by the UN system and is a type of targeted way to alleviate poverty in recent years. There has been no conditional cash transfer policy or large-scale projects in China, but the cooperation pilots between the international agencies and governments have been carried out in Yunnan, Gansu, Sichuan, Shaanxi.

Conditional cash transfer (CCT) means that the target group is eligible for transfer payment only if the target group has followed certain predefined conditions and procedures, such as sending the child to school, prenatal care and postnatal review, improving the nutritional status of children and regular medical examinations. It is aimed at providing short-term assistance to families living in extreme poverty. Through additional conditions, the government's single responsibility in traditional poverty alleviation work is transformed into the common responsibility of the government and the beneficiary families. The poverty reduction is linked to the training poverty reduction capacity, so as to cultivate long-term human and social capital. The effective choice of target groups is the premise to ensure the implementation effect of the CCT project. CCT is mainly aimed at poor and extremely poor families, and has a clear gender orientation. Some projects directly target women in the family. The aiming methods are mainly group targeting and regional targeting, which are often used simultaneously in practice. In addition, there are generally bottom-up identification mechanisms and third-party evaluation mechanisms in the identification of project beneficiaries.

As the first countries in the world to promote CCT, Mexico and Brazil have more mature institutional design. From the initial delineation of the beneficiary group to the identification of the benefit qualification, as well as the issuance, supervision and evaluation of cash subsidies, there is a complete set of processes, which are based entirely on the national financial budget and are less dependent on the outside. Therefore, it has more practical significance. First, the two countries have adopted flexible management principles, combined with decentralization and centralization in the operation of CCT administration, namely the National Commission for Social Development is responsible for overall coordination supervised by the National Commission, which is composed of representatives of various fields. In the implementation stage, the National Commission for Social Development delegates the authority, and signs mandatory agreements with each state and standardizes the implementation plan. Second, the targeting mechanism of the two countries has its own characteristics. Mexico has adopted a top-down approach of scaling down the target group, namely it first defines priority poverty areas based on overall census data, and then selects and adjusts beneficiary families from them. Brazil's beneficiary group information collection and qualification is carried out within the unified information registration system. The income of each claimant is compared to the set criteria nationwide, and the beneficiaries are determined in conjunction with indicators allocated to the states. The third process is accurate differentiation subsidies. Taking the education subsidy as an example, there is a positive correlation between the amounts of subsidy and level of education, that is, the higher the grade, the bigger the subsidy. Fourth is the transparent payment principle. Brazil's family benefit scheme has an efficient and transparent

system for granting family benefits directly through citizen cards to beneficiary families, avoiding intermediaries, thus increasing the utilization rate of funds.

The International Food Policy Research Institute evaluated four CCT projects in Latin America, such as the Mexico " PROGRESA ", the Brazilian " Bolsa Alimentacao ", the Honduran " Programa de Asignacion Familiar ", and the Nicaraguan " Red de Protection Social ". The results showed that CCT programs improved education, health, and nutrition. However, to ensure the effect of CCT implementation, we should fully consider the project objectives and mechanisms, pay attention to two-way communication with beneficiaries, and ensure the quality of education, health, nutrition and other services. Project design should take into account village, household, personal level of culture, governance structure, gender, etc. Conditional cash transfer projects also have their limitations: (1) There is still a lot of room for improvement in the level of human capital for CCT projects, and the reason why the level of human capital does not reach the desired state is that household income is insufficient rather than in areas with limited public service conditions; (2) Government departments are required to have a high degree of coordination and cooperation, especially among social protection, education and health departments; (3) There should be a comprehensive support system, such as a statistical system, a monitoring and evaluation system, and a system for the rapid disbursement of funds, as well as a management system and a service system; (4) CCT is only a redistribution of income to poor families, which does not apply to all poor families (such as poor elderly families, childless families) (Coady et al 2004).

4.4 International experience on rights-based social protection systems

A sound and effective social protection system covering all people is the core method to reduce poverty, inequality and vulnerability by all the countries around the world. When developed countries are discussing about the possible disadvantages of social protection, which occupies the scarce public resources, that is not conducive to encouraging investment, and even results in drawback of long-term economic development. Developing countries are still exploring a possible sound social protection or the building of social protection system. In fact, social protection can promote economic growth directly and indirectly by assisting individuals, families and communities and so on to produce and accumulate assets, assisting families to protect their assets when facing shocks; coping with risks and use existing resources effectively; supporting reform in economic structure and reducing social unfairness (Alderman 2009). Overall, the social protection of developed countries was developed rapidly after World War II, and gradually large and complex social protection systems were built. The expenditure of the Swiss social protection system accounted for 31% of GDP, and the USA system accounted for 16% (Jean-Jacques D.2009), which were well over China. Although the expenditure is huge for social protection, the disputes on fairness and efficiency are unceasing. It plays an important role in maintaining income, reducing poverty and maintaining stable aspects of economic development. FAO research showed that social protection had a global population of about 0.15 billion freed from being caught in poverty-stricken conditions (Sang 2018). European social protection had reduced 40% of the population under poverty at least. Belgium and Sweden, which are known for their high welfare, had reduced about more than 70% of their population under poverty, and the USA about 28% (Alderman, 2009).

A social protection system with Chinese characteristics is gradually built according to the developed countries and the International Labor Organization, with regard to the design of the social protection system framework and sorting the practice of implementing the social protection, but it still has some problems of small coverage, narrow scope implementation and low level planning, especially with rapid urbanization and population aging. Several significant

problems of an institutional and systematic nature faced by the building of China's social protection system have to be settled urgently and pro-poor social protection policies need to be strengthened. For these problems, it analyzes the established and innovative practices with regard to the social protection on the international level, and introduces relevant experience with the examples of social protection systems in Japan and Thailand. From the view of poverty reduction, social protection policy can be divided into two classes: an inclusive social insurance and social welfare system, and a targeted social assistance system. The social insurance system is supplied by the government or based on the mandatory payment, covering the endowment insurance, medical insurance, unemployment insurance and industrial injury insurance and so on. The social welfare system is usually supplied by the government and not based on payments, including health, nutrition, public health, education and other social services. The targeted social assistance system mainly provides relief to those living a hard life, copes with the impact and guarantees their minimum subsistence.

Universal pension insurance. There are more than 170 countries that have built the pension insurance and more than 70 countries covered the rural population (Tongxing et al. 2011). The pension insurance has been covered for more than 90% of working population in developed countries. There are mainly three ways of specific implementation: first is the pension insurance system, of which the rural population is included in the national pension scheme, i.e., city-rural integration, e.g., England; Second is the special pension system for the peasant or farmer, e.g., Germany, France, Poland, Belgium and Austria etc.; Third is the type that integrates unified with separate management, i.e., it is developed based on the basic pension plan and gradually implements city-rural integration, but the personnel in different industrial sectors supplies an independent pension plan, e.g. the rural pension plan in Japan, it is also adopted in Sweden, Canada, Denmark and Norway. In the model of old-age security, according to the level of security, the contribution status by the beneficiary, the contribution standard, benefit standard and the financial mechanism can be divided into the alternation and income supplement type, the contribution and non-contribution type, the uniform contribution and income association type, the uniform benefit and income associative benefit type, the PAYG (pay-as-you-go) and fund accumulation type, respectively. At present, the rural endowment insurance system is positioned as the supplement type other than the alternation type in most countries. Most rural endowment insurances are the non-contribution type in developing countries and Commonwealth countries. The non-contribution and uniform contribution countries basically adopt the uniform benefit, and the rural endowment insurance in most countries belongs to the PAYG system, but the fund accumulation system is being adopted by more and more countries.

The fund financing of the rural endowment insurance is the most important link in the rural endowment insurance system, and it is also the most difficult one to be solved. In the view of the international experience, the government's fiscal subsidy is the main source of rural endowment insurance funds. The sources of endowment insurance funds in which countries implement common security are all from fiscal subsidies, such as England, Australia, New Zealand and Iceland etc. The rural endowment insurance funds in European countries are mostly from fiscal subsidies. There are countries where the fiscal subsidy proportion is not significant. For example, in Japan, one third of the basic endowment insurance is undertaken by the national treasury and the rest is undertaken by the premiums of the insured. In addition, many countries adopt the method of the contribution plus the fiscal subsidy. In order to reduce negative effects and financial stress, more countries are developing toward diversified financing and subsidies, where the individual contribution share is increased and the government proportion begins to fall in a trend. In addition, each country begins to build a multilevel endowment insurance system, including basic endowment insurance, supplementary

endowment insurance and self-protection etc. The market factor is introduced in the process, and each country stresses to build an insurance pension plan and increase the private pension plan parts. Every country also makes the pension benefit and contribution closely linked, and satisfies the old-age security needs of different population groups at different levels.

The rural endowment insurance system is robust in Japan and China can draw much experience from it. There are three levels of the rural endowment insurance in Japan. First is the national pension that the whole nation participates in; Second is the farmer's pension fund system, which is treated as an important supplement to the national endowment insurance system, where qualified rural residents (persons under 60 years old, who are the first kind of the insured and time engaged in the agriculture production and management is more than 60 days) may join voluntarily; Third is self-savings, which belongs to the selective supplemental security. There are three features and experience values that can be drawn from the operating mechanism. First is to strengthen the pension service function of the rural community. Along with industrial and urban development, there are more and more empty nest families in rural areas, and the practice of families supporting the elderly cannot solve the problems of providing for the elderly in rural Japan. Adjusting the rural endowment insurance system and promoting the transformation of rural social endowment insurance from the simple economic support to the care service, the community pension enables the elderly to enjoy the professional care and life care, while avoiding the disadvantages generated by family support and institutional endowment in Japan. Second is that the agricultural cooperation organization is responsible for managing the rural social endowment insurance. Japan's agricultural cooperation organization is a non-profit and non-governmental organization and is very popular in rural Japan. It implements a management function in the aspect of rural pension premiums, and provides guidance and consultation for the insured. Third is legal protection. The enactment of various rural old-age social protection is based on the law to ensure the system runs smoothly.

Health protection. International experience focuses on three aspects of optimizing the system of medical insurance, improving the fairness of medical health services and controlling non-communicable diseases.

Each country is gradually exploring the medical contribution and subsidy system, as well as the universal health insurance system, which are appropriate to the level of economic development and financial force in the aspect of medical insurance. All developed countries have adopted a universal health insurance system except the USA. The medical insurance can be divided into three classes: Individual payment with products and services provided by the private sector, government contribution and medical services provided by the government, as well as government contribution and services provided by the private sector and strict control of medical expenditures. Japan has realized universal coverage of medical insurance. In addition, for the increasingly prominent problem of rural population aging, Japan has also set medical expenses to a fixed rate system for those over 70 years old in Japan. 10% of the insurance is paid by the individual and the rest is undertaken by public medical insurance institutions and state and local governments. The most notable achievement of social welfare in the areas like Taiwan, China is the universal insurance system. It ensures all people have access to a wide-range of medical services equally. With lower co-payments for patients, better quality of medical services, lower administrative cost and a more efficient IT supporting system, the coverage ratio of medical insurance had been up to 99% in 2012.

Pro-poor medical insurance is for the poor and high-risk populations in developing countries and has designed a risk sharing mechanism. Many countries have provided extra assistance for these populations with fiscal revenue. The "30 Baht Plan" of the universal health insurance implemented by Thailand in 2001 was a model of the pro-poor universal health insurance plan.

All residents who were not listed in the social insurance plan could access a universal medical insurance card and enjoy all the medical services provided by hospitals, as long as holding the ID card designated the health department handling the formality of paying the registration fee of 30 Baht (about RMB 6), and exemption and reduction policies were implemented for those could not afford the medical insurance. Thailand had built a nationwide central database, covering population information of the national medical program, in which the public sector worker was the beneficiary, the social insurance plan and the universal coverage plan in 2002. It was updated every two months. Much experience deserves to be drawn from it by China for the medical insurance model in Thailand. Thailand implements the medical security model of community cooperation and pays attention to the building of community health services. The overall health service system is divided into three levels: Primary health care, secondary health service and tertiary health service. The former two items are implemented by the health agency at the community level, and provided by community health centers and community hospitals, respectively. With regard to the payment method, adopting the method of capitation payment for the outpatient services, macro-reforms for in-patient services and cancelling the method of service payment greatly saves on medical expenses. The so-called capitation payment is determined by age structure, disease burden and regional characteristics and adjusted accordingly to the cost and commodity price annually with the features such as better fees control, convenient management, as well as improvement of the regional imbalance of the medical staff. However, the imbalance condition among urban and rural medical facilities and regions in Thailand has affected the level of medical service to which the rural population can access. Some regions lack basic health inspection services and incentive mechanisms, as well as increased job opportunities from the private sector. Some health staff, especially doctors, leave in succession in some rural regions, which has negative effects on the medical security that mainly relies on the public health service facilities (ILO 2013).

In the aspect of improving the fairness of medical health services, the first thing is to realize the combination of medical care with other social protection programs by fiscal expenditures, especially for vulnerable groups, such as the elderly, women, people with disabilities, children and populations under poverty, etc. Second is to expand the coverage of medical health services, especially the rural grassroots organizations, underserved groups, and expand the availability of medical health services by providing information, cooperating with the civil society and Patient Support Organizations, etc.

In the aspect of non-communicable disease control, internationally there have been a series of works carried out in some key areas, such as reducing infant and maternal mortality, young children and women's health care, advocating a healthy lifestyle (less alcohol and tobacco, healthy diet, physical activity guidance, prevention and control of cardiovascular disease and diabetes, cancer inoculation and screening), etc.

Nutrition improvement. Poverty is typically accompanied by malnutrition. The problem of malnutrition has become a global challenge, thus resulting in enormous social and economic burdens. According to statistics from the FAO, there were 0.78 billion malnourished populations in 2014/2016 around the globe and millions of children died from malnutrition annually. Not only that, malnutrition hindered children's growth, reduced children's enrollment rate and increased the possibility of falling into poverty after they reached adulthood, thus resulting in continuing malnutrition across generations. Malnutrition leads to a global GDP loss of \$1400-2100 billion annually (Gillespie et al., 2016). Therefore, some countries mainstream nutrition improvement into national and local economic development plans and poverty reduction plans, and plan implementation is safeguarded by the legislation. In 2016, the International Food Policy Research Institute published a book called *Nourishing Millions*, which summarized policy measures for improving the nutritional status of populations under

poverty, vulnerable groups and the instances of specific interventions. In the same year, *Global Nutrition Report 2016* was published, which stressed the importance of multi-party participation of the United Nations, national and local government departments, other non-governmental organizations and enterprises, based on instances of nutrition improvement around the world.

These are the following characteristics of nutrition improvement policies and measures for populations under poverty at present: First, nutrition importance is very prominent and a consensus has been formed. The nutrition problem for populations under poverty is not food quantity but food quality, especially the lack of food variety and micronutrients. Many nutritional programs offer the specific supplementary nutrients for the populations that lack some nutrients. Second, it stresses multi-field and multi-sectoral participation and cooperation, and pays much special attention to the important role of the agriculture, sanitation and social protection departments in nutrition improvement. In the agriculture area, FAO actively advocates for "Nutrition-sensitive Agriculture" of the whole food system, and typical practices, including biological enhancement and farm food production, etc. In the sanitation area, the famous "WASH Program" for water resource safety and complete sanitation will provide a basic health safeguard in poverty-stricken regions, and reduce the bodily harm of diseases resulting from unclean water and food. In the social protection area, there has been achieved success in nutrition improvement for the "Conditional Cash Transfer" in Mexico and Bangladesh. Third is the design of targeted nutritional intervention measures, according to different populations. With pregnant women, infants, young children, and students are the most significant achievements. The 0-3 years old stage is the most important window phase for human development, for providing infants and young children with balanced nutrition and scientific raising has an important influence on brain and body development, as well as for the potential of the children. Infants and young children have no ability to choose food independently, so it is easy to implement the intervention. The main nutrition intervention for students is "School Feeding", for it can not only focus on improving food consumption for student groups, but also provides the school the convenience of delivering the "Nutrition Education" to the students, and implementing the "Food Education" for the students at the early stage in life, making them form good nutrition and food consumption habits, providing a lifelong benefit. Some "School Feeding" can integrate fully and utilize local agricultural resources to drive the local economy that has the spillover effect from poor households. Fourth, the policies pay much attention to sustainable food consumption and nutrition improvement behaviors. The measures of community visits, nutritional guidance and nutritional behavior can change people's communication, and can significantly improve the nutrition improvement effect, which indicates that the nutrition improvement intervention has crossed into the combination stage of Economic Incentive and Sustainable Behavior Change from the Economic Incentive stage. What is behind it is that people begin to care for the input cost-effectiveness of nutrition improvement, and how to realize the long-term effects of the nutrition intervention (Huang Jiaqi et al., 2018).

China can draw much experience from the comprehensive nutrition improvement plan in Thailand as introduced in the sub-report on *Experience of Poverty Alleviation and Nutrition Strategy in Thailand*. First, the measurable nutrition indicators are included into the national development strategy in Thailand, and it makes a comprehensive nutrition plan by combining nutrition with the social protection program of agricultural development, sanitation, medical care and education, and explores the multi-sectoral implementation method. Second, China can draw lessons from the concept of "Agriculture-Food-Nutrition-Health", which advocates developing nutrition sensitive agriculture and promoting and supporting the production and consumption of nutrient-rich foods. The third lesson is supporting the community to promote

participation in nutrition improvement. Encouraging village and community participation in the formulations of the local nutrition plan and policy enhances community capacity building and boosts society participation through the community. The fourth lesson is to enhance nutrition research, publicity and education, which provides intellectual support to solve the nutrition problem. Efforts include to widely publicize the national nutrition policy and the nutrition programs and activities in local areas; to publicize the dietary guidelines and food labels, based on the nutrition; to carry out the nutrition publicity campaign using the media and the local activities; to carry out diet and nutrition education for pregnant women and children through health consultations.

Educational support. The research results of multidimensional poverty in Chinese rural areas in the preceding part of the text show that the education dimension in rural populations and migrant workers suffers the highest deprivation. Hence, a conclusion is made with regard to education from international experiences in poverty reduction. Sustainable development goal 4 puts forward “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”. Global education goals have surpassed the millennium development goals in achieving universal primary education. They focus on the improvement of learning quality and comprehensiveness to let all population groups have a lifelong, high quality education. On the basis of project practice of the United Nations Educational Scientific and Cultural Organization (UNESCO) in the poverty field, we find the following key emphases in education work. First is to ensure that the children in the poorest regions can receive education to break from the intergenerational transmission of poverty. Some conditional cash transfer projects aimed at the improvement of human capital are good practices. Second is to achieve a high completion rate and transition rate from primary schools to middle schools and from middle schools to universities. Third is to combine school education with preschool education, vocational training, adult training and other policies and measures. Fourth is to provide vocational trainings related to technologies and promote public-private partnerships for marginalized groups, especially specific vulnerable groups (e.g. young women, minorities and youth in poverty-stricken regions), through extensive plans, improving the accessibility and quality of life-long learning opportunities with information and communication technologies to strengthen the social and economic skills of poverty groups to leave poverty through self-help.

Social assistance for specific groups. There are many forms of social assistance, such as cash transfers through welfare systems, child allowances, food aid or nutritious food and other similar transfer payment projects and subsidies for the poor to purchase products. Besides the aforementioned projects of Conditional Cash Transfer, the means of relief, named "cash +", are adopted widely. The project of "cash +" is aimed at urban and rural families in great poverty. In addition to benefit groups gaining a wide support for cash and production and the training of living and technical skills, another feature is the provision of regular home visits, customized medical care, community support and psychological guidance and other social services. It adopts weekly allowances as its payment method of allowance, rather than one-off payments. The cash support of this project has a term limit. After the term, the beneficiaries can also gain guidance, excluding cash, which aims at achieving poverty alleviation. Therefore, this method is also called "Graduation". A famous "cash +" project was carried out in Bangladesh in 2002. The project took two years to provide tangible productive assets and living and technical skills training for extremely poor families in rural areas. Some extremely poor families with relatively good conditions can also gain flexible loans for entrepreneurial business activities. This project actively affected actual incomes, food securities and accumulation assets of extremely poor groups. In the next step, Bangladesh plans to implement similar projects aimed at populations under poverty in urban areas.

The comparison of poverty status of different groups in China in the preceding part of the text shows that the poverty incidence of women is higher than for men. The difference in economic rights and political rights between men and women makes it more difficult for women to enjoy benefits brought by economic growth, and makes it easier for them to fall into poverty. However, the poverty measurement and its recognition based on families cannot disclose this. The distribution of food and assets inside families is always favors men. As for the distribution of traditional housework, women are responsible for more of the work without any payment, which puts them at a more disadvantaged position. With the prolonging of expected life for women and the global increase of single female-headed households, female poverty becomes more apparent. Currently, the world agrees that if there is not any policy or plan to solve the specific obstacles that impede women to look for a decent living, the poverty reduction target of sustainable development cannot be realized. Overcoming these obstacles and eliminating discrimination of women is not only a priority problem of poverty alleviation, but also a priority of future human development. International experience in gender equality and encouraging female roles in production and social development mainly focuses on two aspects. One aspect is enhancing women's speaking rights, including family decision-making training to improve the right to participate in family decision-making, developing female roles in competitive industries to increase economic rights, and guaranteeing political positions to improve political rights. The other aspect is enhancing female capacity building, such as female health protection, liberating women from households, guaranteeing economic resources and related skills and enterprise training.

4.5 International experiences on urban poverty reduction

Urbanization has become an important driver of economic development. Countries can realize economic growth from a low income level to an upper middle income level, and reduce rural poverty. The poverty incidence in rural areas generally is low in countries with a higher per capita GDP. However, the tendency of poverty transferring toward urban areas becomes more apparent. The percentage of urban poverty in Asia during 1990-2008 increased to 22.9% from 18.3%. The ratio of population poverty between rural areas and urbans increased to 1:0.30 from 1:0.22 (ADB, 2014). Taking Southeast Asian countries as examples, urban slums in Cambodia account for 55.1% of the urban population, and 41% in Burma. However, the poverty scale and depth in urban areas are easily underestimated, because urban residents with low-incomes do not have the right to speak, and governments and related aid agencies lack influence. Urban poverty is more complex than rural poverty. In addition to the lack of income or consumption, shelters are in shortage, and the economy and income sources are unstable. In addition, deficiency also exists in infrastructure, social protection and speaking rights, etc. In addition, urban poverty is confronted with social pressure due to the migrant population and aging. To resolve this challenge, many countries in the world are looking for appropriate solutions.

The first solution is to include poverty reduction in urban development planning to carry out pro-poor urban management. Some countries include urban poverty in national poverty reduction strategies and urban construction plans to improve comprehensive poverty reduction in urban areas. The experience from Japan during the transforming stage was to provide public affordable housing for the migrants which was considered in the city construction plan. In the third habitat report submitted by the South Korean Government to the UN Habitat, it is recognized that the urban poverty issue becomes more apparent with constant urbanization, and it has put forward corresponding urban construction plans to improve of urban poverty housing and to guarantee basic living facilities and conditions. As for pro-poor urban

management, there needs to be a focus on the governance capacity of urban poverty reduction, and an active encouragement of the private sector to participate in the governance of poverty reduction.

The second solution is to drive community participation. The focus is to foster community consciousness in urban populations under poverty, and to reduce their social anxiety, especially among informal employment groups. There needs to be an emphasis on improving community housing conditions and reconstructing infrastructure to guarantee the basic housing demand of populations under poverty (including migrant populations), as well as a stress on community participation.

The third solution is urban employment support. Job creation is an effective method to reduce urban poverty. One important method in governmental sectors to increase income in migrant populations and to reduce poverty is to absorb unemployed urban youth into productive channels. As introduced in the sub-report on *Experience of Poverty Alleviation and Social protection During Transformation in Japan*, the Japanese government cooperated with non-profit organizations to provide psychological consultation, food and accommodation, health examination, and vocational training for unemployed urban youth. Suitable job opportunities were provided for youth who received training certification. When there is not enough employment to absorb urban forces into enterprises in the private sector, the government will create public employment opportunities in labor-intensive sectors, such as infrastructure, urban services, environmental services and community service, which will be conducive to healthy urban development. In many developing countries, they outsource some low-end social service projects by non-governmental sectors to provide job opportunities for unskilled laborers. Improving the outsourcing system is also a feasible method to resolve urban poverty.

The fourth solution is the rights to guarantee informal employment groups. The first aim is to guarantee the rights of informal employment groups through a system, by which informal employment groups can equally receive donations. Second, the inclusive social protection system should cover informal employment groups, especially in pension, medical care, employment insurance, and equal education opportunity for their children. To encourage the establishment of informal employment organizations is also an approach to realize management standardization and the right to guarantee informal employment groups.

4.6 International experiences on poverty alleviation governance

Poverty governance is an important factor that affects the effect of poverty reduction. Different from the Chinese governance system, which depends on a strong government lead and has a rural-urban dualization, international experiences on the governance system of overall urban-rural development, community and social participation, and governance capacity construction are all worthy lessons for China.

First, implementing a governance system of poverty reduction through overall urban-rural development. As one task of inclusive development, poverty reduction is always listed in the national economic and social development strategies. To complete this task, it is necessary to implement a governance system of poverty reduction through overall urban-rural development, and to have the social welfare sector carry out poverty reduction with shifting poverty reduction to social protection. For example, policies on poverty reduction in Japan mainly reflect the policies of social protection. Therefore, the Ministry of Health, Labor and Welfare of the social welfare sector issued decrees, formulated standards and implemented interventions. The American social protection income system belongs to the Department of Health, Education and Welfare. Generally, there is not any special poverty relief agency in Europe, and the social

protection department is responsible for it as a whole. A similar poverty alleviation system is also adopted in Hong Kong, China, and it is implemented by the Social Welfare Department.

Second, paying attention to community participation. The Participatory Methods allow local communities to define the demand and priorities of residents. Villages should participate in the formulation of local development plans. Local citizens are encouraged to actively participate in the design, implementation and monitoring activities, in order to enhance the decision-making power of community residents and stimulate internal drive among poor rural households. Many United Nations programs, especially rural development projects from IFAD, adopted Participatory Approach. IFAD applied the model of empowering farmers and Participatory methods to a development project that drives agriculture development in Morocco. Farmers and communities found out the problems that needed to be resolved. They designed and adopted action plans, participated in the formulation of their own development plans, and organized and managed skill trainings. The project emphasized the improvement of small-scale irrigation, supply of drinking water, repair of roads and soil conservation, planting fruit trees, improvement of orchard production, animal husbandry and animal health, among other actions. This project reduced the poverty incidence by 26% in the project area during 2004-2013, and there were 18,500 farmers in 370 villages that received benefits, and average family income increased by about 50%.

Third, extensive participation from the private sector, social organizations international agencies and other social forces. Private enterprises play a wider role in poverty alleviation. They include individuals in poverty in different value chains, by providing products and services to create job opportunities and foster an entrepreneurial and innovative spirit. In addition, private enterprises provide professional poverty alleviation, such as indemnificatory housing and medical services, and they play a significant role in the improvement of people's livelihood. Social organizations have advantages in exploring innovative models for poverty alleviation and human resource training. They can effectively absorb organizations to participate in poverty alleviation by purchasing professional services from governments. Advanced governance ideas of poverty alleviation and project management abilities of international agencies help strengthen the core governance capacity of local governments.

Fourth, improving the governance capacity of governments. The first improvement would be to delegate national power to the lower levels of government, so as to make local governments have more permissions and responsibilities. At the same time, this would strengthen the capacity training of local governments. The second improvement would be to establish a scientific monitoring and evaluation system, especially a monitoring and evaluation system based on new information technologies. The third improvement would be to protect from or reduce corruption in poverty reduction work. Combining strong internal control with a transparent information system and a public feedback system is one method to reduce corruption.

5 New vision and key strategic areas of post-2020 poverty reduction

5.1 Strategic Context

China aims to lift all rural populations and counties below the current poverty line out of absolute poverty by 2020, and in the meantime address overall regional poverty. The steady decline of rural communities trapped in absolute poverty could mean that the mentioned target will be achieved on time. However, that cannot deliver a comprehensive solution to all existing poverty issues, including urban and rural poverty. Though with a clear target, current poverty alleviation strategy overlooks the deeply underlying causes of poverty, with inadequate

discussion and evaluation of long-term sustainable anti-poverty policies. In addition, as mentioned above, China's efforts to reduce poverty face new challenges, with emerging new characteristics such as dynamic poverty, relative poverty, multidimensional poverty and urban poverty. Vulnerable groups, especially seniors, women, children, people with disabilities, and migrant workers, still suffer disproportionately from the problem. Human capital investment in nutrition, health, and education are insufficient to prevent the intergenerational transmission of poverty. Some issues need to be reviewed, including the future trend of poverty, new poverty standards, and improvement of the social protection system, especially the cooperation between the public and private sectors, poverty governance system, as well as the roles of fiscal and financial supports. Moreover, with the realization of the 2020 anti-poverty goal, China needs to develop new poverty reduction strategies. Looking back at the path out of poverty in the past four decades, China had transformed from development-oriented poverty alleviation to precise poverty alleviation. More emphasis will be placed on equal access to social protection as a measure to combat poverty in the future.

Since strong and continuing political support is one of the major lessons of China's anti-poverty practices, the nation's strategic orientation of macro development is expected to influence future poverty reduction strategies. The Communist Party of China (CPC) issued its 19th National Congress report, which plans two development stages for the country. Together with the rural revitalization strategy put forward in the 2018 No.1 central document, it will become an important reference for the design of poverty reduction strategy. The report of the 19th National Congress of the CPC states that, after creating a moderately prosperous society in 2020, China will move forward to the basic realization of socialist modernization by 2035. "By the end of the second stage, the rights of the people to participate and to develop as equals are adequately protected. The rule of law for the country, the government, and society is fundamentally in place. Institutions in all fields are further improved. The modernization of China's system and capacity for governance is basically achieved...People are leading more comfortable lives, and the size of the middle-income group has grown considerably. Disparities in urban-rural development, in development between regions, and in living standards are significantly reduced; equitable access to basic public services is basically ensured; and solid progress has been made toward prosperity for everyone; A modern social governance system has basically taken shape, and society is full of vitality, harmony, and order; There is a fundamental improvement in the environment; the goal of 25 building a beautiful China is basically attained." These goals create a blueprint for the post-2020 poverty reduction strategy. The report also proposes to "build a policy system and working mechanism for urban-rural integrative development", setting urban-rural composition as the fundamental way to reduce poverty and to promote urban-rural development. The 2018 No.1 central document puts forward the rural revitalization strategy, planning that by 2035, "decisive progresses shall be made, with basic modernization of agriculture and rural areas. The agricultural structure has been fundamentally improved, with remarkable rise of quality of farmers' employment, further mitigation of relative poverty and intensification of measures for common prosperity. In addition, the equalization of basic public services in urban and rural areas shall be basically realized and the system of integrated development of urban and rural areas further improved. In addition, rural civilization shall reach a new height with better rural governance models. Furthermore, rural ecological environment shall become better, and thus essentially realizing the goal of building a beautiful livable countryside".

5.2 A Need for new vision of post-2020 poverty reduction

Urban-rural integrative development and rural revitalization strategy will create favorable

conditions and lay a solid foundation for further anti-poverty efforts. Urban-rural-coordinated poverty reduction will in turn offer opportunities for the improvement of the rural revitalization system and mechanism. Looking forward, an obvious trend is that the emphasis of poverty reduction will turn from absolute poverty to relative poverty, from single-dimensional poverty to multidimensional poverty, from promoting production to strengthening social protection, and from rural to urban areas. Under the environment of inclusive development, social welfare and relief programs targeting vulnerable groups like seniors, women, children, people with disabilities, and migrant workers will play a more prominent role, in line with the first Sustainable Development Goal set by the United Nations, which calls for an end to poverty and hunger in all their manifestations by 2030.

Based on the understanding of China's poverty status, challenges, and its prospect for future development, as well as the anti-poverty goals of the United Nations, the research proposes a new vision for post-2020 poverty alleviation in China: By 2035, China will 1) establish an urban-rural-integrated poverty governance structure, with the equalization of urban and rural public services as the strategic direction; 2) set more specific anti-poverty goals, including bridging the income gap between urban and rural residents, offering urban and rural poor equal access to public services, such as compulsory education, basic medical care, and housing, while in the meantime designing targets for vulnerable populations, including seniors, women, children, people with disabilities, and migrant workers; 3) create unified poverty measurements, identification, targeting and intervention systems for urban and rural areas; and 4) improve the sustainable financial support system for poverty alleviation.

5.3 Key strategic areas of post-2020 poverty reduction strategy

With an appreciation of major challenges in poverty reduction, the study puts forward five key strategic areas which deserve an in-depth study, in order to formulate a feasible poverty reduction strategy for the post-2020 era:: prediction of socio-economic development, new poverty standards, unified poverty governance system, pro-poor social protection systems, as well as fiscal and financial reform and innovation.

First, accurate predictions of the socio-economic development trend are preconditions for post-2020 strategic design. China will become a high-income country after maintaining a medium-high rate of growth, upgrading its economic structure from a factor- and investment-driven economy to an innovation-driven one. With the traditional labor-intensive industry gradually losing its position in the industrial structure, emerging modern technologies such as artificial intelligence (AI) will likely pose new challenges to poverty issues in China, due to increasing unemployment. The demographic dividend is fading away (Cai Fang, 2018) with the increase of an aging population and a declining labor force. Meanwhile, people's educational attainment is increasing and their views on childbearing are changing. It is expected that China will ease up its population policy. Current household registrations and social protection systems are inconsistent with the trends of accelerated urbanization and increasing migrants, making the problem of urban-rural gaps more serious. In the next step, the direction and measures of urban-rural integration will have an impact on the population distribution in China. It is of paramount importance to base future anti-poverty policies on the prospective analysis of the above phenomenon. It is necessary to conduct simulation studies of the socio-economic conditions in 2020, 2025, 2030, 2035, especially the dynamics of resource constraints, industrial structure and demographic structure.

Second, it is critical to apply the new poverty standard and estimate the size and distribution of new poverty populations. A new standard can help identify the size and

characteristics of the population under poverty and navigate the anti-poverty efforts. There are two points under consideration while determining poverty standards: the first one is the selection of poverty measurement, and the second point is the unification of rural and urban poverty lines. With the realization of the poverty reduction goal by 2020, absolute poverty under the current poverty standard is expected to be eliminated, leaving three options for the formulation of a new poverty standard: a higher absolute poverty standard, a new relative poverty standard, and a multidimensional poverty standard. Given the goal of achieving socialist modernization and rural revitalization in 2035, as well as the new vision of poverty reduction, after 2020, policy makers will pay more attention to narrowing the gaps of income and living standards among residents, highlighting the relative poverty measurement which prioritizes fairness. As the key of poverty reduction, transferring from a mere development-oriented strategy to the combination of development-oriented poverty reduction and social protection, future practices will attach more attention to human capital development and social protection. The multidimensional poverty system will be improved gradually, guiding poverty reduction efforts and assessing their effectiveness as well. Within the broader framework of urban-rural integration, a unified poverty line is the necessity of integrated poverty alleviation. National Bureau of Statistics has developed a unified statistical approach for urban and rural residential incomes, as well as a unified approach for stratification of incomes, laying a foundation for the post-2020 unified poverty standard. The equalization of basic public services will inspire the integrated multidimensional poverty standard. It is worth noting that, the selection of specific poverty standards will depend on economic development, residents' income level, and fiscal capacity as well. Once decided, it will influence the size, distribution, and trends of populations under poverty.

With the adoption of a unified poverty standard, previously overlooked groups, such as migrant workers, will be included into the measurement system, significantly changing the size, characteristics, and trends of rural and urban poor. Populations under poverty will vary with income-based poverty measures and multidimensional poverty measures. In addition, targeting will still be the fundamental issue of poverty alleviation. Feasible approaches, such as double targeting at both region and family, deserve further consideration, given different regional development stages and changes within poor groups, specifically, the urbanization of poverty which was previously concentrated in countryside. In addition, studies should be conducted to understand both the external and internal conditions that together generate poverty groups, with special attention being placed on poverty issues faced by vulnerable groups (children, women, ethnic minorities, seniors, migrant workers, and illness-related poor).

Third, it is important to develop a unified poverty governance system. There are two prominent problems in the current governance system, namely, the urban-rural segmentation and the difficulties of coordinating among various anti-poverty-related departments. A new poverty reduction strategy requires establishing the poverty governance system which could coordinate urban and rural sectors, as well as get various departments involved. The responsibilities of different entities in the system, especially government, markets, and social organizations, should be clarified. Innovation, capacity building of local governments, and mobilization of social and financial resources should be encouraged. To bring the current urban-rural segmentation to an end, it is necessary to have a unified poverty measurement and standard for urban and rural areas. Given the consideration that social protection, human capital, and public services will be major fields hampered by poverty, a possible option learned from international practices is to have an urban-rural-integrated poverty reduction agency or social protection department taking the lead in the fight against poverty. It will take charge of the overall policy making and coordinate the efforts from various areas, such as education, medical care, hygiene, and housing, while incentivizing participation from the market, social

organizations and other social entities.

Fourth, pro-poor poverty reduction strategy calls for a rights-based social protection system. An underdeveloped social protection system is a weak point for poverty alleviation, which needs to be upgraded to a pro-poor system in the context of urban-rural composition development. China should expand the coverage of the social protection system to all citizens. The benefits of social protection programs should be increased, especially pension, healthcare, and education programs targeting rural areas. Special assistance programs should meet the needs of populations under poverty, such as healthcare, education, housing, and employment. Special attention should be given to vulnerable groups. For example, children in poverty should get support in terms of nutrition, health, and education. Elderly people living in poverty should be helped and have the chance to enjoy care services. Disabled citizens should receive medical care and employment support. Migrant workers should be covered by social protection programs and have no worries for their children's education. Urban poor should enjoy housing and employment support. The equalization of rural and urban social services needs technical designs. The first step is to quantify the necessary social services into a unified poverty reduction index and to adopt a multidimensional poverty measurement system with social services as an important dimension. It would be helpful to identify weak links in poverty reduction practices, focus on key areas, and evaluate the effectiveness of previous efforts. While designing equalized social programs, policy supports should be directed to rural areas that suffer from insufficient social services, especially in terms of rural facilities, medical conditions, and pensions.

Fifth, reform of the fiscal system and innovation of the financial mechanism are needed to strengthen a sustainable poverty reduction strategy. The new strategy requires reform and innovation of the fiscal and financial systems, which play important roles in achieving poverty reduction goals. The distribution mechanism, long confined by rural-urban and interdepartmental segmentation, should be adapted to the unified poverty governance structure. The structure of fiscal expenditure needs to be optimized. It currently prioritizes the agricultural sector and infrastructure development, while inadequately supporting basic public services, such as science, education, culture, hygiene, old-age care, and healthcare. The equalization of public services requires fiscal support on the services targeting poor communities and areas, especially rural areas. In recent years, the accessibility and efficiency of financial services have been improved significantly, with policy-based finance, development finance, commercial finance and cooperative finance, showing their respective advantages in precise poverty reduction practices. However, the tough “last mile” remains as an obstacle for financial services to benefit underdeveloped areas, rural and urban vulnerable groups, as well as small and micro businesses. Particularly, microfinance, which serves low-middle-income groups and poor people seeking employment or starting a business, could witness huge growth, once they are given more inclusive policies.

The report of the 19th National Congress of the Communist Party of China clarifies the two stages of development for the coming 30 years and aims to realize socialist modernization by 2035, laying the basis for a new poverty reduction strategy. International lessons show that anti-poverty policies, including poverty standards, social protection systems, and fiscal and financial reform and innovation, should be coordinated with the country's development stage, its socio-economic environment, and the living standard of its residents. On the other hand, new stages and characteristics of social-economic conditions could give birth to new anti-poverty methods, such as information-based poverty alleviation management and dynamic monitoring, social participation in poverty alleviation, ecological poverty alleviation, and collaborative poverty.

References

1. Aglietta, M., 2011. Sustainable growth: do we really measure the challenge? *Revue d'économie du développement*, 19(2), pp.199-250.
2. Asian Development Bank, 2008. PRC Urban Poverty Strategy II Final Report-TA4694. Unpublished Report.
3. Asian Development Bank, 2014. Urban Poverty in Asia. <https://www.adb.org/sites/default/files/publication/59778/urban-poverty-asia.pdf>.
4. Bi, J., 2016. Study on Poverty Measurement and Influence Factors of Chinese Farmers (Unpublished doctoral dissertation). Chinese Academy of Agricultural Sciences, Beijing
5. Bourguignon, F. and Morrison, C., 2002. Income distribution among world citizens: 1820–1990. *American Economic Review*, 92(September), pp.1113-1132.
6. Chen, L., 2008. China's Multidimensional Poverty Estimates and Its Decomposition in the Transitional Period. *Economic Review*, (5): 5-10.
7. Del Ninno C. et al., 2015. *Safety Nets in Africa: Effective Mechanisms to Reach the Poor and Most Vulnerable*. Washington, DC: World Bank; and Agence Française de Développement.
8. Du, Y., Gregory, R. and Meng, X., 2006. Impact of the guest worker system on poverty and wellbeing of migrant workers in urban China. *The Turning Point in China's Economic Development*, pp.172-202.
9. Foster, J., Greer, J. and Thorbecke, E., 1984. A class of decomposable poverty measures. *Econometrica: journal of the econometric society*, pp.761-766.
10. Gao, Y., 2012. Measurement and Comparison of Urban-rural Multidimensional Poverty in China. *Statistical Research*, (11): 61-66.
11. Gillespie, S., ed., Hodge, J., ed., Yosef, S., ed., and Pandya-Lorch, R., ed., 2016. *Nourishing millions: Stories of change in nutrition*. Washington, D.C.: International Food Policy Research Institute (IFPRI). <http://dx.doi.org/10.2499/9780896295889>.
12. Gillespie, S., Tontisirin, K., and Zselezky, L., 2016. Local to National: Thailand's Integrated Nutrition Program. In *Nourishing millions: Stories of change in nutrition*. Gillespie, Stuart; Hodge, Judith; Yosef, Sivan; and Pandya-Lorch, Rajul (Eds.) Ch. 10 Pp. 91-98. Washington, D.C.: International Food Policy Research Institute (IFPRI). http://dx.doi.org/10.2499/9780896295889_10.
13. Household Survey Office of National Bureau of Statistics., 2017. *Monitoring Report about China's Rural Poverty in 2017*. China Statistics Press, Beijing
14. Huang, J. et al., 2018. International Experience Responding to The Interdisciplinary Poverty Challenge (Chapter III). *International Poverty Reduction Concept and Enlightenment*. United Publishing House, Beijing
15. International Food Policy Research Institute (IFPRI)., 2015. Global Nutrition Report 2015, Nutrition Country Profile: Thailand 2015, <http://bit.ly/1ZJaVMe>.
16. International Labour Organization and United Nations Country Team. 2013. Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Thailand.
17. Labar, K. and Bresson, F., 2011. A multidimensional analysis of poverty in China

- from 1991 to 2006. *China Economic Review*, 22(4), pp.646-668.
18. Leite, P. et al., 2017. Social Registries for Social Assistance and Beyond: A Guidance Note and Assessment Tool. World Bank Discussion Paper. No.1704.
 19. Li, J., 2010. Multidimensional Poverty Measurement on Farmers - Taking 30 National Key Poverty Alleviation Development Work Counties in S Province. *Finance & Trade Economics*, (10): 63-68.
 20. Li, S., and Knight, J., 2002. Three Poverty Types in Chinese Cities, *Economic Research*, (10): 47-58.
 21. Ministry of Civil Affairs, 2011. Guidance Opinion on Further Standardizing the Formulation and Adjustment of Subsistence Allowances Standard for Urban-rural Residents. Retrieved at: http://www.mof.gov.cn/zhengwuxinxi/zhengcefabu/201105/t20110518_550422.htm
 22. National Bureau of Statistics Statistical, 2017. Bulletin of National Economy and Social Development of the People's Republic of China in 2017. Retrieved at: http://www.stats.gov.cn/tjsj/zxfb/201802/t20180228_1585631.html. 2018.
 23. National Bureau of Statistics, 2017. *Chinese Statistical Yearbook in 2017*. China Statistics Press, Beijing
 24. National Bureau of Statistics. Monitoring and Survey Report about Migrant Workers in Previous Years. Retrieved at: http://www.stats.gov.cn/tjsj/zxfb/201704/t20170428_1489334.html.
 25. National Statistical Office, 2015. *Thailand Statistical Yearbook*. Bangkok, Thailand.
 26. Official website of Poverty Alleviation Development Leading Group Office, State Council, 2018. Retrieved at: <http://www.cpad.gov.cn/>.
 27. Rowntree, B.S., 1901. *Poverty: A study of town life*. Macmillan.
 28. Sang M.L., 2018. Welcoming Remarks. 2018 Asia Pacific Agricultural Policy Roundtable. *Enhancing Regional Food Security through Inclusive Rural Transformation-Focusing on Social Protection and Poverty Alleviation*. Chiang Mai. Thailand.
 29. Semba, R.D., de Pee, S., Sun, K., Sari, M., Akhter, N. and Bloem, M.W., 2008. Effect of parental formal education on risk of child stunting in Indonesia and Bangladesh: a cross-sectional study. *The Lancet*, 371(9609), pp.322-328.
 30. Somchai J., 2018. Targeting the Poor: Recent Experience from Thailand's Child Support Grant Policy. 2018 Asia Pacific Agricultural Policy Roundtable. *Enhancing Regional Food Security through Inclusive Rural Transformation-Focusing on Social Protection and Poverty Alleviation*. Chiang Mai. Thailand.
 31. Spears, D. and Haddad, L.J., 2015. The power of WASH: Why sanitation matters for nutrition. *IFPRI book chapters*, pp.19-24.
 32. Sumner, A., 2010. Global Poverty and the New Bottom Billion: What if Three-Quarters of the World's Poor Live in Middle-income Countries?. *IDS Working Papers*, 2010(349), pp.01-43.
 33. Sun, Y., 2016. Spiritual Poverty Recognition and Targeted Poverty Alleviation Strategy for China's Migrant Workers - Investigation based on Construction

- Industry. Social Science Journal, (02): 76-84.
34. Sun, Y, 2016. Study on Welfare Poverty Measurement and Targeted Poverty Alleviation Strategy for China's Migrant Workers. Contemporary Economic Research, (05): 71-80.
 35. Sun, Y., and Fu, C, 2016. Study on Multidimensional Material Poverty Measurement and Targeted Poverty Alleviation Strategy for China's Migrant Workers. Study & Exploration, (07) 138-143.
 36. Tangcharoensathien, V., Swasdiworn, W., Jongudomsuk, P., Srithamrongswat, S., Patcharanarumol, W. and Thammathat-aree, T., 2010. Universal coverage scheme in Thailand: equity outcomes and future agendas to meet challenges. *World health report*.
 37. Tong, X. et al, 2011. China's Rural Social protection. People's Publishing House, Beijing
 38. UNDP, 2013. China National Human Development Report 2013. Retrieved at: http://hdr.undp.org/sites/default/files/china_nhdr_2013_en_final.pdf
 39. United Nations, 2005. Paper for Expert Group Meeting on “The First United Nations Decade for the Eradication of Poverty (1997-2006): Progress and the Road Ahead” organized by the Division for Social Policy and Development, Department of Economic and Social Affairs, United Nations in collaboration with the Economic and Social Commission for Asia and the Pacific, 6-7 July 2005, Thailand, Bangkok.
 40. United Nations, 2014. World Urbanization Prospects: The 2014 Revision. Retrieved at: <https://www.compassion.com/multimedia/world-urbanization-prospects.pdf>.
 41. Von Braun, J., Hill, R.E. and Pandya-Lorch, R. eds., 2009. *The poorest and hungry: Assessments, analyses, and actions: An IFPRI 2020 book*. IFPRI. Washington D.C.
 42. Wang, N., Wei, H., and Su, H, 2016. Thinking on Poverty Standard of Chinese Cities in the New Period. Jianghuai Tribune, (04): 32-39.
 43. Wang, S., and Wang, X, 2013. China's Multidimensional Poverty Measurement. Journal of China Agricultural University (JCR Social Science Edition), (2): 1-10.
 44. Wang, X., and Alkire, Sa, 2009. China's Multidimensional Poverty Measurement: Estimation and Policy Implications. China's Rural Economy, (12): 4-10.
 45. Wang, Z., and Hetzler, A, 2014. Poverty in Abundance, Selective Poverty or Persistent Poverty - Analysis on the Causes that the Consumer Motivation Intensity in Rural Areas Increasingly Weakens. Finance and Trade Research, (5): 29-38.
 46. World Bank, and the Development Research Center of the State Council, PRC. 2013. China 2030. Retrieved at: <http://documents.worldbank.org/curated/en/781101468239669951/pdf/762990PUB0china0Box374372B00PUBLIC0.pdf>
 47. World Bank. 2017. World Development Indicators Database, accessed May 2017. <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators>.
 48. Wu, Y, 2018. The National Working Commission on Aging, Presentation in the Tsinghua Aging Industry Forum.
 49. Xia, Q. Multidimensional Poverty Alleviation Achievements and Prospects in

- China <http://lianghui.huanqiu.com/2018/dialogue/2018-03/11641321.html>. 2018 .
50. Zhang, L, 2015. Social Ecological Balance: Thinking on Overall Development of Urban and Rural Social protection in the New Period. Finance and Economics, (02): 73-75

Annex 1

List of sub reports (in Chinese) prepared

Sub-report		Authors
Sub-report 1	Study on Current Situation of Urban and Rural Poverty	Guobao Wu, Sui Yang, Junping Guo, Qingxiang Tan
Sub-report 2	Evolution, Current Situation and Challenges of China's Poverty Alleviation Policy	Guobao Wu, Sui Yang, Junping Guo, Qingxiang Tan
Sub-report 3	Analysis of Current Situation, Effects and Problems of Social Protection System and Policies for Poverty Alleviation in Urban and Rural China	Guobao Wu, Sui Yang, Junping Guo, Qingxiang Tan
Sub-report 4	International Lessons for Poverty Reduction During a Rapid Transformation and Implication for China	Kevin Chen, Jieying Bi, Zimeiye Wang
Sub-report 5	Field Visit Report on Poverty Alleviation Mechanism in Poverty Alleviation Reform Pilot Area in Shandong During Post-2020 Era	Jieying Bi, Guobao Wu, Kevin Chen, Zimeiye Wang
Sub-report 6	Experience of Poverty Alleviation and Nutrition Strategy in Thailand	Kevin Chen, Jieying Bi, Zimeiye Wang
Sub-report 7	Experience of Poverty Alleviation and Social Protection During Transformation in Japan	Kevin Chen, Jieying Bi, Zimeiye Wang