

51ST FOUNDING ANNIVERSARY OF THE PEOPLE'S REPUBLIC OF CHINA

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Poverty Alleviation

China Closes in on Millennium Goal

by Yang Jianxiang

TO Wang Xingfu, a farmer in Shiqiao village, Shandong, the four sheep meant a new start of life.

A well-known poor guy, Wang was a familiar name on the government relief list. He did not like that. Experienced in animal husbandry, he had thought of raising stocks to support himself. However, long-time poverty had left him with little money and few valuable belongings.

Last year, Wang signed a contract with the county government, which loaned him four sheep. He took care of the animals as if they were his children. The number of sheep grew to 20 by the end of the year. Wang returned four biggest sheep to the government. The 16 that stayed brought him a net income of 8,000 yuan.

This lifted Wang well above the official poverty line.

Statistics show 34 million people, about 2.5 per cent of the nation's total population, still lived under the poverty line last year. Most of them live in arid or inaccessible mountainous areas. These people are the focus of China's anti-poverty campaign now.

Back in 1994, the number was 80 million. And China's central government announced it would eliminate absolute poverty before the end of the century. The deadline is a few months away.

"As we draw near the goal, the task becomes harder," said Liu Fuhue, a senior official with the Leading Group for Poverty Alleviation and Development (LGPAD), which reports directly to the State Council, the central government. "We plan to 'eliminate' another 10 million by the end of the year. This will basically fulfill our millennium goal."

The government has been spending a lot of money and other resources on poverty alleviation. When Deng Xiaoping came to power in the late 1970s, he proclaimed "Poverty is not socialism." Since then economic reform has brought prosperity to the country and improved the life of the Chinese people. From 1978 to 1985, nationwide efforts in poverty alleviation cut the population of destitute people in China to 150 million from 250 million.

Government aid for the poor used to be mainly in the form of relief, dubbed "blood transfusion". It is a simple solution but not a cure. When LGPAD was established in 1986, a consensus was reached that the best

strategy for poverty alleviation is to help poor people develop. It is dubbed "blood generation."

In the past decade, the government has sponsored many rural infrastructure projects, mainly for water and land conservation, creating conditions for "blood generation". Sources with the Ministry of Communications said that by the end of 2000, 99 per cent of all townships and 90 per cent of all administrative villages in the country would be accessed by highways. A project administered by the State Radio and Television Bureau ensures that every village, however remote, receive radio and TV programs before the end of the century.

New agrotechniques have helped raise unit output on farms. The widespread use of plastic sheeting in corn fields has dramatically increased yield. A considerable number of poor farmers in Ningxia and Anhui have benefited from a new method of growing mushrooms. The technique, developed by a professor in Fujian province, features small input and quick yield and has been selected by the China Poverty Alleviation Foundation for promotion.

Poverty could stem from a stereotyped mind. Farmers in baiyuan county, Ningxia, where annual precipitation is less than 200 millimeters, have stopped growing grains to embrace a forage grass known as scarlet-flowered lucerne. The shift drew criticism from old-fashioned minds. But the outcome has convinced them of the shift's correctness. The grass has dramatically increased the income of its growers. And it helps reconcile the human-nature conflict, too.

In places where the environment is simply too hostile for human habitation or resources could not support then local population, resettlement is inevitable. According to LGPAD, about three million people have chosen to move with government subsidies. These people normally become self-independent two years after resettlement.

While LGPAD and its local offices throughout the country take the major responsibility of poverty alleviation, local governments, commercial banks and most government departments are all involved.

In 1999 the Chinese government furnished a total poverty-alleviation fund of 24.8 billion yuan, or US\$3 billion.

The sum does not include relief fund administered by the Ministry of Civil Affairs and fund provided by other ministerial departments.

Small-amount loans (SAL) provided directly to poor households have shown satisfactory results. The practice, which debuted in the mid-1990s, has spread to over 200 counties. In Guangxi alone, SAL helped 300,000 poor people stand on their own in 1999, accounting for 30 per cent of the people ticked off from the poverty list that year.

Poverty is not just an economic issue. In areas where family planning has been effective, the number of destitute families has dropped sharply.

The Ministry of Education is trying to let all kids of the poor to have access to nine-year compulsory education. A five-year, 20-billion-yuan project committed to this end is scheduled for completion this year. Statistics show that by May 1999, 5,000 schools in poverty-stricken areas had benefited from the project, the biggest ever anti-poverty move in the educational sector.

Various non-governmental organizations have been active in the fight against poverty. Project Hope and Project Spring Bud continue to help children, especially girls in poor regions to complete necessary schooling. And by the end of 1999, Bright Cause, a philanthropy financed by China's emerging private entrepreneurs, have launched close to 4,000 projects credited for helping 1.93 million people out of poverty.

The outcome of international cooperation has been encouraging. Two comprehensive projects using World Bank loans have so far helped more than one million people in Guizhou and Ningxia rise above the poverty line.

About 70 per cent of the remaining poverty-stricken people live in the country's mid- and western regions, which make up more than half of China's land mass and where economic growth lagged behind the national average. Early this year, the central authorities announced the strategy of developing the country's west in a big way. Though not specifically targeting the poverty problem, analysts say the move will be a big push for the ongoing anti-poverty campaign.

"An economically-developed West will furnish a friendly environment for the small

number of poverty-stricken people in the region, at least in terms of job opportunities and better access to market," said Liu Fuhue.

China's poverty reduction commitment has won wide recognition in the world. A joint report filed by LGPAD, the World Bank and United Nations Development Program commented that China's achievements in this regard "are exemplary by any standards."

However, analysts point out that the government's anti-poverty fund still falls short of needs and a considerable portion of it failed to reach the needed. Owing to natural disasters, diseases and market fluctuations, around 10 per cent of those having shed poverty would fall captive again every year. And China's poverty line is well below the UN standard of one US dollar a day.

Also, the poverty issue discussed here does not include the urban poor, a problem having become more serious in recent years as enterprise downsizing has left many workers jobless. Observers estimate that people suffering from absolute poverty in cities and towns now stand at about one per cent of the urban population. Addressing the problem, China has built preliminarily a social safety net that consists mainly of pensions, unemployment insurance and cash relief to ensure a minimum standard of living.

Said Gao Hongbin, director of LGPAD office, at an international conference held in Beijing in May: "With the exception of a few metropolises and the coastal areas, the rest of China, especially rural areas, will remain under-developed for a long time. Poverty alleviation will be a long-term, tough, and complicated task."

The central government is working on a new plan for poverty reduction in the following two decades. According to Gao, while continuing to help the remaining poor, anti-poverty efforts in the next century will be focused on two areas: consolidating what has been achieved and raising the official poverty line.

In the case of Wang Xingfu, the four sheep he returned to the county government will be provided to one of the 80 households on this year's waiting list. And Wang is looking forward to a more prosperous life with the new stock he is raising.

MESSAGE

Today the 1st of October 2000 marks the 51st founding anniversary of the People's Republic of China. I wish to take this opportunity to convey, on behalf of the Government and people of the People's Republic of China, the warmest greetings and best wishes to the Government and people of the People's Republic of Bangladesh.

Since the founding of new China on October 1, 1949, tremendous success has been achieved in China's socialist revolution and socialist construction. With an annual economic increase of 9.8 per cent in the past 20 years, China is one of the few dynamic economies in the world with both rapid and sustained growth. By 1998, China's GDP reached 7974.8 billion yuan, the seventh biggest in the world. In 1999, China's GDP increased by 7.1 per cent and reached 8541 billion yuan. It is estimated that China's GDP increase will reach or slightly exceed the original target which is 7 per cent this year.

From the beginning of 2000, by carrying out a series of steps such as extending domestic

demand, raising more national debts, increasing residents' income, Chinese Government has promoted requirement of investment, consumption and export. Our social demand is picking up in an all-round way. The development of China national economy has taken a significant turn for the better. State-owned large and medium sized enterprises made great improvement in eliminating losses and increasing profits. Their economic benefit were increased by a big margin, the construction reform made headway and the structure of production rationalized. By May 2000, a cumulative total of 350,000 foreign-funded enterprises had been established in China, and direct foreign investment in them reached US\$320.6 billion. Foreign businessmen have more confidence on China's economy development.

China and Bangladesh are close neighbours enjoying a profound friendship dating back to ancient times, a friendship that has withstood the test of international vicissitudes. Thanks to the loving care of the leaders of our two countries and joint efforts of the two sides, Sino-Bangladesh relations have

enjoyed all-round growth and bilateral cooperation based on mutual benefit has produced fruitful results. Our friendship is developing on the basis of the Five Principles of Peaceful Co-existence. Mutual understanding, mutual trust, mutual support and close cooperation featured the two countries' special relations. The friendly relations have been reinforced by Her Excellency Sheikh Hasina's visit to China in September 1996. The past one year has also witnessed several high level exchange of visits between our two nations which brought our two countries and peoples closer. In the economic arena, the two governments are currently exploring all possible means to further enhance the existing economic and trade relations. Our two countries supported each other and acted in close coordination on many international and regional affairs. The Chinese Government appreciated the Bangladesh Government's adherence to the "one-China" policy and its support of China on Taiwan, Tibet and human rights issues.

Our two countries joyously see that the 25th anniversary of establishment of Diplomatic

relations between the two countries is coming. It is firmly believed that, with our joint efforts, the deep and enduring bond of friendship and cooperation between China and Bangladesh will be further strengthened for the prosperity and well being of the peoples of the two countries in the new millennium.

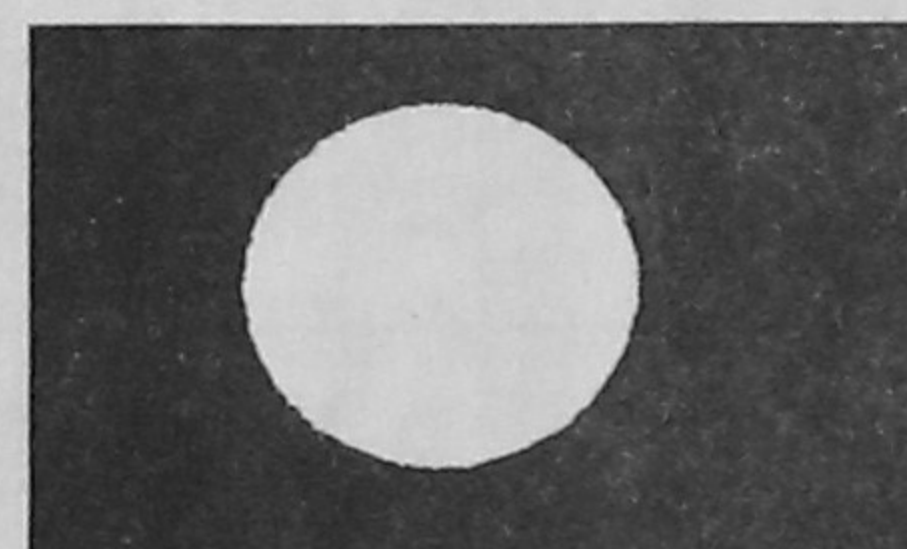


Hu Qianwen
Ambassador of the People's Republic of China to the People's Republic of Bangladesh

GETCO

Our heartiest felicitations on the occasion of 51st Anniversary of the Founding of the People's Republic of China

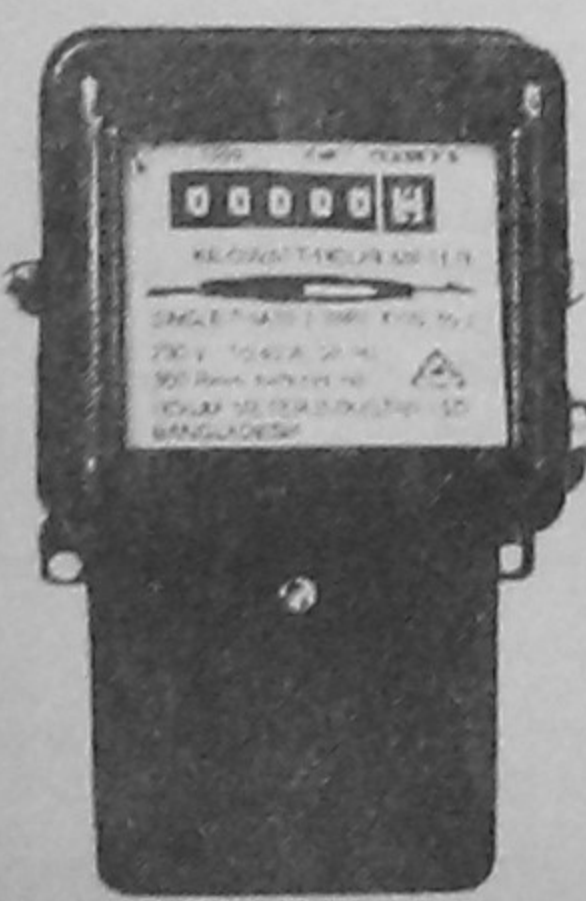
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