

China Society for Promotion of the Guangcai Program (CSPGP)

Poverty Alleviation Work Report

1 Poverty elimination is a common wish of peoples in different countries throughout the world. Having long attached great importance to the issue, the Chinese government, particularly since the adoption of the reform and opening up policy, has put emphasis on people's rights to subsistence and development while developing the economy. By combining the United Nations Millennium Development Goals (UNMDG), it has formulated a poverty alleviation working guideline stating, "via focusing on the central task of economic construction and under necessary state assistance and support, the government shall lead the people in poverty-stricken areas to blaze a trail of development consistent with the reality and bearing its own unique characteristics, through taking the market as the orientation, adjusting the economic structure, developing local resources and commodity production, and improving the production condition". At the same time, the government has also intensified its anti-poverty efforts and taken a series of effective measures. The poverty-stricken population was reduced to about 20 million at present from 250 million in 1978, while per capita GDP scaled up from 381 *yuan* in 1978 to 15,931 *yuan* in 2006, which bespoke the preliminary realization of a moderately comfortable life. During the process, private entrepreneurs, as the first group to prosper, enhanced their consciousness of social responsibility and devoted themselves to the anti-poverty and public welfare causes under the support and guidance of related government departments while at the same time promoting development, expanding employment and increasing revenues. They have played an important role in alleviating poverty, with Guangcai Program as a case in point.

2 Initiated in 1994, Guangcai Program is a development-oriented poverty reduction project, with personages from non-public economic entities and private entrepreneurs as well as personages from industrial and commercial circles in Hong Kong, Macau and Taiwan and overseas Chinese as its major participants. Its tenet is to seek for common development, benefits and profits and to promote common affluence through people who got rich earlier helping those who are not yet rich in former revolutionary base areas, areas inhabited by ethnic groups, remote and border areas and poverty-stricken areas, and middle and western areas. The core concept of the Program is "neglecting neither morality nor benefit and putting equal stress on moral integrity and action". Guangcai Program, over the past 14 years, has sent people from non-public sectors to the said areas to practice development-oriented poverty elimination through non-governmental channels and enterprise behaviors. It combined, in an organic manner, its advantages in funds, technology, talents, management, information and distribution channel with the labor force and resource advantage in poverty-stricken areas, and successively implemented "Ten Major Anti-poverty Projects" respectively characterized by agriculture industrialization, ecological conservation, resource

exploitation, medicine and health, intelligence development, resettlement and housing, recruitment and employment, market construction, commonweal donation, international assistance, etc. According to the statistics, Guangcai Program has implemented 16,244 projects with 133.776 billion *yuan* in place, trained 3.8707 million personnel, arranged employment for 4.9289 million people, helped and brought along 7.8761 million people to shake off poverty, and received various commonweal donations totaled 117.995 billion *yuan*. Since its operation, Guangcai Program has earned broad attention and acclaim from the international community. It was granted, respectively in 2000 and 2003, Special Consultative Status of the United Nations Economic and Social Council (UNESCO) as well as Special Observer status of the United Nations Conference of Trade and Development (UNCTAD).

3 Three successful anti-poverty cases are presented as follows:

4 Case 1 Elion Resource Group Company: poverty reduction through desertification prevention and control as well as ecological conservation

5 With the gross assets of over 10 billion *yuan*, Elion Resources Group is a large industry group with PVC energy chemical industry as its leading business, and liquorice pharmacy, real estate, road and bridge its competitive business. During the recent 10 years, Elion Resources Group has committed itself to the desertification prevention and control project in Hobq Desert, which produced remarkable effects and won wide recognition from the local people. The major measures they have taken are: (1) Seek to establish a desertification prevention and control strategy featuring “sections marked out by road for divided management; peripheric areas blocked and penetration into the heartland; technology providing support and industry furnishing impetus” pursuant to the mechanism of “governmental guidance, enterprise investment and mass participation”. (2) Build five south-north desert-crossing highways. The said highways with a total length of 230 km. were built. Water and electricity supply as well as afforestation work went wherever the highways reached, and were gradually extending. The construction of the desert-crossing highways realized the concept of “divide and rule”, having not only solved the problem of products transportation but also addressed the difficulties of the residents in the desert areas in obtaining medical and childbirth services as well as in subsistence resulted from “the lack of power, water, road and telecommunications”. (3) Implement two east-west ecological conservation projects. An eco-forest project for detertification prevention and river protection with a total lengh of 242 km. and width of 3 - 5 km. was implemented at the north fringe of the Hobq Desert and south edge of the Yellow River. It helped to block the desert’s north fringe, curbing the movement of sand to the Yellow River at an annual speed of over 10 meters, thus protecting the mother river; The other complex eco-project of about 150 km. in length and 5 km. in width for xeromorphic and ammophilous forest-grass and liquorice was implemented in the deep of Hobq Desert, which fulfilled the objective of “blocking the peripheral areas

and penetrating into the heartland”. (4) Develop “the two major desert industries”, ie. the tourism industry with the Hobq Desert Eco Park as a head and the key planting and processing industry with liquorice as the main product, so as to turn the “sand hazard” into “sand benefit” and acquire substantial all-win results in terms of ecological and socioeconomic returns. In recent years, nearly ten thousand herders and farmers have partaken in the ecological conservation cause, garnering a total annual service revenue of over 60 million *yuan*.

6 Case 2 Shaanxi Rongmin Group: “one enterprise assists one village”

7 Shaanxi Rongmin Group is a private-owned enterprise group conducting business in real estate, construction engineering, road and bridge engineering, decoration and installation, mine development and complex agricultural development. Over the past 5 years, it has turned in 120 million *yuan* of tax, donated more than 6 million *yuan* to public welfare causes and arranged employment for over 5,000 people. Rongmin Group helped the impoverished Haizeliang Village cast off poverty and become better off by means of “co-construction of village and enterprise”. The measures it has taken are: (1) Strengthen the rural infrastructure construction. The Group invested over 1 million *yuan* successively to carry out basis consolidation projects upon road, water, power and commerce and trade coverage in Haizeliang Village; invested 100,000 *yuan* to dig and pump 16 wells and purchase irrigation equipment to render the village’s 100 *mu* of dry land into irrigated land with high yields irrespective of drought or waterlogging; invested 138,000 *yuan* to erect 3 km’s high voltage cable as well as low voltage cable into every household, which helped 131 families of the village to end their days of using kerosene lamp. The company also managed to raise some funds amounting to 38 million *yuan* to repair the highways. (2) Lead farmers to adjust the agricultural industry structure. Rongmin Group introduced a new hot pepper species from the U.S. and hired experts on pepper cultivation from other areas to conduct full process guidance before, during and after the production. In three short years, the village formed a hot pepper production base of 30,000 *mu*, of which the products earned a good reputation as “the world’s best hot pepper”. In a single year of 2005, the per household average income from growing hot pepper reached 30,000 *yuan*, while the per capita income exceeded 5,000 *yuan*. (3) Improve the basic education and medical conditions in rural areas. The Group donated 400,000 *yuan* to build a two-storied all-standard school building in Haizeliang Village which was also furnished with color TV sets, computers and other modern teaching equipment, in addition to an annual change of school uniform for each student. The company also planned to further invest over 2 million *yuan* to set up a “Rongmin-Guangcai Hospital”. At present, an investment of more than 600,000 *yuan* was completed. After its completion, the hospital will issue medical service cards, using which villagers can enjoy free medical examination; “Relief wards” will also be set up, and villagers can buy medicines at factory price while poverty-stricken households can enjoy

appropriate reduction and remission of medicine fees.

8 Case 3 Lubao Group: public welfare-oriented poverty alleviation to combat the earthquake and relieve the disaster

9 With a business scope covering energy, power, communications, real estate, etc., Lubao Group is a large-sized joint adventure with an annual sales revenue of over 3 billion *yuan*. The average profit and tax it produces for the country on a daily basis amount to more than 1 million *yuan*. From 2003 to 2007, Shanxi-based Lubao Group made donations to build a total of 100 Guangcai Elementary Schools across the poverty-stricken areas in the province, the gross investment of which added up to 30 million *yuan*. When participating in the recent earthquake relief of Sichuan Province, Board Chair of Lubao Group took the lead twice to donate 5 million *yuan*. In addition to contributing in cash and in kind to the quake relief, the Group also decided to arrange for the disaster-affected children, to the utmost, to go to study and live at Chang'an Charity School free of charge. By making a financial contribution of nearly 2 million *yuan*, the Group resettled more than 1,200 students and teachers from Xuankou Middle School of Yingxiu County to Chang'an Charity School, which was the first massive and long-distance relocated school resumption ever after the major quake had stricken Sichuan. Earlier, Lubao Group had already invested 15 million *yuan* in advance to build Chang'an Charity School. The said relocation, including clothing, food, shelter, transportation, medical insurance and other basic necessities of life, requires an annual investment of over 20 million *yuan*, which will add up to nearly 100 million *yuan* in three to five years.

10 To conclude, the practice of Guangcai Program has deepened the connotation of development-oriented poverty reduction, enriched its measures, and innovated the modes of poverty alleviation and development. Looking into the future, we are aware that the poverty eradication will remain an issue of great importance for the international community, and CSPGP shall be willing to strengthen cooperation, integrate resources and share complementary advantages with the international community and make joint efforts to advance the poverty alleviation cause and the development of the United Nations MDGs.