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Urban Poverty and Inclusive Cities: *Challenges and Approaches*

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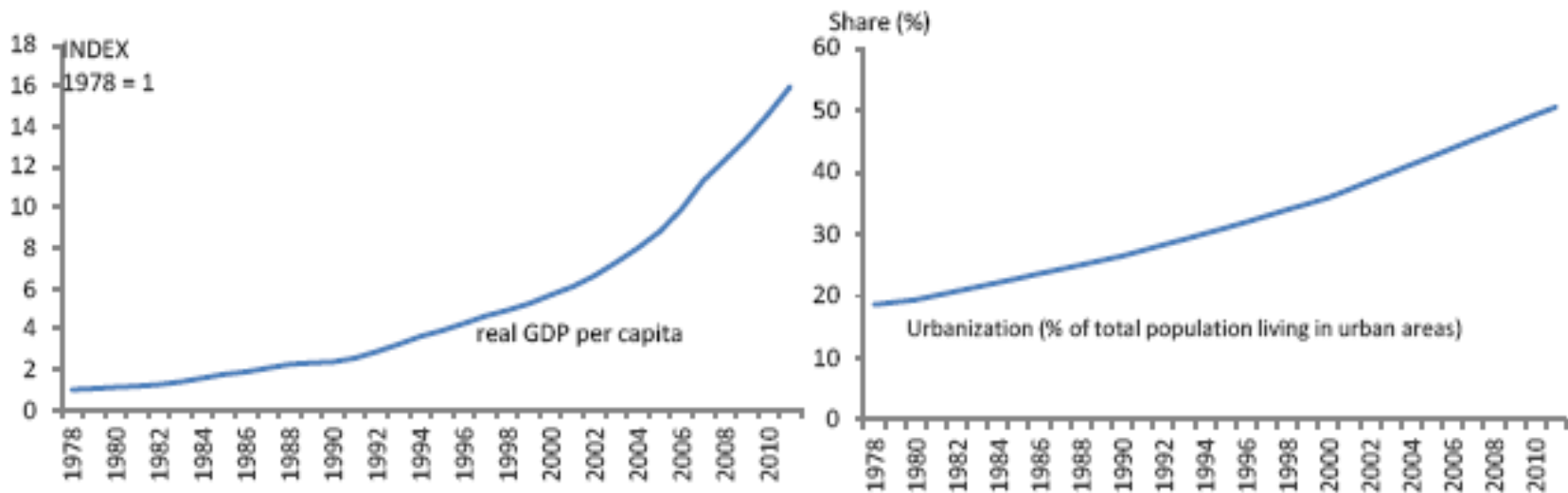
Part A

CHINA'S URBANIZATION

Part A China's Urbanization

- The largest movement of people from rural to urban areas in human history.
- The economy grew at 10 percent per year, and China lifted 500 million people out of poverty.
- By 2011, more than 712 million of 1.35 billion population in urban dwellers of about 500 million in 40 years. About 260 million of these are rural migrants.

Figure 1. Economic growth and urbanization have happened together in China



Source: World Bank Development Data Platform.

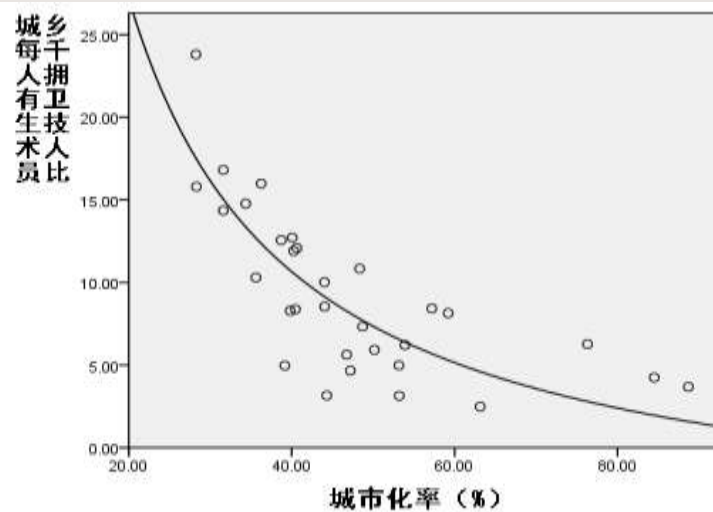
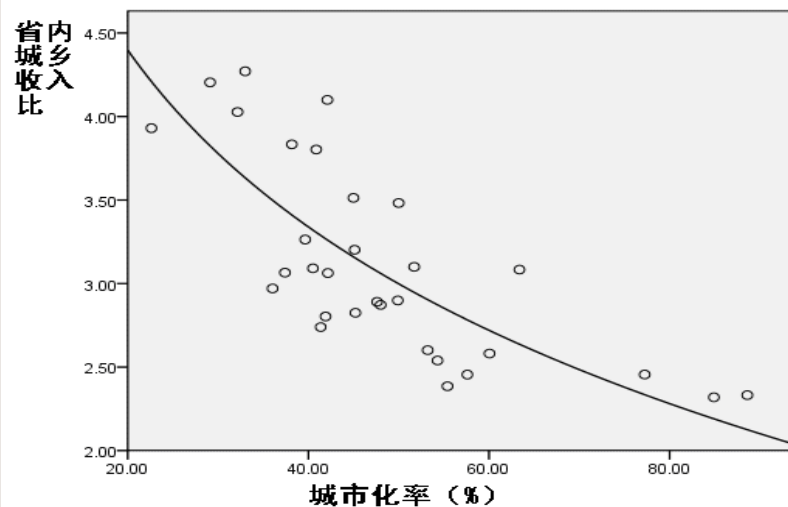
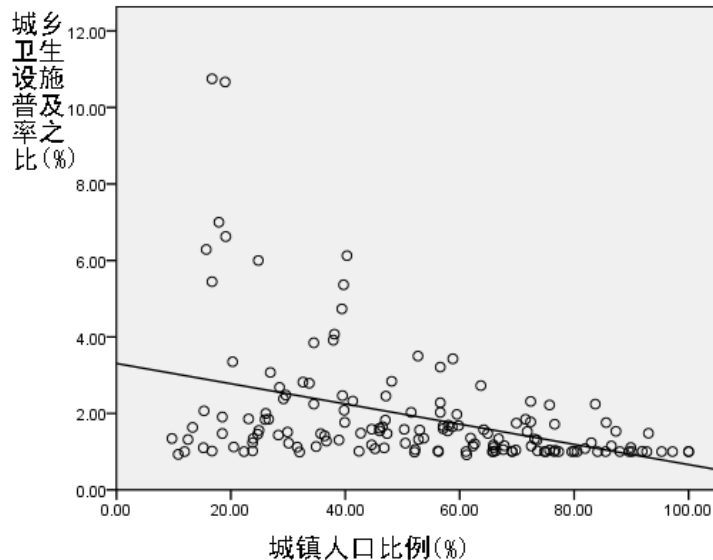
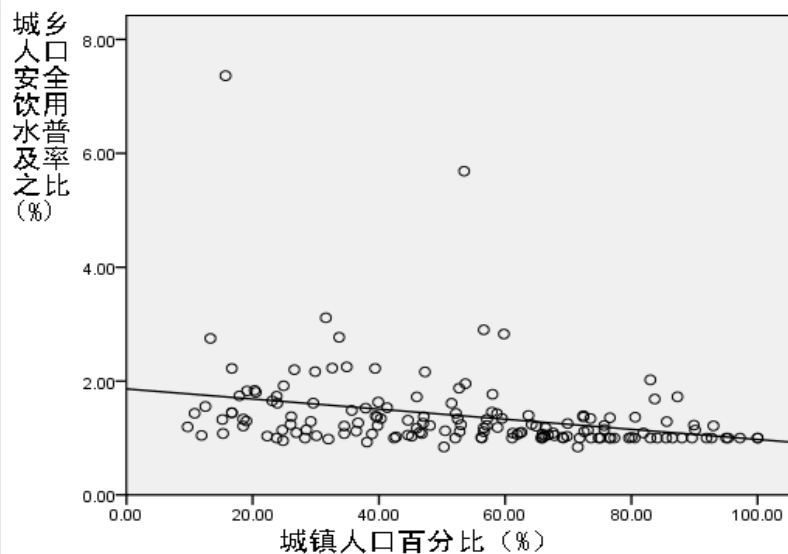
Part B

China's Urbanization

- China has 2.6 floating population in 2012 whose social protection is not efficient.
- About 10 million new rural migrants will move from rural areas to cities annually in the next 20 years
- More than 40,000 sq.km. new land will be developed and constructed for additional urbanized population by 2030.

Population living in cities, 49.35%		Population living in rural areas, 50.65%	
Current population with Hukou	Population without Hukou	Rural pop. who will enter cities in 10 yrs	Population who will stay in rural areas
Urban population share in 2030, 66%			Rural population share in 2030, 34%

Urbanization and Inclusive Development: Critical but not automatic



Part A

Challenges of Urbanization

**The core of urbanization is the urbanization of people.
The purpose is to improve people's quality of life.**

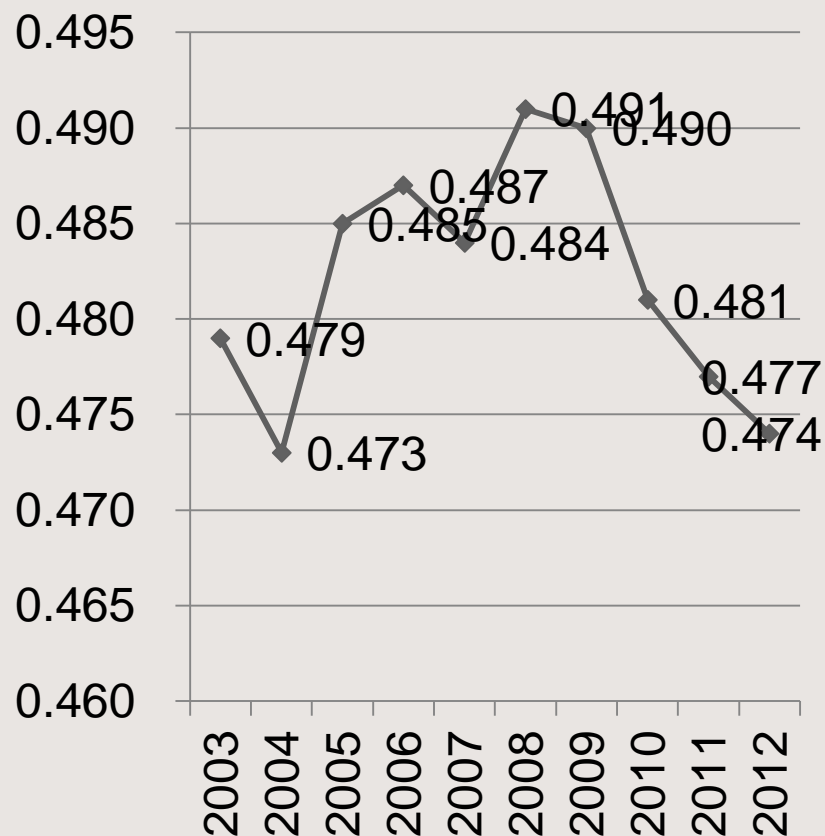
**Challenges of
sustainability**

Challenges of equality

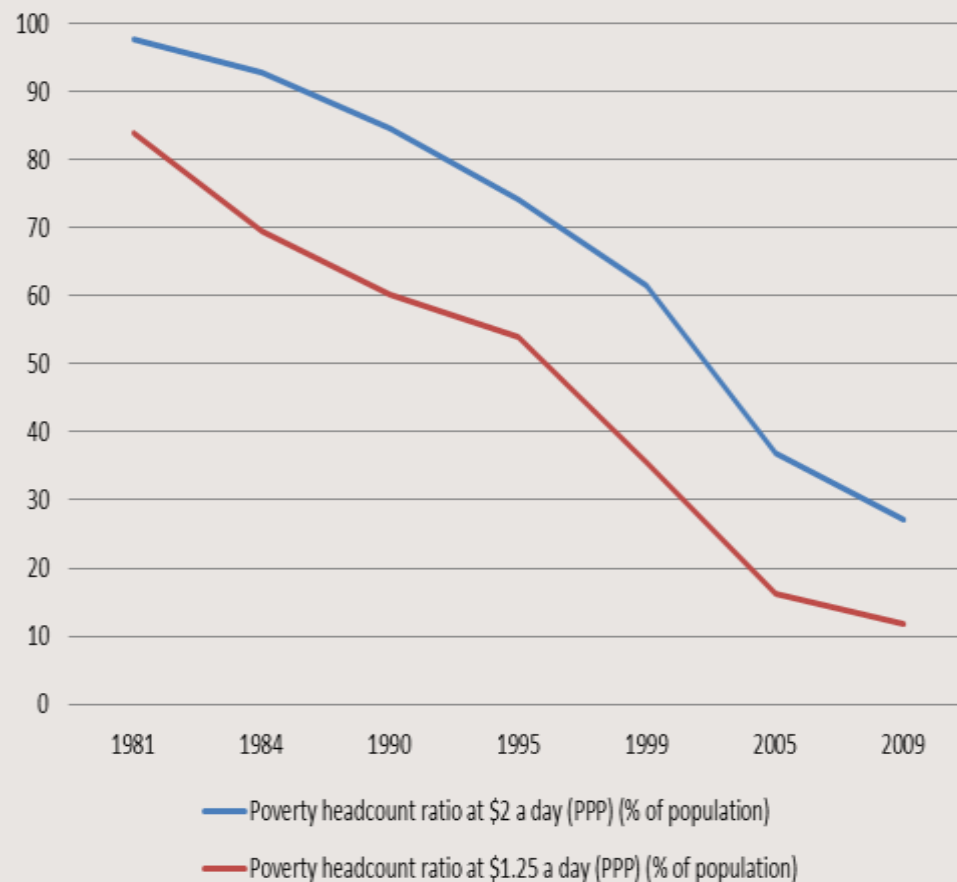


Part A Social and Economic Inequality

Income Gini Coefficient (2003-2012)



Poverty in China



Part B

URBAN POVERTY AND INCLUSIVE CITIES

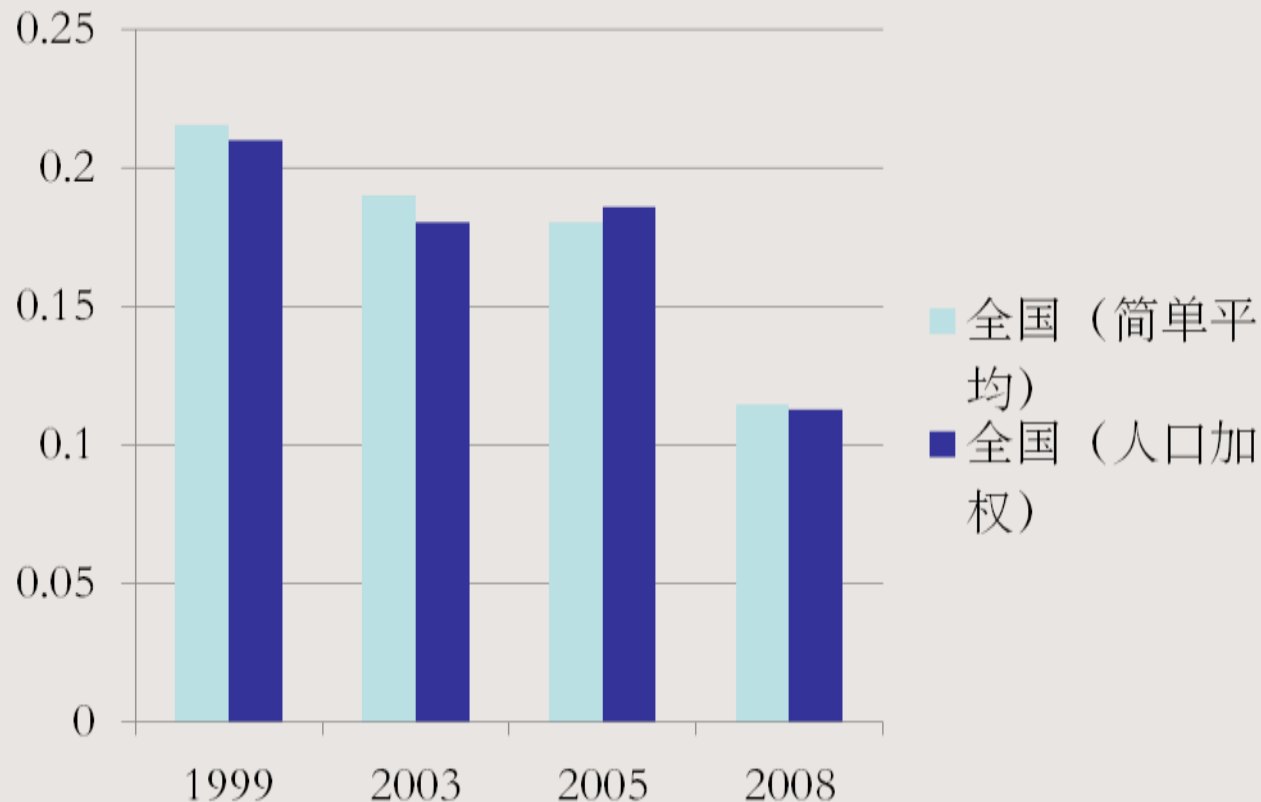
- The growing problem of urban poverty
- The solution need to be considered under the framework of a coordinated development to link rural and urban.

Three Categories

- **Urban Poor**
- **Migrant Workers**
- **Rural Poverty**

Part B

Urban Poor: Trends and Characters



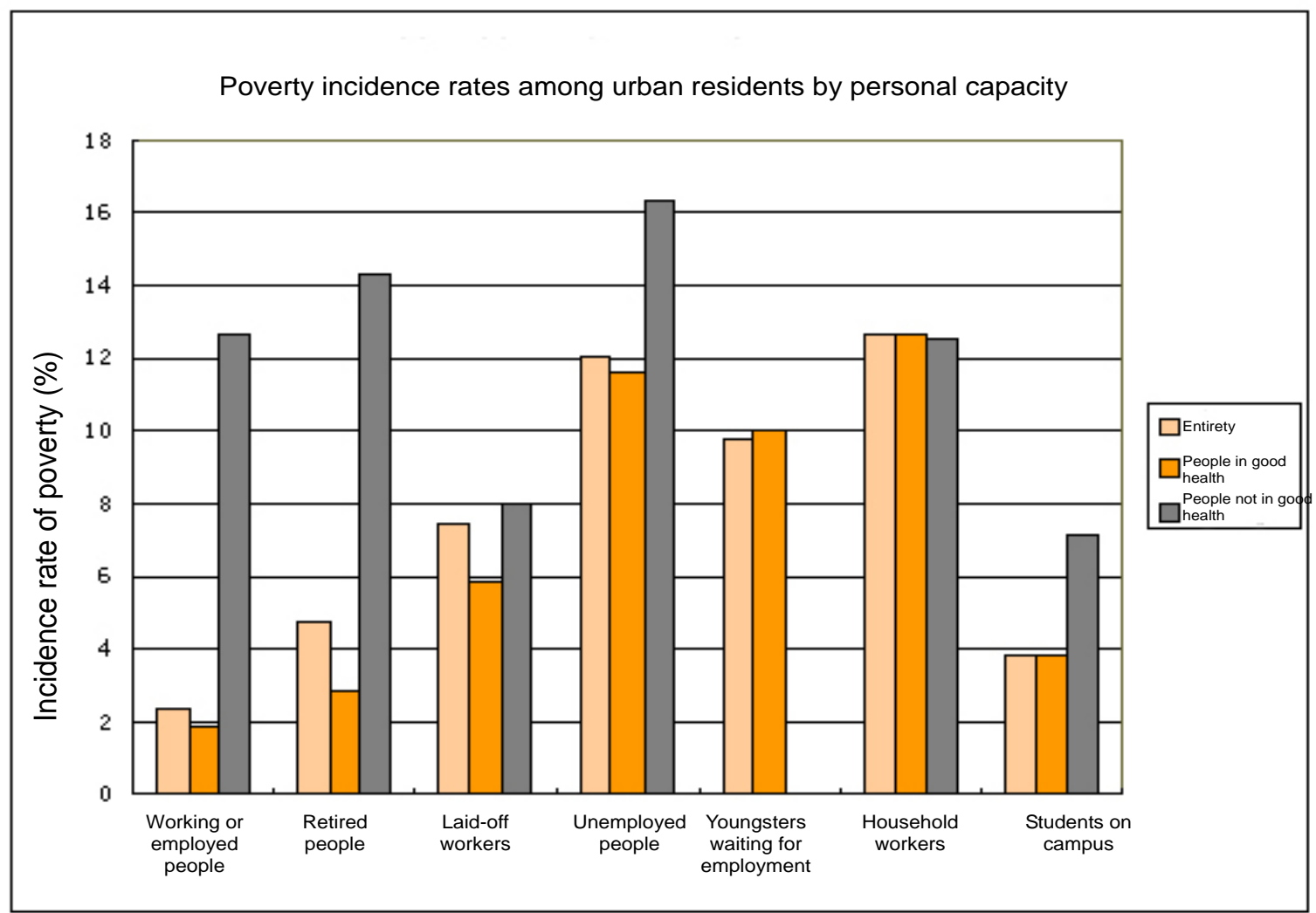
Poverty line: the line of 3014 yuan is adjusted according to the disparities of regional purchasing power inflation of the price. 3014 yuan/per year is counted based on the 2010 national minimum average standard 251.2 yuan per month.

Source: China Health and Nutrition Survey data (CHNS)

- The national urban poverty rate is about 11% in 2008.
- The current urban minimum living coverage of the population has been around 23 million people. If the population of urban household registration accounts for 2/3 of those who received Hukou, China has 400 million registered urban household registration in 2008, which implies the need for various types of relief or low population is 40 million. **There is still a gap to achieve that all the eligible urban poor will receive the benefits to which they are entitled.**
- China has yet a unified national poverty line at the city level which is of essential to the poverty elimination and inclusive cities. To develop such a unified standard of poverty is imminent.
- The current policy is not guaranteeing that the migrant workers and their families, an inclusive policy should be considered.

Part B

Urban Poor



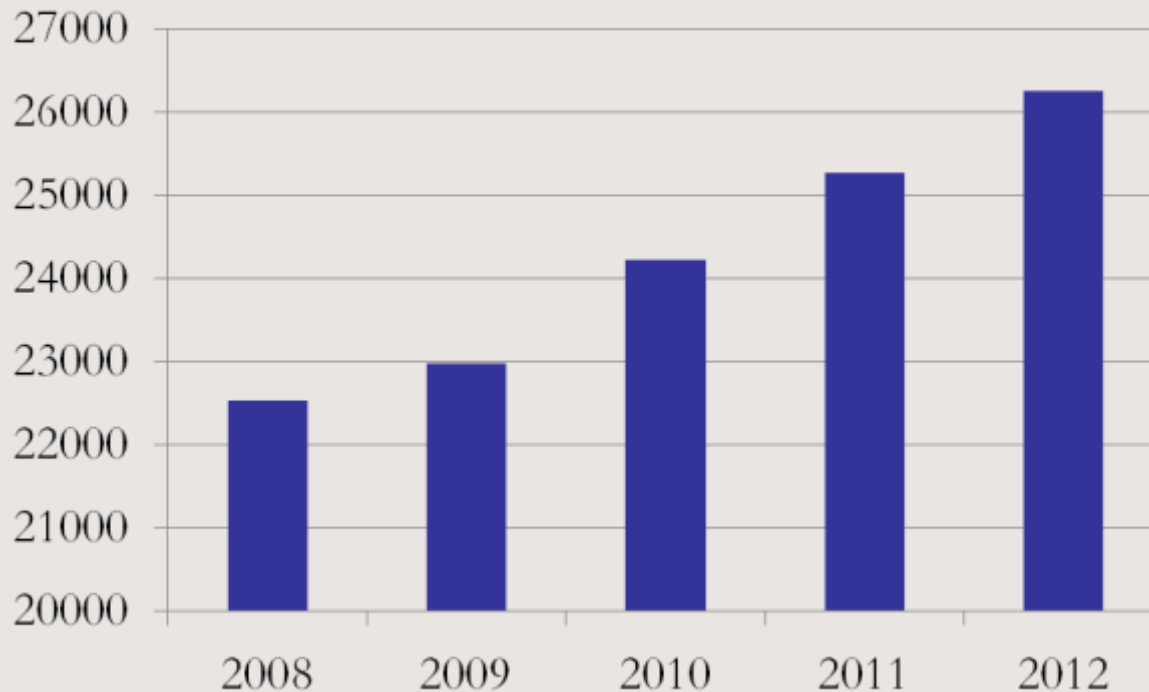
Source: Drawn from an estimate in a 2006 background report by Zheng Feihu and Li Shi.

- The problem of Underemployment
- The problem of New 40s-50s
- Education and health
- Social security and public services
- Low coverage of the social security system

Part B

Migrant Workers: Trends and Characters

Number of Migrant Workers in China



Total Number of Migrant Workers is 262.61 million

- the major force of labor in China's industries
- the status of employment is more stable than the past.
- *The increasing next generation of rural migrant workers.*
- 'landless' rural migrant workers

Part B Migrant Workers

The Problem of ‘quasi-urbanization’.

- Education
- Public healthcare and basic medical services
- Overly low coverage of social security
- Urban housing-security system
- Inadequately protected by safeguards

Solution

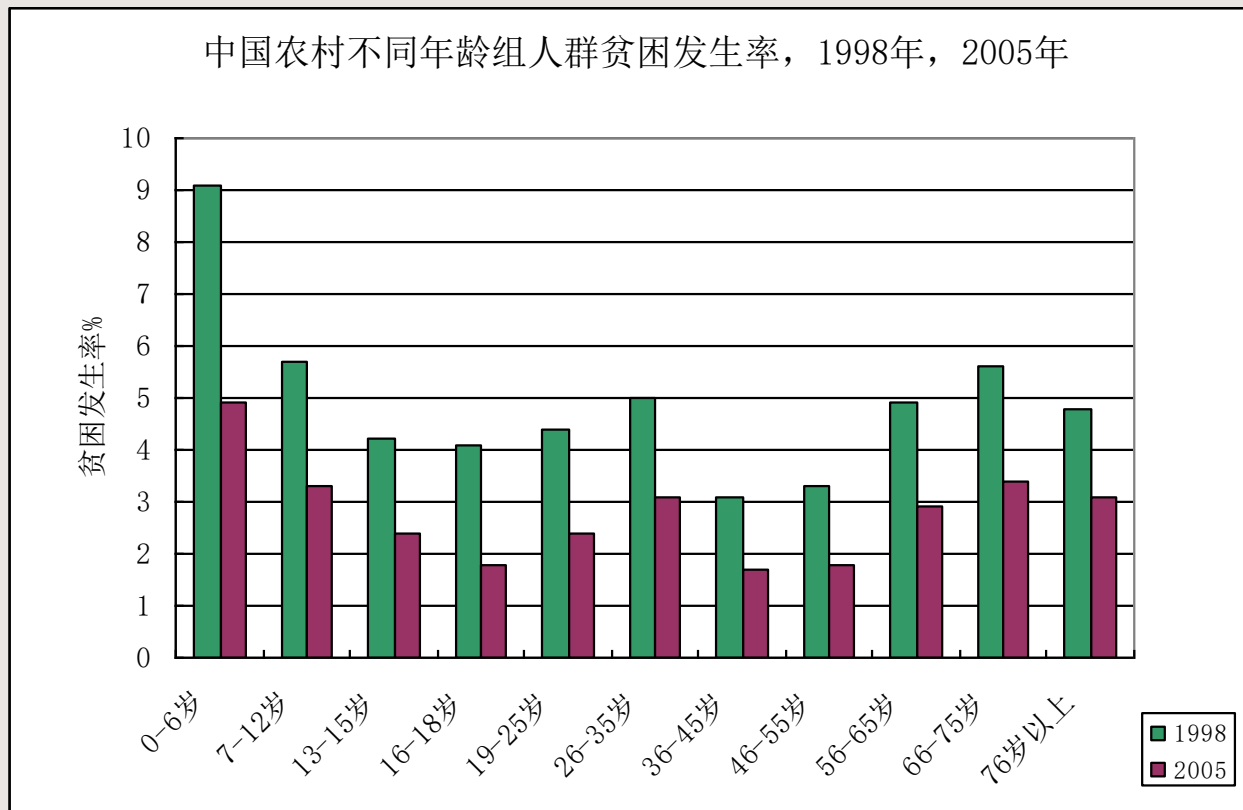
Integrating rural migrant workers into urban citizens is the key task for urbanization.



Part B

Rural Poverty: Trends and Characters

- Key Target Area for Poverty Reduction in the past 30 years.
- New Poverty Line adjusted to 2300 RMB/per year and there are 98.99million poor people by 2012.
- The gap in income distribution between rural and urban is increasing.



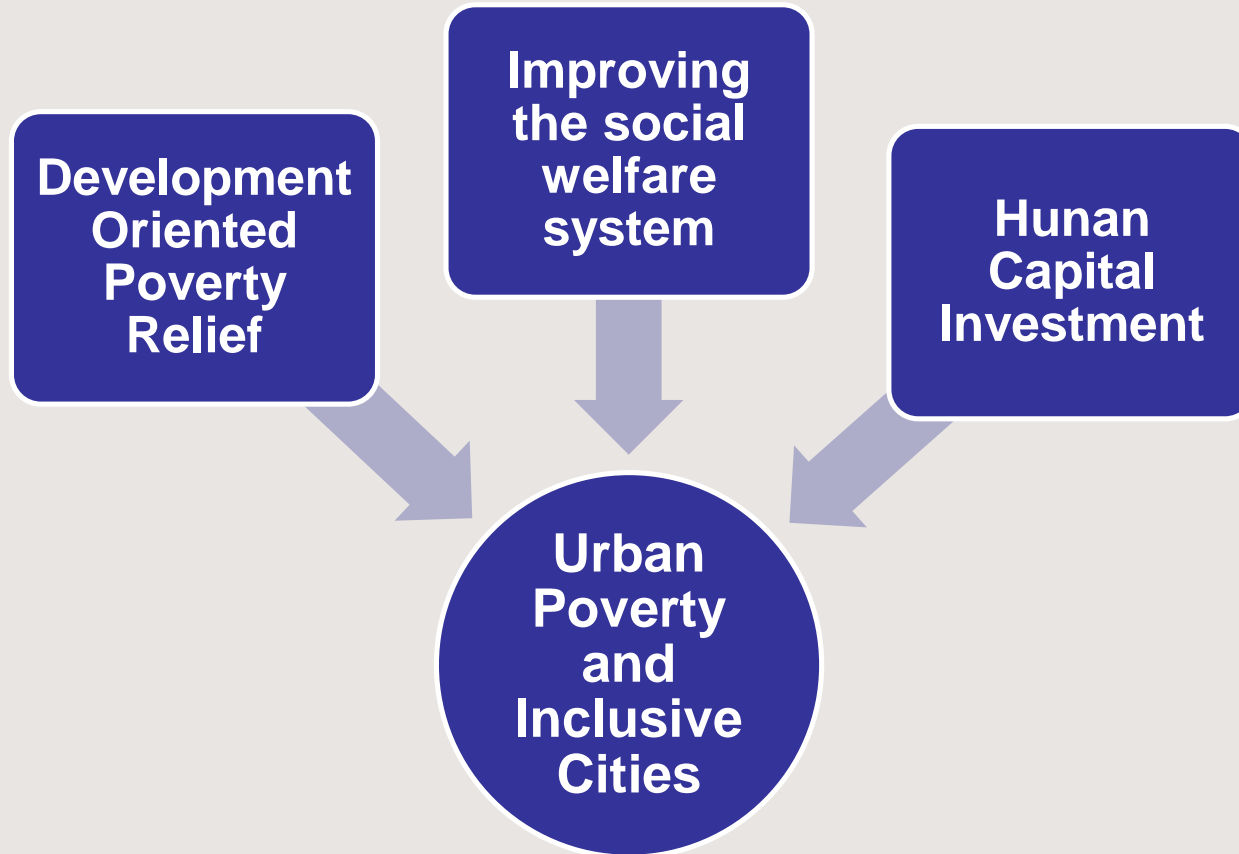
- A higher percentage of expenditures .
- A low educational level and lack of human capital.
- A large family headcount and a heavy headcount burden.
- Heavy educational and medical burdens.
- Relatively poor natural and geographical conditions.

Part C

Coordinated Approach to Link Urban and Rural

Part C

Three Pillars to Achieve Inclusive Cities



The three pillars need to be integrated and interacted in different areas and period

■ Facilitating access to jobs

- *The support and creation of new jobs , re-employment and training*
- *Improving the living and working condition in rural areas*

■ Ensuring access to social services

- *Improving the coverage of population who meet the minimum living standard*
- *Gradually improving the social security system for rural areas entitlements and portability*

■ Investing in Human Capital Development

- *Preventing the Intergenerational transmission of poverty to achieve People-Centered development strategy*

Part C

CDRF Approach: *Investing in Early Childhood Development*

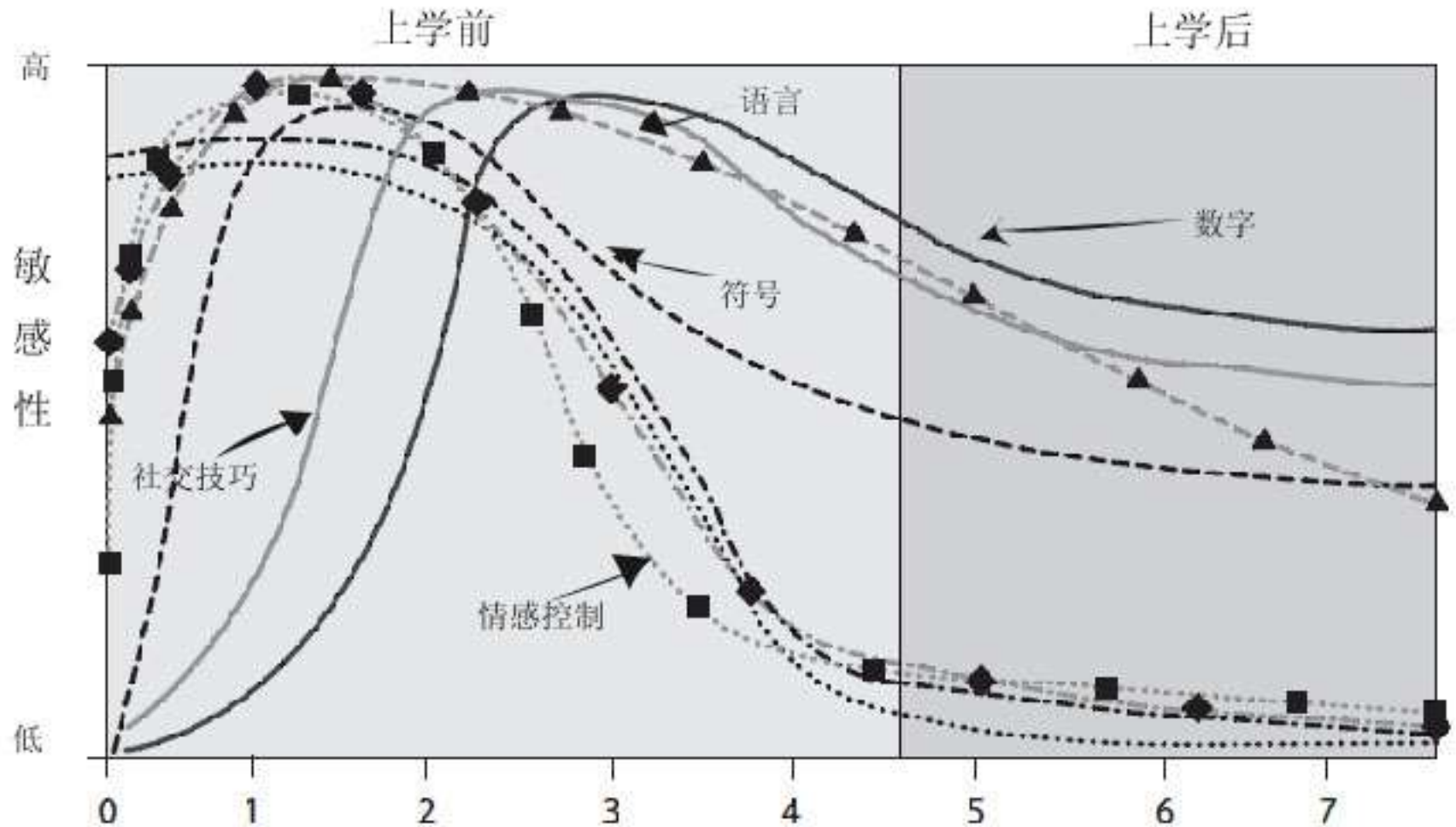
■ China has 61.03 million children in the rural areas, 35.81 million migrant children in the urban.

■ Invest in Early Childhood Development (0-6 ages) receives the highest return of human capital. Investing in the population who will become the major labor force in the next 20 years is to eliminating poverty from its roots.



Child Leads, Equity Counts

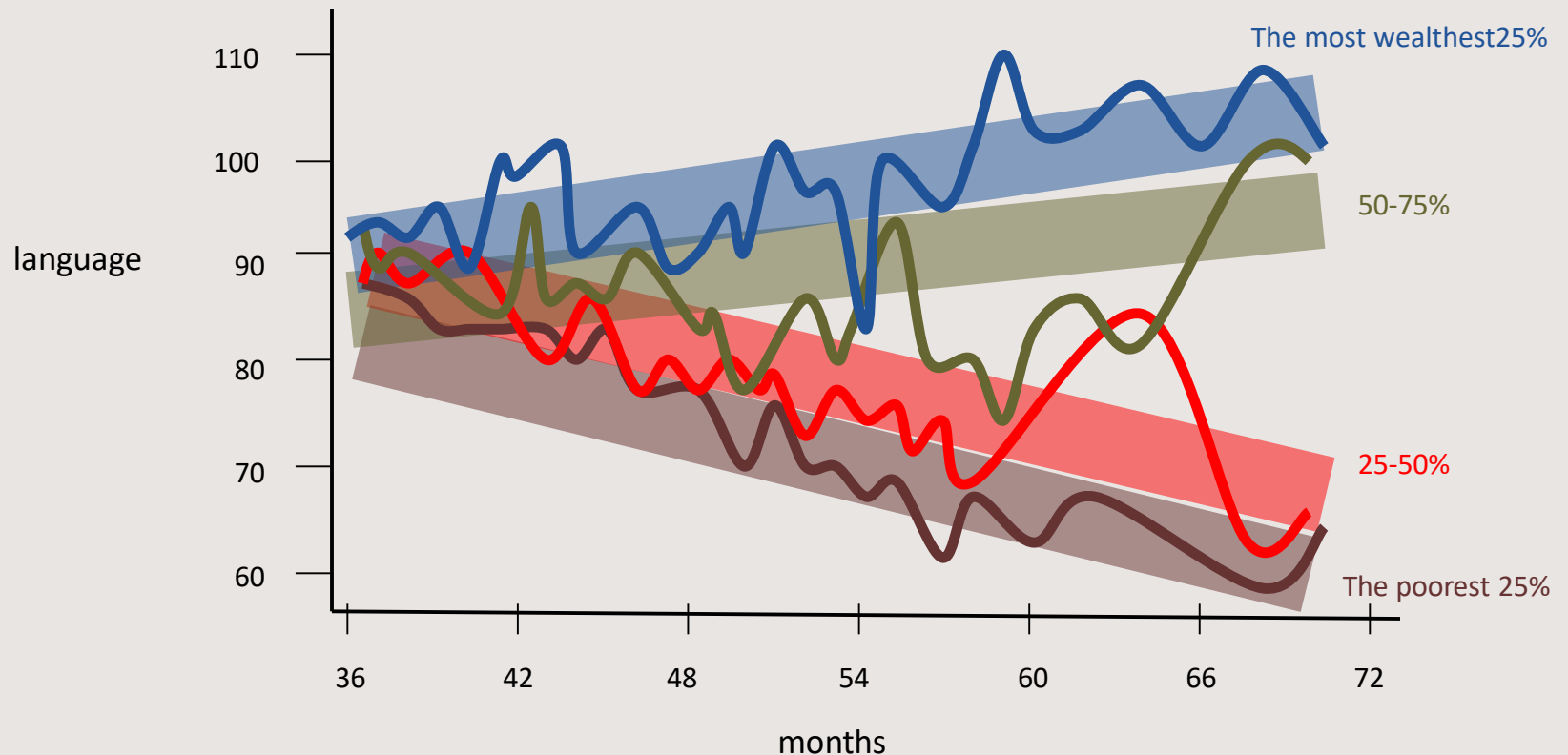
Human Brain Development Timeline



Part C

Evidence from Research

The gap in language development ability for children in 3-6 is increasing comparing the wealth families and poverty families



Source: Schady and Paxton (2005)

Harvard University

The issue of underdevelopment of Early Childhood is closely related to the issue of poverty.

- the malnutrition and anemia in infant period directly affect children's mental development ;
- The Lack of basic care and early education hinders children's cognitive abilities , social - emotional development and emotional competence development ;
- The underdevelopment of cognitive ability for Children living in poverty will greatly influence their academic performance, health and mental development in school and their employment status and the ability to generate income and wealth in adult periods;
- The lower level of education of the parents (mother in particular) of these children) and poor family economic conditions increase the risks of death, malnutrition and disease- suffering of these poor child ,resulting in the intergenerational transmission of poverty .

Part C

Pilots: *Investing in Early Childhood Development* *Focusing on Stay-at-home Children and Floating Children*



Early Childhood Development

Nutritional Improvement

Nutritional Improvement
for Rural Boarding
School Students
2007-Present

Nutritional Intervention

Nutritional Intervention
for Rural infant
(-9 ~24 months)
2009-Present

Village Early Education Centers

Preschool Education for
Rural and Poor Children
(-3 ~5 years old)
2009-Present

Caring for Migrant Children

Floating Children in the
urban cities
2009-Present

Stay-at-home Children and Floating Children

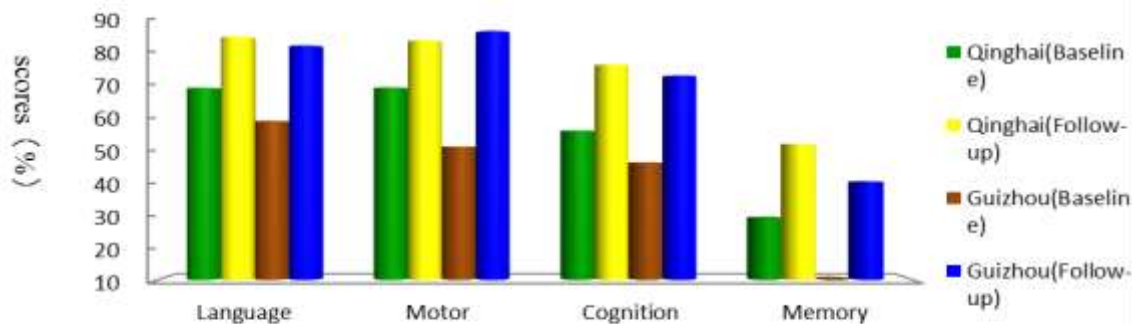
Part C

Program on Naturalization Intervention & Village Early Education Centers

- Pilots in Qinghai, Yunnan , Guizhou, Sichuan, Hunan, Xinjiang , Shanxi and other places since 2009.
- Nutrition intervention and early education.
- Maternal nutrition supplement and "Mom school" training.
- Beneficiary of 2,976 infants at 6-24 months and 12535 children at 3-5 year-old.



Developmental Outcomes of 4-5 year Old Children Before and After the Intervention: Qinghai and Guizhou



Part C

School Feeding Program in Poor Rural Areas



Policy Impact

■ Provide nutritional meal supplement . Central government spends more than 160 million annually to contiguous boarding education students in poor rural areas providing nutrition dietary supplement. this policy has been benefited 229 counties in the midwest 22 provinces, covering more than 2,600 primary and secondary schools in rural areas.

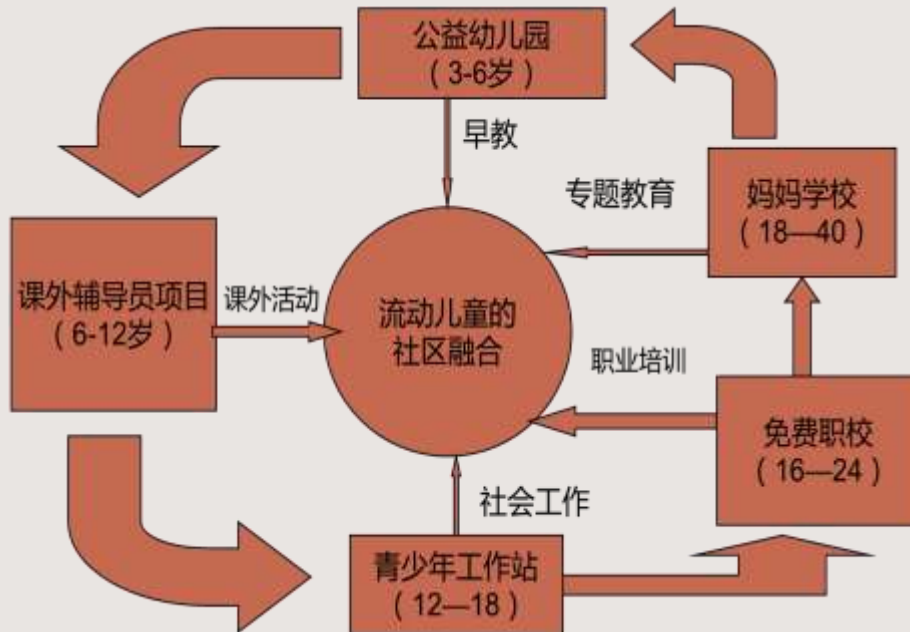
■ Improve student dining conditions . the central government has allocated 30 billion during 2011-2013 to support rural school cafeteria construction and improvement of facilities and equipment .

Part C

Project on Caring for Migrant Children to Promote Social Integration

Pilots at the Chuanfang District in Kunming

Pilots at Xiaojiahe community in Beijing



- Migrant children enjoy the social integration of public services and care
- Migrant children's ability to expand and mental health has been improved ;
- Resolved “ after school “ parents worry
- Effective prevention of juvenile delinquency flow
- Promoted community governance ;
- Community participation and satisfaction improved.

Part C

CDRF Policy Recommendation

From the Pilot to National Enforcement

Objectives - cover 44 million 0-14 year-old children in contiguous poor areas, life cycle approach focusing on nutritional and educational interventions

- **Contents—**

- (1) nutritional supplements for pregnant women and 6-36 month-old infants:

- increase of annual investment RMB 6 billion

- (2) set up VEECs to universal coverage of preschool education for children

- aged 3-5: annual investment of RMB 9 billion

- (3) invest in school canteens to meet nutritional demands of primary

- and junior middle school students in rural areas: increase of annual

- investment RMB 4.8 billion

- **Partnership –**

- *National Working Committee for Children and Women of the State Council*

- *Ministry of Health: maternal and infant nutritional interventions*

- *National Commission for Population and Family Planning*

- *Ministry of Education*

- **Implementation** – administrative systems at county, township and village levels

- **Policy evaluation**

- **International collaborations**

Policy Impact

Approval from President Xi Jinping

President Xi comments CDRF policy recommendations of making a national plan to enhance child development in poor rural areas.

*“The policy recommendations about making a national plan to enhance child development in poor rural areas are highly valuable. Such an effort is of critical importance and remarkable impact. The explorative practices have accomplished positive outcomes with low cost. **The key issue is to strengthen coordination and lend greater policy supports, mobilizing and integrating all kinds of resources.** The central government departments such as the Ministry of Education, the Ministry of Health, and the National Commission for Population and Family Planning should build on the existing successful practices, take pertinent and feasible measures, implement in a timely fashion, and make solid progress to enhance child development in poor rural areas.”*

President Xi Jinping, February 6, 2013

People come to city-states in order to make a living and then stay there in order to enjoy a better life.

Aristotle

Thank You !