



GROWTH, TRANSFORMATION AND POVERTY IN THE PRC AND ASEAN

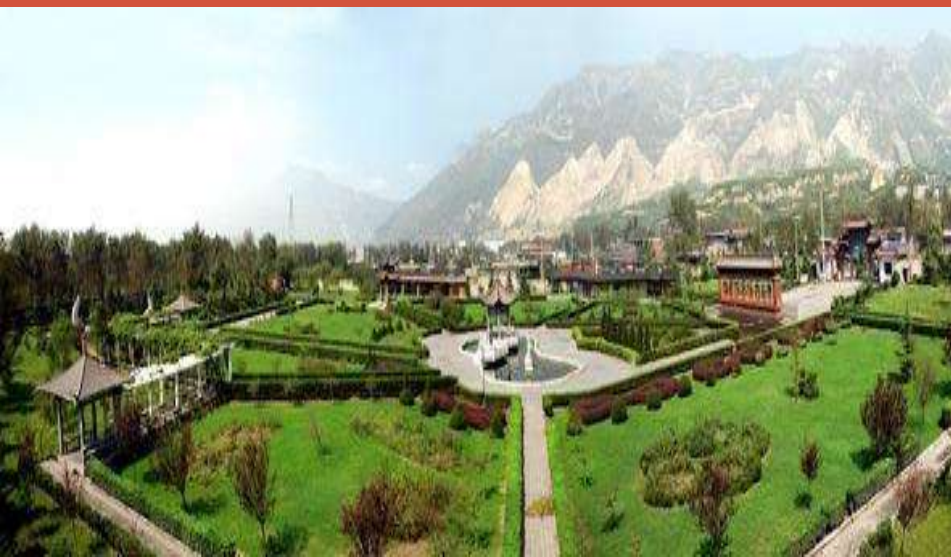
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1. COMPARING POVERTY CHANGE IN THE PRC AND SOME ASEAN COUNTRIES



The PRC's poverty reduction has been significant by any measures

The PRC's Poverty Change by the new national poverty line equivalent to 2.27 \$ line

Year	Poverty population/million	Poverty incidence/%
1978	770,36	97.5
1980	765.42	96.2
1985	661.01	78.3
1990	658.49	73.5
1995	554.63	60.5
2000	462.24	49.8
2005	286.62	30.2
2010	165.67	17.2
2014	70.14	7.2
2017	30.46	3.1

The PRC's Poverty Change by the previous poverty line equivalent to 0.67 and 1\$ line

Year	Poverty line (RMB)	Poverty population/million	Poverty incidence %	Low income line (RMB)	Poverty population/1,000	Poverty incidence %
Before 1978	100	250	30.7	-	-	-
1985	200	125	15	-	-	-
1995	530	65	7.1	-	-	-
1999	625	34	3.7	-	-	-
2000	625	32.09	3.40	865	6213	6.7
2005	683	23.65	2.6	944	4067	4.3
2008	-	-	-	1067	4007	4.2
2009	-	-	-	1196	3597	3.8
2010	-	-	-	1196	2688	2.8

The ASEAN's poverty reduction has been also significant, but not as robust as the PRC (measured by 1.90 \$ line)

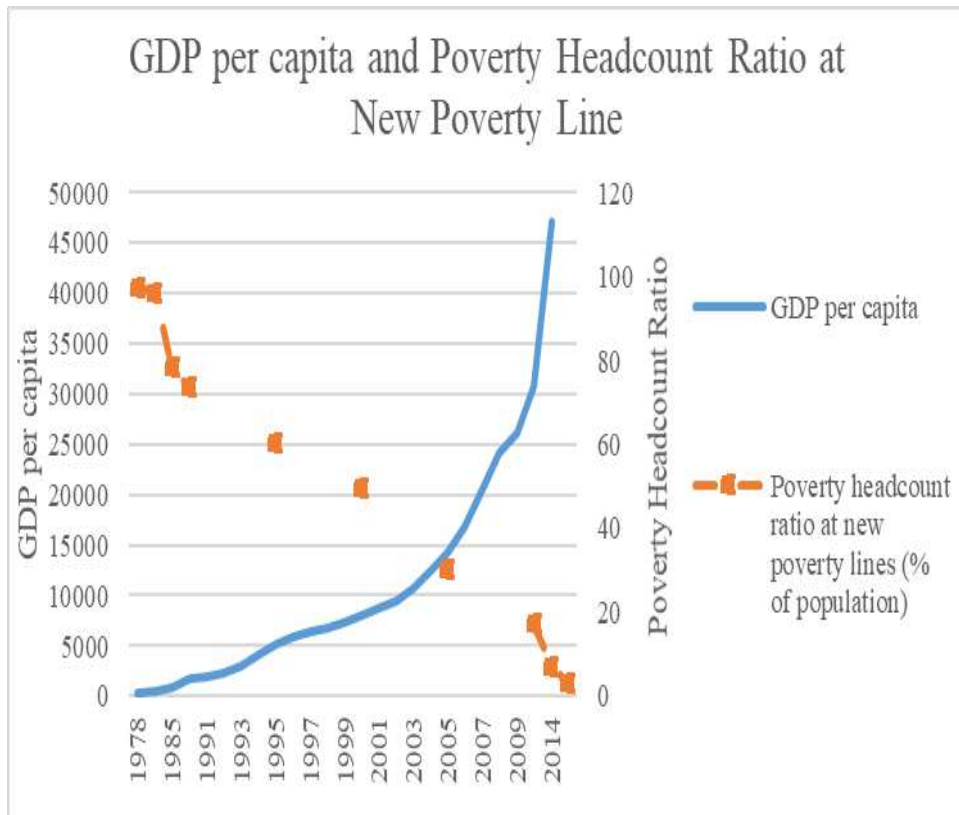
Country	1990	2000	2002	2004	2005	2006	2007	2008	2009	2010	2012	2013	2015
Malaysia				0.4			0.5		0.3				
Indonesia	57.3	39.8	23.4	24.4	21.6	28	22.8	21.6	18.4	15.9	11.8	9.8	7.5
Thailand	9.4	2.5	1.1	0.8		0.7	0.3	0.1	0.2	0.1	0.1	0	
Philippines		14.5				14.7			10.7		12.1		8.3
Vietnam			38	26.5		19.5		14.8		4.2	2.8		
Laos			33.8				27.4				22.7		
Myanmar													6.5
Cambodia				18.6			16.9		5	4.6	2.2		
ASEAN	33.35	18.93	24.08	14.14	21.6	15.73	13.58	12.17	6.92	6.2	8.62	4.9	7.43
PRC	66.6		32		18.8			14.7		11.2	6.5	1.9	

2. THE DRIVERS FOR POVERTY REDUCTION IN THE PRC AND ASEAN COUNTRIES



2.1 Both the PRC and many ASEAN countries demonstrated similar pro-poor growth experiences

The PRC's economic growth and poverty reduction projection



Poverty reduction spell over in the PRC

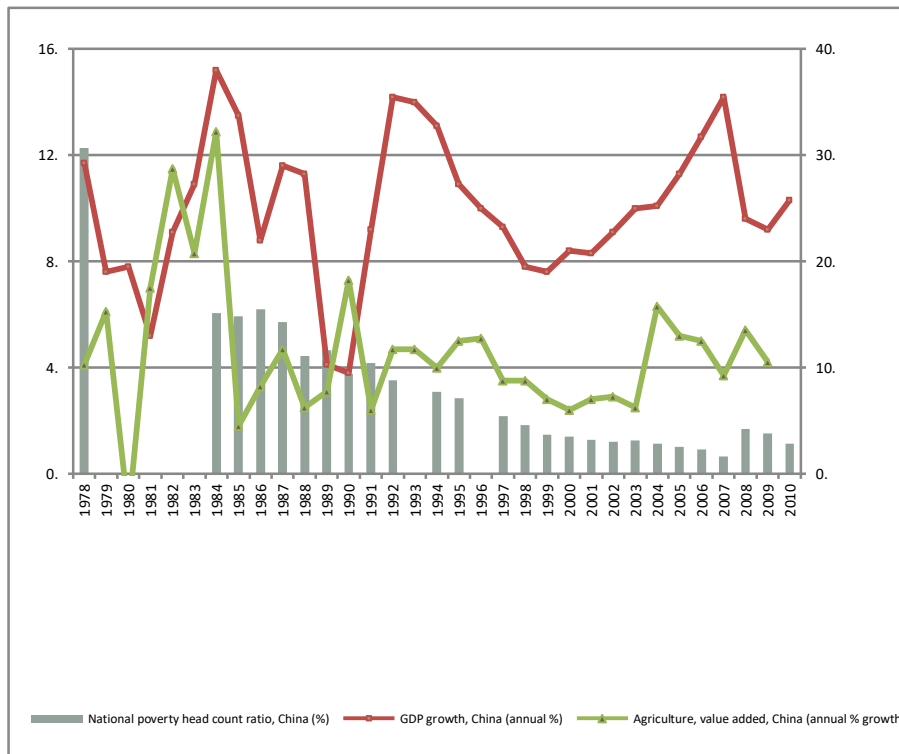
	The national poverty US\$ 1 line			
	Poverty incidence	Poverty gap	Poverty incidence	Poverty gap
1988	-2.39	-1.54	-1.72	-1.79
1995	-1.90	-1.81	-1.39	-1.75
2002	-2.86	-2.31	-2.06	-2.42
2007	-2.16	-1.09	-2.18	-2.22

The ASEAN 's economic growth and poverty reduction projection

		1981	1987	1990	1998	2002	2006	2010	2012	2015
Indonesia	GDP per capita	1297.72	1480.01	1707.60	2084.23	2257.75	2621.96	3113.48	3415.35	3827.55
	Poverty headcount ratio		70.1	57.3	65.3	23.4	28	15.9	11.8	7.5
Thailand	GDP per capita	1457.31	1857.25	2502.71	3235.73	3731.03	4525.16	5075.30	5437.24	5733.92
	Poverty headcount ratio	19.6		9.4	1.5	1.1	0.7	0.1	0.1	
Philippines	GDP per capita	1697.81	1411.73	1525.81	1559.21	1643.20	1880.19	2129.50	2278.64	2615.66
	Poverty headcount ratio						14.7		12.1	8.3
Vietnam	GDP per capita		388.71	431.88	696.61	842.37	1073.01	1310.37	1433.13	1651.23
	Poverty headcount ratio				34.8	38	19.5	4.2	2.8	
Laos	GDP per capita		421.95	462.00	612.59	729.89	900.28	1141.13	1296.75	1556.67
	Poverty headcount ratio					33.8			22.7	
Myanmar	GDP per capita	219.74	219.20	197.21	281.73	422.96	677.70	987.74	1101.21	1342.26
	Poverty headcount ratio									6.5
Cambodia	GDP per capita				368.87	475.05	669.04	785.69	874.16	1024.87
	Poverty headcount ratio							4.6	2.2	

2.2 Agriculture plays an important role in poverty reduction in the PRC

Economic growth rate, agricultural growth rate and poverty reduction in the PRC



Economic growth and farmers' income change in the PRC

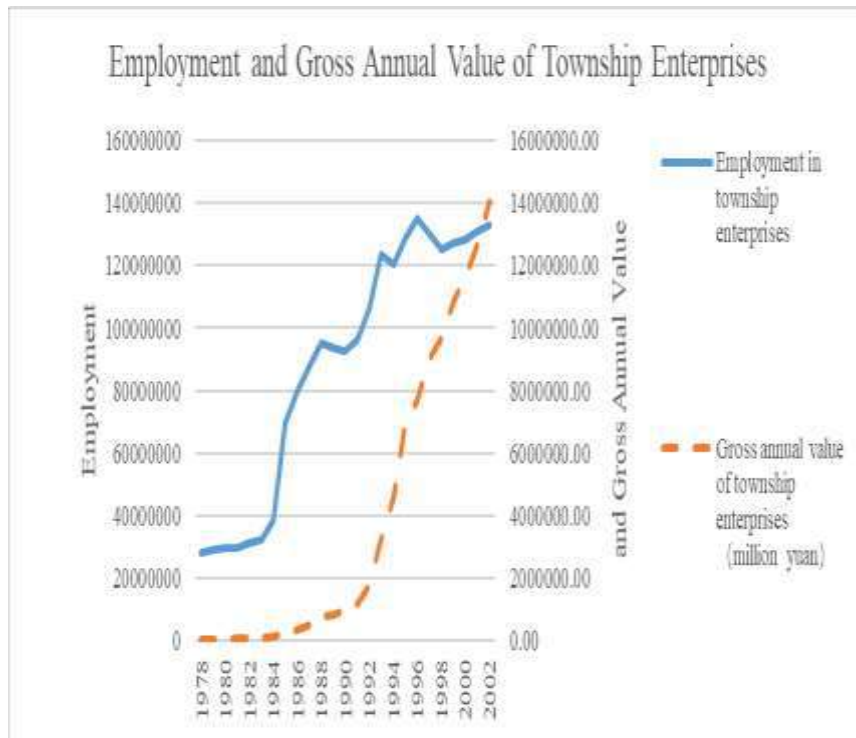
Year	Number of poor reduced (million)	GDP growth rate per capita	Increase of consumption (%)	Income of increase rate (%)
1978-1985	17.86	8.3	10.0	15.1
1985-1990	8.00	6.2	2.5	3.0
1990-1997	5.00	9.9	8.0	5.0
1997-2004	3.42	7.4	6.7	4.3
1978-2004	8.61	8.1	7.0	7.1

The Share of Agricultural GDP to Total GDP in Selected ASEAN Countries (%)

	1980	1985	1990	1995	2000	2005	2010	2015
Indonesia							14.31	13.93
Philippines	25.12	24.58	21.90	21.63	13.97	12.66	12.31	10.26
Vietnam							21.02	18.89
Laos			61.23	55.68	45.17	36.18	31.45	19.66
Mynmar					57.24	46.69	36.85	26.77
Cambodia				50.07	38.28	32.74	36.46	28.63

2.3 Rural industry and transformation continued to stimulate poverty reduction in the PRC

Employment and Gross Annual Value of TVEs 1978-2002 in the PRC



Income Composition of Rural Household in the PRC 2018

Sources of income	Composition %
Per capita net income	100%
Wage income	46.2%
Agriculture	33.5%
Other sector	10.0%
transfer	10.3

Most ASEAN countries experienced also relative large transformation which led to poverty reduced, but agriculture remains a constraint

The Urban Population Growth in the ASEAN

	1980	1985	1990	1995	2000	2005	2010	2015	2016
Indonesia	22.10	26.09	30.58	36.08	42.00	45.94	49.92	53.74	54.47
Thailand	26.79	28.10	29.42	30.28	31.39	37.52	44.08	50.37	51.54
Philippines	37.48	43.05	48.59	48.29	47.96	46.60	45.26	44.37	44.29
Vietnam	19.25	19.56	20.26	22.19	24.37	27.28	30.39	33.59	34.24
Laos	12.38	13.80	15.44	17.38	21.98	27.39	33.12	38.61	39.65
Myanmar	23.97	24.08	24.57	25.53	26.97	28.93	31.41	34.10	34.65
Cambodia	9.90	13.93	15.55	17.31	18.59	19.17	19.81	20.72	20.95

Monthly Average Income per capita in Vietnam

Year	Salary & wage	Agriculture, forestry & fishery	Non-agriculture, forestry & fishery	Others
2010	36.45%	33.36%	19.63%	10.56%
2012	38.44%	31.86%	18.62%	11.08%
2014	39.94%	28.75%	19.28%	12.02%
2016	41.57%	27.08%	19.98%	11.37%

2.4 Targeted developmental and social protection programs in the PRC

1. Targeted Developmental poverty reduction program: poverty reduction grant, food for work and poverty reduction loan.

- 1. Social protection program:**
- **Vulnerable and disabled ;**
 - **Education;**
 - **Health**
 - **Minimum living standards**
 - **Rural pension**
 -

Accurately targeted rural poverty reduction program since 2012 to eliminate rural absolute poor towards 2020.

3. CONCLUSIONS AND RECOMMENDATIONS

Three approaches to reduce poverty are suggested:

- **First, identify a strategy to eliminate rural absolute poor through rapid economic transformation;**
- **Second, develop rural areas;**
- **Third, take a comprehensive approach to address multi-dimensional poverty.**

For some of ASEAN countries:

- **To generate a sufficient margin for poverty reduction, growth in the agricultural sector needs to be higher than the current rate of 3-4 percent, when taking population growth into consideration.**
- **Due to the unavailability of additional land for agricultural activities, increasing production of existing farms is critical.**
- **Boosting productivity, promoting rural industry, and developing small cities are key approaches for poverty reduction initiatives.**

For the PRC:

- **PRC is an important development actor in the region and cooperation with ASEAN countries. It has the potential to improve strategies for reducing poverty through the agricultural sector and development of small rural enterprises.**
- **Improving policy design to support poverty reduction is another area which would benefit from communication and experience-sharing.**

FOR A SHARED FUTURE



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