

# Research on Countermeasures to Speed up the Economic and Social Development of Poverty-Stricken Mountain Areas

## --A Case of Jinzhai County in the Dabie Mountain Area

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**Abstract:** In order to fulfill the goal of building the all-round well-off society, it's of great necessity to promote economic and social development, reduce and eventually eliminate absolute poverty in poverty-stricken areas. By observing researches on poverty at home and abroad, and taking Jinzhai County, a typical representative of poverty-stricken mountain areas, as an example, this paper analyzes its present situation of economic and social development thoroughly, and then points out its main problems. It holds that we must combine regional development with anti-poverty development effectively, put forward to do well in docking with government departments in all respects positively, strengthen the infrastructure construction, optimize the industrial structure, plan project scientifically and develop social programs, so as to promote the economic and social development of Jinzhai County and help the poor to get rid of poverty as soon as possible.

### Introduction

The most difficult task to attain the strategic goal of building the all-round well-off society which was proposed in the 18th National Congress of the Communist Party of China is in the poverty-stricken mountain areas, especially in rural mountain areas. China rural poverty alleviation and development program (2011-2020), issued and implemented in November 2011, firstly proposed that taking fourteen concentrated destitute areas as the main battlefield for supporting the poor in the new period, including the Dabie mountain area, and confirmed Jinzhai county as the key government supporting county again. With the steady growth of our economy and more efforts to support the poor, from 1990 to 2011, the poor population declined from 689 million to 250 million. The effect is significant, meanwhile the fight against poverty still faced with great challenges. By the end of 2014, according to the standard that rural per capita net income is less than 2300 yuan, our country still has 70.17 million poor rural population. The anti-poverty task is still arduous. In the poverty-stricken areas, especially in the concentrated destitute areas, factors such as poor basic conditions, weak public service ability and fragile ecological environment restrict its economic and social development. Moreover, along with the unbalanced development of regional economy and income gap widening gradually, the poverty problems in rural areas become increasingly prominent. To promote economic and social development in the poverty-stricken mountain areas, reduce and eventually eliminate absolute poverty, improve the farmers' income and boost domestic demand will not only meet people's strong desire but also be directly related to the process of building the all-round well-off society, even be directly related to the overall situation of reform, development and stability. So, it has important social significance.

## Literature review

In 1880s, the pioneer of poverty theory, Charles James Booth and Benjamin Seebohm Rowntree, pointed out the poverty was absolute material scarcity or material inequality. In 1950s, Richard m. Titmuss, Abel Smith and Peter Townsend put forward the concept of relative poverty <sup>[1]</sup>. They thought poverty was not based on the minimum physiological needs, but based on social comparison. In the middle and late 1980s, Hanveman and Bershadker put forward the concept of net earnings-capacity poverty. Such definition guides the policy orientation which should be focused on providing equal employment opportunities for the poor and improving their ability of anti-poverty, rather than providing ready-made material needs <sup>[2]</sup>. Amartya Sen<sup>[3]</sup> also believed that the true meaning of poverty was the poor lack the ability and opportunities to generate income. In the 'World development report 2000/2001', World Bank provided us with a more comprehensive and extended cognition standard <sup>[4]</sup>. The study on the meaning of poverty in China proceeded from narrow to broad <sup>[5]</sup>. Early studies only confined the view to the material life, but later personal ability and social justice were included in poverty by some scholars. They thought poverty not only involved the material level but also the spirit level and social level, even the understanding and exploring of the functional level. For the causes of poverty, overseas scholars mainly explained it from aspects such as elements, institution, etc <sup>[6]</sup>, or they explored it by using sociological theory, mainly including Malthus's poverty theory, Nurkse's 'vicious circle of poverty', Nelson's 'Low Level Equilibrium Trap', Harvey Leeibenstein's 'theory of critical minimum effect'<sup>[7]</sup>. Chinese scholars explored the roots of poverty also mostly from aspects such as nature, economy and society, etc, but mostly focus on static analysis. There are some achievements on study of poverty alleviation and development, mainly reflected in the research on anti-poverty, the pattern and mechanism of alleviate poverty and development, policies and performance of poverty alleviation and development, etc.

Through consulting current literature, we found that scholars mostly gave priority to empirical case study on the analysis of aid - the - rural - poor policy, and mostly took quantitative analysis on the analysis of rural poverty alleviation effect, lacking combination empirical study with normative study, quantitative analysis with qualitative analysis. Many research results and experiences have strong regional, time-efficient and particular feature. It's difficult to be applied systematically to practice in formulating aid - the - poor policy. <sup>[8]</sup>

## The present situation of economic and social development of Jinzhai County and its main problems

Jinzhai County, located in Dabie mountain area, the junction of Hubei, Henan, and Anhui provinces, is a natural ecological barrier of middle and lower Yangtze River. Its ecological status is unique and important. It's a national famous mountainous area, old revolutionary base area and reservoir area. There are lots of characteristic agricultural resources and having formed some characteristic agriculture industries, such as tea, bamboo, Chinese chestnut, edible fungus, traditional Chinese medicine, etc. It can be a typical representative of poverty-stricken mountain areas. It was identified as the national poverty county in 1986, listed as the national key supporting county in 2002, and listed as a key county for poverty alleviation in 2011<sup>[9]</sup>. In January 2013, the State Council officially approved the 'Regional Development and Poverty Alleviation Planning for The Dabie Mountain Area (2011—2020)', and opened the prelude to promote the poverty alleviation for whole Anhui province through grasping the poverty alleviation of Jinzhai County.

Economic development long-term lags behind for a long time. Dabie mountain range runs through the county from southwest to northeast and the mountain area where the altitude is above 800m and slope is from 30 to 50 degrees, is 51.6% of the total area of the county. mountainous terrain is steep, ecological environment is fragile, the number of arable lands is fewer, and natural disasters such as flash floods, landslides and debris flows take place frequently, the development of infrastructure construction and social undertakings lags behind. Table1 shows that comparing with the advanced counties of Lu'an city, Jinzhai County developed slowly in aspect of economy and society. we found

that, under the situation of excluding Yeji test area, the main economic indicators of Jinzhai County such as GDP, industrial added value, fiscal revenue, rural per capita net income, etc, stayed in tailender or penultimate for long time, and the gap with whole city is becoming bigger and bigger. Weak economic foundation gives rise to lacking steam for economic and social development. Most of the poor are concentrated in the remote mountainous areas where the production and living conditions are weak, means for production is backward and industrial structure is single, which increase the probability of economic development depending on the weather and the possibility of disasters resulting in poverty. In 2013, investment in fixed assets of Jinzhai County was 8.66 billion Yuan, and the investment should continue to be strengthened in the future. Its rural per capita net income was 7146 Yuan, while the data of Anhui province was 8098 Yuan, the national rural per capita net income was 8896 Yuan during the same period.

Table 1. The order of main economic indicators of Jinzhai and Huoshan in Lu'an city

		GDP	Per Capita GDP	industrial added value	fixed investments	Fiscal Revenue	average financial revenue
Huoshan	2000	6	2	3	5	4	3
	2005	6	1	2	3	1	1
	2010	4	1	2	2	2	1
	2012	4	1	2	2	2	1
	2013	4	1	2	4	2	1
Jinzhai	2000	7	6	6	4	5	5
	2005	7	6	6	5	6	6
	2010	7	6	5	3	6	6
	2012	7	6	6	4	6	6
	2013	7	7	7	7	7	7
instruction		The objects in this table just include five counties and three districts of Lu'an city, namely Jinzhai county, Shou County, Huoqiu county, Shucheng county, Huoshan county, Jin 'an district, Yu'an district, Yeji test area.					

The industry structure is not optimal. Agriculture is still occupies 21.7% of GDP, natural economy characteristics are obvious. Few scale agricultures, low level of industrialization, marketization, socialization and organization of agriculture, short industrial chain and less financial contribution seriously restricted the growth of agricultural production and farmers' incomes. Its industrial economy is weak. Majority of industries is at the low end of the chain, added value is not high, and the support of large platform and enterprises is insufficient, which lead to the weak abilities of industry nurturing agriculture, digesting bulky agricultural resources, absorbing rural labor force for employment and driving the rural economic development. By the end of 2014, there were only 82 industrial enterprises above designated size in a whole city. The level of tertiary industry is low and the service ability for urban-rural development is insufficient, which embodied in such aspects: scenic spots lacks integration and they are big but weak, and commercial network lacks planning, the layout scatters, the number of big department stores and supermarkets is few, new business pattern develops slowly.

Town development lags behind. Town construction has made certain achievements, but more large historical debt restricts its economic and social development. The scale of old Meishan town is small, and its development space is narrow. So it's hard for the old city reconstructing. The framework of Jiangdian new town has been established, but it's still difficult to form radiation and driving function, because it started lately, development cost is high and its industry is weak. Nanxi, Qingshan, Shuanghe and other key towns, which located in mountainous area, have few developable land resources. On account of the restrictions of Priority Zone Planning in Anhui Province and fragile ecological environment, the development space of Jinzhai County is limited. Lacking Planning or carrying out inadequately caused the function layout messy and its characteristic is not obvious. In

general villages and towns, infrastructure construction fell behind, and the urbanization level is low which will result in such situations that rural bulky agricultural products can't be transferred nearby, small agricultural products can't be liquidated nearby, and the rural population can't engage in job nearby. So the cost of production, living and getting information in the rural is higher than other regions with higher urbanization level. By the end of 2014, for Jinzhai County, its urbanization rate is 43.5%, which was lower than the provincial rate of 47.9% and lower than the national rate of 53.73%. The distance of achieving the all-round well-off society goal was 16.5%. The urbanization task is arduous.

The development of social undertakings lags behind. Condition of grade road is bad and roads in mountain villages towards outsides are inconvenient, which hinder the rapid flow of production factors and agricultural products, meanwhile, increases the cost of economic development. Infrastructures in county and township such as roads, electricity, water conservancy and environmental protection are so weak that it's hard to support its development. Public services and social security system such as education, hygiene, culture, science and technology and social insurance are still defective, in addition, its coverage and security level is still not high. Anti-poverty task still has a long way to go. At present in rural labor force of 299200, large proportion only has the education level of primary school or junior middle school, even minority is illiteracy or semiliterate. Lower education levels and lacking of professional skills, seriously hindered rural labor force from transferring and the developing of rural economy. In addition, it also was adverse to undertaking and developing machine manufacturing, new materials, bio-pharmaceuticals, strategic emerging industries.

### **Measures to speed up the economic and social development of Jinzhai County**

To solve the problems of economic and social development of poor mountainous areas and realize the goal of all-round well-off society, State and government at all levels must effectively combine regional development with poverty alleviation. It can create a better foundation for poverty alleviation through regional development, in turn, from the perspective of promoting regional development to advance the poverty alleviation. State and government at all levels have put forward a series of specific policy and measures. They implement policy tilt for poor areas in terms of the fiscal, taxation, finance, investment, industry, land and subsidies. At the same time, 'promote industrialization, information, urbanization and agricultural modernization' is put forward as a national strategy on the Eighteenth Congress, which bring rare opportunities for speeding up the development of poor areas. How to adapt to the situations, tightly grasp opportunities and clarify development ideas, combining the reality of Jinzhai County, possess long-term significance for promoting poverty alleviation and economic and social development of Jinzhai County.

Do well in docking for poverty alleviation and innovate systems and mechanisms. Although state and Anhui province increase constantly funds investment for poverty alleviation, they do not treat implementing poverty alleviation policy differently. Local departments should dock actively with governments at all levels about poverty alleviation, and then construct the supporting system for poverty alleviation according to the regional reality. Meanwhile, they are expected to continue to make efforts on investments and coordination.. If local governments want to solve the prominent problems which restrict the economic and social development, they should adhere to government-leading, adhere to the overall development, promote the accurate poverty relief and photovoltaic poverty alleviation and enhance the capacity of self development of poverty alleviation object. They should strive for the central or provincial support in increasing the intensity of fiscal transfer and loans for infrastructure projects. And they should make good use of the policy of tax concessions that our country provide for the poverty-stricken areas, ease the burden on enterprises and promote regional economic development. In terms of financial policy, we should develop rural financial institutions, small loans companies, agricultural insurance company and venture capital firms specifically aiming at the farmers' entrepreneurship, developing rural economy and

developing small and medium-sized enterprises, and put forward corresponding financial policies for poverty alleviation.

Strengthen infrastructure construction and enhance the foundation of economic and social development. In poverty-stricken areas, lacking public infrastructure for production and living is an important factor to restrict its rapid development. The county should pay more attention to accelerate the upgrade of its railway, highway and tourist road in the poverty-stricken areas; Accelerate engineering construction, such as the governance of flood district, irrigation area, small and medium-sized rivers and reservoirs; Accelerate electric power facilities construction of the thermal power, hydro power, biomass power generation, solar power, wind power and its network reconstruction, so as to constantly improve the poor areas' facility support level for getting rid of poverty and becoming rich. Pay attention to support the poor areas' project construction to improve the conditions of agricultural production and rural living environment, for example, rural roads upgrading project, migration, irrigation and water conservancy, land reclamation, water and soil conservation, ecological restoration dilapidated house renovation and other projects; Support poor areas to speed up the system construction of regional central cities and small towns.

Optimize the industrial structure and cultivate characteristic pillar industries. Besides making money as rural migrant workers, the farmers' income in poverty mountain areas mainly is from engaging in agricultural activity. In the future, Jinzhai County should take increasing farmers' income as the core, and insist that use the principle of managing industry to guide its agricultural development to highlight its local characteristics. Jinzhai County can develop agriculture in scale development path of "enterprise + base + farmer". Relying on rich resources of molybdenum ore, tea, bamboo and medicinal herbs, Jinzhai County can undertake and develop vigorously the labor-intensive industries that can absorb more labor force, such as equipment manufacturing and the further processing of agricultural byproducts, textile or molybdenum materials, which can promote poor population effectively to participate in industry development, at the same time, widen the channel of increasing their income. Develop the producer-service industry for new industrialization and consumer services for urbanization. We should strive to build two commercial service centers respectively in the Meishan old town and Jiangdian new town, and develop actively several special function centers for shopping, dining, accommodation, leisure, logistics, finance, etc. We can speed up constructing some farmer's markets, regional logistics system and business service system for supporting their production and living of urban and rural residents. Relying on its unique natural, historical and cultural resources, Jinzhai County can develop the leisure tourism, health care, ecological endowment, rural tourism and other new tourism formats and services that related to them.

Plan projects scientifically. We should combine poverty alleviation with promoting new industrialization, new urbanization and agricultural modernization, and constantly enhance the capacity of sustainable development for poor areas. It's important to speed up implementing some short-term programs but benefits that returns quickly, such as entire-village advancement, migration project, drinking water security project, the dilapidated house renovation. But more importantly it is to implement a batch of projects concerning the long-term economic and social development of poverty areas, such as infrastructure construction, ecological protection and other major projects.

Coordinate the development of all kinds of education. We would pay more attention to consolidate nine-year compulsory education, popularize preschool education and high school education, develop market-oriented vocational and technical education, support poor areas to strengthen rural labor vocational training and practical skills training, which can improve the quality of workers significantly.

Strengthen the support of science and technology. Increasing the application of scientific and technological achievements to characteristic industry and resource development industry, thus the industry transformation can be promoted in the poor areas. We can increase investment on research and improve the capacity for independent innovation and cultivate a number of enterprises owning the core technology, proprietary intellectual property rights and strong research and development

capabilities. We also can establish long-term effective mechanism for manufacture-learning-research cooperation and dock with academics institutions actively. Through constructing platform for incubating science-and-technology enterprise, transforming the scientific and technological achievements, technology intermediate service and agriculture technology innovation, which can help to solve the technical problems.

Promote urban-rural integration of social security. We can speed up constructing urban-rural nursing institution for the aged and service facilities, and expand the coverage of pension, medical insurance, unemployment insurance, employment injury insurance and maternity insurance. We also can increase financial investment and raise welfare development funds through various channels and perfect the contents of social welfare system and minimum subsistence guarantee system. To implement some livelihood projects such as intensifying the building of government-subsidized housing units and promoting the dilapidated house renovation is helpful to improve the residential function.

Develop medical and health services. We can strengthen public health service contents such as disease prevention and control, maternal and child health, mental health, prevention and cure of infectious diseases, health supervision and emergency treatment, etc. We also can establish the rural three-tier medical and health service network that takes county-level hospitals as the leading role, township central hospitals as the hub and village clinics as the foundation. Through strengthening the family planning, drug supply and medical security system, so as to improve the fairness, accessibility and quality to urban-rural basic medical and health services.

Develop the cultural and sports undertakings. We can build a batch of public welfare cultural facilities such as library, cultural center, protection center of intangible cultural heritage and history museum, implement the protection projects for cultural and natural heritage and protection facilities construction for regional red cultural heritage sites and famous villages, and do well in the protection and editing work for historical archives and cultural classical books. We can also widely develop community culture, village culture, campus culture, family culture and other mass cultural activities, implement the national fitness program and speed up constructing public places and fitness facilities which are close to the grassroots, such as gymnasium, square, park, etc.

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