

# FOREIGN EXPERIENCE

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## Environment-Concerned Treatment, Proper Policies for Different Households, Targeted Improvement: Industry Poverty Alleviation Mode of Ji'an County



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**Abstract.** The article describes the experience gained in Ji'an County (Ji'an Prefecture-Level City, Jiangxi Province) on the implementation of policies aimed to alleviate poverty through the implementation of the "Four-One" Industry Targeted Poverty Alleviation Project including 1) "Pomelo of One Mu for One Household", 2) "Hengjiang Grape of One Mu for One Household", 3) "One Chicken Coop for One Household", and 4) "One Post in the Park for One Household". It is proved that households that implement such projects can get out of poverty. The goal of the study is to help people living in poverty get out of it, and to help the poor county become richer. The author relies on the idea that is developing in modern social science and that deals with the structural poverty typical of different historical eras and economic paradigms<sup>1</sup>. In this case, the following types of structural poverty are distinguished: pre-industrial, industrial and post-industrial poverty. The preindustrial type accompanies pre-capitalist development of society. Industrial poverty is typical of the countries that are at the stage of industrial development, it is caused by excess supply of low and semi-skilled labor. A common way to alleviate industrial poverty is to

<sup>1</sup> Editor's note. The review of types of structural poverty is presented in detail in the article: Anikin V.A., Tikhonova N.E. Bednost' v Rossii na fone drugikh stran [Framing contemporary Russian poverty in the context of different nations]. *Mir Rossii* [Universe of Russia], 2014, no. 4, pp. 59–95.

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stimulate the creation of highly skilled jobs with the help of investment and tax policy, education and advanced training systems available to general public. The post-industrial type of poverty is different from the industrial type in a way that this poverty is also formed with participation of the labor market, but this market is not so much local as global. The economic basis of post-industrial poverty is structural changes in the global economy and the increase in competition for jobs in the international framework.

**Key words:** industrial poverty; directions and measures to alleviate poverty; innovative support for farmers; results of work on poverty alleviation.

Ji'an County is located in the central region of Jiangxi Province and the center of Jitai Basin. Due to history and natural condition and so on, the rural poverty phenomenon in Ji'an County is very serious and Ji'an County belongs to state-supported poverty-stricken county. During the "12th Five-year Plan", there are 108 poverty-stricken villages in the county, occupying 1/3 of total administrative villages in the county. Wherein, 53 administrative villages were listed in state-level poverty-stricken villages. In 2014, the file was established for a total of 17,056 poverty-stricken households (55,167 persons). For so huge poverty population, it's difficult to fundamentally get rid of poverty just depending on external assistance. It's a must to explore endogenous mechanism of poverty alleviation and transform "blood transfusion type" poverty alleviation into "blood generation type" poverty alleviation. The critical path to realize the objective is industry poverty alleviation for every household. The industry poverty

alleviation is an important entry point for realizing "blood generation type" poverty alleviation. Based on local resource endowment, develop advantageous and high-efficient industry; drive the poverty-stricken households to get rid of poverty and increase income by industrial development, enhance the self-development ability of poverty-stricken population and realize sustainable development of poverty-stricken areas.

While promoting six poverty-alleviation projects "Facility Poverty Alleviation, Migrant Poverty Alleviation, Industry Poverty Alleviation, Intelligence Poverty Alleviation, Labor Service Poverty Alleviation and Guarantee Poverty Alleviation" uniformly deployed by the province and city, Ji'an County mainly implements "Four-One" Industry Targeted Poverty Alleviation Project including "Pomelo of One Mu<sup>1</sup> for One Household", "Hengjiang Grape of One

<sup>1</sup> *Editor's note.* Mu – traditional Chinese unit of area, currently equal to 1/15 ha (667 m<sup>2</sup>).

Mu for One Household”, “One Chicken Coop for One Household”, and “One Post in the Park for One Household” in accordance with soil climate, mountain and landform and local conditions, and receives good poverty alleviation effects. As long as the poverty households realize “One” project, they can basically get rid of poverty.

### I. Specific Measures

#### 1. Proper Policies for Different Households: “Industry Poverty Alleviation” is the way of sustainable poverty elimination with blood generation function

In recent years, aiming at the industrial development demand of poverty-stricken households, Ji’an County makes repeated comparison on resource, investment, marketing, benefit, risk and other factors and greatly promotes four reproducible and promotable targeted poverty alleviation industries with the most mass base and highest driving force, i.e. Jinggang pomelo, Hengjiang grape, broiler chicken and labor service, to ensure that every poverty-stricken household can find an industry to become well-off and have industrial income of over 10,000 yuan per year.

- *Jinggang pomelo of one mu for one household.*

One mu is available for 33 Jinggang pomelo plants, the peak yield is about 2,000 kg/mu and the market price is about 6 yuan/kg, so the gross profit

is about 12,000 yuan/mu and the net profit is about 10,000 yuan/mu, which is characterized by low investment, high beneficial value, easy conservation, low risk and planting in the front and back of house. Ji’an County focuses on Jinggang pomelo as “project enriching people and improving the county” and lists it as “secretary project”. Secretaries of county, town and village levels will coordinate and solve problems in the industrial development at site.

Firstly, highlight the expansion of development space. Actively lead the mass to march toward idle lands in hollow villages, abandoned land, barren hill and sparse forest, so as to integrate land resources and expand the development space of Jinggang pomelo. A villager in Jiangfang Village of Yongyang Town planted seeds of 10 mu several years ago, and happily reaped a bumper harvest in 2014. The yield reached over 15,000 kg and the income reached 120,000 yuan. The villager benefiting from the plant made use of barren hill to expand production scale and 23 peasant households planted pomelo with an area of 800 mu. Jinggang pomelo becomes the money tree for villagers to get rid of poverty and become better off.

Secondly, highlight the extension of industrial chain. Introduce leading processing enterprises like Shanghai Yifang, Fuyuan Food, etc. to realize

“one after another” of primary industry, continuously extend the industrial chain, increase the industrial added value, form the integrated layout of “production and marketing” and increase the farmer’s income. The company provides one package service like management technology, marketing service, etc. for farmers planting Jinggang pomelo, and lead farmers to plant Jinggang pomelo.

Thirdly, highlight benefits of thousands of villagers. Adopt measures like planting in the front and back of house, sending seedling for free and providing 400 yuan award for one mu, apply several operation modes like joint stock partnership, rent and subcontracting, cooperation operation, independent operation, etc. At present, the planting area of Jinggang pomelo in the county reaches 46,000 mu, there are 16,700 households for Thousands of Villages and Households Project, wherein, there are 4,556 poverty-stricken households, and average planting area is 3.5 mu so the average income is about 10,000 yuan/mu. To realize the objective of migrant “smooth immigration, keeping steady and becoming rich”, Chipu Village of Antang Township combines village condition and confirms Jinggang pomelo as leading industry. The Jinggang pomelo base is 3km from west to east along Dunyong Highway, with total planning area of 10,000 mu. In the implementation process, the

village follows the development mode of “rich and influential household leading the poor one, joint household operation, small household spreading and benefiting farmers”, and makes the industrial layout with three functional zones “Rich and Influential Household Demonstration Zone, Party Members and Cadres Demonstration Zone and Joint Household Planting Demonstration Zone”.

- *Hengjiang grape of one mu for one household.*

Hengjiang grape was introduced and planted by Hengjiang farmers in 1999. Due to unique small climate, and careful selection and scientific planting for many years, it possesses unique local features including “fruity gloss, fruit fragrance, sour and sweet flavor, easy to peel, etc. and it’s called “Hengjiang grape”. Hengjiang grape is characterized by low investment (about 4,000 yuan/mu) and good benefits (1,250 kg/mu in peak yield period, the market price is about 4 yuan/0.5 kg, the gross profit is about 10,000 yuan/mu and net profit is about 8,000 yuan). Therefore, to become the poverty alleviation industry, Ji’an County greatly develops Hengjiang grape planting and processing base of 10,000 mu. Relying on Hengjiang grape specialized cooperative, by means of “cooperative + poverty-stricken household, it provides five “unified” services including “unified

supply of seedlings, unified technology training, unified production standard, unified material supply and unified marketing”, which effectively solves planting technology and marketing problems and promotes the industry scale development of Hengjiang grape.

Firstly, standardized production. It has established close cooperation relationship with Chinese Association of Agricultural Science Societies and regularly invites famous experts and scholars to give a lecture and guide grape production and management technology and answer questions of the growers at site. According to local climate, soil, ecology and other natural features, it has formulated and enacted local technology standard suitable for local grape production and edited Technology Guide for Planting Hengjiang Grape, set up specific production requirements for each process and link from establishment to picking so as to perform standardized production as per green food requirements.

Secondly, brand development. It takes creating cultural brand as the essential point for improving Hengjiang grape. It has registered a series of trademarks like “Luling Hengjiang”, “Tianhua Hengjiang”, etc. and the products have successively been approved by the Ministry of Agriculture as pollution-free agricultural products, confirmed as

“green food level A standard” by China Green Food Development Center and obtained the certificate of national quality management system certification. From 2004, by means of “farmers play on the stage established by the government”, led by Hengjiang grape specialized cooperative, the 11th session of “China Ji’an Hengjiang Grape Festival” was successfully held, which improved the cultural connotation of Hengjiang grape brand. In 2010, Ji’an County won the good reputation of “Home of Chinese Grape”.

Thirdly, market development. Properly select old variety of grape, introduce new variety, and prolong the fresh fruit sales period from originally over 40 days to over 4 months; establish link between farmers and supermarkets like BBK supermarket, mainly sell grape in large chain supermarket and fruit wholesale market in large and medium-sized cities and realize direct selling of fresh fruit; successively introduce leading enterprises like Fuyuan Food, Yixian Agriculture, etc. with investment of over 100 million yuan, develop ready-to-eat grape food, fruit juice concentrate and deep processing grape products, realize on-site processing transformation of grape and prolong industrial value-added chain. At present, Hengjiang grape planting area is nearly 50,000 mu with output value of

200 million yuan, covering 19 towns and 4,000 peasant households. Wherein, for 1,551 poverty-stricken households, each household has averagely 2.8 mu and the average income is over 8,000 yuan/mu.

- *One chicken coop for one household.*

In 2005, Ji'an County introduced Wens Company and started the scale broiler chicken breeding. Calculated by one chicken coop for one household (500m<sup>2</sup>), the capital investment is about 40,000 yuan, the labor investment is about 1.5 persons, the broiler chickens ready for slaughter in a batch are 5,500 and the net profit is 2.2 yuan/chicken, the income is about 13,000 yuan/batch. Over three batches can be bred in one year, so the annual income is over 40,000 yuan.

Firstly, good development mode. On the basis of precise accounting, combined the chicken raising tradition of local farmers, the county introduced national leading enterprises like Ji'an Wens, Zhengbang Group, etc. and adopted the mode of "company + poverty-stricken household". By means of selling on credit and keeping accounts, it implements "four items providing and one recycle" like providing baby chicken, fodder, vaccine and technology and recycling all qualified broiler chicken to help poverty-stricken farmers to find the chicken raising industry characterized by low capital investment, low market risk and good

benefit return, minimize the threshold for farmers to participate in poverty alleviation industry, provide guarantee for farmers to develop the industry and effectively solve three critical problems like technology, fund and market shortage for poverty-stricken farmers to engage in breeding. On the basis of establishing file for poverty-stricken households, with the help from direction development of township and county, coordinate and establish the cooperation relationship between leading enterprises (like Ji'an Wens and Zhengbang Poultry Industry) and poverty-stricken households, and promote the mode of poverty-stricken households participating in chicken breeding by cooperation between farmers and enterprises. "Leading enterprise + poverty-stricken household" mode has covered all villages and towns of the county.

Secondly, good comprehensive benefits. To gain benefit by building chicken coop, the poverty-stricken household can also make full use of surrounding barren land to plant Jingga pomelo. By the ecological recycling agriculture development mode of "one chicken coop and one pomelo planting park", it realized harmless treatment of chicken manure, changed waste into treasury and will increase income from pomelo planting few years later. At present, the broiler chicken ready for slaughter



is about 3,600 per year. Over 4,000 households were improved. Wherein, for 962 poverty-stricken households, each household has average 1.2 chicken coops and annual income of over 40,000 yuan.

- *One post for one household.*

Organically combine intelligent poverty alleviation, immigration relocation poverty alleviation and labor service poverty alleviation, implement “three projects in the park”, i.e. vocational technical school in the park, immigrant relocation in the park, convenient bus in the park, ensure that all poverty population with labor ability can work in the park and realize “the whole family can get rid of poverty if one person is working”.

Firstly, vocational technical school in the park. Build private Huayi Vocational School in the park, and promote the mode of “order education” and “combination of learning with working”. Mainly focus on enterprise employment requirements, carry out order, directional and targeted training, and improve the skills level of migrant workers, which solve the vocational skills problem of poverty population and solve technician employment problems of enterprises in the park.

Secondly, immigrant relocation in the park. Relocate immigrant from reservoir area, remote mountain and disaster area

in the industrial park so that the poverty population can work in the park. Carry out theme activities like “Happy Spring Festival Hometown Trip”, “Re-employment Assistance Month”, “Enterprises Providing Post to Villages and Towns”, “Poverty Alleviation”, etc. to provide employment conditions for immigrants working in the industrial park. Since the immigrant relocation, over 4,400 households (19,471 immigrants) were relocated.

Thirdly, convenient bus in the park. The county fiscal department grants subsidy of 3.60 million yuan per year to open the direct bus line from 7:00am to 10:00pm, which combines downtown, park and suburb, so that the poverty people can “go out early and come back at dusk”, gain income in the park in the daytime and look after the family at night, so as to realize work-family balance. At present, over 8,200 poverty people are working in the park and each person can earn over 30,000 yuan/year in the park.

## **2. Innovative Financial Support, “Four-wheel Driven” Targeted Assistance**

To break the restrictive bottleneck of insufficient capital investment for poverty population developing Hengjiang grape, Jinggang pomelo, broiler chicken, etc., Ji’an County tries to create “four-wheel driven” financial support mode of “guaranteed loan, loan with discounted

interest, direct cash subsidy, and industry insurance, which solves “making bricks without straw” of poverty population and solves “worries” about future.

1. Guaranteed Loan. Greatly promote financial benefit credit loan and other guaranteed loan mode and firstly carry out “Zhifubao” industry poverty alleviation guaranteed loan pilot in the province. The county finance accumulatively granted 15 million yuan as industry development loan guarantee fund. The county rural credit cooperative increased the loan to 120 million yuan as per the proportion of 1:8 and provide guaranteed loan within 100,000 yuan for poor people developing industry in the county. Since the pilot work started in 2013, the government has successively granted guaranteed loan of 58.76 million yuan to 1,525 poverty-stricken households.

2. Loan with discounted interest. In the principle of “financial loan with discounted interest from government”, the county finance allocates 2 million yuan/per as discount interest for poverty alleviation. As per the quota of 100,000 yuan for each poverty-stricken household, subject to benchmark interest, the finance department will give discounted interest as per actual amount. For example: the poverty-stricken household sets up chicken coop, the government provides guaranteed loan with discounted interest

without mortgage within 100,000 yuan, and grants cash subsidy of 10 yuan/m<sup>2</sup>. To 2014, the government has accumulatively handled load with discount interest for over 3,1000 poverty-stricken households and the discounted interest amounts to over 4.5 million yuan.

3. Direct cash subsidy. For poverty-stricken households developing six featured industries like Jinggang pomelo, Hengjiang grape, etc. the county finance arranges differential award. The county finance will grant 400 yuan/mu for poverty-stricken households developing Jinggang pomelo and 1,000 yuan/mu for poverty-stricken households developing Hengjiang grape. Up to now, the county has accumulatively granted over 16 million yuan in cash to over 7,000 poverty-stricken households.

4. Industry insurance. To guarantee that the poverty-stricken household may not be influenced by natural and man-made disaster, as per the insurance proportion of (company 30%, individual 16% and government 54%), the county has bought industry insurance for Hengjiang grape, scale chicken raising, etc. which effectively solve the future worry of poverty-stricken household in the industrial development. For Hengjiang grape industry, the insurance premium shall be 180 yuan/mu, the peasant household only undertakes 30 yuan while can receive claim of 3,000 yuan/



mu. The insurance premium for broiler chicken is 0.9 yuan/m<sup>2</sup> and maximally 94 yuan/m<sup>2</sup>. Up to now, the county has granted industrial insurance of over 3.5 million yuan for 2,550 poverty-stricken households.

## II. Main Effects

### 1. Poverty alleviation speed accelerated gradually.

The rural resident per capita disposable income in the county was improved from 4,004 yuan in 2011 to 7,233 yuan in 2014, wherein, the poor people was reduced from 78,800 persons in 2011 to 55,000 persons in 2014, the poverty incidence was lowered from 20.9% in 2011 to 12.9% in 2014 and the average decreasing rate is 2.67% per year. Especially, the poverty elimination pace of general poverty population with certain development ability, and poverty population receiving subsistence allowances was accelerated.

### 2. Poverty condition greatly improved.

2.1. Infrastructure completed. Since the “12th Five-year Plan”, 108 poverty-stricken villages and immigrant villages totally invested 130 million yuan to carry out 1410 infrastructure projects like water, electricity, road, communication, etc., renovate 190 villages and basically realize electricity supply, tap water supply, road access, communication and cable television, hardening, brightening and beautifying.

2.2. Employment skills effectively improved. Through “rain and dew” plan, “graduates from middle school and high school” in the poverty-stricken household have received medium and long-term vocational education training, so the objective of “training one person, shaping one person and enriching a family” is met. Poverty-stricken households working in the park have received skills training for free and gain annual income over 30,000 yuan. Poverty-stricken households participating in Jinggang pomelo, Hengjiang grape and broiler chicken raising have received technology training and one person in each household has mastered skills.

2.3. The industry poverty alleviation trend is obviously enhanced. At present, in the county, 1,551 poverty-stricken households plant Hengjiang grape, each household plant 2.8 mu and the average income is above 8,000 yuan/mu; 4,556 poverty-stricken households plant Jinggang pomelo, each household plant 3.5mu and the average income is about 10,000 yuan/mu. 962 poverty-stricken households participate in Wens’ cooperation chicken raising, each household has averagely 1.2 chicken coops and gains annual income above 40,000 yuan. Over 8,200 poor people work in the park and gain annual income of 30,000 yuan.

2.4. Participatory poverty alleviation concept in the hearts of people

Through propaganda for poverty alleviation, the initiative of mass participating in poverty alleviation is increasing gradually. To the early 2015, the poverty-stricken villages in the county established 190 village governance councils, 108 poverty-stricken villages established industry cooperation organization of chicken raising and grape planting and so on, 9,000 poverty-stricken households participated in various industrial cooperatives and the participation proportion of poverty-stricken households is above 30%.

### 3. Features and Enlightenment

In the poverty alleviation program, Ji'an County bravely makes innovation, follows the new path and has accumulated much fresh experience. In the industry poverty alleviation, we think there are two critical experience and enlightenments:

3.1. Innovative "cooperatives + poverty-stricken household" "company + poverty-stricken household" "leading enterprise + poverty-stricken household" mode is a great feature of Ji'an County.

In the poverty alleviation program, organize poverty-stricken households with innovative concept and to develop together. Poverty-stricken households with independent development ability form specialized cooperative with village and group as unit, so as to enhance

the anti-risk capability and market competitiveness of the mass. Relying on leading enterprises like Ji'an Wens, Zhengbang Group, by means of selling on credit and keeping accounts, it implements "four items providing and one recycle" like providing baby chicken, fodder, vaccine and technology and recycling all qualified broiler chicken to help poverty-stricken farmers to develop the chicken raising industry, effectively solve technology, fund and market shortage problems for poverty-stricken farmers and minimize the threshold for farmersto participate in poverty alleviation industry. "Cooperative + poverty-stricken household" "company + poverty-stricken household" "leading enterprise + poverty-stricken household" mode plays an important role in the poverty alleviation process.

3.2. Financial support can solve the problem of "making bricks without straw" and solve "worries" about future. Capital shortage, especially shortage of financial poverty alleviation fund is a constraint hindering industrial development of poverty-stricken area. How to make targeted improvement to the point? Ji'an County created "four-wheel driven" financial support mode to solve fund source for industrial development of poverty-stricken household, intensively use the poverty alleviation fund, inspire the enthusiasm of poverty-stricken household

in self-employment, self-development and independent poverty elimination, and fully mobilize the enthusiasm and initiative of poverty-stricken household participating in targeted poverty alleviation. It sets up guaranteed fund to help poverty-stricken household to apply for loan, and grants direct cash subsidy for development Jिंगgang pomelo, Hengjiang grape and featured industry to a certain scale. Especially, innovatively implement industry insurance system, and adopt company, individual underwriting and government subsidy for implementing industry insurance. As for insurance premium, the company and government undertakes the big part (84%), farming household undertakes a small part (16%) to maximally help the poverty-stricken household to reduce loss from natural disaster, etc., enhance the confidence of industrial development and maintain sustainability of targeted poverty alleviation.

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