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DAC/POVNET workshop:

Workshop on reducing poverty and promoting pro-poor growth: China's experience in rural poverty reduction at home in Africa

Objectives:

1. Active participation of the GDPRD with DAC and POVNET members, follow-up of dialogue with Chinese delegation;
2. Establishing contacts and assessing ability for inviting Chinese delegation to upcoming CAADP PP, March 18-20, Seychelles.

Preparation to the meeting:

- Letter from Platform Chair to DAC Chair (Dr. Deutscher), announcing the participation of the Platform delegation consisting of Mr. Uwe Weissenhaupt (EC) and Sonja Bartelt (Platform Secretariat). Board and CAADP Task Force was in cc of the communication.

The workshop

Ms Thelma Askey (Deputy Secretary General, OECD) and Mr Ma She (Minister Counselor, Embassy of China) opened the event. The workshop was chaired by Eckhard Deutscher, DAC Chair.

Agenda: Workshop on reducing poverty and promoting pro-poor growth: China's experience in rural poverty reduction at home and in China

Assessment: There was a strong thematic engagement of the Chinese delegation. The researchers and the representative of the State Council and the IPRCC presented a comprehensive overview of data and material regarding rural poverty reduction in China. There was a notable lack of political backing to exchange development Agendas with the OECD members regarding enhanced cooperation of development assistance in Africa. This observation is based on the very short presence of Mr Ma She and the representation of two University Professors to present China's development aid in Africa while development policy is driven by the Ministry of Commerce and the respective sector Ministry in China.

While some aspects of the Chinese approach to rural poverty reduction might be replicable Africa, there are some significant differences to the pre-conditions to rural poverty reduction which might inhibit successful translation of Chinese experiences. There was not a success regarding the possible involvement of a Chinese delegation to the upcoming CAADP PP since there was no representative from China's foreign aid programming.

It must be highlighted that Prof Deborah Bräutigam, Professor of the American University, Washington had very interesting base data and statistics about Chinese engagements and activities in Africa.

It was positively noted to have the Donor Platform as voice and ear of the agricultural community in the POVNET discussion.

The sessions:

- a) The first session focused on Rural Poverty reduction in China and pro-poor growth strategies in China.

Pro-Poor Development Policies in Rural China, Huang Chenwei, Deputy Director, International Poverty Reduction Center in China

Retrospect of Poverty Reduction and Development Policies in China, Wang Guoliang, Deputy Director, Chinese State Council Leading Group Office of Poverty Alleviation and Development

- substantive reduction of rural poverty between 1978-2006 (1980: 2/3 are poor. 2005: 1/10 are poor, 500 millions lifted out of poverty).
- Chinese characteristics of development and success factors:
 - o strong overall economic development;
 - o planned approach;
 - o successful overall policies in rural areas for poverty alleviation with development approach;
 - o strong government leadership at central and local level;
 - o social participation: mobilization of all social forces in planning and implementation process;
 - o self-reliance: fostering ownership through massive capacity development programs;
 - o ear-marking of financial contributions to rural areas;
 - o development of rural infrastructure.

Challenges for Chinese development:

Huge poor population; growing inequality; poor rural areas lag behind as the spatial differences for the rural-urban divide in China is extreme.

b) China's engagement in Africa:

[China's Foreign Aid and Aid to Africa: Overview, Li Xiaoyun, College of Humanities and Development, China Agricultural University](#)

Aid has been developed as geopolitical strategic instrument. It has risen from 1950 from 0 to 2003 to 73 million RBM. The focus has shifted from project plant development and technical cooperation in the 1970s and 1980s to a stronger focus on the economic feasibility of the projects and Chinese business development. The era from 1990s onwards "emphasized on reciprocity and mutual benefit, economic benefits, the integration of the political interest and the obligations of a "big country". After the ending of the Cold War, in order to comply with the global trend, China has made reforms on its foreign aid, and increased the amount of the aid fund and expanded the coverage of recipient countries." Professor Li's ppt includes an organizational Chart of China's foreign aid management

Is China's aid competitive or alternative to western aid program?

Strong argumentation to be alternative: China's approach to focus on a no-conditionality of aid is perceived as an alternative form for capacity development for African agencies towards greater aid effectiveness. (Please note: this remark was questioned by workshop participants). Another principal difference is that China does not focus on the change of institutions or country systems in Africa. It was argued that the official development assistance approach such as OECD members has a very high transaction cost of aid with very complicated delivery procedure whereas China's aid focuses on simple procedures and business development.

c) Can China's lessons learned be applicable to Africa?

[Are There Lessons for Africa from China's Success Against Poverty? Martin Ravallion, Development Research Group, World Bank](#)

No: Africa is characterized by different settings: weak state institutions, little rural infrastructure, no basic skills available in rural areas. China had started to enter the demographic transition (both birth rates and death rates falling) well before reforms began.

Yes: transfer of knowledge on how to plan strategically and effectively.

Two key findings from research on the reasons for China's success against poverty:

1. Pattern of growth matters and 2. Reform can work!

Analysis: China's aid today can be beneficial to poverty alleviation in Africa through the provision of rural infrastructure. It has clearly no comparative advantage for agricultural development: the Chinese approach focuses on Chinese owned farms which go into competition with local farmers.