

POVERTY ALLEVIATION A ROLE FOR TECHNOLOGY AND INFRASTRUCTURE?

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Speech

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Thank you very much Prof Prodi. Actually my presentation is not on the programme. Anyway I would like to make three points about poverty alleviation and technology. In the case of China over the past 30 years more than 500 million people have got rid of poverty. This is a big achievement. My first point is that this kind of achievement is the result of a series of integrated approaches, instead of the result of a single approach. And these integrated approaches may include the support of very strong economic growth long term over a long term, over 30 years, the institutional reform in the country side, such as the cancellation of agricultural tax, the reform of land tenure system and what we call the contracting out system, production system etc. Another very important approach in China poverty alleviation process is the dominant leadership of the central government because if you look at the financial input in favour of poverty alleviation in China over the past 30 years, 80% or even more come from the Government and the State owned financial institutions, but of course technology, innovation and diffusion, infrastructure have plaid their par, have

contributed a lot to poverty alleviation as well.

My second point is about technology. Technology has played a great part in China poverty alleviation according to the research findings or calculations by Chinese scholars, the technology element has contributed at least 50% of the GDP growth in the agricultural sector over the past decade.

The China approach to poverty alleviation by technology is based on two things. One is the encouragement of technological innovation and the other thing is the diffusion of technology in the rural areas. These approaches have been implemented through a number of national programmes which are usually run by some government ministries. Here I would like to talk very briefly about four programmes. In China we have a saying : A single spark may start a prairie fire. To describe how technology, technological input may produce some kind of multiplying effect for economic growth and poverty alleviation. So the first two national programmes, one is called “A single spark programme”, which consists of encouraging innovation in agricultural technology, and the other one is called “Prairie fire programme” which consists of vocational training and education in the countryside so that local people, especially in the poor areas can master the technology. The former programme is run by the Ministry of Science and Technology, and the latter is run by the Ministry of Education. So the combination of these two programmes has produced significant effects for agricultural production growth and poverty alleviation.

Later on since 1990, some new programmes have been developed and these programmes emphasize more the diffusion size. Since late 1990s the national programme which were called the Tv and the Radio coverage to every village was inaugurated and thanks to this programme nowadays in China all villages of over 20 families (very small villages) can receive tv. This is very important for technological diffusion because each district and even county is allowed in the framework of this

programme to set its own tv station. Local tv stations have a lot of programmes on how to do farming, fish farming, forestry, animal keeping technologies, it is a very important tool, technological diffusion. Later, in the new century, even more meaningful national programmes, one was inaugurated just two years ago. It was called broad band strategy. This strategy consists of making use of the latest IT technology to further expand the technological diffusion in the country side and the goal of this strategy it to achieve, by the year 2020, the whole full coverage in the country side by broadband. The achievement of this programme or the progress of this programme would definitely further strengthen the technological means for technological diffusion.

My last point is though China made some important progress in poverty alleviation it is facing some new challenges. I want to be very brief. One of the challenges is not how to provide technology to poor people but rather how to find the real poor. Because 20 years ago 70% of people in China were poor people, they were below the international poverty line. but nowadays things have changed. Even at village level or county level, there are some very rich people, and some people still living below the poverty line. So who are the real poor. That is the new challenge. And we have two approaches. One is top down approach, Government chooses the poor, the other is bottom up, let the farmers vote and elect the real poor. Which one will be more efficient? The experimentation is still going on. But this is an example of a new challenge we are facing. I think I have brief you enough about what is happening in China on poverty alleviation and looking forward to hearing your comments. Thank you very much!