



CLIMATE VANGUARD

“The greatest anti-poverty

UNDERSTANDING
CHINA PT.2/5

achievement in history”

– António Guterres





In 1978, the CPC, under the leadership of Deng Xiaoping, initiated a new phase of Chinese development called “reform and opening up,” which introduced market reforms to the planned economy. This was a contradictory process.

On the one hand, reform and opening up allowed China to make “significant achievements in modernisation,” **increasing its GDP per capita from \$156 in 1978 to \$12,969 in 2024.** On the other hand, the introduction of **capitalist social relations produced a surge in inequality,** with China’s Gini coefficient rising from 29% in 1981 to 49% in 2007.*

This made it difficult for the poorest in society to lift themselves out of poverty.

* The Gini coefficient is a measure of inequality based on income. For context, in 2025, a country with a 49% Gini coefficient would rank in the top 11 most unequal countries in the world, and a country with a 29% Gini coefficient would rank in the bottom 25.

Sources: Serve the People, Tricontinental: Institute for Social Research (2021); World Bank (2025).



The Communist Party of China (CPC) recognised that **sustained levels of extreme poverty was a major issue.** In 2012, Xi Jinping, the leader of the People's Republic of China, said:

“Today, the majority of the population have seen a great improvement in their living standards, with the emergence of middle-income and high-income groups, but there are still a large number of low-income people, and it is them who really need our help.”

Targeted Poverty Alleviation (TPA)

In 2013, the CPC launched the Targeted Poverty Alleviation (TPA) programme.

TPA was **a state-led programme dedicated to eradicating extreme poverty in mostly poor, rural areas within 10 years.**

TPA measured the alleviation of extreme poverty based on a robust poverty line known as one income, two assurances, three guarantees:

↳ **One income:**
\$2.30/day (higher than the World Bank's extreme poverty line of \$1.90/day)

↳ **Two assurances:**
Food and clothing

↳ **Three guarantees:**
Basic medical services, safe housing (with drinking water and electricity), and free education (compulsory for nine years)



The CPC reached its goal in 2020,
just eight years after launching TPA.

How did they do it?



The actual process of TPA required **huge amounts of human and material resources.**

TPA first involved a detailed investigation to identify each poor household and their specific causes of poverty – a massive undertaking in a country of 1.4 billion people. To do this accurately, it required sending 800,000 party members out to visit and survey each household, followed by 2 million people tasked with verifying the data.

Once the data was collected and analysed, each relevant household was given a handbook, containing “a summary of their basic conditions and causes of poverty, their poverty alleviation plan, and the contact information for the official responsible for their household.”



Overall, TPA was a process of mobilising all parts of Chinese society in the “war against poverty.” This included:

- ↪ The central government **increased poverty alleviation funding by \$2.8 billion** per year between 2015 and 2020.
- ↪ During the same period, nine eastern provinces invested \$13.7 billion in government and social assistance for the western regions, **mobilised more than 22,000 local enterprises to invest \$136.45 billion**, and sent 131,000 officials and technical personnel to support TPA.
- ↪ Overall, **over three million officials** from higher levels of government, state-owned enterprises, and other public institutions went to live in rural villages and carry out TPA.





This mobilisation of human and material resources was also **designed to transform local governance.**

Resources were redistributed from central government to lower levels of government and state officials became directly involved in the daily governance of villages. This helped institutionalise mechanisms for villagers' participation in public affairs.

Strengthening local government has been key to maintaining TPA's achievements over the long-term.

Source: Wang Xiaoyi, Tricontinental: Institute for Social Research (2023).



At a time when there has been a great reversal in poverty elimination around the world (in 2020, over 71 million people slipped back into poverty), TPA is a remarkable feat of human progress. **In total, 98.99 million people were lifted out of extreme poverty between 2013 and 2020** – a large contribution to the 850 million Chinese people that have been lifted out of poverty since 1949.

Ultimately, TPA is a testament to what can be achieved in a political-economic system that is capable of **(1) identifying and prioritising social indicators, and (2) organising society around meeting that objective.**



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**This is part 2 of 5 in
a series dedicated to
understanding China.**

In the following posts, we will critically examine whether or not China is an imperialist country, China's approach to ecological sustainability, and the US-led Global North's new Cold War on China.