How Should We Objectively Evaluate Poverty-Reduction Achievements and Their Political Meaning?

CCE-035 | How Should We Objectively Evaluate Poverty-Reduction Achievements and Their Political Meaning?

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Abstract: To evaluate a poverty-reduction achievement objectively, one must answer at least four questions at once: which poverty line is being used? Can the figures be independently verified? What factors produced the result? And can any political conclusion be drawn from it? Taking the People's Republic of China (mainland China) as the example, the World Bank's research holds that the speed and scale of its poverty reduction are historically unprecedented — a point on which official and critical accounts barely disagree. What is genuinely contested are three things: the low standard behind the official claim that "absolute poverty has been eliminated"; how to apportion credit between the narrative of "the whole Party and the whole nation working together" and factors such as marketization and opening-up; and whether poverty-reduction achievements can prove the superiority of a political system. This article takes each apart in turn, and adds an institutional comparison with the statutory poverty line of the Republic of China (Taiwan).

I. The Numbers First: What the Officials Said, and What the World Bank Said

On February 25, 2021, at the National Poverty Alleviation Summary and Commendation Conference, Xi Jinping declared: "China's battle against poverty has secured a complete victory. Under the current standard, all 98.99 million rural poor have been lifted out of poverty, all 832 poor counties have shed their poverty status, all 128,000 poor villages have been removed from the poverty list, regional overall poverty has been resolved, and the arduous task of eliminating absolute

poverty has been accomplished"[1]. The State Council Information Office's April 2021 white paper, Poverty Alleviation: China's Experience and Contribution, restated these figures[2]. A Xinhua report stated that, under the current standard, a cumulative 770 million rural poor had been lifted out of poverty since the start of reform and opening-up, accounting for more than 70% of the total global poverty reduction over the same period under World Bank standards[3].

The World Bank's own research offers a similar but differently measured account. The overview of Four Decades of Poverty Reduction in China writes: over the past 40 years, the number of Chinese living on less than US$1.90 a day (the World Bank's international poverty line for tracking global extreme poverty) fell by nearly 800 million, with China accounting for nearly 75% of the global reduction in extreme poverty; whether measured by international or national standards, the speed and scale of China's poverty reduction are "unprecedented in history"[4].

One fact here is worth noting: official accounts, international institutions, and even most critics are not at odds over the proposition that "the scale was huge and the speed fast." The difficulty of evaluation lies not in "whether there was an achievement" but in the finer questions below.

II. The First Question: Which Line Are We Measuring With?

"Absolute poverty has been eliminated" only holds true under a particular line. The World Bank's April 2023 China Poverty & Equity Brief notes that the official poverty standard was roughly equivalent to about US$2.3 a day at 2017 purchasing power parity (PPP), whereas for an upper-middle-income country like China the more typical line is US$6.85 a day (2017 PPP), under which 24.7% of the population was still below the line in 2019[5]. The October 2024 edition of the brief put the 2021 figure at 17.0%[6].

This is not to say the official figures are "fabricated"; it is to say that poverty lines naturally rise with income levels. A World Bank blog post notes that national poverty lines typically rise with income levels[7]. With a lower line, one can say "extreme poverty has been eliminated"; with a higher line, a sizable share of the population remains in a relatively vulnerable state. The two statements do not contradict each other; they simply answer different questions.

Premier Li Keqiang's remarks at a press conference on May 28, 2020 show that the officials themselves acknowledged this. He said that China's per capita annual disposable income was 30,000 yuan, but that "some 600 million people earn only

about 1,000 yuan a month," and that "1,000 yuan in a mid-sized city may not even cover rent"[8]. These remarks have been widely quoted in China and abroad to show that a large low-income population remains above the poverty-elimination line. The official English version reads: "there are still some 600 million people earning medium or low incomes, or even less. Their monthly income is barely 1,000 yuan."[8]

III. The Second Question: Can the Numbers Be Independently Verified?

The more substantive academic challenges do not deny that poverty reduction happened; they ask "how much." A 2020 paper from the U.S. National Bureau of Economic Research (NBER), Reconciling the Conflicting Narratives on Poverty in China, notes that the official poverty line has been revised twice since 1985 and is neither an absolute line nor a strongly relative one, but a "weakly relative" line; combined with rising inequality, this makes the measured speed of poverty reduction slower than under an absolute standard. But the authors also tested against their own higher independent poverty line and still found "significant progress in poverty reduction"[9].

Another type of challenge goes further. A paper published in 2023 argues that the World Bank's US$1.90-a-day line does not reflect the actual cost of meeting basic needs; using OECD data on "whether people can afford a basket of subsistence goods" instead, China's extreme poverty rate averaged only 5.6% from 1981 to 1990 — lower than India, Indonesia, and Brazil over the same period — suggesting that the role of the pre-reform socialist provisioning system may have been underestimated[10]. This is a contested view; this article cites it only as an example of how the choice of method changes the conclusion, without taking a position on its findings.

For the general reader, the simple takeaway is this: when you see a startling poverty-reduction figure, first ask, "Whose line, whose statistics, and who can replicate them?"

IV. The Third Question: To Whom Does the Credit Belong?

The official narrative emphasizes the leadership of the Party and targeted poverty alleviation. The white paper calls this an undertaking accomplished by "the Communist Party of China leading the Chinese people"[2]. The same Xinhua report also wrote of "tremendous sacrifices": more than 1,800 Party cadres lost

their lives in poverty-alleviation work[3]. These people's dedication is real and deserves acknowledgment.

From an economic perspective, however, the long-term lifting of 770 million people out of poverty is chiefly connected to 40 years of overall economic growth, the movement of rural labor into cities and export industries; the World Bank report discusses the "drivers" of four decades of poverty reduction within the framework of growth and structural transformation[4]. The "targeted poverty alleviation" campaign since 2013 (aimed at the final 98.99 million people) and the broad-based growth of the preceding 30 years are two different phases, and the credit for the two should not be merged into a single story.

There is also a frequently overlooked issue: the official figures distinguish between "shedding the poverty label" and "falling back into poverty." Outside critics (for example, a 2021 commentary on the Swiss website Sinoptic) argue that the claim that "all poor people were identified at a single point in time" ignores the dynamic nature of poverty[11]. That piece is a commentary rather than official statistics; this article only flags the question here and has not verified its claims.

V. What Political Conclusions Can These Achievements Prove?

This is the most contested step. At least three inferences need to be treated separately.

The first inference: "The poverty-reduction achievements prove the governing legitimacy of the Party." This is a value judgment about legitimacy, not a proposition that economics alone can test. The public's approval of improved livelihoods and the public's demands for political participation and freedom of expression do not contradict each other.

The second inference: "The poverty-reduction achievements prove that authoritarian systems are more effective." For this inference to hold, other countries' situations would need to be compared. The previous installment in this series (CCE-031) has already discussed this: the existing cross-national evidence does not support the general conclusion that "authoritarianism is necessarily more conducive to growth"[12]. In the same period, both democratic and non-democratic economies in East Asia saw large-scale poverty reduction; a single case cannot isolate the role of the political system.

The third inference: "The poverty-reduction achievements do not matter, because there is no freedom." This is equally untenable. That a person no longer goes hungry is a real change in his life, and it should not be brushed aside just because the discussion is about political systems.

In other words, the soundest evaluation of the poverty-reduction achievements is: acknowledge that they are real and enormous; while also acknowledging that they do not amount to proof of a political system, nor do they obviate other questions — such as distribution, rights, and the verifiability of statistics.

VI. An Institutional Comparison: How the Republic of China (Taiwan) Defines "Low Income"

One interesting point of comparison is how the law defines the poverty line. Under Article 4 of the Republic of China (Taiwan)'s Public Assistance Act (社會救助法), low-income households are those whose total household income, divided equally among all family members, falls below the "minimum living expense" per person per month, and whose household assets do not exceed the publicly announced amount; the minimum living expense is set by the central government or the competent authority of a special municipality "with reference to 60 percent of the median per capita disposable income for the locality in the most recent year as published by the central government's Directorate-General of Budget, Accounting and Statistics," and may not exceed 70 percent of the national median per capita disposable income[13]. Article 4-1 additionally establishes "middle-to-low-income households," capped at 1.5 times the minimum living expense[13].

Here we see a "relative poverty line": the line moves with the local median income and rises naturally as the economy grows. This is a different design from mainland China's use of a fixed "current standard" to declare the "elimination of absolute poverty." Each has its uses: an absolute line makes it easy to set clear targets; a relative line better reflects the real gaps in a society. This article does not hereby judge which is "better"; it only seeks to show that "how the poverty line is set" is itself an institutional choice, and one that can be discussed openly.

VII. An Exercise: One Set of Facts, Three Headlines

Suppose there are three headlines about the same batch of data:

A: "China has eliminated absolute poverty; all 98.99 million people have been lifted out of poverty."

B: "By upper-middle-income-country standards, about one-sixth of China's population remains in poverty."

C: "600 million people earn only 1,000 yuan a month."

All three can be sourced in the preceding discussion: A comes from the official declaration[1], B from the World Bank's 2021 figure (17.0%)[6], and C from Premier Li Keqiang's 2020 remarks[8]. They do not contradict one another: A uses the national current standard for the rural poor, B uses the US$6.85-a-day international line, and C describes the distribution of monthly income levels. What readers can do is see that the "line" and the "population" behind each headline differ, rather than concluding that someone is lying just because the headlines are worded differently.

This exercise has a corollary: when two people argue over "whether China is still poor," if they have not first agreed on "which line, which part of the population," the argument is mostly people talking past each other. Likewise, when someone says "poverty reduction proves a certain system," one must also ask: compared with whom?

VIII. This Article's Limitations

First, this article conducted two web searches and read the full text of the Republic of China (Taiwan)'s Public Assistance Act; the remaining materials were mostly at the level of summaries or excerpts, and no poverty rate was recalculated.

Second, the 24.7% and 17.0% figures from the World Bank's 2023 and 2024 briefs correspond to different years and PPP bases, and the World Bank has since updated its global lines; the figures should not be directly compared with each other.

Third, the white paper's title uses the common Chinese rendering; the English title comes from search results; this article did not read the full white paper section by section.

Fourth, the criticisms of poverty lines and data methods come from the abstracts of two academic papers and one commentary; their conclusions are contested, and this article has not independently assessed them.

Fifth, this article does not touch on details such as rural social security or education and health-care investment, nor does it evaluate the specific practices and results of targeted poverty alleviation, let alone investigate problems in local implementation.

Sixth, the division into "three inferences" is this article's own analytical tool, not an academic classification.

IX. Conclusion

An objective evaluation of the poverty-reduction achievements is not a matter of choosing sides between "a great achievement" and "not worth mentioning," but of breaking the question apart: the numbers are broadly credible, and the scale and speed are indeed rare; but "the elimination of absolute poverty" depends on a particular line, and higher lines still show a sizable share of the population in a vulnerable state; apportioning credit requires distinguishing long-term growth from targeted poverty alleviation; and whether it can prove a certain political system requires other evidence, not the numbers alone.

Next time readers see news about "poverty elimination," they might ask four questions: By which line? Who can verify it? What brought it about? And can it really support that conclusion?

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← Back to the CCE-100 Civic Education Project index