



Award-Winning Report Lauds China for Reducing Poverty But Urges Nation to Reduce Inequality

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As China's economy rapidly expands, hundreds of millions have been lifted out of poverty. But untold millions also are being left behind, according to an independent report commissioned by the United Nations Development Programme.

China's income gap is growing—as are inequities between rural and urban areas, and between women and men. If these issues are not addressed, the report warned, the worsening divides could undermine China's economic future.

Titled “Development with Equity,” the report is the first of its kind by China-based researchers and scholars to take a hard look at some of the most critical issues facing their nation in human development. The result, experts say, is remarkable not only for its findings but also frank discussions of obstacles to reforms, such as corruption.

On 20 June, the China research team was honoured in New York with a United Nations Human Development Award, for excellence in policy analysis and influence.

“The report’s central message [is] that growth itself—even spectacular growth such as China’s—must be complemented by an emphasis on the social welfare of the country’s population,” said Alessandra Tisot, Deputy Country Director of UNDP in China. “It is our hope that this report... may provide some ideas and encouragement to audiences outside of China challenged by sharp increases in inequality resulting from rapid growth in a globalized world economy.”

Since the release of the report, the Chinese government has taken steps toward addressing some of the issues documented by the report. Agricultural taxes are being abolished, and universal compulsory primary education for the rural poor is being promoted through renovation of school buildings and distribution of free textbooks. More than 150 million farmers are now part of a pilot medical insurance system in rural areas.

According to the report, China has been experiencing an economic transformation since the late 1970s. Its national gross domestic product has grown nearly 10% every year, and the population of absolute poor in rural areas has dropped from 250 million to 26 million. Although China’s per capita GDP only recently rose above low income country levels, China's rising life expectancy and literacy rates make it comparable to medium-income countries.

But there are growing divides between rural and urban areas, as well as access to opportunities. Urban residents receive much better education than people in rural communities, the report found. Women are 2.6 times more likely to be illiterate than men.

The report cites the traditional Chinese “Hukou” system—a nationwide household registry that restricts where a person may work and live—for discouraging people from pursuing better education and job opportunities elsewhere. The system also fosters discrimination against the 140 million rural migrant workers in urban areas.

In many rural areas, the public health care system is near collapse, the report found. Maternal mortality is nearly twice as high in rural areas, compared to urban areas. In urban areas, layoffs affect women disproportionately. Wage discrimination against women has also been intensifying.

“China has made some remarkable progress in human development. But the report shows there is still work to be done,” said Kevin Watkins, director of the Human Development Report Office headquartered in New York. “When the benefits of growth are shared very unequally, everyone ultimately loses.”

The China report urges the nation to invest more in public education, improve universal access to health care, eliminate discrimination, curb corruption by making government more transparent, reform the tax code, and widen access to the judicial system so that victims of discrimination will have an easier time obtaining redress.

The Human Development Awards, which are given every two to three years, recognize the contributions of national and regional reports to improve policies and practices. Judges for this award included Crown Prince Haakon of Norway, Princess Basma of Jordan, President Jorge Quiroga of Bolivia and Dr. Gita Sen of Harvard University and the Indian Institute of Management. Previous awards were given in 2000, 2002 and 2004.

More information about this year's Human Development Awards can be found at:

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