Poverty in Modern China: Left Behind in Western China

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Senior Honors Project:

**Poverty in Modern China: Left Behind in Western China**

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Abstract

This thesis addresses research on the current issues and conditions of those living in poverty in Western China. Although China has experienced rapid economic growth throughout the last 30 years, more than 150 million Chinese people still live under the international poverty line of $1.90 per day. The majority of those living under extreme poverty primarily reside in the Western rural regions of China, while development and economic growth remains largely restricted to those living along the Eastern coast of China. Large trends of income and GDP inequality spread across the nation from Eastern to Western China. This trend has encouraged many migrants from West China to migrate towards East China, further perpetuating the cycle of poverty of those who cannot afford to move out or improve their economic status in China. China’s Western Development Strategy adopted in 2000 has taken measure to improve infrastructure and regional development, but more initiatives are still needed in the West to improve infrastructure, education, and attract FDI to stimulate similar growth in Western China as in Eastern China.
Introduction

Since launching its market reforms in 1978, China has experienced unprecedented economic growth in the past 30 years. Repeatedly, China has grown at an average of 10 percent each year (World Bank Group, 2016) and has lifted more than 500 million people out of poverty (Gao, Yang & Li, 2015). In 2014, the IMF released reports that place China above the American economy in production and exports equaling $17.6 trillion controlling 16.5% of the global economy to US’s $17.4 trillion, which accounts for 16.3% of the global economy. Despite a decrepit nation, with wide urban unemployment and continuous food shortages, just 50 years ago (Futrell, 2011), China has risen to become the second largest economy next to the United States (Yang & Mukhopadhaya, 2016). However, China’s economy has recently taken an inevitable downturn or at least a slowing of economic growth, and its government shall have to address new issues of wealth distribution, sustainability, and combatting poverty that still remains in China.

Despite China’s growth, China can still be labeled as a “developing country,” since its Gross Domestic Product (GDP) per capita has only increased to $7,400 USD (in 2014), averaging a little more than one-eighth of America’s GDP per capita (World Bank Group, 2016). Around 150 million people remain under the national poverty line in China of ¥2,300 yuan/year (around $1.80/day), making up 7% of the world’s poor. About 80% of these poor remain in the Western and central provinces of China, which have developed much slower than the provinces along the Eastern coast (Figure 1; Chen & Ravallion, 2008). With the rise of growth in the East, urbanization and migration from the rural areas in the West to urban areas in the East has increased over the past 30 years. As a result of increasing urbanization, access to education and
healthcare still remains remote to those in the rural areas, especially those who cannot afford to migrate or move themselves outside of poverty (Chow, 2006).

Figure 1. Pairs the Chinese provincial GDP with other international countries that have similar GDP. Note that primarily Western China has issues the lowest GDP measures, while the SouthEast coastal region has the highest GDP measures in the country. Retrieved from The Economist.

**Brief Economic History of Modern China**

After the creation of the People’s Republic of China on October 1st, 1949, Chairman Mao Zedong began installing socialist reforms and creating agricultural collectives. In 1958, Mao introduced his 5-year economic plan or what he called as the “Great Leap Forward,” which aimed to increase self-sustaining agricultural production to stimulate industrial production (Chan, 2004). However, Mao’s insistence on using primitive agricultural techniques and lack of research and development into sustainable agriculture lead to China’s “Great Famine,” and a leap
backwards, rather than forwards (Futrell, 2011). Poor farming techniques lead to a lack of agricultural production, resulting in countrywide food shortages, and shortages of raw materials for industrial production (Morrison, 2015). Mao communism also believed in building a self-sustaining economy, which could only be built without the help of foreign nations (Chan, 2004). Lack of both agricultural and industrial production, as well as a closed market system with no Foreign Direct Investment (FDI), Mao’s Great Leap Forward resulted in an economic failure. During 1958-1962, living standards in China fell 20.3% and continued to fall throughout the rest of Mao’s reign (Morrison, 2015). Although Mao’s mission was to return the land and profits back to the peasants, his economic reforms further perpetuated the peasants, especially farmers, further into poverty.

After Mao’s death in 1977, serious economic reforms were needed to improve the living and economic conditions in China. Agricultural collectives were dismantled and more enforcement power was given over to the provincial governments, in order to decentralize the government to improve the efficiency of governmental and economic controls (Futrell, 2011). Deng’s reforms sought to privatize more of the economy, by decentralizing state-owned enterprises and allowing businesses to use extra profits to invest in their businesses after they met state-set quotas (Tisdell, 2009). Privatization was able to boost productivity by increasing incentives. Deng also opened up China’s market through foreign trade and investment, which have both greatly financed China’s economic rise (Morrison, 2015). Special Economic Zones (SEZs) were introduced as regions that had less governmental controls and could offer different tax or tariff incentives on exports and imports. Creation of these zones, primarily on the Eastern coastal region of China greatly helped boost China’s economy. Deng’s successors, Jiang Zemin (1989-2002) and Hu Jintao (2002) have further expanded Deng’s reforms to increase foreign
trade and domestic production, but it was Deng’s initial reforms and opening up of China’s market that has allowed China to be one of the largest economies and trading countries in today’s international market (Tisdell, 2009).

**Defining Poverty**

Poverty can be measured by statistical means, by counting who falls under both national and international poverty lines. The international poverty line is the threshold income that separates poverty from extreme poverty (World Bank Group, 2016). In 2008, the World Bank released an international poverty line of $1.25 USD/day, and statistics provided may still reference poverty under these standards. However, the current (updated October 2005) international poverty line is $1.90 USD/day, which has been adjusted for 2011 conversion rates and countries’ purchasing power parity (PPP). Therefore on average, people living on $1.90 USD/day are living in extreme poverty, which the United Nations defines as “a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. It depends not only on income but also on access to services” (Goodwin, Harris, Nelson, Roach, & Torras, 2015).

Secondly, the definition of poverty is more complex than just a lack of income. Robert Chambers places the poor in an entanglement of poverty, where the poor are trapped in a web that encompasses their whole life (Figure 2). The six points of this web that the poor are trapped in are material poverty, physical weakness, isolation, spiritual poverty, powerlessness, and vulnerability (Cypher, 2014). This entanglement is typical of those caught in persistent, rather than temporary or transient poverty, and they remain in persistent poverty due to the multiple obstacles surrounding poverty. Perhaps, the most damaging hindrance that accompanies poverty is the lack of hope, due to a lack of freedom. The poor are enslaved in the need to survive, and
their freedom to choose between alternatives is taken away. When people lack choices and see no other future, this creates a hopeless situation, where people lack motivation and incentive to get themselves outside of poverty (Barrett, 2003).

Figure 2. Camber’s shows poverty as an entanglement of multiple issues, rather than just income and material poverty. Retrieved from Barrett, 2003.

**Poverty in China**

When adjusted for conversion rates and PPP, China’s national poverty line of ¥2,300 yuan/year falls just under the international poverty line at $1.80 USD/day. Approximately 150 million or 11% of China’s population are in extreme poverty (World Bank Group, 2016). Higher levels of poverty include moderate poverty, where people’s needs are just barely met, which on
average is around $3.10/day. More than 200 million more people fall under this line, nearly making up 30% of China’s population. A Gini coefficient can also be used to measure the level of income distribution across a country (the closer the Gini coefficient is to 1.0, the greater income inequality there is). China’s current Gini coefficient is relatively high at .47 and China’s income inequality continues to grow (Bramall, 2008).

Besides the differences in wages of agricultural work versus non-agricultural work, most of those residing in rural China lack access to clean drinking water and proper healthcare. Mostly traditional farming techniques are still being used, which over-cultivates lands and decreases the likelihood of obtaining a steady income (Gao, Yang, & Li, 2015). People who live in the rural areas also lack access to educational and professional opportunities (Wu, Young, & Cai, 2012). There lies a deep educational gap between the quality of schooling between rural and urban areas, as well as Western and Eastern Chinese institutions. Greater income opportunities, educational opportunities, and standard of living have all fueled widespread trend of internal migration from Western to Eastern China.

**The Underdeveloped West vs. the Urbanized East**

For such a large country, it should not be surprising to find slight cultural differences Western and Eastern China. Western China includes the majority of China’s land, including everything West of Shaanxi, Chongqing, Guizhou and Guangxi provinces, and includes the major autonomous region of Tibet and the Islamic region of Xinjiang province (Figure 1, 3). Western China is home to many of China’s minority groups, that have often been underrepresented politically, economically, and in education (Yang & Mukhopadhaya, 2016). Many of these groups speak different dialects and are agricultural-based societies, keeping them isolated from mainstream Chinese culture and they have less access to non-farming jobs that
require them speaking standard Mandarin (Gao, Yang, & Li, 2015). However, it is not cultural differences that primarily divide the Eastern and Western China, but rather the economic inequality seen between the different regions (Figure 1, 3).

Throughout the rapid and vast economic improvement of China’s Eastern coastline, Western China’s development has remained more stagnant. The prosperity of Eastern China and SEZs did not only drawn large FDI, but also attracted inner migration from the West to the East (Lin, 2011). While the increased economic values, such as export/import markets off the coast, large amounts of FDI, improved GDP of Eastern China are obvious, Western China is overall undervalued. Western China has traditionally been abundant with natural resources and agricultural lands (Hongyi, 2012). Currently, Western China’s economic development heavily depends on outside investment into mineral deposits, energy resources, and raw materials to be used for market products.

Although the West has found economic success in these investments into these resources, many investors and companies that extract from the West’s natural resources have ignored the environmental effects of commercialization. Furthermore, investors and agencies have repeatedly undervalued the price paid for these natural resources, not taking the social or environmental implications that affect both Western China and the investors (Hongyi, 2012). Unsustainable business practices such as these indicate that economic reform is desperately needed in Western China.

**Major Issues of Poverty in Western China**

**Income Inequality**

The degree of inequality found between the Western rural areas to the Eastern urban areas has caused millions of Chinese to migrate not just from poor rural areas to growing urban
cities, but also cross-country internal migration flowing from poor provinces in the West towards large cities on the East coast towards Shanghai, Tianjin, Beijing, Guangzhou, etc. (Figure 3). Eastern Chinese provinces typically have higher GDP, a greater urban population, and a greater migrant population, while the West and central provinces typically have more agricultural population, lower GDP, and a less urbanized population (Huang, Liu, & Wu, 2016). However, data also shows that regionally, both rural and urban workers are better off economically than those in the West, so the divide is not just between rural and urban. The difference between the urbanization of the East and the agricultural West, reveal economic development trends that are common for many developing areas around the world (Lin, 2011).

Income inequality greatly differs from rural to urban areas, but even more so between Western and Eastern China. Both Western urban and rural workers get paid less than Eastern urban and rural workers (Ringpapontsang, 2009). Per capita income for urban households is three times as much as rural households (Rithmire, 2013). The difference is not necessarily due to the poor in China getting poorer, because China’s economic progress has lifted million of Chinese out of poverty (Yang & Mukhopadhaya, 2016). Due to the East’s rapid economic development, urban people simply continue to get richer and richer faster than the poor have time to improve.

Income inequality and disparity continues to be a major issue for many rapidly developing nations. China has followed in this pattern, but has also proposed an initiative to address the growing income gap. From 2003 to 2013, China proposed a “harmonious society” policy agenda that emphasized equitable growth (Social scientific studies..., 2010). China also implemented a several policy measures focused on reducing disparities and protecting the economically vulnerable. These measures aimed to support agriculture, transfer social welfare,
target tax reductions, increase minimum wage, and increase spending on poverty alleviation (Reducing inequality..., 2011). However, the initiative has not been thoroughly successful, since the income gap still looms over China, and greater pro-poor growth measures will need to be implemented to more directly address poverty in China (Gao, Yang, & Li, 2015).

**Internal Migration**

An increasing number of migrants have travelled from the West to large cities along the East coast. The least populated province, Tibet, has around 3 million people, while Xinjiang province, with its population of 23 million people, barely has a population bigger than the city of Beijing (Rithmire, 2013). The most populated province, Guangdong, with its commercial capital of Guangzhou and three special economic zones has just over 107 million people (Reducing inequality..., 2011). Shanghai, with its population of 24 million people, continuously receives an influx of Chinese migrants from the West (Rithmire, 2013). People that travel farther distances are more likely to end up in commercialized hubs, because typically they’re able to raise the standard of living in more developed areas (Social scientific studies..., 2010). Furthermore, people that live in urban cities are less likely to move out of them for similar reasons.

China attempts to control migration through its “hukou” system, which prevents Chinese people from retaining social benefits anywhere else besides their city of origin (Figure 3). This hukou system causes millions (some say up to 20% of China’s population) of poor workers to migrate undocumented throughout China’s major cities (Chow, 2006). The hukou system was originally used to protect the urban labor market, but now the system just largely discriminates against the rural poor (Cao & Liu, 2015). Although the promise of social benefits is intended to keep the rural population where they are, the rural governments are underfunded and cannot completely supply these people with adequate social benefits (Social scientific studies..., 2010).
Rather than preventing migration, the hukou system merely just takes away the social benefits from migrants, and prevents migrants from receiving prosperous social benefits that locals receive.

For years, the hukou system caused rural citizens to think of themselves as second-class citizens that received lesser treatment. The hukou system was a widely disliked system, and the government outlined reforms to the system in 2014 (Yao & Wu, 2011). Although the new reform shall get rid of the rural and urban classifications, social benefits are still tied to the resident’s hometown. Now, one can go through transfer residency, but it is extremely difficult to receive residency in large cities (Cao & Liu, 2015). However, it has made migrating to other rural towns and cities within the same province much easier, which allows rural people some choices to raise their standard of living some, but still prevents them from being as well off as those born in major cities along the East coast (Social scientific studies..., 2010).

Figure 3. Shows the distribution of GDP per province and the distribution of rural (red), urban (orange), and urban but registered as rural (light orange) in each province. Western China shows a greater rural population, while the East has more urban and urban registered as rural people. Retrieved from The Economist.
Education & Healthcare

Schools in Shanghai, major cities, especially along the East coast tend to get more funding, better facilities, and new equipment. Typically universities in these cities also require higher test grades as well, creating barriers of entry to lower educated students (Wu, Young, & Cai, 2012). There’s also decreased access to education, because Western provinces have fewer schools, especially high quality schools. Decentralized system of financing prevents the rural governments from raising funds to support these schools due to low levels of fiscal revenue (Huang, Liu, & Wu, 2016). Sometimes, parents in these regions have to pay, but cannot always afford to pay, for their child to receive basic, public education.

Education reform in the West is also related to many other social challenges. Increasing numbers of parents have migrated to the East or to urban cities to find better job opportunities (Yao & Wu, 2011). While these parents find hope in securing a more financial future for themselves and their family, thousands of migrant and urban children are “left-behind” and raised by their grandparents. Educational programs lack technological and educational advancement, since most of the young professionals migrate to other cities and the elderly remain where they are. These “left-behind” students tend to lack basic at-home education and social skills due to their parents’ nascence. Studies show that children who suffer from insufficient nutrition, such as the poor the in the West are associated with lower literacy rate and lower test scores (Wu, Young, & Cai, 2012). The dropout rate in schools in the West is also much higher and increases once students reach secondary education.

Although healthcare and nutrition have also improved in China within the last 30 years, healthcare in the rural and Western areas of China is still greatly lacking in comparison to Eastern China. Similar to education, there is lower accessibility, as well as quality, to healthcare
in Western China (Yao & Wu, 2011). Child mortality rates are nearly twice as high in Western China, than in the East. Although recent initiatives have been taken to address healthcare, such as subsidized or free immunizations, not enough education has accompanied these reforms and many of the people in rural Western China have not taken advantage of these new healthcare measures (Ringpapontsang, 2009). Additionally, the hukou system prevents migrants from access to urban healthcare, while the children and grandparents they leave behind are subjected to poor healthcare in their hometown (Cao, & Liu, 2015).

**The Western Development Strategy**

In 2000, China finally decided to start shifting its focus on regional development to the much underdeveloped inland regions of China. The 10-year-long “Western Development Strategy” worked to accomplish the second part of Deng Xiaoping’s two-fold plan of first developing the coast and then developing the interior of China (Morrison, 2015). Despite the astounding economic growth of China’s GDP, this coastal focus resulted in the large economic gap between Western and Eastern China. The gap was further perpetuated by a lack of government funds injected in the West, lower rural wages and lower standards of living in the West (Ringpapontsang, 2009). With this strategy, China began looking to increase its domestic consumption by creating reforms to help promote job growth and sustainable development in Western China.

**Further Reasons for Economic Development**

Another externality of rapid economic growth, was an overuse of natural resources and deterioration of the air quality. With increased pressure from foreign trade partners, China looks to the West to aid with water shortages, as well as supply energy and mineral sources to the rest of China (Hongyi, 2002). China’s rising development has increased the need for energy and
mineral sources, which are abundant in the West, containing 80% of the nation’s hydropower and 58% of the nation’s natural gas reserves.

Another reason for further development is that two-thirds of China’s borders surround the central and Western provinces. The most vocal along the Western borders, Xinjiang, Inner Mongolia, and Tibet provinces have all protested the authority of the Chinese government and their ignorance of the low living standards in these provinces (Social scientific studies..., 2011). Quick dealing with attempted separatists movements in these regions lead to other countries accusing China of abusing the human rights of these people in these provinces. The Western region is also home to around 50% of China’s minority groups. Western development of these regions could help improve domestic interprovincial relations and prevent foreign involvement in China’s domestic affairs (Hongyi, 2012).

Results

The main goals of the project, “developing a reliable infrastructure, a favorable environment for investment, and a qualified and hardworking labor force,” have had varying success in implementation (Hongyi, 2012). The plan outlined eight railways that would be built connecting major cities in the West to each other and to major cities in the East (Dandong and Larsa, Qingdao and Yinchuan, Shanghai and Chengdu, Shanghai and Ruili, Hengyang and Kunming, Erenhot and Hekou, Lianyungang and Korgas, and Chongqing and Zhanjiang) (Figure 4). 210,000 kilometers of highway would be constructed and upgraded to increases the connectedness of the West. Further initiatives helped build roads in counties that fell below the national poverty line. Airports were also upgraded and enlarged to become national or regional hubs. However, Western China still lacks the amount of infrastructure that has been invested in Eastern China (Ringpapontsang, 2009).
Other infrastructure measures utilized the natural resources that are abundant in Western China. Large reserves of natural gas were found in Xinjiang province, and a projected ¥120 billion yuan was injected into constructing the West-East natural gas pipeline (Hongya, 2002). Additionally, power generation systems relying on hydropower from the southWest were connected to the upper and middle reaches of the Yellow River, and were further expanded up to the provinces in the dry northWest. Irrigation routes from the Grand Canal shall help transfer water to the East. Although these electricity and water projects were intended to capitalize and sell the West’s natural resources, the Eastern provinces absorbed many of the advantages, rather than the West (Ringpapontsang, 2009). Industry and factories now have more access to water and natural gas, which further improves the living standards and attractiveness of migrating East.

Several environmental projects were also passed to prevent further natural disasters that resulted from desertification and soil erosion (Hongyi, 2002). Deforestation and cutting down of natural forests were prohibited in 13 provinces along the upper reaches of the Yangtze River. Farmers received seed subsidies and relocation payments to plant trees and grass to renew farmland. Although thousands of hectares of old forest have been preserved and new hectares of forests have been planted, underfunding has hindered full success of these environmental protection projects (Huang, Liu, & Wu, 2016). Provincial governments again lacked funding to support the subsidies and relocation fees that farmers had to be paid, since their farmlands and profession were taken away.
Figure 4. Current railway lines throughout China show expanding railways into Western China. However, there are many more railways along the coastal region than Western and Central China. Retrieved from www.chinahighlights.com.

**Future Proposals**

**Economic Reform**

China’s economic success has been due to several economic reforms that Deng Xiaoping created, primarily for the coastal regions. Similar provisions could be made to help stimulate China’s Western economy. The creation of Special Economic Zones along the East coast opened up trade and stimulated exports and FDI for China to grow so rapidly (Tisdell, 2009). Now that the East has been developed, China’s central government needs to focus more on the Western area of China, spreading out the GDP growth to increase per capita GDP growth, and spreading wealth farther across the country, rather than a handful of cities.
Western China borders several countries along the Middle Eastern region, India, and other SouthEast Asian countries. Promoting further marketing and trade connections with these countries should be improved. The government should create more SEZ’s in the Western provinces to make Western cities more attractive to domestic and foreign investment and trade. Labor wages are also cheaper in the West, which should also be emphasized to bring more companies in looking for cheap labor, something China is very well known for (Huang, Liu, & Wu, 2016). With the rise of GDP growth in the East, wages and the price of labor have also increased in Eastern China (despite the Chinese government devaluating the Chinese currency).

Close proximities to other countries could also help boost tourism throughout Western China (Rithmire, 2013). Influx of FDI and more industry could lead to more degradation of natural resources, while tourism can help preserve some of the UNICEF heritage sites and natural sites. The simplicity and cleaner air in the less developed Western regions of China should be advertised. Tourism creates jobs, and exposes the market to foreigners that could invest in the area. Many of the SouthEast Asian countries’ economies heavily rely on the tourism industry. However, more quality education and English or foreign language training needs to improve for tourism to become a viable market in Western China.

**Education reform**

Education reform is often a key goal of economic development, since many of the poor find themselves in poverty traps due to lack of money to get further education and skills, and then lack of education and skills to obtain jobs that would raise their income (Bramall, 2008). Education reform is both necessary at the primary levels, where we see low income students falling lower in comparison to their peers in Eastern and urban China, as well as secondary and
tertiary education that will provide the poor with skills that can help propel themselves out of poverty (Wu, Young, & Cai, 2012).

Although some education reforms have been implemented, including compulsory primary public education for students in Western and rural China, little has been done to reform the costs associated with sending children to public school (Yand & Mukhopadbaya, 2016). Even public education includes uniform, books, and school support fees, which poor families struggle to pay. Furthermore, tuition fees have only increased more for high schools and colleges, limiting access to advanced education that would help students gain better jobs in the future. The high costs of even just public education lead to a long-term economic burden on poor families who do decide to send their children to school.

The quality of education in Western China is also much lower. Many of the schools in Eastern cities, such as Beijing and Shanghai, have much older, more established, and better funded schools (Wu, Young, & Cai, 2012). Teachers are often those who were born in the area and are often overworked and underpaid. Greater incentives and stipends should be offered to teachers to teach in Western and rural China (Yao & Wu, 2011). A scholarship program could be offered to these poorer students to support and pay their school fees to college with advanced and high quality education programs, if they agree to teach in their hometown for 5 years after receiving their teaching certificate. Improving the quality of teachers will help to improve the intellectual education and provide motivation to students to move themselves out of poverty.

Adult education programs should also be developed to teach the currently uneducated better skills that can help grow their county’s economy. Vocational training for cooking, sewing, mechanics, etc. could be taught that gives adults skills that their community needs and provides jobs that allow more people to stay in their town and contribute to developing their area.
(Rithmire, 2013). This would also help migrants gain better jobs that provide them with more income in the cities and help improve their way of life. “Barefoot doctors,” rural people that were trained with basic health care skills, were popular back in the 80s. Similar training could be applied that could help provide accessible health care to rural regions in Western China and also supply additional training and employment for residents.

Also the central government needs to do more to encourage more public and private spending for education. Provincial governments and counties in the West typically have a smaller and more destitute population to collect taxes from to invest back into education (Chow, 2006). The government should encourage provinces in the East as well to invest in the education of its cousins to the West. Similarly, scholarships to support teachers from the East moving to the West could help improve the quality. The government could also provide tax-exempt donations for the successful Eastern cities and townships to donate back into the West’s educational system. There has also been a growing number of non-profit and NGO’s that have sponsored and fundraised to contribute funds back to the rural and underperforming schools in the West.

**Greater Emphasis on Infrastructure**

One of the key ingredients for Eastern China’s growth was the funding for infrastructure and construction. Although the rail system for Western China (Figure) has been expanded, along with the addition of aviation hubs, Western China’s rail system is still small in comparison to Eastern China’s connected railways (Ringpapontsang, 2009). Construction of more railroads would better connect Western China to business opportunities in Eastern China. Similarly, businesses in Eastern China or even foreign companies that have locations in Eastern China would be more likely to interact and conduct business with those in Western China if the
railroads and accessibility were increased (Lin, 2011). Railways can also help connect more Western cities and larger towns, again increasing networking and accessibility for economic development.

On a smaller scale, roads would further assist villagers to get from place to place easier, whether for work or food or educational opportunities (Chow, 2006). Many children in China have to walk miles to school on decrepit, rocky paths, which can be dangerous to their safety and health. Better roads could also help people living in the very mountainous regions of Western China, making their lives easier when traveling up and down the mountains.

Increased number of railways and roads can help increase the accessibility for Western and rural migrants to the urban cities. Even more importantly, transportations costs need to be kept low and affordable to further encourage these migrants to stay in their city or return to their city more often to see their children (Cao & Liu, 2015). Also, infrastructure projects could promote the creation of jobs for Chinese in Western China, further keeping more families in tact. Many of China’s employed work as construction workers in the city and do not need advanced education to work on construction. Improved transportation and logistics will help reduce transaction costs in the long run and attract FDI.

**Conclusion**

Through this analysis of poverty in Western China, it can be seen that poverty is multifaceted, and there is no one solution for the many issues caused by poverty. Ultimately, poverty is a lack of resources and a lack of freedom and accessibility. The most poor in China are often restricted from better economic, educational, and health opportunities that further perpetuate the cycle of poverty. China’s economic growth in the East provides a positive model for Western
development, but officials need to recognize the need for economic development in Western China.

China’s economy has become increasingly important in today’s world economy and the US economy. Although many have been talking about the decreasing GDP growth rate, China’s role in the world economy cannot be overlooked. China is the largest foreign holder of US public debt. Further relations and economic growth can further help the US and its economy. Although reforms can be discussed and implemented to help stop the cycle of poverty, Christians are called to go even further.

As Christians, God has given us a duty to take care of the poor and provide hope to those who have none. However the poor are much more than their income status, and they have the potential to learn new things and have a desire to move forward. Working together implies that we must have humility when addressing economic development to meet the actual needs of the poor, and not what we think their needs should be. Economic development must be applied through selfless service, as well as effective and serving its ultimate purpose in poverty alleviation.

To answer to poverty is to answer to God’s call for Christians. Although it is not a sin to be poor, many sins and negative externalities accompany poverty. Donations of money can help alleviate some poverty, but donations of time and long-term service to these communities are even better. Prayer for God’s helpless are always welcome, but we must also remember that Christians ultimately must respond to the call to action.
References


