

# Natural allies

## How India and China can fight poverty together

As the 21st century unfolds, bilateral relations between India and China, the two most populous countries, two ancient civilizations, will become increasingly axial, for the global community as well as for themselves. As the first half of the century is defined by Sino-US relations, the second half may be defined by Sino-Indian relations. Global prosperity, even global peace, will grow increasingly dependent on China and India and on how well they cooperate.

That's why their sharp differences over India's abrogation of Article 370, changing Kashmir's independent status, gives concern.

India asserts that recent changes made in Jammu and Kashmir and Ladakh will be of immense benefit to those regions. The people will be able to access and enjoy the same rights, privileges and facilities as their fellow citizens in the rest of the country, and good governance and socio-economic development will be ensured.

China, which has long-standing, overlapping territorial claims in the region, expressed opposition and "serious concern". Chinese media called India's "unilateral" move "reckless".

It is not for me to opine on Article 370 or on the arcane minutia of border disputes, other than to acknowledge that, even though the wealth of nations today is more related to brains in heads than to rocks on grounds, issues of sovereignty and territorial integrity continue to stir the spirits of patriotic peoples everywhere.

Rather, I look for areas where India and China can cooperate, leveraging each other's experiences and strengths. To begin, both have strikingly similar strategic visions, short-term for the 2020s and long-term for mid-century.

For India, it is "New India 2022", at the 75th anniversary of India's Independence, an inclusive society that is clean, healthy, educated, wealthy, competent and safe; and "Best India 2047", at the 100th anniversary, a fully developed nation and a world power.

For China, it is "two centenary goals": a "moderately prosperous society" by 2020, at the 100th anniversary of the Communist Party of China (2021); and a fully modernised socialist country by 2050, at the 100th anniversary of New China (2049), a country that is prosperous, strong, democratic, culturally advanced, harmonious, and beautiful.

To realise New India by 2022, Prime Minister Modi specifies a "Poverty Free India". "My government is working for the common man," he



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said. "Our priority is the poor of the country."

For China to be a moderately prosperous society by 2020, President Xi specifies that not a single Chinese citizen be living below the line of absolute poverty. "I have spent more energy on poverty alleviation than on anything else," he said.

In both grand, national visions, a core driver is poverty alleviation, and it is with this explicit commonality that India and China can explore how to work together for the common good.

First, as foundation, how does poverty alleviation work in each country?

My knowledge of India and China is not symmetrical. While I have visited India several times and had substantive talks with business leaders and officials, I have come to China over 200 times, weeks at a time, for over 30 years, and I have interacted with all sectors and levels of society. In 2006, then Zhejiang Province Party Secretary Xi Jinping advised me how to think about China: horizontally, in its great geographic diversity, and vertically, in its long civilizational history.

For India's anti-poverty campaign, I see three big ideas: inclusive growth, rapid economic development, and agricultural transformation. Personal categories include health and nutrition, education and skill development, gender equality. Common categories stress infrastructure and connectivity and growth enablers (housing, energy, financial inclusion).

Modi focuses on the poor: "A new India where the poor do not want anything by way of charity, but seek opportunity to chart out their own course... Indians today are not waiting for governmental sops. They only want opportunities to be created for them, so that they can work for their livelihood and prosperity."

As for China's anti-poverty campaign, I know it first-hand. For several years I have been traveling the country, embedded in poverty alleviation programmes.

In the early decades of reform, Chinese leaders thought little about poverty alleviation per se; they focused on economic growth, which, as a natural consequence, brought hundreds of millions of Chinese out of poverty. But beginning around the turn of the century and intensifying after 2012, when Xi Jinping became senior leader, the realisation set in that there were about 100 million Chinese who were intractably poor. Whether because of geographic isolation in remote mountain villages or because they

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didn't have sufficient education or decent jobs or because they were old or infirm, economic development alone would never be sufficient: no matter how much China's economy would grow, no matter how large China's GDP per capita would become, these intractably poor would remain intractably poor.

In 2013 President Xi proposed the concept of "targeted" or "precision" poverty alleviation. "Targeted" means individualised attention, customised plans and programmes to bring each poor family out of poverty. "We should mobilise the energies of our whole Party, our whole country, and our whole society," Xi said.

The success of China's targeted poverty alleviation campaign, bringing 10 to 14 million people per year out of absolute poverty, depends on strict, quantitative and transparent procedures. It starts by defining absolute poverty with standardised methods, using annual income, but also including tests of adequate healthcare, education and sanitation, like flush toilets.

Five methods of poverty alleviation are employed: industry, creating a sustainable micro-business; relocating, moving people from remote areas; education and training; ecological compensation for those living in environmentally vulnerable areas; and social security, medical subsidies and direct payments to those who cannot work. Every impoverished household is guaranteed help and every village has designated officials to carry out targeted measures.

Five levels of local party secretaries coordinate their responsibilities – provincial, municipal, county, township, village. Third-party evaluations are conducted regularly and randomly to assure accuracy and honesty.

Prior, I had visited all parts of the country, including the poorest – which is why, as much as I thought I knew China, I was surprised by what I found.

I found that every poor family has its own file, a literal notebook, each with its own targeted plan to lift each above the line of absolute poverty – that's millions of poor families with customised plans, each monitored regularly and reported centrally. I witnessed a "democratic evaluation" in a remote village, where villagers voted into poverty status one young man whose father had cancer, and cheered when another man was raised out of poverty status.

Equally startling, local officials are dispatched to impoverished villages to manage poverty alleviation full time, often for two years. Party officials fighting poverty cannot be promoted unless and until they fulfil their specific, numeric poverty alleviation goals. Officials know that their careers prosper or falter based on results. I watched local officials being held accountable, their careers at stake.

With career stakes high and funding vast, cheating and stealing should be no surprise. Of the 122,100 cases of corruption reported in China in 2017, 48,700 – more than one third – related to poverty alleviation work. Credit the government for releasing such unflattering statistics. China will not allow falsifying data, or misappropriating funds, to undermine its poverty alleviation goals.

At the beginning of 2019, the number of those still living in absolute poverty was down to 16.6 million; though lifting the last would be the hardest, China is on track to eliminate all absolute poverty by the end of 2020.

So, what would it take for India and China, working together, sharing experiences, to unite to fight poverty everywhere, surely a global priority?

It would take, for starters, a conversation between Modi and Xi. To catalyze it, how about

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proposing parallel "Poverty Alleviation Institutes" in Beijing and Delhi? Each would have three synergistic purposes; for example, the Delhi-based "India-China Poverty Alleviation Institute" would facilitate the export of India's poverty alleviation programmes and experiences for sharing with China. Facilitate the import of China's poverty alleviation programmes and experiences for sharing with India. Facilitate how India and China can work together, synthesising their joint programmes and experiences, for application in other developing countries.

Institute outputs would include white papers, research reports, case studies, conferences, and expert exchanges (short and long term).

Prime Minister Modi says, "If we are successful, no one can stop India from becoming a world power."

President Xi says, "China is moving to center stage of the world."

India states that its unique development experience – economic, political and social transitions – can become a model for the world.

China states that Chinese wisdom and Chinese experience can provide a new approach for developing countries to achieve modernisation and for solving problems facing mankind.

Conventional wisdom has India and China as natural competitors. Fighting poverty has them as natural allies. ♦