

The Research on Urban Poverty in Henan Province of China

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Since the economic reform and opening up, Henan's economics has been developing quickly, and the incomes and the living standards of urban residents have been greatly improved. However some people still live in poverty. The settlement of poverty problem will be a long and arduous task. In this article we'll study the condition of urban poverty and try to find the ways to reduce poverty in accordance with urban household's survey data about poverty of Henan province of China in 1999.

1. Definition

The meaning of poverty is different between the narrow sense and the general sense. Poverty means the lack of materials, social intercourse and sensibility. Poverty also means that the expense in food, heating and clothing is less than the average. Generally the narrow meaning of poverty is that some people are short of capacity of acquiring the income of the lowest living level. The concept of the lowest living level is flexible, it may vary with the different stages of development, different development levels, different regions, so the meaning of poverty is relative.

Hereinafter we'll study relative poverty.

2. Basic condition of urban poverty households

According to sampling survey data on relative-poverty urban households (approximately 5% of all urban households) of Henan province in 1999, we can find some characteristics as follows:

2.1. Social characteristics

In poverty households, there are too many members, most of them being unemployed or underemployed, and the burden coefficient is higher. The average household size of poverty households is 3.67, 0.46 more than the average of all urban households, and 1.05 more than average of the highest income households. The percentage of employment per poverty household is 48.5%, and the number of persons supported by each employee is 2.02.

The educational level in poverty households is lower.

There are too many people who are unemployed or laid off from state owned enterprises in poverty households. The average of members unemployed or laid off from state owned enterprises in poverty households is 0.78, which much higher than 0.25 in the average urban households and 0.05 in the highest income households.

2.2. Living expenditures

Lower income and relative high consumption. Per capita annual disposable income of a poverty household is 1695.70 Yuan, only 37.4% of the average level of all urban households. Per capita annual living expenditure of a poverty household is 1774.59 Yuan, only 50.7% of the average level of all urban households. Per capita annual living expenditure of poverty households is 78.84 Yuan more than per capita annual disposable income, and the difference has to be covered by borrowing.

Lower wages. Per capita annual wages of a poverty household from state-owned units and collective-owned units is 1110.64 Yuan in 1999, only 37.1% of the average level of all urban households; Per capita annual non-wage income is 14.82 Yuan, only 1/7 of the average level of all urban households.

Food proportion. Per capita annual living expenditures for consumption of poverty household is 1774.59 Yuan, and herein food consumption account for 47.7%.

Lower expenditure for clothing and household facilities consumption. In 1999, Per capita annual clothing consumption of a poverty household is 163.23 Yuan, Per capita annual household facilities, articles and service consumption of poverty household is 71.50 Yuan.

Lower expenditure for recreation, education, and cultural service consumption. In 1999, Per capita annual expenditure for recreation, education, and cultural service consumption of poverty household is 167.74 Yuan, herein education consumption accounting for 127.19 Yuan.

Lower residence expenditure. Per capita annual living expenditures for residence of a poverty household is 218.15 Yuan, lower than the average level.

3. Poverty reduction work in urban Henan province

3.1. Work about poverty reduction

Since the Minimum Living Security System was set up in Zhengzhou in 1996, 127 cities and counties of Henan province had set up the system by the end of 1998.

By the end of 1999, 142 counties, 7654 enterprises and institutions had established archives of poverty works.

By now, labor union of all levels in Henan province have raised 60 million Yuan for “giving warmth” fund, 3433 mutual-aid fund societies of all kinds have raised 110 million Yuan, 3616 mutual insurance organizations of all kinds have been set up, and there are 1.1 million persons working in these organisations.

3.2. Problems to be solved

The war against poverty must go on, we need not only to eradicate the remaining poverty, but also to ensure those households who have just been above the poverty line would not fall back into poverty.

New forms of poverty that have arisen in the circumstances of economic transition and marketisation may be largely regarded as a consequence of reform processes.

Policies for poverty reduction should be perfected.