

The Influence of Resource Endowment on Income in the Poverty-Stricken Area

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Abstract

Poverty reduction is a great cause in the development of human society. Based on the multi-dimensional theoretical system such as the theory of ability poverty and the theory of human capital, this paper studies and analyzes the current situation of poverty in the contiguous area of dabie mountain area based on the data and data of 587 households surveyed in jinzhai county, dabie mountain area, and obtains its corresponding characteristics. Secondly, it analyzes the impact of resource endowment on income. The research shows that human capital, material capital and social capital are the important reasons that affect the farmer's wealth not to increase, and only the resource endowment of the middle-income group will have an important impact on the farmer's income level, while the resource endowment of the middle-income group is relatively more reasonable and scientific.

Keywords

Resource endowment, Risk impact, Dabie mountain area.

1. Introduction

Deep poverty in poverty-stricken areas needs to be solved urgently. It is a decisive factor for the realization of complete poverty alleviation of the poor population in China by 2020, and it is also a key issue that the government or the society attach great importance to. The dabie mountain area is a part of the 14 poverty-stricken areas with extreme poverty in China, as well as the old revolutionary base areas or other areas with frequent natural disasters. These areas are complicated in structure and have a serious degree of influence. Dabie mountains are located in the border areas of anhui, hubei and henan, including five cities, namely, lu 'an, anqing, huanggang, xiaogan and xinyang. Based on the field investigation of jinzhai county, lu 'an, this paper expounds the poverty situation in dabie mountain area from the multi-dimensional perspectives of disposable income, consumption and poverty incidence. From 2017 to 2019, the quality of life of rural households in jinzhai county, dabie mountain area was significantly improved. The per capita disposable income of rural residents increased from 10,095 yuan to 12,959 yuan, an increase of 2,860 yuan. The per capita consumption level increased rapidly from 7,184 yuan to 12,314 yuan, an increase of 5,130 yuan and an average annual increase of 25.12%. From 2017 to 2019, the gap between the living standards of rural residents in jinzhai county, dabie mountain area and the living standards of rural residents in the whole country has been decreasing year by year, but it is still very large. In 2017, the per capita disposable income was 3,390 lower and the per capita consumption was 3,230 lower than that of the country's rural areas. In 2019, the per capita disposable income was 2,335 lower and the per capita consumption was 3,150 lower. In the past two years, compared with rural areas in China, the per capita disposable income gap has been narrowing, down by 1055 yuan, but the consumption gap has not narrowed due to the failure to change the consumption concept in time.

Table 1: Per Capita Disposable Income and Per Capita Consumption of the Jinzhai County and Whole Country

Year	The Jinzhai		The whole country	
	Per capita disposable income	Per capita consumption	Per capita disposable income	Per capita consumption
2017	10095	7184	13485	10414
2018	11097	9842	14617	13062
2019	12959	12314	15294	15464

From the perspective of the poverty change of farmers in jinzhai county, dabei district, the poverty population in jinzhai county in dabiishan district was 16,000 in 2019, which was 114,000 less than the 130,000 in 2013. The poverty reduction effect was very significant, and the poverty incidence rate was constantly reduced. From 2013 to 2019, it was reduced from 22.1% at the beginning to 2.73%. Due to the population base problem, the poor population of jinzhai county in dabi mountain area is less than one thousandth of the rural poor population in China, so there is no need for comparison. From the perspective of poverty incidence, in 2013, the poverty incidence in this region far exceeded that in rural China by 14.6 percentage points, and in 2019, the poverty incidence in China far exceeded that in domestic poverty by 1.03 percentage points, indicating that the poverty problem in poor mountainous areas is still severe.

Table 2: Poor Population and the Incidence of Poverty of the Jinzhai County and Whole Country

Year	The Jinzhai		The whole country	
	Poor population	the incidence of poverty	Poor population	the incidence of poverty
2013	13	22.1	8249	6.5
2019	1.6	2.73	1660	1.7

2. Characteristics of Poverty in Dabie Mountain Area

Although the living quality of farmers in dabi mountain area is gradually improving at the present stage, it still faces the challenge of poverty. The geological situation, distribution environment and unique culture of this area make it a poor area: Irresistible natural disasters often occur and the geological environment is weak. The main geological feature of this area is the mountainous terrain, which has the situation of high and low elevation disparity, and the geomorphology is extremely complex. Because of its distribution in the central region, it faces more natural disasters, such as landslides, other floods, and other floods. These irresistible natural disasters will not only hinder farmers from working, but also infringe on their lives and property, so this area is one of the poor areas affected by the disaster. Weak economic foundation, lack of pillar industry. This area is mostly concentrated in the middle and lower reaches of the Yangtze river, where plants from the north and south can be grown at the same time. Therefore, it is inevitable that there will be problems of low yield and different quality. Therefore, the production quality level of primary industry: agriculture is at a low stage, and many development activities and projects are affected by this, without diversified production structure. In addition, there are many mountains in this area, and agriculture, as its main industry, is affected by traffic inconvenience, resulting in the phenomenon of closure and difficulty in going out. The development of surrounding cities is not influenced by the central city. Although there are abundant ecological resources in the region, there is still no good development of resources and construction of resource-based tourism. Farmers have a low

standard of living and lack basic public services. In the absence of social investment and financial input, there is a lagging phenomenon of social undertakings in this region, which promotes farmers to have a lower quality of life. At present, the lack of basic public services increases the incidence and risk of disease among farmers, resulting in the phenomenon of "disease poverty". The utilization rate of farmers' resources is low and they lack of higher development ability. Because of the lack of diversified economic development structure in this region, it is difficult to promote the transfer of labor force. On the one hand, as one of the main industries, the region has a low level of agriculture, so the agricultural income is not high, and the shortage of arable land leads to a large number of young people have to go to other cities to work, resulting in an increase of the old, the weak, the sick and the disabled in the countryside. Due to the lack of abundant arable land resources and low agricultural income, people living in the region often find it difficult to maintain their livelihood, which hinders the sustainable, healthy and stable development of the region. On the other hand, due to the lack of sound educational institutions and teaching quality in the region, migrant farmers are mostly in low-educated and labor-oriented positions, such as service industry, manufacturing industry and construction engineering. These industries are not only low-paying but also risky, making life more difficult for those who stay in the region.

3. Analysis on the impact of resource endowment on income in poverty-stricken areas

From the perspective of resource endowment, this study analyzed the OLS regression results of the impact of rural households' wealth income. Previously, scholars proposed that the following capital is the reason that affects farmers' wealth not to increase: the first is human capital. It is intellectual capital; The second is material capital, which is the cost of material resources; The third is social capital. Among these three factors, the material capital has an obvious driving effect on the increase of the wealth of most farmers who lack capital. When the material capital of farmers is continuously increasing, it can be reflected from the side that the current farmers have a relatively stable source of income. Generally speaking, when the material capital of a family in poverty is increased by 0.1 units, the per capita economic income of the family can rise by nearly 28.45%. From this proportion, it can be clearly seen that the material capital has a crucial influence on the income source of the family and constitutes a very important part of the family income. According to different types of families, income level will also exist obvious differences, in contrast, if the family of the low level of human capital, so often low-income groups will be affected by these factors, and high income family, by contrast, will not be affected by the factors of the impact of, and the influence of human capital mechanism has the same effect, social capital will also bring influence on household income level. Dabie mountain area farmer human capital level in a low stage, however, compared to other group of the poor peasant households, the poor peasant households group internal human resources endowment there are more obvious differences between education level and work experience of resources endowment for the low-income groups, also can produce direct contact, and the crucial impact on the income level of low-income groups. Through the above analysis can clearly see what different between the resources endowment will have a more obvious role in promoting, through comparing the relevant data of different income groups, only a moderate income group is the resources endowment will have important influence on the income level of farmers, compared with moderate income group is relatively more reasonable scientific resources endowment. Specific indicators are shown in table 3.

Table 3: The Impact of Resource Endowment on Income

Variables	OLS-1	$\theta=0.25$	$\theta=0.50$	$\theta=0.75$
Human capital	1.0343*(0.2113)	1.2433*** (0.3809)	1.1248*** (0.1961)	0.7217*** (0.2111)
Physical capital	2.8458*** (0.4162)	3.1888*** (0.8371)	2.0648*** (0.3302)	2.5337*** (0.5143)
Social capital	1.0295*** (0.3137)	0.9686 (0.6225)	1.1221*** (0.2992)	0.5180 (0.3386)

Notes: *, **, and *** represent significance tests at 10%, 5%, t in parentheses

3. Suggestions

The premise for the poor farmers in dabie mountains to get rich is to help them improve the infrastructure and optimize the transportation network system, which is conducive to improving the speed of logistics and the flow of people. Secondly, in order to solve the problem of the overall low education level of dabie mountain residents, the government should adopt a preferential policy, increase the investment of education funds, and introduce teachers with high comprehensive quality, so as to change its inherent traditional cognitive mode ideologically. Education, as a long-term investment method, has little effect in the short term, but its practical value cannot be ignored. It will lay a talent foundation for the future development of dabie mountains. Finally, due to the differences in the resource endowment and risk impact of each peasant household, grassroots poverty alleviation workers should go deep into the peasant household to understand the basic situation in detail, avoid the one-size-fits-all approach to poverty alleviation, and achieve the targeted treatment of one family and one strategy.

4. Conclusion

The overall endowment stock of farmers in dabie mountain area is relatively low, and the poverty level of farmers is also constantly increasing. The reason for this situation is that the resources held by farmers are not very sufficient. In the process of practical analysis, the researchers can effectively conclude that the cost of human resources is an important form of capital that affects the long-term development of farmers in dabie mountains, and the amount of this human capital is much higher than the other two kinds of capital endowment. In terms of human capital, the farmers living in the dabie mountains have a relatively low level of education, with only primary school level, and the poor families are in an absolute weak position. The value of material assets of such farmers is relatively low. The premise for the poor farmers in dabie mountains to get rich is to help them improve the infrastructure and optimize the transportation network system, which is conducive to improving the speed of logistics and the flow of people. Secondly, in order to solve the problem of the overall low education level of dabie mountain residents, the government should adopt a preferential policy, increase the investment of education funds, and introduce teachers with high comprehensive quality, so as to change its inherent traditional cognitive mode ideologically. Education, as a long-term investment method, has little effect in the short term, but its practical value cannot be ignored. It will lay a talent foundation for the future development of dabie mountains. Finally, due to the differences in the resource endowment and risk impact of each peasant household, grassroots poverty alleviation workers should go deep into the peasant household to understand the basic situation in detail, avoid the one-size-fits-all approach to poverty alleviation, and achieve the targeted treatment of one family and one strategy.

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