

A Study on the Relative Poverty in China under the Background of Building a Moderately Prosperous Society in an All-round Way

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Abstract

The Communiqué of the Fourth Plenary Session of the 19th Central Committee of the Communist Party of China pointed out that "we should resolutely win the battle of poverty alleviation, consolidate the achievements of poverty alleviation, and establish a long-term mechanism to solve relative poverty." By 2020, China will basically eliminate absolute poverty and enter a moderately prosperous society in an all-round way. The elimination of absolute poverty does not mean the elimination of poverty. Since then, the problem of relative poverty has been put in front of the Party Central Committee, the State Council and the people of the whole country. Compared with absolute poverty, it is more difficult, longer and more difficult to control relative poverty. It is necessary to establish a standardized and serialized effective long-term mechanism to carry out the relative poverty relief work with a future-oriented vision, a Seek truth from facts attitude, a pioneering and innovative spirit, a persistent style of work and a refined management style. This paper studies the concept of poverty, analyzes the basic elements and causes of relative poverty, and puts forward a long-term mechanism to solve relative poverty.

Keywords

Relative Poverty, Long-term Mechanism, Cause Analysis, path study.

1. Introduction

The report of the Eighteenth National Congress of the Communist Party of China pointed out that by the 100th anniversary of the founding of the Communist Party of China, my country will fully build a well-off society. The China National Bureau of Statistics' Rural Poverty Monitoring Survey shows that at the end of 2019, the country's rural poverty population was 5.51 million, a decrease of 93.48 million from the 98.99 million at the end of 2012, and an average annual decrease of 13.3543 million; the poverty incidence rate was 0.6%, That's down 9.6 percent from 10.2 percent in 2012. The year 2020 is the year of the end of China's fight against poverty and the year of building a moderately prosperous society in an all-round way, We will win the battle, comprehensively solve the basic problems of rural residents' production and life and the pursuit of happiness, and ensure that all the people of China step into a moderately prosperous society in an all-round way. After the poor people get rid of poverty and get enough production and living security, there is no absolute poverty. To solve the problem of absolute poverty is only the stage success of China's anti-poverty strategy, and the establishment and solution of a wider range of relative poverty within the social scope will be the central work of China's anti-poverty. To solve the problem of relative poverty, only long-term and effective methods and measures can be established. Different methods will be implemented for different poor people and families in different periods and regions for a long time to help them develop production, increase income, improve material and cultural living standards and quality.

2. Elements of Relative Poverty

2.1. The Development of Relative Poverty has the Characteristics of Movement and Change

The development of economy has a historical evolution, which is driven by a variety of endogenous and exogenous mechanisms. The overall development trend is from extensive to intensive, and constantly tends to benefit the people's well-being of more people [1]. With the increasing expansion of economic aggregate, the overall income level, living standard and consumption expectation of residents are also constantly improving. Therefore, regardless of the degree of social and economic development, in a certain region or a certain social group, there will always be some people or some families whose income and consumption are below the average income level or living consumption level of the local or social group. Therefore, relative poverty has the characteristics of movement and change, and will exist for a long time.

2.2. The Essence of Relative Poverty is that Income Distribution has Unbalanced Characteristics

The source of residents' wealth is mainly realized through the initial distribution and redistribution of national income. In the national income distribution system, there are some problems, such as the imbalance of distribution between industries, between capital and labor, and between urban and rural areas. In particular, the proportion of labor remuneration in the initial distribution is declining continuously. While capital elements enter the market and participate in the distribution to obtain a lot of income, they often get policy dividend [2]. Therefore, in real life, due to the normal unequal distribution, relative poverty is widespread.

2.3. The Performance of Relative Poverty has the Characteristics of Subjective Judgment

Generally speaking, absolute poverty is objective, and the key problem lies in the lack of the necessary basic material conditions to maintain survival, emphasizing the need for survival and the continuation of life; while relative poverty has the characteristics of subjective judgment, which is the poverty within a certain society compared with the level of medium life consumption, emphasizing the results of comparison among members of society, and there are set problems. In practice, a certain proportion of the population is usually defined as living in relative poverty. According to the world bank, as long as the income level is less than 1 / 3 of the average income, it is regarded as relative poverty. The EU adopts the median income standard, and believes that as long as the income level is below 60% of the median income, it will all be classified into the ranks of relative poverty [3].

3. Basic Theory and Main Enlightenment

3.1. Absolute Theory of Relative Poverty

In the process of historical development, there is no fixed and unified standard of living or healthy living in any society or at any time. The demand of human life consumption is bound to be closely related to the development of society, the progress of science and technology, and the accumulation of wealth. With the development of economy and society and the progress of human civilization, the level of per capita income and the demand for living consumption will be further improved, and the basic living needs of human society will also change. Therefore, the connotation and extension of relative poverty will change.

According to British economist Peter Townsend, poverty is not only the lack of basic necessities, but also the relative lack of resources such as access to food, housing, entertainment and participation in social activities compared with other people's feelings of deprivation, which

makes them unable to reach the average living standard in their environment, And feel the state of being excluded from normal social activities and lifestyle[4]. Based on the concept of relative absence, He proposed the "missing indicator method" to measure poverty[5]. The so-called relative absence refers to a feeling that an individual is deprived of the conditions and enjoying the environment he or she thinks he or she should have [6].

Because relative poverty contains certain subjective factors, It is the deprivation of the material, environment, and way of life felt by other social members or groups as a reference object. According to the statistics of the National Bureau of statistics of China, from the perspective of five equal parts of the per capita income of rural residents, the per capita disposable income of 20% of low-income households in 2018 was only 3666.2 yuan, accounting for 25.08% of the average level of 14617 yuan of rural residents, down 2.81 percentage points from 33.89% in 2002. Meanwhile, 20% of low-income households accounted for only 4.77% of the total income of rural residents in 2018, down 1.58 percentage points from 6.35% in 2002.

Therefore, the absoluteness of relative poverty must be paid more attention. In order to solve the problem of relative poverty, we should not only pay attention to material assistance, but also establish a long-term mechanism of balanced development in resource allocation, environmental construction, life style and other aspects, so as to eliminate the feeling of relative absence formed by individuals in mutual comparison.

3.2. Relativity Theory of Absolute Poverty

Under different conditions of time and space, the criteria for measuring absolute poverty are different; even in the same time and space, the criteria set by different scholars and different research purposes will be different. "To some extent, it is a matter of judgment to properly determine what people need to survive. The estimation of this will change over time, and generally in a progressive community, this change is upward." [7] Beveridge's view fully embodies the relativity of absolute poverty. Therefore, this conclusion is accepted by more and more scholars [8]. Amartya Sen, a 1998 Nobel Prize winner in economics and professor of Harvard University, also pointed out that the essence of poverty is not due to low income, but to the feasible ability of poverty [9]. Amartya Sen's capability methodology has been widely concerned in economic research and gradually expanded. For individuals, although ability is absolute, the amount of income and reward is relative; for human society, development is the expansion of human ability and the promotion of freedom [10]. It can be seen that absolute poverty is due to the expansion and improvement of the individual's absolute ability in the social development and the degree of freedom promotion, thus obtaining the relative quantity of basic necessities of life.

Therefore, the relativity of poverty standard and the absoluteness of human ability construct the relativity theory of absolute poverty, which also reminds us that in the work practice of establishing a long-term mechanism to solve the problem of relative poverty, it is not only the problem of financial support, but also the important thing is to improve the ability of poor people, including knowledge level, cultural quality, scientific and technological quality, as well as ideology and theory Think about ideas and prevent the vicious circle of intergenerational transmission of poverty.

3.3. Long Term Theory of Poverty Eradication

General secretary Xi Jinping pointed out: "we must profoundly understand the long-term, arduous and complexity of our poverty problem, and make good preparations for the protracted war. Even if the goal of building a moderately prosperous society in an all-round way is achieved, China is still in the primary stage of socialism, and to some extent, poverty will still exist. "[11] The absolute theory of relative poverty also shows that poverty will exist for a long time. No matter what stage the economic development is in, no matter what degree the

level of residents' income reaches, as long as there is an unbalanced distribution system and unequal distribution policies in the society, then relative poverty will exist, which also determines the long-term elimination of poverty. According to the statistics of the National Bureau of statistics, the Gini coefficient of rural residents from 2002 to 2018 was calculated to be above 0.4, and showed a trend of rising volatility. In 2016, the peak value reached 0.491, although it has declined in the past two years, by 2018, the Gini coefficient of rural residents was 0.4426, 0.024 higher than 0.4186 in 2002. It reflects that the current distribution difference of rural residents in China is above the warning line. At the same time, we have learned from relevant reports that the economists, Abhijit Banerjee, Esther Duflo and Michael Kramer, who are committed to the research of global poverty alleviation through experimental methods, have won the Nobel Prize in economics in 2019 because their research results have improved the global ability to fight poverty. From this aspect, we can see that poverty is the problems of worldwide. The existence of poverty is not only relative, but also long-term.

Because of the universality and long-term existence of poverty, poverty eradication is bound to exist for a long time. Therefore, poverty eradication can not be achieved overnight, nor can it achieve immediate benefits. Instead, we must establish and improve a long-term mechanism to eliminate relative poverty, and make strategic preparations for sustained operations.

4. Analysis of the Causes of Relative Poverty

The research on the causes of poverty has been quite common in academic circles. Due to different research directions, there are also differences in research results. However, the causes of poverty can be summarized into four aspects, namely, universal poverty, institutional poverty, regional poverty and stratum poverty[12]. However, the study of these causes basically belongs to the category of absolute poverty, while the study of the causes of relative poverty is relatively weak.

Relative poverty is a very complex and difficult problem to solve. The reasons for its formation are various, and they are interlaced and interacted with each other. To sum up, nothing more than The fragility of the natural environment, the lack of family capital, the deficiency of personal ability and the absence of members' spirit, etc.

4.1. Ecological Poverty

The so-called ecological poverty refers to the relative poverty formed by the destruction of the production and living conditions of part of the population due to the disasters caused by the ecological environment, so as to be unable to obtain sufficient means of production and living for survival and development. Human is the product of nature, and the relationship between human and natural environment is inseparable. If the relationship between human beings and the natural environment develops harmoniously, nature will provide good objective conditions and rich material basis for human survival and development; however, if the relationship between human beings and the natural environment is not harmonious, nature will cause great harm to human beings, even destroy the basic resources and living environment on which human beings depend. At present, the natural environment is relatively fragile, and the occurrence of ecological disasters is relatively frequent. According to the statistical yearbook data of China's National Bureau of statistics, from 2010 to 2018, geological disasters occurred an average of 13033.22 times a year in China; the average annual disaster area of crops reached 264868700 hectares, accounting for 16.3% of the average planting area of crops; Average annual population affected by natural disasters 27114.24 Ten thousand person-time, the direct economic loss is 391.159 billion yuan. Therefore, the occurrence of ecological disaster is the direct cause and main factor of human relative poverty.

4.2. Capital Poverty

Capital poverty refers to the relative poverty caused by the lack of capital, such as financial capital, natural capital and human capital, which leads to the insufficient investment in expanding reproduction capacity and the relatively low-level development and low-speed growth in the further improvement of production and living standards. With the development and progress of the society, we will continue to promote the increase of human wealth and the improvement of living standards. In this process, although because of the trickle down effect, everyone's wealth will become more and more, but capital has the effect of intergenerational transmission. Because each group or each family has a large difference in capital, the gap between the rich and the poor will become more and more obvious [13]. In capital in the 21st century, Piccardy pointed out that in one hundred years, the wealth of people with capital has doubled seven times that, 128 times as much as at the beginning, while the overall economic scale will only be eight times larger than that 100 years ago [14]. According to the data of rural residents' per capita income grouped by five equal parts in the statistical yearbook of the National Bureau of statistics of China, it can be seen that in 2018, 20% of low-income households accounted for only 10.77% of high-income households, down 3.75 percentage points from 14.52% in 2002. However, 20% of the high-income households accounted for 44.33% of the total income of rural residents in 2018, up 0.61 percentage points from 43.72% in 2002.

4.3. Capacity Poverty

Capacity poverty refers to the relative poverty of the residents' family members due to the defects in education, health and other aspects, resulting in higher operating costs in production and lower output benefits; higher health input in life and lower quality of life; more restrictions on division of labor in job selection and narrow employment channels, resulting in lower income and higher cost of living. People's ability includes not only the degree of education, the level of mastering science and technology, but also many factors such as individual's physique, physical and mental health, etc. the size of ability directly determines the employment status of the labor force, also determines how much the individual obtains the means of production and the means of production in the production activities, and also determines the level of their family's living standard and quality of life. The defect of ability will inevitably lead to low technology level, low production income, high intensity labor and high cost of living, which greatly improves the probability of relative poverty. Liu Xiaoyan [15] uses the method of grey correlation analysis to analyze the impact intensity of rural labor employment, natural environment, medical treatment, education and other factors on rural poverty. The conclusion is that the impact of employment factors is the strongest, followed by natural environment, education and medical treatment.

4.4. Mental Poverty

Spiritual poverty refers to the fact that social members lag behind in ideas, morality, values, pursuit and other aspects of society, lack of spiritual power of production and life and practical ability to step on the ground in thoughts and actions, and thus fall into a relatively poor living state [16]. The essence of spiritual poverty is, in the final analysis, the lack of the concepts of diligence, thrift, self-reliance and honor and disgrace. There exists the thought of "letting nature dictate life", which forms a vicious circle of poverty due to laziness, "waiting to be depended on" due to poverty, and moral collapse due to sitting on it. At the same time, we must pay attention to the fact that the concept of poverty culture is deeply rooted in the minds of some people. Due to the strong intergenerational transmission effect of poverty culture, many poor people's thoughts are in a state of extreme conservatism. They are always content with the status quo, unwilling to make any changes to their living conditions, and more risk averse, so they often behave improperly. Behavior misconduct will exist in the general population, but it

will be more obvious and prominent among the relatively poor population. Therefore, the spiritual poverty has the obstinacy and sustainability in the factors of poverty.

5. Establish a Long-term Mechanism to Solve Relative Poverty

5.1. Establish the Quantitative Identification and Evaluation Mechanism of Relative Poverty

In order to eliminate relative poverty, it is the foundation and starting point to establish a long-term mechanism of quantitative identification and evaluation that is effective and keeps pace with the times. In view of the absolute and long-term characteristics of relative poverty, it is necessary to establish a strategic and forward-looking identification and evaluation mechanism in the actual work, taking the income level as the benchmark, the causes of poverty as the premise, the comprehensive structure of members as the foothold, and the social and economic development level and living standards of all regions, so as to establish a vertical type, multi-dimensional factor consideration and regional difference. The opposite sex relative poverty identification system can accurately identify the relative poverty population and families in different regions. On this basis, we should base ourselves on the reality, focus on the future, improve the assessment and evaluation system and supervision mechanism to eliminate relative poverty, and focus on promoting the internal development power, so as to comprehensively improve the quality and effect of poverty alleviation.

5.2. Establish Supporting Mechanism for Sustainable Development of Rural Social Economy

To solve the problem of relative poverty, the key is to improve the income level and living standard of poor farmers and people. Under the background of the strategy of rural revitalization, we must establish the strategic mechanism of rural sustainable development, improve the conditions of agricultural production is the foundation, and actively develop the ecological agricultural industry; lengthen the rural industrial chain is the guarantee, and comprehensively improve the added value of agricultural products; promote the construction of the equipment level of rural production is the key, and constantly improve the efficiency of rural labor production; carry out the moderate land scale management. It is a means to further innovate the mode of production, and to develop the rural collective economy is a key to enhance the strength of the collective economy. At the same time of continuously strengthening the "hematopoietic" function of rural areas, we should formulate practical policies, take effective measures, constantly improve the basic conditions of rural production and life, and create a beautiful living environment with beautiful environment, ecological livability, convenient travel and comfortable living.

5.3. Establish a Perfect Rural Social Security Mechanism

The establishment of a sound rural social security system can fundamentally reduce the risk of survival, maintain social stability; fundamentally narrow the gap between the rich and the poor, and achieve common prosperity; fundamentally solve the problem of relative poverty, and work together to build a moderately prosperous society in an all-round way. Therefore, in order to establish a perfect rural social security mechanism, we must take the equalization and integration of urban and rural public service system as the premise, and take the elderly, the young and the sick as the goal. At this stage, we should focus on making up the shortcomings in the rural social security system, strengthen the basic functions of social security, and fundamentally guarantee the overall improvement of the social level of relatively poor families and people. Facing the future, we should take National "one game of chess" the starting point, urban-rural integration as the foothold, system diversification as the support point, and

establish and improve the long-term social security mechanism of overall funding, unified standards and urban-rural equality.

5.4. Establish a Blocking Mechanism for Intergenerational Transmission of Relative Poverty

The intergenerational transmission effect of poverty is the result of many factors, especially the capital factor, resource factor and cultural factor play a decisive role in the intergenerational transmission of poverty. Therefore, in order to establish the blocking mechanism of intergenerational transmission of relative poverty, we must do the following work well. First of all, we should strengthen rural basic education, improve the cultural quality of rural residents, strengthen rural vocational training and education, and vigorously cultivate new-type vocational farmers. Second, we should further strengthen the propaganda and education of socialist core values, and promote rural residents to establish a positive outlook on the world, life, honor and disgrace, and values. Third, we should do a good job in carrying forward excellent traditional cultural education, and eliminate poverty The breeding ground of poor culture. On this basis, we should vigorously publicize the typical deeds of the typical characters, carry out demonstration and guide, build a positive social atmosphere, take the measures of rule intervention, stimulate the internal motivation of the entrepreneurship, and fundamentally build a social security network and long-term mechanism to block the intergenerational transmission of relative poverty.

6. Conclusion

Poverty is a worldwide problem, and solving it is a major and difficult problem for governments all over the world. After 70 years of hard work under the leadership of the Communist Party of China, the Chinese people have basically eliminated absolute poverty by using China's wisdom and adopting China's plan. In the Fourth Plenary Session of the 19th Central Committee of the Communist Party of China, the CPC Central Committee and the State Council reviewed the situation and put forward that "we should resolutely win the battle of poverty alleviation, consolidate the achievements of poverty alleviation, and establish a long-term mechanism to solve relative poverty." Relative poverty has the characteristics of absolute and long-term. It is more difficult, longer and arduous than absolute poverty. Only by fully understanding the characteristics and causes of relative poverty and establishing a series of effective policies and measures, can we fundamentally eliminate poverty and realize the Chinese dream of the great rejuvenation of the Chinese nation.

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