

Influences of “Targeted Poverty Alleviation” for China

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Manuscript received July 12, 2026; accepted September 23, 2026; published October 27, 2026.

Abstract—“Targeted Poverty Alleviation” (TPA) is a China-developed governance strategy that addresses poverty through precise identification and intervention. Under conditions of scarce resources, it emphasizes accurately identifying impoverished households, diagnosing the causes of poverty, implementing tailored policies, and dynamically managing outcomes. The strategy culminated in China’s declaration in 2020 that extreme poverty had been eradicated. This paper systematically analyzes the dual impacts of TPA, exploring its positive effects on rural infrastructure upgrading, industrial development and urban-rural integration, as well as its inherent limitations including excessive grassroots administrative burden, bureaucratic formalism and rural population dependency. It further discusses the sustainable transition from TPA to rural revitalization, combined with a typical relocation poverty alleviation case in Sichuan Liangshan. The study suggests that TPA is an effective model for eliminating absolute poverty at a national level. It effectively remedies the market failure of trickle-down economics, provides a feasible solution for structural poverty governance in developing countries, and offers valuable practical experience for global poverty reduction undertakings.

Keywords—Targeted Poverty Alleviation, rural revitalization, poverty governance, urban-rural integration, sustainable development

I. INTRODUCTION

Classical development economics, especially the trickle-down theory championed during the Reagan era, posits that aggregate economic growth would ultimately benefit the poor through market mechanisms and wealth diffusion. The core logic of this theory lies in relying on spontaneous market operation and wealth accumulation of the upper class to drive social employment and consumption expansion, so as to realize universal poverty reduction and shared prosperity. Therefore, discussion on the influences of Targeted Poverty Alleviation holds strong theoretical significance.

However, empirical evidence from China’s Targeted Poverty Alleviation experience reveals the limitations of this passive market-oriented poverty reduction approach. According to long-term economic observation data, the wealth gap in Western countries adhering to trickle-down economics has continued to expand. In the United States, the wealth of the top 1% of households is nearly 1000 times that of the poorest households, and tax cuts for the rich fail to boost overall economic growth and employment, but instead exacerbate wealth sequestration and solidify class solidification (MARKETPLACE, 2025). Under conditions of scarce resources, structural barriers—such as geographic isolation, chronic health issues, insufficient human capital and market failures—often trap the most vulnerable populations in long-term poverty, rendering trickle-down effects insufficient and ineffective in solving deep-seated

poverty problems.

China’s target poverty alleviation model demonstrates that a “state-led + precision-targeted” intervention can actively break this poverty trap. By employing mechanisms such as household-level identification, tailored industrial support, and relocation, this approach complements traditional development economics by offering a viable framework for “structural poverty reduction.” It provides a replicable theoretical model for addressing the needs of the “last mile” of deeply impoverished populations, highlighting that when market mechanisms fail to reach the most marginalized, deliberate and targeted public intervention becomes not only necessary but also efficient in achieving equitable development outcomes.

II. CURRENT DOMESTIC POVERTY STATUS

A. Overall Distribution and Scale of Rural Poverty

Before the full implementation of Targeted Poverty Alleviation in 2013, China’s rural poverty presented the characteristics of large scale, wide distribution and scattered fragmentation. A large number of rural residents lived below the national poverty line, and absolute poverty was prominent in remote mountainous areas, ethnic minority areas and ecologically fragile regions. In 2010, the number of rural poor population in China remained at a high level, and the poverty headcount ratio of rural areas was far higher than the international average level (CGTN, 2021). Different from the concentrated poverty in the early stage of reform and opening up, the residual poverty before 2013 was mostly deep-seated structural poverty, which was difficult to eliminate through traditional extensive poverty alleviation methods.

According to official statistical data, before the implementation of TPA, there were 832 impoverished counties and 128,000 poor villages across the country, covering most central and western rural areas. The poverty population was not only large in number, but also widely scattered, with poor households interspersed among ordinary rural households, which greatly increased the difficulty of accurate poverty identification and targeted assistance (CGTN, 2021). Traditional regional poverty alleviation policies focusing on large-scale investment and universal subsidies could no longer adapt to the refined governance needs of residual poverty.

B. Core Causes of Structural Rural Poverty

The formation of rural poverty before TPA was the result of the superposition of geographical, economic, social and human capital factors, forming a stable structural poverty trap. First, geographical and infrastructure constraints were prominent. Most impoverished areas were located in remote mountainous areas with rugged terrain, poor traffic

accessibility and blocked information exchange. The backward transportation, water conservancy and communication infrastructure led to high production and logistics costs, isolating rural areas from the mainstream market economy (CGTN, 2024).

Second, the lack of human capital restricted endogenous development. Impoverished areas suffered from insufficient educational and medical resources, resulting in low educational level, single vocational skills and poor health conditions of rural residents. The lack of high-quality labor force and the serious brain drain formed intergenerational transmission of poverty, making it difficult for poor families to get rid of poverty relying on their own strength (Zhou, 2022).

Third, the single industrial structure and market failure restricted income growth. Most impoverished rural areas

relied on traditional single planting and breeding industries, with low industrial added value, poor market anti-risk ability and insufficient industrial driving force. The lack of characteristic industries and market docking channels made it difficult for rural residents to obtain stable and sustainable income growth.

According to Fig. 1, the proportion of the extreme poor population shows a continuous decreasing trend from 2010 to 2020, which fully reflects the remarkable governance effect of China's targeted poverty alleviation strategy. At the end of 2020, the Chinese government officially announced the complete eradication of absolute poverty, completing the poverty reduction target of the UN 2030 Agenda for Sustainable Development ten years ahead of schedule (CGTN, 2021).

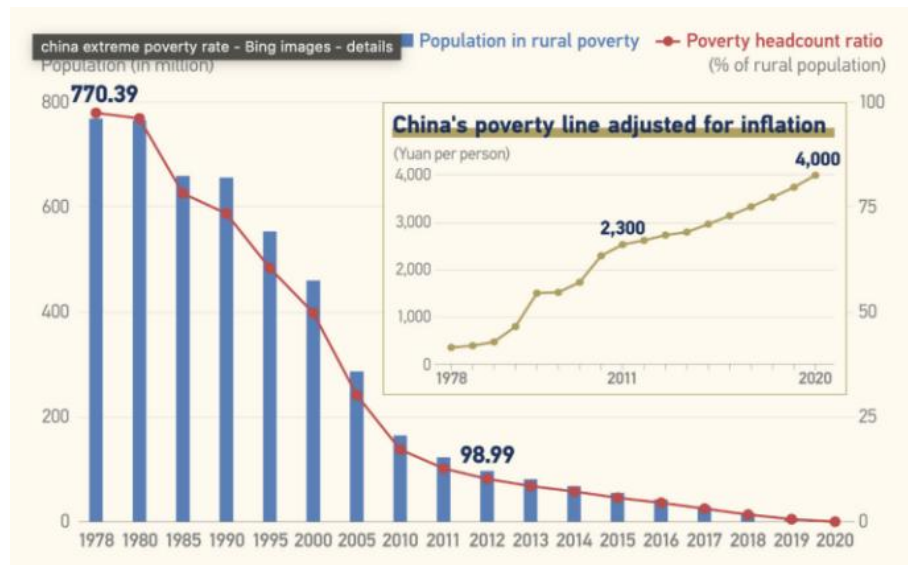


Fig. 1. Chinese people living below the national poverty line (CGTN, 2021).

III. POSITIVE INFLUENCE OF TPA

A. Comprehensive Upgrade of Rural Infrastructure and Public Services

Targeted Poverty Alleviation served as a critical catalyst for the comprehensive upgrading of rural infrastructure and the deepening of urban-rural integration. Through unprecedented financial investment, the policy effectively addressed long-standing historical deficits in transportation, water security, and digital connectivity. According to the Ministry of Finance, during the “14th Five-Year Plan” period, the central government allocated a total of 850.5 billion yuan for the convergence of poverty alleviation and rural revitalization, an increase of 60% compared to the “13th Five-Year Plan” period. This fiscal support translated into tangible outcomes: by the end of 2023, the total length of rural roads in China reached 4.6 million kilometers, with paved roads accounting for 91.8% of the total, a significant increase of 27.2 percentage points over the past decade (Farmers’ Daily, 2025).

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compared with the “13th Five-Year Plan” period, providing solid financial support for the consolidation of poverty alleviation achievements and rural infrastructure upgrading (Farmers’ Daily, 2025). This fiscal support translated into tangible grassroots outcomes: by the end of 2023, the total length of rural roads in China reached 4.6 million kilometers, with paved roads covering all administrative villages. The rural tap water penetration rate reached 94%, the 5G coverage rate of administrative villages exceeded 90%, and the rural courier service coverage rate was over 95%, basically realizing full coverage of basic infrastructure in rural areas (Central Social Work Department, 2025).

In terms of public services, TPA effectively promoted the sinking of high-quality urban public resources to rural areas. The policy realized full exemption of tuition and miscellaneous fees for urban and rural compulsory education students, and provided living subsidies for nearly 20 million financially disadvantaged students. The cross-provincial direct settlement of medical expenses benefited 560 million person-times, reducing the economic burden of medical treatment for rural residents by 590 billion yuan. The continuous improvement of infrastructure and public services has fundamentally changed the backward appearance of impoverished rural areas,

eliminated the spatial isolation barrier restricting rural development, and laid a solid foundation for rural economic development and residents' income growth.

B. High-quality Development of Rural Characteristic Industries

Different from the extensive poverty alleviation model of universal subsidies in the past, TPA adheres to the principle of adjusting measures to local conditions, accurately tapping regional resource endowments, and cultivating characteristic advantageous industries for impoverished areas, realizing the transformation from "blood transfusion poverty alleviation" to "hematopoietic poverty alleviation" (Shanghai University of Finance and Economics, 2024). All impoverished counties across the country have cultivated characteristic industries with local characteristics, strong driving ability and sustainable development potential, covering e-commerce live streaming, rural tourism, photovoltaic power generation, characteristic planting and breeding and other fields (CGTN, 2021).

The development of characteristic industries has effectively expanded rural employment channels and stabilized the income growth of impoverished residents. Since the implementation of the "14th Five-Year Plan", the per capita disposable income of rural residents in former impoverished areas has increased by nearly 40%, reaching 17,522 yuan in 2024. Its average annual growth rate has been higher than the national rural resident income growth rate for four consecutive years, forming a stable income growth mechanism. The scale of rural employed population in poverty-alleviated areas has remained above 30 million for a long time, effectively consolidating poverty alleviation achievements and preventing large-scale return to poverty (Central Social Work Department, 2025).

C. Accelerated Urban-Rural Integration and Balanced Development

TPA has effectively broken the urban-rural dual structure barrier and narrowed the urban-rural development gap. Through precise policy intervention, resource allocation and industrial linkage, it has promoted the free flow of urban and rural talents, funds, technologies and market resources (Shanghai University of Finance and Economics, 2024). The improvement of rural infrastructure and industrial vitality has strengthened economic and trade exchanges between urban and rural areas, promoted the integrated development of urban and rural industries, and realized the complementary advantages of urban and rural resources.

While improving rural development level, TPA has also promoted the equalization of urban and rural basic public services, effectively guaranteed the educational, medical and pension rights and interests of rural residents, and continuously improved rural residents' sense of gain, happiness and security. It has laid a solid foundation for China's comprehensive construction of a moderately prosperous society and the realization of common prosperity.

IV. NEGATIVE INFLUENCE OF TPA

Although China eradicated extreme poverty in 2020, the negative impacts of TPA are unavoidable. In recent years,

the Chinese government has implemented an aggressive targeted poverty alleviation strategy, introducing a systematic, data-driven approach to tackling poverty. However, this has led to unintended negative consequences, especially for grassroots governance. This paper critically explores the administrative burdens created by these "precise" requirements, the "involution" phenomenon among grassroots officials, and the ethical and economic implications of the strategy. The analysis also addresses the inherent paradox of the "nanny-style" poverty alleviation model, which, while addressing immediate survival issues, may suppress the endogenous motivation and market competitiveness of the impoverished population.

In addition, the administrative burden and its impact on grassroots governance are worth examining. One of the most significant challenges introduced by the targeted poverty alleviation measures is the overwhelming administrative burden placed on local officials. With constant paperwork, frequent field visits, and the need to meet stringent targets for poverty reduction, grassroots cadres find themselves consumed with bureaucratic tasks. The demand for "leaving a trace"—documenting every step of the process—means that significant administrative resources are diverted from actual poverty alleviation efforts, such as fostering sustainable economic growth or facilitating market opportunities for the poor. This situation reduces governance effectiveness and weakens local officials' motivation to engage in genuine problem-solving.

While the targeted poverty alleviation policy has successfully lifted many people out of poverty, it has also revealed significant flaws in grassroots governance and in how poverty reduction actually works. The administrative burden, the dependency mindset created among the poor, and data manipulation all threaten the long-term effectiveness of these programs (Zhuang, 2020). To address these issues, there is a need for a shift towards a more sustainable and market-driven approach, one that encourages self-reliance, reduces the burden on local officials, and ensures the authenticity of data reporting.

V. LONG-TERM SUSTAINABILITY AND THE TRANSITION TO RURAL REVITALIZATION

A. Core Challenges of Sustaining TPA Achievements

While China has officially eradicated extreme poverty, keeping people from falling back into poverty remains a major challenge. Many newly poverty-alleviated households are still in a vulnerable development state, lacking stable income sources and risk-resisting ability. They are extremely susceptible to external shocks such as family illness, natural disasters, unemployment and market price fluctuations, facing prominent return-to-poverty risks.

At the same time, the unbalanced and inadequate rural development problems are still prominent. The rural talent loss, insufficient industrial competitiveness, backward infrastructure maintenance capacity and weak grassroots governance capacity formed in the poverty alleviation stage have not been fundamentally solved, restricting the long-term stable development of rural areas. The policy dependence and insufficient endogenous power of some rural residents have become important obstacles to the

sustainable transformation of poverty alleviation achievements.

B. Strategic Transition from TPA to Rural Revitalization

To address this issue, the Chinese government has shifted its focus from poverty alleviation to rural revitalization. This strategy emphasizes developing industries, investing in people, and improving rural institutions. From an economic standpoint, this represents a transition from redistribution-based policies to growth-oriented policies.

However, this transition is not without difficulties. First, rural industries often face limited competitiveness compared to urban sectors. Second, younger populations tend to migrate to cities, leading to labor shortages in rural areas. Third, the legacy of TPA—such as dependency on government support—may hinder the development of a self-sustaining rural economy.

Therefore, achieving long-term sustainability requires a more balanced approach. Policies should focus on building human capital, expanding education and training, and encouraging entrepreneurship. At the same time, reducing direct subsidies and encouraging market participation can help rebuild endogenous motivation among rural populations.

VI. REAL-WORLD EXAMPLE IN LIANGSHAN, SICHUAN

Relocation-based poverty alleviation, exemplified by Atule'er Village (the “Cliff Village”), represents a typical model in China's targeted poverty reduction strategy for overcoming environment-induced poverty and achieving spatial poverty governance. From an economic perspective, this approach breaks the geographical poverty trap through three pathways: spatial reconfiguration, human capital enhancement, and industrial restructuring. Prior to relocation, villagers had lived for generations on a cliff over 1400 meters above sea level, relying on vine ladders and steel ladders for access. Isolation due to poor transportation significantly increased production and living costs. Limited arable land, high logistics expenses, and inadequate access to education and healthcare all hindered human capital accumulation. In 2014, per capita annual income was less than 2000 yuan, trapping residents in a low-level equilibrium trap.

In May 2020, all 84 households (344 registered impoverished individuals) were relocated as a group to a centralized resettlement community in Zhaojue County. The new settlement features elevator-equipped housing, schools, clinics, and convenience markets, enabling a one-time transformation of living space and eliminating transaction costs barriers caused by geographic isolation. Economically, the core value of relocation is to create the conditions for stable employment and income growth. First, it improves the efficiency of human capital investment: educational resources provided in the resettlement area allow children from the cliff village to attend school nearby, ending the history of “climbing sky ladders” to get an education, and breaking the intergenerational transmission of poverty in the long run. Second, vocational training and non-agricultural employment have improved significantly: the government has offered free skills training in Yi embroidery, welding, cooking, and other skills tailored for the Yi people, while

establishing poverty alleviation workshops. In 2024, local Yi embroidery workshops completed orders worth 3.3 million yuan, paid out 1.72 million yuan in wages, and enabled each embroiderer to earn over 2500 yuan per month—marking a shift from casual farm work to stable non-farm employment (Farmers' Daily, 2025). Third, ecological economy and cultural tourism industries are being cultivated: the original cliff village has undergone reforestation and ecological restoration, while leveraging its “Cliff Village” brand to develop tourism. The “Sky Valley” project, launched in 2023, has employed more than 8200 local villagers, generating 1.85 million yuan in labor income and establishing a sustainable development model of “living at the foot of the mountain, working on the mountain” (Central Social Work Department, 2025).

VII. CONCLUSION

In conclusion, China's Targeted Poverty Alleviation (TPA) strategy is a major example of how state-led economic intervention can address structural poverty. By directly targeting vulnerable populations and correcting market failures, the policy has successfully eliminated extreme poverty and substantially improved rural infrastructure and living standards. This demonstrates that, under conditions where markets alone are insufficient, precise government intervention can enhance both efficiency and equity in resource allocation.

However, the long-term effectiveness of TPA faces several structural challenges. The excessive administrative burden placed on grassroots officials has reduced governance efficiency and led to bureaucratic formalism, while incentive distortions under performance-based evaluation systems have weakened policy effectiveness. Furthermore, the dependency that has emerged among some beneficiaries highlights a critical trade-off between providing welfare and building self-motivation.

The strategic transition from targeted poverty alleviation to rural revitalization marks China's poverty governance entering a new stage of sustainable development from short-term poverty elimination. Future policy design should adhere to the people-centered development concept, optimize the governance model, reduce excessive government intervention, and give full play to the fundamental role of market mechanisms. By strengthening rural human capital investment, optimizing rural industrial layout, improving grassroots governance capacity and stimulating rural endogenous development vitality, China can realize the sustainable development of poverty-alleviated areas, gradually narrow the urban-rural gap, and ultimately achieve the goal of common prosperity for all people.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

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