

# Poverty Monitoring in Rural China

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The current rural extreme poverty line of China was set up in 1998, based on National Rural Household Survey and updated by rural CPI. China used the low poverty line in terms of World Bank methodology. In the last 20 years of the 20th century, Chinese government used this extreme poverty line to concentrate the limited poverty reduction resource on the poor and to quickly eliminate the extreme poverty. However, on one hand, as the headcount rate of extreme poverty in China dropped to 3%, China must set up the new target for poverty reduction program and social security system. On the other hand, the extreme poverty line, unique for whole nation and only used in rural area, is not comparable among different parts of China with large regional gaps, and does not include some “basic” consumption items which appeared in recent years. It is necessary to set up new poverty lines on the base of comparable basic living standard and use those new poverty lines to measure poverty of various areas in China.

Based on the National Rural Household and Urban Household Survey including 112 thousand sample households, Rural Survey Organization of National Bureau of Statistics measured the poverty lines by urban, rural, and province through the method recommended by World Bank with some improvements according to Chinese situations. Based on the new poverty lines, the present paper gives out the new poverty picture and suggestions of poverty reduction policy in China.