DAC Network on Poverty Reduction

DISSEMINATING AND CONNECTING POVNET MESSAGES TO RELATED ACTIVITIES: THE CHINA-DAC STUDY GROUP

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I. Background

1. A DAC/POVNET workshop, organised with the Chinese, took place at the OECD on 21 February 2009 on Reducing Poverty and Promoting Pro-Poor Growth: China’s Experience in Rural Poverty Reduction at Home and in Africa. A key finding from this workshop was that while China’s performance in reducing poverty at home “had been nothing short of spectacular, … Chinese approaches may not be very replicable in Africa because of differences in political economy, demographics and state and institutional quality. Nevertheless, Africa can learn about the centrality of both the pace and pattern of growth, and in particular about the importance of agricultural productivity and rural development for poverty reduction.”

2. Participants at this workshop, from both China and DAC members, agreed it would be beneficial to build on this initial collaboration to promote greater mutual learning and more collective action aimed at tackling Africa’s development and poverty problems more effectively.

3. Following a proposal subsequently made by the International Poverty Reduction Centre in China (IPRCC), the China-DAC Study Group was established in January 2009 to provide an international platform for synthesising available information and exchanging experiences about promoting growth and reducing poverty in China and African countries. Given their substantial impact on growth and poverty reduction in China, as well as the needs in many African countries today, the Study Group has decided to focus on three topics on which POVNET has developed policy guidance, namely agriculture and rural development, infrastructure and the enabling environment for enterprise development.

4. China’s experience is interesting from a POVNET perspective as it demonstrates how a rapid pace and an inclusive pattern of growth can support long-term and sustainable poverty reduction. In particular, the China-DAC Study Group’s planned events on agriculture and infrastructure (see below) will provide useful opportunities to compare and contrast the approach China has pursued in recent decades with the guidance the DAC is encouraging its members to implement.

II. Rationale for establishing the China-DAC Study Group

5. China and Africa have had very different development experiences in recent decades. By ensuring that growth was broad-based - across sectors and regions - and inclusive of poor men and women, China’s phenomenal economic growth has lifted more than 500 million people out of absolute poverty. In Africa, a continent of 53 nation states, there has not been comparable progress in growth and poverty reduction. Why is this so? In the late 1970s, when it started its reforms, China had a worse poverty incidence rate and there were huge differences between China and most African countries in terms of agricultural production, education, level of inequality and institutional structures.

6. In recent years, China’s economic relations with developing countries have been expanding rapidly. In Africa, China is emerging as a key foreign player. Potentially, China’s trade, investment and aid could contribute substantially to reducing Africa’s economic marginalisation and create new opportunities for promoting growth and reducing poverty. But how can China’s co-operation with Africa be an effective vehicle for transferring lessons from China’s own development experience? What can DAC members and other donors learn from China’s approach to development co-operation, which is appreciated by many African countries? These are some of the issues the Study Group will be considering.

III. Thematic focus

7. Throughout its activities, the Study Group will focus on two themes:

• China's experience of growth and poverty reduction, including the contribution of international assistance, and its relevance for other developing countries particularly in Africa.

• China’s economic co-operation in Africa and its impact on poverty reduction.

IV. How the Study Group operates

8. The Study Group is taking an events-driven approach. Each of its two themes will be explored from different perspectives during a series of events on development partnerships, agriculture and rural development, infrastructure and the enabling environment for enterprise development.

9. As well as having had a substantial impact on China’s growth and poverty reduction, these topics reflect the needs in many African countries today. Africans, and the international donor community, are consequently interested in understanding better how China developed its strategies and policies in these areas, how they were implemented and under what conditions.

10. There is also an interest in knowing more about the experiences and lessons learnt from the partnerships that China developed with its donors. This reflects greater awareness of the importance of development partnerships and strong local ownership for increasing the effectiveness of aid, as emphasised in the Paris Declaration on Aid Effectiveness.

V. The Study Group’s planned activities

11. During 2009-10, the Study Group is organising events on the following topics, which influence both the pace of growth as well as the extent to which growth contributes to reducing poverty:

• Development partnerships - in Beijing on 27 and 28 October 2009.

• Agriculture and rural development - in Africa in mid-March 2010.

• Infrastructure - in Beijing in mid 2010.

• The enabling environment for enterprise development - in Africa in late 2010.

VI. Expected outputs

12. The main findings from the Study Group’s series of events will be synthesised and published in a joint report targeted at policy makers and the general public.
13. In addition, the Study Group will distil from its findings a set of key recommendations for the attention of Chinese authorities and DAC members. These recommendations will be presented and discussed at a final event to be held in Beijing in early 2011.

VII. Membership of the Study Group

14. The Study Group’s Honorary Presidents are Wu Zhong (Director-General of IPRCC) and Eckhard Deutscher (DAC Chair). Li Xiaoyun is Director of the Study Group. The Study Group’s membership includes Chinese academics and government officials as well as representatives of several DAC members and observers (Belgium, the European Commission, France, Germany, Japan, Norway, the World Bank, the United Kingdom and the United States).

15. In order to associate a larger number of key stakeholders in its work, the Study Group will invite around 100 people - government officials, researchers and representatives from the private sector and civil society from China, African countries and the international donor community – to take part in each of its events.

VIII. Funding and organisation

16. The Study Group is self funded on a cost-sharing basis. The IPRCC contributes by hosting meetings and events held in Beijing and by providing resource persons. DAC members of the Study Group provide financial support to enable the Study Group to implement its agreed work programme (e.g. by funding consultants or researchers).

17. The IPRCC and the OECD’s Development Co-operation Directorate form the joint secretariat for the Study Group. The Study Group is supported by a half-time Co-ordinator based in Beijing.

IX. Further information

18. Further information on the China-DAC Study Group and its activities is available on the IPRCC’s Internet site: www.iprcc.org.cn/index.php/en