Appraisal Report
for
Relief of Poverty
at
Affected Areas
by
Anhui Highway Project II

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Chapter 1  General

1. Introduction to Poverty Appraisal on Affected Areas

This appraisal is a topical appraisal based on the “social appraisal”. Entrusted by the World Bank Financed Project Execution Office (PEO) under the Anhui Provincial Communications Department (APCD), the CCCC at Zhongshan University conducted an independent social appraisal on the proposed “Anhui Provincial Highway II Project & Local Road Improvement Program (AHPII& RRIP)”, including the Road Safety Project (RSP) during May 16-26, 2002. Six locations (Dongnan Village under Yangtian Town and Yangmei Village under Shaji Town in Qingyang City; Guangrong Village under Datong Town in Tongling County; Shangpo Village under Taipinghu Town, Changyuan Village under Tanjiaqiao Town and Shancha Village under Tangkou Town in Huangshan District) were selected as the points of investment (POIs) for social appraisal under AHPII. Five locations (Tongle Village under Sanxi Town and Yu Village under Yucun Township in Jingde County; Ziyang Village under Huangcun Town in Jing County, Languan Village under Hengdu Town in Shitai County and Guanghui Village under Likou Town in Qimen County) were selected as the POIs for social appraisal under HMP. The siting for this social appraisal has fully taken into account the economic position, geographic location, traffic conditions, relations among ethnic groups and gender role of the affected groups within the directly and indirectly affected areas.

This poverty appraisal has Hule Village under Hule Town in Ningguo City added to the 11 locations out of 7 counties in the social appraisal. During July 8-21, 2002, 2 appraisal experts conducted a 14-day investigation at 12 POIs out of 8 cities/counties for. A method combining quick participative rural appraisal (PRA) and fieldwork in the anthropology is adopted for this investigation. Sticking to the principle of being scientific and normative, we had discussions with the major or head of county, leaders of the city/county department of communications and/or poverty-support & development department, township cadres, representatives of the local public and the poor at each POI in strict accordance with the procedure of investigation and made audio recording, took photos, took notes and collected relevant social and economic data. (Figure 1: Appraisal expert discussing with the head of Tongling County)

This investigation is focused on the present natural, geographic, traffic situations, ecological environment, social/economic developments, especially details of land resources, population, number of families, industrial structure, economic income and expenditures, differentiation in wealth and reasons therefor, traffic conditions, labor service export and woman problem, etc. A sufficient data preparation has been made for the analysis, evaluation of poverty situations at the affected areas.

This poverty appraisal has been fully supported by APCD PEO and traffic, poverty-support departments of cities and counties within the affected areas, as well as wholeheartedly aided by villagers and their governing county (district), township (town) governments at the 12
2. Poverty and Appraisal

How to define poverty? What about its criteria and boundaries? International organizations, many national governments and most scholars accept the definition of a poverty line with reference to the per capita net income as a measure of poverty. The division criteria of poverty line vary from country to country, usually measured by whether or not the household income attains the minimum living expenses to maintain the normal demand of subsistence. Since the per capita net income of a specific country/region during a specific period is variable, then the division of poverty line varies in both space and time. In 1979, the United Nations identified the annual per capita income of USD200 as the international poverty line. The prevailing line of poverty (absolute) stipulated by the World Bank for developing countries is the annual per capita consumer spending of USD370. On the part of classification, we may divide poverty into absolute poverty and relative poverty; the former means the condition of insufficient food and clothes, migrancy, lack of material prerequisites for expanded reproduction in production when the household income no longer satisfies the need of existence; the later means though the problem of existence has been solved, the variance of income among social members in different regions is significant. Individuals, families and regions lower in income are in the state of poverty relative to the whole society or regional society, namely the so-called relative low-income poverty.

Compared to other countries and regions of the world, the poverty in China is characterized by: (1) the absolute poverty resulting from harsh natural environments, extreme insufficiency of means of production and livelihood, which may be called “primary poverty”; and (2) the relative poverty arising from the relative insufficiency of means of production and livelihood, and straggling ideology, which may be called “developmental poverty”. Such “developmental poverty” is relatively apparent in Middle and East China, predominantly appearing as: though the income has increased, indices of living decrease due to any sudden natural disaster, the imbalance in regional development within a certain period, partial industrial restructuring or lagging ideology, so that the reduction in quality of life drives people's living to the state of poverty. The absolute rural poverty line fixed by the Central Government uses the per capita net income of rural residents as the index, which refers to the disposable income owned by peasants when corresponding expenditures have been deducted from the gross income, usable for both personal consumption and expanded reproduction. Accordingly, the rural poverty line refers to the per capita net income necessary to sustain the minimum material consumption and living standard of peasants.

The rural poverty line of China was RMB199.6 and RMB206 respectively in 1984 and 1985. Since 1986, no further “national standard” for definition of poverty line has been stipulated, the line became determined at the level of county-level administrative divisions instead. Then there came the classification of “state identified”, “province (autonomous region) identified poor counties”. We’ve been adjusting the criteria of poverty line in adaptation to the changing social/economic development and have offered an accurate, timely and scientific basis for the government’s decision-making. Since the initiation of the “8·7 Poverty-support and Tackling” Program in September 1994, the poverty line had been fixed at RMB320-400. In mid- to late 1990s, the poverty line fluctuated within RMB700~1,000~1,300~1,400. In 2000, the line was...
elevated from RMB1,400 through RMB1,600. In 2001, the criteria were RMB625 or less for absolute poverty, RMB626-865 for low-income level (the poverty population hereinafter refers to the total of these 2 populations), and it was stipulated that a county with per capita net income below RMB1,600 is a “state identified poor county”, a county with per capita net income of RMB1,600-1,800 is a “province identified poor county”. If few townships or towns with per capita net income of RMB1,600-1,800 do exist under a county with per capita net income in excess of RMB1,800, any such township/town is then defined as a “province-level key township/town to be supported”.

Poverty is not only that in the sense of economy, it also covers society, environment, ideology, consumption structure, urban population composition and other factors of life quality, which are essential to the poverty appraisal and to be fully concerned about this time for an accurate evaluation of the social/economic benefits to be obtained from this Project and the possible contributions it may make to the elimination or at least alleviation of poverty in the affected areas.

3. Objective and Methodology of Poverty Appraisal

Target of this poverty appraisal: to understand social, cultural characteristics of and potential impacts of this Project thereon in the directly/indirectly affected areas; to be concerned about the outgoing demands of ordinary peasants and residents, including how they will manage to satisfy their traffic demands, attitudes during the construction and improvement of highway networks; to be also concerned about already implemented poverty-support measures; analyze causes of poverty and present traffic developments; to also have a certain understanding of the advantages and problems in the social/economic development within the affected areas, and to evaluate this Project’s possible contributions to the elimination of poverty there.

Method of poverty appraisal: PAR and anthropologic fieldwork. PRA is a method in which residents at rural communities within the affected areas participate and information concerning and serving them is collected. This is a community development method that relies entirely on local knowledge, leadership, organizations, resources to promote the rural development. Members of the expert panel learnt the history, present situations and causes of poverty, as well as means and methods to alleviate or eliminate poverty from all levels of city/county leadership, poor population, specialized carriers and exported laborers. Participative observation in fieldwork is a basic research method of anthropology, in which researchers visit the studied community, live along with local people for a period and directly participate in, observe the local life and production processes, etc. This method aims to learn the practical living conditions and real ideas of the subjects investigated to fully, objectively reflect the essence of matters by combining emic/etic study organically. (Figure 2 A forum with villagers)
Chapter 2 Background of Affected Areas

1. Geographic Location and Human Cultural Characteristics of Affected Areas

1) Directly/Indirectly Affected Areas of the Project

Anhui Province, Wan for short, is situated in the hinterland of East China, neighboring on Jiangsu, Zhejiang to the east, Hubei, Henan to the west, bordering on Jiangxi to the south and Shandong to the north. As an offshore land-locked region, the Province lies between 29°24'~34°39' North Latitude and 114°54'~119°3' East Longitude with a total area approximately 139,200km$^2$. Now it governs 17 province-level cities, 5 county-level cities and 56 counties and is capitalized at Hefei. By the end of 2000, its total population was 62.78 million people, accounting for 4.7% of the total nationwide population at the density of 450 people/km$^2$. The overall provincial GDP in 2000 was RMB303.82 billion.

The trunk line length of the Tongling-Tangkou Highway (TTH) is 1016.15km. By geographic location and major benefited areas under the Project, the directly affected areas cover 4 cities (Tongling, Chizhou, Huangshan, county-level Ningguo), 1 district (Huangshan), 6 counties (Tongling, Qingyang, Shitai, Qimen, Jing, Jingde).

By adjacency to the affected areas in geographic location, connection in traffic network and post-Project influences, the areas indirectly affected by the Project are also outlined, including the remaining territory of Anhui, Jiangsu Province, Zhejiang Province and Fujian Province. Within Anhui, the most indirectly affected areas are Hefei City and Xuancheng City.

2) Geographic Location and Human Cultural Characteristics of Affected Areas

The affected areas lie in South Anhui, lower reaches of the Yangtze River, abutting on Jiangxi to the south, close to Zhejiang to the east, bordering on Anqing, Chaohu and Wuhu in Anhui Province to the northwest. These areas take on diversified landforms, mainly in plains, hills and mountains.

Chizhou City has undergone over 1300 years as a prefecture establishment. After the foundation of the PRC, the region of Chizhou has experienced “three revocations and 2 establishments”. In September 1988, it was reconverted with the approval of the State Council to govern Guichi City, Dongzhi County, Shitai City, Qingyang City and the Jiuhua Mountain Administrative Office. At present, the region owns 1.52 million people in population and produced a GDP of RMB5.812 billion in 2000, being a region lower in population density in Anhui. At present, Tongling City governs 3 districts (Tongguanshan, Shizishan, Suburb) and a county (Tongling), with a total area of 1,113 km$^2$, a total population of 689,700 people in 2000 at the density of 619 people/km$^2$ and a GDP of RMB7.311 billion in 2000; Chizhou City governs Guichi District, Qingyang County, Shitai County, Dongzhi County and the Jiuhua Mountain Administrative Office, with a total area of 8,272km$^2$, a population of 1.537 million people in 2000 at a relatively lower density in Anhui, and a GDP of RMB5.812billion in 2000; Huangshan City now governs 3 districts (Tunxi, Huangshan, Huizhou), She County, Xiuning County, Yi County and Qimen County, with a total area of 9,807 km$^2$, a total population of
1.467 million people in 2000 at the density of 150 people/km$^2$ and a GDP of RMB8.13 billion in 2000; Ningguo City (county-level city) is under the jurisdiction of Xuancheng City, with a total population of 380,900 people, of which the agricultural population is 314,574 people. In 2000, the gross output value of industry and agriculture of the City was RMB4.916 billion, of which the gross value of agricultural output was nearly RMB540 million, while the industrial economy takes a dominant proportion. The City features inadequate development of tertiary industries and high level of industrialization.

Table 2.1 Population and Economic Survey of the Directly Affected Areas (2000)

<table>
<thead>
<tr>
<th>Affected city, district</th>
<th>Counties governed</th>
<th>Total area (km$^2$)</th>
<th>Total population (10,000 people)</th>
<th>Population density (people/km$^2$)</th>
<th>GDP (RMB100 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tongling City</td>
<td>Tongguanshan, Shizishan, Suburb, Tongling County</td>
<td>1113</td>
<td>68.97</td>
<td>619</td>
<td>73.11</td>
</tr>
<tr>
<td>Chizhou City</td>
<td>Guichi District, Qingyang County, Shitai County, Dongzhi County, Jiuhua Mountain Admin Office</td>
<td>8272</td>
<td>153.7</td>
<td>54</td>
<td>58.12</td>
</tr>
<tr>
<td>Huangshan City</td>
<td>Tunxi District, Huangshan District, Huizhou District, She County, Xiuning County, Yi County, Qimen County</td>
<td>9807</td>
<td>146.7</td>
<td>150</td>
<td>81.3</td>
</tr>
</tbody>
</table>

The affected areas boast long history, highly rich human cultural, natural resources and tourist resources, including many state-level scenic spots headed by the Huangshan Mountain, Jiuhua Mountain and Qiyun Mountain. The areas also cover a part of ancient Hui Prefecture, where numerous world-class cultural heritages, historic relics and revolutionary sites are found. In particular, She County is a state-level historically and culturally famous city. Moreover, there are famous ancient civil residences—Xidi, Hongcun—at Yi County that is called the “oriental cultural and art treasury”.

2. Advantages of Natural and Human Resource at Affected Areas

The affected areas abound in natural resources, where forestry, mineral and tourist resources take an important part in Anhui Province. Tongling City, called the “ancient copper center of China” all along, is one of the 6 major copper production bases of China; Chizhou City and Huangshan City are famous for abundant tourist resources, containing a range of state-level, province-level scenic spots like the Huangshan Mountain, Jiuhua Mountain, Taiping Lake.

The affected areas boast sufficient human resource thanks to the solid education foundation and rich labor resources, a large number of rural laborers there have been driven by less land resources for too many people and economic reasons to deal with non-agricultural operations and service export. If the traffic conditions become further improved, there will be more job opportunities that would transfer more labors to other industries and regions. Meanwhile, the abundant specialties, low land price and labor cost here will attract more external investments.
3. **Direct/Indirect Beneficiaries at Affected Areas**

According to the World Bank's lending principles that the greatest social and economic benefits should be produced under the precondition of securing the loan fund to directly benefit the people in the affected areas. The direct beneficiaries of this Project shall be:

(1) Specialized carriers and retailers. The project execution makes convenience for them to sell local products to the outside for increased income;

(2) Ordinary villagers, who would be easier to go out to get employed and to do business on one hand, such as opening a store or restaurant at an exit, also sell their farm products farther and be more convenient to take medical treatment on the other hand;

(3) Enterprises within the affected areas. On one hand, the improved traffic conditions can lower the cost of materials circulation; on the other, the local investment environment will be better with the improvement in traffic conditions, which is advantageous for the long-run development of such enterprises.

The indirect beneficiaries and potential beneficiaries of the Project mainly include:

(1) Women and children. After the project execution, rapid information flows would greatly widen the eyeshot and vision of women and it will be more convenient for students to go to school;

(2) Peasants in the affected areas. The highway construction and improvement requires large numbers of laborers, the affected peasants may then increase their household income by taking part therein;

(3) All levels of government within the affected areas. Following the project execution come external investments and more tourists, the fiscal revenue of all levels of government will then be increased and the village/town construction promoted.

4. **Current Traffic Conditions at Affected Areas**

This Project is situated at the South Anhui mountainous areas where economic level is lower and traffic terribly inconvenient. The means of communications in the affected areas mainly include inland navigation, land transport and airfreight. The inland navigation occurs largely alongshore the Yangtze River, where there are such ports as Tongling, Chizhou; The highway transport is focused on the 205 National Highway, 318 National Highway and 103 Provincial Highway, which are further connected to county-level and township-level highways, forming a dense highway network. However, most of these highways are of low grades and unsmooth, Grade-C/D in most sections. The Huangshan Airport in Tuxin, Huangshan City has opened airlines to every corner of China. Tongling and Huangshan are connected to Nanjing, Xiamen by railway. The traffic among cities and towns is convenient, but that among villages and towns in mountainous areas is on the contrary. The traffic conditions at the affected areas fall into 3 types:

(1) Poor counties and those in mountainous, formerly revolutionary regions with poor traffic infrastructure, like Shitai County, Jing County, Qimen County and Jingde County. Taking Jing County as an example, the County is located in the South Anhui mountainous area, not open to railway, navigation or air transport yet, leaving highway transport as the sole
traffic line. Before liberation, there were only 35.2km highway open to traffic; after that, the highway construction was enhanced. By 1986, the county-wide mileage in highway open to traffic had reached 933.07km. However, only 60.27km highway was up to Class-C residual asphalt pavement, accounting for 6.5% of the total traffic mileage only, while the remaining county/township highways are low in grade, poor in condition and narrow in pavement with many curves. By the end of 2000, 134 out of 264 villages of the whole county weren’t linked to highway yet. Even if on National Highway 205 and Provincial Highway 322, some pavement is seriously pored due to long-term over-load rolling and inadequacy of maintenance. The Jing County-Maolin section of S322, listed as a branch for improvement under the Subproject, starts at Jing County, runs from Xikou to Maolin Town in Jing County, stretches to Xianyuan Town in Huangshan District and is further connected to TTH under planning at Huangshan District. Spanning 35km, this highway is a main trunk line that connects Xuanzhou, Jing County and Huangshan District, also another tourist highway from Guangde, Langxi, Xuanzhou to the Huangshan Mountain scenic zone, rated Class-D. At present, its pavement is seriously damaged, its bridge and culvert structures are low-graded, its drainage and safeguard systems are poor, restricting the average drive speed at around 30km/hr.

Jingde County is also linked to highway only. The total highway mileage open to traffic of the whole county is 628.425km (64.25km as Class-B, 20.965km as Class-C, 237.06km as Class-D and 306.15km as off-grade), but there is no expressway or Class-A road. The “Hong-Jing Line” listed as a branch of the Subproject runs from Hongmen Village under Hule Town of Ningguo City to Jingde county seat, with a full length of over 60km. This is a provincial road (the 323 Provincial Highway), but the actual grade is D, of which the Hongmen to Yu Village section is 38km, all in sandstone pavement and out of repair for many years, extremely poor in road condition, with steep slopes, narrow roads and sharp turns. It took us nearly 3 hours’ drive to the Jingde county seat. There are frequent grave traffic accidents in this section, causing catastrophic losses to people’s life and properties. In discussions with Hule villagers, they say owing to the harsh road conditions, drivers from other places prefer fetching about than risking their life passing this road, so that local rich resources are unable to be exported, which has directly led to poverty, not to mention any family broken up thanks to a traffic accident. Hua Mulin, a villager at Hule Village talked his tragic story to us:

I’m now 34 years old with 3 children, 2 born by my former wife. In 1988, our family was quite good then. A minibus once hired a driver and my wife for selling ticket. In an accident, the bus fell into a gully before being able to turn. 2 members of my family died and 3 seriously injured, my wife died on the spot. Weren’t for the government’s aid then, I may still be disabled now. To repay the debt, I’m now running a small timber mill by means of borrowing and government support, selling products to North Jiangsu, Zhejiang, Xuancheng City and nearby cities /counties in Anhui. However, drivers from other places are unwilling to pass through this line due to unsmooth traffic. I had to deliver goods to North Jiangsu by hiring a trunk. In a
single round trip, I can barely earn RMB100–200 due to high costs and low product price. This road was constructed in 1964 in preparation for the war by civilian workers, not even experiencing any overhaul ever since, as you may see. I’ve very willing to donate my farmland for improving this road even I'm not compensated. (Figure 3: County/city-level sand & stone pavement found everywhere)

The S325 Shitai-Qiaotoudian section listed as a branch improvement section under the Subproject, commences at Shitai County, runs through Xinqiao (Diaoyutai), Languan, Hekou, Qidu, Qitian and ends at Qingyang County Qiaotoudian for a full length of 74km, about 65km of which is situated in Shitai—a poor county. This road was once improved in 1960s through 1970s, roadbed all made of clay-bound macadam. As a Class-C road in mountainous areas, this road is characterized by long history, seriously damaged surface, low grade bridge/culvert structures and poor drainage/safeguard systems. The section of 221 Xinqiao-Dabeibu is similar, which is mainly located within Qimen County—a poor county in the South Anhui mountainous areas, connected to Provincial Highway S325 at the start point and to Dabeibu on Provincial Highway S326 at the end point, accessible to Qimen County, Xiuning County and Huangshan City to the east, stretching to the Shang-Jing Expressway under planning to the west and accessible to Jingdezhen—the “ceramic center”—to the south. With a full length of 53km, it is a main trunk highway connecting Anhui and Jiangxi, currently Grade-4. At present, this road is provided only with gravely damaged pavement, low-grade bridge and culvert structures, poor drainage and safeguard systems.

(2) Characteristic industries (tourism, etc.) well promote the traffic development of national and provincial highways, such as the Huangshan Mountain Nature Reserve, Huangshan District under Huangshan City, Qingyang County under Chizhou City. Huangshan City’s external access is enabled by highway, railway, water transport and air transport mainly. Huangshan City’s external highway network mainly contains G205, Tunxi-Jingdezhen Highway, Hefei-Tongling-Huangshan Highway, She County-Ningguo Provincial Highway and many county/township branches. By the end of 2000, the total highway mileage of Huangshan City was 2,036km, free of high-class or Class-A highway, only 212km Class-B highway, accounting for 10.4% total mileage, 318km Class-C highway, accounting for 15.6% total mileage, 1,506km Class-D highway, accounting for 74%. In pavement rating, the mileage with high-grade pavement accounts for about 4.2% (85.6km), sub-high-grade for 29.3% (597.1km), medium-grade for 63.6% (1,295km), low grade for 2.8% (56km) and no pavement for 0.1% (2km). The Anhui-Jiangxi Railway crosses 4 counties, 2 districts of Huangshan, connected to Nanjing to the east and Yingtan to the west. Through these two major railway junctions, Huangshan is accessible to every corner of China. Tourist trains, express trains have also been opened from Huangshan to Nanjing, Shanghai, Beijing, Fuzhou, Xiamen, etc. The Xinan River is the mere watercourse opened to the outside in Huangshan City. As a national Class-I port, the Huangshan Airport is ranked national Class-I, having presently opened 29 airlines to Beijing, Guangzhou, Hefei, Xian, etc.

However, county/township roads, even a part of national/provincial highways at the directly affected areas bear very poor pavements. The existing highways at the directly affected areas
related to TTH include G205, G318, S103, S325, S218 and Gan-Fu Tourist Highway.

G205 starts at Shanhaiguan and ends at Guangzhou through Maanshan, Wuhu, Nanling, Jing County, Gantang and Tunxi, running 400km within the territory of Anhui. In the mountainous areas from Jingde, the road is mostly Class-C/D. At the directly affected areas, the mileage of G205 is 154km, of which the Class-B highway mileage is 29km, accounting for 18.8%; Class C mileage 94.9km, for 61.6% and Class-D 30.5km, for 19.8%.

S103, namely the He-Huang-Tong Highway, commencing at Hefei and ending at Tunxi, runs through Lujiang, Tongling, Qingyang, Gantang. Within the affected areas, it passes Zhujiafan, Hamaling, Dingqiao, Muzhen, Lingyang, Huangshan District under Huangshan City, with a total mileage of 210.2km, of which the Tongling section is 20.8km, Chizhou section 54.3km and Huangshan City section 135.1km. This Project intersects for many times with S103 in the Yangtian-Lingyang section. At the directly affected areas, the S103 Highway is low ranked with 113km Class-B highway, accounting for 53.8% and 97km Class-C/D, accounting for 46.2%.

G318, commencing at Shanghai and ending at Urumchi, is a highway running from east to west of China, with a full length of 134km within the boundaries of Chizhou that is directly affected by the Project, 16km of which as Class-A, 81km as Class-B, 24km as Class-C and 13km as Class-D. By pavement structure, 18km of the Highway belongs to high-grade while the remaining belongs to sub-high-grade and medium-grade.

S325 starts from Qingyang City, runs through Shaji, Liudu, Qidu, Hekou, Languan, Hengdu, Qili Town under Shitai City, Dingxang, Shentian, Yanghu to the Xiancha Bridge, with a full length of 156.0km.

S218 Highway, from Huangshan District to Yuting, passes Tangjia, Guocun, Zhuyoukeng to Biandanpu in Yi County, then through Lucun, Jilian, west of the seat of Yi County, Shishan, Taoyuan to Yuting, with a full length of 83.0km. This is the south-north trunk line in the west of Huangshan City, all in mountainous areas and low in grade (Grade-C/D mainly, accounting for 94.0% total mileage).

It can be seen that the grade and road conditions on county/township roads are very poor. For another example, the “Xianyuan-Xinming-Sanxi section” to be improved under this Project is situated at Jingde County (poor) and Huangshan District, connected to Provincial Highway S322 by Xianyuan Town under Huangshan District at the start point, to National Highway G205 by Sanxi Town under Jingde County at the end point, running through 44km. This road is another thoroughfare from Jing County, Huangshan District and Jiangsu/Zhejiang/Shanghai to the Huangshan Mountain scenic zone. However, at many places of this Class-C highway, pavement is still composed of sand and stone.

(3) Good industrial foundation, smooth traffic, e.g., Tongling (integrated city and county), Ningguo City. The external traffic of Tongling City is mainly by highway, railway and water transport. Presently, the highway network of Tongling City mainly consists of the He-Tong-Huang (S103, Hefei-Tongling-Huangshan), Riverside Highway (S320, Wuhu-Tongling; Tongling-Guichi), Nan-Zong Highway (S321, Nanling-Tongling-Zongyang), Tong-Wu Highway (Tongling-Wuwei) and some other provincial highways. By the end of 2000, the city-wide traffic mileage was 617km, no
high-class highway or Class-A highway, 124.05km Class-B highway, accounting for 20.1% of the total traffic mileage, 200.20km Class-C highway, accounting for 32.4% of the total traffic mileage, 292.75km Class-D highway, accounting for 47.5% of the total traffic mileage. As regards railway, the Wu-Tong Railway is the trunk line of Tongling City, connected to the Huai-Nan, Jin-Pu lines to the north, Ning-Wu, Hu-Ning lines to the east via the Wuhu Railway Junction, further to trunk lines in South China through the Wan-Gan line, basically connecting Tongling and the Province to nationwide railways. The Tongling Port is among the Top 10 ports along the Yangtze River, a multifunctional comprehensive port and a state Class-I open port approved by the State Council. Inland rivers of Tongling City are mainly the Qingtong, Shunan and Huanghu Rivers, all linked to the Yangtze River, 54km trunk stream of which is within the boundaries of Tongling.

In the territory of Ningguo City, there are 3 provincial highways—215, 104 and 323, 148.6km in total; 14 county traffic lines, 260.2km in total; as well as 246 countryroads penetrating 231 administrative villages, totally 1214.7km long. The total traffic mileage of county/township roads is 1623.5km, of which Class-B roads account for 1.2% of the total mileage, Class-D for 8.2%, county/township Class-D for 57.8%, off-grade roads for 32.8% and no county Class-C road, a highway network with the backbone of provincial trunk highways and the branches of county/township roads. However, the rural highway mileage up to grade is short, the density of road network low, the pavement structure imperfect and the technical quality poor. Among 132 administrative villages of the whole city, 74 ones have not accessed any highway up to grade yet.

From the above traffic situations, whether at developed cities/counties or developing regions, the fault of highway network is universal, appearing as low grade of existing highways, late initiation of large-scale, high-grade construction, low level of urbanization and dispersion of rural communities. This has made the task of comprehensive traffic network construction very formidable. Villagers' development opportunities within the areas covered by the Subproject are inhibited, nor can their market involvement get any improvement. 4 out of the 7 (districts) counties run through by the bound lines are poor, where many peasants are living under the absolute poverty line and suffering also from low level of education and sanitation.
Chapter 3  Analysis of Poverty Situations and Poverty Causes at Affected Areas

1. Distribution of Poor Population at Affected Areas

Anhui is a large agricultural province, with quite a weak economic foundation and a large rural poor population extensively spread. Anhui is one of the provinces undeveloped economically in China. Its GDP of RMB303.824 billion in 2002 ranked 14th nationwide and its per capita GDP of RMB4,826 was far below the national average of RMB7,078. Particularly, the South Anhui mountainous area is rather undeveloped due to unsmooth traffic and weak connections with the outside. It's difficult for people there to take medical treatments and go to school, who lead a spiritual life far behind with traffic developed regions. (Figure 4: Five members of a family living in a thatched cottage less than 10m²)

In mid 1990s, among the state identified “state-level poor counties”, 17 ones are in Anhui. In the provincial poor population of 3.6 million people, these 17 counties account for 83.33%. By the end of 2000, this number had fallen below 1 million; nevertheless, at many places of Anhui, the poverty-relief line of peasants is low and the foundation seems unstable. Anhui is located in the climatic transitional zone of China, encountered with frequent natural disasters that often lead to poverty. In March 2002, due to the return to poverty and the raised poverty line, the number of counties in Anhui identified poor should be greater than that in the mid 20th century! Specifically, there were state-level poor counties, 10 province-identified ones, 13 poverty-relief counties in mountainous/reservoir areas and 65 towns/townships identified as key areas of the provincial poverty-support development. These areas include an absolute poor population 1.26 million people, a poverty-returning and low-income population of 3.74 million people, about 5 million people in total. The former is mainly dispersed in the Dabie Mountain and mountainous/reservoir areas of South Anhui, the latter is mainly spread in the flood basin along the Huaihe River and some calamitous areas along the Yangtze River. The very lagging traffic at poor areas is a serious restriction to the local economic development.

At the directly affected areas of AHP II there are above 10 cities and counties, including She County, Shitai County, Huangshan District, Dongzhi County, Xiuning County, Guichi District, Qingyang County, Qimen County, Huizhou District, Yi County, Jing County, Ningguo City (county-level city). The trunk line of this poverty appraisal passes Tongling County, Qingyang County, Huangshan District, the 5 bound branches passes through 5 counties, 2 of which are state-level poor counties (Shitai, Jing) and one of which (Qimen) is a province-identified poor counties. In addition there are 7 key townships and towns of the provincial poverty-support development, which are Duncun Township and Yangtian Town in Qingyang County; Xinfeng, Xinming, Longmen, Guocun and Wushi Township in Huangshan District. By the end of 2000,
the poor population at the affected areas was about 140,000 people, 44,000 at Shitai County, 31,680 at Jing County, 16,800 at Qimen County, 11,600 within Huangshan District, 26,400 at Qingyang County and 4,745 at Jingde County. Among these areas, Qingyang County, Shitai County and Huangshan District are "poverty-support tackling counties in mountainous areas". In 2000, the per capita GDP of Qingyang County was RMB3,569 only, with an absolute poor population of 527 people at the poverty incidence of 0.2%; the per capita GDP of Shitai was RMB2,166, equivalent to 44.9% of the provincial average, with an absolute poor population of 19,133 people at the poverty incidence as high as 20.53%.

Though Tongling County, Ningguo County and the Huangshan Mountain Nature Reserve are not poor relatively, but there exist "staggered" small pieces of poor population gathering spots. The urban poor population emerging from these areas should draw our concern, most of them are lay-off workers and the disabled.

The poorness of these populations is worrying: not having enough food and clothing yet, high degree of poverty, difficulty in settlement. The poor population that has just been lifted out of abject poverty may easily return to poverty due to unstable foundation and low resistance to natural and market risks. For the poor population basically not starving, the level of materials supply is still very low.

2. Social and Economic Developments of Affected Areas

Although Anhui Province is rapidly developing in recent years, its weak economic foundation makes it low ranked nationwide. The economic level of the affected areas is further lower in Anhui. In 2000, there were 19 state-level poor counties and 10 province-level poor counties in Anhui. However, the affected areas are almost composed of poor counties at mountainous and reservoir areas.

Tongling City's crops include paddy rice and wheat, its cash crops include cotton, bean, rape, linen, tea and ginger. In this one of the southern forest regions of Anhui Province, the forestry production accounts for a certain weight. Tongling has become a rising industrial city with 5 pillar industries, i.e., non-ferrous metal, chemical industry, textile industry, machinery and electronics, building materials, the City now also serves as the 4 major bases of non-ferrous metal, phosphate fertilizer, electronic base and cement. In 2000, Tongling City created a GDP of RMB7.311 billion, of which the primary industry accounted for RMB498 million, the secondary industry RMB4.072 billion and the tertiary industry RMB2.741 billion at the ratio of 6.8: 55.7: 37.5. This is an industry-based city. Tongling County thereunder now governs 18 townships (towns) and 196 administrative villages, with a total population of 341,000 people at the end of 2001, of which the agricultural population was 291,000 people, accounting for 85.3% of the total. The County's population density is 385 people/km² and its natural growth rate of population 2.33%. There are actually 156,000 rural laborers, accounting for 45.7% of the total population, of which the agricultural laborers account for 61.0% of all the laborers and the outgoing laborers for 20.9%.

Tongling County's agricultural production is focused on crop cultivation. At present, the crop cultivation and livestock breeding are being restructured, the industrialization of characteristic farm products is being quickened with focus on ginger, moutan bark, potato, bamboo shoot, Zaixing radish. This aims to enlarge the total processing quantity, increase peasants' income
and conduct aquaculture by taking full advantage of existing water surfaces. These abundant characteristic farm products are mostly used to satisfy overseas needs, adding to the highway freight volume externally. Tongling County has been listed as a provincial mineral resources county for its treasure of natural resources, including gold, silver, copper, iron, lead, uranium, tin, manganese, sulfur, phosphorus, coal, limestone and marble. Presently, Tongling County is developing the industry with its own resources and regional advantages, where the industrial structure pillared by coal, gold, building materials, machinery and chemical engineering has formed. Particularly, the heavy industry accounts for around 65% of its gross industrial output value, some products, like machinery, cement, teaching apparatus, chemical dyes, are sold far to Jiangsu, Zhejiang, Shanghai, showing an extensive industrial prospect.

By the end of 2001, there was 274,000 mu cultivated area in the County, including 179,000 paddy field, 95,000 mu dry land. The all-year gross grain output was 88,000t, the per capita cultivated land of agricultural population 0.94 mu, the per capita grain possession 258kg and average per mu grain output 321kg. Although the County is actively developing the tertiary industry and rationalizing its industrial structure with the opportunity of the State's expansion of domestic demands, the overall economic level is still rather low. The GDP in 2001 was RMB1.576 billion, 2.2% higher than the year before, of which the primary industry accounted for 25.2%, increasing by 1.5%, the secondary industry accounted for 41.2%, equivalent to the year before, the tertiary industry for 33.6% (5.6% higher), the per capita GDP RMB4,622. In the whole year, the gross output value of industry and agriculture attained RMB2.251 billion, 1.4% higher than the year before, of which the industry accounted for 84.0%, higher by 1.0%, the agriculture for 16.0%, 3.7% higher and the per capita gross output value of industry and agriculture RMB6,601. In 2001, the County's rural resident per capita net income was RMB2,452, 4.1% higher than the year before. Now almost every village is accessible to highway and telephone, with convenient traffic conditions and comprehensively developing cultural and educational undertakings. The whole County has 19 cultural centers (stations), one library, 19 broadcast stations (village coverage of broadcast 91.8%, population coverage of broadcast 83%), 3 TV stations (translator stations), 17 satellite translator stations. Health services have been further developed and medical conditions further improved. At the yearend, the County had 21 medical institutions, 458 sickbeds and 903 hygienic workers. The mother/child health care, hygiene and disease control work continued to be strengthened, the rural improvement of water quality and lavatories won new achievements. At the yearend, there were 180 village level rural points of medical treatment, 363 rural doctors (health workers) 363.

Chizhou City is an agricultural city focusing on traditional industries, where the cash crops are mainly cotton, rapeseed and linen, the grain production focus on paddy rice and the crop cultivation is leading in agriculture. Chizhou City's former industrial foundation was weak, it now has developed such industries as coal, smelting, chemical industry, textile industry, food and building materials backed by resources. Industrial enterprises there are mainly small- to medium size. The scale of light/heavy industry is roughly balanced. The light industry using farm products as raw materials account for 90% of the gross light industry output value; the output value of the heavy industry relying on mineral resources accounts for 50% of the total gross heavy industry output value. Qingyang County thereunder now governs 15 townships (towns), 150 administrative villages. By the end of 2001, the County's total population was 264,803 people, including the agricultural population of 226,891 people that accounted for
85.7% of the total population. The population density was 224 people/km² and the natural growth rate of population 2.64%. There were 127,678 actual rural laborers, accounting for 48.2% of the total population, of which the agricultural laborers accounted for 57.0% of the total number of laborers, and the outgoing laborers for 25.1%.

By the end of 2001, Qingyang County’s actual cultivated area was 246,086 mu, in which the paddy field was 220,441 mu and the dry land 25,645 mu. The year’s gross grain output was 124,716t, the per capita cultivated land of agricultural population 1.08 mu, the per capita grain possession 471kg and the average per mu grain output 507kg. As seen by the County’s overall economic situation, the private economy is developing faster, the magnitude of infrastructure construction is higher, the County’s national economy is growing steadily and healthily with its industrial structure more rational. In 2001, its GDP was RMB1.00079 billion, a 3% growth (excluding Jiuhua Township) than the year before at the constant price in 2000, in which the primary industry accounted for 28.8% (increase by 1.6%), the secondary industry for 37.0%, (increase of 1.9%) and the tertiary industry for 34.2% (increase of 5.6%) with per capita GDP of RMB3,779. The process of agricultural restructuring was faster and the rural economic vitality enhanced continuously. The industrial economic benefit improved significantly, while new highlights appeared continually. In the whole year, the gross output value of industry and agriculture was RMB1.27223 billion (64.5% industry and 35.5% agriculture), RMB4,804 per capita. In 2001, the County’s rural resident per capita net income was RMB2,194, higher than the year before by 2.2%. There were 42 villages benefiting tap water, all the administrative villages were accessible to highway and telephone. The cultural and educational undertakings developed fully, there were totally 142 points of culture and amusement, 20 libraries, 18,500 cable broadcast/TV users. The TV coverage attained 98.5% and the broadcast coverage 98% by population. Health services got further enhanced and medical conditions further improved. At the yearend, the County had 22 medical institutions, 589 sickbeds and 549 health workers (279 doctors).

Shitai County under Chizhou City now governs 15 townships (towns) and 136 administrative villages. By the end of 2001, the County’s total population was 110,858 people, among which the agricultural population was 91,989 people, accounting for 83.0% of the total population, the population density was 79 people/km² and the natural population growth rate 0.8%. There were 56,105 actual rural laborers, accounting for 50.6% of the total population, of which the agricultural laborers accounted for 70.0% among all laborers while the outgoing laborers for 14.2%. The County’s forest cover rate reached 76% and the degree of planting 90.3%.

Shitai County’s agriculture is focused on crop cultivation and forestry. Crops there mainly include paddy rice, wheat, corn, forestry products are mainly timber and tealeaf. The County is major tea base of Anhui Province, the production and processing of timber and tealeaf has become one of the key pillars of the County’s economy. The County’s industry relies mainly on refined tea, bamboo and timber processing, cement and gas instruments, etc. The County abounds in natural resources. Specifically, mineral resources are mostly pyrites and marble, the output of traditional Chinese medicinal materials, such as mountain date sheet ranks first in China. In addition, local specialties, such as tealeaf, raw lacquer, mushroom, are abundant as important materials for output. By the end of 2001, the County’s actually held 61,613 mu
cultivated area, of which there was 53,293 mu paddy field and 8,320 mu dry land. The gross grain output of the year was 24,135t, the per capita cultivated land of agricultural population 0.67mu, the per capita grain possession was 218kg and the mean per mu output 392kg. Since that Shitai County is situated in the hinterland of the South Anhui Mountainous Areas where the traffic infrastructure is pool and it's difficult to contact with the outside, so that the limited resources can't be developed effectively. For this reason, its economic level is rather lagging, indicated by its key economic indices that are significantly lower than the provincial average. In 2001, the year-round GDP was RMB253 million, higher than the year before by 5.7% at comparable prices, of which the primary industry accounted for 42.7% (4.9% increase), the secondary industry for 20.9%, (10.3% increase) and the tertiary industry for 36.4% (increase by 8.2%) with a per capita GDP of RMB2,282. In 2001, the County improved agricultural production conditions with great efforts, actively regulate the agricultural structure, greatly developed the characteristic agriculture, then good harvests were obtained. Meanwhile, the County speeded up the development industrial enterprises, greatly boosting up the industrial economic benefit. In the year, the gross output value of industry and agriculture reached RMB 296.15 million, of which the industry accounted for 43.1%, an 8.3% elevation than the year before, the agriculture for 56.9%, 3.4% than the year before. The per capita gross output value of industry and agriculture was RMB2,671. In 2001, the County's rural resident per capita net income was RMB1,152, higher than the last year by 0.6%. The number of tap water benefited villages of the County was 89, that of villages accessible to highway 121 and 129 to telephone. The scientific, educational and cultural undertakings developed continuously. The enrollment rate of preschoolers was 99.6% and the proportion of primary school graduates entering high schools 96.2%. The graduation rate from junior high school was 90.6% and the enrollment rate 52.9%. There are 1 broadcast station, 13 broadcast stations, 87 broadcast-covered villages (65% population coverage), 1 TV station and CATV station each (87% population coverage). Health services were further enhanced and urban/rural medical conditions further improved. At the yearend, there were totally 10 medical institutions, 350 sickbeds, 315 health workers. New developments have appeared in both the County's primary health protection, hygiene and disease control.

Huangshan City's agriculture focuses on crop cultivation, forestry and cash crops. Its forestry tops the province, providing the state with 450,000 m³ timber and 3 million pieces of bamboo. The total reserve of stumpage is 23.60 million m³, accounting for 1/3 of the province; and the fellable volume accounts for 1/2 of the province. In the agricultural economy, tealeaf takes an important part. However, to satisfy the need of tourism development of Huangshan, a unique tourism system has taken form, in which the tertiary industry is more advantaged. Huangshan District thereunder now governs 18 townships (towns) and 116 administrative villages. By the end of 2001, the District's total population was 162,370 people, in which the agricultural population was 131,452, accounting for 80.9% of the total with density of 91 people/km² and natural population growth rate of 1.2%. There were 71,732 actual rural laborers, accounting for 44.2% of the total population, in which the agricultural laborers accounted for 72.4% and the outgoing laborers for 9.5%. The County's percentage of forest cover attained 72.1%.

Huangshan District's agricultural production is focused on grain, oil, tealeaf, timber/bamboo and fishery, also including mulberry, dry fresh fruit, stockbreeding, vegetable, wheat, Chinese
herbal medicine, tobacco leaf. The District’s industry centers on food, machinery and forestry, also includes building materials, cotton spinning, papermaking, electric power, coal, smelting, etc. By the end of 2001, the County’s actual planting area was 119,055 mu, including 107,475 mu paddy field, 11,580 mu dry land, all-year gross grain output 55403t, agricultural population per capita cultivated land 0.91 mu, per capita grain possession 341 kg and average per mu grain output 465 kg. In 2001, the GDP was RMB 1.30135 billion, 9.2% higher than the year before, of which the primary industry accounted for 26.1% (6.2% increase), the secondary industry for (13.4% decrease), the tertiary industry for 60.5% (13.7% increase) and the per capita GDP RMB 8,015. In 2001, the County was successful in the improvement of agricultural production conditions and agricultural restructuring, mainly appearing as the construction of the “3 major projects”, i.e., circulation of farm products, branding of farm products and industrialization of agriculture. Although the downslide in industrial production continued, new progresses were achieved in industrial product restructuring, product development, industrial economic benefit was somewhat improved and operating quality significantly restored. The gross output value of industry and agriculture of that year was RMB 7.9875 billion, 57.5% for the industry (1.5% lower than the year before) and 42.5% for the agriculture (6.2% higher), equivalent to RMB 4,919 per capita. In 2001, the County’s rural resident per capita net income was RMB 2,510, higher than the last year by 3.9%. There were 111 tap water benefited villages, 106 accessible to highway and 116 accessible to telephone. The broadcast and TV undertakings were further developed. The number of CATV users kept growing to 22,817 in total and 8,100 in urban area at the yearend, having increased by 48.5% and 2.5% respectively. Health services were strengthened, urban and rural medical conditions further improved. At the yearend, there were totally 28 medical institutions, 561 sickbeds and 591 health workers (including 281 doctors). As Huangshan District is situated in both the South Anhui Mountainous Areas and the area of Chencun Reservoir, the per capita possession of resources is less and unbalanced, rendering the local people rather poor and varing greatly in wealth.

Qimen County thereunder is, however, an agricultural county with focus on planting and cultivation. Although the industrial restructuring has become more dramatic in recent years and therefore the tertiary industry becomes as important as the other two industries, this transformation has experienced a rugged way. Qimen is typical of county in remote mountains featuring “90% as mountains, 5% as water, 5% as farmland”, lower than the provincial and national average in every economic index. In 2000, the county’s GDP was RMB 8.8 billion, RMB 4,799 per capita; its total volume of retail sales of social consumables RMB 2.6 billion, RMB 1,431 per capita; and its net income per peasant RMB 1,944.

Jing and Jingde Counties under Xuancheng City are also oriented to the traditional agriculture. At Jing County, with a population of 359,400 people, including a rural population of 297,300 people, the agriculture is based on planting, cultivation (paddy rice, rape, mulberry, etc.) and forestry, most farmland are medium or low in yield, determining the low production benefit of agriculture. The industry focuses on motor, papermaking, silk textile, especially world famous Xuan paper. In recent years, the income from tourism in the tertiary industry is growing year by year. In 2001, the county’s GDP was RMB 19.03 billion, the added values of the primary, secondary and tertiary industries were RMB 4.30 billion, 7.05 billion, 7.68 billion respectively, and the net income per peasant was RMB 2,085. Jingde County, with a population of 151,800 people, of which the agricultural population is 130,300 people, is paying equal attention to
industry and agriculture. The agriculture mainly yields paddy rice, tealeaf, silkworm cocoon, hemp, wooden bamboo and ginger, while the industry covers hemp processing, power, motor, building materials, woodworking, etc. In 2000, the gross agricultural output value was RMB 2.3366 billion, the gross industrial output value RMB5.6838 billion and the per capita income RMB2,364.

Ningguo City governs 17 towns and 12 townships, covering 231 administrative villages and a population of 380,900 people, of which the agricultural population is 314,574 people. In 2000, its gross output value of industry and agriculture was RMB49.16 billion and total agricultural output value nearly RMB5.4 billion. The industrial economy is dominant, while the tertiary industry is underdeveloped.

### Table 3.1 Social & Economic Background of Affected Counties (Districts) of TTH Main Project in 2001

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>Tongling County</th>
<th>Qingyang County</th>
<th>Shitai County</th>
<th>Huangshan District</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Population</td>
<td>Family</td>
<td>101,276</td>
<td>79,785</td>
<td>32,496</td>
<td>48,276</td>
</tr>
<tr>
<td></td>
<td>People</td>
<td>341,000</td>
<td>264,803</td>
<td>110,858</td>
<td>162,370</td>
</tr>
<tr>
<td>Of which: agricultural population</td>
<td>People</td>
<td>291,000</td>
<td>226,891</td>
<td>91,989</td>
<td>131,452</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>2.33</td>
<td>2.64</td>
<td>0.8</td>
<td>1.2</td>
</tr>
<tr>
<td>3. Actual rural laborers</td>
<td>People</td>
<td>157,000</td>
<td>127,678</td>
<td>56,105</td>
<td>71,732</td>
</tr>
<tr>
<td>Of which: farming, forestry, animal</td>
<td>People</td>
<td>95,724</td>
<td>72,761</td>
<td>39,293</td>
<td>51,950</td>
</tr>
<tr>
<td>husbandry, sideline production and fishery</td>
<td>People</td>
<td>9,816</td>
<td>8,669</td>
<td>2,821</td>
<td>3,813</td>
</tr>
<tr>
<td>Building industry</td>
<td>People</td>
<td>7,658</td>
<td>6,987</td>
<td>1,978</td>
<td>4,734</td>
</tr>
<tr>
<td>Traffic transport, storage and postal/telecom industry</td>
<td>People</td>
<td>4,144</td>
<td>3,024</td>
<td>1,827</td>
<td>1,394</td>
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<tr>
<td>Retail/wholesale trade, catering</td>
<td>People</td>
<td>5,278</td>
<td>4,188</td>
<td>1,990</td>
<td>2,681</td>
</tr>
<tr>
<td>Others</td>
<td>People</td>
<td>34,380</td>
<td>32,049</td>
<td>8,196</td>
<td>7,160</td>
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<tr>
<td>Outgoing laborers</td>
<td>People</td>
<td>32,745</td>
<td>30,373</td>
<td>7,958</td>
<td>6,819</td>
</tr>
<tr>
<td>II. State land area</td>
<td>Km²</td>
<td>886</td>
<td>1,180.6</td>
<td>1,403</td>
<td>1,775</td>
</tr>
<tr>
<td>III. GDP</td>
<td>RMB100 million</td>
<td>15.76</td>
<td>10.00</td>
<td>2.53</td>
<td>13.01</td>
</tr>
<tr>
<td>1. Primary industry</td>
<td>RMB100 million</td>
<td>3.97</td>
<td>2.88</td>
<td>1.08</td>
<td>3.40</td>
</tr>
<tr>
<td>2. Secondary industry</td>
<td>RMB100 million</td>
<td>6.5</td>
<td>3.70</td>
<td>0.53</td>
<td>1.74</td>
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<tr>
<td>3. Tertiary industry</td>
<td>RMB100 million</td>
<td>5.29</td>
<td>3.42</td>
<td>0.92</td>
<td>7.87</td>
</tr>
<tr>
<td>IV. Per capita GDP</td>
<td>RMB</td>
<td>4.622</td>
<td>3.779</td>
<td>2.282</td>
<td>8.015</td>
</tr>
<tr>
<td>V. Gross output value of industry and agriculture</td>
<td>RMB100</td>
<td>225,100</td>
<td>127,223</td>
<td>29,615</td>
<td>79,857</td>
</tr>
<tr>
<td>1. Gross agricultural output value</td>
<td>RMB100 000</td>
<td>36,000</td>
<td>45,210</td>
<td>16,865</td>
<td>33,953</td>
</tr>
<tr>
<td>2. Gross industrial output value</td>
<td>RMB100 000</td>
<td>189,100</td>
<td>82,013</td>
<td>12,750</td>
<td>45,904</td>
</tr>
<tr>
<td>VI. Per capita gross output value of industry and agriculture</td>
<td>RMB</td>
<td>6,601</td>
<td>4,804</td>
<td>2,671</td>
<td>4,919</td>
</tr>
<tr>
<td>VII. Agriculture</td>
<td>Mu</td>
<td>274,000</td>
<td>246,086</td>
<td>61,613</td>
<td>119,055</td>
</tr>
<tr>
<td>Of which: paddy field</td>
<td>Mu</td>
<td>179,000</td>
<td>220,441</td>
<td>53,293</td>
<td>107,475</td>
</tr>
<tr>
<td>Dry land</td>
<td>Mu</td>
<td>95,000</td>
<td>25,645</td>
<td>8,320</td>
<td>11,580</td>
</tr>
<tr>
<td>2. Grain output</td>
<td>Ton</td>
<td>88,000</td>
<td>12,4716</td>
<td>24,135</td>
<td>55,403</td>
</tr>
<tr>
<td>3. Per capita grain possession</td>
<td>Kg</td>
<td>258</td>
<td>471</td>
<td>218</td>
<td>341</td>
</tr>
<tr>
<td>4. Per capita cultivated land possession</td>
<td>Mu</td>
<td>0.94</td>
<td>1.08</td>
<td>0.67</td>
<td>0.91</td>
</tr>
</tbody>
</table>
VIII. Average worker annual pay

<table>
<thead>
<tr>
<th></th>
<th>RMB</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7,209</td>
<td>8,189</td>
<td>5,619</td>
<td>7,470</td>
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</table>

IX. Peasant per capita net income

<table>
<thead>
<tr>
<th></th>
<th>RMB</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,452</td>
<td>2,194</td>
<td>1,152</td>
<td>2,510</td>
</tr>
</tbody>
</table>

As seen from the above, the level of social/economic development varies from place to place in the affected areas but is undeveloped generally. In terms of industrial structure, Tongling City (County), Ningguo City are industry-oriented, Qimen, Shitai, Jing and Jingde Counties are agriculture-oriented. Huangshan City and Qingyang County are tourism-dominated. Such a biased industrial pattern is vulnerable to market risks. Especially after China’s entry into the WTO, a place will be faced with not only regional and nationwide economic competition, but also more importantly, the whole world’s competition. In this way, industrial restructuring in adaptation to new challenges is an imminent event.

3. Analysis of Poverty Causes at Affected Areas

The economic level of the affected areas is subordinate in the Province. The cause of poverty is very complicated. As far as the affected areas are concerned, the type of poor mountainous area may basically apply, embodied in the following specifically:

1) In high, remote mountainous areas, harsh natural conditions and seriously scanty means of livelihood and production. The counties of the affected areas are located in the South Anhui mountainous zone, typically high, remote with little arable land and low carrying capacity of population. Some remote village teams and migrants from reservoir areas at remote mountainous areas are extremely short of means of livelihood and production. As found from the investigation, in a majority of townships and towns, the per capita arable land is less than 1 mu and even none somewhere. For this purpose, grain has to be bought. For example, the arable area of Shitai County is 2568ha, less than 0.4 mu per capita, for the 120 village teams situated above the altitude of 500m, the per capita arable land is 0.2 mu only. The whole county needs to import 10,000 ton grain from other places each year. Since the state has annulled the subsidy for foresters and tea growers at mountainous areas, the past comparative advantage is gradually losing, many peasants are purchasing grain with a substantial part of their household income and leading a hard life.

2) Frequent natural disasters and weak infrastructural construction have given rise to a huge population returning to poverty. Due to rough natural conditions, these areas are exposed to frequent flood, dryness, wind, snow, hailstone and freezing, seriously damaging water conservancy works, roads and bridges. Poor road conditions resulting from heavy rainfall erosion are common at the affected areas, especially mountainous areas. Irrigation works are susceptible to floods and water logging due to the lack of necessary comprehensive harnessing. From 1988, the Qingyi River Basin at Jing County would meet with a deluge every 1-2 years, people’s life threatened, properties suffering from losses. After the flood season, drought befalls due to less rainfall and water resources, resulting in the reduction in yield and peasants’ income. Qimen County suffered from an agricultural loss of RMB 0.6 billion directly caused by flood in 1997, RMB1.5 billion in 1998, 1.2 billion in 1999. There was no flood in 2000, but a summer drought followed a spring drought,
hitting all crops of the county and causing a directly agricultural economic loss of RMB0.54 billion and drinking difficulty to nearly 20,000 people. Two exceptional floods occurred in 2001, causing many interruptions in highway, power supply, communication and crop production at direct economic loss of RMB0.28 billion, affecting nearly 100,000 people and thereby adding 4,473 people to the poverty-returning population. During our investigation, Qingyang, Qimen and Shitai County at the affected areas suffered from the “6.21” exception flood, many roads, bridge, farmland and houses were damaged, some peasants went poor over a night and had to live in temporary tents provided by the government and Chinese Charity Society. (Figure 5: Damaged pavement of National Highway 325 in Shitai County)

(3) Monotonous industrial structure, difficult regulation and weak resistance to market risks. Affected by geographic settings and natural resources, the industrial structure has always been very monotonous. At most of the affected areas, peasants’ income is derived from grain and farm/sideline products, peasants follow the traditional mode of production and industrial structure, rendering the agricultural production unable to fit market economy. In recent years, with the influence of market factors, the grain price is continuously going down, resource advantages of bamboo, timber and tea at mountainous areas are gradually losing, peasants’ income increase slower and slower, the self-poverty-relief capability of the poor population is rather weak. Take Qimen County as an example. Qimen is famous for "red tea", which is all along a pillar industry there. However, in recent years, the price fall of tealeaf is dramatic, seriously affecting peasants' enrichment. Qihong Township is mainly engaged in production of forest and tea, its peasant per capita net income ranked top in Huaiyang City and 1st in the county in 1995, ranked 6th (RMB1,856) in 1997 and ranked 23rd (RMB1,397, 3rd when counted backwards) in 2000.

(4) Political, economic, military factors are restrictive to the social/economic development to some extent. With the development of market economy, the scissors difference between staple mountain products and daily necessities has further enlarged. In 1999, the selling price of timber was less than RMB100 per cubic meters, more than 2/3 lower than that in late 1980s, the price of food grain was RMB80 per 50 kg, 4 times higher than that in late 1980s. Furthermore, the policy of grain resold by the state to the place of production for forestry farmers and tea planters, who thereby suffered from a loss of above RMB300 in personal income. In addition, in order to maintain, improve the ecological environment, the state has set up “state-level nature reserves” at some areas, rendering a large area of mountain forest unable to be developed. Even at some developable zones, the state has also enforced the policy of natural forest protection and felling prohibition or limitation, limiting the resource utilization. Meanwhile, some cities/counties at the affected areas are prohibited military zones, highly restricted in opening to the outside, business invitation and capital introduction for the sake of national defense. This has also reduced the local fiscal revenue and peasant income on some degree.

(5) Peasants’ income doesn’t increase with output, development is relatively lagging, getting into the quandary of “growth without development”. Since China's pursuit of the reform and opening in 1980s, China's national production and social/economic development has entered a stage of rapid growth. Nationally, interests of each stratum have been elevated
to different extents. However, since the beginning of 1990s, changes in the domestic and international macro-environment resulted in the so called “agriculture, peasant and rural problems”, significantly driving down peasants’ income relative to other strata. From the perspective of locality, peasants’ income at the poor-in-the-poor affected areas is low if compared to elsewhere of China and even elsewhere of Anhui. Though peasants’ income has increased in the past 20 years or so, it has actually reduced contrarily relative to the whole country or province. Accordingly, with the advance in the national criterion for the poverty line, the poor population of the affected areas is frequently fluctuating due to the serious return to poverty.

(6) Deficient county/township fiscal revenue, low capability of self-poverty relief, lack of a “motive power” for development. Save that few places (Tongling County, Ningguo City) in the affected areas have put through the industrial restructuring, accumulated plenty of fiscal revenue and pushed the local society/economy onto a path of benign development during 20 years of reform and opening, most other cities/counties are heavily financially burdened for historical and realistic reasons. The specific appearance is first of all all small amount of revenue versus large amount of spendings. For example at Shitai County with over 11,000 people, the county-wide fiscal revenue in 2001 was about RMB20 million, while the fixed annual fiscal expenditure (wages of public servants) was RMB56 million, the ratio of the number of persons supported by public finance to the total population was 1:19. The fiscal revenue of Qimen County in 2000 increased by 14.4% than 1999, but the usable financial power decreased by 1.2% and the hidden deficit of that year was RMB 7.34 million. In recent years, the actual annual usable financial power fluctuated around RMB40 million, even some public servants cannot be paid on time. Another reason may be too many historical fiscal debts and debt burdens. By the end of 2001, Shitai County still owed the provincial/municipal public finance, departments concerned directly under the municipality and financial institutions RMB122.5 million in total, owed teachers and employees over RMB53 million. In 2000, the revolving fund of the provincial/municipal public finance due but unable to be repaid by Qimen County was nearly RMB30 million. Consequently, the county public finance has always been in the difficulty of balancing, to say nothing of self-accumulation or support to the economic development.

(7) Outdated ideology and low attainment of laborers, forming the dependence on poverty. At the relatively enclosed South Anhui mountainous area, peasants’ ideology is outdated and conservative. Some rational and intelligent rural young people began to work outside successively. At some villages, almost all the young or middle-aged laborers have gone out, leaving women, the elderly and the disabled at home and resulting in a low rural productivity. In the whole county of Qimen, 14,927 people were working outside in 2000, accounting for 16.5% of the total number of laborers. In the county’s poor population, the semiliterate and illiterate accounted for 30%, not having received any professional education or technical training. It was also found through investigation that the poorness arising from natural or historical reasons has to a certain extent become the “capital” for “staying poor” and “waiting for, depending on, request from” superior organs concerned. In order to relieve poverty, China has, since the enactment of the “8·7 Poverty-support & Tackling” Program, given some poor areas certain subsidies and preferential policies in a planned way. Originally, this was an active measure aiming to help poor areas get rid of
poverty, but has unfortunately become a “spiritual pillar” for some people to rely upon, who try best not only to maintain the “hat” of poverty, but also to attain a “high grade of poverty”. This mentality exists among a part of people and even some leaders, isn’t this a dangerous signal? If things continue this way, the dependence upon poverty would come into being, which is the biggest obstacle to poverty relief.
Chapter 4  Antipoverty Measures Already Executed at Affected Areas and Social/Economic Benefits

China is a major nation of agriculture, where the rural population accounts for nearly 80% of the national population and peasants are always the largest interest group. Since new China's foundation of in 1949, especially since the Reform and Opening, the Chinese Government has placed the poverty-support task at an important position and implemented nationwide large-scale poverty-support developments organizationally in a planned way for the key purpose of settling the livelihood problem of the poor population. Particularly since 1993, China has put the "8·7 Poverty-support and Tackling" Program in practice, greatly accelerating the historic progress from rags to riches for people at poor areas. From 1978 through 2000, the rural poor population under the poverty line reduced from 250 million to 30 million people, the weight of the poor population in the total rural population from 30.7% to around 3%. The strategic objective set by the Chinese Government to settle the livelihood problem for the rural poor population by the end of the 20th century has basically come true.

Anhui is a large agricultural province, with a relatively weak economic foundation and a large rural poor population extensively spread. With the fulfillment of the "8·7" Program, the poor population of Anhui decreased from 3.6 million people at the end of 1993 to 1.26 million at the end of 2000. Specifically, the poor population at the 17 state-level poor counties reduced from former 3 million to less 1 million people now, the province-wide poverty incidence from former 8.5% to 2.6%. The infrastructural conditions have also significantly improved, during the term of "8·7", the Province has cumulatively input RMB4.5 billion in the improvement of basic farmland, farmland water conservancy, county/township/village roads, human/livestock drinking, small river basin harnessing and other infrastructures, in total over 1,900km canals have been harnessed, 20,000km county/township/village roads reconstructed and 2.3 million mu basic farmland newly built. Almost every administrative villages is accessible to electric power, postal service, telephone and TV; at the same time, all social undertakings have been remarkably developed. The natural population growth rate at the poor areas has reduced from 15.8% to 10%, a wide range of practical agricultural techniques popularized and the GDP of the 17 state-level poor counties has reached RMB45.7 billion, 1.8 times higher than in 1993. These achievements have been gained on the basis of specific measures taken by each county and city. From the perspective of the affected counties/cities, these measures are embodied in:

(1) Definite guiding ideology, powerful organizational guarantee. It’s been specifically made clear that the unit of antipoverty is village and family, the target is to increase the income of poor population, boost the rural economic benefit and by adhering to the pattern of developmental poverty-support, elevate the attainment of rural laborers with best efforts, enhance the "hematopoiesis" of poor areas and ensure that these areas can be lifted out of poverty. Organizationally, the Party and government head of a county/city shall assume the leadership personally, a poverty-support development leading group is organized by functional departments concerned and the secretary of Party committee at the location of a poor village acts as the chief of poverty-support development to coordinate and handle
specific affairs. From the political and strategic height, the poverty-support development is placed at an important position and brought into the masterplan for social development and national economy of a city/county.

(2) Bestow the “fishing”, enhance the “hematopoiesis”. “Teach someone how to fish rather than give him fish”. According to local conditions, develop a developmental agriculture, organize the wide popularization of a variety of fine breeds and cultivation techniques at poor areas that are significant for yield increase, suitable for local natural conditions and short in lead-time, guide poor villages to regulate the rural economic structure, develop natural resources, improve production conditions and broaden circulation channels in the orientation of market. Raise the “hematopoiesis” of poor areas, organize agrotechnicians to teach the poor how to become rich at poor villages, bring along the active participation of the public with projects and lead them to break away from poverty and backwardness with their own strength.

(3) Raise poverty-support funds from multiple channels, exercise unified management and special fund for special use. On one hand, make full use of the state policy for poverty-support by striving for the financial support from superior authorities; on the other hand, increase the monetary input of the county/township public finance and supporting units. The input of the county/township public finance shall not fall behind its growth rate. To ensure poverty-support funds are actually used on poverty-support projects and increase their utilization efficiency, the unified management and special fund for special use shall be exercised for any poverty-support fund appropriated by the superior (state), arranged by the county/township public finance and supported by supporting units (state ministries and commissions, departments directly under the Provincial Government) without being diverted for any other purpose. Highlight such funds on the most promising development projects at poor areas to settle pre-production inputs and project activities directly related to livelihood, replace gratuitous subsidy with reward for subsidy, work for relief, interest subsidy, compensated turnover, etc. to increase the utilization efficiency of funds.

(4) Invent diversified, multi-layered practical patterns of poverty relief as the case may be. The general principle is town helps country, “advantaged groups” support disadvantaged groups. For state or province-identified poor counties and those in mountainous/reservoir areas, provincial leaders and units directly under the Provincial Government shall carry out fixed point support by helping the public at poor areas solve specific difficulties and problems utilizing the working functions and service advantages of their own units. As a system, “being relatively stable and keeping connected until poverty is relieved” shall be stuck to for a long term. County-level rural poor individuals shall be supported by county leaders and functional departments concerned directly under the county government in a fixed manner. In the course of poverty-support, Jing County has fished out the pattern of “one helps one, 3 support one”, i.e., arranging deputy section chief level or above cadres (enjoying the remuneration of deputy section chief level) of authorities directly under the county government and some business managers to support poor individuals in couples. The 29 poor villages still below the poverty line are supported by 29 enterprise units and 29 government agencies under the leadership of 29 county-level cadres respectively. The
aim is to lift poor individuals' living out of absolute poverty. Some functional divisions directly under the county government have brought material benefits to ordinary families by playing their own service advantages, including the agrotechnical poverty-support by the agricultural department, cultural and educational poverty-support by the educational department, the health poverty-support by the sanitary department and tourism poverty-support.

(5) The traffic poverty-support given by traffic departments from APDC to each city (district) county has achieved the most significant and sustained social/economic benefits in the antipoverty tackling. Since the enactment of the “Collective Poverty-support ‘10th 5-year’ Highway Construction Plan of Anhui Province” by APDC in 2000, the strength of traffic poverty-support has been boosted. For example, APDC’s counterpart poverty-support to Shitai County is fruitful; up to now, poverty-support projects already completed or under construction include:

(a) 1 road and 2 bridges. Yingjiahui-Shitai Highway, 43km; Xiangkou Bridge, Xinqiao Bridge at Hengdu Town, at total investment of over RMB60 million.

(b) Shitai-Guniujiang Highway, 7km long, at investment of RMB1 million, now almost completed

(c) Shitai-Qilixiang Highway, 33km (already started), 3 years’ construction period and RMB6 million’s investment

With the completion of the poverty-support project “1 road and 2 bridges”, the time needed is 1 hour now to travel from Shitai to Chizhou, 2.5 hours less than before and the mileage is also shortened from former 100km to present 70km. Constructed up to a Class-B road, it meets the Riverside Throughway at Yinhui. The remaining is only the widening of Express Connecting Line S325 with the He-Tong-Huang Expressway on the east and the improvement of the Da-Qing Line (Xinqiao-Dabeibu Highway) to the south. When these 2 lines are well improved, Shitai’s traffic to the east, west, south will be through. The opening of the Shitai-Guniujiang Highway has catalyzed the development of the Guniujiang Scenic Zone, where the road to the Fish-dragon Cave and Penglai Fairyland is also completed, that to the Ciyun Cave is presently under construction. In this way, all the roads to the 4 major tourist attractions of Shitai County have attained Class C or D.

Traffic departments at Shitai County are also raising money actively to promote the rural road construction. For instance at Huangjian Village (Qijing Township) with an average altitude of above 800m, there has been no highway in history, only a meandering footpath leads it to the outside. Last year, a 11km stone road was constructed into this village, solving the problem of traffic being there for 2,000 years. In the past, villagers had to carry 100 catty paddy for sale at the downhill market town early in the morning and then buy 100 catty fertilizer back to the village, wasting a whole day. The freight charge would be RMB40~50 if a porter is hired, but now it costs a villager RMB1 only to carry 100 catty fertilizer by truck. When the first car arrived at the village through this road, villagers celebrated by firing firecrackers voluntarily.

Jing County is a state-level poor county and has focus the highway construction on highway upgrading and connection of “broken end roads” as early as 1986. At first, the 205 National Highway was broadened to the roadbed size of Class-B, for which the county input 425,000
men days and completed 615,000 $m^3$ roadbed earthwork. In 1990, the 34km residual asphalt pavement from the county seat to Maolin Town was completed; in 1991, the Matouling 54km stone road was newly built, putting through the "broken end road" from Tongshan Township to Huangshan District and linking up the 322 Provincial Highway. In 1998, the Jing (County) to Xuancheng (City) section of Provincial Highway 322, 16km long, was rebuilt into a Class-B road. In late 1990s, the project of asphalt road to every township was concluded.

According to statistics, Jing County has greatly altered its traffic outlook at the total highway investment of RMB150 million over more than 10 years, playing the part of "forerunner" in the poverty-support tackling.

After the poverty-support development for over 10 years, especially since the implementation of the "8·7" Program, the rural poverty-support development at the affected areas have gained remarkable social/economic benefits:

1. **Improved infrastructure.** Above 90% administrative villages are accessible to telephone, power and postal service, above 50% accessible to highway, a large number of key water conservancy works and bridgework have been completed in succession. CATV is now available to most townships and towns, the construction planning of county, township, town and village have been readjusted, the construction of small town is fruitful and the investment environment has been further perfected.

2. **Relief of poverty to some extent.** Take Jing County as an example, the poor population is 53,000 people in 1993 and 31,680 people at 2000 end, nearly 20,000 poor individuals are no longer worried about food and clothing. The poverty incidence has fallen from 14.7% in 1993 to 10.5% in 2000 with peasants' per capita net income growing greatly.

3. **Improved peasants' quality of life.** The telephone popularity of rural families has reached 10 sets per 100 people and more than 90% families can receive cable TV. The school-discontinuing rate of rural children is below 5%, dilapidated houses at primary and high schools are gradually lessening. Most poor counties have realized the target of "2 bases". The medical conditions at poor areas further improve, endemic and infectious diseases are well controlled, the public's health level has increased prevalently. The educational, cultural and broadcast undertaking are developing rapidly, greatly enriching the cultural life of the poor.
Chapter 5  Possible Antipoverty Effects from Project Execution

There is no expressway in the affected areas and even South Anhui, there are many problems with existing highways, inadaptable to today’s economic development there. For example, the S103 line bears a high traffic volume for its low grade, no longer adaptive to the new trend of economic and tourism development along the Project. Accordingly, it has become a common understanding of the local government and villagers at the POIs to construct an expressway that can promote the development of the directly affected areas.

Possible antipoverty effects from the project execution are mainly embodied in 2 layers: one is instant, directly benefits, such as offering job opportunities, utilizing local earth resources, developing catering and other tertiary industries, adding to the local fiscal levy, etc.; the other is long-term, continuous benefits. The latter will play a long-acting role for the poverty relief at the affected areas.

This Project consists of the main component, 5 subproject and 2 RSPs, at the total investment of RMB5 billion, with a large coverage, wide radiation and huge group of beneficiaries. The project execution will bring direct economic benefits to the public and other interest groups along the road, e.g., peasants are directly paid by constructing the Project, local raw materials (earth, sand, cement, timber, etc.) may enter the trading market directly, dealing with catering and other tertiary industries, selling native farm and sideline products. In the public’s word, they can “earn money without leaving home”. Moreover, the local government may also raise its fiscal levy. Of course, lasting, far-reaching social/economic benefits may result from many indirect factors, appearing as specifically:

(1) The development of the tertiary industry arising from tourism can bring along the growth of the regional economy to get rid of poverty.

Tourism has become the most rapidly developing and the most promising rising industry in the world, also the economic sector offering the most job opportunities. China is the country with the richest tourist resources in the world. With the economic development and the increase in people’s living standard, the number of people going out on travelling, sightseeing and vacationing is increasing year by year, tourism is becoming a new point of growth of China’s national economy. Greatly developing tourism is the primary means for areas along the line to develop economy and become rich. According to statistics, the tourist income of Huangshan City in 2000 was RMB1.772 billion, accounting for 21.8% of the city’s GDP of RMB8.13 billion and 3.9% higher than the year before; the tourist income of Chizhou City was RMB410 million, accounting for 7.1% of the city’s GDP of RMB5.81 billion and 1.3% higher than the year before. Tourism is gradually becoming a pillar industry of this region’s national economy. Along this Project, there are rich tourist resources, numerous sight spots and profound human-cultural traditions. The Huangshan Mountain is one of the Top 10 scenic spots of China, listed by the UNESCO in the “List of Global Natural and Cultural Heritages”. The Jiuhua Mountain is one of the 4 famous
Buddhist mountains of China, one of the 44 state-level key scenic spots first declared by the State Council and was named a “National Civilized Scenice Spot” by the Ministry of Construction in September 1999. The Taiping Lake, situated between the two mountains, is the largest man-made lake of Anhui, an ideal health resort and tourist attraction for its beautiful natural scene, stretching green hills around and elegant environment. All these have undoubtedly provided advantaged conditions for the locality to become rich based on tourist resources. However, these rich tourist resources weren’t developed or utilized any further due to the unsmooth traffic. The execution of the Project will greatly improve the traffic conditions among scenic spots along the line, catalyze the further development and utilization of tourist resources. Meanwhile, this Project may create the connection to South Anhui scenic spots, like ancient Anhui-style buildings, and further to the Qiandao Lake, giving rise to many golden tourist hotlines (Huangshan-Qiandao Lake-Hangzhou, Huangshan-Quzhou-Nanping, etc.) and the benefit of major tourism. The construction of this Project has upgraded and improved highways, shortened time-space distances among scenic spots/zones, increased the comfort, safety, smoothness during the journey and the quality of touring. This produces positive significance for quickening the development of tourist resources along the line, excavating the potential of tourist resources, promoting the tourism prosperity, forming new points of economic growth to drive the development of relevant industries, perfecting the investment environment, developing the outward-oriented economy, promoting the national economy and social advancement. This is also very important for constructing the Huangshan Mountain, Jiuhua Mountain and Taiping Lake (“2 mountains + a lake”) into international tourist attractions and boosting tourism up to a higher level of development.

However, the relatively lagging traffic conditions have limited the tourism development at the directly affected areas. At Huangshan City, for example, the Huangshan Mountain is situated in the South Anhui mountainous areas, surrounded by inaccessible zones. The key highways for external connections are S103 and G205, which are however, low in grade within the affected areas, mostly Class-C, where the unsmooth highway traffic has seriously hindered the development of tourist destinations. Tourism is a pillar industry of Huangshan; however, the City’s income from development of tourist resources is by far falling behind other advanced scenic spots of China. In 1998, Huangshan City welcomed only 0.5% of the overseas tourists visiting China, equivalent to 32% of that of Guilin, ranking 30th among the 60 major tourist cities nationwide, earning a foreign exchange income from tourism equivalent to 19% of that of Guilin. This has directly resulted in the lower economic level of Huangshan. With the commissioning of TTH, the traffic mileage of highway will be shortened, thoroughly altering the traffic backwardness into/out from scenic spots, pushing the tourism onto a rapid development stage and bringing along the economic development of Huangshan City.

In addition, arranging middle-aged married women to get engaged locally in the tertiary industry can add income to the family for early relief of poverty. Feng Jinhua at Kuifeng Village, Maolin Town, Jing County, currently 37 years old, hopes the highway improving can bring her the chance of “jobbing without leaving home”:

*The 5 members of my family earn RMB6,000 or so annually, in possession of 4 mu paddy*
field only. My mother-in-law is 87 years old, my 2 children would spend over RMB2,000 as tuition and cost of teaching materials a year. I arrange feasts for others upon funeral, wedding or house-moving and earn RMB800–900 per annum therefrom. My husband is mainly engaged in farm work and does some odd jobs when free. The annual income of the whole family can barely pay basic living expenses. Like me, women in the village are unable to work outside because they have to take care of the elderly and the young at home, which is a main cause of poverty. When the road is completed and more plants are set up here, it would be possible to work in the village to improve our living standard.

(2) Improve the investment environment, elevate the efficiency of resource development and utilization, increase peasants' income. The extreme plenty of natural resources within the directly affected areas fail to bring any huge economic benefit to the locality. Restricted by the existing traffic conditions and the weak economy at the affected areas, the deep processing and merchandising of characteristic products is insufficient in scale, products are lowly priced and the external financing is also insufficient, as can be seen from our interview. The Huangshan Mountain is a very important tealeaf producing area and also an important source of income for the local people, but the restriction in traffic makes the tealeaf price non-ideal. For example, tealeaf from Tanjiaqiao Town in Huangshan District is generally purchased by tea traders there, so it is cheap at about 15-16 yuan/catty. If one sells tealeaf by bicycle or tricycle (because a bus would reject anyone carrying tealeaf for fear of seat occupation), the price would be around 22 yuan/catty. However, the profit is 17-18 yuan/catty excluding the labor cost and fare. Provided the high-class highway is constructed, tea traders from Tongling, Hefei and Wuhu will come here to purchase at 27-28 yuan/catty. Assume the annual tealeaf output is 50 catty, the income from tealeaf alone may increase by RMB600. A local peasant Liu xx at Tangkou Town, aged 56 years, has a deep understanding about this:

The price of large quantities of bamboo, timber and tealeaf is heavily impacted due to the big distance to bazaars. When the high-class highway is open to traffic, it would be possible for sales at Hefei, Wuhu and Nanjing to promote the circulation of sideline and farm products. In every winter at this mountainous area, the harsh weather would make it impossible for materials to be exported. Hedong Village is also a large producer of bamboo and bamboo shoot. This market of green food is, however, depressed due to the traffic problem. Now bamboo shoot (shelled) is available at RMB0.3/catty in the local market, but it would be sold at least RMB1/catty at such major cities as Nanjing and Shanghai. At present, the annual bamboo shoot output of Shancha Village is 50,000 catty or so and that of Hedong Village is 70,000–80,000 catty, so bamboo shoot alone could make considerable profits. For this reason, the public is highly supportive to the highway construction.

At the South Anhui mountainous areas of occluded traffic, poor investment environment, and ineffectively developed, utilized resources, the unsmooth highway traffic is still one of the primary factors that prevent poor areas from becoming rich. The build-up of this Project will help strength the traffic connection between these poor areas with the outside, speed up stream of people, materials circulation, information flow, perfect the investment environment, improve people's living quality and standard there.
Effectively improve the economic development around the “2 mountains and a lake” to shake off the “hat of poverty” earlier. There are a number of state-level, province-level poor counties in the directly affected areas, where the economy is formerly agriculture oriented. The people there hope to develop the local economy in diversified ways and by utilizing local resources. However, the traffic inconvenience has disabled the realization of such development, e.g., there is neither railway nor aviation in Taipinghu and even Huangshan District, the only passage—the Class-C 103 Provincial Highway is narrow, wandering. Traffic has become the greatest obstacle for Taipinghu’s development. Now, the Town’s approach to development is to “prosper the town by tourism” in response to the call of tourism development program based on the “two mountains (Huangshan Mountain, the Jiuhua Mountain) and a lake (Taiping Lake)” proposed by the Anhui Provincial Party Committee in 2000. Under the strategy of attracting tourists from peripheral regions and “weekend” holiday travelling, the tourism and tertiary industries there are being developed energetically. When the Project is completed, the local traffic conditions will be greatly improved. Rapidly improving the external traffic conditions of the “2 mountains and a lake”, promoting the formation of the “2 mountains and a lake” economic zone, especially developing the Taiping Lake under the economic development of “2 points and a line” formulated by Anhui Province comprehensively, is very urgent. The Taiping Lake, with 88 km² water surface and 2.4 billion m³ water body, owned by 8 townships/towns around the lake, is a scenic spot famous for water features. The income from admission ticket is turned over to the Management Committee, taxes on admission ticket and pleasure boat are collected by the towns around (the current development zone is largely within Taipinghu Town). The construction of the Taiping Lake scenic spot has driven many surrounding migrants into the situation of extreme deficiency in means of production and livelihood, so they are particularly desirous of the highway construction. Wang Feiyun, a villager at lakefront Longmen Village, Longmen Township, 40 years old this year, said that:

My household income mainly comes from tealeaf, everyone of my 5 family members owns a little more than 2 mu tea garden. There is some bamboo and timber on hills, lumbering is now prohibited. There is no paddy field at home, so our grain has to be bought. The per capita gross annual income is RMB700–800 only. To take care of the family, I could only do some odd jobs at the small town nearby. Many villagers go out for work, mainly to Shanghai and Zhejiang. Those skilled are engaged in skilled jobs, those unskilled have to do hard labor. Their economic status is not good either.

A good road is good to the relief of poverty, good traffic brings more convenience, then the tealeaf trade would also be better.

The construction of TTH plays a great role in the development of Taipinghu Town. This will be advantageous to the development of tourist resources and tourism. Presently, at the scenic spot of Taipinghu Town there are 51 pleasure boats and 31 speedboats, mostly bought by the public themselves, 300–400 jobholders, receiving tens of thousand tourists every year. The expressway will shorten the distance from major cities nearby and attract more tourists, for example, it will take 2 hours to come here from Hefei and 5 hours from Jiujiang in Jiangxi. This is also propitious to the protection of ecological environment.
Taipinghu Town of low living standard, the public burns timber as a main fuel, someone even makes a living by felling trees stealthily. The highway project will surely promote the local economic development, increase the local people's living standard and income and provide protection to the environment. Villagers will be better informed. Taipinghu Town, for example, once pursued industrial restructuring by transferring from farm crops to cash crops (tobacco, tea leaf), but little result was yielded and some tobacco planters suffered from losses for not being well informed. Another benefit it to boost the level of cash crops and economic benefit, e.g., tea leaf may be processed into strip tea and spiky tea, timber may be deep-processed or semi-processed other than being sold purely.

(4) Greater traffic lows and information flows will make people's ideology flowing and open. In the investigation and analysis of poverty causes in the "Social Appraisal Report", the public would generally consider "unsmooth traffic, obstructed information" a key reason, on which city/township leaders have got a deeper understanding. Wang Yiwu—Head of Tongling County (former Secretary-general of the Tongling City Party Committee)—said as follows when analyzing causes of poverty:

*There are historic, natural and realistic reasons. Apart from these, the most accountable ones in my view are: (1) cure foolishness before curing poverty, namely, elevate the level of education and culture at this area, alter people's ideology and increase the openness there; (2) the opening should achieve the goal of poverty-support by "blood transfusion" other than "hematopoiesis". A very important "blood vessel" of blood transfusion is the traffic, based on our expressway construction.*

The traffic improvement's direct action on poverty-relief is smoothening the stream of people, information flow and fund flow, i.e., factors of economic development shall first gather to generate power, thereby promoting the economic development of a region. The precondition for this is opening, but no road, no opening.

Feng Aimin, from Guanghui Team at Dashu Village under Likou Town in Qingyang, 31 years old, has led a career of working outside for over 10 years. These experiences have not only opened his eyeshot, but more importantly, liberated his ideology:

*There is too little means of livelihood here and a small number of outlanders. I went to a garment factor in Zhejiang before my graduation from the junior high school. In the 3 years' career as a flat car operator, I became skilled. When back to the hometown, I set up a flat car operating training course here this year and fixed the tuition at RMB150. I put up the recruitment advertisement, but no one believed and only 2 students have been recruited now. There are too much false advertising now, so it's hard to recruit anyone unless a familiar acts as the introducer. It's a hard time, men can only find physical jobs mostly. Our village is badly informed, no one dares hunting job blindly, or else you might even lose your travelling expenses.*

The highway is beneficial to us, at least the stream of people will be greater, information flow faster and our tourist development benefited. The young can easily change mind if they go out often. My earnings from working outside have been used to treat my mother's disease, so I'm not married yet and it's not easy with my aging.

A 24 years old girl at Xiwei Village under Yangtian Town in Qingyang County may be
taken as an example of "becoming rich by working outside".

It has been 8 years since I left for Shenzhen at my 16th upon graduation from junior high school. I'm now already a quality inspector. At first, I worked at a garment factory in the county and later moved to Shenzhen along with the factory. When the factory failed soon after, I found a job at another garment factory in Shenzhen and gradually became skilled, being paid RMB1,800 a month now. With all our 4 sisters working outside, my family enjoys better economic status in the village. We've got color TV, motorcycle, telephone. We all plan to get married back to the village and purchase commercial housings at the county seat in the near term. When we get married later, if it was inconvenient to work outside any longer, we shall do business there to earn money.

(5) RRIP and RSP have direct influences on the relief of poverty for the public along the line. There are 5 highways under RRIP (S325Shitai-Qiaotoudian; S322 Jing County-Maolin; Xianyuan-Xinming-Sanxi; S323 Hongmen-Jingde section; and S221 Xinqiao-Dabeibu), 243km in total. Along the line, the social/economic development is relatively straggling. Furthermore, the existing road network there is in bad condition with many turns, the rate of development falls behind the growth rate in traffic volume, the incidence of major and extraordinarily serious traffic accidents is extremely high. Accordingly, the construction of supporting facilities for traffic safety should be reinforced to improve the environment of traffic and reduce potential safety hazards inherent in highways. RSP under AHP II plans to improve the 2 sections with the most traffic accidents in Anhui Province:

(a) Hefei-Huainan section of National Highway 206, 115km long;
(b) Maanshan-Nanling section of National Highway 205, 88km long.

Selecting the Hefei-Huainan section as a high accident section for comprehensive control is because 558 traffic accidents occurred within 2 years and a half on this 115km section in total, 175 people were killed and 579 injured. The rates of miscellaneous accidents are all the highest among the sections studied in AHP I. The instance of forcible overtaking among motor vehicles is very prominent on this section, there exist many crossings and turns, large traffic volumes and serious traffic mixing here. It's preliminarily determined to strengthen the management by taking such measures as adding necessary speed limit signs, improving sight distance of local sections, set up man-vehicle isolation facilities at crossings and sections passing small towns. In addition, it's planned to select 5 trouble spots on an 88km section of the 205 Maanshan-Nanling National Highway.

The execution of RRIP and RSP may noticeably smoothen roads and speed up stream of people, vehicle flows, materials circulation and information flows, make convenience for people to take medical treatments and work outside, as well as decrease the incidence of extraordinarily serious traffic accidents and avoid becoming poor due to mass casualty.

(6) The Project will be a promotion to the ongoing “10th 5-year Development Planning” by all levels of government and will gain a significant poverty-relief benefit. The year 2001 was the beginning for all levels of government implemented the “10th 5-year Plan”, which was the first 5-year plan after the preliminary establishment of the socialistic market economy system and the commencement of the 3rd step of the “Strategic Deployment”
All district, city and county governments have set major expected objectives of national economy and social development during the “10th 5-year” as the case may be respectively. This Project will be fundamental to the fulfillment of such objectives by removing or relieving the local poverty, assisting all levels of government in getting through social and economic indices of development under the “10th 5-year Plan”. It can be predicted that, this Project will produce positive, direct stimulation to the increase of peasants’ income, reduction of the poor population, increase of opportunities for working outside, the absorption of outside financing, addition of county/city fiscal revenue and investment GDP. With reference to major preset indices under local “10th 5-year” development plans, this Project will make forecast for the following indices:

Table 5.1 Forecast of Major Social/Economic Indices for “10th 5-year” Plan

<table>
<thead>
<tr>
<th>Affected County or Cty</th>
<th>Peasant per capita income (RMB)</th>
<th>Fiscal revenue (RMB10,000)</th>
<th>GDP (RMB100 million)</th>
<th>Investment in fixed assets (RMB100 million)</th>
<th>Outgoing laborers (people)</th>
<th>Poor population (people)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tongling</td>
<td>2,452</td>
<td>3,439</td>
<td>11,280</td>
<td>16,961</td>
<td>15.76</td>
<td>23.16</td>
</tr>
<tr>
<td>Qingyang</td>
<td>2,194</td>
<td>3,164</td>
<td>7,491</td>
<td>13,801</td>
<td>10.04</td>
<td>14.75</td>
</tr>
<tr>
<td>Shiitai</td>
<td>1,152</td>
<td>1,248</td>
<td>2,253</td>
<td>3,388</td>
<td>2.53</td>
<td>3.71</td>
</tr>
<tr>
<td>Qimen</td>
<td>2,042</td>
<td>2,606</td>
<td>8,781</td>
<td>14,141</td>
<td>9.66</td>
<td>14.86</td>
</tr>
<tr>
<td>Huangshan</td>
<td>2,784</td>
<td>3,000</td>
<td>9,826</td>
<td>13,000</td>
<td>12.78</td>
<td>18.9</td>
</tr>
</tbody>
</table>

Notes: The data for the year 2001 herein is based on local statistical statements, of which the number of outgoing laborers is calculated according to such statements and ratios from our sampling investigation. The data for the year 2005 derives from local “10th 5-year” development plans, but the population relieved of poverty for Tongling County and Huangshan District results from the estimates with the chiefs of poverty-support departments.
Chapter 6  Benefited Groups' Attitudes towards Project Execution at Affected Areas

As we’ve mentioned above, the benefited groups at the affected areas are mainly specialized carriers and small retailers, ordinary villagers, enterprises and all levels of government there, women and children. Their attitudes to the project execution may be (1) resolutely supportive, including enterprises and all levels of government, specialized carriers and most villagers; (2) moderately supportive, such as not directly benefited villagers within the affected areas; (3) unwilling to support, like a minority of interest-harmed groups; (4) don’t know or indifferent.

(1) Resolutely supportive, like enterprises and all levels of government, specialized carriers and most villagers, which are the greatest and most directly benefited groups. For them, the improvement in traffic conditions may both reduce the cost of materials circulation and improve the local investment environment correspondingly, attract more investments from the outside in favor of the long-run development of enterprises and increased fiscal revenue for all levels of government. In addition, this would also promote the transfer of rural laborers (service export, etc.) and the outward sales of native products, increasing peasants’ income directly. Accordingly, in their view, the construction and improvement of highway is undoubtedly a thing entirely beneficial. From the perspective of his reality, a 38-year-old Yang-surnamed villager at Languan Village under Hengdu Town in Shitai County discussed his opinion about road construction:

Compared to other villages in the township, our village is medium at a certain gap with other townships in the county. This is mainly because of poor road traffic, rendering rich resources of our village unable to be developed. There is little land here, averagely less 0.4 mu per person. The villagers’ income comes from tea plantation and selling bamboo largely. Tealeaf has to be sold at the county seat and bamboo sold at the village entrance. Some peddlers purchase bamboo at RMB10 for 100 catty here mainly in winter. Since the roads here are not so ideal, when the branch of TTH is improved, it will be beneficial to ny family and the village, because there will be more people coming here for investment, development and factory-setup, offering us more job opportunities.

Wang Yiwu—Head of Tongling County—expressed his view on the role of traffic from the perspective of business invitation and investment introduction:

Funding is a very realistic problem. To enlarge the industrial scale of a region, it's very necessary to increase the input of funds and talents. The current idea of the County Party Committee and County Government is to broaden the opening up for business invitation and investment introduction. Much of our existing characteristic agriculture has come true by this means. However, several problems must be settled before implementing this strategy: (1) Farm products must be converted in situ through the coordinated process of cultivation, planting, processing and sale, this industrial chain must be constructed upon our available resources; (2) Solve the problem of mechanism by introducing individual, non-governmental businesses and folk capitals, which may solve the problem of driving
force in another sense; (3) Their introduction will bring us some new concepts and play a demonstrative role for our business introduction. Since this strategy addresses the fund “bottleneck”, the outstanding problem would be passage, namely roads. In the past, the County Party Committee and County Government also took this strategy but gained little effect, it was only in the past 2-3 years that the effect became visible. Why? All because of the Riverside Throughway, He-Tong Expressway and Tongling Yangtze River Bridge that have improved the traffic conditions and thus attracted more funds.

Fang Qingdong—Director of Huangshan District’s Poverty-support Office—spoke of the benefits brought by traffic convenience:

In early 1980s, it would take a car 11-12 hours to drive from the District to Hefei and 3 days for a man to handle some affairs there. To go to Hefei from the township, you have to spend a day for getting to the county first and then another 4 days to Hefei and back to the township, 5 days in total. After the 103 Provincial Highway was open, it took only 4 hours from the District to Hefei, no problem for a turn to-and-fro Hefei within one day, and it took 2 days only if your start point is the township. Provided TTH becomes open to traffic, there will be only 2.5 hours’ drive to Hefei, when you may even finish 2 turns to-and-fro if driving rapidly.

In a word, these groups hold a clearly and resolutely supportive attitude to the execution of this Project as the mainstream.

(2) Moderately supportive, such as not directly benefited villagers within the affected areas, who hold an indifferent attitude from the perspective of either their own interests other than the overall-interest or partially local development and limited resource conservation but basically supportive. Wang Yingfa—Secretary of the Party Branch at Xiwei Village under Yangtian Town in Qingyang County, said that:

The expressway brings no direct benefit to villagers, it’s enclosed, villagers are unable to access it, nor there is any exit here. Its passage through the village would occupy some farmland and make inconvenience to villagers’ outgoing. The visible benefit is only that villagers may earn small amounts of money by serving as laborers for its construction or supplying construction material. However, all these are short-dated; in the long run, its construction would promote the local economy of Qingyang.

Women Director Shi xx at Dongnan Village under Yangtian Town in Qingyang County also supported this view:

This expressway passes through Dongnan Village but leaves no exit, which would make great inconvenience to local residents’ life. The highway construction fails to bring any chance of development to the village but occupy the farmland there, demolish houses of villagers and make villagers’ outgoing inconvenient instead, e.g., a peasant has to detour to his farmland. The passage of the expressway through the village may also bring about inconvenience to some children here when going to-from school. Moreover, agricultural motor vehicles, quadricycles, minibuses may not be permitted to get onto the expressway, impeding the village’s economic development.

The construction of the highway would divide the village in 2 halves, which would make
inconvenient women's routine examinations at the health station, pregnant women's medical treatment and her visit to the family of each woman of child-bearing age.

For myself, the construction of this road is not desired, because this would bring many contradictions other than any benefit to me and the whole village. However, for the state, this would be contributive to the economic development of the whole region. In this way, the sacrifice of our village's interest is understandable. In general, I will support it.

Feng Guofa, from Guanghu Team at Dashu Village under Likou Town, Qimen County, also holds this view:

My family has 4 members, working out side for 2 months of a year, lower in income and less in means of production. We can barely sell tealeaf for RMB1,000 a year, so we have to do some sundries at the town. I'm the only one with land at home, 1.8 mu in total, 0.8 mu of which is dry. I've got a child at school, paying the annual tuition of RMB1,000, more than 1/3 of our annual household income. The road construction will benefit me in no way, because I'm not good at doing business. The only benefit would be the easiness in outgoing, which is good to the offspring.

Some old people think that the chance for their self-development outside is very little, so they are not so concerned about the expressway, but they consider this beneficial to their offspring. Chen X, a retired primary school teacher aged 67 years at Changyuan Village under Tanjiaqiao Town, agrees with the road construction on the whole:

The expressway construction has no benefit to me, I don’t want to do business or go out, but it's very important to young people. Both my sun and daughter are working outside, then it would be convenient for them to go out and back home. If possible in the future, I would let them do business here, which might be more profitable. The traffic here is not so convenient and has affected me badly. Last year, my daughter failed to catch the train for several time when planning to go out around the Spring Festival, wasting her a lot of money and efforts. It would be better later.

(3) Unwilling to support, such as a minority of the interest-harmed groups, who desire to get lifted out of poverty by road construction but worry that they may suffer from losses due to the acquisition of their own farmland, houses and mountain forest resources. Moreover, the highway construction brings no direct, instant increase to their household income, nor any restoration or elevation in production and life, they’re thereby unwilling that the road construction facilitates others but stands in their own light. As found in the investigation, this part of people is a tiny minority only. They also showed that “they dissent to cancel this Project”, they merely don’t hope their own land to be requisitioned or their houses to be demolished for road construction. Notwithstanding this, we can’t neglect their voice and their legitimate interests must be concerned about. Wang Yingfa—Secretary of Party Branch at Xiwei Village under Yangtian Town in Qingyang County—holds this opinion by thinking that:

The expressway may be disadvantageous to a part of villagers’ production and life but beneficial to most peasants directly or indirectly. The expressway is enclosed, villagers are unable to access it, nor there is any exit here. Its passage through the village would occupy some farmland and make inconvenient villagers' outgoing. The visible benefit is
only that villagers here may earn small amounts of money by serving as laborers for its construction or supplying construction materials. However, all these are short-dated; in the long run, its construction would promote the local economy of Qingyang.

Ordinary villagers are more concerned of their own interest. When their vital interests are unsecured or even damaged, it's inevitable that they become full of worries. A 58-year-old Liu-surnamed villager at Dongnan Village under Yangtian Town in Qingyang County expressed that:

It’s no use building this road! Our village has to contribute acres of land gratuitously but gets no compensation. I know, the expressway is fully enclosed and leaves no exit to our village, vehicles from the outside just pass here in flash. Villagers are unable to become rich using this expressway, but also have their farmland occupied, houses pulled down, then they may have difficulty in farming (he refers to smaller field area, longer distance, higher labor intensity). While the existing developmental difficulties of the village remain outstanding, many more troubles would come, e.g., civilians would be more inconvenient to go out, noise and air pollution are inevitable, the road construction may alter the high voltage line, telephone line and other existing production/living facilities. The highway construction would need large numbers of local laborers temporarily, adding to people’s income. However, after that, this group of people would lose their job and farmland and have to work outside, leaving the sick and disabled in the village.

(4) Don’t know or indifferent, mainly women and children. The vast majority of women are engaged in traditional farm work and housework at home, seldom going out, for whom a highway is dispensable. Children are more unaware or afraid of this, because left in their mind is the bitter memory of a traffic accident their small companions once encountered and their parents’ “threat of death”. This also requires us laterally that while enhancing the road construction and raising the highway grade, we should not neglect the education, publicity of traffic rules and legal regulations in rural areas.
Chapter 7 Opinions and Suggestions

Through the investigation and appraisal on the affected areas, the Appraisal Team has formed the following viewpoints:

(1) The traffic condition is directly correlative with the local richness. Many factors account for poverty, but the backwardness in the infrastructure, especially the traffic development, is the direct cause of poverty to peasants. From the historical and realistic perspective of the affected areas, the better the traffic development is, the richer a region becomes; on the contrary, a region would be relatively poor. Tongling County and Ningguo City are more developed in traffic, so their industrial foundation and development is better; other areas with bad road conditions are poor correspondingly.

(2) National and provincial highways are in bad conditions, county and township roads are poor at the affected areas, forming a weak highway network. This is mainly because the main funding source of the latter is the financing by county/township public finance and the public. As poor areas, not only the county/township public finance is embarrassed, but also the public has no money in hand to assume vast road construction costs. Besides, at most townships and towns, owing to the idea that construction valued and maintenance unvalued, insufficient maintenance funds, poor protection and low resistance to natural disasters of roads, lack of a professional maintenance team, etc., the maintenance effect is popularly low, rendering rural highways out of repair or poorly maintained over a long period and newly completed highways gradually deteriorating. Without the support from county and township roads, a bare "framework" can hardly fulfill the objective of traffic improvement, to say nothing of making the local public become rich. Therefore it's very essential to launch RRIP. APCD has formulated the “Access Project” of county/township roads in the “10th 5-year” traffic planning and started to implement it.

(3) The pattern of industrial structure influences the economic development. At the POIs focused on the planting of characteristic cash crops, livestock breeding and tourism, the multi-industrial operation, the reduction in the traditional planting area of paddy rice and the enlargement in the area of cash crops have become the new trend of rural economic development within the affected areas. Peasants have come to realize that the traditional paddy rice planting can keep them live only but never make them rich. Only by industrial restructuring of agriculture, expanding the scale of agricultural operations, developing multiple operational channels and launching the planting of cash crops with high market value can their living conditions be improved. The planting and breeding is the industry with the highest correlation with peasants' income, so that developing this industry will be a practical and reliable means to enrich poor peasants. Guide poor peasants to select planting, breeding projects with characteristics and comparative advantages according to local conditions and requirements of market economy with the aim of breed and quality improvement, large operational scale and bulk development.

(4) At counties and cities with the pillar industry of grain crops, the event of “burdensome” land exists in different degrees. The key reasons for this include: firstly, the price of farm products has always been depressed these years and that of pesticides and fertilizers is on
the high side, the benefit of farming is then lower and peasants' income increases more slowly. Peasants' agricultural production has met with deficits in both factors of fund and labor, which is quite prevalent in the field of pure agriculture. The low comparative profit of agriculture has certainly much influenced peasants' investment in agriculture. Another issue is land "desertification". At each POI, there are too many people for too little land on one side, the situation that farming is low or no profitable, peasants are unwilling to farm and some land is laid idle or subcontracted at low prices is found on the other side. In most cases, the cost for land subcontracting is the tenant pays the agricultural tax only. Since the land subcontracting term is mostly one year, the frequency readjustment makes tenants lacking of any plan for long-term operation, unwilling to invest more and inactive to carry out industrial restructuring.

(5) The number and timing of labor export has become an important basis for the division of poor and rich peasants (See the "Social Appraisal Report" for the investigation, appraisal on labor export). The more and earlier laborers are exported from a village, the stronger it is financially, which also applies to a family. In Anhui—one of the major labor export provinces of China, the change in the industrial structure of agriculture mainly appears as the continuous reduction in the proportion of employees of the first industry and gradual increase in the number of exported laborers, which is also very significant at the affected areas. For peasants working outside, the purpose is making a living; for export locations, this can not only increase the primitive accumulation of capital, relief the stress of short grain supply and land allocation, but also let the "group of exported laborers" widen their eyeshot, update concepts, improve qualifications, learn skills and managerial approaches. Meanwhile, the movement of population brings along the movement of information and funds. At vast rural areas of Anhui Province relatively economically underdeveloped, the labor export has noticeably raised the income level of exporting families, also become an important income source of these families and a key channel for many rural communities to boost the economic income.

(6) At the affected areas with fertile products and beautiful scenery, the economic level isn't high, vitally because of unsmooth traffic. Local special products are sold at a low volume, mostly purchased door-to-door by dealers who would dramatically drive down the price. At the same time, the unsmooth traffic has greatly prevented visitors from visiting here. In addition, a small number of locals work outside, because the labor intensity is high for planting characteristic cash crops and men laborers have to serve as the main force, also subject to obstructed information, low technological, cultural level and unsmooth traffic. Accordingly, the road improvement is advantageous to the highway network construction in this region, so that the inter-county, interregional and inter-provincial intercourse will be more expedite. This may further promote the product and labor export, attract foreign capitals and visitors, thereby effectively driving the economic development here.

(7) It was found that the women's status at villages with better traffic conditions is higher than that at villages with worse traffic conditions (See the "Social Appraisal Report" for highway improvement's influence on women). The elevation of women's status lies on the increase in their educational attainment and the independence in the economic status, also on their ideological transformation from traditional to modern type. The traditional
mode of agricultural production restricted the play of women's abilities, the traditional culture is also greatly binding on the attainment of sexual equality. Women at villages with good traffic conditions have more opportunities and options of employment, many of them have broken away from the bondage of agriculture and improved their economic status greatly, particularly widened their eyeshot by working outside. All these will lead to the fulfillment of sexual equality in concept and practice naturally.

(8) The dependence on poverty resulting from poverty is the biggest ideological obstacle on the approach to poverty relief, because such ideological poverty arising from economic poverty exists on different degrees in every stratum at the affected areas. The ideological poverty finds expression in scanty spiritual consumption, outdated ideology, inflexible thinking, bad social mentality and dependence on the external society, which can directly affect people's thinking and behavior pattern, retarding the progress of poverty relief to some extent.

(9) The poverty relief action of the project execution on the affected areas is embodied in the following aspects: (1) optimizing the structure of various means of transportation at the province-level coordinated transportation zones, improving the investment environment, promoting the development of regional economy; (2) improving the traffic conditions at the affected areas directly, enlarging the market of characteristic planting and cultivation, also shortening the travel time of incoming visitors for higher attraction; (3) maximizing the rural agricultural population being materially benefited. Meanwhile, the ideological change is an essential precondition for economic development and elimination of poverty. The improvement of traffic conditions will surely broaden the vision of local people, add to their experiences and eventually alter the concept and sense of local cadres, peasants for the purpose of poverty relief.

(10) This Project will effectively support and promote the ongoing “10th 5-year” economic and social development programs at cities and counties. Particularly, it will produce positive, direct stimulation to the increase of peasants' income, reduction of the poor population, increase of opportunities for working outside, absorption of outside financing, addition of county/city fiscal revenue and investment GDP. The Project will hopefully become an organic integral part of the local goal to solve poverty and assist all levels of government in fulfilling the “10th 5-year Development Planning”.

Expert Panel's Suggestions:

(1) AHPII & RRIP and RSP will help satisfy imminent traffic demands. In villagers’ opinion, the poor traffic conditions have made it hard for local characteristic planting, cultivation products to be launched quickly, creating low profits relative to high transportation costs. It's also hard to introduce external capitals for local development and the high outgoing cost makes inconvenience. In addition, visitors are somewhat prevented from coming in. It can be anticipated that the Project is tremendously driving to the alteration of imminent traffic backwardness. It's suggested best effort shall be used during and after the project execution to support the traffic network construction at the affected areas, especially the
construction of county/township road networks, like pavement improvement, upgrading, etc., otherwise the objective of road improvement would fail and it would be impossible to help peasants become rich.

(2) Strength the publicity and education on traffic safety knowledge. Since a comprehensive, accurate perception of expressway is absent at most rural areas in the past, there has been the instance of riding a bicycle on the expressway, then it's very necessary to popularize expressway knowledge to residents along the line, especially to students. As a preventive measure, this may ensure local villagers' safety and the traffic smoothness, avoiding any poverty due to accident.

(3) Among the villages we investigated, a range of outgoing laborers have realized to contact their bosses at Jiangsu, Zhejiang and Shanghai for investment at their hometowns. Some people who have absorbed new concepts and skills are on their way home to establish a business, which tallies with the major trend that coastal labor intensive enterprises of the whole nation move inland. AHPII & RRIP and RSP will push forward the development of this local undertaking certainly, for which the government should offer great support and guidance under the overall strategy of inclining the economic structure towards the secondary, tertiary industry gradually and accelerating the urbanization of rural areas.

(4) The industrial restructuring shall allow for the interests of urban disadvantaged groups. To be concerned about the urban poor population, develop labor intensive industries and the tertiary service industry, it is suggested to: (1) practice, fulfill the urban “minimum standard of living”; (2) offer support to lay-off workers in the capacity of the government, e.g., the government “buys” some commonweal jobs (dustman, gardener, housekeeping service, doorkeeper) and provides them specifically to the urban poor population through employment exchange; moreover, help the urban poor population transform concepts and encourage them to deal with some jobs deemed humble formerly; (3) stipulate that some Party/government organizations and enterprise units recruit such individuals and are not allowed to make any job arrangement without authorization; (4) develop labor intensive industries to absorb surplus laborers, such industries are not so demanding on skills and are rewarded by the government for the number of laborers settled.

(5) The poverty-support shall be specific to every family. Previous poverty-support planning was almost carried out in the unit of township/town, but the social structure of China is based on the unit of family. Consequently, the poverty-support development must enter into families in villages and take poor villages, poor individuals as the main stage. Basic archives of poor peasants shall be set up by means of practical investigation. As required by the "10th 5-year' Rural Poverty-support Development Planning of Anhui Province", the policy must be fulfilled that "60% of any fiscal poverty-support fund allocated to a county, any special fund for mountainous/reservoir areas and credit poverty-support fund for planting and cultivation shall be allocated to every family". For rural poverty-support, it's important to strengthen the organizational leadership, enhance the carrier and elevate the qualification of the subject. In detail, (1) rational control and support shall be formed, because above all, the poverty-support requires all levels of organization to place it at an important position; (2) a carrier is needed, which is the road to be constructed; materially, it refers to the local natural position, resources supplies and relevant mechanisms; it also...
includes the development of related industries, e.g., characteristic agriculture, processing, tertiary industry and tourism; (3) the public must be the subject of poverty-support, this is the internal cause.

(6) Expand the infrastructural construction. Since the practice of the household contractual system in rural areas, a family has basically become the unit to decide production and life independently, but some common affairs are under poor management, such as road, soil erosion, human/livestock drinking works, small basin harnessing works, construction of water conservancy facilities and basic farmland construction. The government shall take the lead in mobilizing peasants to participate in collective activities organizationally in a planned way, e.g., quickening the road construction at poor villages, renovating village roads up to Class-4 sandstone pavement, speeding up the “blackening” (black topping) of county/township roads. The measure of “reward for subsidy” shall take the place of the former “disregard” policy that village roads are “constructed, maintained and protected” by villages. The “Interim Procedure for Rural Highway Management of Anhui Province” effective since Jan. 1, 2002 shall be put into practice, i.e., for any administrative village where the policy of “a discussion for a thing” is practiced, every villager pays at least RMB6 per annum for the rural highway construction or maintenance and the mechanism of rural road maintenance is sound, APDC shall pay the reward at RMB500/kmn-year.

(7) Since this Project will last a long period, its influences on the local social and economic development will be a long-term, continuous process. It’s suggested to ensure the smooth implementation and the realization of anticipated benefits of the Project by setting up or retaining follow-up or testing organs.