

China anti-poverty loans go to favored business

By Lynette Ong

CHENGDU - When one enters the building that houses the Poverty Alleviation Office in a poor county in rural Sichuan, the polished floors and air-conditioned offices catch one by surprise. In no way is the comfortable and well-appointed office indicative of the nature of this organization that has been given the mission of helping the massive number of poor in this "poor county by national standards" with an average per capita income of about 1,000 yuan (US\$120).

The definition of a "poor county by national standards" can be misleading and unclear because it depends not only on the poverty level of the area but also the locality's bargaining position in Beijing's elite policymaking circle. Most local authorities lobby for the poor-county title to qualify for soft money from the central government. However, this particular county in Sichuan is indeed "poor by national standards", since its economy depends to a large extent on the remittances from local residents who work in other parts of the country. These migrant workers constitute more than half of the county's total workforce.

Director Yu, giving only his family name, of the Poverty Alleviation Office was quick to impress a foreigner with the massive sum of money the Chinese government has set aside every year to help improve the standard of living of the rural poor, as well as the magnitude of funds the county - despite its poverty it has good representation in Beijing - has managed to secure from the central authority. Allocations from the central Ministry of Finance for poverty-alleviation projects in the county are no less than 15 million yuan (\$1.8 million) a year. Poverty-alleviation projects are mostly for infrastructure building, such as construction of roads and water tanks, as well as for health care and education. That aside, another 100 million yuan (\$12 million) of subsidized poverty loans has been made available for the county. Yu became reticent when Asia Times Online inquired to whom the poverty loans have been disbursed, and at what loan-repayment interest rates.

The subsidized poverty loan program is a centerpiece of the Chinese government's policies to alleviate poverty and to narrow the wide gulf between the rich and the poor. Since its inception in 1994, its implementation has been plagued with problems, including deciding the agency best suited for delivering the loans, the criteria for selecting the loan recipients, and its very low repayment rate, which is officially estimated at around 50%, but in fact could be as low as 20-30%, according to informed sources familiar with the program.

The Agricultural Development Bank of China (ADBC), a non-profit-making policy bank, was originally charged with delivering the poverty loans. Nonetheless, after a massive corruption scandal in 1998, the delivery was transferred to the Agricultural Bank of China (ABC), a state-owned commercial bank. On a nationwide scale, the ABC is responsible for disbursing 10 billion yuan a year to poor agricultural households that are in need of credit for investment in agriculture and animal husbandry. Borrowers pay a subsidized interest rate of 2.88% per year, while the central Ministry of Finance in turn compensates the ABC for the difference in monetary value between the market and the subsidized rates.

Based on my interviews with hundreds of poor households over a three-month period in rural Sichuan, most of them have not even heard of these anti-poverty loans, and very few have actually benefited from the program. Ironically, the beneficiaries are those with good *guanxi* (connections) with the relevant officials. Some studies suggest that less than 10% of the loans nationwide have actually reached the hands of the households.

A fundamental problem with most subsidized loans is the incentive issue. The borrowers have little incentive to repay the loans since they face no legal consequences for their non-payment, and their delinquency or bad credit does not affect their ability to borrow from other sources. In rural China, where legal enforcement is almost non-existent, collateral and guarantors that are common in Western societies mean nothing to the creditors. On the other hand, the bank officers

in charge of disbursing the loans have little incentive to ensure prompt repayment. They probably gain more by colluding with the borrowers who could offer them some rewards in exchange for access to the subsidized credit. In essence, the subsidized loan program in China suffers from serious lack of supervisory and regulatory mechanisms that provide appropriate "carrots and sticks" for both lenders and borrowers.

Another problem with subsidized credit lies with the organization design that is unique to China. The credit program is jointly managed by the Agricultural Bank of China and the Poverty Alleviation Office: the former takes control of the funds, and is in charge of disbursement and collection, while the latter is responsible for giving its formal approval in order for the ABC to obtain interest subsidies from the central finance. The Poverty Alleviation Office is led by the State Council in Beijing, but at the county level, it reports to the Poverty Alleviation Office at the prefecture level (one level above county) as well as to the county party committee and county government.

The "dual leadership" structure, or *shuangchong lingdao*, is a characteristic of all administrative units in China. In a similar fashion, though all ABC branches throughout the country are managed by the headquarters in Beijing, those at local levels are highly influenced by the local governments. What this means is that loan allocations often suffer from "administrative inference" by local authorities.

In this particular county in rural Sichuan, the totality of poverty loans, about 100 million yuan a year, is now lent to an electricity plant, a major project approved by the county party committee. When Director Yu was asked why this profit-maximizing company instead of the poor households deserves the interest-rate subsidies, he said, "Well, upon completion, the plant is able to contribute significantly to the county government's tax revenue."

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<http://www.atimes.com/atimes/China/FH04Ad01.html> August 4, 2004

扶貧貸款：扶了誰，又富了誰？ (05/08/2004)

Lynette Ong 撰文

當踏入中國四川一個小縣城的扶貧辦公室大樓時，眼前的這些鋪著地板磚，裝著空調的辦公室讓我驚詫不已。在這個人均年收入僅為1000元人民幣的地方，這樣的機關大樓很難讓人想到，它是為還在貧困線上掙扎的廣大農民服務的。

“國家級貧困縣”的定義模糊而且有誤導，它不僅要看當地的貧窮程度，還要看領導會不會哭窮叫苦，扮出一副可憐相。許多領導就是看中了這頂“國家級貧困縣”的帽子，籍此理直氣壯地向上級爭取扶貧救濟資金。但是這個縣城卻是個名副其實的“國家級貧困縣”，它的經濟主要是依靠在外打工的青壯年向家裏的匯款；目前該縣超過一半的勞動力都已流向外地。

見到我這個老外，扶貧辦的余主任，像其他死要面子的中國人一樣，先吹噓一下中國政府如何關愛民生：財政部每年撥出扶貧款大約1500萬元人民幣用於基礎設施建設（修公路、建水壩、衛生和教育），還發放1億元人民幣的扶貧貼息貸款。但是，當我問起扶貧貸款是如何使用的，償還利息是多少時，剛才還滔滔不絕的他一下子沒了話說。

國家扶貧貸款項目是為了讓特定的貧困群體切實享受到政府資助，以使其提高自我積累和自我發展能力，真正走上脫貧致富之路，是中央的縮小貧富差距的一項重要舉措。自1994年實施以來，各種問題隨之而來，譬如該選擇哪些金融機構發放貸款，借貸人資格的評定標準為何，貸款收回率過低（官方預計有50%，實際上只有20-30%）。

起初貸款項目選擇了中國農業發展銀行（Agricultural Development Bank of China），但是由於1998年該行爆出嚴重腐敗醜聞，轉而選擇了中國農業銀行（Agricultural Bank of China）。農業銀行每年發放100億元貸款，用以資助那些急需向農業投資或者發展畜牧業而缺乏資金的貧困家庭。扶貧貸款的利率為2.88%，與基準利率5.31%之間的差距由中央財政補貼給農業銀行。

貼息貸款的一個基本問題就是監督和管理機制漏洞百出。借貸者沒有償還貸款的積極性，因為就算賴帳不還也不用承擔任何法律後果；而且即便這樣，他們依然可以從其他渠道繼續貸款。在中國農村，法律在這個方面基本上沒有約束力，抵押和擔保如同虛設。另一方面，銀行官員也沒有積極敦促借貸人償還貸款。相反，這些官員可以通過和借貸人串通起來，多發放貸款而中飽私囊。

另外一個問題就是有著中國特色的雙重管理。扶貧貸款項目是由農業銀行和國務院扶貧辦公室共同管理的。前者負責控制、發放、收回貸款，後者向財政部申請貼息額，來補貼前者的利率差。但是到了地方，縣扶貧辦要向地區扶貧辦(它的上級部門)、縣委和縣政府報告；農業銀行的工作容易受當地政府的影響。大有“油水”的扶貧貸款項目自然會倍受領導們的“青睞”而常常受到行政干預。

三個月中，我在四川採訪幾百個貧困家庭。多數人沒有聽說過扶貧貸款，能夠受益的更在少數。因為這些貸款都給了跟官員們關係很好的家庭。還有一些調查認為，真正到了貧困家庭手中的扶貧貸款還不到發放額的10%。

就在這個四川小縣城，每年1億元人民幣扶貧貸款貸給了一個縣委支持的發電廠。當我問余主任為什麼扶貧款給了這個發電廠而不是貧困家庭時，他說：“等一建好，電廠就能給縣裏繳不少稅了。”

看來，這些大老爺們一心想的是如何邀功利己，而非老百姓的死活。

<http://www.asiatimes-chinese.com/2004/08/0805rep.htm>