

Factor Capitalization, Industry Development and Targeted Poverty Alleviation

—Based on the Investigation of Danzhai County, Guizhou Province

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Abstract: At present, targeted poverty alleviation is a major development strategy in China. Based on the investigation of Danzhai County in Guizhou Province, this paper argues that industry development is the fundamental measure through which to implement the poverty alleviation program. Industry development includes both the development of local industries in poverty-stricken areas and the development of industries in other regions of China. Local development is mainly achieved when the invisible superior resources become visible and the notable superior resources are capitalized in poverty-stricken areas, in which, the capitalization of factors and resources relies on fundamental governmental investments which will create a profit space for the poverty-stricken areas through the down-to-countryside cadres' precise guidance for the use of poverty alleviation funds to help identify a breakthrough for industry development, and particularly the attempts to focus on the development of high-end industries under the lower-end production mode to form a community with common interests aiding poverty alleviation. Development in other regions can be mainly achieved through various modes such as "tax-finance-poverty alleviation," "industry-employment-poverty alleviation" and "industry-enterprise direct investment-poverty alleviation" to offer indirect or direct support for poverty alleviation in poverty-stricken areas. An appropriate handling is required to deal with many problems related to the local industry development in targeted poverty alleviation and the targeted poverty alleviation in industry development.

Keywords: targeted poverty alleviation; factor capitalization; industry development; Danzhai County of Guizhou Province

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Poverty has always been a keen concern for China. To alleviate poverty is to enable the achievements of economic development to be shared by all the people of society, particularly to make low-paid people feel self-worth during development. Since the introduction of the policy for reform and opening-up, with the steadily deepening reform of the economic system and the transformed and upgraded economic development mode, the people's living standards have improved enormously and the problems of food and clothing have been basically solved, and yet, according to the current Chinese poverty standard, there are still 55.75 million people living below the poverty line (Information Office of the State of Council of the PRC, 2016). Thus, China claimed that poverty alleviation must be thoroughly accomplished by the current standard and all the people must be enabled to live a reasonably well-off life before 2020. To accomplish this goal requires huge courage politically, a thorough grounding in practice, and a distinct logical mind in theory. This paper, based on the investigative study of Danzhai County in Guizhou Province, analyzes the Chinese targeted poverty alleviation strategies from the perspective of economics, especially the basic theory of Marxian economics, to further study Guizhou as a sample of poverty alleviation, refine Guizhou's experience, and contribute to the improvement of the national targeted poverty alleviation strategies.

To make the study less complex, poverty and its related issues under discussion here are only intended for material poverty and involve no immaterial poverty like spiritual or cultural issues (Xin, 2001; Sun, 2016; Sen, 1926; Wang & Alkire, 2009). Additionally, the poverty mentioned in this paper is the study of rural poverty and its alleviation, involving no urban poverty, for the majority of the overall needy population are living in rural areas. Besides, under the current Chinese poverty alleviation system, urban poverty alleviation

is under the charge of sectors like the Ministry of Human Resources and Social Security, the Ministry of Civil Affairs, the Health and Family Planning Commission, and the Ministry of Education, rather than LGOPAD (Leading Group Office of Poverty Alleviation and Development of the State Council) and other municipal offices of poverty alleviation and development.

1. The inner logic underlying poverty, poverty alleviation and targeted poverty alleviation

Poverty usually refers to the living state of those people whose living standard is far below the average of their society. In the early period of China's reform and opening-up, poverty mainly manifested in the ineffective solution to the survival needs of the people; and with the continued rapid development of the economic society, the current poverty is embodied in the lower income, especially the lack of steady cash income, which, though it has satisfied basic survival needs, is still far from enough to afford other expenses such as children's education and basic medical care, not to mention the continuous improvement of the living standard and quality, many people who live just slightly over the poverty line are still far away from adequate well-being. Whatever period it may be, poverty is always a living state people abhor, but to the poor, the way of their life and production has gradually been fixed, and it is difficult for them to break the chains of recurring poverty and lift themselves out of poverty without help. Just as Schultz (2006) mentioned in *Transforming Traditional Agriculture*, some regions saw the peasants suffering from severe poverty in traditional agricultural societies, but the factors of local agricultural production had already been optimized to their highest efficiency. This theory also applies to the current production

conditions of Chinese poor households. Though they have a strong will to get rid of poverty, it is often the case that the poor have already achieved the best configuration and utilization of the current production factors conditioned by their external production and living environment and their own working capability which is impossible to change within a short term. However, it is just a balance state of lower productivity and lower income, unable to help the poor alleviate poverty. The following propositions describe the state of the people living in rural poverty:

Proposition 1. The poverty-stricken people abhor poverty are conditioned by their unchanged external and internal factors, they find it impossible to break the chains of recurring poverty by themselves.

Poverty alleviation is referred to the external agents intended to offer poverty-stricken areas support and assistance to lift the poor out of poverty. These agents mainly include four aspects. The first is the central government and local governments that grant funds and send cadres at various levels to the countryside to offer guidance; the second is the Ministry of Civil Affairs, the Ministry of Education and the Ministry of Transport that offer the material, cultural and technical support and financial funds; the third is the support and efforts from different enterprises of the society; the fourth is the assistance of the social charity institutions and organizations. The main objective of poverty alleviation is to change the number, quality and structure of the supplied production factors in the poverty-stricken areas through the aid and assistance of the external forces, and further change the old ways of lower-

output production, to break off the chains of recurring poverty, making other regions accessible to the poverty-stricken areas and translating into reality the common extensive share of resources, markets and profits.

From what is discussed above, the second proposition is summed up here:

Proposition 2. Poverty alleviation is to change the number, quality, and structure of the old production factors by introducing new production factors so that the old means of production and chains of recurring poverty will be broken and a new balance will be achieved by a new production way of higher productivity.

Poverty alleviation is to help the poor through external agents. But what on earth makes those agents actively devoted to this poverty reduction cause? In terms of the aiding subjects, there are national governmental sectors, non-profit organizations, and many kinds of enterprises involved in the poverty alleviation work. For the first two subjects, poverty alleviation is not to their own economic benefit. The governmental sectors help reduce poverty in light of the overall national development and their due social responsibility^①, while the non-profit organizations help the poor because the initial purpose and aim of their establishment determines their nonprofit nature. For enterprises, their actively shouldering some social responsibilities will help them earn a good reputation and a positive social influence, but they, and the private enterprises in particular, have no obligation for poverty alleviation. Therefore, it is the governments at various levels that are the

① Poverty alleviation has always been one of the focuses in China, especially in mid-1980s, a nationwide large-scale poverty alleviation work has been organized and planned in China, including the implementation of The Seven-year Priority Poverty Alleviation Program (1994–2000), (a program designed to lift 80 million people out of absolute poverty in the seven years from 1994 to 2000), Outline for the Development-oriented Poverty Reduction Program for Rural China (2011–2012), the latter of which promulgated in 2011 is aimed to enhance the standard of poverty relief work based on the achievements of previous efforts, putting more emphasis on identifying precisely the aided targets and aiding measures, on enhancing self-development ability, on promoting equal access to the basic public service, on solving the marked problems that block development, all of which is to enable the poverty-stricken people to have enough to eat and wear and guarantee their rights to compulsory education, basic medicare and housing so as all the people will live in a well-off society by 2020.

cornerstones in the course of poverty alleviation, especially in the early stages of poverty alleviation and development when government financing often is the only means to aid the poor. Though the poverty alleviation in a way of blood transfusion by government is necessary, the poverty alleviation in a way of blood production by government should be regarded as the major means to alleviate poverty, for apart from directly subsidizing the incapacitated, the blood transfusion of the government is mainly intended to attract more external agents to access poverty-stricken areas through market channels and bring out the best in them under the direction of the market mechanism and finally accomplish the mutual construction and mutual benefits. In current studies, there are some scholars who have specialized in participated poverty alleviation (Zhao & Guo, 2000; Cao, 2007; Li & Chen, 2008).

Thus, the third proposition is specified as follows:

Proposition 3. Poverty alleviation relies on outside funds and aids as the opportunity to develop the potentials of the poverty-stricken areas and the people there. The process of poverty alleviation is primarily led by the government and then, the aggregate of common interests constituted by the poor, the government and the enterprises is constructed, and finally an effective poverty-alleviated method is developed, which is supported by industry development.

Targeted poverty alleviation is to find a solution to the inefficient use of the aid funds and save the poor from being the least benefited among the direct beneficiaries. It stresses the accuracy in identifying targets, project arrangement, allocation of funds, measure implementation, cadres' assistance, and effectiveness of the entire targeted poverty

alleviation program^①. Targeted poverty alleviation is a natural choice under the new circumstances of the economic progress and poverty alleviation and development effort. The new situation confronting the current poverty alleviation is represented in three aspects. The first is that compared with the past, the present situation is less severe, and the poor are expressing greater demands to alleviate poverty, with differentiated demands in different areas or different people in the same area. The second is that with the differentiated demands as the premise, the present single-mode poverty alleviation policies can not have all the poor involved, thus a more differentiating and distinctive policy must be formulated and promulgated to meet the demands. The third is that the poverty identification and the assessment of poverty alleviation in the past was inaccurate and harmful to the implementation of targeted poverty alleviation. For example, the poor people in poverty-stricken areas are disposed to be "the said poverty alleviated" if measured by the improvement in income per capita. Another example can be found in the assessment of the effectiveness of poverty alleviation within a short term which makes it difficult to realize the development mode of poverty alleviation, a mode to gradually translate industry development by infrastructure construction in the poverty-stricken areas.

To contribute to the progress of the present targeted poverty alleviation, the fourth proposition is put forward here:

Proposition 4. Targeted poverty alleviation is the innovation and development of the old alleviation mode. To implement the strategies of targeted poverty alleviation, the key link is industry development and dispatching cadres to the countryside. Moreover, careful handling

^① Lead all the Chinese people to a comprehensive well-off society—A documentary of poverty alleviation led by the party central committee with Xi Jinping as the general secretary. *China Daily*, Nov. 27th, 2015.

is needed in the conflict between the standard income and the standard number of the poverty-stricken population during the accurate identification of aid targets, in the interest relationship between the poor and the non-poor during the accurate implementation of the poverty alleviation measures, and in the relationship between the competition and the cooperation in the industry development among different towns and villages during accurate project arrangements.

In the following parts, this paper argues the universal problems raised by the aforementioned four propositions based on the field investigative materials of Danzhai County. Poverty alleviation of Guizhou province is of nationwide typical significance, for Guizhou is the main battlefield of the national anti-poverty campaign with Danzhai County coming out top as a connection point for the governors and their predecessors since 1987. At present, the National Audit Office, the General Office of Guizhou Provincial Government, and the Guizhou Provincial Audit Office are in charge of aiding Danzhai County in poverty alleviation, and the governor of Guizhou Province and the secretary of the provincial party committee are in charge of connections. The state-owned and private enterprises like Moutai Group, Wanda Group and the Bank of Guizhou are tied to Danzhai County, and Binjiang District of Hangzhou and Keqiao District of Shaoxing in Zhejiang Province have established “hand-in-hand aid” relationship with Danzhai County. So Guizhou Province can be described as a typical example for the national anti-poverty campaign, while Danzhai County is the best sample case which can be copied and promoted by other regions of Guizhou province and even the whole country. Thus, the field investigation in Danzhai County contributes to a better understanding of problems raised during targeted poverty alleviation so that more accurate propositions will be offered for

targeted poverty reduction in Guizhou and the whole country.

2. The causes of poverty: from the perspective of production factors and production relations

2.1 An analysis in view of the basic theories of Marxian political economics

Based on the previous studies (Huang & Liu, 2016), this paper attempts to explore the causes of poverty according to the basic theories of Marxian political economics in the following three aspects.

The first is labor ability. Labor is the source of value creation and the basic means for laborers to gain income. But for some people who have lost labor ability from aging or failed to undertake some jobs limited by the level of their knowledge and skills, it is impossible to rely on their labor to earn money and as a result, they live in poverty. Thus, the loss and lack of labor ability is the primary cause of poverty.

The second is the objects produced. In the following two cases, even a laborer of some labor ability might be subjected to poverty. The first case is poverty resulting from the fact that the objects produced are not commodities. Though some laborers can produce some objects through labor and production, they still have no corresponding income when these objects are only for family use and do not amount to commodities. These laborers are kept at the subsistence level and seldom have the opportunity to get rid of poverty. The second case is poverty resulting from the fact that the objects produced cannot meet the market demands or they can only meet the low-end market needs. Even though the final purpose of laborers is to produce commodities, and especially for the agricultural laborers. Their agricultural products will encounter poor sales in case of a larger market fluctuation

and fail to become commodities; even though the products can be sold out in time, the selling price is still lower, for these are lower-end agricultural products. That is why these laborers suffer from poverty.

The last is capital. If the lack of labor ability is the primary cause of poverty, then the shortage of laborers' own capital and the external capital which no one is willing to invest in poverty-stricken areas is the underlying cause. To be specific, the first is poverty resulting from the lack of personal capital. Theoretically, the poor have no capital except for their own labor that they can sell to the capitalists. The labor sold to the capitalists becomes capital, and the laborers themselves own no capital, therefore, without the ownership of capital, the laborers will not gain or share the surplus value of the capital and turn out to be poorer and poorer in capital cycles. In China, the collective system of ownership in rural areas enables the peasants to equally share the rights to the collective assets, especially to the land. However, in poverty-stricken areas, all their unique ecological and cultural resources haven't been explored and managed in a mode of marketization and capitalization, making it difficult to realize the capitalization of the superior resources. As a result, the lack of personal capital became a barrier for these laborers to alleviate poverty. The second is the poverty resulting from the lack of external capital. In poverty-stricken areas, on the one hand, the lack of local capital, especially the lack of collective capital, makes it difficult for local people to break the poverty cycles, and on the other hand, because of the backward infrastructure construction and the unfavorable geographical features and soil conditions, nobody wants to invest in poverty-stricken areas. So, in order to attract more external capital, the investment environment must be improved; the infrastructure

construction in poverty-stricken areas must be accelerated so that the relevant investments can have a higher return; in terms of the collective assets of poverty-stricken areas, either allow the external agents to buy a share of the production and establish a co-operative mode or set up Rural Cooperatives and adopt an operative mode dominated by the rural collective economy, the latter of which will to a greater extent keep the capital interests collective and further translate the common share of the capital interests and lead the collective members to common prosperity.

2.2 An analysis in view of the elementary factors of production

First, in terms of the labor force, some poor families are in severe need of labor force and are sometimes cornered to no labor force, in the extreme condition, as a consequence of disease, disability or the schooling of the children. In some cases, their poor life is deteriorated by the larger expenses of medical care and higher tuition and the living cost of the children.

From the overall condition of Guizhou province, the poverty-stricken population because of disease, disability, and the schooling of children amounts to 31.7% (see Table 1). Some poor households though have no such life burdens, have not enough laborers because of a small family and the old age, so that they earn a lower income and live a hard life. People of this case account for 10.2% of the total poverty-stricken population in Guizhou province. And for some poor families, though they have members with labor ability, they are still poverty-stricken, for the laborers are only capable of the agricultural production passed down from generation to generation, having no knowledge of new tillage skills to grow economic crops that can bring out higher returns, or lacking requisite skills for migrant work. Such families make up 17.2% of the poverty-stricken population. There is still 3.2% of the improvised

Table 1 Causes of Poverty in Guizhou Province in 2016

Causes of poverty from the perspective of production factors	Causes of Poverty	Poverty-stricken Population (head)	Proportion (%)
Labor force	Disease	593103	12.1
	Disability	236238	4.8
	Schooling	721198	14.8
	Shortage of laborers	499994	10.2
	Shortage of skills	842266	17.2
	No motives to develop oneself	154954	3.2
	Total caused by lack of labor forces	3047753	62.3
Resources	Shortage of arable land	59506	1.2
	Shortage of water	5304	0.1
	Disaster	76650	1.6
	Poor transportation conditions	172230	3.5
	Other	56675	1.2
	Total caused by shortage of resources	370365	7.6
Fund and capital	Shortage of money for development	1470712	30.1

Source: Hao Yingcan. (2016, August 18). The peak development of targeted poverty alleviation. *People's Daily*.

population because of their individual personality, being overcautious and indecisive, or being content with current situation, having no motives for poverty alleviation. The poverty-stricken population as a result of the lack of labor force accounts for 62.3% of the total, so the labor force is the most important cause of poverty.

In terms of the condition of Danzhai County in Guizhou Province, the same is generally true of the poverty caused by labor force. Specifically, poverty caused by disease accounts for 19%; poverty caused by children's schooling accounts for about 14.8%; poverty caused by a shortage of laborers accounts for about 13.6%. In general, poverty caused by the labor force makes up about 47.4% of the total. According to the problems solved for those poor people who are in desperate need of poverty alleviation, the labor-force-related problems have reached the highest proportion. For example, aid in cost of living

accounts for 25%; aid in skills accounts for 17%; aid in medical care accounts for about 15%; aid in education accounts for about 11%.

Second, in terms of resources, the vital industry in rural poverty-stricken areas is agriculture, and the primary resources related to agriculture are land and water. For China, the poverty-stricken areas are mostly located in western regions, the northern parts of which are universally plagued by the problem of "being rich in land but poor in water" with the southern parts of which vice versa. As the only province without any plain, Guizhou is in want of land resources, and many hills and mountains make difficult the large-scale mechanization of agricultural farming. Take Paidiao Town of Danzhai County for instance. Nearly none of a complete stretch of over 100-acres land can be found in the whole town and 30% of the current arable lands have a gradient from 15 to 25 degree, and the gradients of 60% of the

area are above 25 degree. Moreover, geographical disasters are a high occurrence to the town and its ecological environment is very fragile^①. The poverty caused by the shortage of arable land and geological disasters respectively account for 1.2% and 1.6%.

Apart from agriculture, the element constraining the rural resources of the poverty-stricken areas from being most effectively used is the poor condition of transportation infrastructure. Guizhou boasts many beautiful natural views and profound cultural resources, but because of its inconvenient transportation, the tourist industry and the relevant tourist products have long been under-developed. Besides, the inconvenience of transportation makes its varieties of ethnic culture and handicrafts inaccessible to the outside world, and many green agricultural and livestock products have no opportunity for sale in other markets. According to statistics, in Guizhou, the poverty-stricken population caused by poor transportation conditions accounts for 3.5% of its total. In general, the element of resources or those involving resources have reached 7.6% of all the poverty causes.

Last, in terms of funds or capital, the production factors of those poor households are far from being recognized as their own capital. Seen from the condition of the whole province, there are 30.1% of the poverty-stricken population who believe that the cause of their poverty is neither the lack of laborers, nor disease or schooling, but lack of funds for further development (Figure 1). The present income of the poor can only help them keep the present level of living and production, providing no possibility for them to improve the present life and further find a way to poverty alleviation and prosperity. Then, does it mean that these poor people will become rich if they gain development funds? The answer is no.

First, it is true that the poor have no development funds, but it is difficult for them to gain development funds for free. Although they may get the money through loans of lower or zero interest, the repayment of the principal and interest will require a stricter evaluation of the use and future return of the loan. Or else, the poor households who owe the money may not only fail to accomplish poverty reduction, but also become even more burdened by the debt of the loan. Additionally, though the poor lack development funds, economic entities such as enterprises have capital. Therefore, poverty reduction of the poor can be empowered by the capital of enterprises. In the practice of Guizhou's poverty alleviation, the solutions to the lack of development funds are generally accomplished in the following ways. (1) The poor people use their rights to the contracted management of land in exchange for a share of new-mode agricultural operative entities such as agricultural enterprises or agricultural cooperatives. (2) With "preferential" loaned funds, the poor buy a share of the agricultural enterprises and on the one hand, they can share

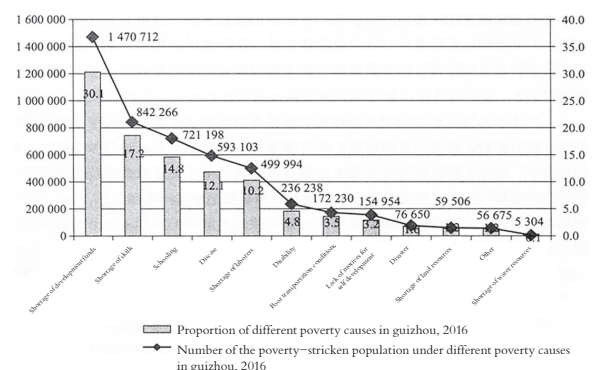


Figure1 The Poverty-stricken Population and Poverty Causes in Guizhou Province (2016)

Source: Hao Yingcan. (2016, August 18). The peak development of targeted poverty alleviation. *People's Daily*.

① The People's Government of Qiandongnan Miao and Dong Autonomous Prefecture. The three-year implementation scheme of poverty reduction in Paidiao Town of Danzhai County. http://zy.qdn.gov.cn/xxgk/zfxxgkpt/szfxgkml/201605/t20160516_399394.html.

the dividends, and on the other hand, their family laborers can work in the enterprises. (3) Collect all the subsidies granted to the poor households and buy a share of the local well-known enterprises to gain more interests.

Seen from the condition of Danzhai County, apart from the labor and other elements mentioned above that result in poverty, there is another important factor, that is the shortage of development means which accounts for about 42% of all the poverty causes. The shortage of development means here is in economics synonymous with the lack of development funds mentioned in the data of Guizhou Province. The latter is mainly focused on the start-up money initially owned by the poor while the former refers to the lack of start-up funds and employment opportunities.

In view of the production factors, the poverty causes of Guizhou province are primarily labor force, and then the lack of capital, and finally the shortage of resources or the constraints of resources.

2.3 An analysis in view of production modes and production relations

In view of production modes, most of the poverty-stricken areas are located in the remote rural regions where the geographical terrains and landforms are neither favorable for agricultural mechanization of large scale farming nor convenient for selling local featured agricultural products to other places. The agricultural production modes of poverty-stricken areas or the poor people are still hanging onto the small peasant household farming with lower economic benefits. In view of the development of the second and third industries, the poverty-stricken areas have lagged far behind, and especially the local tourist industry has displayed the characteristics of small scale, fragmentation and low end products.

In view of production relations, Chinese rural areas are dominated by collective ownership, and

the peasants have equal rights to the distribution of benefits gained from the rural collective assets. In Guizhou's poverty-stricken areas, the major rural collective assets are land and the mineral resources. However, the advantage of the richer natural mineral resources doesn't mean a better and faster economic growth and development. The phenomenon of "resource curse" still exists in the western parts of Guizhou province (Shao & Qi, 2008). Why have the richer resources failed to drive the western parts of Guizhou to a better and faster development? And, what is it that results in a long-term existence of a larger number of the poverty-stricken population?

In view of production relations, many resources and factors in Guizhou's poverty-stricken areas haven't accomplished capitalization, or in other words, their capitalization can only be translated in other places rather than in the local areas. But what is capital? According to Marxist capital category, the chief difference between capital and asset lies in different use of the resources or factors (Marx, 2004, p.922). If the resources or factors are put into use during the production process under the mode of capitalist production, they will be called capital, and if it is not the case, then they will be assets. At present, it is inappropriate to copy Marxist specific analysis of capital in China, for the capital category in Chinese use today will no longer embody capitalist production relations but reflect the new-pattern production relations under Chinese socialist conditions. In the concrete analysis, it requires presetting that the economic entities of various enterprises operate according to the general laws of a socialist market economy and varieties of resources and factors are organized and managed in a mode of enterprization and marketization in production, management and operation, then a particular mode of movement for the forming of capital is ready, and when the factors and resources are integrated into the enterprises and other economic entities, they

will accomplish their capitalization (Zhang & Pang, 2016).

At present, the production factors of the poverty-stricken areas are still in a low progression of capitalization. First, because the local poverty-stricken areas have no ability to provide rural laborers with sufficient appropriate non-agricultural jobs, the local laborers have to leave for migrant work offered by enterprises in other regions. That is how the local labor resources accomplish capitalization in other places. However, these migrant workers can only gain somewhat fixed earnings, and other benefits gained by their working enterprises are of little use in helping with the economic development of their registered permanent residence. In addition to this, the exploitation of the natural mineral resources often stays in its mining stage in the poverty-stricken areas, and the enterprises that process the mined resources are not local, that is to say, the development and exploitation of the mineral resources in the poverty-stricken areas are kept at the end of the industrial chain and the value chain. Finally, the capitalization of the land resources and tourist resources such as the featured culture and natural landscape is still in its cradle, the organic agricultural products are often for the peasants' own use, and the tourist resources of featured culture are still under-developed. In a word, the poverty-stricken areas are still following the traditional low-end mode of production. From the perspective of production relations, the root of poverty lies in the failure of the rural resources and production factors in poverty-stricken areas to operate in a mode of marketization and enterprization, especially the failure of the capitalization of the superior resources.

It should be noted that the factor capitalization here is no way intended for the implementation of private ownership or for capitalism but an operative mode of production factors that should follow the general laws of the socialist market and

conform to the basic principles of the marketized operation. It is a must to find an appropriate solution to the irrelevance of the small-scale production to the large-scale market, the combination of the decentralized production and unified management, and the effective integration of resources into the development of the industrial chain. In the process of production factor capitalization, especially for the rural collective owned production factors, the collective-capital translation of the land and other factors will serve as an effective approach to the above-mentioned problems and further poverty alleviation.

It is common for the industry-aided poverty alleviation to be accompanied by the factor capitalization. Many of the existing literatures have studied the effects of factor capitalization and the industry-aided poverty alleviation. The process of development-oriented poverty alleviation with industry development as leverage is an efficient and effective way to develop the poverty-stricken areas and increase the income of the residents there, and the industry development is the strategic focus and main task of poverty alleviation (Huang, Ye & Lai, 2016). But because of the poor people's insufficiency of skills, labor ability and funds, some poverty reduction programs have failed to involve all the poor who thus can't equally benefit from the investment of poverty alleviation (Wang, 2008). So in order to avoid the negative influence of the industry-aided poverty alleviation and factor capitalization, some researchers propose that with respect to industry-aided poverty alleviation, some programs empowered by the public-owned financial resources shouldn't be used as the subsidy "capital", but should be encouraged to "go down to the countryside". The forcible "transition" of the peasants' rights to the management of the land and its benefits should be banned when they are still planting and breeding (Sun, 2015). There are also some scholars who

suggest that the national financial resources for poverty alleviation should be integrated and tied to cooperatives and then combined with the peasants' own resources, which will not only, co-supported by the cooperatives, push up the establishment of a targeted poverty alleviation mechanism, a mixture system of industry development, asset benefits, cooperative finance, and the development of agricultural science and technology, but also increase the peasants' share in cooperatives (Zhao & Xing, 2016). Some scholars point out that by establishing a collective aiding institution such as cooperatives, collective farms, and joint-stock enterprises, allow the poor peasants to buy a share with their natural resources, substantial assets, or the national grants so as to enjoy a permanent or long-term dividend (Zuo, 2015). Some scholars propose that the government should manage to unblock the production-storage-breeding-circulation channels and help in protecting peasants against the periodically occurred risks (Zhang, 2016). Some other scholars put forward the proposition that the progressing of the cooperative mode between the government and the social capital can compensate for the insufficiency of investments in the poverty-stricken areas (Lian, 2017).

In Chinese rural poverty-stricken areas, the collective ownership of the land resources determines the collective nature of the capitalization of land and other production factors. As a result of which, the rural collective can share the capitalized benefits, and the same is true of its peasant members. The capitalized factors may either become the co-shared capital between the rural collective and its cooperative external-capital owners or become the capital of the rural collective organized cooperatives, a necessary means for collective members to alleviate poverty and realize common prosperity. Seen from the practice, the former possibility is real, but the benefits distributed to the rural collective are very limited. Nevertheless, the capitalization of

factors has, to some degree, succeeded in helping the poor improve their living and production standards. The latter possibility is also real in practice. Take Guizhou's Tangyue Mode for example. This mode can smoothly set up a mechanism which enables the rural collective members to share the returns created by the industry development, so it is a favorable development mode for the poor to share more from the capitalized interests. But in targeted poverty alleviation, the single agricultural production field alone cannot lead the industry-aided poverty alleviation to success. The key to the success of industry-aided poverty alleviation is the integrated development of the first, the second and the third industries in which, the rural resources and capital alone are far from enough to fulfill the overall purpose, making the introduction of external capital somewhat a must. With the participation of the external capital and industry development, it is a must to find an appropriate solution to the share proportion of the external capital and the rural collective owned capital to ensure the living and production of the latter, thus the poor of the rural collective can be remarkably improved. According to the practice, though the factor capitalization cannot absolutely solve the relative poverty problem or the gap between the rich and the poor nationwide, this process is for the targeted poor community, a better way to enhance their living and production standards, and to further the progress of poverty alleviation.

3. The visibility of superior resources and factor capitalization in poor areas

3.1 The source of prosperity in poor areas

First, it is just the exterior environment of the poverty that makes the original ecological culture, landscape and craftsmanship possible. Among the

factors that lead to poverty, some factors may be the source of prosperity. In the investigative study of Danzhai County, it has been found that many villages and towns are nearly absent of factories or enterprises around them, for which the local people can find little employment opportunities and non-agricultural income in their places, but at the same time the poor development conditions enable them to create a harmonious relationship to nature, and enjoy the blue sky, the green mountains, and a favorable ecological environment. For some villages, the inconvenience of the transportation due to the steep mountains in turn helps them well preserve their intangible cultural heritage such as the local ethnic culture, customs and handicrafts. In short, the beautiful harmonious nature and the original ecological ethnic featured culture and craftsmanship of the poverty-stricken areas can gradually be undertaken as a vital carrier and means to alleviate poverty and lead the poor to prosperity.

In addition, the development of the economic society has made superior resources in poverty-stricken areas more and more visible. Since the external environment that leads to poverty has contained the source of prosperity, then why are these areas still stricken by poverty? The reason is that these superior resources are mostly invisible. But since the implement of the reform and opening-up, China has made huge achievements in economic development, but a simultaneous deterioration has occurred to the environment, both of which have made the invisible superior resources in poverty-stricken areas more and more visible to the world. At present, western regions, notably Guizhou's poverty-stricken areas witness a time of strategic opportunities to make the invisible superior resources visible in the process of their development. After the reform and opening-up, Chinese economic development focused on the eastern coastal areas, but with the faster economic growth of eastern areas,

the people have developed an eager demand for beautiful ecological environments and green food as well as a strong interest in rich ethnic and farming cultures. The critical point is that western regions have the basic conditions to meet such demands, while the people's income level in the eastern regions can afford their internal needs. Therefore, it is just the development of the economic society that drives the superior resources to become visible to the people.

3.2 Capitalization of superior resources and high-end industry development under the low-end production mode

First is the capitalization of superior resources in poverty-stricken areas. After becoming visible to the outside world, the superior resources must be translated to tangible benefits for its poverty-stricken population, which makes the capitalization of the superior resources a must, and that is, the local superior resources are capitalized through the modernized, marketized and industrialized capital operation mode. The capitalization of superior resources here is mainly referred to the local capitalization because some superior resources can only be capitalized in the local areas. For instance, the resources such as the picturesque landscape, clean and fresh air, original customs and culture can only be experienced and enjoyed by consumers in the local places. The local capitalization of superior resources enable the poverty-stricken population to benefit more from the capitalized returns and gain a sense of self-worth.

Next is the high-end industry development under the low-end production modes. The capitalization of superior resources needn't necessarily change the old production modes. But the modern modes of production should be integrated into the old industry chain and realize the development of the high-end industry under the low-end production mode. It was found in the investigative study of Danzhai County



Grow organic featured agricultural products

that batik art, the ancient paper-making techniques, the craftsmanship of weaving birdcages were initially passed down to meet the living demands of the local Miao people for dyeing cloth, practicing calligraphy and bird feeding. Nowadays, though the production of the above-mentioned handicrafts still follows the old workshop craftsmanship and techniques, the means of marketing is modern and their targeted customers have a wide base and high-end demands. For example, some enterprises require their logo T-shirts be dyed with the batik craftsmanship to enhance the taste of the company culture; some batik and birdcage handicrafts are sold on the JD.com online shopping site; and the ancient paper-making, when having met the demands of the country and the people for paper of higher quality, has offered the tourists opportunities to experience

in person this craftsmanship and by innovating flower paper, enabled the people to get directly close to the history and culture. Additionally, Danzhai people also make use of their superior natural conditions such as the clean air and water resources and the soil rich in selenium to grow organic featured agricultural products like selenium-rich tea, Chinese medicinal herbs, rice, watermelons, white gourds, and cantaloupes. Although the production process of these products still follows the old farming mode, the modern modes of managing, running and marketing has enabled the superior resources to accomplish local capitalization, and the industry under the low-end production mode to turn into a high-end industry that can bring out handsome profits.

Apart from the first industry that can bring

out tangible products, there also arises the tourist industry featured by the local landscape, the ethnic customs and culture, and exotic characteristics, which requires the local peasants of the poverty-stricken areas preserve the natural ecology and protect and promote their original unique ethnic culture and traditions. With this premise, and with economic entities like various kinds of enterprises, companies and the peasants' cooperatives taking charge of the management and operation of the featured natural resources, cultural and tourist resources, the superior resources of the poverty-stricken areas will produce more economic benefits and help the local people to better and faster alleviate poverty and become prosperous.

4. The essential route and innovation mode for industry development in the poor areas

4.1 With the government's efforts as a start, promote industry development to produce profits

For poverty-stricken areas, when their external resources and environment have no or little changes within a long term, the production and living modes of their residents have to reach a balance under the poorer conditions which the poor will find difficult to break and get rid of the recurring poverty. At present, the development of Chinese poverty-stricken areas is undergoing a time of historical opportunities for invisible superior resources to become visible and capitalized. However, this historical time of opportunities will not be automatically transformed to the means of acquiring wealth for the poverty-stricken population, especially for the local capitalization of the superior resources of the poverty-stricken areas as a series of conditions must be fulfilled before it can be accomplished, among which, the most important is the construction and perfection of the infrastructure and facilities.

In terms of the transportation construction in poverty-stricken areas, the transportation here not only refers to the road and railway, but also to the circulation and outlets of commodities, moreover, to a path leading to development and prosperity for the poverty-stricken areas and their poverty-stricken populations. Therefore, to break the fixed poverty balance to jump out of the cycles of the inter-generational poverty and alleviate poverty, the poverty-stricken areas must rely on aid from the external agents, which is also the initial intention of the policy design for poverty reduction. Of course, the intervention of the external resources and sorts of aiding forces can never replace the efforts of the poverty-stricken population themselves. But without the intervention of the external agents, however hardworking be the poor, they have less opportunity to be lifted out of poverty and get rid of the root causes of poverty, not to mention finding a way to become rich.

Since it is difficult for the poverty-stricken population to rely on themselves to break the poverty balance, then in which way can the existing fixed state of balanced poverty be changed? According to the reality of Chinese development and the investigative study of Guizhou, the road and other infrastructure investments and construction in poverty-stricken areas were usually supported only by the financial input from the governments at various levels. Other market entities often had no motives to invest in such long-term public service programs that would need larger inputs but bring out lower profits. Therefore, the central government and other governments of various levels are the primary force to help the poor break the balanced poverty. With governments at various levels as the pioneer to invest financial funds to help break the poverty balance, many different types of enterprises and relevant industries will follow the steps of the governments to enter the poverty-stricken areas and

will be allowed to have more space to develop and produce some profits.

It should be noted here that after the poverty balance is broken by the government input, the new balance of poverty alleviation and prosperity will neither form of itself nor be established through the governments' support alone, it will be accomplished through the common efforts of governments, enterprises and other economic entities that are required to participate in poverty alleviation and development to constitute an aggregate of common interests to pull the poor out of poverty and lead them to prosperity. Take the fortified process of the targeted poverty alleviation in Danzhai County for example. Apart from various governments, many enterprises such as Wanda Group, Moutai Group, Junjian Company, Henda Danlin Company, Changhao Company, and Qiandan Company also actively participate in the work of poverty alleviation and development. In this community of common interests, some aiding systems can gradually be established, i.e. the cadres go down to the countryside to offer superintendence, the governments serve as the pioneer to invest in the poverty-stricken areas, the enterprises follow the pace of the governments to access the poverty-stricken areas in various forms, the production factors can be capitalized, the financial world offers closely cooperative support, the poor households actively participate in poverty relief, and different forces co-share the benefits of the achievements in the co-construction and accomplish a co-win scene. Or else, not only will the poor households fail to establish a new balance for prosperity, they may be very likely to fall into poverty again.

4.2 The cadres down to the countryside offer precise guidance and identify the impetus for aiding industries

During targeted poverty alleviation, the central government and other provincial and municipal

governments have issued a series of policies and systems. In order to ensure the implementation of the policies, the active participation of the cadres at all levels and economic entities of various types is indispensable, among which the cadres sent by the governments to the countryside play a vital role, undertaking many important tasks including gaining a comprehensive understanding of the producing and living conditions of the poor families and their poverty causes, helping the poor work their way out of recurring poverty, and providing precise guidance for the financial input.

First and foremost, with a more comprehensive knowledge of the national and local governmental policies of targeted poverty alleviation, the cadres down in the countryside will be in a better position to eliminate information asymmetry in targeted poverty alleviation. From the investigative study of Guizhou, it was found that the cadres in Danzhai County come not only from the local government, but also from the general office of the province appointed general secretary to work at the front of poverty relief. Undoubtedly, these cadres cannot be more familiar with the targeted poverty alleviation policies and measures of the whole country and Guizhou province. By sending cadres down to the countryside, the governments can keep the poor stricken areas exactly and completely informed of the targeted poverty alleviation policies and measures. In turn, the cadres who are staying close to the poverty-stricken population will gain a more detailed knowledge of the poverty causes and the specific difficulties so that information asymmetry will be more successfully eliminated in the process of poverty alleviation and development.

Second, with their working proficiency, the cadres down to the countryside can offer the front poverty relief work strong and powerful human resources and intellectual support. The cadres sent by the governments to the countryside are mostly

capable of organizing and identifying the poor, discovering the superior resources of the poverty-stricken areas, and exploring and contacting more aiding forces. For instance, the investigative study has found that the general secretary of Danzhai's Yangwu Town is a cadre from the provincial general office who has years of working experience at the grassroots in counties and towns, thus is highly proficient at this work because of his learning about the poverty relief policies and the reality of the poverty-stricken areas. Another example is Paimo Village of Danzhai County. Its general secretary is a cadre from the local propaganda sector and Television Station whose knowledge of propaganda affairs has enabled him to broadly promote the local Miao People's batik craftsmanship and culture, advance the local batik industry development, and further lead the poor families to reduce poverty and become rich.

Third, the unblocked information feedback channels for poverty alleviation owned by cadres at all levels can contribute to precise guidance for the governmental financial poverty alleviation input. Sending cadres down to the countryside is not only to make governmental policies known, but also to learn efficiently about the reality of the poor rural areas and identify the breakthrough to alleviating poverty. Through the cadres' thorough long-term investigation and the registration of the poverty-stricken population, it is possible to find a way out of poverty. What is more important is that cadres down in the countryside can offer precise guidance for the governmental finance input of poverty reduction. For example, some cadres sent down to Danzhai County proposed to construct the entrance and exit of a highway after they gained a general picture of the local reality; and other cadres put forward the suggestions on target poverty alleviation concerning the shortage of water resources.

The last is that sending cadres down to the

countryside can help offer a platform for different economic entities in targeted poverty alleviation to share resources and information. Not only should the cadres offer clear guidance for governmental poverty relief, they should also provide precise guidance for other market entities to participate in poverty alleviation. Simultaneously, to effectively guide and encourage other market entities to participate in poverty reduction, the cadres have to learn about the basic needs of those entities and cooperate with them in finding a solution to the needs.

4.3 Integrate superior resources into modern industries and realize capitalization

The main pathway to realize the capitalization of superior resources in poverty-stricken areas and their profit maximization is to commercialize the original ecological products such as the superior natural landscape, organic food, ethnic customs and ancient craftsmanship in capital form and expand the consumer community of these resources and products, making the superior resources of the poverty-stricken areas known to the outside world, consumed and utilized by other people.

At present, what is needed is to help the poverty-stricken population and the rural collective of the poverty-stricken areas participate in the capitalization of their superior resources as a shareholder, enabling the local people to share the capital profits of the resources and provide the industrial base for poverty alleviation.

In the real practice, the poor have many ways to participate in industry development and gain corresponding income from it. In the agricultural industry, poor families can gain income through buying a share with their rights to land management or working in the cooperatives or agricultural enterprises; in the second or third industries of processed agricultural products, ethnic customs and tourism, the poor can gain income by working in the corresponding enterprises or share the dividends

based on the stock of collective assets. In general, the most workable form of industry development for poverty alleviation is to incorporate the poor families into cooperatives as a part of the agricultural industrial chain and enhance the added economic value of agricultural production. The cooperatives participated or organized by the poverty-stricken population can cooperate with other market entities to raise the popularity and influence of their products, expand their outlets and raise their prices.

4.4 Advance high-end industry development under the low-end production mode

More attempts should be made to develop high-end industries under the poverty-stricken areas' low-end production modes. The high-end industries here do not necessarily involve the modern instruments, modern techniques or modes of production. They mainly adopt a modern commercializing operation mode in packing, marketing, after-sale service and experience to enable the traditional industries to gain more profits through modern means.

The first reason for this practice to produce more profits is the change of the old form of production organization in the link of production, such as the new production organizing mode of leading enterprises + cooperatives + peasant households. The second reason is the application of new platforms like e-commerce in the link of marketing to create and promote the brand value of the traditional products and expand the marketing channels for their sale. The last reason is the change in the consumers because of the modern commercializing operation modes in the link of the consumption which meets the demands of the consumers who have a higher paying ability and expand the markets for the products. Though the above-mentioned links are modern and at the high end, the concrete process of production or the traditional culture itself should be kept in the original form. To advance the development of high-end industries in the poverty-

stricken areas is a feasible way to relieve the poor from poverty and help them become rich.

4.5 Local industry development aided by the introduced industry

At present, the development of the introduced industries is another important way to reduce poverty, and it can provide favorable conditions for the development of the local industries in the poverty-stricken areas, especially the revenue levied on the introduced industries can be used as the aiding funds, added by the governmental financial grants, providing a real and material foundation for the further development of the local industries. In the Danzhai investigation, one of the aiding measures undertaken by Wanda Group to aid Danzhai County was to construct tourist towns and make the local ethnic customs, cultures and featured products accessible to other places in the country, leading the poverty-stricken population to prosperity. Another example is that Moutai Group has promoted a blueberry fruit wine series, helping the poor to alleviate poverty through growing blueberries. Changhao Jinhuang Corporation encourages poor families to plant medicinal herbs to reduce poverty.

5. Targeted poverty alleviation in industry development and industry development in targeted poverty alleviation

5.1 The intrinsic connection between industry development and targeted poverty alleviation

Industry development is intrinsically connected with targeted poverty alleviation or reduction. This connection can be briefly generalized as industry development in targeted poverty alleviation and targeted poverty alleviation in industry development.

Industry development in targeted poverty alleviation is referred to the poverty-stricken areas' development of the kinds of industries based on their

natural resources in line with the local conditions. For instance, concerning its local circumstance, Danzhai County actively developed its featured industries including agricultural and animal-breeding industries such as organic rice and black-haired pigs, the vegetable and fruit industries such as blueberries and watermelons, the tourist industries such as custom experiencing and sightseeing, the processing and manufacturing industries such as the fruit wines and medicinal herb processing.

Targeted poverty alleviation in industry development refers to all the existing industry developments both in

the poverty-stricken areas and other regions of the country that serve the purpose of targeted poverty alleviation. It involves enterprises among which some volunteer to offer their help and some are required to give their hands. For example, Wanda Group and Moutai Group belong to the active groups of enterprises. But in the practical process of development, more enterprises are the passive cases. They have to turn over a part of their profits to the tax bureaus at various levels in the form of taxes which then are put aside as the financial funds for targeted poverty alleviation, indirectly realizing

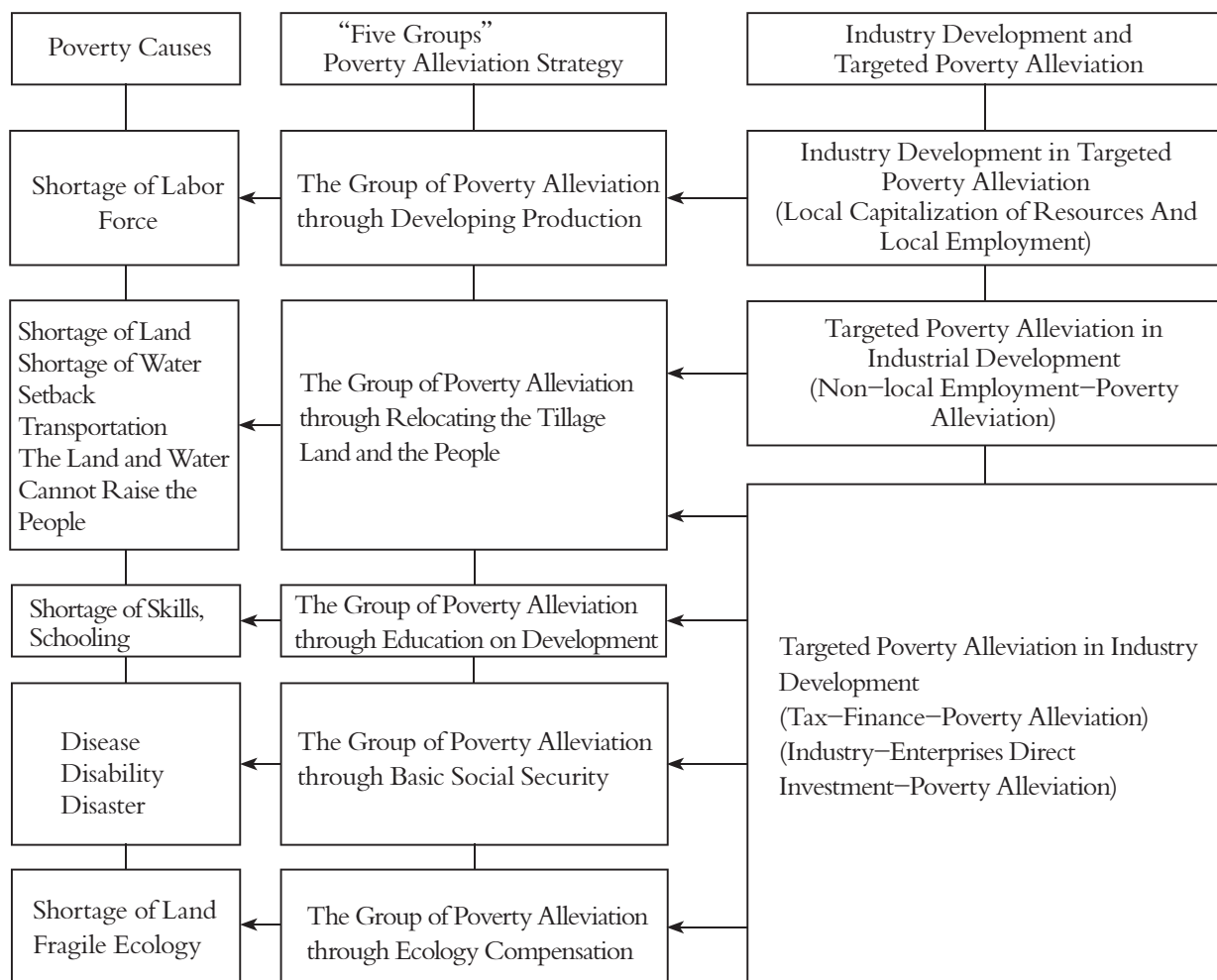


Figure 2 Industry Development and Targeted Poverty Alleviation

the support of industry development for the cause of targeted poverty alleviation, which can also be realized by offering more employment opportunities for the poverty-stricken population to work in other regions so that they can gain more income and reduce poverty.

For poverty-stricken areas, it is not only a must to advance the development of local industries in targeted poverty alleviation so as to enhance the level of local capitalization of the local resources and further strengthen industrial support, but also a must to develop all types of industries nationwide so as to create more employment opportunities or gain more financial grants in the form of taxes or financial transfer payments.

5.2 Industry development as the core of leading and encouraging the poor to poverty alleviation and prosperity

From the perspective of economics, industry development plays a core role in poverty alleviation. It can be described as the base for the “five groups” strategy (Table 2). This paper points out two generalized aspects, industry development in targeted poverty alleviation and targeted poverty alleviation in industry development, the latter of which can be divided into three types, “industry-employment-poverty alleviation” mode outside poverty-stricken areas, “tax-finance-poverty alleviation” mode, and “industry-enterprise direct investment-poverty alleviation” mode.

5.3 The problems requiring an appropriate handling in industry development in target poverty alleviation

The most important problems are those requiring an appropriate handling in local industry development of the poverty-stricken areas including these five aspects.

First, handle appropriately the sustainability of the financial subsidies and industry development. The slow industry development of the poverty-

stricken areas has its own reasons intrinsically, naturally, historically and economically. At present, in order to pull the poverty-stricken population out of poverty, it is necessary to advance industry development in poverty-stricken areas, but the precise identification of an industry is of vital importance to the sustainable development, in the course of the real practice of which, the industry development aided by the government, especially by the leading enterprises through infrastructure construction such as road building. The local industry development, however, must have a stronger vitality in its self-development, and to achieve this, the market mechanism must play a predominant role, or else, the industries aided by the government are most likely to fail in winning their popularity and surviving the market. Thus, the government should focus on the basic service and infrastructure construction for the local industry development to lay a solid foundation of a favorable external environment and profit space for the endogenous development of the local featured industries.

Second, handle appropriately the competition and cooperation among industries of the same type in local industry development. It is difficult to develop an industry in the poverty-stricken areas, and besides, it is more challenging to develop industries of the same type in different towns and villages. Because of the similarity in resources and poverty causes for places located in the same area, the appropriate handling of the competition and cooperation among industries of the same type in the process of industry development is a must. It is natural for the existence of the competition, but what should be strengthened is the close cooperation of the industries that are of the same type. In targeted poverty alleviation, the industry development should break off various limits in villages and towns and achieve the collaboration on a higher level pushed by the leading enterprises or various

kinds of cooperatives. Only by achieving a larger scale can the local industries of the poverty-stricken areas develop a stronger risk resistance capacity, beat their nationwide or worldwide opponents in the competition and accomplish sustainable development.

Third, handle appropriately the mode of market expansion in the local industry development. Because of the weak foundation of existing industries in the poverty-stricken areas, an appropriate solution to the mode of the market expansion in the local industry development must be found. Take Guizhou's agricultural industries for example. There were no leading enterprises or cooperatives or capable talents to take the lead in the development; agricultural products possessed a lower added value; and the brand construction was underdeveloped. But along with the fast development of the present new-type industrialization, informationization, urbanization and agricultural modernization, the new organizing mode or the leadership of the leading enterprises and the modern information tools like the internet offered a means to expand the market for the poverty-stricken areas' local industries. Of course, the mode of market expansion serves only as a tool, and the most critical point is to guarantee the quality of the products and commodities which is essential to enlarge the industrial share and expand the market.

Fourth, handle appropriately the protection of the traditional culture and ecology in local industry development. In the investigative study, it was found that the unblocked transportation and backward industry development that can be regarded as the poverty cause of Guizhou's poverty-stricken areas result in the superior natural ecological environment enriched by varieties of traditional ethnic cultures. Therefore, the poverty alleviation aided by industry development in these areas often focuses on the tourism of customs and culture, the planting and

processing of organic agricultural products and some introduced industries that are favorable to the local development. That's why the local industry development in the poverty-stricken areas must be premised on the protection of the traditional culture and the ecological environment, or else, it will be difficult for these industries to accomplish sustainable development. To achieve this, the poverty-stricken areas must reject the introduction any industries that might result in contamination, must consciously follow the original ecological planting mode in agricultural production, must avoid being over-dependent on the modern planting mode through the use of chemicals and pesticides that might contaminate the soil. The poverty-stricken areas should keep the traditional planting mode and realize the high-end industry development under the low-end mode of production.

Fifth, handle appropriately the poor households' participation mode and distribution of the turnover in local industry development. The industry development can create some employment opportunities, but different industries have different requirements for their employees. In targeted poverty alleviation, how to make the local industry development more beneficial to the poor families and how to make the poverty-stricken population more effectively involved in the development and gain the corresponding incomes are important for more attention during the process of industry development. However, in reality, due to the limited labor force funds and assets, the poor families, though gain some income in local industry development, find it difficult to alleviate poverty relying on their income, especially for those incapacitated laborers and low-insured poor families, it may be of little or no possibility for them to enjoy the benefits brought about by industry development.

Besides there are also problems that must be properly solved in relation to the targeted poverty

alleviation in the development of introduced industries.

First, handle appropriately the problems in relation to how to effectively integrate the poverty-stricken population in the introduced industry development. Compared with the underdevelopment of the local industry development in the poverty-stricken areas, the introduced industry development can offer more incentives for the poverty-stricken population to find employment in other places. For instance, in Danzhai County, 35% of the peasants are working outside, about 70% of which have chosen to work outside Guizhou Province, and most of these workers' families have already been lifted out of poverty, and the rest who still suffer from poverty are those who cannot work in other places of Guizhou Province and other provinces. There is still about 60% of the rural population gaining no income in the non-agricultural sectors. So, in the targeted poverty alleviation, how to pull the poverty-stricken population from poverty through the employment offered by other places is the key to poverty alleviation and prosperity. To solve this problem, in terms of the human resources in the poverty-stricken areas, only by offering the children of the poor families a better education, especially a targeted vocational education, can the poverty alleviation be accomplished.

Second, handle appropriately the problems in relation to the introduced industries' efforts through their investments in poverty-stricken areas and incentives for the development there. Since there is a large number of poverty-stricken population who possess no ability to acquire the employment opportunities to participate in industrial development in other places, the targeted poverty

alleviation in introduced industrial development can be accomplished by attracting enterprises to invest in the poverty-stricken areas, or mobilizing the leading enterprises to aid the local industry development. The problems confronting both introduced enterprises and the local industries are generally the same, that is, it is a must to choose an appropriate type of industry of industrialization and sale development and alleviate poverty, making full use of the enterprises' capital, management and marketing channels to facilitate a better industry development in the poverty-stricken areas.

Third, handle appropriately the problems in relation to how the taxes from introduced industrial development are transformed to the aiding funds used for poverty alleviation and prosperity. Some poor families have failed to acquire the employment opportunities both in other regions and in their home region. Therefore, these poor families can only gain some income through farming and what's worse, some of them have no income because they are incapacitated due to aging and/or ill health. Thus, the transformation of the taxes into the financial poverty-alleviation funds saved by governments at all levels from the introduced industry development indirectly lays a foundation for poverty alleviation, requiring governments at all levels to clarify the direction of fiscal investments and enhance the precision of the target identification. The financial funds should not only be used for more economic profits, they should also be invested for social benefits, and especially should enhance the investments in the civil engineering that will bring benefits for the poor community, rather than the construction of the image and vanity projects.

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