

# Analysis on the Long-term Mechanism of Poverty Alleviation in Private Enterprises under the Background of Precision Poverty Alleviation

—Taking Country Garden "4+X" poverty alleviation model as an example

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**Abstract:** In 2020, it is a great concern in the process of poverty alleviation how to realize the sustainable development of helping objects and prevent the population from returning to poverty. During recent years, private enterprises have taken on social responsibility and participated in the cause of poverty alleviation. Among them, Country Garden has achieved remarkable results in helping Yingde in Guangdong Province. The "4+X" poverty alleviation model, which combines party building, industry, education and employment, has been extended to 9 provinces and 14 counties throughout China, and has played a long-term role in promoting local poverty alleviation. But there are still problems existing in some enterprises during the process of poverty alleviation. By investigating the "4+X" poverty alleviation model of Country Garden, this study explores the long-term poverty alleviation mechanism of private enterprises and provides suggestions for policy optimization.

## 1. Background

Since the introduction of precision poverty alleviation policy in 2013, the incidence of poverty in China has declined year by year. According to the statistical bulletin of the National Bureau of Statistics in 2019, by the end of 2019, the incidence of poverty in China was 0.6%, and the per capita disposable income of rural residents in poor areas reached 11567 yuan in the whole year, an increase of 11.5% over the same period last year.

In the process of overcoming poverty, the government plays a leading role, and the market and social organization also give full play to their own advantages and participate in the process of poverty alleviation. Under the constant exploration of various organizations, various poverty alleviation models have emerged one after another. Among them, private enterprises, as an important force in social poverty alleviation, have flexible market advantages, which can stimulate the endogenous power of residents in poor areas by absorbing the employment of poor residents and driving the industrial development of poor areas.

In order to help the cause of precision poverty alleviation and promote the development of the non-public sector of the economy, the National Federation of Industry and Commerce and the Poverty Alleviation Office of the State Council launched the "Ten Thousand Enterprises to Help Ten Thousand Villages" operation in 2015, the goal of which is to achieve more than 10,000 private enterprises to participate in the cause of poverty alleviation throughout the country. Since then, private enterprises in the field of poverty alleviation, in the process of precision poverty alleviation to give full play to the "Sustainable" advantage. The actual effect of the operation is far more than expected, as of June 2019, 88100 private enterprises have participated in the "Ten Thousand Enterprises to Help Ten Thousand Villages" operation, more than 100,000 poor villages have benefited from the operation, driving the development of more than 10 million poor people.

The influence of private enterprises has gradually expanded, and some enterprises have created a remarkable poverty alleviation mechanism in this process, which helps local areas achieve

long-term development. Among them, Country Garden explored the "4+X" poverty alleviation model, helped 14 counties (cities) throughout the country, effectively promoted local residents to get rid of poverty and become rich through party building, industrial poverty alleviation, enterprise poverty alleviation and education poverty alleviation, and enhanced the ability of local residents to develop "Hematopoiesis". In recent years, Country Garden has also won the titles of "National Advanced Collective for Poverty Alleviation and Development" and "Precision Poverty Alleviation contribution Award".

Although the enterprise poverty alleviation cause is developing continuously, more and more leading enterprises show their own characteristics in the field of poverty alleviation, but the help of most enterprises still stays in the stage of "blood transfusion", does not give play to the people's own "Hematopoiesis" ability, the means of poverty alleviation is simple, and the long-term effect is not so good. In the year of breaking out of poverty, ensuring that people do not return to poverty and promoting the long-term independent development of poor villages should become the focus of attention. Therefore, this paper will analyze the poverty alleviation cases of Country Garden, explore the long-term effect of its "4+X" poverty alleviation model, and put forward corresponding suggestions on the current situation of "Insufficient Hematopoiesis" and "poor long-term effect", which are common in poverty alleviation.

## 2. Literature review

Precision poverty alleviation is a hot topic of the times, and the heat of related research has not been reduced. At present, the research in this field mainly focuses on the exploration of precision poverty alleviation mechanism and the summary of practical experience. As an important subject in the cause of precision poverty alleviation, private enterprises in China are gradually improving their participation in poverty alleviation and its related research, which can be divided into the following three categories according to the research content and research time.

In the early stage of the study, the rationality of private enterprises participating in precision poverty alleviation was studied. Besides carrying out economic production and pursuing profits, enterprises should also bear certain social responsibilities. According to the definition by Carroll, the social responsibility of enterprises refers to the economic, legal, ethical and charitable expectations of enterprises in a certain period of time. Enterprises participate in the accurate poverty alleviation is also a performance of their active corporate social responsibility. [1] Antal, Oppen and Sobczak reviewed and illustrated the development of various forms of social responsibility in German enterprises, and analyze how participants in business and society can build traditional advantages, find new institutional arrangements, and share tasks and responsibilities to meet social, economic, and environmental needs. [2] Scholars Guo Shijun summed up the motivation of private enterprises to participate in the fight against poverty into internal and external aspects. [3] Xiang Honglin pointed out from the point of view of the requirement of precision poverty alleviation and the win-win situation of enterprise development that "the participation of private enterprises in poverty alleviation and development is the realistic choice to strengthen the power of poverty alleviation, at the same time, participating in poverty alleviation and development is the wise move of private enterprises." [4]

After a large number of private enterprises entered the field of poverty alleviation, some scholars have studied the mode of private enterprises participating in precision poverty alleviation. Private enterprises and government, social organizations together constitute a complete network of precision poverty alleviation, in this process, enterprises should build a suitable poverty alleviation model based on their own advantages. Peter F. Drucker put forward the concept of "Privatization" in his work "The Era of Fault ", Drucker believes that with the continuous development of society, the government's management function is also changing; "Privatization" will not weaken the role of government, but will improve the efficiency of social governance and promote social development. Liu Shanqing focused on the relationship between government and enterprises in the process of poverty alleviation, summed up the enterprise poverty alleviation model into two major types: government-led enterprise participation and private enterprise-led, and pointed out the problems of

insufficient resource investment and insufficient income sharing in the two models. [5] In addition to paying attention to the relationship between the government and enterprises in poverty alleviation, Shi Yunming focuses on the poverty alleviation path selected by private enterprises. He divides the private enterprise participation model into eight according to the participation in poverty alleviation participation process, input elements and output results, and points out that different poverty alleviation models have different applicable characteristics. [6]

Recently, many private enterprises in the cause of poverty alleviation has achieved initial results. In 2018, the government issued "China's Enterprise Precision Poverty Alleviation Excellent Case ", nearly 50% of the cases were private enterprises. Zhang Xudong studied the non-legacy public welfare poverty alleviation project of VIPSHOP in Bijie, Guizhou Province, analyzed the measures of VIPSHOP to establish "non-legacy" poverty alleviation information management system, build the education and training system of poor households, and establish the mechanism of cooperative expansion of poverty alleviation, and constructed the pluralistic poverty alleviation governance system of "government-enterprise-society". [7] Gao Pengcheng summed up the model of three enterprises in Huanggang City, compared the differences between central enterprises and private enterprises in the process of poverty alleviation, and put forward the problems of poverty alleviation in private enterprises, such as insufficient empowerment of poor households and difficulties in coordinating the interests of all parties. [8]

Synthesizing those analyses, the current research on private enterprises' participation in precision poverty alleviation is basically three aspects: the rational demonstration of private enterprises' participation in poverty alleviation, the exploration of private enterprises' participation in poverty alleviation mode and mechanism, and the case study of private enterprises' poverty alleviation. With the increasing participation of private enterprises in the field of poverty alleviation and the arrival of the era of decisive victory and overcoming poverty, whether private enterprises can achieve poverty alleviation "hematopoiesis" and establish a long-term poverty alleviation mechanism become the focus of attention. This study will focus on the long-term mechanism of private enterprises to participate in poverty alleviation, combined with the case of poverty alleviation in Country Garden, explore the poverty alleviation mechanism established by Country Garden in the process of poverty alleviation, and put forward targeted suggestions on the existing problems of poverty alleviation in enterprises.

### **3. The "4+X" poverty alleviation model of Country Garden**

#### **3.1 The first place helped by Country Garden: Yingde**

Yingde region belongs to Qingyuan City, Guangdong Province, located in the north of Guangdong. Yingde City in many low hills, terrain ups and downs, the Beijiang River runs through the city, along the banks of alluvial plains. Local climate, rich light, abundant precipitation, is suitable for the development of agricultural planting. Hilly areas can be developed terrace planting tea trees and other cash crops.

In 2017, Yingde City's total economic output value reached 27.702 billion yuan, and the economic structure of agriculture and tourism accounted for a large proportion. Yingde City complex terrain, a large number of villages scattered in the low mountains and hills, external traffic inconvenience. And because the local area is close to the Pearl River Delta economically developed area, young people go out to work, and rural labor resources are insufficient. By 2017, there were 78 provincial poverty villages in Yingde City, with 44386 poor people building grade cards.

#### **3.2. The establishment of "4+X" poverty alleviation model in Yingde**

In October 2017, Country Garden began to help Yingde City, the first county-wide support area built by Country Garden in the country. By using party building poverty alleviation, industry poverty alleviation, employment poverty alleviation, education poverty alleviation, Country Garden built the "4+X" poverty alleviation model.

### **3.2.1. Party building poverty alleviation**

The party building poverty alleviation in Country Garden is different from the traditional public sector party building poverty alleviation, emphasizing the role of non-public enterprises party building, in helping areas to establish enterprise party branches, better implement Country Garden's help policy. Party building poverty alleviation occupies the core position in the "4+X" poverty alleviation model of Country Garden, which provides guarantee for other kinds of poverty alleviation methods.

Looking for the "Old Village Chief" is the main measure. After establishing the party branch in the village, Country Garden will appoint local high-minded people as "Old Village Chief". The main tasks of "Old Village Chief" include daily liaison with the villagers, conveying the poverty alleviation policy of Country Garden, and feedback the villagers' needs to Country Garden. At present, Country Garden has set up 10 "Old Village Chief" in Yingde City, each of which is responsible for the communication work of two or three surrounding villages. Yingde City is the first help area of Country Garden in the whole country. Because of the lack of communication with the villagers in the early stage, the local villagers did not trust Country Garden and did not accept the help and support of Country Garden, which affected the development of poverty alleviation. The emergence of "Old Village Chief" to a large extent solved this problem, "Old Village Chief" mainly retired local cadres or rural rich leaders, enjoy a high reputation among the people, country Garden relying on "Old Village Chief" as a bridge of communication to understand the village development, the basic situation and needs of poor residents; villagers through communication with "Old Village Chief" to deepen the understanding of corporate support, willing to actively cooperate with the enterprise to work villagers in "Old Village Chief" intervention, gradually accepted Country Garden's various initiatives.

### **3.2.2. Industry poverty alleviation**

There are many low hills and hills in Yingde City, and most of the poor areas are inconvenient for transportation, mainly agricultural production. Country Garden according to local conditions to develop nursery industry park and characteristic agricultural products, with market forces to drive local residents to become rich.

In 2010, Country Garden poverty alleviation group entered Shushan Village, which is also the first poverty alleviation point in the country. In the process of poverty alleviation, the country has created a unique Shushan model, which is, using idle land to cooperate with villagers to develop nursery industry. Country Garden in the early investment to help the local improvement of roads and other infrastructure, while sending local technicians to train villagers, after the training of qualified villagers can become employees to participate in nursery development. In addition, villagers can borrow to introduce seedlings, Country Garden can pay half of the "seed money" for farmers, after the seedling cultivation mature, and Country Garden will be purchased in accordance with the market unified price. Farmers' income from the sale of seedlings, except for the repayment of "seed money", the rest are owned by farmers, this cycle. This model has achieved remarkable results.

### **3.2.3. Employment poverty alleviation**

Employment poverty alleviation is an important measure, which can excavate the idle labor force in poor villages through employment training and employment recruitment. Country Garden's employment poverty alleviation strategy in Yingde City mainly includes two aspects: technical training and returning home employment.

The main industries in Yingde City are nursery industry and village households, so the technical training is also mainly around these two aspects. Country Garden organized professional and technical personnel to carry out various training for villagers, the main contents of the training include nursery planting, livestock breeding, bar services, residential management and so on, after training qualified villagers can be directly employed in the local industrial base. In addition, Country Garden will also provide villagers with catering, construction, greening and other

vocational skills training. After the training is qualified, Country Garden provides designated jobs to the villagers and the villagers are free to choose to accept the designated posts or go out to work directly after the training.

Attracting young people to return home for employment is an initiative to promote the long-term development of the region. With the Pearl River Delta close to the region, Yingde City is losing a lot of young people, which clearly cannot drive the long-term development of the local. In order to attract more young people to return home for employment and enhance the vitality of poor areas, Country Garden has carried out "Cadre-Style" training for local returning young people, leading returning young people to learn the way of development, so as to inject fresh blood into the long-term development of the region.

#### **3.2.4. Education poverty alleviation**

Education can help young people to acquire knowledge and technology, thereby helping to eradicate intergenerational poverty. Country Garden has been focusing on education in the process of poverty alleviation, through grants and the establishment of schools to promote local education poverty alleviation.

Country Garden in Yingde and other areas to help set up Zhongming student grants, Huiyan Education Fund and other projects to support local students to receive education.

In addition, Country Garden has set up three free schools, such as Guohua Memorial Middle School, Guoliang Vocational training School and Guangdong Country Garden Vocational College, to recruit students for poor areas and to carry out free training. As of 2018, Guohua Memorial Middle School has invested more than 450 million Yuan, and Guangdong Country Garden Vocational College has enrolled 183 students from poor families.

#### **3.2.5. "X" self-selected ways to help the poor**

The four measures mentioned above constitute the "4" in the poverty alleviation model of the "4+X" in Country Garden, and the "X" in which the emphasis is on adapting measures to local conditions, one village and one policy, to find suitable local development methods.

In some poor villages in Yingde, the inconvenience of transportation has greatly affected the local economic development, and Country Garden is facing such problems in Shushan Village and Yuzui Village. In order to develop the local nursery industry and tourism industry, Country Garden first helps the local infrastructure to improve, build roads, build recreational facilities, and then carry out further industrial development on this basis.

In addition, Yingde has excellent natural scenery and profound historical heritage. Relying on the local natural and cultural landscape, Country Garden has created a "four-color" tourism route with green (natural scenery), red (revolutionary history), ancient(cultural monuments) and characteristics (local characteristics), and has built an industrial chain with Yingde characteristics to generate income for local residents by relying on tourism to develop residential and farm farming industries.

### **3.3. "4+X" mechanism of the poverty alleviation model**

Country Garden's "4+X" poverty alleviation model in Yingde is not only a whole "poverty alleviation combination boxing", each poverty alleviation measure also plays its own unique role, which is embodied in the party building to help the spirit, the industry to help the rich, the employment to help the skill, the education to help the wisdom.

Party building poverty alleviation in the "4+X" poverty alleviation model occupies a leading position, play the role of supporting the spirit. Party building poverty alleviation through the old village chief policy, branch assistance, village cadres exchange and study to achieve ideological guidance to poor areas, to help the residents of poor areas to achieve ideological support, elimination and other important ideas, the introduction of advanced poverty alleviation experience. Party building The Party building helps the villagers to set up the idea of "self-reliance" and provides the ideological basis for building the long-term mechanism of "hematopoietic poverty alleviation".

Industry poverty alleviation in the "4+X" poverty alleviation model mainly plays a rich role,

driving villagers out of poverty. The development of the industry can produce the most direct economic benefits, and the local residents can increase their income and become rich through employment in industrial projects or capital shares. Once the industry runs successfully, it can also change the situation of "blood transfusion" poverty alleviation in enterprises to a certain extent, and tap the endogenous potential of poor villages, so that the poverty alleviation model can develop towards the direction of "hematopoiesis" type poverty alleviation.

Employment poverty alleviation plays the role of supporting skills in the "4+X" poverty alleviation model, which can impart skills to villagers. Although the party building and the industry can help the poor villages to get rid of poverty from the two levels of thinking and getting rich, there are inevitably shortcomings in the process of promoting the long-term development of the local area. Employment poverty alleviation can help the party building to help the poor and the industry to help the rich better continue to achieve long-term regional development.

Education poverty alleviation in the "4+X" poverty alleviation model role is to support wisdom, compared to employment poverty alleviation in the longer term. Poverty alleviation in education focuses on intergenerational poverty, helping the next generation who are unable to access education because of poverty and preventing them from falling back into poverty because of lack of knowledge and technology. The other three ways of poverty alleviation focus on the enrichment and development of a generation, while education poverty alleviation is based on these three ways to pay more attention to the development of the next generation.

The above four poverty alleviation models can realize organic unity, from party building to ideological poverty alleviation, to industry to become rich, employment to achieve long-term development, and finally education to achieve intergenerational development. "X" plays an important role in this, which is the basis of the above four poverty alleviation initiatives, and the effectiveness of poverty alleviation that is not in line with local reality can not be successful. At the same time, deeply excavating the local characteristics can also effectively stimulate the local potential, realize the organic combination of enterprise characteristics and local characteristics, and provide a more suitable direction for promoting the development of regional "hematopoiesis".

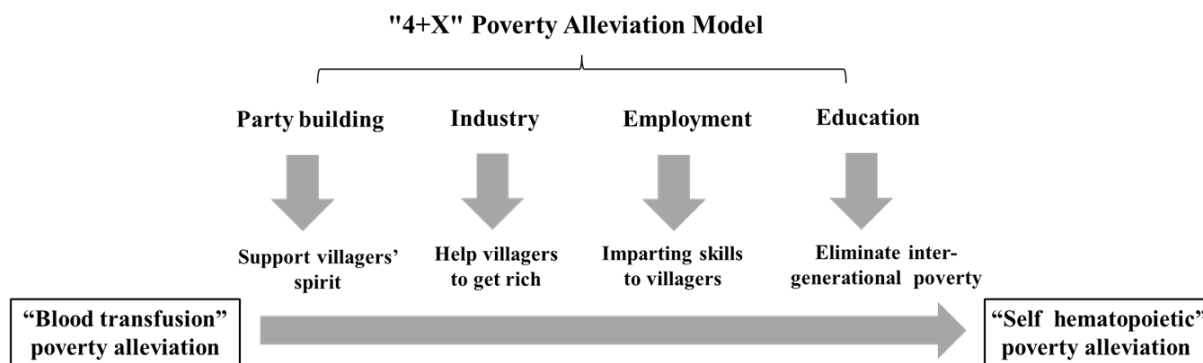


Figure 1 "4+X" Poverty Alleviation Model

### 3.4. "4+X" effectiveness of poverty alleviation model

#### 3.4.1. Development and poverty reduction in Yingde

Country Garden has made a great breakthrough in infrastructure construction and economic development in Britain and Germany since the whole county helped Yingde. By August 2019, the party building and poverty alleviation had helped 13904 poor people in Yingde, 1378 industrial poverty alleviation, 2169 employment poverty alleviation and 2131 education poverty alleviation. In addition, Country Garden has helped local residents to build roads, repair houses, and transform schools, and 78 poor villages in the Yingde area have been completely lifted out of poverty in 2018.

#### 3.4.2. Promotion of the "4+X" model in 14 counties

Yingde City is the in the first area helped by Country Garden, in the local exploration of the "4+X" poverty alleviation model is used by Country Garden in its follow-up help areas.

At present, Country Garden has helped 336000 poor households in 3747 villages in 14 counties (cities) of 9 provinces (autonomous regions) throughout the country, extending more specific poverty alleviation measures on the basis of the "4+X" poverty alleviation model. Country Garden help area covers North China, South China, East China, Northwest China, regional differences are large, but "4+X" poverty alleviation model has promoted the local poverty reduction and become rich in various places, and moved towards the direction of long-term development.

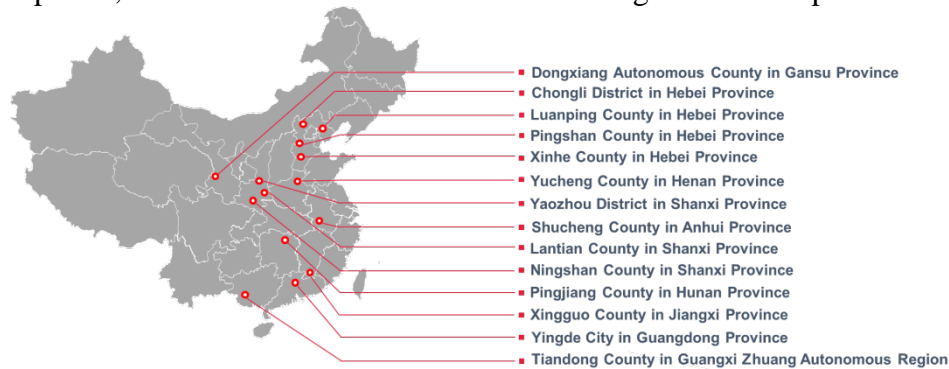


Figure 1 Areas helped by County Garden

### 3.4.3. Country Garden benefits in poverty alleviation

Country Garden in participating in poverty alleviation work, at the same time, it has also achieved better development.

First of all, Country Garden deep participation in precision poverty alleviation work reflects the social responsibility of private enterprises, shaping Country Garden as a "social enterprise" image. These honors have helped Country Garden to establish a good corporate image, which is also helpful to the development of the enterprise itself.

Secondly, Country Garden relies on the poor villages to develop the industry, broadens its own industrial chain, combines the local characteristics and enterprise characteristics to find the cultivation of new industries, will continue to make itself bigger and stronger.

Finally, Country Garden in the development of industries and enterprises in the original real estate projects are also closely combined, many products produced in the industrial park can achieve "self-production and self-marketing". This not only helps the local rich, but also reduces the product cost to a certain extent, can be said to kill two birds with one stone.

## 4. "4+X" reference significance of poverty alleviation model

### 4.1. Multi-pronged approach to help combat poverty

Compared with other enterprises in the single measures of poverty alleviation, "4+X" poverty alleviation model can help the residents of poor areas to get rid of poverty and become rich in all directions. Party building, industry, employment, education and wisdom can help poor residents get out of poverty and do not return to poverty. Such a comprehensive poverty alleviation model and long-term mechanism is the current enterprises need to learn from. A large number of private enterprises in the process of poverty alleviation only have single means of help, and the long-term effect is not satisfying. These problems are due to the lack of systematic corporate support initiatives, focusing only on temporary poverty eradication without considering how to motivate people themselves and their inherent potential. Therefore, enterprises should pay more attention to the systematic and multi-pronged approach in helping poor residents to get rid of poverty.

### 4.2. Play the role of party building, poverty alleviation first support spirit

Country Garden's "4+X" poverty alleviation model, party building poverty alleviation in the core leading position, can effectively play the role of supporting spirit, for other means of poverty relief to provide a prerequisite guarantee; at the same time, the party building poverty alleviation in the "Old Village Chief" group, is also an important link between Country Garden and help villages. But

in the current enterprise poverty alleviation, most private enterprises ignore the role of party building, did not fundamentally reverse the idea of poverty, but simply use industrial help, or even a simple form of donations, so that its poverty alleviation results are greatly reduced. Therefore, in the process of poverty alleviation, enterprises can pay more attention to non-public party building, give play to the positive role of non-public party building, and then use systematic means of poverty alleviation on this basis to build a long-term poverty alleviation mechanism.

#### **4.3. Combine local reality to realize the industrialization of poverty eradication**

Country Garden in the national scope of 9 provinces (autonomous regions) 14 counties (cities) regional differences, emphasizing the "4+X" poverty alleviation model "X" role, combined with the actual situation of the local, poverty relief into an industry. Such a poverty alleviation model is rooted in the actual situation of poor areas, reflects the local characteristics, can develop poverty alleviation industries into regional brands, driving local sustainable development, even after the late departure from Country Garden assistance, can still preserve a strong vitality.

#### **4.4. Highlight the characteristics of enterprises, poverty alleviation business both hands**

In the process of participating in poverty alleviation, enterprises should give full play to their advantages as the main body of the market, combine poverty alleviation with enterprise development, and can not only take care of development without taking social responsibility, nor affect the normal development of enterprises because of poverty alleviation. Therefore, enterprises should also find suitable entry points in the process of participating in poverty alleviation, unify regional development with enterprise development, realize the benign interaction between village and enterprise, and make poverty alleviation "profitable", which can not only guarantee the long-term existence of poverty alleviation cause, but also enable village enterprises to benefit from it, and transform pure poverty alleviation into organic cooperation between the two.

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