Proceedings of the 2nd International Conference on Interdisciplinary Humanities and Communication Studies
DOI: 10.54254/2753-7048/34/20231929

# *Explore Agenda Setting of Targeted Poverty Alleviation Policy: An Analysis Based on Difference-in-Difference Regression Model and Multiple Streams Framework*

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***Abstract:*** Although China's economy has developed rapidly in the past few decades, meanwhile, the poverty alleviation policies in China for poor rural areas have been adjusted and improved to achieve common prosperity. In particular, the targeted poverty alleviation policy has eliminated absolute poverty, which is a remarkable achievement in history. Therefore, why the targeted poverty alleviation policy emerged and how it was agenda-setting are the research questions of this article. An analysis combining the Difference-in-Difference Model and the Multiple Streams Approach is used to explain the agenda-setting of targeted poverty alleviation policy in China. The study concludes that although the poverty alleviation policy of the previous stage has promoted the economic development of poor counties, there was an increasingly widening economic development gap between urban and rural. This paper suggests that the strong political stream is a significant factor for policy change and the political elite leads the people to unite to get rid of absolute poverty and improve the quality of life of the poor people, which explains the agenda setting of targeted poverty alleviation policy.

***Keywords:*** multiple streams approach, poverty alleviation policy, agenda-setting, China

## 1. Introduction

Poverty, as a global problem, has always been accompanied by the development of human society[1]. Poverty was once viewed as an economic phenomenon, a condition in which an individual or family was unable to afford the basic necessities of life[2]. From a comprehensive perspective, poverty not only refers to the lack of material, social, and cultural resources, but also includes the lack of abilities, opportunities, and access to social services[3]. According to the different degrees of poverty, poverty is divided into determined poverty and relative poverty in the theory and practice of poverty governance. Absolute poverty emphasizes the level of income and the amount of goods that cannot meet the minimum physiological needs for survival[4]. Relative poverty means that when the poor have fewer living resources, they will lose some rights to participate in normal social life. It is precisely because of the loss and deprivation of these rights that their normal life will be lower than the average living standard of society, thus resulting in relative poverty. In China, the government's goal to combat poverty is to eliminate absolute poverty by 2020 and this has been successfully

DOI: 10.54254/2753-7048/34/20231929

completed because of targeted poverty alleviation (TPA) launched in 2013. Now, alleviating relative poverty is the new goal by implementing comprehensive rural revitalization[5].

Since the political elite (Xi Jinping) first proposed the concept of "TPA" during his inspection in Xiangxi, Hunan in 2013, China's poverty management has entered a period of TPA, and subsequent TPA has been introduced one after another. TPA has also become an important topic in academic research. Xin elaborated on the concept and ideological core of TPA and pointed out that academic circles have conducted relatively systematic research on Xi Jinping's important expositions on poverty alleviation, mainly in terms of theoretical sources, formation processes, and core content. In recent years, research on the poverty reduction effects of various poverty alleviation policies has become a new focus of academic circles[6]. Lin used the difference-in-difference method to study panel data of county-level cities in Fujian Province and found that the determination of provincial-level poverty alleviation and the formulation of key policies played an important role in poverty reduction[7].

Data disclosed by the National Bureau of Statistics in China from 2008 to 2012 showed that the gap between urban and rural development across the country was shrinking. According to data from the National Bureau of Statistics, from 2008 to 2012, the income ratios of urban and rural residents were 3.31, 3.33, 3.23, 3.13, and 3.10 respectively[8]. However, in 2013, former Premier Wen Jiabao pointed out in his summary of the 2012 Government Work Report that the gap between urban and rural rich and poor was large. Thus, is the previous poverty alleviation policy effective? China has a vast land area and great differences in development among regions. It is unconvincing to analyze this issue from the national level. However, it is more credible to narrow down the region and study the actual situation of representative provinces.

The purpose of this study is to fill the gap in studying the process of TPA agenda setting and to use data analysis of specific cases to expose the contradictions in the poverty alleviation results of the previous stage of TPA in official government reports. This article will use the Multiple Streams Framework to analyze the agenda setting of TPA and use the difference-in-difference regression model to answer three research questions based on data analysis from Sichuan, a representative poverty-stricken province in China.

## 2. Literature review

Jiang and Li show that once the multiple streams theory was proposed, Western scholars began to use this theory to analyze different levels and stages of the policy process[9]. American scholars Durant and Diehluse the multi-stream theory to analyze the U.S. foreign policy process[10]. Carter and Jacobs employ Kingdon's multiple source flow theory to analyze how problem flows, political flows, and policy flows converge under the promotion of policy entrepreneurs[11]. In 2004, scholars translated and published the book "Agenda, Alternatives and Public Policy" written by Kingdon in China. This immediately aroused domestic academic circles' attention to the multi-stream theory. Some scholars have studied the multiple streams framework itself. Chen believes that the multi-source theory expands the space for analysis of public policy stages and makes the "black box of the political system" transparent[12]. Li and Xie analyze the shortcomings of the multiple streams framework in that it ignores the impact of economic, cultural, institutional, and other macro-level factors on policy formulation and lacks predictability[13]. Some scholars have studied the explanation of the multiple streams framework on public policy agenda setting and policy formulation. Research by Li and Ji shows that the multiple streams framework has strong explanatory power in analyzing the promulgation process of the "Personal Income Tax Law"[14]. Some scholars have also studied the role of the multi-source flow theory on the end of public policies. Wang and Yan apply the multiple streams framework to explain the policy evolution process from "city-governed counties" to "provincial-governed counties"[15]. They believed that the change in policymakers' preferences, and

DOI: 10.54254/2753-7048/34/20231929

factors such as conflict and compromise between alliances are key variables that influence the end of a policy. Some scholars use the multi-stream theory to analyze the process of public policy changes. Based on a review of the changes in China's poverty alleviation policies since the reform and opening up, Du found four driving factors that affect the changes in China's poverty alleviation policies: the positive or negative aspects of current policies, feedback, the occurrence of major events, changes in related indices, and changes in the political situation[16]. In general, the multiple streams framework has a strong explanatory power in analyzing the real public policy process. Therefore, it is explanatory and reasonable to use it to analyze the agenda-setting of TPA.

Few scholars have studied the agenda setting of proposing TPA. Zhu studied the changes in rural poverty alleviation policies at various stages since the founding of New China by multiple streams framework but did not conduct analysis based on specific cases, and the research was not in-depth enough[17]. Since the poverty alleviation policies in the previous stage were effective according to the National Bureau of Statistics data, why should we propose a different TPA? Why not continue the poverty alleviation policies from the previous stage? In other words, whether the previous anti-poverty policy had a causal effect on the poverty counties in the province? How did the agenda of TPA set? What is the decisive role in this proposal process?

## 3. Research significance and structure

It is of great significance to study the agenda-setting of TPA. Studying the agenda-setting process of TPA can allow us to clearly understand the actual effect of the previous poverty alleviation stage and understand more clearly who the decisive role is in this agenda-setting process. More broadly, this can provide experience for other developing countries in alleviating poverty because TPA enabled China to eliminate absolute poverty in 2020 and achieve the goal of lifting all impoverished counties across the country out of poverty.

This article will first explore the changes in China's poverty alleviation policies since 1949, and use data analysis of poor counties in Sichuan province from 2000 to 2011 to prove poverty the development gap between counties and non-poor counties, then clarify the Kingdon’s multiple streams framework, then use this framework to analyze the agenda-setting process of TPA. Finally, answer three research questions and draw conclusions.

## 4. Research Question

1. Whether the previous anti-poverty policy had a causal effect on the poverty counties in the poor Sichuan province?
2. How did the agenda of TPA set?
3. What is the decisive role in the agenda-setting of TPA?

## 5. The History of Policy Alleviation Policy

Poverty has always been an acute problem, plaguing both developing and developed countries. As the largest developing country in the world, since the founding of the People's Republic of China (1949), the Chinese government has organized and implemented a large-scale poverty alleviation campaign. By 2020, absolute poverty has been eliminated, and the battle against poverty has won a comprehensive victory[18]. Since 1949, at different stages of development, the Chinese government has adopted different poverty alleviation policies, and each stage has produced certain positive effects. Poverty alleviation policies can be divided into seven stages: Relief-type poverty relief (1949–1977), Structural reform promoted poverty relief (1978–1985, Development-oriented poverty relief drive (1986–1993), Tackling key problems in poverty relief (1994–2000), Consolidation-oriented comprehensive poverty alleviation (2001–2012), TPA (2013-2020), Comprehensively promote rural

DOI: 10.54254/2753-7048/34/20231929

revitalization (2021-).In general, from 1949-2020 it is to eliminate absolute poverty, and from 2021 it is to eliminate relative poverty. To sum up, over the past 70 years, China has continuously increased its funding for poverty alleviation and achieved great results[19]. To analyze the TPA, this study specifically explores three periods from 2001 to the present.

### 5.1. Consolidation-oriented comprehensive poverty alleviation (2001–2012)

In the 21st century, China's poverty alleviation has entered a stage of diversified and sustainable development, facing new challenges and opportunities. The Chinese government formulated the "Outline of China's Rural Poverty Alleviation and Development" in 2001, abolished agricultural tax in 2006, and established a rural minimum living security system in 2007[20]. By 2012, 148,000 poverty-stricken villages had been established nationwide in addition to 592 national key counties for poverty alleviation and development.

Overall, whole-village promotion with poor villages as the target of poverty alleviation is the main method of poverty alleviation at this stage. China's rural areas have formed a development-oriented poverty alleviation mechanism with linkage and coordinated development of the government, market, and society. Combining poverty alleviation with economic and social development[21]. This has further contributed to the growth of per capita income in poor areas, the improvement of public services, and the narrowing of regional disparities. According to 2010 standards, China's rural poor population decreased from 462.2 million in 2000 to 99 million in 2012, and the poverty incidence rate dropped from 49.8% to 10.2%.

### 5.2. Targeted poverty alleviation (2013-2020)

Although poverty alleviation has achieved certain results in the previous stage, some remote areas that have successfully been lifted out of poverty face the risk of falling back into poverty. It was against the backdrop of broader economic development in 2012 that Xi Jinping became president. Traditional anti-poverty measures face unprecedented challenges. Therefore, The strategic concept of TPA was first proposed by General Secretary Xi Jinping during his investigation in Xiangxi, Hunan Province in November 2013. Subsequently, the central government clarified the top-level design of TPA work. By 2014, the central government had successively issued policy documents on TPA. By 2015, it had issued the "Decision of the Central Committee of the Communist Party of China and the State Council on Winning the Battle Against Poverty", which clearly stated that by 2020, all poverty alleviation would be achieved. By 2016, A precise poverty alleviation mechanism had been introduced to implement TPA with a focus on poor old areas. At the 19th National Congress of the Communist Party of China held in 2017, General Secretary Xi Jinping once again emphasized the need to fight against poverty in a targeted manner. In 2018, the country proposed a basic strategy for TPA. In 2019, it issued another policy on combating poverty. "Guiding Opinions on In-depth Development of Consumption Poverty Alleviation to Help Win the Battle of Poverty Alleviation".

At this stage, China's development-oriented poverty alleviation has gradually entered the stage of TPA, and the national poverty alleviation work focuses on precision, focusing on poor families and poor people as the main support targets, no longer just staying in counties and villages as before, the poverty alleviation mechanism is aimed at the level of poor "farmer households", effectively connecting the supply of poverty alleviation resources and the diverse needs of poor households, changing from "flood irrigation" to "precise drip irrigation", and from "blood transfusion" to "hematopoiesis"[22]. In 2020, TPA will be launched as a key tool for poverty alleviation. After the implementation of TPA, as of the end of 2016, the total number of rural people lifted out of poverty reached 39.1 million, and the proportion of people lifted out of poverty dropped to 4.5%.

DOI: 10.54254/2753-7048/34/20231929

### 5.3. Comprehensively promote rural revitalization (2021-)

By the end of 2020, my country has achieved the goal of eliminating absolute poverty in an all-round way, lifted all the poor out of poverty, and achieved the first century-old goal. Hu and Zhai show that at this stage, although China's poverty alleviation work has achieved decisive success, practical problems such as Chinese rural economic foundation is still relatively weak, rural basic public services are relatively insufficient in supply, and farmers' ability to withstand risks is weak have not yet been completely solved[23]. In the new stage of development, the organic connection between poverty alleviation and rural revitalization is of great strategic value and practical significance. Therefore, in the next stage, the core task of my country's "agriculture, rural areas, and farmers" issues will be to achieve an organic connection with rural revitalization based on consolidating the results of poverty alleviation.

Therefore, whether the previous anti-poverty policy (2001-2012) had a causal effect on the poverty counties in the specific poor area? In other words, why did the agenda-setting of TPA come up in 2013? To answer this, a case study will be investigated in the Sichuan province.

## 6. Case study: Sichuan province

Is the poverty reduction policy in key poverty counties of Sichuan province effective from 2000 to 2011 in China? Sichuan, located in the southwest part of China, has been a relatively impoverished province for many years[24]. Mcculloch and Calandrino show that Sichuan, in the southwest part of China, is a relatively poor area and it is difficult for governments to alleviate poverty, as it has a disadvantaged location (mountainous region) and poor education (considerable illiterates) and serious illness (infectious diseases) [25]. Although significant achievements in poverty reduction have been made in Sichuan province, the government adopted a new strategy to address the problem in 2005 as there were still large quantities of poor people[26]. Thus, the government in Sichuan managed to abandon "relief poverty alleviation" to reverse the status quo and conducted the policy of supporting key poverty-stricken counties in 2005. Shen points out that the government divides 36 key-poverty counties and gives more financial support to them from different aspects, such as agriculture, education, and health care. Niu and Zhuang claim that anti-poverty policy had desired effects between 2001-2010 in Sichuan[27], however, this raises a question, why did the government come up with a different policy named TPA in 2013? Therefore, what is the effect of the anti-poverty policy on key-poverty counties in Sichuan province from 2000-2011? This section aims to analyze whether the anti-poverty policy boosts the economic development in the 36 key-poverty counties during 2000-2011 in Sichuan, using a Difference-in-Difference methodology to examine the policy in Sichuan province, the result is contrary to the anticipation, showing that the policy has a negative effect on the key-poverty counties in terms of GDP. This demonstrates that the economic development gap between poverty-stricken counties and non-poor counties has been widening in the past 10 years, which reflects that the gap between urban and rural economic development is also gradually widening.

Hypothesis 1

Anti-poverty policy has a positive impact on the economic development of poor counties.

Hypothesis 2

Anti-poverty policy has no impact on the economic development of poor counties.

Hypothesis 3

Anti-poverty policy has a negative impact on the economic development of poor counties.

DOI: 10.54254/2753-7048/34/20231929

## 6.1. The identification of the data and the strategy

### 6.1.1. Data

In this section, data is derived from the Sichuan Statistical Yearbook from 2001 to 2012, based on the county level. However, the data in reality is from 2000 to 2011 since the data in each Sichuan Statistical Yearbook indicates the data in the last year. The number of counties is 177 in the panel dataset, some counties (about 10) have dropped out as a result of the change of administrative division and the missing data about indicators, which might have little effect on the outcome. The key-poverty counties remained the same from 2005 to 2011, 36 in total. The indicators can be found in the Sichuan Statistical Yearbook. GDP per capita, the number of employees in agriculture, and the number of secondary schools and hospital beds are chosen to investigate the effect of the anti-poverty policy on 36 key-poverty counties, the unit for GDP per capita is Yuan and for employees in agriculture is ten thousand people. GDP per capita can be indicated by economic performance and living standards in the area. Other indicators are considered as covariates that could affect the research interest. The assumption for people working in agriculture is that the more employees are in agriculture, the economy develops slowly. While the more schools and hospital beds the county owns, the faster the economy develops. Data are collected from different sheets and different columns and manually are merged into one sheet in the dataset.

### 6.1.2. Dependent variable and treatment assignment

This section is interested in GDP per capita which is the dependent variable, in the dataset, it is the abbreviation "GDP". The treatment assignment is that the government offers financial support to the 36 key-poverty counties. The confounding factors are “employees” (the number of workers in agriculture), “schools” (the number of secondary schools), “beds” (the number of hospital beds in the dataset), and these variables are continuous variables. The “treatment” is binary in the dataset, it is the independent variable, if the observation is in the treatment group (the county is in the key-poverty county) and the county is in the post-treatment period (from 2005-2011), the value is 1; Untreated units and treated units in the pre-treatment periods (from 2000-2004) are coded as 0. The “ever-treated” is also binary in the dataset, it equals to 1 in all periods for all treated counties, it is 0 in all periods for all control counties.

### 6.1.3. DiD methodology

This section aims to estimate the impact of anti-poverty policy on economic development in poverty counties in Sichuan province. The ideal strategy to calculate the authentic causal effect is comparing the potential outcomes of a county under treatment and under control.

However, in reality, only one potential outcome of a county can be observed, which is the fundamental issue of causal inference[28]. In this estimation, the outcome of a county receiving the support of the anti-poverty policy or without given support can be studied. The methodology of DiD is adopted to calculate the average treatment effect on the observations in the treatment to address this problem, thus, whether the anti-poverty policy has a substantive effect on the development of the economy of poverty counties could be researched. There are two main reasons why a DiD method is used instead of other methodologies in this paper. Firstly, the DiD strategy compares treated units with untreated units over time, holding concurrent time trends. Specifically, the anti-poverty policy requires different local governments to spend years in conducting and adapting, using the DiD strategy enables us to observe the trend of its effect and control for some time-variant covariates that might affect the economic development over several years. Secondly, adopting the DiD method allows us to reduce selection bias, controlling for other confounders as constant. In this case, treated

DOI: 10.54254/2753-7048/34/20231929

counties and untreated counties might have some differences in several aspects before the implementation of the anti-poverty policy and we cannot control for all covariates. However, we can investigate the treatment effect when conditional on some time-invariant differences before the treatment period and after the treatment period by a DiD strategy.

## 6.2. Identification of the DiD method

In this study, Di is an indicator of treatment, the units are counties, defined as i.

Di =1 if the county was assigned to receive the anti-poverty policy,
0 if the county was not assigned to receive the anti-poverty policy. (1)

Ti indicates the treatment period.

Ti =1 if the county is studied after the treatment, from 2005 to 2011
0 if the county is studied before the treatment, before 2005 (2)

The potential outcome can be denoted as Ydi (t) for unit i.

Ydi (t) = Y1i (t) Potential outcome for unit i in period t when it is treated,
Y0i (t) Potential outcome for unit i in period t when it is controlled. (3)

Therefore, the causal effect of interest for unit i at time t is

$$\tau i\ (t) = Y1i\ (t) - Y0i(t) \tag{4}$$

The observed outcome for one observation can be defined as

$$Yi\ (t) = Y1i(t)\ \cdot\ Di\ (t) + Y0i\ (t)\ \cdot\ (1 - Di(t)) \tag{5}$$

One potential outcome of each observation can be studied as a result of the fundamental problem of causal inference. However, the DiD strategy can be used to calculate the average treatment effect on the treated (ATT).

$$\tau\text{ATT} = E\ [Y1i\ (1) - Y0i\ (1)\ |Di = 1] \tag{6}$$

There are two assumptions made in the DiD method. The first one is the plausibility of the assumption of parallel trends, which indicates that treated observations without the treatment would have followed the same tendency as the control group. In this section, the trends of "the development of GDP" would be similar in both 36 key-poverty counties and the rest of the counties in the absence of the anti-poverty policy. The plot will be demonstrated below.

Then, defining $\tau$ATT as,

$$\tau\text{ATT} = E\ [Y1i\ (1) - Y0i\ (1)|Di = 1] = \{E[Yi\ (1)|Di = 1] - E[Yi\ (1)|Di = 0]\} - \{E[Yi\ (0)|Di = 1] - E[Yi\ (0)|\ Di = 0]\} \tag{7}$$

Another assumption is that there are no time-varying confounders, omitted variables related both to treatment and outcome must be fixed over time. In this section, there are no other shocks on the

DOI: 10.54254/2753-7048/34/20231929

"GDP" variable during the period of the implementation of the anti-poverty policy in the 36 key-poverty counties.

Then, Angrist and Pischke show the basic fixed-effect regression equation of DiD method is as follows:

$$Yit = \gamma i + \lambda t + X'i\ \beta + \delta\ Dit + \delta + \varepsilon\ it \tag{8}$$

In this study, the Yit is the dependent variable that is the "GDP" for county i at time t. γi denotes the county fixed effect, capturing the individually varying but time-invariant covariates that are not observed. λ t indicates the year-fixed effect, capturing individually invariant but time-varying confounders that are additive and unobservable. X'i means observable time-varying confounders of each county, they are "employees", "schools" and "beds" in this case. β is the coefficient of those confounders. Dit is the vector of the county i received anti-poverty policy in time t. δ shows the causal impact of the implementation of the anti-poverty policy on economic development in 36 key-poverty counties. ε it is the error term. Also, Angrist and Pischke point out that γ1i can be contained in the equation, conditioning on specific time trends in different counties.

$$Yit = \gamma 0i + \gamma 1i\ t + \lambda t + X'i\beta + \delta Dit + \delta + \varepsilon it \tag{9}$$

OLS and fixed-effect regression can be used to calculate the causal effect.

## 7. Estimation and Results

Table 1: Results of Difference-in-Difference regression model analysis

| | Model1 | Model2 | Model3 | Model4 | Model5 |
|---|---|---|---|---|---|
| (Intercept) | 16578.00*** | 7100.37*** | -1937.54 | -2024.34* | -1521.18 |
| | (321.81) | (318.11) | (1007.99) | (982.75) | (1010.10) |
| Treatment | -8804.20*** | | -4413.40*** | -3866.55*** | |
| | (713.57) | | (370.11) | (361.55) | |
| ever_treated | | -4390.80*** | | | |
| | | (705.36) | | | |
| post_treatmentTRUE | | 9477.63*** | | | |
| | | (416.50) | | | |

DOI: 10.54254/2753-7048/34/20231929

Table 1: (continued)

| | | | | | |
|---|---|---|---|---|---|
| ever_treated:post_treatmentTRUE | | -4413.40*** | | | |
| | | (923.54) | | | |
| beds | | | | 2.44*** | 2.66*** |
| | | | | (0.20) | (0.21) |
| schools | | | | -23.01 * | -35.34*** |
| | | | | (10.37) | (10.60) |
| employees | | | | 55.35 | 45.37 |
| | | | | (31.43) | (32.32) |
| R^2 | 0.11 | 0.27 | 0.89 | 0.90 | 0.89 |
| Adj.R^2 | 0.11 | 0.27 | 0.88 | 0.89 | 0.88 |
| Num.obs. | 1239 | 2124 | 2124 | 2117 | 2117 |
| RMSE | 10110.16 | 8446.41 | 3384.88 | 3264.12 | 3358.81 |

*** p < 0.001, ** p < 0.01, * p < 0.05

In Table 1, to estimate the effect of anti-poverty policy on the economic development in key-poverty counties, firstly, Ordinary Least Squares (OLS) is used to compare the treatment for the treated and untreated counties in the post-treatment period. The coefficient is -8804.2 in model 2, which indicates that the economic output for each individual in treated counties on average was 8804.3 lower than that in control counties in the post-treatment period. However, there is little evidence that this difference in means could identify the causal inference as the treatment was not assigned at random. The selection bias is a concern since the treated and untreated groups could have significantly different potential outcomes. Then, the manual calculation is made to estimate the difference in means between treated and controlled counties in the pre-treatment period and the post-treatment period. The outcome is negative 4413.4, implying that the average treatment effect on the treatment counties is negative and the anti-poverty policy in key-poverty counties decreased the economic output of each person by 4413.4 Yuan, on average. Then, a linear regression model was used to prove this value, the coefficient of the interaction term between ever_treated and post_treatment is 4413.4 in model 2. Also, this is statistically significant since the value of t-stat (-4.78) is lesser than -2.58 so the null hypothesis of no effect can be rejected at the 99% confidence level.

Moreover, with panel data, an additional three fixed-effects regressions are used to compare the effect in models 3, 4, and 5. In model 3, the fixed-effect estimator for “county” and “year" is used, and the coefficient of treatment (ATT) is 4413.4, which indicates that anti-poverty policy in key-poverty counties decreased the economic output of each person by 4413.4 Yuan, on average. In model

DOI: 10.54254/2753-7048/34/20231929

4, "beds", "schools" and "employees" are added to investigate whether they have effects on the "GDP", the coefficient of "treatment" increases from -4413.4 to -3866.55, implying that anti-poverty policy in key-poverty counties decreased the economic output of each person by 3866.5 Yuan, on average, controlling for constant other variables. In model 4, 2.44 means that each additional hospital bed provided in the poverty county is associated with a 2.44-unit increase in economic output on average, conditional on constant other variables; -23.01 implies that a one-unit increase in "school" is associated with a 23.01-unit drop in "GDP" on average, holding constant other variables; 55.35 indicates that each additional person working in agriculture is associated with a 55.35-unit increase in "GDP". While in model 5, "treatment" is excluded, the coefficient of "beds", "schools" and "employees" slightly changes to 2.66, -35.34, and 45.37 respectively, which might indicate that the covariates have a smaller effect on the outcome compared with "treatment". It is worth noting that the absolute t-stat value of "treatment", "beds" and "schools" are larger than 1.96 in model 3, 4, 5, this indicates that the outcome is statistically significant. However, the DiD method requires testing the parallel trend.

## 7.1. Testing the parallel trend

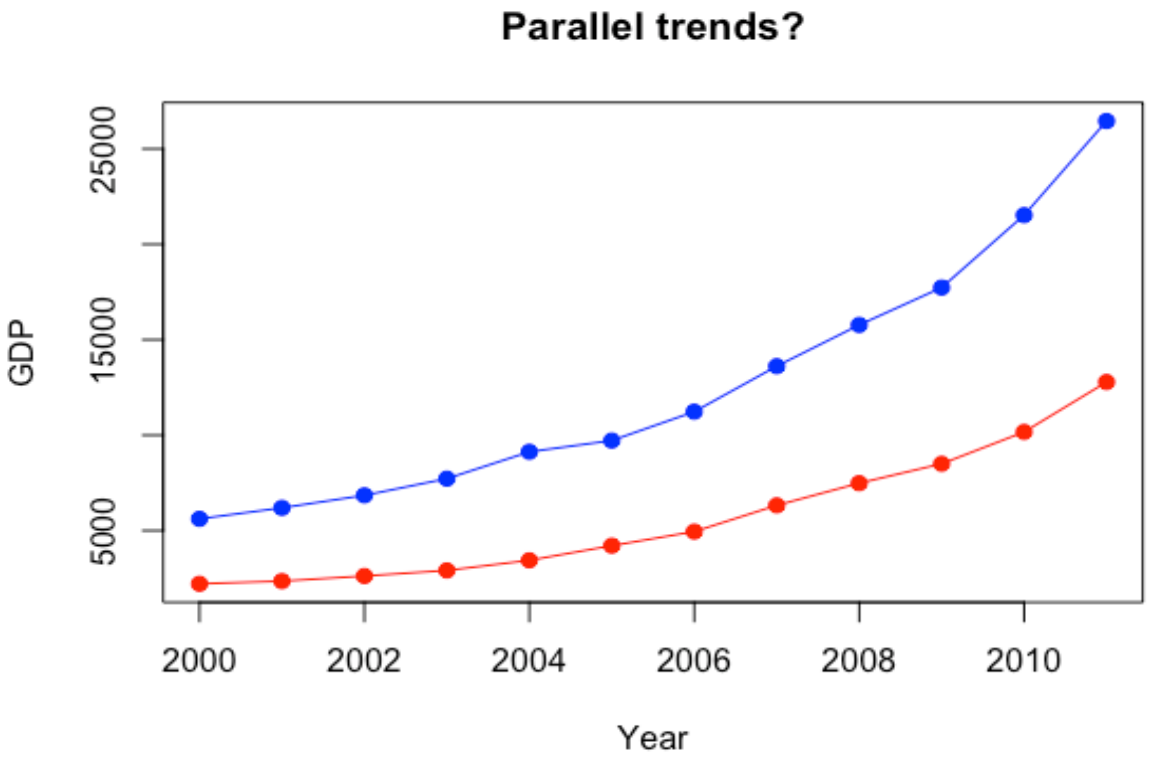


Figure 1: Parallel trend of the GDP per capita in the counties from 2000 to 2011

In Figure 1, the parallel trend of the GDP per capita in the 36 key poverty observations and other counties from 2000 to 2011 is observed. In 2005, the Sichuan government implemented the anti-poverty policy support in the 36 key-poverty counties, this is the treatment. Before 2005, the trend in both groups was ideal parallel and seemed to be similar, although the gap between the outcomes for both groups widened from 2003 to 2005. After 2005, the gap continued to widen, especially from 2006 to 2011, which implies that the anti-poverty policy support has a negative effect on the economic

DOI: 10.54254/2753-7048/34/20231929

output for each person in the county and it is contrary to the theoretical expectation, which proves the Hypothesis 3, anti-poverty policies have a positive effect on the economic development of poor counties. Therefore, Hypothesis 1 and Hypothesis 2 were refuted.

The ordinary target of implementing the anti-poverty policy is to improve the economic development in poverty counties in Sichuan province. The results show that this policy has a negative effect on the economic development of poverty counties, which is contrary to the expectation. Using OLS to calculate the causal effect is not sufficient because of the selection bias although the outcome has substantive (-8804.2) and statistical significance (12.3). Moreover, the DiD regression model demonstrates that using anti-poverty policy in key-poverty counties is associated with 3866 Yuan lower in the economic output of each person, on average, controlling for constant other variables. This model fits better since the R-squared is 0.90, closer to 1, which implies that "treatment" explains 90% of the variation in "GDP". In terms of internal credibility, the causal effect has been assessed as the fixed-effect model is estimated by a robustness check above. While the external validity of the study remains suspicious, and it is difficult to generalize the result, as diverse backgrounds and various policy environments are in those poverty counties although they are in one province. In the end, this outcome explains why the Sichuan government implemented a new strategy in 2015, named TPA, to help the poor people one by one.

### 7.2. Robustness test

Angrist and Pischke illustrate that the serially correlated issue exists in the time series data so that clustered standard errors arise by county. It is assumed that the regression errors are not correlated in clusters despite that they truly correlate within a group. However, there is no problem in the fixed-effect model by using county and year fixed-effects. Thus, the calculation of the fixed-effect regression could check the robustness. The standard error in the fixed-effect model is substantially smaller.

Therefore, the following part will adopt Kingdon's multiple streams model to answer research questions: how did the agenda of TPA set? what is the decisive role in the agenda-setting of TPA?

## 8. Kingdon's multiple streams model

In China, poverty is considered as a long-term issue. The policy towards poverty alleviation fundamentally changed over different periods. What factors result in these shifts is an interesting question. There are several analytical frameworks that seek to explain the changes in the policy process, integrating resources, ideas, interest groups, and relevant actors. Among these, Brunner demonstrates that the classic adoption of Kingdon's multiple streams model is widely used as it captures the attention of a huge number of political researchers[29]. This perspective emphasizes the role of ideas and agenda-setting in the policy process. Three streams (problems, policies, and politics) consist of MSF. Change occurs when advantageous developments in three different streams converge in a "policy window". In this view, change partly relies on exogenous factors and is fairly random.

As can be seen in the Figure 2,

There will be many problems in the development of society. Only some of these problems will become the problem stream and enter the government agenda setting. There are three mechanisms that serve to bring problems to the attention of policymakers. Firstly, indicators such as data and reports. Changes in certain indicators will attract the attention of government decision-makers, specifically, the Gini coefficient, CPI, employment rate, etc. The government conducts routine monitoring of some activities and events to monitor abnormal changes in indicators, which is conducive to early detection and problem-solving. Secondly, focusing on events such as disasters and symbols, Sometimes, the change of indicators may not necessarily cause the attention of the decision-

DOI: 10.54254/2753-7048/34/20231929

makers, and some major events, emergencies, crisis events, or some popular symbols can quickly talk about a problem and push it to the public, directly guiding people to pay attention to a certain thing. Thirdly, other feedback channels such as media and public deliberation enable decision-makers to focus on key issues.

The policy stream is conceptualized as a "primeval soup" in which ideas float around, confront one another, and combine and collide, from government bureaucrats, members of Parliament, professional analysts from major interest groups, government personnel, scholars, and other people from different professional fields. They try to persuade the general public and other members of the policy community to support their policy views. The ‘‘soup’’ changes in a process of natural selection and recombination. Some ideas float to the top of the agenda and others fall to the bottom. Kingdon points out that swimming in this soup are policy entrepreneurs "who are willing to invest resources of various kinds in hopes of a future return in the form of policies they favor"[30]. They are crucial to the survival of an idea and open up policy communities to gain acceptability for a policy. The ideas that meet certain criteria can be taken seriously. It must be technically feasible, conform to the dominant values of the community, and be able to anticipate the potential limitations that may operate within it. The end result of this struggle is a list of alternative governing agendas.

The political stream is independent of the other two streams and determines to a large extent the status of agenda items. It is composed of several elements: national mood, public opinion; organized political forces: parties, legislative politics, pressure groups; government: change in personnel and jurisdiction; consensus-building: bargaining, band wagons, and tipping. Specifically, Public opinion can guide policy output, but at the same time, if a certain policy does not receive the acquiescence or support of the people, then even if the policy is implemented, it will eventually fail. Pressure groups are organized political forces. The public will generally be divided into two positions: support and opposition to social reform, which represent different political forces. There are loads of such organized political forces distributed in the political stream. Politicians and government officials will respond to these political forces. Judging by the degree of consensus among them, if there is a balance between these forces and a consensus is reached through bargaining among various stakeholders, then government officials will try to agree with them, and the change process will slow down. If there is a conflict between these forces If the balance is broken, it indicates that a certain policy agenda is about to be launched. Leaders’ concepts of governance. To consolidate the political power, the new leaders will pay more attention to matters related to people's livelihood after taking office, and the leaders' governing philosophy will be reflected through public policies.

When those three streams join they temporarily create advantageous choice opportunities which Kingdon terms ‘‘policy windows’’ or ‘‘windows of opportunity’’; a situation where a problem is recognized, a solution is developed and available in the policy community, a political change makes the right time for policy change, and potential constraints are not severe". Kingdon uses the metaphor of a launch window in a space flight mission. If the window is lost, then the launch has to wait until alignments become appropriate again. The successful launch of a policy change is the result of the opening of such a ‘‘window of opportunity’’ in the interplay of multiple streams. In this view, agendas are not just a reflection of power but also depend on chance.

DOI: 10.54254/2753-7048/34/20231929

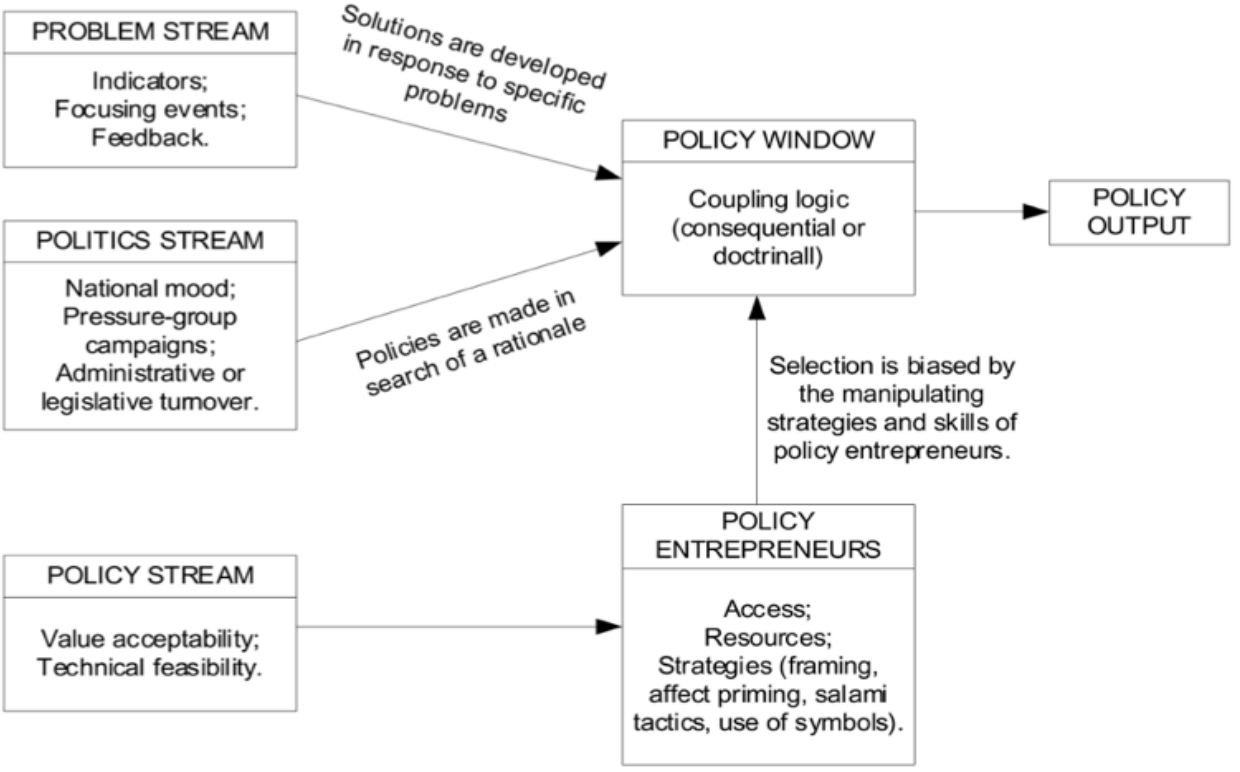


Figure 2: The original Multiple-Streams Approach (Source: adapted from Zahariadis [31])

The following discussion applies the multiple streams approach to the relatively new domain of TPA policy in China. It shall be investigated how well Kingdon's approach explains the drivers of policy change in the case study example.

## 9. The Analysis of Targeted Poverty Alleviation Based on Multiple Streams Framework

### 9.1. Problem stream

Indicators:

There are important indicators. Firstly, on March 5, 2013, the leader -Wen Jiabao published the 2012 Annual Government Work Report (http://theory.people.com.cn/n/2013/0319/c40531-20832391-6.html ), pointing out that there are still many contradictions and problems in economic and social development. Unbalanced and unsustainable development are still prominent; the gap between urban and rural areas, regional development, and the gap in residents' income distribution is large. However, according to 2010 standards, China's rural poor population decreased from 462.2 million in 2000 to 99 million in 2012, and the poverty incidence rate dropped from 49.8% to 10.2%. China has a large land area. Due to the extremely uneven development of various regions, it is difficult to use an average value to indicate the true urban-rural gap in the entire country. Moreover, some data might be exaggerated and do not truly present the effect of rural poverty alleviation.

Focusing events:

The most significant focusing event is that on November 3, 2013, the newly appointed Chinese leader--- Xi Jinping visited the Miao Village in Shibadong Village, Huayuan County, Xiangxi Tujia and Miao Autonomous Prefecture, Hunan Province. For the first time, he proposed the important concept of " TPA " and made "seeking truth from facts, adapting measures to local conditions, which

DOI: 10.54254/2753-7048/34/20231929

are important instructions for “categorized guidance and TPA”. According to the Central People’s Government website (https://www.gov.cn/xinwen/2019-12/03/content_5458138.htm).

Feedback:

In mainland China, all major official media, whether state-owned media or market-oriented media, mostly follow in the footsteps of the central government and actively broadcast positive events to create a good social atmosphere. Specifically, they will follow in the footsteps of the Chinese Communist Party, report on current national affairs, and establish a good image for the central government. On the Internet, during this period, netizens will comment on relevant articles published on official media websites in the comment area, which enables the focus on the government work report and refined poverty alleviation. For example, in 2013, the People's Daily reported on the proposed agenda for TPA. In this news report on WeChat, netizens expressed strong support for this and put forward some of their own ideas.

## 9.2. Policy stream

National mood

In a socialist country like China, various social groups follow in the footsteps of the government and unite to promote the country's social and economic development. Many deputies put forward various livelihood proposals at the annual two sessions, and proposals to improve people's livelihood are passed every year. For example, during the two sessions this year, some delegates proposed to control housing prices, reduce mortgage interest rates, and promote people's consumption of real estate, and the government has now issued relevant policies to turn the proposal into reality. Since 2013, many experts and scholars have studied how to get rid of poverty as scheduled in 2020 in TPA. The main reason is that the Party Central Committee is more active in adopting top-down guidance measures. Poverty alleviation funds in ethnic minority areas have been misappropriated and wasted severely. When the goal of poverty alleviation deviates, the basic situation of poor households is unknown, and the causes of poverty are unknown, the form of poverty alleviation urgently needs to change from "flood irrigation" to "drip irrigation". Nationwide, there is a national sentiment for TPA.

## 9.3. Politic stream

Leaders’ concepts of governance

In socialist China under the leadership of the Communist Party of China, the political trend of policy changes is mainly reflected in the leaders' governing philosophy. In 2013, the new leader Xi Jinping paid more attention to the livelihood issues of the Chinese people after taking office. The leader's governing philosophy will be reflected through public policies. Long before, Xi demonstrates that we can achieve poverty alleviation through rural party organizations, developing large-scale agriculture, and promoting common prosperity in minority areas through strengthening the construction of spiritual civilization and building good poverty alleviation in poverty-stricken areas [32]. Since Xi Jinping took office, he has conducted more than 30 inspections across the country, more than half of which were related to poverty alleviation. Therefore, Xi Jinping is affectionately called a "poverty alleviation cadre" and has formed poverty alleviation concepts such as the theory of poverty alleviation value, the theory of TPA, the theory of large-scale poverty alleviation pattern, and the theory of core strength. Thus, in 2013, Xi Jinping became a key actor and proposed the concept of TPA during his inspection in Hunan with other communists. Subsequently, in January 2014, the General Office of the Central Committee of the Communist Party of China formulated the top-level design of the TPA work model in detail, promoting the implementation of the idea of " TPA " under the leadership of Xi Jinping with other communists.

DOI: 10.54254/2753-7048/34/20231929

Three streams (problems, policies, and politics) occur when advantageous developments in three different streams converge in a ‘‘policy window’’, thus, the TPA comes up. In this case, change partly does not rely on exogenous factors and is not fairly random. However, political elites played an important role in the agenda-setting of the TPA. In socialist China, it is precisely because political elites stood up and led everyone to solve problems together and implement the TPA policy that we achieved comprehensive poverty alleviation in 2020, eliminated absolute poverty, and greatly improved the lives of poor people.

## 10. Conclusion

Overall, although the poverty alleviation policies in the previous stage have promoted the economic development of poor counties, the economic development gap between urban and rural areas (poor counties and non-poor counties) has gradually widened, which demonstrates the 2012 Government Work Report that the gap between urban and rural rich and poor was large. This paper uses a difference-in-difference regression model and multiple streams framework to study the background and agenda-setting of TPA policy. Combined with a case analysis of poor counties in Sichuan, The conclusion is that although the poverty alleviation policy of the previous stage has promoted the economic development of poor counties, the economic development gap between poor counties and non-poor counties (urban and rural) has widened year by year, thus confirming that the urban-rural development gap is still very large as pointed out by former Premier Wen Jiabao in his 2012 government report. Moreover, in 2013, as the problem stream, policy stream, and political stream converged to form a policy window, the agenda-setting of TPA was put forward. In socialist China, the political elite played an important role in leading the people to unite to get rid of absolute poverty and improve the quality of life of the poor people.

This article has two main contributions. At the theoretical level, the analysis of TPA agenda setting confirms Kingdon's multi-source mobility framework. When problem streams, policy streams, and political streams converge, a policy window is formed, and new policies emerge. In socialist China, the political stream is the key to the third stream, and the political elite plays an important role in uniting the forces of all sectors of society to solve the problem of poverty and ultimately achieve the goal of eliminating absolute poverty. In the process, contradicting Kingdon's view, the change is partly dependent on external factors and is not entirely random. In practice, research on the background and agenda setting of TPA is helpful to analyze the effects of poverty alleviation policies in the previous stage and identify existing problems for further targeted solutions to effectively solve the problem of poverty. China, a large country that has suffered from poverty for a long time, finally eliminated absolute poverty by 2020 precisely because of the TPA policy, which can be used as a reference for other developing countries.

The study has two limitations. First of all, this article studies the economic development of impoverished and non-poverty counties in Sichuan Province, it only uses data for analysis and only focuses on changes in numbers. It does not go into the countryside to investigate the great changes in the lives of villagers in 2000-2011 years. Secondly, this article only studies the process of setting the TPA agenda. There is no analysis of the formation process of various policies in targeted poverty alleviation. Future research on this topic should be combined with field surveys, paying particular attention to areas with a high probability of returning to poverty. Moreover, research should pay attention to the formulation process and implementation effects of the current new comprehensive rural revitalization policy to further improve the living standards of rural people and promote social equity.

DOI: 10.54254/2753-7048/34/20231929

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