

“Invisible China. How the urban-rural divide threatens China’s rise” by Scott Rozelle and Natalie Hell

Reviewed by Aihemaitijiang (Ahmatjan) Rouzi

Mr. Scott Rozelle is a distinguished Stanford professor who has dedicated his tireless academic work and countless field trips to understanding rural China. Ms. Natalie Hell is an equally accomplished author and researcher who is also a preeminent expert on China’s rural development. Their joint book, “Invisible China”, is a timely read for understanding recent developments in rural China, masterfully combining the author’s personal stories with thoroughly researched academic themes.

The authors wanted to know if China can escape the so called “middle-income trap” that many developing countries fall into when their rapid development stalls and they fail to make the transition to a successful high-income country, as was the case with Mexico, Brazil, Malaysia, and many other countries. Human capital has been the main reason for the successful transition and “graduation” from middle-income to high-income status, as exemplified by South Korea, Singapore, and Israel. With only 30% of the population having a high school or higher education diploma according to 2015 statistics, which is lower than most “ungraduated” middle-income countries, China faces major challenges in transitioning to a high-income knowledge-based economy.

In each of the book’s seven chapters, the authors gradually built their case for how the urban-rural divide could derail China’s rise. Although the modern glass skylines of Shanghai and Shenzhen dazzle outsiders with their glamour and economic success, there is also another China where most rural residents live in the shadows. The authors started the book with a personal story of how it was impossible to find any young men in rural villages during the boom years of China’s economic growth. On their most recent visit in 2016, however, they were suddenly able to find them, as many of them returned to their home villages after being laid off or running out of opportunities in the cities. They correctly described rural China as invisible and backward amidst the stark industrialization and urbanization

of coastal areas over the past thirty years.

Creating jobs and opportunities for the less-skilled population, most of whom live in rural areas, would be key to China’s continued success. However, the authors offer the bleak assessment that China may be running out of options. Although the Belt & Road Initiative (BRI) offers some opportunities for construction jobs in the neighboring countries, the slowdown in China’s economy and backlash against the BRI have led to the cancelation or scaling back of some projects, raising doubts of the viability of the BRI as a driver of job creation for China’s large unskilled labor force. Rising wages are driving labor-intensive manufacturing to cheaper locations in Vietnam and South Asia, thus further limiting opportunities for rural and unskilled people. The authors tested the feasibility of the Universal Basic Income (UBI) to help the transition and concluded that China, with its current limited financial resources, cannot provide free money to 300 million people for an extended period until they learn new job skills. Even in the advanced economies in North America and Europe, basic income has yet to be introduced to address the severe socio-economic inequalities in their countries.

The authors blame unequal and decentralized funding for education and health, misplaced-priorities for short-term growth, and discriminatory hukou policy for the large gap in educational attainment of rural residents. Furthermore, lacking medical resources left many children in rural areas with undetected or untreated physical ailments like myopia and other diseases or developmental disabilities. The authors recommended some workable solutions to these health issues based on their Rural Education Action Program (REAP) project’s randomized control trials. The book rightly points out that children from rural areas are already behind when they start the race to succeed in China’s hypercompetitive education system.

Despite all the doom and gloom in the book, the authors also offer a glimmer of hope by presenting some local initiatives that are helping rural children get a good education. To avoid the worst-case scenario, they suggest that China should invest in the health and primary and secondary education of its children, expand schools for practical vocational training and apprenticeships, further relax the hukou system, and offer universal free 12-year education. The authors outline three scenarios in which China could raise its human capital by varying degrees; in two of the scenarios, if China did not raise the education levels of its workforce, it would be stuck in middle-income country status or economically stagnant. The authors humbly acknowledge that their predictions may not come to pass because of the many moving crosscurrents in the national and global economy. They argue that failure to avert the catastrophic scenario would not only hamper China but could also shake the global economy.

Scott Rozelle and Natalie Hell, *Invisible China*. How the urban-rural divide threatens China's rise. The University of Chicago Press, 2020. Chicago & London. Hardcover, 248 pp.

Some of the author's predictions are prescient, as demonstrated by the rapid population decline and the government's subsequent actions to revive it by announcing the "three-child policy" recently. However, permanently reversing the rural-urban divide would require more than window dressing of these problems. China's policy makers would be better off if they heeded the warning in the book and explored the feasibility of the suggestions. In some ways, policy makers already realized the problem and started to address it. Double reduction in education (a policy which reduces school homework and afterschool tutoring), relaxation of the discriminatory hukou policy, and various rural revitalization initiatives which would give much needed reprieve to rural areas battered by the inequality are part of that effort. Although the book has only recently gone to press, in 2020, it has been revealed that recent events such as rising geopolitical tensions and the Covid-19

pandemic will have a far-reaching effects on the Chinese economy in general and rural development of China in particular.

China is grappling with the same socio-economic inequalities and dislocations resulting from globalization and rapid economic growth that plague many high-income Western countries. The authors neglect the dynamic nature of rural development in China and the system's ability to adapt and change, which has often defied the doom-and-gloom prophecies of the naysayers. One might also question whether it is useful to compare China's transition with mid-sized countries in Asia and Latin America. Given the huge size of the country at many levels, the coastal areas may already have achieved high-income status, while the vast interior and western regions are still far behind. China's centralized government structure remains effective in mobilizing socio-economic resources to address the issues of concern. Its renewed focus on poverty eradication, rural revitalization, and digital village initiatives could help tackle many underlying factors of inequality. Therefore, this book is not an ultimate verdict on China's rural development, which the authors also concede. Rural transformation in China is an ongoing story for both insiders and onlookers alike. This book offers a glimpse of how the future might unfold from one angle. Thanks to the work of Mr. Rozelle and Ms. Hell, we are on our way to witness this momentous event with a little more understanding.



Dr. Aihemaitijiang (Ahmatjan) Rouzi is an expert on Chinese agricultural policy monitoring at the DCZ. He earned his master's and doctoral degrees in the field of Geography from the University of Greifswald, the Catholic University of Eichstätt-Ingolstadt, and the Technische Universität Berlin, all in Germany.