

## Twitter Thread by Martin Chorzempa ■■■



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**Thread on Invisible China: Scott Rozelle and Natalie Hell's illuminating and scary deep dive into rural China's ills and stark inequality. No matter how bad you think it is, it's worse there---more like a developing country than a global superpower. 1/n**

2/Rozelle rolled up his sleeves to understand the CN most only see from plane or train windows. Issues in health and education, bringing down human capital of 300m rural Chinese, could trap it in middle income status.

Think future like Mexico/Turkey now, not Korea/Taiwan

3/Most focus on impressive elite universities and high schools topping int'l rankings, but CN average education levels are abysmal.

Only 30% of China's working age pop completed high school--last place for all middle income countries, worse than many poor countries!

4/TIL a startling fact: school in CN through grade 9 became free & mandatory only in 2006! Even today high school is not free in CN! Want to go through grade 12? Pay fees of 10-15x incomes for poor rural areas. Instead they drop out to work unskilled jobs. Xi has promised to fix

5/No country has escaped middle income trap below 50% HS grad rates, and avg for successful countries (now high income) is 76%. Why? HS skills not important for repetitive assembly jobs, but w/o ability to learn & basic skills in math and reading, can't do more productive jobs

6/Even worse, many of these HS attainers go to "vocational schools" that on average give ZERO useful career skills and NO measured improvement in math/reading. Literally teaching people VHS and tube TV repair. Gov spent tons to build nice facilities, but it's wasted

7/The invisible human capital disaster starts early. 50% of rural CN toddlers/infants are developmentally delayed, parents don't know need to talk/interact. So sad.

PLUS, 60% of rural Chinese kids have at least one of:

- Anemia from malnutrition
- Worms
- Bad vision but no glasses

8/ Fixing anemia, worms, and vision would be super cheap, costing less probably than a few miles of largely unused expressway, but little to nothing is being done.

Lots of progress in recent years boosting HS numbers and building, but China will need decades to catch up.

9/Worrying: CN school rates today same as Mexico when it ran out of surplus labor. Wages rise, ppl lose jobs, can't get new one b/c factories move where cheaper. In MX, result was rise in informal econ & crime. CN not Mexico, but risk is real

10/Why should rest of world care? Rozelle & Hell argue that economic fallout of stagnating China would be global, esp hurting CN supplier countries, and lead CCP to use more strident nationalism/bellicosity to retain support of a left behind populace---a dangerous cocktail. FIN