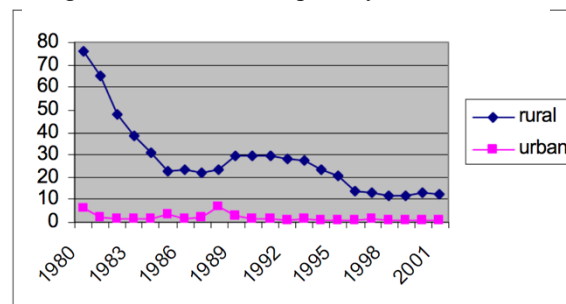


Rural Poverty, Education, Gender, 'middle income trap'

China's economic rise of the past 30 years has risen issues like poverty, income and gender inequality prevalent in rural Chinese communities. The middle-income trap can be described as an economic development situation (Economist, 2011) in which a country that attains a certain income per capita and struggle to reach the HIC status due to changes in societal structure and arising issues. China is trapped in this middle-income bracket; some argue it's the result of decades of economic rise from the industrialising giant. Given its 9.5% annual increase in GDP, the average income has increased 36-fold (China National Bureau of Statistics 2021); this disparity gives birth issues because of regional, social and skill-based disparities that are and present in China since open-door reforms of 1978 (World Bank, IMF). This may be a root cause for two thirds of China's poor households being located in Western regions, remote from the coast (World Bank, 2001). It is prominent in contemporary Chinese society, as leaders try to propose policies and structural changes to address such issues. The data in Figure 1 by Chen and Ravallion (2004) provides evidence of China's significant development in reducing poverty, enabling me to question if neglected education and poverty are the source of China's middle-income trap.

Fig 1- Rural and Urban poverty rate in China



Sources: Chen and Ravallion (2004).

Note: The poverty line for rural area is 850 yuan measured in 2002 price, while the urban poverty line is 1,200 yuan measured in 2002 price.

Summary of the Documentary

The documentary involves a rural West China village, Sparrow Village, which discusses lives of the young and adults in the village. In the rural village, young girls yearn for an education because guardians will choose to educate boys instead. Many of their parents are poor and illiterate, therefore have low paying jobs which forces their daughters to walk 3 hours to go to school elsewhere as the cannot afford to pay. The school has several male teachers with Miss Lee as the only female; she encourages them in their studies and helps them progress. In order to aid the struggling families, the head of the school allows family members to 'help with roof tiling' to pay for the book fee. The family describe how 'the economy in the village is stuck, mountains too high, slopes too steep, nothing can be developed here'. The documentary outlines the young girls' aspirations, school days and struggles.



Young girls on their way to school, conversing ambitions and future jobs (C. Choy, 2003)

Personal Reactions

Firstly, I'm shocked as a young girl describes her dad having to sell pigs in order to have enough funds to pay her education, whilst she depicts the routine of her 'ordinary life'. The girls walking three hours across rivers and carrying logs to get to school is deeply upsetting to watch, the courage they display in all routines is also highly admirable. The documentary teaches modern societies about humility and appreciation. They choose to help the community instead of 'marrying off somewhere far away', even when their lives 'perhaps are better' depicts Miss Li, the only female teacher in the village. I'm perplexed at their parents earning 'a few' dollars every month, compared to my experiences of working for 10 dollars/ hour. Ultimately, most of our lives are completely different to those living in Sparrow Village, this documentary reminds us to be mindful and grateful.



(McCall, 2018)

Relevance

Understanding social and economic issues in rural China are detrimental to solve the disparities present in Chinese society. My research question addresses issues in today's society such as poverty, education and the middle-income trap, Sparrow Village presents issues that are prevalent in rural China. Poverty in rural China is the overarching theme in the documentary, with barriers to education and a patriarchal society shown. The lack of opportunities to increase income is evident, as some parents confess to 'only having hands and feet' as a metaphor to describe the scarcity of funds they have. The area in Southwest China are concentrated with primary sector jobs, whilst mining is scarce, farming and livestock work is one of the few jobs families are stuck with. China's rapid industrialisation and movement toward secondary and tertiary sector jobs has allowed social and economic disparities to arise.

Answer- To what extent has neglected education and poverty in rural China resulted in the country's middle-income trap?

The 20th and 21st century Chinese politics can be understood as being opposing or affirming the Chinese tradition (Gries, 2023). While China industrialised heavily, it struggled to stay in line with traditional values, although some policies specific to eradicating poverty have been extremely successful. Figure 2 illustrates how rural China is amongst the lowest annual earners as coastal and central regions record 50% annual income above the mean (Gries, 2023), these figures highlight poverty and lack of education stemming from rural China, which could result in the middle income trap the country is stuck in.

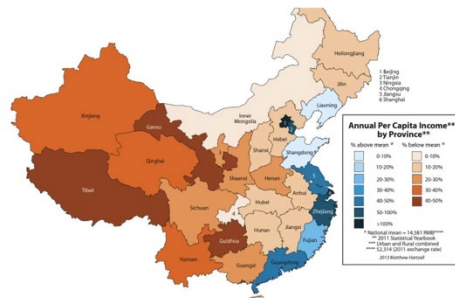


Fig 2- Annual income (per person) in China by province, 2011 (Matt Hartzell, 2013)

Firstly, poverty and education have played a role in China's recent growth struggles, nonetheless other factors have contributed greatly to the process. Covid-19 remains significant, given its halting and reducing of business and trade from 2019 until the present. A reduction of spending on food and tourism from the general public has induced the Chinese government to spend a modest amount on small business and infrastructure (180 billion pounds), as 'there is not a lot of point in pumping money into our economy if business cannot expand and people cannot spend money' noted Chief Asia Economist Louis Kuijs (Tewari, 2021). The losses from Covid-19 struggle range from, the steel and iron industry that Statista (2023) assets were down an 80% in the first 7 months of 2022, to 50% profit and income losses for tech giants Tencent and Alibaba respectively. Moreover, the employment crisis is causing a strain on the economy given 1 in 5 people aged 18-24 are unemployed, this reduced income causes problems for renting and buying properties. In turn, the property industry, which amounts to 1/3 of China's GDP has been greatly affected. Given the weak real estate activity, investment decisions being postponed claimed S and P Global Ratings, and the example that Shanghai's house prices are on average 26x the mean income (Stewart G, 2022), these factors have played significant roles in slowing Chinese growth.

On the other hand, neglected education and poverty have been highly responsible for the middle-income trap China finds itself in, however government policies and failure to integrate rural populations with modern developments has played a significant role in slowed growth. President Xi Jinping has planned to double China's economy by 2035, following the Belt and Road Initiative and eradicating 100 million people from poverty over the past decades (Stewart G, 2022), research suggests that the process has significantly slowed down and as of 2001 has shown reversal as one fifth of the world's poor still reside there (Chen and Ravallion, 2004). It is thus crucial to understand the source of rural poverty, stemming from the agricultural sector, which once accentuated China's growth.

The agricultural sector has been crucial for China's poverty issue which directly links to deprived education. Since 1950, the agricultural sector propelled rural per capita income by 270% by 1984 due to the government de-collectivizing production and allowing farmers to sell their surplus produce on the market (Yin Zhang, 2006). However, around the mid 1980's, the agricultural sector moved down the governments priority list as the focus shifted toward urban reform and industrialisation. Government procurement prices for farm produce were set below market prices, agricultural growth slowed, and floods and droughts led to food shortages creating a domestic decline in income until 1995. In an attempt to reduce inflation, the government increased investment in rural infrastructures and as China were about to join the WTO in the late 1990's (Khan, 1999), they eased control over agricultural imports. Nonetheless, whilst food supply boomed, the demand was low, giving rise to slumped food prices and a stagnation of rural income. Farmers were unable to increase their income, resulting in the rural-urban income disparity, thus rural communities had to conform to an economy transitioning from primary jobs to secondary and tertiary. This may contribute to China's middle-income trap as rural poverty increases and the fall of working age populations strain the country's supplies.

Lastly, rural communities in China clearly experience barriers to education. Hossain (1996) reports that the poorest quintile of households in China spend 14.2% of annual income on education, whilst the wealthiest spend 5.5%, this reflects the notion that education is far more accessible in seaside cities. Sparrow Village demonstrates the barriers to education, leaving many people in the village without the skills to read and write, forcing them to work on farms, resulting with 'brain drain' processes or internal development. During the 90's, China's fiscal system struggled to generate adequate revenues causing a revenue crisis for governments in poorer counties such as Gansu (Park, Wong, 1996). This created differences in public spending on education across China, evidenced by World Bank reports (1999) stating per-pupil expenditure in the richest 10% of counties was almost 5 times that of poorest counties in 1997. The obvious barriers to education in rural Chinese communities means populations living in rural China will be unsuccessfully integrated in an economy which now requires high-skilled workers for the technological sector, providing reason for which China may be stuck as a middle-income country.

Conclusion

China's middle-income trap is a result of a variety of factors, it is hard to differentiate which is more significant. Covid-19, neglected education and evolving societies, add to issues of poverty and inequality which arise in any developing economy. China's future will have to consist of an intensification of their MDG's goal to eradicate poverty and present viable policies to offer support and schemes to the rural communities in need of education and labour diversification.

Word count= 1643

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