

Does Human Capital Spillover Persist? Evidence from the Forced Migration by China's Send-down Policy by Zhixian Lin

Comments by Fiona Ogunkoya:

Summary

In China of the 1960s, an entire generation of educated youth were forced from their urban homes into the countryside to work in predominantly agricultural sectors for upwards of a decade. This paper takes advantage of this policy-driven redistribution of human capital to evaluate whether the temporary increase in human capital in the 1960s and 1970s has had a persistent impact on the productivity of the rural destinations. The author also contributes to the field with a new county-level dataset on the migration of the educated youth. He leverages county-level variation to control for potential confounders and calculates the extent to which the historical forced migration explains contemporary educational attainment. He finds evidence suggestive for his hypothesis. Specifically, an increase in the ratio of educated youth migrants to local agricultural laborers within a county in the 1960s and 1970s is associated with statistically significant increases, in 1990, in adult literacy rate, and the attainment rates of elementary through high school.

Comments and suggestions

- *Significance:* This project is both valuable and interesting. I would argue that the author underplays the significance and relevance of the topic. Be more specific regarding how the government intervention—the send-down policy—provides conditions that allow you to address challenges within the literature. Deliberate on the important role of rural areas in the Chinese government's plan for national development over the next 20-30 years, and how the lessons they draw from the send-down era can shape that plan. More generally, consider how your project speaks to policies for human capital redistribution in developing countries under high levels of economic and social inequalities.
- *Setting the stage:* This paper accomplishes a great deal in relatively few pages. However, some sacrifices should be recovered: Be explicit about what is human capital spillover. Why should we expect persistence in spillover? What does spillover look like in a village such as that described on page 12?
- *Theoretical development:* More discussion of the mechanisms underlying human capital spillover would strengthen the persuasiveness of the empirics. I suggest considering negative peer effects: for example, competition between native youth and educated youth might reduce the attractiveness of education. After all, the glut of educated youth led them to being “sent-down” to the countryside, education is not met with increased opportunities in urban areas, and leaves the educated youth, at least initially, lost in rural areas. Confrontation with the educated youth might also lead the native youth to better appreciate the value of low-skill work. Perhaps these mechanisms work in concert with those mentioned in the paper, with some at play earlier in the send-down period and others later in the period. These competing explanations for the

impact of forced migration can act as a fulcrum that highlights the importance of your empirical work and the effort invested in research design.

- *Figure 2:* It is unclear to what extent the figures in Figure 2 illustrate the government's justification for the send-down policy. For example, though the figure on grain output seems to show send-down strengthening as grain output decreases in the 1960s, this relationship is less evident in the 1970s. Reconsider the other figures (except for the figure on urban employment, which seems to best fit your explanation). In reconsidering the figures, is it possible that the unexpected lack of correlation between the send-down policy and the measures of industrial output, grain output, and professional school enrollment in the 1970s is due to the rising number of educated youth returning to urban areas?
- *Initial Spillover:* One of the strengths of the project is its emphasis on long-term effects, but resources limit what is possible within a single paper. Nevertheless, an illustration of human capital spillover soon after the end of the send-down policy would be valuable for making a compelling case that the educational attainment in the 1990s to 2010 are the heritage of the send-down policy. There is a substantive and theoretical difference between the building of schools during send-down and the educated youth, middle-aged, return post-send-down to invest in the rural areas of their past. Both might affect contemporary educational attainment. If data on the educated youth is available across different years in the send-down period, it would be interesting to note if the impact of earlier periods of send-down (when educated youths might suffer from culture shock or when there are less dense populations of educated youth) compete with the impact of later periods. These explorations are significant because they might suggest your results are conservative, given the theoretical incorporation of competing forces.