Fertility and Female Labor Force Participation: Evidence from One Child Policy in China

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One Child Policy in China

- "Lateral, longer, fewer", 1972: encouraged people to get married and have childbearing at later age, have a longer birth spacing, and recommended couples to have at most 2 children.
- One-Child Policy (OCP), 1979: One married couple can only have one child in most provinces.
- In 5 provinces, all couples are allowed to have 2 children. Hainan, Yunnan, Qinghai, Ningxia, Xinjiang
- OCP was only Applied to Han Chinese before 1988. Applied to Zhuang ethnicity after 1988; applied to Manchu after 1990.
- Relaxation after "Document 7" in 1984. In 19 provinces, rural households are allowed to have second child if the first one is a girl.

Robustness Checks

- Effects of kids2 on Mother’s Labor Force Participation
  - Robustness Check
    - DID on Ethnicity in IV
    - Ethnicity or Obs
    - DID on Gender in IV
    - Gender or Obs
    - Mor or Obs
    - Twinning as IV
    - Triplet Difference as IV

Conclusions

- The DID estimates of probability of having two or more children show that One Child Policy does have negative effects on fertility.
- Using this DID estimates as instrument, we find that, having two or more children will decrease mother’s labor force participation in rural China in 1990-
- Nowadays in China, there’s this call for relaxation of One Child Policy (Feng, 2010). Our paper provide a perspective for the potential effects of policy relaxation on female labor supply. With second or more children, women are more likely to stay at home, rather than work outside, at least in rural areas.