

China's one child policy

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The demographics of the People's Republic of China are identified by a large population. Chinese population reached the billion mark in 1982. Today China's population is the largest in the world. China is a nation with a long and fascinating past. From being home to the most advanced bronze working civilization of the ancient world, to the invention of gunpowder and fireworks, to the famous (and infamous) such as Confucius, Kublai Khan, and Marco Polo, and to the formation of the People's Republic, the history of China is indeed impressive. However, the fact that is given the most importance today is its one child policy.

In order to analyse the impact of China's one child policy, we first need to understand how it came about. In the 1950s, Mao Tse-Tung urged his people to have lots of children to strengthen the country. The resulting population growth gave birth to concerns about feeding the citizens in the 1970s. Hence, the Chinese government formulated the One Child Policy in 1979. The goal of this policy was to keep China's population below 1.3 billion by the year 2000. In order to ensure implementation, the government imposed a strict "family-planning policy" which limited most urban couples to one child and allowed two children for rural families if their first-born is a girl or born with any physical or mental disability. It also allowed two children for parents who themselves are each an only child. Those who did not

qualify for an exemption and still gave birth to a second child had to pay an expensive fine, or "social maintenance fee", to keep their child. The policy was meant to help the impoverished country feed its people. China credits the policy with keeping family expenses down so that parents could more easily raise their standards of living.

According to many estimates, by 2050, more than a quarter of the population will be over 65. Demographer He Yafu says that the policy threatens to harm stability because the elderly segment of the Chinese population that is growing at a faster rate than previous years. Moreover, the leaders fear that the country's ageing population will both reduce the labour pool and exacerbate elderly care issues.

The All Girls Allowed group says that by 2050, China's population will be declining by 20 million every five years, and one out of four people will be over the age of 65. China's elderly population is 11% of the total population today; by 2050, it will be 31% of the population if the trend is not reversed. Most of the elderly in China are still cared for by relatives, and only children from single-child parents face what is known as the 4-2-1 phenomenon. When the child reaches working age, he or she would have to care for two parents and four grandparents in retirement.

China also needs more workers to maintain economic growth and generate tax revenues to care for a growing elderly population. China's working-age population, i.e. those aged 15 to 64, is drastically shrinking. From 2010 to 2030, China's labour force is expected to lose 67 million workers, more than the entire population of France, according to United Nations projections. Mr. Wang and other population experts have argued for several years that the

government was running out of time to change course. Birthrates have already fallen in some cities to levels below those needed to replace the current population. If left unchecked, the labour force would shrink, pressuring wages and inflation, and fewer workers would be taking care of a growing elderly population, potentially creating a pension shortfall.

Many Companies manufacturing or operating in China have already seen their profits diminish as the supply of labour, seen as China's most competitive advantage in attracting foreign companies to its turf, tightens, pushing up wages. The ripples of the policy change may be felt as far away as the fields and processing plants of the U.S. Farm Belt, which has already been shipping a growing share of its soybeans, pork and other products to feed China.

The one child policy has had several undesirable consequences. Similar to most Asian economies, Chinese society values baby boys more than baby girls because boys carry on the ancestral name, inherit property, and are responsible for taking care of aged parents. Because of these reasons, hundreds of thousands of baby girls are abandoned every year in China. The babies are abandoned in public places (such as busy streets, railway stations, and in front of public buildings) so that they will be found quickly. In addition to little girls, handicapped or sick babies (both boys and girls) are also abandoned because most parents in China don't have the money to provide for their special needs. Once found, the abandoned babies are given a medical exam and then taken to orphanages.

The traditional preference for boys has also led to couples opting for sex-selective abortions. By the end of the decade, demographers say China will have 24 million "leftover men" who, because of

China's gender imbalance, will not be able to find a wife. Women are coerced into abortions, despite Beijing's denial of this phenomenon. In 2008, the last year in which abortion numbers were made available, 13 million abortions were done, according to the state-run China Daily newspaper. All Girls Allowed estimates that 10% of all abortions in China are forced. Although forced abortions and sterilizations are illegal in China, it has been observed that local officials sometimes force women to undergo such procedures to meet population targets set by planning officials in Beijing. This has made population controls a lightning rod for Christians and human-rights activists in the West. The issue took centre stage in US-China relations last year when blind legal activist Chen Guangcheng, who exposed forced abortions in parts of Shandong province, escaped de facto house arrest and fled to the U.S. Embassy in Beijing, later arriving in the U.S.

China's one child policy has also made it an international centre where people turn to for international adoption. From 1983 to 2003, Americans adopted 40,496 children from China.

It has been often argued that the one-child policy has appeared increasingly out of place in a society where social mobility and individual freedoms have greatly expanded in the past decade. Tired of waiting for change, many better-off Chinese have had second children, either by going abroad to circumvent rules, or by paying hefty fines, causing popular resentment and drawing occasional criticism from the government.

Citing all these issues, last year, a government think tank urged China's leaders to start phasing out the policy and allow two children for every family by 2015, saying the country had paid a "huge political

and social cost". The China Development Research Foundation said the policy had resulted in social conflict, high administrative costs and a long-term gender imbalance.

In order to remedy this, the changes to the one-child policy and labour camps were part of a key policy document released by the official Xinhua News Agency following a four-day meeting of party leaders in Beijing. China is now loosening its decades-old one-child policy by allowing two children for families with one parent who is an only child.

However, many economists argue that the policy may not have as much of an impact as people think because living in the cities is expensive. Children expected to be born as a result of the policy shift will add modest growth. Population experts estimate 1 million to 2 million births over the next three years, starting at least 9.5 months from now at the earliest. These children won't enter the workforce for another 20 years.

"There's no exact optimum number to add," said Mr. Wang. The Shanghai government found in a 2012 survey that couples born after 1980 are willing to have only 1.2 children on average. The average number of children born per couple in the city is 0.7, well below the rate of population replacement, according to census data.

According to New York University economics professor Ann Lee, who specializes in China's economy, if a significant number of women do decide to have more children, it may create a labour shortage in the short term as women leave the workplace to care for the children. As China's economy strengthens, it will likely follow the path of Europe and the United States, where women following careers

have fewer children and wait longer to have them. However, this change in policy may address the issue of China's status as the nation with the most abortions, including forced abortions and sex-selective abortions, which has caused unrest and skewed China's sex ratios.

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Regional trade agreements: building or stumbling blocks to global trade?

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People and economists started accepting the idea of free trade only after Adam Smith's 'The Wealth of Nations' in 1776 and David Ricardo's theory of comparative advantage. Trade reform has three approaches: unilateral, bilateral/regional