Producing more, reproducing less: The demographic costs of China's export success

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Abstract: This study investigates the impact of export growth on fertility, coinciding with the abolition of the One-child Policy and subsequent relaxation of birth control policies in China. Using micro-level survey data, we employ a shift-share instrumental variables strategy to examine the causal effects. Our analysis reveals that married women residing in prefectures with greater export growth are significantly less likely to give birth. Additional analysis shows that export growth raises married women's wages, thereby increasing the opportunity cost of fertility and shifting household resource allocation by reducing maternal time devoted to childcare while boosting monetary investment in children's education. Social norms also emerge as an essential channel. These findings offer new insights into how economic development shapes demographic outcomes and provide implications for developing more women-supportive environments that reconcile labor market participation with family formation.

Keywords: Export growth; Fertility rates; Quantity-quality tradeoff; Social norms

JEL classification: D10; F14; J13