

Population Growth and Planned Birth Policy

张依缸

Yigang Zhang

School of Economics, Shandong University

ABSTRACT

China's planned birth policy is believed to be pro-growth and the coincidence of the enacting the planned birth policy in 1979 and the economy take-off after the reform in 1978 provides a seeming correlation. The presentation would examine the relation between population growth and economic growth under the framework of neo-classical growth model. An overlapping generation model is developed to introduce the dependency ratio into the growth regression. The claim of demographic dividend and the role of population growth are first examined in the cross-country data and sensitivity analyses are followed for the robustness test. Later, using the provincial level data of China the case study on China's planned birth policy is conducted where two instrumental variables, sex ratio at birth and minority proportion, are introduced to handle the endogeneity problems and policy suggestions based on the predicted China's demographic structure are provided.