

10-19-2024

WSJ Print Edition

China's One-Child Economic Disaster

Chinese Finance Minister Lan Foan disappointed investors in a press conference last Saturday that offered few details about a fiscal stimulus for the sputtering economy. We'll discuss the merits of such a plan when details emerge, but meanwhile a startling line caught our eye concerning the consequences of the country's former onechild policy.

Mr. Foan said in particular the package "will respond to the changing situation of China's population development" (according to a translation prepared by state media journalist Fred Gao). This is consistent with a Reuters report that Beijing is considering a monthly subsidy of around 800 yuan per child for a family's second and third children.

What a stunning reversal. For decades Beijing enforced a one-child policy that was ghastly in the way only an authoritarian regime can achieve. The human cost was incalculable, particularly on Chinese parents subject to forced abortions or sterilizations. The social consequences have been catastrophic as sex-selective abortions skewed the population in favor of males and successive generations of Chinese have grown up without siblings, aunts or uncles.

Communist Party leaders will never admit to any of that, but even they recognize the policy has been an economic disaster. Intended to prevent the population from expanding beyond what a developing economy could support, the effect has been nearer the opposite. China's aging and soon-to-be shrinking population is now an impediment to economic growth.

President Xi Jinping abandoned the one-child policy in 2016, and in 2021 the Party allowed parents to have up to three children. Apparently this isn't having the desired effect, so now Beijing may attempt natalist subsidies. The problem for Beijing is that these subsidies haven't worked anywhere they've been tried.

Prosperity has reduced child-bearing across the developed world, but democracies let nature and individual choice take their course. China's Communist Party chose brutal coercion, with damaging consequences that are likely to persist for the foreseeable future. Chalk up another defeat for central planning— and for Western intellectuals who wished we could be more like China.

Copyright (c)2024 Dow Jones & Company, Inc. All Rights Reserved. 10/19/2024
Powered by TECNAVIA

The following is a digital replica of content from the print newspaper and is intended for the personal use of our members. For commercial reproduction or distribution of Dow Jones printed content, contact: Dow Jones Reprints & Licensing at (800) 843-0008 or visit djreprints.com.