

# China One Child Policy

## Micro-Economic Effects

*{Presented by}*  
*{Date of Presentation}*

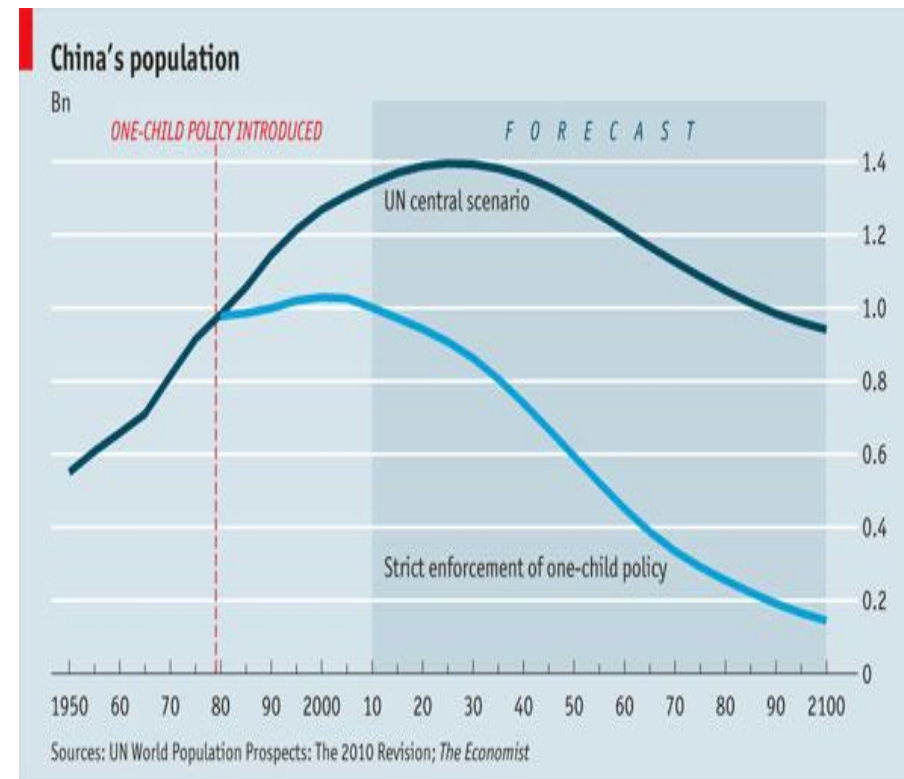
# Introduction

- China introduced 1 child policy in 1979
- Averted 400 million births by 2015
- Microeconomics
  - Production
  - Consumption
  - Demand & Supply



# Consumption

- Reduced births
- Reduced goods & service consumption
- Decreased consumer spending
- 2 kids better than one for economy – increased demand for goods & services (Hewitt, 2015).



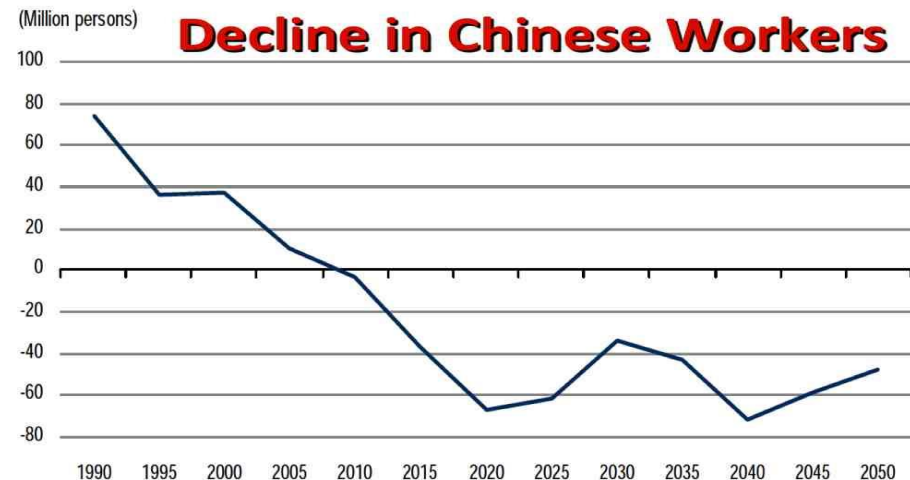


# Demand & Supply

- Higher demand for labor but low supply
- Increase in demand will increase wage bill
- Industries to pay workers more to retain them
- Labor supply to decline as working population ages

# Production

- Policy resulted to reduced population growth
- Implies reduced working population
- Reduces total factor of production of goods & service
- Working age shrunk





# Conclusion

- China's one-child policy decreased demand for goods
- Led to decreased production
- Increased demand for labor due to declining labor
- Wage increases for workers as industries try to retain them

# References

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