Below Replacement Fertility Preferences in Shanghai, China

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The results that will be presented in this paper are based on the Shanghai Survey of Sexual Networks, 2007-08. This survey was jointly organized by researchers at the University of Wisconsin--Madison, Fudan University School of Public Health, and the Shanghai Academy of Social Sciences. The data collection was funded by grant R21HD047521 (Merli, PI), supplemented by two smaller grants from the National Institutes of Health to the University of Wisconsin.

China has joined the group of low-fertility countries. A variety of data sources and estimation approaches of its period total fertility rate (Retherford et al. 2005; Cai 2008), corroborated by cohort trends by parity (Morgan et al. 2009), suggest that China's TFR has dropped from 2.8 at the end of the 1970s to somewhere in the range of 1.4 to 1.6 in 2000. This evidence is consistent with local official fertility regulations showing that the aggregation of local policies results in approximately 1.5 children per couple (Gu et al. 2007). Indeed the transition to low fertility can be attributed in large part to the success of China's birth planning policies which were strictly enforced in urban areas, but with accommodations to the overwhelming preference for a son through the introduction of the One Son-Two Children policy in rural areas.

The consequences of China's sustained fertility decline to well below replacement levels have given rise to a debate about the necessity of the One Child Policy and the implications of various options of policy relaxation. Specifically, how will policy changes affect population aging, the elderly dependency ratio, the size of the labor force, and population sex ratios (Zeng 2007). Most projections assume that, with the complete removal of constraints on the number of children couples can have, fertility will rise substantially due to a latent demand for children that is higher than what the current policy allows. More exactly, many assume that the almost universal preference for two children in China today will set the minimum level of fertility at 2.0.

Will fertility in China go back to replacement if the policy were relaxed to allow at least two children per couple? The One Child Policy and its rural adaptations have now been in place for the length of a generation, long enough for individual preferences for children to align with state preferences. At the same time, massive liberalization in the economic realm in both urban and rural China has led to advanced commodification and monetization of everyday life, rising school fees and a rapid increase in the availability of consumer goods, factors which have been implicated worldwide with the rise in the cost of children, a reduction in the demand for children relative to other goods and increased competition between childbearing and other realms of life. It is thus possible that fertility will remain below replacement even in the event of a complete relaxation of the birth planning policy, as a result of reductions in fertility intentions or reductions in achieved fertility relative to intentions due to competing constraints on childbearing (Morgan 2003; Morgan et al. 2009). Data on fertility intentions and subsequent reproductive behaviors from a panel of rural women interviewed three years apart analyzed by Merli and Smith

(2002) suggest that the acceptance of policy-sanctioned family size follows a development gradient and reflects the degree of policy enforcement. High acceptance occurred in the most urban, industrialized areas and in areas with the most rigid birth planning program. Outright experimentation with relaxation of fertility restrictions which allowed two children per couple in several localities (Gu and Liu 2009) has shown that the fertility increases have been modest, lower than those allowed by the change in fertility policy.

With much of the speculation about the future of fertility in China (and elsewhere) depending on stated fertility intentions, but with evidence that the gap between individual and state fertility preferences is narrowing and that achieved fertility may not reach stated goals due to social and economic constraints, an examination of fertility preferences which incorporate the perspectives of the individual and the state and which allow to measure the deflating effect of policy on current intentions relative to the effects of other factors should be of timely importance.

While previous studies of fertility preferences in Shanghai have relied on small non-probabilistic samples of the Shanghai population (e.g. Nie and Wyman 2005), we draw information on fertility preferences from data collected for a citywide survey of a probability sample of 1,192 Shanghai urban residents and 496 rural migrants living in residential households. This is the Shanghai Sexual Networks Survey (SSNS) conducted by the first author in October-January 2007/2008. A non-probability sample of 500 migrants who live in "collective households," a term commonly used in China to refer to makeshift housing provided by their employers, was collected separately and will also be analyzed. The samples of residents and migrants in residential households were selected as random subsamples of residents and migrants from a stratified multi stage clusters sample screened by the Shanghai Statistical Bureau for the 2005 3% intercensal survey of the Shanghai population. These subsamples were selected from the 3% sample in such a manner as to yield a stratified four stage samples of 18-49 year old Shanghai urban residents and rural migrants living in residential households. The sample of migrants in collective households was selected via a quasi-probability approach which required lists of collective households produced in each of the PSUs selected for the main sample of residents and migrants. This was followed by a selection of a quota sample of 500 migrants in randomly selected PSUs which reflected the city-wide distribution of such migrants by sector of industry.

Information was collected from respondents on their own and their marital or cohabiting partners' demographic and socio-economic attributes (e.g. age, marital status, education, previous and present occupation, income, etc.), their most recent three non-marital partnerships and these partnerships' attributes. An additional module on respondents' fertility preferences included questions about current number and sex of children, personal feeling about current number of children, the number of children they were entitled to have under the current policy regime, and, if they were entitled to more than one child, the type of policy exception. Respondents were also asked whether they would have an additional child in the event of complete policy relaxation, and reasons for or against having an additional child in the absence of policy. Response options available to

respondents who said they would not want an additional child in the absence of policy included high cost of children, factors competing with childbearing (e.g. work, study, quality of life) and advanced age or health concerns.

Shanghai provides a suitable setting to study fertility preferences because of its significant heterogeneity in policy-sanctioned fertility options now available to its population. Since the launching of the era of economic reform and opening to the outside world, Shanghai has been a major magnet for China's process of economic growth. Shanghai has experienced the fastest pace of modernization, market transition and per capita income growth. Shanghai's history of low fertility is related to socio-economic factors as well as to its long history of fertility control policies, which the Shanghai government started advocating already in the 1960s (Nie and Wyman 2005). Shanghai's fertility decline started in the 1960s approximately 10 years ahead of other Chinese provinces and was sustained by strict enforcement of the One Child Policy (Peng and Cheng 2005) to reach a TFR 0.8 children per woman today. After decades of very low fertility, many Shanghai urban residents of child-bearing age today are only children. By policy, couples where both parties are only children are allowed to depart from the strict one-child rule by having two children. This was a provision of the One-Child Policy as promulgated in 1979, but one that until recently, most newly married in China were not eligible to invoke. The extent to which eligible couples are taking advantage of this option is unclear and should be investigated. Shanghai is also one of China's major destinations of rural migrants. The number of rural migrants in Shanghai has grown unabated since the early 1980s, from 0.26 million in 1981 to 2.6 million by 1997 to 4.4 million in 2005, an amount equal to 25% of the Shanghai's population. Rural migrants achieved fertility is subject to the regulations of their areas of origin. Rural migrants' incentives and constraints for additional fertility might be quite different from those of urban residents, net of differing fertility regulations extant in Shanghai and in migrants' points of origin, length of stay in Shanghai and with due caution to difficulties to interpret fertility intentions in a location different from the place of births of migrants' children.

Our analyses will measure primarily the effects of policy and social and economic constraints on stated preferences, as well as differences between Shanghai residents and rural migrants and gender differences based on partition of the Shanghai population into five groups.

1. Has one child but cannot have two according to policy; feels current number is too low; would want more in the hypothetical absence of policy.
2. Has one child but cannot have two according to policy; feels current number is too low; would not want more in the absence of policy.
3. Has one child but could have two according to policy because of a stated policy exemption; feels this number is just right.
4. Has two children and cannot have more according to policy; feels this number is too low; would want more in the absence of policy.
5. Has two children and cannot have more according to policy, feels this number is just right; would not want more in the absence of policy.

This information, combined with reasons for or against wanting more children in the absence of policy, will enable us to draw conclusions on the state of fertility preferences in a low fertility urban setting in China and ground speculations on the future of fertility in the hypothetical absence of policy.

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