Short-Term Gain, Long-Term Pain: The Dual Effect of Policy-Induced Abortion on Women's Employment in China

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Abstract

We examine the causal effect of coercive fertility control on female labor supply by exploiting China's family planning program as a natural experiment. Using individual-level panel data from the China Health and Retirement Longitudinal Study and an instrumental variable strategy that leverages variation in policy enforcement across provinces, cohorts, and time, we find that a policy-induced abortion increases a woman's immediate probability of employment by 10.6 percentage points, with a larger effect in high-social-norm environments. Spousal childcare assistance increases but accounts for only a small share of the total effect. These immediate gains reverse over time: unemployment rises by 25.9 percentage points within three years, and women experience significantly more mental health disorders. Our findings demonstrate that reproductive coercion generates complex welfare consequences, with short-term labor market benefits masked by substantial long-term psychological and employment costs.

Keyword: reproductive right; Abortion; Female employment; Social norms

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