

## *Seminar*

# “Trade Liberalization and Child Labor in China”

(in English)

**Professor Zhao Zhong**

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**Date: 28 November 2016 (Monday)**

**Time: 2pm – 3:30pm**

**Venue: WYL314, Dorothy Y. L. Wong Building**

### **Biography:**

Zhong Zhao is an associate dean and a professor of economics at the School of Labor and Human Resources, Renmin University of China, and a member of the university academic committee. He is an associate editor of the Journal of Population Economics and the IZA Journal of Labor & Development. He holds a bachelor's degree in economics from the Renmin University of China and a doctorate degree in economics from the Johns Hopkins University. Before joined the Renmin University of China, he had worked for IZA as a Senior Research Associate. He also held faculty position at Peking University. His main areas of interest are labor economics, applied microeconometrics, social program evaluation and economy of China. His recent research topics on China include earnings instability and inequality, rural-urban disparity, rural-urban migration, labor relations, and health and health care reform in China. He has published in both international and Chinese economics journals such as Review of Economics and Statistics, Review of Income and Wealth, Journal of the Royal Statistical Society (Series A), Journal of Economic Behavior & Organization, Economics Letters, Journal of Population Economics, and Journal of Comparative Economics. He is a recipient of the 2013 Kuznets Prize of the Journal of Population Economics.

### **Abstract:**

This paper exploits a quasi-natural experiment – the U.S. granting of Permanent Normal Trade Relations (PNTR) to China after China's accession to the World Trade Organization – to examine whether trade liberalization affects the incidence of child labor in China. PNTR permanently set U.S. duties on Chinese imports at low Normal Trade Relations (NTR) levels and removed the uncertainty associated with annual renewals of China's NTR status. We find that the PNTR was significantly associated with the rising incidence of child labor in China. A one percentage point decrease in average export tariffs raises the odds of child labor by a 1.3 percentage point. The effects are greater for girls, older children, rural children, and children with less-educated parents. The effect of trade liberalization on the incidence of child labor, however, disappears in the long run, because trade liberalization can induce exporters to upgrade technology and thus have less demand for unskilled workers.

**All Are Welcome**

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