



CHINA REFORM MONITOR

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May 11, 2021 Joshua Eisenman

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CHINA'S CENTRAL BANK CALLS TO SCRAP CHILDBIRTH LIMITS

The People's Bank of China has released a working paper calling for China to "fully liberalize and encourage childbirth." The bank is concerned about the impact that demographic changes will have on the country's economic growth: "In order to achieve the long-term goals in 2035, China should fully liberalize and encourage childbirth, and sweep off difficulties (women face) during pregnancy, childbirth, and kindergarten and school enrollment by all means." It noted that the U.S. benefits from immigration as China's population ages. From 2019 to 2050, China's population will decline by 2.2% while that of the U.S. will increase by 15%. In 2019, China's workforce as a proportion of the total population was 5.4 percentage points higher than in the U.S., but by 2050 will be 1.3 percentage points smaller. "If China has narrowed the gap with the U.S. over the past 40 years by relying on cheap labor and the bonus of a huge population, what can it rely on in the next 30 years?" the paper asks. (CNBC, April 15, 2021)

HONG KONG MARKS FIRST NATIONAL SECURITY EDUCATION DAY

In Hong Kong, April 15th is now National Security Education Day. To celebrate the national security law Beijing imposed on the territory last June, schoolchildren gathered at the Police College, for a riot-police-theme-park experience. Festivities included a marching police band, goose-stepping honor guard, a selfie station with cute cop balloon figures, and armored vehicles for the kids to inspect. The event concluded with a "kill the terrorists" live-action show, with hostages saved by heroic troops, police SUVs chasing a van and a SWAT team rappelling from a helicopter. Hong Kong police commissioner Chris Tang said foreign entities were "planting anti-China ideas in Hong Kong people's hearts for their own political gains" and "use social issues to ignite Hong Kong local's hatred for the government." Tang said that without the national security law, "the city would have fallen deep into the abyss." (CNN, April 15, 2021)

[EDITOR'S NOTE: This was the first time the Hong Kong police marched using the goose-step, the Prussian technique adopted by China and some of history's most odious regimes, most famously the Nazis. Beijing sent trainers to Hong Kong to teach the marching technique.]

CHINA CURBS RESIDENCY RESTRICTIONS FOR MIGRANTS

According to the National Development and Reform Commission (NDRC) China will abolish household registration permits, known as "hukou," for cities with less than 3 million residents, while for larger cities restrictions will be removed for some groups, such as migrant workers with stable jobs and college students. The easing of residency controls is intended to help meet labor shortages in hundreds of small cities, to boost urban consumption, and increase the provision of public services such as education and healthcare, which had long been denied to rural residents. Last year, China had 848 million urban residents, or 60.6% of its population, and aims to turn 100 million more rural people into urban dwellers. (Reuters, April 10, 2021)

U.S. SANCTIONS PLA SUPERCOMPUTER MAKERS

The Biden administration has limited China's access to U.S. technology for its supercomputers. The sanctions block access to U.S. technology for researchers and manufacturers for supercomputers used by the PLA in weapons development. The U.S. penalties apply to National Supercomputing Centers in the cities of Jinan, Shenzhen, Wuxi and Zhengzhou, Tianjin Phytium Information Technology, Shanghai High-Performance Integrated Circuit Design Center and Sunway Microelectronics. China's foreign ministry spokesman responded to the new measures by saying: "Containment and suppression by the U.S. cannot stop the pace of China's scientific and technological progress, but will only strengthen China's determination to innovate independently." (Associated Press, April 12, 2021)

EGYPT TO PRODUCE 40-60 MILLION DOSES OF CHINESE VACCINE

Egypt will produce a total of 40-60 million doses of China's Sinovac coronavirus vaccine, beginning with 5 million doses over the next two months, according to Egyptian minister for health and population Hala Zayed. "Two agreements were signed [with Sinovac], the first for local manufacturing and the other for technology transfer," Zayed said. Egypt will also receive a shipment of China's Sinopharm vaccines next week. "The multiplicity of vaccine sources for the Egyptian state was very important," she said, noting that Egypt also secured 40 million doses through the COVAX initiative, and is negotiating with Russia to produce 60 million doses of its vaccine. (*Arab News*, April 24, 2021)