

## *Lecture 4 Survey of China*

# The Population in China: Family Planning Policy, Population Aging and "Three-Child" Policy



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XIANG NAN

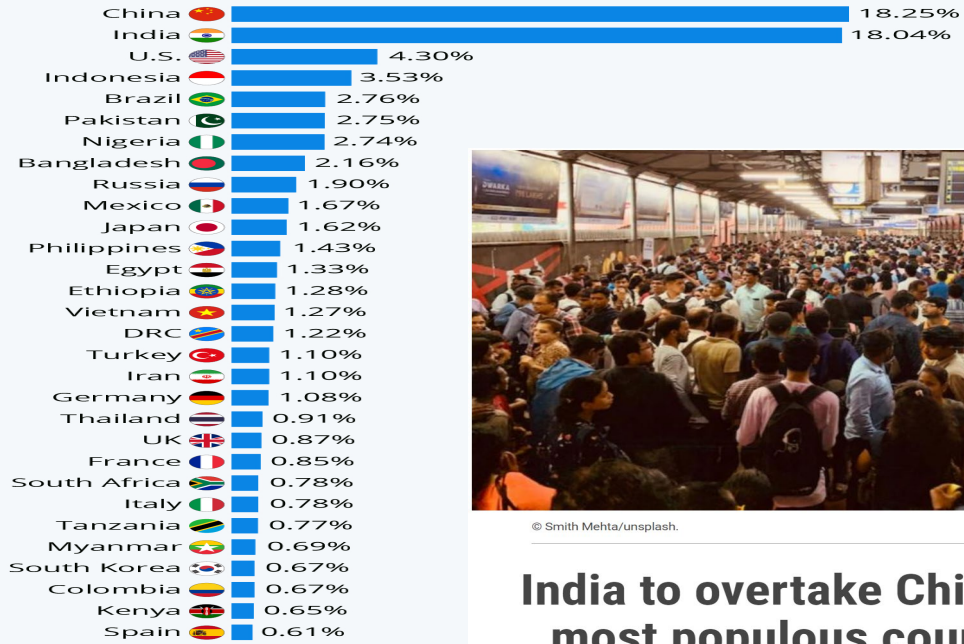
# China: One of the Most Populous Country in the World

ONE OF THE WORLD'S LARGEST POPULATION

UNBALANCED POPULATION DISTRIBUTION

## The Most Populous Nations on Earth

Estimated share of the world population by country (2021)

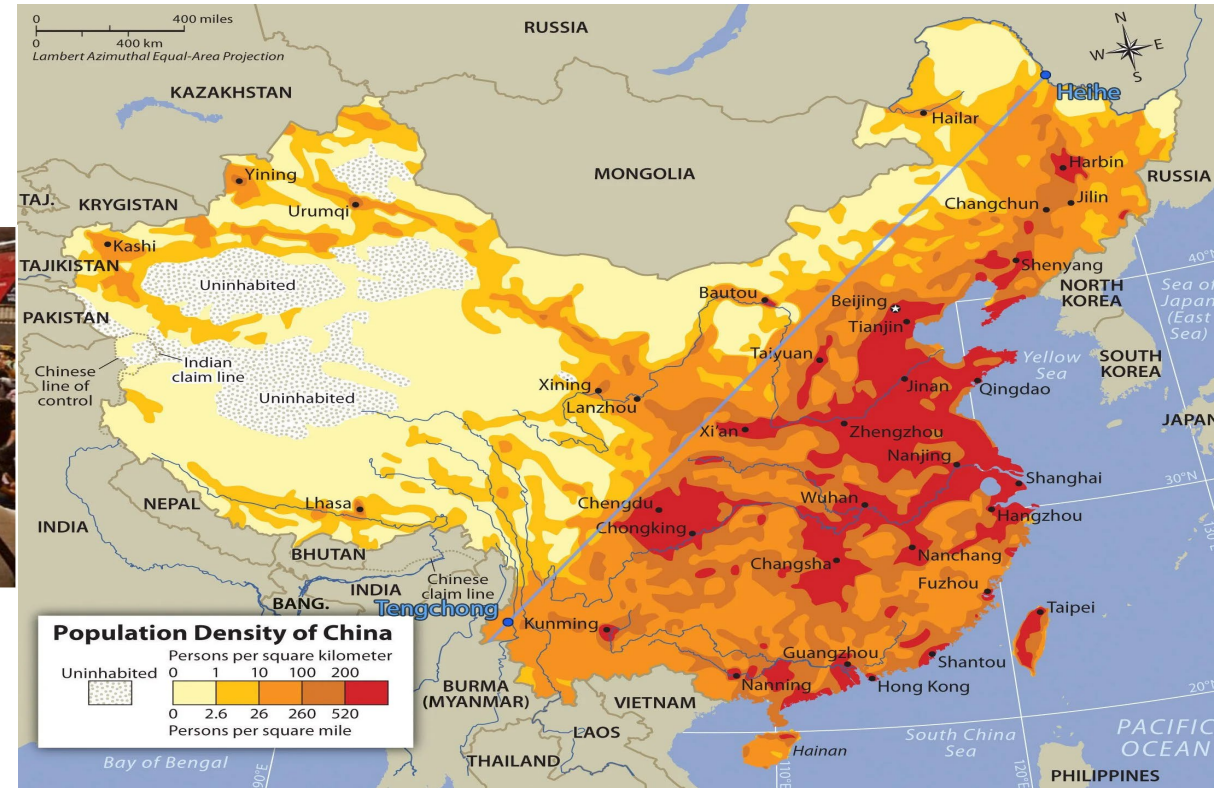


Source: IMF



© Smith Mehta/unsplash.

**India to overtake China as world's most populous country in April 2023, United Nations projects**



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## QUESTION 1



- Why is China's population still so large even after the implementation of one-child policy?
- Is the one-child policy effective in slowing down China's population growth?

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## QUESTION 2

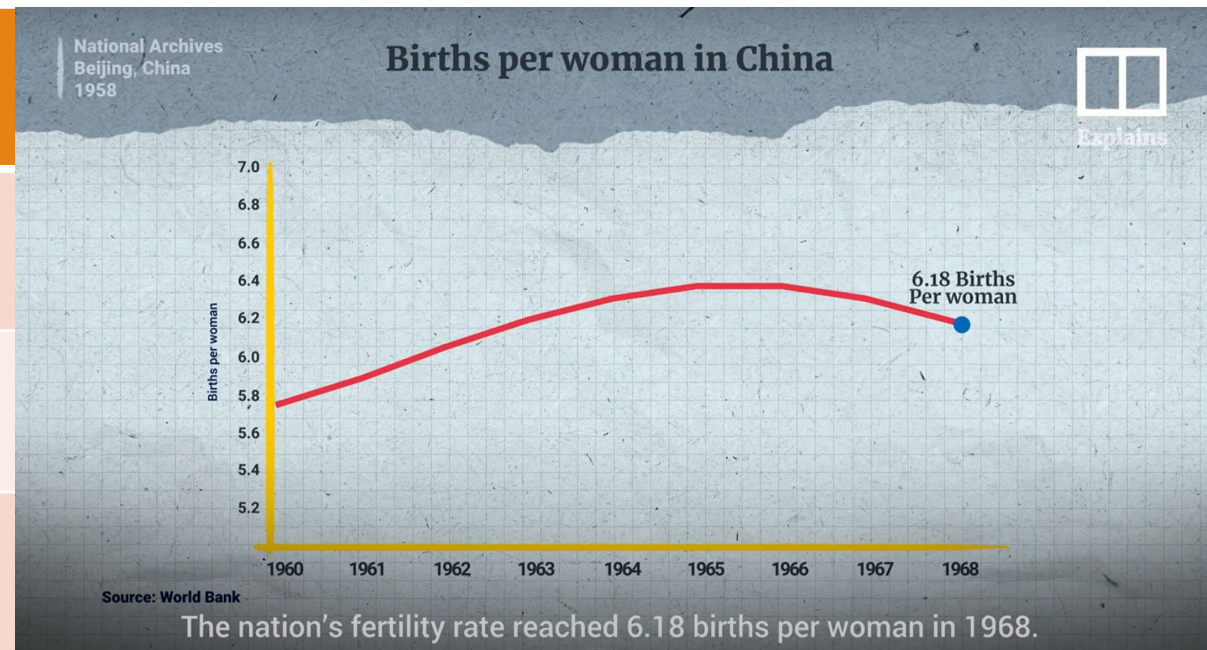


- Now that China is one of the most populous countries in the world, why did the Chinese government implement the three-child policy in 2021?



# 1. Background: Phases of China's Population Growth

Time Period	Population	Annual Growth Rate
1840-1949	429-526 million	0.3%
1950s-70s	526 million-1 billion	2.5%
1980s-	1 billion-	



## Question



China's total population was about 1 billion in 1982 with the annual growth rate of 2.09%. If the population continued to grow at this rate, what would be China's total population in 2015?

- A. 1.4 billion
- B. 1.6 billion
- C. 1.8 billion
- D. 2.0 billion

## Question



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$$=1*(1+2.09\%)^{33}$$

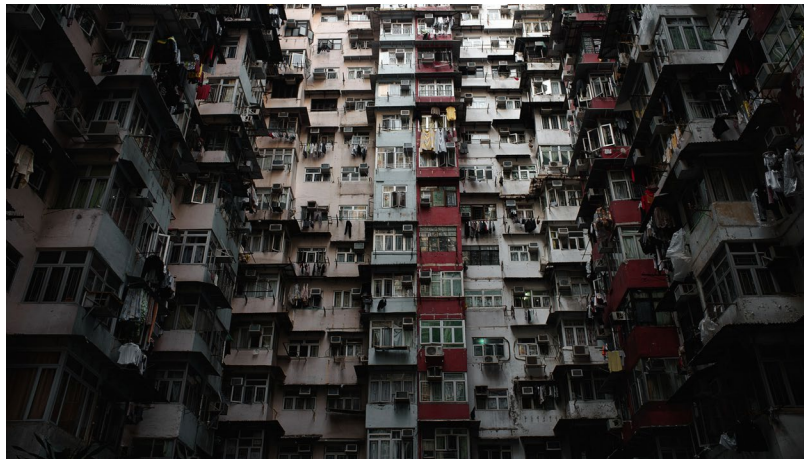
# Consequences of An Excessively Large Population

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social problems,

ecological damage,

unsustainable economic development/ industrial transformation



## 2. China's Family Planning Policy (1982-2015): One Child Policy

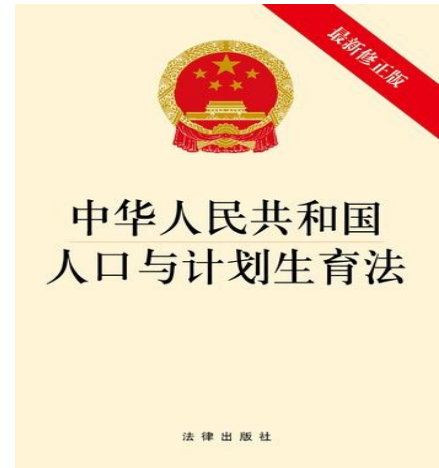
1982

- 12<sup>th</sup> National People's Congress of the Communist Party  
Family Planning Policy as fundamental national policies
- National People's Congress  
Family Planning Policy legalized in the Constitution of PRC (宪法)



2001

- 25<sup>th</sup> Session of the Standing Committee of the 9<sup>th</sup> National People's Congress  
The Approval of PRC's Law on Population and Family Planning (comprehensive policy)





# One Child Policy

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## ONE COUPLE OF URBAN RESIDENTS:

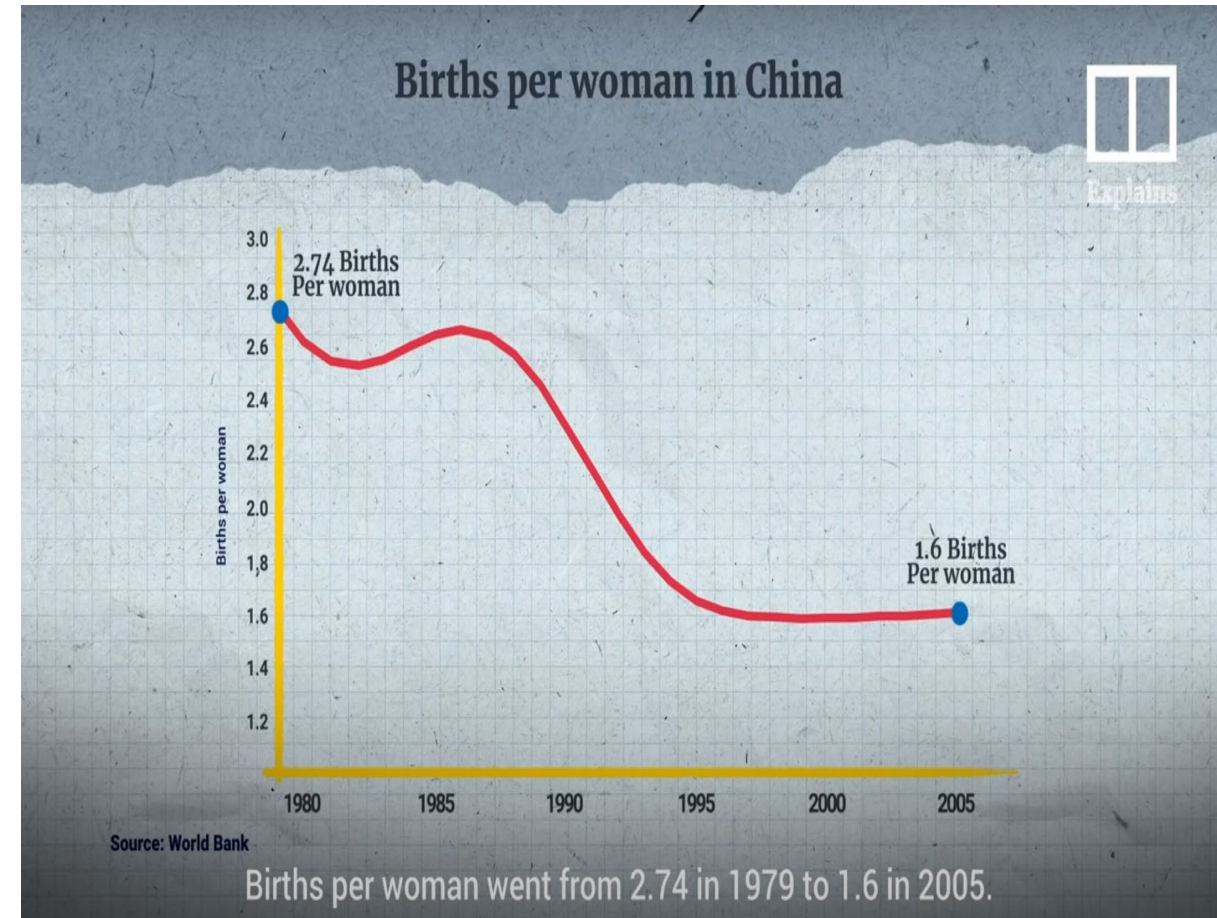
- One child
- Two Child only when:
  - ✓ minorities
  - ✓ both husband and wife from one-child family
  - ✓ other special circumstances

## ONE COUPLE OF RURAL RESIDENTS:

- One Child
- Two Child only when:
  - ✓ minorities,
  - ✓ family with one female child,
  - ✓ other special circumstances

### 3. Is One-Child Policy effective?

Time	Population	Annual Growth Rate
1982 (3 <sup>rd</sup> Census)	1.01 Billion	2.09%
1990 (4 <sup>th</sup> Census)	1.13 Billion	1.48%
2000 (5 <sup>th</sup> Census)	1.27 Billion	1.07%
2010 (6 <sup>th</sup> Census)	1.34 Billion	0.16%
2015	<b>1.38 Billion</b> <b>(vs. 2 Billion)</b>	



# Benefits and Side-effects of One-Child Policy

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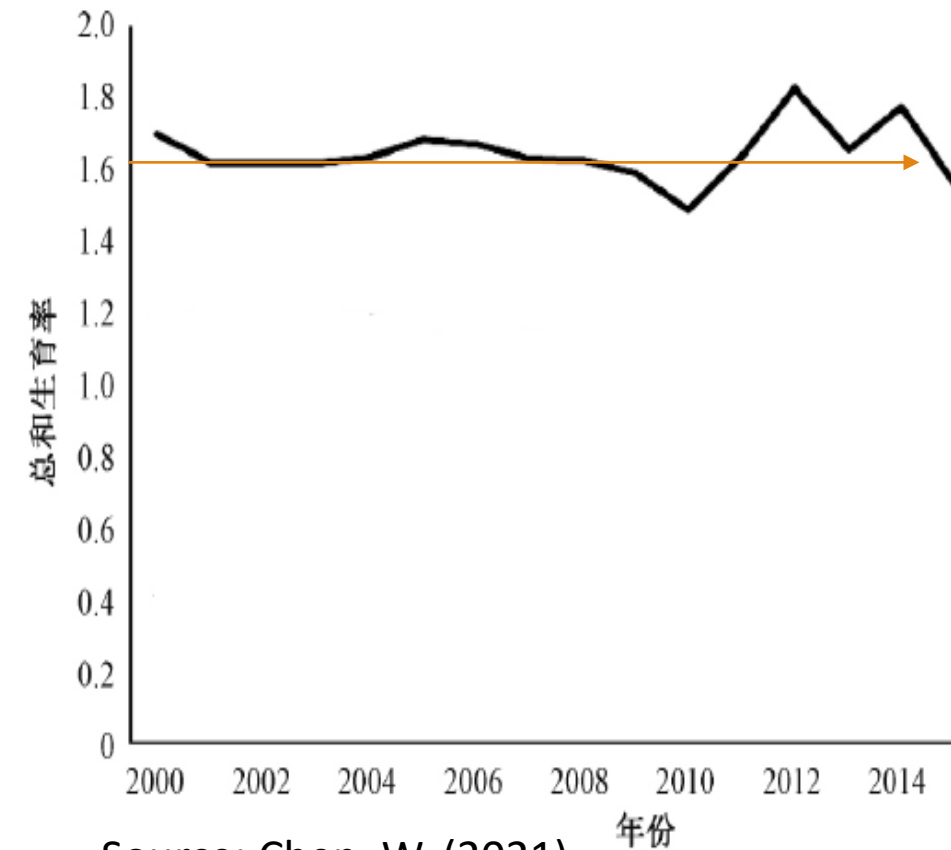
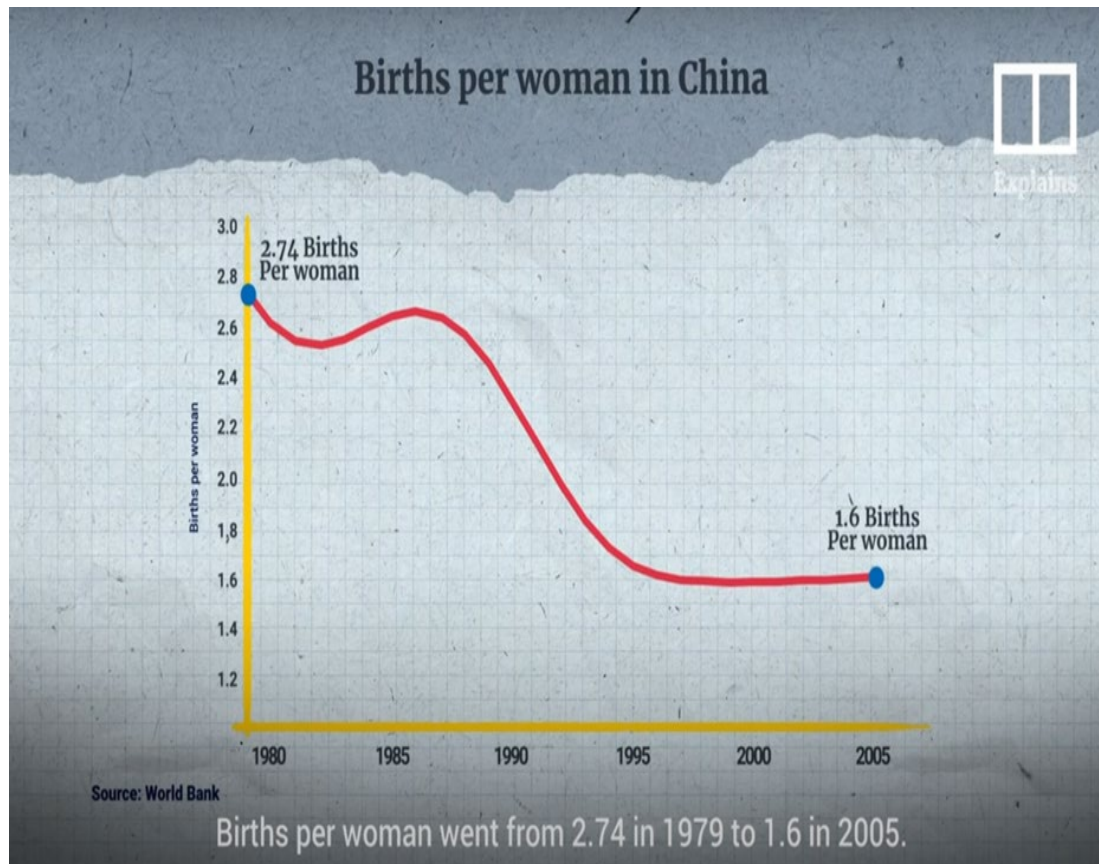
## BENEFITS

- ✓ Curb the Rapid Population Growth
- ✓ Demographic Dividend (working-age Population)
- ✓ Economic Development and Social Savings

## SIDE EFFECTS ON POPULATION STRUCTURE



## Side Effects of One-Child Policy: Low Fertility Rates



Source: Chen, W. (2021).



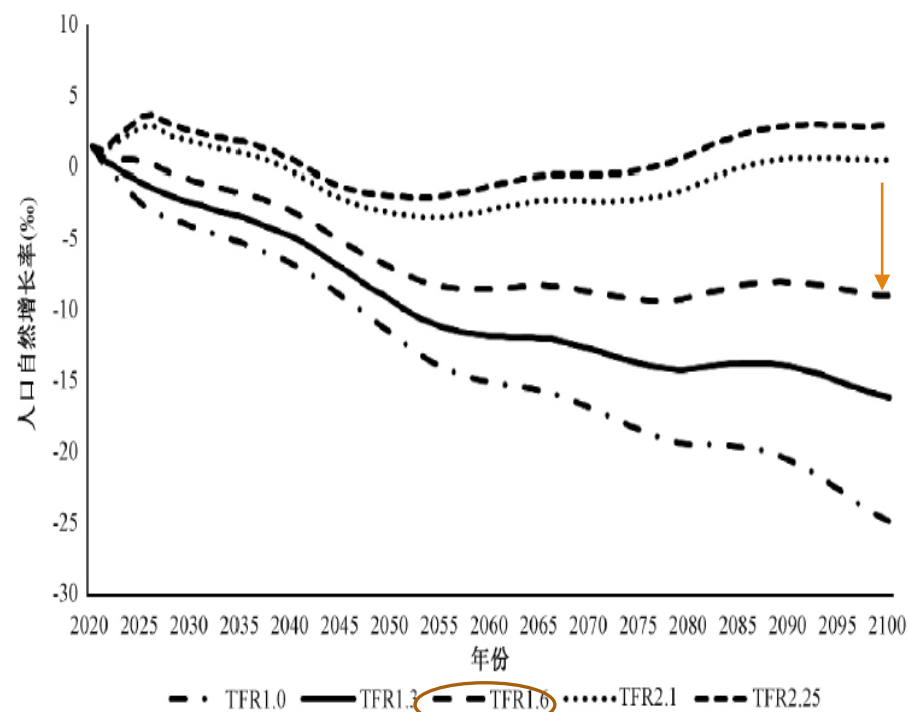
## Population Replacement Rate/ Replacement Fertility Rate

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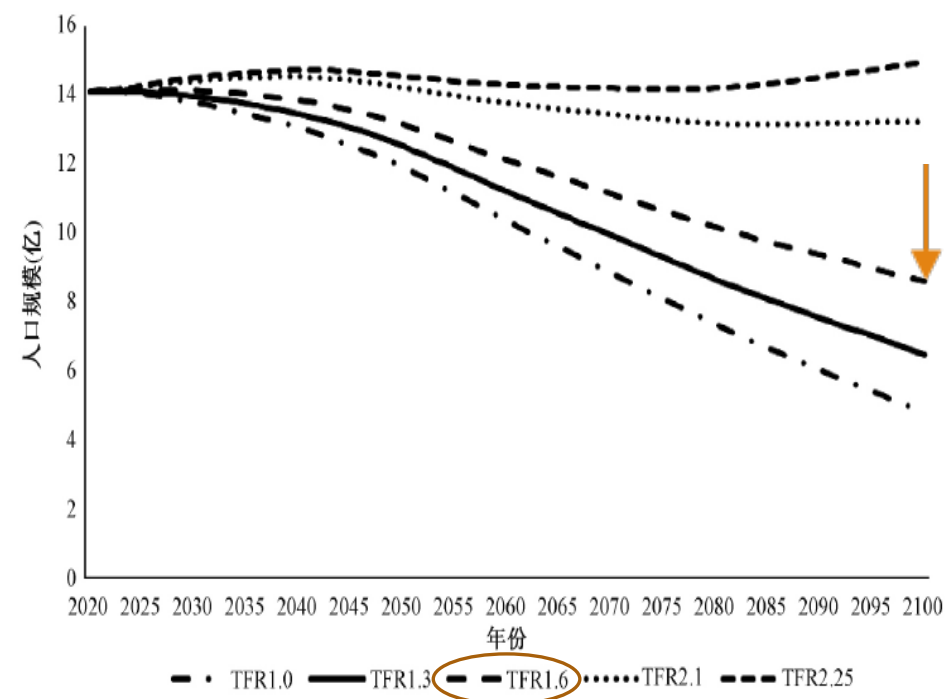
### ➤ Definition:

- the minimum fertility rate (i.e., the average births per woman) to maintain a society's population size.
- What is likely to be the population replacement rate in China?

## How would the 1.6 fertility rate affect China's population growth and population size?

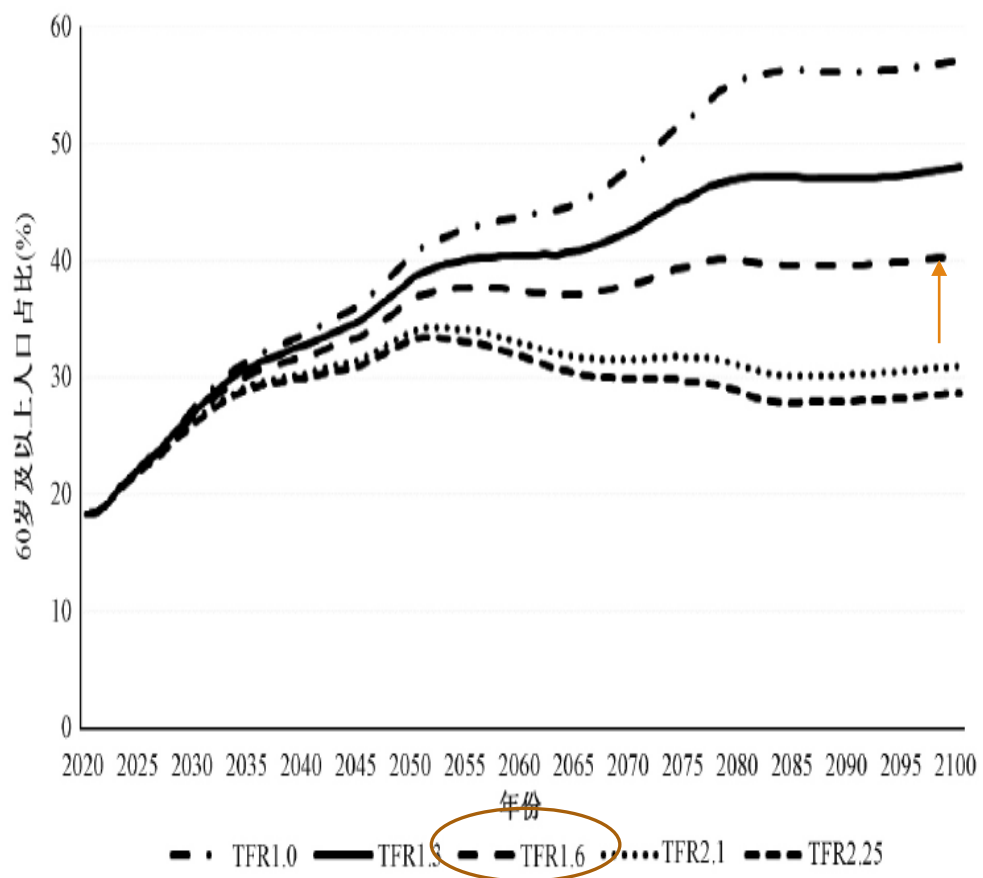


Population Growth



Population Size

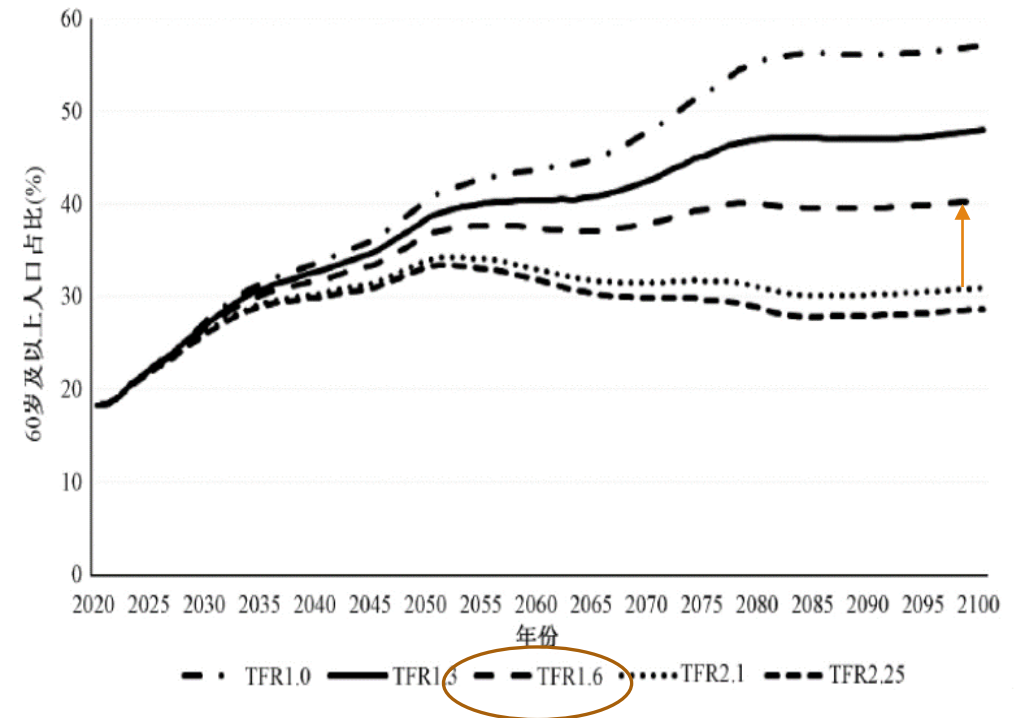
## How would the 1.6 fertility rate affect China's population structure?



## 4. Population Ageing in China

### AGEING SOCIETY

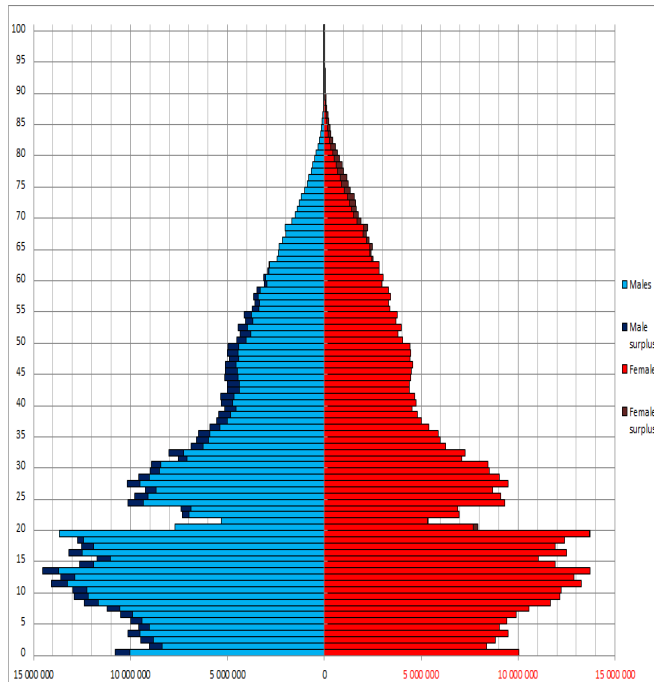
- UN definition: a society with over 10% elderly people above 60.



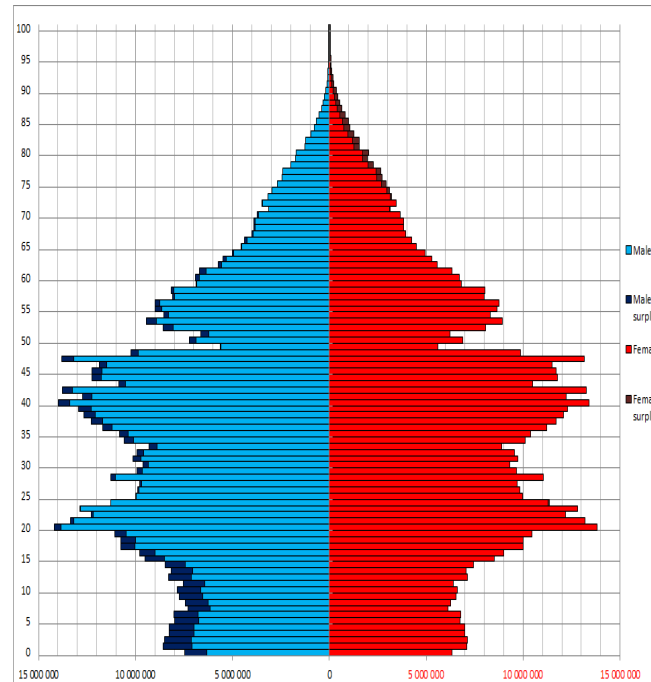


# China's Population Structure as the population is ageing

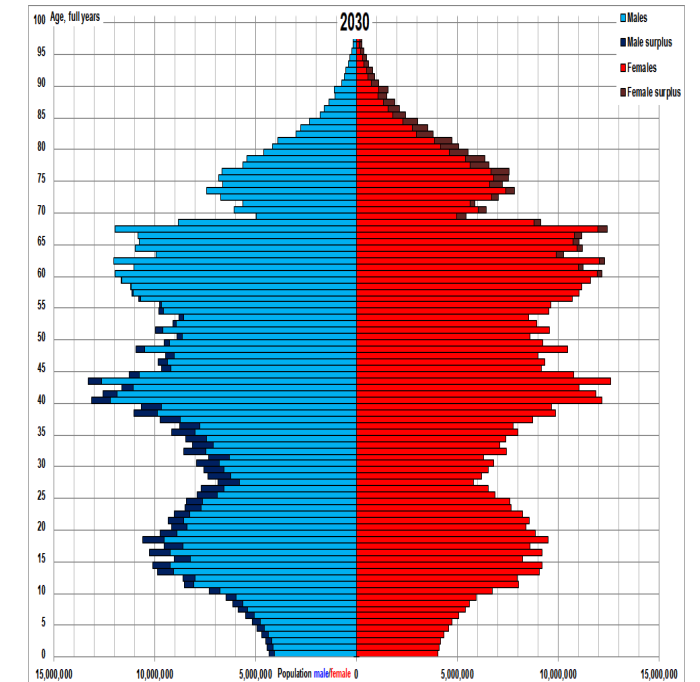
CHINA'S POPULATION PYRAMID IN 1982  
(3<sup>RD</sup> NATIONAL CENSUS)



CHINA'S POPULATION PYRAMID IN 2010  
(6<sup>TH</sup> NATIONAL CENSUS)



Predicted China's population pyramid in 2030  
(8<sup>th</sup> national census)



## ➤ Influences of Population Ageing

- curb economic development (labour shortage, wage increase, competitiveness)
- increase fiscal expenditure on social security (pension, public health, etc.)

Estimated proportion of fiscal expenditure on social security in China's gross fiscal revenue

Year	Fiscal revenue /100 million yuan	Fiscal expenditure on social security /100 million yuan	Proportion of fiscal expenditure on social security/%	Aging population /100 million persons
2010	79 867. 87	8 152. 07	10. 21	1. 12
2015	141 845. 2	14 991. 19	10. 57	1. 32
2020	210 538. 3	23 329. 9	11. 08	1. 65
2025	267 121	30 968. 29	11. 59	1. 87
2030	303 401. 1	44 072. 89	14. 53	2. 25
2035	323 073. 09	52 555. 13	16. 27	2. 67
2040	332 779	59 338. 05	17. 83	2. 91
2045	337 344. 9	58 365. 31	17. 30	2. 87
2050	339 444. 6	58 066. 18	17. 11	2. 87

Source: Yang Shengli, Gao Xiangdong, Study of the Impact of Aging of Population on Fiscal Expenditure on Social Security, *Northwest Population Journal*, 2012 (3).

## 5. Gradual Adjustments of Family Planning Policy after 2015

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### (1) A TRIAL BEFORE 2015: SELECTIVE TWO-CHILD POLICY 单独二孩 (2013-15)

Definition:

- ✓ (1) “selective”: couples with either the husband or the wife coming from a single-child family can give birth to a second child
- ✓ (2) “two-child”: different from the second time of child-bearing

Why “selective”?

- to avoid the possibility of population explosion
- to assess policy effectiveness before further adjustments

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## EFFECTIVENESS OF SELECTIVE TWO-CHILD POLICY 单独二孩(2013-15)

Prediction:

VS

Reality:

- After the implementation of the selective two-child policy,
- the annual newly-born population would **increase by one to two million.**

- In 2015,
- the annual newly-born population **increased by 0.47 million** only.



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## (2) UNIVERSAL TWO-CHILD POLICY 全面二孩 (2016-21)



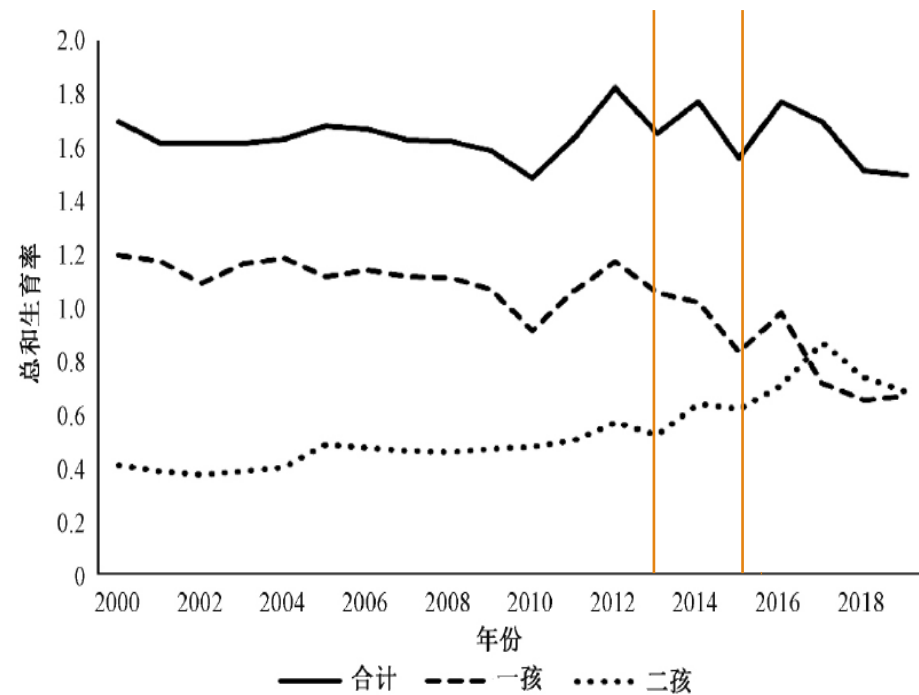
- ✓ In DEC 2015, National People's Congress passed the amendment of the Law of Population and Family Planning
- ✓ Implementation of Universal Two-Child Policy since 01 JAN, 2016.

Through increasing low fertility rates, the policy aims to:

- (1) Balancing the population structure: slowing down population ageing and increasing working-age population.
- (2) Reducing fiscal expenditure on social security.
- (3) Accommodating child-bearing needs, enhancing family supporting, reducing the risk of "loss of the only child", etc.

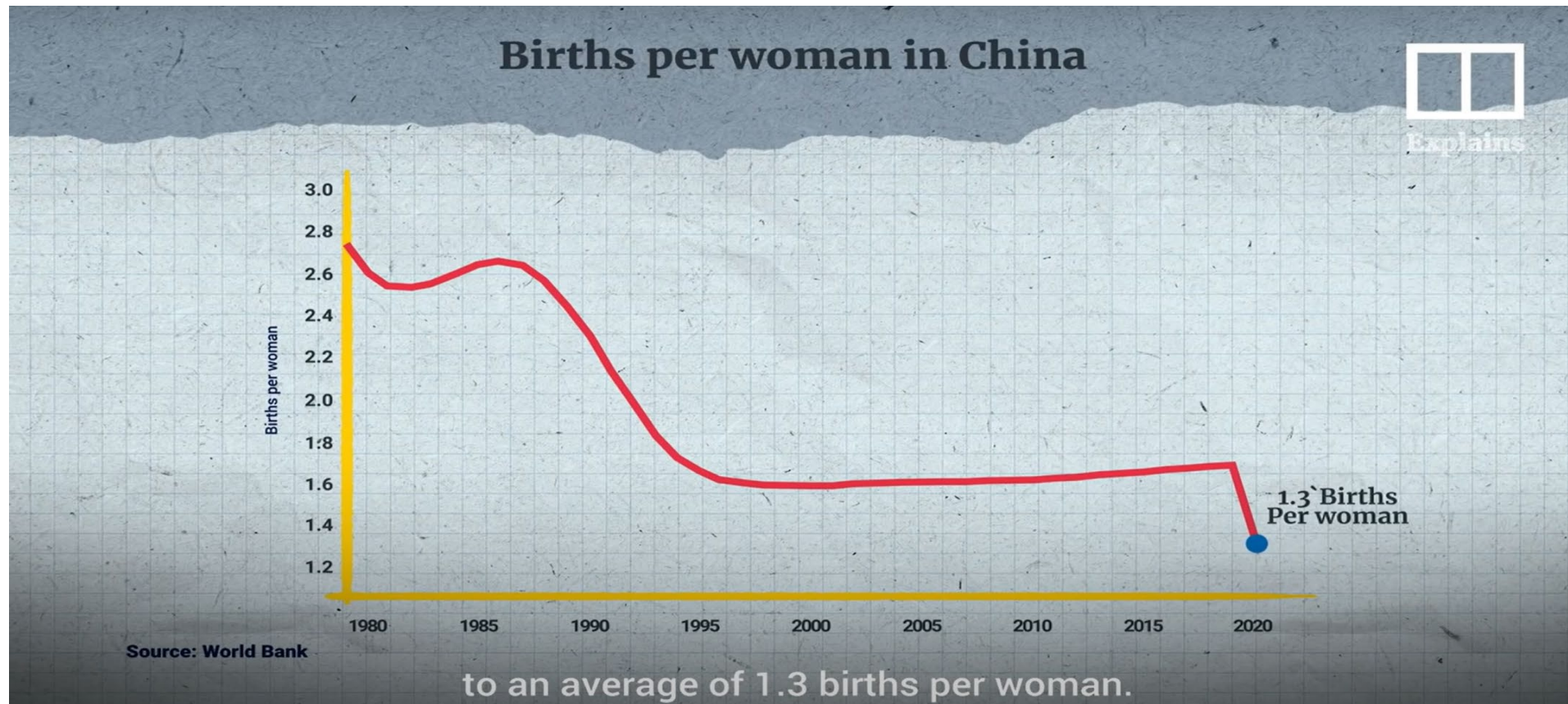
## (2) UNIVERSAL TWO-CHILD POLICY 全面二孩 (2016-21)

### How to evaluate the effectiveness of two-child policy?



- (1) Second-birth rates increased temporarily
- (2) First-birth rates kept decreasing due to
  - Delay of marriage
  - Delay of childbearing (low willingness & high expenses)
- (3) Long-term: the fertility rates are declining, despite the short-term increases stimulated by two-child policies.

## (2) UNIVERSAL TWO-CHILD POLICY (2016-21)



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### (3) THREE-CHILD POLICY (2021- )

- ✓ 7th National Population Census: the number of new births in mainland China was only 12 million in 2020, the lowest since 1960.
- ✓ In 2021, National People's Congress passed a new amendment of the Law of Population and Family Planning.



### (3) THREE-CHILD POLICY (2021- )

## Discussion

- Do you think the three-child policy will increase China's fertility rate in the long run?



# Discussion

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## PACKAGES OF SOCIAL POLICIES

- To support childbearing and raising
  - childcaring centres
  - education policies (e.g., double reduction)
  - labour policies
  
- To reduce costs
  - taxation
  - housing policies (property price limits)

# Summary

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1. Background: China's Population Growth in History before 1980s
2. China's Family Planning Policy (1982-2015): One Child Policy
3. Policy Evaluation: Benefits and Side-effects of One Child Policy
4. Population Ageing
5. Gradual Adjustments of Family Planning Policy in China after 2015

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## QUESTION 1



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## QUESTION 2



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