Be Careful What You Wish For: China Confronts Population Decline

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For many centuries China had the world's largest population, and in the years since the Chinese Communist Party (CCP) came to power in 1949, the number of Chinese nearly tripled, to today's 1.41 billion. However, starting in the 1970s China began a concerted effort to place mandatory limits on births, culminating in coercive enforcement of China's one-child policy for thirty-five years, starting in 1980. The goal of that campaign was not simply to reduce the birth rate, but to eventually end population growth and then reduce the population substantially by the second half of the 21st century.

Given this context, the announcement in January that population decline began in 2022 was momentous. Specifically, in 2022 there were 9.56 million births and 10.41 million deaths, so China ended the year with 850,000 fewer people.[1] India is expected to pass China and have the world's largest population soon, and it may already have done so. Rather than celebrating success in reversing population growth, the CCP now sees the onset of population decline as a potential crisis. To understand why this is so, and why measures the CCP has been taking to boost birth rates have been ineffective, a review of the historical record is necessary.

Pseudo-science and demographic ignorance in the one-child campaign

Early in the 1970s, when China's total fertility rate (TFR, an estimate of the number of births to the average woman in her lifetime) was close to 6, the CCP launched its "later, longer, fewer" campaign, which among other things restricted urban families to 2 children and rural families to 3. Using a variety of incentives and penalties, enforced by a national family planning bureaucracy, that campaign successfully reduced China's TFR to 2.7-2.8 by the end of that decade. In 1978-79, as CCP leaders were launching their dramatic market reform program, they also ended the later, longer, fewer campaign and mandated a one-child limit. We don't know how CCP leaders reached that decision, but perhaps since raising per capita incomes quickly was a central goal of the economic reforms, they simply decided they needed to increase economic output (the numerator) while also decreasing the population (the denominator).

In any case, as these CCP decisions were being made, debates began among PRC demographers about what population policies should be pursued. Those debates were eventually dominated by Song Jian, a politically powerful former rocket scientist. Influenced by travels to Europe earlier and contact with Malthusian doomsday population researchers, Song argued that China needed to aim for a population 100 years later of no more than 700 million (China's population in 1979 was already approaching 1 billion) and that this target could be achieved only by mandating a one-child limit. Some demographers, critical of Song's pseudo-scientific claims, argued that such a radical policy would produce unprecedentedly rapid aging and harm to families, but their arguments were swept aside as issues that could be dealt with in the future.[2] Song's extreme but supposedly scientific arguments became justification after the fact for the newly launched one-child policy.

China's fertility fell below the replacement rate (TFR=2.1) in the early 1990s and has declined further since, to an estimated 1.3 in 2020. The one-child campaign, brutally enforced for decades, is popularly seen as the primary reason for this decline. However, that perception ignores the fact that the post-1978 economic boom dramatically transformed Chinese society,

raising incomes, education levels, urbanization rates, and much else for the ensuing 4+ decades. As the demographic slogan puts it, "development is the best contraceptive." China's economic boom would have driven fertility down sharply, as growth did elsewhere in East Asia without the coercion and mass suffering produced by the one-child campaign.

The fact that development rather than enforcement of the one-child limit was the primary driver of fertility decline is shown by what happened after the campaign ended, with families allowed to have 2 births starting in 2016, raised to 3 in 2021. When the campaign ended there was a modest increase in births in 2016, but in every year since there have been fewer births, with the 2022 total barely more than half the 2016 total, despite the CCP now vigorously encouraging births.

The fact that Chinese are resisting the CCP's call to have more babies can be explained by the fact that families, and Chinese women in particular, face similar pressures to their counterparts elsewhere in ultra-low fertility East Asia (despite the fact that China remains an upper middle-income country, rather than a rich one).[3] They live in a very competitive, unequal, and expensive society, where launching even a single child toward educational and occupational success is a daunting challenge. Women have improved educational and employment opportunities now,[4] but they face gender discrimination in the home and in a still fairly patriarchal society, making the burdens of extra children onerous. Combining a career with childcare is difficult and expensive, and many women fear that employers will resist hiring or promoting them if they might take time off to have more than one child.

Why did the CCP switch from limiting births to promoting births?

The dramatic switch of the CCP's policy is tacit acknowledgement that Song Jian's critics in the late 1970s were correct—forcing a very rapid decline in the birth rate would lead to unusually rapid aging, a trend that would have to be dealt with. China has joined a substantial number of other countries (Japan, Italy, Russia, etc.) in having a declining population and a growing proportion of the elderly, but China has made this transition much more rapidly than elsewhere. Furthermore, China has been "growing old before getting rich," facing the challenge of meeting the needs of the elderly without a well-developed set of social support institutions and resources.

A declining national population can yield benefits, such as reducing environmental pressures and pollution levels. However, with the number of new workers entering the labor force falling annually after 2010, while the number of retirees continues to grow, financial support for the elderly is already endangered.[5] Increased funding to strengthen support for the elderly leaves less money for investing in education, technology, and other priorities, threatening economic growth. The challenges are not only financial, with the social and emotional support of the elderly already jeopardized by their depleted kinship networks.

The CCP has responded to falling fertility with incentives to boost births, including cash bonuses for extra births, extending paid maternity leave, investing more in preschool institutions, and in one province even encouraging unwed women to have babies. However, international experience shows that such incentives are not effective in raising birth numbers, and even much more substantial policy changes and expenditures cannot reverse fertility decline, once a country is below replacement level fertility.[6]

The CCP now regrets that it has gotten what it wished for in the 1970s, but it should abandon the quixotic quest for measures that would increase birth rates. They (and the Chinese people) would be better served by concentrating on measures to improve the welfare, rather than

increase the quantity, of their population, such as improving schooling opportunities for rural youths, reducing gender discrimination, and building a more robust and inclusive social safety net.

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[1] Alexandra Stevenson and Zixu Wang, "China's Population Falls, Heralding a Demographic Crisis," *The New York Times*, January 16, 2023.

[22] Susan Greenhalgh, *Just One Child: Science and Policy in Deng's China*, Berkeley: Univ. of California Press, 2008.

[3] Currently the total fertility rate in Japan is under 1.4, while South Korea has the world's lowest fertility, with TFR=.78. See https://asia.nikkei.com/Spotlight/Society/South-Korea-s-fertility-rate-hits-new-low-remains-last-in-OECD

[4] In 1978 women constituted only 23% of university students (see Martin King Whyte and William L. Parish, *Urban Life in Contemporary China*, Chicago: University of Chicago Press, 1984, p. 199), compared to more than 50% today.

[5] A 2007 United Nations Report (*World Population Aging 2007*, New York: United Nations) calculated that in that year there were 9.1 employed people for every Chinese over 65 and estimated that by 2025 that would be reduced to 5, and by 2050 to only 2.1

[6] See Andrew Jacobs and Francesca Paris, "Can China Reverse Its Population Decline? Just Ask Sweden," *The New York Times*, February 9, 2023.