

Will China's "Two-child in One Family" Policy to Spur Population Growth Work?

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Abstract

The population problem has always been a fundamental, overall and strategic issue faced by the human society. While China's family planning policy has promoted China's economic development and social progress, the "two-child" policy failed to receive satisfactory result. Confronted by China's low fertility rate, efforts must be done from many aspects to spur population growth: establish the National Population Security Council, strengthen the selection and appointment of population policy makers, strengthen the family values, adopt incentive measures to increase fertility, and so on. The "two-child" policy has been carried out for more than three years, and the policy is still facing the test of time. China's "two-child" policy is still a transitional policy, and the final solution will be to abandon birth control.

Keywords

China; "two-child in one family" policy; success of population policy

JEL Codes: J10, J18

1. Background of the China's "two-child" policy

The 1950s and 1960s have witnessed the economic recovery, social stability, improvement of people's living standard and medical service in China and the population of China grew rapidly from 540 million in the early years of the founding of Republic of China up to 830 million in the year 1970, which exerted pressure on social and economic development. In order to control the excessive growth of the population, China began to promote family planning policy since the 1970s. In 1980, the Central Committee of the Communist Party of China issued "An Open Letter on Controlling the Population Growth of China to All Communist Party Members and Members of the Communist Youth League", in which

each couple was advocated to give birth to only one child. In 1982, family planning policy of “only one child” was carried on as China’s basic national policy. For more than 40 years, China has been continuously improving its family planning policy with a view to coordinating population, social and economic development. With the persistent state policy, the speed of population growth has been effectively slowed down, the resources and environmental pressure has been alleviated, the overall situation of women and children (including living standard, education, welfare and so on) greatly improved, and the quality of the population improved significantly, which promoted rapid economic and social progress.

The population problem has been a fundamental, comprehensive and strategic issue faced by human society. Population changes have a profound and long-term impact on economic and social development. Since the beginning of the 21st century, especially during the “Twelfth Five-Year Plan” period, with the internal driving forces and external conditions of China’s population growth undergoing significant changes, China’s population growth rate has been significantly slowed down. The number of working-age people and women in childbearing age began to decrease, and the tendency of population aging was worsening. Gradually, concept of childbearing among Chinese people has undergone a principal change. “To have fewer and healthier babies” has become the mainstream of the childbearing concept. With the size of the family shrinking, the traditional function of families “to support the old and raise the young” has weakened. The demographic dividend decreased, so was the human capital-oriented international competitive advantages. All these changes have brought about new challenges to population, economic and social development. By the middle of this century, China’s total population will remain at more than 1.3 billion. The basic national conditions of a large population, the pressure that population exerts on economic and social development as well as the tension between population and resources will remain.

On November 15, 2013, the Third Plenary Session of the 18th CPC Central Committee issued the “Decision of the Central Committee of the Communist Party of China on Several Major Issues Concerning Comprehensively Deepening Reforms” and the “selective two-child” policy (each couple is allowed to give birth to two children, if one of the parents is an only child) was implemented. On October 29, 2015, the Fifth Plenary Session of the 18th CPC Central Committee decided to implement the policy of “universal two-child” policy (each couple is allowed to give birth to two children). Since the relaxation of the birth policy, the academic community has paid great attention to the effect of policy adjustment, and proposed corresponding countermeasures, but the research conclusions are quite different. There are three main points of view. The first view is that the policy is “inadequate”, that is, it has not spurred rapid growth of population. The Chinese scholars who hold the view include Ma Xiaohong and Gu Baochang, Qiao Xiaochun, Chen Youhua and Miao Guo. They argue that China should immediately relax the birth control policy and abolish family planning. The opinion is based on the fact that the number of couples applying for the second child and the proportion of giving birth to the second child are significantly less than expected. The second view is that the policy is in line with expectations. Some scholars such as Zhen Zhenwu, Yuan Xin and Gao Wei, and some officials of the Chinese National Health Planning Commission hold this view, which is based on the following two reasons: first, less than one year after the implementation of the “two-child” policy, the number of couples applying for the birth of the second child exceeded one million. Second, there is a “jumping” increase in the number of births after the implementation of the “two-child” policy. The third view is

that the policy effect is difficult to judge. Feng Xiaotian, a scholar in Nanjing University of China, believes that the evaluation of the effect of the "two-child" policy should be based on the expectation of the policy effect, and the population policy should be adjusted according to the target of the population birth rate.

Many scholars in China and abroad have studied the effects of China's "two-child" policy implementation and put forward some proposals. This paper mainly studies the background and effect of the China's "two-child in one family" policy implementation, elaborates the factors influencing China's population development, and proposes the countermeasures to solve the population dilemma.

2. The effect of the China's "universal two-child" policy implementation for three years

Since 1980, when the policy of family planning centered on "a couple with only one child" (referred to as "one-child" policy) was initiated, the China's population policy has undergone a series of historic transformations: the policy of permitted two children for the couples where both spouses are the 'only-child', the policy of permitted two children for the couples where one of the spouses is an 'only child', to the "universal two-child" policy (each couple is allowed to give birth to two children). At present, the population situation is unprecedentedly severe, and the effect of the "universal two-child" policy for three years is not satisfactory. The below data prove this conclusion.

1) Number of births and birth rate. The population born and birth rate from 2008 to 2018 is shown in Table 1.

Table 1: Number of births and crude birth rate in China, 2008–2018.

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of births (millions)	12,405	11,468	13,836	9,684	11,379	11,022	11,377	17,531	17,86	17,23	15,23
Crude birth rate (%)	12.14	11.95	11.90	11.93	12.10	12.08	12.37	12.07	12.95	12.43	10.94

The data source: China National Bureau of Statistics. The data for 2015 is from the 1% sample survey data, other data is 0.1% of the sample survey data of each province and the data in 2010 is from nationwide census. (<http://data.stats.gov.cn/easyquery.htm?cn=C01>)

In 2015, the Fifth Plenary Session of the 18th CPC Central Committee decided to implement the "universal two-child" policy, and the birth rate increased significantly in 2016. However, the number of people born in 2017 was 630,000 less than that in 2016. And the number in 2018 was 2,000,000 less than that in 2017. The implementation of the "universal two-child" policy is still not effective. The birth rate has increased significantly in 2016. However, in 2017 the birth rate was 0.052 p.p. lower than that in 2016 and the birth rate in 2018 was 0.149 p.p. lower than that in 2017. Therefore, the effect of the "universal two-child" policy on the birth rate is also relatively low.

Table 2: Total fertility rate in China, 1990 and 2000–2017.

Year	1990	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total fertility rate	2.35	1.497	1.508	1.524	1.54	1.554	1.565	1.572	1.577	1.581
Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Total fertility rate	1.586	1.59	1.594	1.599	1.604	1.61	1.617	1.62	1.63	

The data source: The World Bank (<https://data.worldbank.org.cn/indicator/SP.DYN.TFRT.IN?locations=CN>)

2) Total fertility rate

The table 2 presents the total fertility rate in China for 1990 and 2000 to 2017. The data for 2018 has not been found. From the table, the total fertility rate has increased since the implementation of the “two-child” policy in 2013. However, the increase was not large. After the “universal two-child” policy was carried out in 2015, the total fertility rate in 2016 and 2017 changed, but the change was not obvious. In 2017, the total fertility rate in China was 1.63, which was lower than the total fertility rate of the U.S. population (1.766) and that of India (2.304). (The United States and India’s total fertility data source is the World Bank.)

3) “Two-child” births. Numbers of second child births and first child births are shown in Table 3.

Table 3: Numbers of second child births and first child births (2008-2015)

Year	2008	2009	2011	2012	2013	2014	2015
Numbers of second child births (thousand)	3573	3363	2837	3462	3431	4082	6969,5
Number of first child births (thousand)	8377	7693	6428	7412	7092	6553	9309,8

The data source: China National Bureau of Statistics. The data for 2015 is from the 1% sample survey data, and other data is 0.1% of the sample survey data of each province in China. (<http://data.stats.gov.cn/easyquery.htm?cn=C01>)

The data for 2010, 2016, 2017, and 2018 were not found in the website of the China National Bureau of Statistics. From the above table, we can find that since the implementation of the “two-child” policy in 2013, the number of second-child births in 2014 and 2015 increased, which indicates that the “two-child” policy has a certain effect on the growth of the birth rate.

4) Population structure. The age structure and dependency ratio of the population since 2008 are shown in Table 4.

As can be seen from the above table, the population of 0-14 years has increased after the implementation of the «two-child» policy in 2013, but the increase was not large, which indicates that the population policy is inadequate although it plays a role in the growth of

Table 4: The age structure and dependency ratio of the population (2008–2017).

Index	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total population at the end of the year (million)	1328,02	1334,50	1340,91	1347,35	1354,04	1360,72	1367,82	1374,62	1382,71	1390,08
Population of 0-14 years old (million)	251,66	246,59	222,59	221,64	222,87	223,29	225,58	227,15	230,08	233,48
Population of 15-64 years old (million)	966,80	974,84	999,38	1002,83	1004,03	1005,82	1004,69	1003,61	1002,60	998,29
Population of 65 years old and more (million)	109,56	113,07	118,94	122,88	127,14	131,61	137,55	143,86	150,03	158,31
Total dependency ratio (%)	37.4	36.9	34.2	34.4	34.9	35.3	36.2	37.0	37.9	39.2
Children's dependency ratio (%)	26.0	25.3	22.3	22.1	22.2	22.2	22.5	22.6	22.9	23.4
Aged dependency ratio (%)	11.3	11.6	11.9	12.3	12.7	13.1	13.7	14.3	15.0	15.9

The data source: China National Bureau of Statistics. The data for 2015 is from the 1% sample survey data, the data for 2010 is the national census data and other data is 0.1% of the sample survey data of each province in China. (<http://data.stats.gov.cn/easyquery.htm?cn=C01>)

the children's population. The aged dependency ratio is constantly increasing, and the population ageing is worsening.

3. Will China's "universal two-child" policy work?

On December 30th, 2016, the Chinese government issued the "National Population Development Plan (2016-2030)" and proposed the "National Strategy for the Balanced Population Development". Its main contents are: "In the face of principal changes in the population development, we must put the balanced population development as a major national strategy, strengthen overall planning, make use of the favorable factors of population development, actively and effectively respond to risks and challenges, strive to achieve balanced development of the population, and coordinate population development with the economy, society, resources and environment." The "National Population Development Plan (2016-2030)" also proposed the goal of population development: the total population of 1.45 billion and the total fertility rate of 1.8 by the year 2030.

Since the implementation of the family planning policy in China, the social, economic, and educational models were all of the dominate "only-one-child" family pattern, and the trend was continuing ever since. If let it be, the national fertility rate will continue to jump.

Since “universal two-child” policy demonstrates unsatisfactory effect, China must take actions to achieve the strategic goals of population development. The following are some countermeasures that should be adopted by the government:

1) Establish the National Population Security Council

Population reproduction and material reproduction are the two pillars of human society; the population is still one of the decisive factors affecting the economy, politics, national defense, culture and national psychology. From the strategic point of view, the establishment of the National Population Security Council is of vital importance to the sound development of population policies (Yi Fuxian and Su Jian 2018: 2).

2) Strengthen the selection and appointment of managerial personnel on population policy

Decision-making of population policy is very important. As the saying goes that, “Engine to the train is what a leader to a group”, the decision-making of managerial personnel directly affects the elaboration and implementation of the population policy as well as the realization of strategic goals of the national population development. The selection and appointment of managerial personnel should be wise enough to ensure the scientific population development forecasts and elaboration of population policies.

These are some cases that managerial personnel on population policy failed to make wise judgment. The Chinese census shows that the total fertility rate (the number of children born by a woman) has rapidly dropped from 4.54 in 1973 to 2.3 in 1990, 1.22 in 2000, and 1.18 in 2010. The year 1990 witnessed China’s fertility rate fallen below the replacement level, and family planning policy should have been cancelled at that time. However, the decision-making departments and demographers did not believe that the fertility rate was so low at that time. They have revised the fertility rate from 1.2 to 1.8. The National Population Development Strategy Group maintained in 2006 that “the total fertility rate has dropped to around 1.8 in the mid-to-late 1990s and has remained the same level”, and they predicted that the total population would exceed 1.4 billion in 2015 and reach 1.5 billion by the year 2033 with the one-child policy continuing to be implemented. (In fact, the National Bureau of Statistics announced that there were only 1.375 billion people in 2015.) At that time, it was recommended that family planning should be carried out all along.

China conducts a population census every 10 years, a “small census” (1% population sample survey) every 5 years, and an annual sample survey every year. The most reliable population data is the census, followed by the “small census” and the annual sample survey. The most reliable of the census and sample data is the birth rate, which is the result of “direct calculation”, which has not been revised and adjusted. The census and sampled fertility data have little error and are also in line with the population change. However, since 1990, China’s demographics have been very confusing. The National Bureau of Statistics of China has abandoned the census and sample surveys because of the existence of “unreported extra births which broke the family planning policies” (there is penalty from parents for over-birth in China). Instead, other data (education, medical care) was used by the Bureau to “correct” the number of births and fertility rates. The education data was mainly from the number of primary school students in school. Since the primary schools in China get financial subsidies based on the number of students, local governments could exaggerate the number of students in school in order to obtain more government subsidies. The medical data was mainly from the number of women births. Since women can receive government medical insurance for childbirth, so there was an exaggeration of the number of women giving birth (Yi Fuxian 2013: 1). Here is a case in point. The 2000 census showed that the

fertility rate was only 1.22, and the 0-year-old population was only 13.79 million. However, the National Bureau of Statistics announced that there was 17.71 million births in 2000. The infants of 0-year-old in 2000 would be 10 years old in 2010, in 2014 they would be in the third year of junior middle school, and in the age of 15 in 2015. There could not be underreporting. According to the 2010 census and the 2010 public security household registration, the 10-year-old population was only 14.45 million and 14.38 million respectively. In 2014, there were only 14.26 million students in the third year of junior middle school nationwide. Since the gross enrollment rate (the proportion of students to the total number of school-age students) is 104%, the actual age of 14 was only 13.71 million. In 2015, according to the "small census", there was only 13.57 million of 15-year-old. From the above analysis, it can be seen that the population of 0-year-old in the 2000 census was fundamentally correct, while the number (17.71 million births in 2000) released by National Bureau of Statistics has been exaggerated nearly 30%. (Yi Fuxian and Su Jian 2018: 2).

3) Strengthen family values

The family is the basic unit of population reproduction, and the family values are the cultural nourishment for population development. The total fertility rate in the United States fell from 3.65 in 1960 to 1.74 in 1976. President Carter found that "the American families have gone wrong" and held five special meetings to discuss the formulation of a new family policy. After President Reagan took office in 1981, he strengthened traditional family values and introduced a series of economic policies conducive to population development, raising the total fertility rate to 2.1 in 1990. In the 1992 U.S. presidential elections, family values were debated. George H.W. Bush believed that "the decline of the metropolis stems from the decline of the family". Perot held that "where there is a strong family, there will be a strong country". Clinton maintained that "the president is responsible for the family value orientation". After being elected president in 2001, George W. Bush promised to "provide unprecedented support for strengthening the family. Help people get into marriage and maintain marriage through various means". He spent \$2 billion in "restoring the traditional marriage culture". Americans are more fertile than other developed countries because they appreciate family values more (Zhou Wenhua 2014: 3).

Since China's reform and opening up, rapid changes in the economy and society have brought about changes in family values. Some traditional values are fading away. Changes in family values influence people's behavior, and also lead to the increase of the divorce rate and "remaining single" (Zhang Jinfu 2013: 4). Therefore, the change of family values causes the decline of the fertility rate, which in turn hinders the population's reproduction.

4) Adopt incentive measures to increase fertility

(a) Reform the social security system. Reform the social security system, taking husband and wife as "co-taxpayers", linking pensions to raising children, allowing couples getting more pensions with more children. Taxes should be reduced to encourage fertility. (Qian Yang and Liu Xinran 2018: 5).

(b) Lower the cost of raising children. At present, China's education, housing, and medical care are constantly undergoing reform. The government has adopted various policies to help reduce the education costs, housing costs, and medical costs of families with more children to stimulate the fertility.

5) Protect the ability to bear children

(a) Modify the legal age of marriage. In 1980, in order to promote family planning, China deferred the legal minimum age for marriage from 20 years old for to 22 years old for males and from 18 years old to 20 years old for females. Late marriage, which means delayed

marriage age of males after 25 years old and females after 23 years old, was encouraged. However, in many countries of Europe and America, the age of marriage is 18 years old. One can marry at the age of 16 with parental consent and/or court permission. Were the age of marriage in the United States the same as in China, a large number of pregnant women under the age of 21 would have to choose abortion. Therefore, the legal minimum age for marriage in China should be lowered to increase the chance of fertility.

(b) Get more people know about the influence of tobacco and alcohol on fertility

The harm of tobacco and alcohol to the human body is unquestionable since smoking and drinking are the important causes of infertility. Even if pregnant, the probability of deformity will increase greatly with smoking and drinking. More people should be warned about the harms of tobacco and alcohol on fertility to “bear and rear better children”.

6) Abolish Family Planning Policy

China’s “universal two-child” policy has failed to achieve satisfactory effect since the total number of births and the birth rate have fallen. At present, for many reasons, some families are reluctant to give birth to the second child, while some (such as wealthy people) who are willing to and afford to give birth to the third or the fourth child face policy restrictions and penalties. If they suffer financial fines or lose their jobs due to violation of policy, the existing population policy makes them have to give up the birth of the third child or the fourth child. With abolishing birth control, there may be some people who are willing to give birth to the third child and the fourth child, or even the fifth child. They will be no longer subject to policy restrictions, and they will have more children. Thus, the total population birth rate will increase accordingly.

The year 2018 is the third year from which China has carried on its “universal two-child” policy, however, the birth rate of the population has fallen in a cliff-like manner. Unwillingness to give birth, inability to afford raising children, and the lack of supporting policies are still the main reasons that hinder the success of the “universal two-child” policy. Compared with factors such as economics, population policies have a greater impact on the growth of the birth rate of population (Goodkind 2017: 6). The “universal two-child” policy has been carried on for over three years, it needs more time to prove its validity. Judging from the development of population, the “universal two-child” policy is still a transitional policy. The ultimate solution is to abolish family planning and birth control, so that China’s strategic goals of population development could be realized.

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