

# Analysis of the Impact of China's Family Planning Policy

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## ABSTRACT

How has the implementation of the family planning policy affected the development of all aspects of our country? The research used text analysis and mathematical statistics methods, combining China's social development data for the past 40 years, to explore the relationship between population and social development factors. The extremely low fertility rate and the frightening old-age dependency ratio and sex ratio in the census data have sounded alarm bells for people. The results of the study show that China's population problem needs to be resolved urgently. The family planning policy has had an indelible impact on China in terms of culture, economic development, child support and old-age security.

**Keywords:** Family planning, Social impact, Policy change, Economic Development

## 1. INTRODUCTION

The fifth Plenary Session of the 18th CPC Central Committee in 2015 decided to implement the universal two-child policy. This is a major historic reform in China's fertility policy and marks the end of the one-child policy, which has been in place for more than three decades. People are more and more aware of the seriousness of the current population problem in China, and the fertility policy has shifted from limiting to encouraging fertility. The population problem has already appeared for a long time, but people have not yet realized its negative impact, still adhering to the family planning policy. It was not until the 12th Five-Year Plan that the population structural problem became a major issue affecting economic and social development. China's sex ratio at birth remains high for a long time, the proportion of the elderly population continues to increase, the population dependency ratio begins to rise, and corresponding policy adjustments have been made in response to this problem. Throughout the thirty years of the implementation of China's plans and policies, the development of all aspects of Chinese society has been greatly influenced.

## 2. BACKGROUND

### 2.1. The Relationship Between Population and Economic Development

In ancient China, there were many sayings about the effect of population on economic growth. For example, "If you have many children, you will soon be rich; if you have no children, you will not grow rich", which means that the

number of people can bring wealth growth. Because the survival and development of human beings depend on "population reproduction" and "material reproduction". Among them, population reproduction is the guarantee of material reproduction, which provides the basis for population reproduction [1]. Economic theories have also discussed the relationship between population and economic development. The commonly used economic growth models, such as The Cobb-Douglas growth function and the Solow growth model, have listed population (labor force) as an important factor to promote economic growth, and these models have also been verified by empirical data.

At the same time, however, the level of economic development also affects the population in turn. In China, the fertility rate in rural areas with a low living standard is much higher than that in cities with a high living standard. In the world, the fertility rate in developed countries is usually very low, even negative in many countries, while the population in relatively poor developing countries tends to grow rapidly [2]. It can be seen that the population and economy do interact with each other, and in different stages of development, the degree and direction of influence are not the same.

In ancient times, technology and the economy were underdeveloped. Insufficient food, disease, war, natural disasters and other irresistible factors led to a very short average life span, making it difficult to generate civilization and slow social development. Later, people gradually mastered the ways to deal with these natural disasters. Only with the improvement of productivity, especially the technology of food cultivation and the development of medical technology, could the population increase and the continuous progress of social economy and civilization. It can be said that in ancient times, the population and economy promoted and developed each other for a long time, and these natural conditions also

became the invisible hand that restricted population growth.

However, with the continuous development of human civilization, this mutually reinforcing relationship slowly changed, and the development of productive forces to a certain level, on the contrary, restricted the growth of population. In modern society, people have higher requirements for material, and more and more people spend time and experience in material reproduction, which results in the disorder of the relationship between population reproduction and material reproduction. Equality between men and women is the product of modern civilization and the expression of the progress of human thought. However, it also leads to the shift of women's time and energy focus from family to work, resulting in the decrease of women's fertility desire and fertility rate. At the same time, with the continuous improvement of the social security system, the elder culture changed from the original "raising children for old age" to the state pension, which also lowers the desire to have children. Four decades of reform and opening up have seen progress not just in science and technology, but also in people's thinking, the reduction of fertility desire caused by changes in the division of labour, socialization of the elderly and increase in the cost of raising children has become another hand restricting population growth.

As a result of these two hands, the number of people and economic development are constantly changing. One index to measure population growth is the total fertility rate, it can be simply interpreted as "a woman's lifetime fertility on the number of children", the international universal recognition can be done on the generational turnover total fertility rate is 2.1, according to the actual situation in China, including mortality and sex ratio, only when China's total fertility rate" is 2.3 above can it achieve generational turnover. China's total fertility rate has been below the replacement level since 1990, reaching 1.18 in 2010. In the last forty years, the fertility desire of Chinese people has been decreasing and tending to be stable, so that there was no obvious increase after the two children policy was released in 2013 and 2015.

## ***2.2. The Relationship Between Population and Culture***

The harsh living conditions in ancient times, the lack of food, disease, natural disasters and other factors make population reproduction very slow. Many once glorious nations have come to an end one after another, and the existing nations have established a set of fertility culture through long-term exploration, which supports the sustainable development of the nation. The population of the Chinese nation has always been the largest in the world. In addition to the favorable geographical environment, it also benefits from the unique Chinese birth culture. Mencius said that "there are three kinds of unfilial, and the greatest is having no offspring." Mencius believed that "having no offspring" is more unfilial than "falling in

love with unrighteousness" and "not supporting parents". Carrying on the family line is regarded as the highest embodiment of filial piety in Confucianism. Since ancient times, the motive of "filial piety" has played a positive role in maintaining the family name, promoting population development and social progress, and cultivating the traditional parent-child affection of the Han nationality.

The creation of civilization depends on elites, while the preservation and inheritance of civilization depend on ordinary people. With the decline of civilization, a nation can be destroyed without war or disaster. The ancient people have long noticed that population plays a decisive role in the prosperity of a country. Therefore, various vicious words are used to curse the people who have no offspring, such as "the initiator has no descendants" and "no descendants at all". This is the attitude of China towards fertility civilization. However, the requirement of birth restriction put forward by family planning is in contradiction with China's birth tradition/ to some extent.

## **3. EVOLUTION OF CHINA'S FAMILY PLANNING POLICY**

A brief review of the birth policy since the founding of the People's Republic of China 70 years ago reveals that the policy as a whole presents a changing trend from loose to tight, and then from tight to loosen. In 1949, after the founding of The People's Republic of China, people's willingness to give birth was high, and the government also adopted a loose fertility policy, even imitating the Soviet Union to encourage and support fertility. As a result, China experienced its first baby boom in the 1950s, peaking at 21.38 million new babies in 1957. In 1955, based on the judgment that China's population was growing too fast, the CPC Central Committee issued the Instructions on Population Control, proposing proper birth control. But this directive was not implemented because of a political campaign. In 1962, the CPC Central Committee issued the Directive on The Serious Promotion of Family Planning, proposing to promote birth control in cities and densely populated rural areas. China's total fertility rate hit a record high of 6.4 in 1965 and just below 5 in 1972, the year the second baby boom began.

In 1973, the State Council set up a leading group on family planning, proposing a policy of "later and less", which encourages late marriage and late childbearing, at least three years apart and a maximum of two children per couple. From then on, the only child began to appear more and more. In October 1978, the government issued Document No. 69, stating that the number of children for a couple should be "one at best and two at most". This is the first time the central document had given explicit instructions on how many children citizens should have. In January 1979, the National Conference on Family Planning was held to implement Document No. 69. In the implementation, the "no more than two" was removed and the "the best one" became the official start of the one-child policy. In September 1982, the 20th National Congress of

the Communist Party of China confirmed “family planning” as a basic national policy. But, in this year, the total fertility rate has dropped to 2.56, which is close to the situation that China can reach the replacement of the normal generation of 2.3.

After 1990, the various census shows that China's total fertility rate has been sharply reduced, which is far below the generations replacement level of 2.1. In the 20 years after 1995, the total fertility rate was basically around 1.6. The sixth census, in 2010, made the urgency of adjusting the fertility policy widely accepted. According to the census, China's population has been structurally distorted, and the aging rate is serious and accelerating. The proportion of children aged 0-14 years old in the total population has been declining year by year and China has been at the level of severely decreasing children. At the same time, there is a serious gender imbalance, with tens of millions more men at marriageable age than women. Since then, the pace of adjustment of China's fertility policy has accelerated significantly. From January to June 2014, all provinces in China implemented the two-child policy. On Oct 29, 2015, the fifth Plenary session of the 18th CPC Central Committee announced that a couple can have two children.

#### **4. PROBLEMS OF FAMILY PLANNING POLICY**

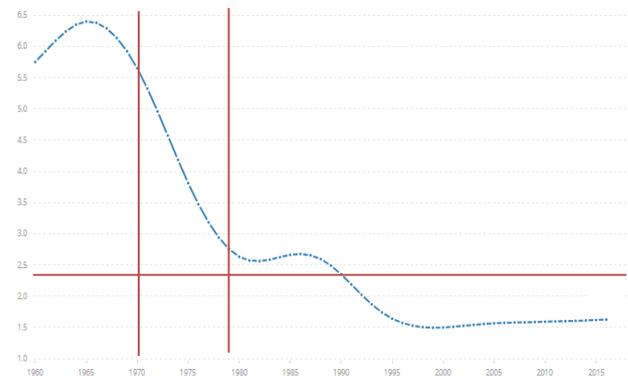
The international population cybernetics was first put forward by Malthus in Britain in 1798, and 160 years later, Ma Yinchu, a famous demographer in China, published the “New Population Theory” in the People's Daily. This article analyses the contradiction between the over-rapid growth of population and the economic and social development and advocates the control of population quantity and improvement of population quality. Later, this idea was widely recognized in China and had a profound influence. Until the 11th Five-Year Plan, it was still put forward "control the number of population and improve the quality of population". The author of these two words was Ma Yinchu.

In February 1980, Xinhua News Agency published the "Centennial Population Forecast Report" by Song Jian, Tian Xueyuan and others using the method of "population cybernetics". According to the report, if the fertility level of the population in 1979 continues, China's population will reach 1.4 billion by 2000 and 4 billion by 2050. At that time, people believed that if they did not strengthen family planning, there would be a "population explosion", so the family planning policy was tightened suddenly, from the "two-child policy" in the 1970s to the "one-child policy".

It is now clear that this estimate is seriously flawed. On the one hand, the total fertility rate is around 2.5. In the long run the population will grow slowly, and it is impossible to reach the appalling figure of 4 billion. On the other hand, population projections were based on China's fertility, economic development, and technological progress at the

time, but they clearly underestimated China's rapid economic growth. And with the rapid development of economy, people's desire to have children will naturally decrease and will not be as vigorous as before the reform and opening up. At the same time, population is more of a driving force for economic development than a burden in the poor period. With economic development, food and energy are not factors restricting economic and social development. Medium- and long-term population prediction is a very complex work, and even if the population changes in 20 or 30 years, there is a big difference in the prediction. For example, in 1969, the US Department of State published the predicted number of the world's total population in 2000 as 7.5 billion, but in fact the world's population in 2000 was only 6 billion [3]. It can be seen that population prediction can only be used as a reference for guiding population policies, rather than being implemented as a mandatory population policy.

Fig. 1 shows the curve of China's total fertility rate from 1960 to 2018. The horizontal red line is generation replacement level, and the vertical red line is the year when the family planning policy started and took shape in 1971 and 1978 respectively. It can be seen from the figure that China's fertility rate in 1978 was about to drop to the level of generational replacement. At this time, with a little advocacy, coupled with the natural reduction in the willingness to bear children due to economic development, the population's fertility level will gradually stabilize. However, the strict implementation of family planning has led to a rapid decline in the total fertility rate and has remained below the level of generational replacement [4].



**Figure 1.** The curve of China's total fertility rate from 1960 to 2018\*

\*Data source: World Bank official website [5]

It is because demographers pay too much attention to the number of population while neglecting the population structure that the aging of population is serious in China. The rapid increase in population in the early years of China was not only due to the increase in birth rates, but also to the increase in life expectancy and the decrease in neonatal mortality brought by the development of medical technology, and this phenomenon will become more and more obvious in the future. From the perspective of education, with the improvement of education level and

the extension of education years, people's fertility desire and age are changing [6]. To sum up, the proposal of the family planning policy is a lack of deep understanding of the laws of social development, and no confidence in China's future development.

## 5. IMPACTS

### 5.1. The impact on economic development

The first problem is about the saving of child support. In 1999, People's Daily published an article and said, "family planning has been implemented in the past three decades, 380 million fewer children and 7.4 trillion yuan of maintenance payments have been saved for the whole society". In 2002, the People's Daily reported that in the past two decades (1982-2002), China has lost nearly 300 million births and saved 6 trillion yuan in maintenance fees. But in fact, the cost of maintenance saved is not the value of creation, the money of raising children cannot be saved. If the child becomes less, the money spent on one child will become more. So, the money saved by family planning is a castle in the air.

Second, family planning also shortens China's demographic dividend period. The "demographic dividend" refers to the higher capital accumulation caused by the high productivity and high savings rate brought by the increasing number of economically active people [7]. Since the reform and opening up, China has been able to gain a late-mover advantage, become the factory of the world, and become an export-oriented economic growth model, all of which are inseparable from China's abundant working-age labour force, which, as a factor driving economic growth, has been restricted by the family planning policy. With the disappearance of demographic dividend in 2013, the super-high social dependency ratio caused by family planning once again restricts the sustainable development of China's economy.

### 5.2. The increase of child support costs

According to the survey in the Bluebook of China's society, the proportion of children's education expenses ranks the first among various consumption categories of residents, surpassing the medical and housing. With the improvement of the education level of Chinese people, every family hopes that the children can become superior, get a better education and have a better life, which will naturally increase the money invested in their children. With only one child, parents have to spend more money and energy on their children. This culture has made raising children more expensive and more of a burden, leading to a growing reluctance among young people to have children. After the implementation of the two-child policy in 2015, the willingness of Chinese people to have a second child is still not high. "Why don't you want to have

a second child?" conducted by Xinhua News Agency, the reason of "cannot afford a second child" topped the list. According to the data from the National Bureau of Statistics, it costs an average of 710,000 yuan to raise a child from birth to the age of 22 when a student graduates from university. In a city with high price level like Beijing, it would cost 1.4 million yuan to raise a child in the same way. Not to mention the expenses of studying abroad, buying a house and a car, getting married and having children when the children grow up. Such a burden discourages many middle-class families from having a second child. At the same time, this kind of abnormal consumption structure also caused market chaos such as the high tuition fee and the high-price toy.

### 5.3. Difficulties in providing for the aged caused by the aging population

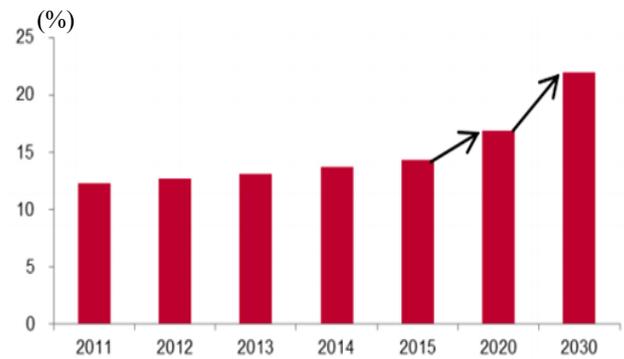


Figure 2. The dependency ratio of the elderly in China in recent years\*

\*Data source: data compiled by the National Bureau of Statistics [8]

According to the UN definition of aging society: the proportion of people over 60 years old is more than 10%, or the proportion of people over 65 years old is more than 7%. In 2016, the proportion of the population over the age of 60 in China was 16.7 percent, far exceeding the ratio. The elderly dependency ratio refers to the ratio of the number of elderly people in a certain population to the number of working-age people. It can be seen from Fig. 2 that the dependency ratio of my country's elderly population has increased rapidly after 2015, and the aging of the population is too serious. The number of people over the age of 60 is expected to reach 25 percent by 2030, according to the China Society of Development. The old-age dependency ratio refers to the ratio of the number of people over 65 years old to the number of the working-age population, which is one of the indicators reflecting the social consequences of population aging from the economic perspective. Since the 1980s, China has vigorously implemented the family planning policy, and the "421" family structure has gradually taken shape. From 2020 to 2030, as the family planning generation generally enters old age, the average number of children of the elderly population in China will be reduced to less than

two, and the burden of supporting their children for the elderly will continue to grow.

In addition to the growing number of elderly people, China's pension shortfall is also a challenge. The main reason for the shortfall is that when the pension system was set up in the 1990s, a large number of people who had never contributed to pension insurance started to receive pensions. They were receiving pensions that the next generation of workers was contributing at the time, creating a huge gap in pensions. This gap would not be a big problem in a country with a very rich workforce, because the number of people who pay it far exceeds the number who receive it. However, as China soon enters an aging society, it faced the unprecedented dilemma of "getting old before getting rich" that developed countries have never experienced before. As a result, the pension gap in China will become larger and larger in the future, which is almost an unsolvable problem.

## 6. CONCLUSION

Based on the situation of China's development in the past 40 years, it can be concluded that family planning has brought indelible influence on China from four aspects: culture, economic development, child rearing and old-age security. In terms of culture, family planning advocates birth restriction, which is contrary to the traditional Chinese ideology of having more children and more happiness. It is true that China has made impressive economic achievements in the past four decades, but this has nothing to do with the decrease in the number of births; At the same time, family planning has also led to the increase in the cost of raising children and the serious aging of the population structure imbalance. And there is no better solution to eliminate the long-term effects than the existing policies of "delaying retirement" and "encouraging children". The impact of China's family planning policy also inspires people that "the population issue should be looked forward for 30 years [9]. We should not only look at the current situation, but also fully consider the impact of social, technological and economic development on the population.

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