

Investigation into the Reasons Why the General Release of Chinese Family Policies Makes the Income Gaps between Two Genders Amplified

Leyi Shen^{1,*}

¹Grade 3 of senior high in Suzhou Foreign Language School, Suzhou 215000, China

*Corresponding author's e-mail: guanghua.ren@geccademy

ABSTRACT

In this literature, the literature review section was used to analyse why the general release of Chinese family policies makes the income gaps between two genders amplified. The study sight involves both family side and employers. The effect of the family policy is caused by the overload of female employees with two identities. The responsibility of family and working areas divided the spirit of them into two halves. To reach a balance between being a mother and an employee, females are forced to choose. As a result, some mothers finally take part in some part-time jobs to give their offsprings plenty of companies. This will lead to a fall in the income levels of the females after pregnancy so that the average income level would be lower. Besides, in the recruiting process, the entrepreneurs are more willing to employ males than females with the same capability, because hiring a female employee for the company may lead to the risk of a ten-month low-productive period, so most females can only take the positions that do not coincide with their knowledge levels.

Keywords: family policy; female employees; income differences between genders

1. INTRODUCTION

The Chinese population policy was defined very early by Chen in 1934. It is said that the population policy is an approach for encouraging or limiting the population size. Moreover, policies that may make the population tight mainly reduce the country's birth rate and death rate [1]. These can help decline several aspects of social pressure effectively, like education and medical services. In addition, the reduction in government budget on social welfare gives more opportunities for the government to invest the funds in technology development to help with the further progress in the national economy.

1.1 Research background

Initially, the family policy was post in the 1990s in China to ease dwellers' booms in 1982 [2]. At that time, the economy in China was in its Toddler stage, and the resources available were not plenty for usage, so the government decided to advocate a sustainable developing strategy. One family could only raise one child each, and punishment was needed to pay for having children outside the state plan.

However, these years, though the general statement for the family policy, China is now facing a complicated and unprecedented phenomenon. The low birth rate is leading to harm to the population structure. As more and more young people choose to have one child only or even not raise a baby, the low birth rate compared to the rising aging population leads to an unhealthy aging tendency. As a result, from 2010, the government started to release the family policy and tried to help the population structure be a better one [1].

In June 2021, the Chinese government decided to release and encourage the third-child policy [3]. As soon as the policy was claimed, many supporters won an argument for worsened office ladies' career discrimination. Based on such underground, this study is considered to determine the reasons for females' working situation effects by the general release of the family policy. Moreover, the literature expected to find out whether the newly published third child policy would have the same effect as the second child policy has caused.

1.1.1 Birth rate

In 1982, the Chinese government designated the family policy as one of the basic state policies. Before the Chinese government posted the limitation, the birth rate in China has reached six children in each family, which is much higher than the standard for keeping the population scale of generations. The birth rate for the sustained turnover of generations is about 2.1 in a country [1]. After 40 years, the rate fell to 1.8, which is relatively low. The birth rate was still descending in the following

several years, and 2010 witnessed the lowest point with 1.18 children per family [4].

1.1.2 Aging tendency

In addition, the aging tendency in China has formed these years. As the trend develops, the expected aging population will be 19.51 percent points, one-fifth of the total habitats. To stop this and help the rate to a healthy figure, the Chinese government started to adjust the family policy these years generally and hope to keep the birth rate around 1.8 in the subsequent development [4].

Tab.1 The trends of both birth rate and the proportion of the aging population from 1950 to 2025

	1950	1990	2010	2025 (expected)
Birth rate (children/ family)	6	1.8	1.18	1.8
Aging population (%)	0.8	8.59	12.18	18.51

Note: The ‘Birth rate’ is calculated by the average number of children in one family in China; the aging population is calculated by the proportion of the aging population in the total population.

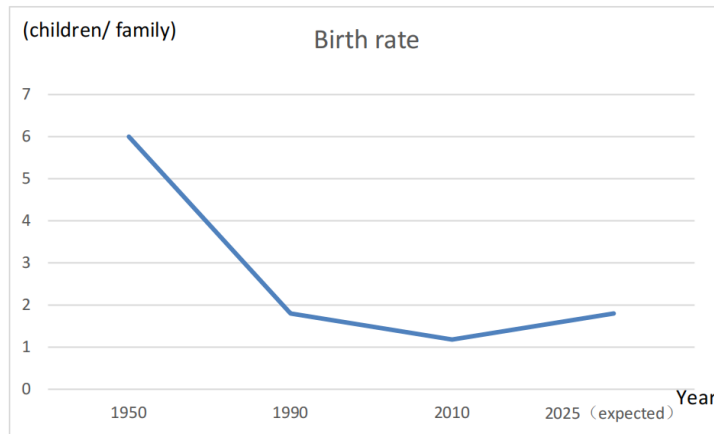


Fig.1 The trends of birth rate from 1950 to 2025

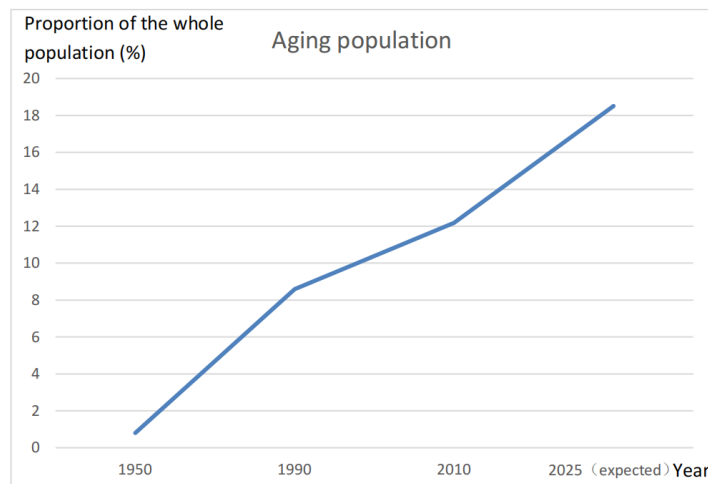


Fig.2 The trends of the proportion of the aging population from 1950 to 2025

Fig.1, Fig.2 and Tab.1 show the birth rate trends and the proportion of the aging population from 1950 to 2025. From the graph, we can see that the two sets of data present an entirely diverse tendency.

1.2 Related research Progress

Discrimination for women in the labor market has been a hot topic for a long time. Lots of researchers have

done studies on the difference between the income levels of two genders. Many researchers have given lots of opinions on the reasons for the difference these years.

1.3 Research gap

However, the report which analyzed the correlation between the family policy and the situation of female budgets is hardly seen. As a result, it is a topic which is a well-worth study in.

1.4 Research objective

In my research, the product is going to be a dissertation. My topic is the study about the influences of the family policies on the average income level of the female workers from the family policies. At the same time, try to find out the inner reasons for the influences that happened. The research method is interviewing the past papers, which other researchers do.

Section 2 introduces the methods. Section 3 analyzes the reasons why the general release of Chinese family policies makes the income gaps between two genders. The last section is the conclusion.

2.METHODS

Paper review. I planned to find out several previews of research papers related to my idea and absorb valuable information from them.

3.ANALYSIS OF THE REASONS WHY THE GENERAL RELEASE OF CHINESE FAMILY POLICIES MAKES THE INCOME GAPS BETWEEN TWO GENDERS

The section will seek to tease out the specific influences on the working condition of the office ladies

caused by the family policy and the critical reasons for these effects. Information about the average income levels for two genders collected by China Family Panel Studies, CFPS offers a valuable set of analytical tools to use in reflecting the working situation that the employees are in straightly.

3.1 Cultural settings for explaining the confusion on the effect on the females' working statement

In China, the inconvenient truth is that most citizens are influenced by an ancient notion about "Men outside the women inside" from their seniority [5]. Although in 1949, after the founding of the people's Republic of China, the government abandoned all the laws about gender discrimination which helped the females gain the opportunity to assess more education resources, it is undeniable that the effect from the feudal thought remains in some young people's mind. Moreover, the family role for females still did not change for years [5]. Under such a complex society condition, Chen came up with the idea that this may lead to modern ladies carrying two social identities simultaneously. To achieve social expectations and personal values, office ladies need to enhance the ability to work and adapt to the organizational culture formed chiefly by males [6]. In addition to this, the responsibility of being a mother is also challenging to shirk, and even most families have their hostess to take over the major of baby care. This fact makes the females blocks in a dilemma.

The notion of "Men outside the women inside" is the major factor that initiates the effect of family policy on women. Think of additional pregnancy. Females' spirits devoted to works would naturally separate to family. From the data from CFPS, the gap between the general income gap between two genders became wider and wider as the second-child policy post from 2011 to 2015.

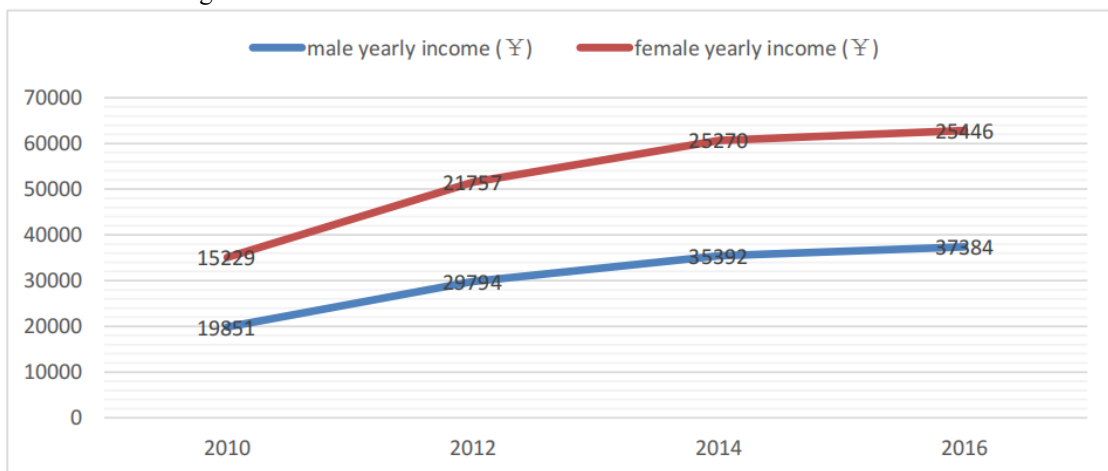


Fig.3 Income levels of two genders (China Family Panel Studies, CFPS)

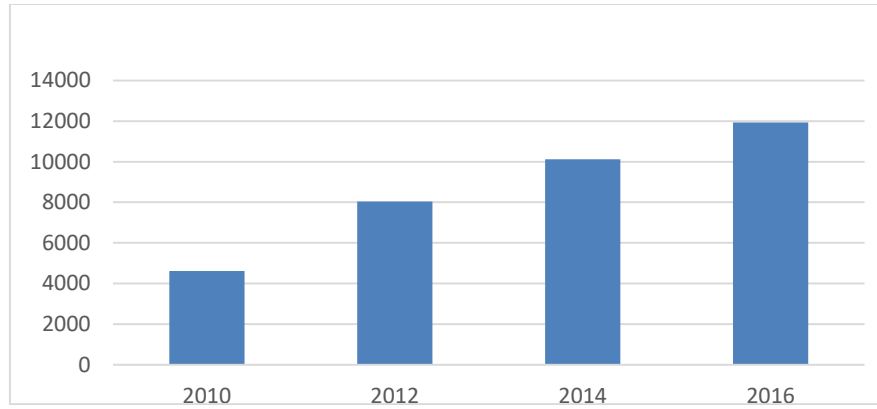


Fig.4 Income gap between two genders (China Family Panel Studies, CFPS)

From the two graphs above, both income levels of the two genders were all rising in the six years, which means the economic situation was in an optimistic developing phenomenon. However, in the reclamation of the second-child policy, the increase in the income gap seemed to have a certain correlation with the new policy variation.

3.2 Study on the effect on income level difference between two genders

Based on this doubt, Zhuang uses the model PSM-DID, which can find the effect of the second child policy on the discrimination of female employees and get rid of the confounding factors like the natural growth in income levels with time pass [1]. Then the study could focus on the influences from the new policy change.

This paper used the PSM-DID model to analyze the specific effects, which is a usual way to consider the effectiveness of government policies. Firstly, Chen selected 2375 samples for the treatment group and 4529 samples for the control group for further calculation.

3.2.1 Data arrangement

PSM, a measurement raised by Rosenbaum and Rubin in 1983, uses the values of known concomitant

Tab.2 2010-2012 Nearest Neighbor Marching Method of Propensity Score Matching Result [4]

Variables	Average of the treatment group	Average of the control group	regression coefficient	Standard deviation	p-value
age	39.366	39.444	-0.02904	0.002812	0
education	3.4248	3.432	0.027613	0.025088	0.271
kid2	0.29053	0.27453	-0.10871	0.064141	0.09
ethic	0.02232	0.02442	0.104832	0.179536	0.559
career	2.976	2.9709	0.128417	0.02612	0
output level	28,324	28.308	0.218605	0.041542	0
hukou	0.47411	0.46526	-0.46469	0.063812	0

variables (Xi) to figure out the conditional probability for the last individual entering the observation group.

$$e(X) = P(G = 1|X)$$

G: The groups of factors that lead to certain effects to the result [G=1, this individual is in the treatment group; G=0, the individual is in the control group]

X: The proper vectors $x = (x_1, x_2, \dots, x_n)$

In the marching process, Chen chose the local algorithms in his study. The most common marching approaches are nearest neighbor marching, caliper marching, radius matching and nuclear matching methods. Three diverse methods were taken for confirming the accuracy of the data analysis. The final literature only demonstrates the results of the nearest neighbor matching method. [nearest neighbor marching: each sample in the observation group is matched with an individual who contains the most similar characteristics in the control group until each sample in the observation group is marched in a pair.] In the research paper, the variables chosen to march the two groups were age, education level, pregnancy situation, ethics, the type of career, the total output of the living area, and type of registered permanent residence.

	treatment group		control group		significance level
	Average	sample size	Average	sample size	
	9.4195432	2375	9.86281842	4529	-0.4433 (-12.61)

After finishing the disposal of the data, the % of bias for all variables is below 10 %. Furthermore, compared to the data before marching, the standard deviation level decreased significantly. As a result, the marching method successfully manages the data sets to be more relevant.

3.2.2 Conclusions

Through Chen's study on the samples with various features, it generally tells that the second child policy leads to a larger difference between income levels of two genders. The effect of giving birth to one more child is significant. Compared to the samples beyond the age of giving birth to those who can have more babies, the effectiveness is much lower. Because of this, more protections and welfares are urgent to ease the intimidation to female workers in this age.

In addition, the participants who are high-educated present fewer alternatives during this period. Therefore, although the policy post may lead to a higher cost to

recruit female employees, their high production level can still impress the employers. From this phenomenon, a lower cost of education would offer to females so that the tendency of a larger income gap can be remitted [4].

3.3 Reason analysis

The reason for this influence can be analyzed from several aspects. Firstly, the office ladies serve not only as of the employees but also the mother in a family. Therefore, to balance the two identities, they need to divide their time into two parts. Nevertheless, most commonly, if the time is devoted to working, the spare time for accompanying will be limited. Otherwise, the career can be influenced by scarce spirit paying on [6].

With the development, the education industry has recently improved, and females also achieved enormous success. From the information recorded by CFPS, Tab.3 and Fig.4 demonstrate the proportion of high-educated women ascent persistently.

Tab.3 The proportion of the high-educated population in China

	2010	2012	2014	2016
The proportion of high-educated males (%)	15.3	15.39	16.02	16.05
The proportion of high-educated females (%)	22.43	22.54	23.81	23.89

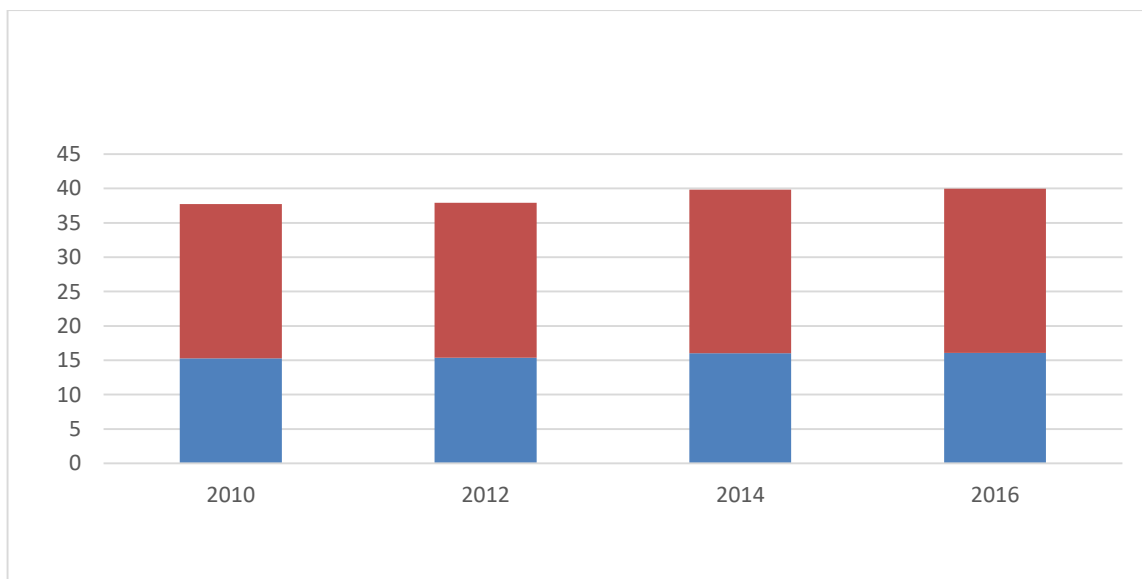


Fig.5 The proportion of the high-educated population in China

Secondly, the preference in the workplace when recruiting can make many women who could become pregnant be less competitive [7]. According to the law, each female has a 178-day maternity leave. Although the recovering time for expectant mothers is guaranteed, it may be a block to getting promoted in their careers. The impairment on the workforce and the interruption of the projects cause additional pressure for the company, also defined as "statistic discrimination employers". Yu and Xie used the data from CHNS to build a fixed model related to the females' income, which told that the child's birth would lead to a fall of 7 % to the office lady's income, and the age is increasing with additional lives born [8].

Thirdly, get rid of the pressure during the pregnancy, and after a baby's birth, the direct care is also an essential section to consider. In China, to make sure mothers can return to work without any worries, most families prefer to have their elderly help take care of the babies [9]. Otherwise, they may only choose the child-care center as a substitute. For a usual family, the fee of sending their offspring to a nursery can also be a considerable expenditure [7]. Besides, a childhood without the parents' company is detrimental to a baby's whole life. The quality of the service offered by the organization is hard to tell as the children at that age are still lack community capabilities.

Last but not least, from the perspective of the alternatives in the female employees' career aspiration, after the policy post, females received more reproductive rights [1]. However, the complicated series of pregnancy processes may cost loads of spirit and personal assets during childbirth. Because of this, some pregnant woman eases their careers to devote themselves to baby care [5]. According to the research Zhang, childbirth can block female employees from working. Having a child below six years old makes the female non-agricultural private activities reduce by 1.22%, and earning activity declines 0.7 % [7]. In Bloom et al.'s study, they found out that, on average, each female will reduce 5% to 10% labor force participation after she gives birth to a baby when she is between 20 to 44 years old. Besides, in total, the gross fertility reduces 18% of the female workforce by 18%, which means the ladies can work for eight additional years each if they are free from giving birth [10].

In addition to this, raising the babies will undoubtedly increase the family's daily expenses [11]. This forces the mothers to still choose to apply for a position for subsidizing the household. As the limitations of age and spirit, the competitiveness of the mothers would be much lower in the working place. As a result, most of them choose to work part-time with low pay so they can still separate some spare time from work to take care of their children [5].

4.CONCLUSION

4.1 The key findings

Oriented from the new change in family policy, the reasons for the effects on the females' income caused by the general release of Chinese family policy are analyzed in this article. From the pieces of literature mentioned in the analyzing part, it is found out that the family policy can make the income difference between two genders amplified. And the reasons for the alternatives are various from several aspects.

The majority is from the working place. The competitiveness for a mother with three babies, even though the female employee does not have a baby, discrimination will still exist if she is suitable for having a baby. For the risk of low production during the pregnancy, the entrepreneurs are less willing to employ females than males with the same capabilities.

Besides, the pressure from the family will also cause the females to gain a relatively low-paid job. The responsibility of raising both the family and the babies will bring a difficulty of shifting between two identities-- a mother and an employee. So, to make sure there is plenty of time for them to take care of their babies, the females are more willing to take a part-time jobs. This will also lead to a decline in the female average income level.

4.2 Research significance

In this study, considering the third child policy, more attention is put on the reasons of the family policy to cause a negative effect on the average income level for female employees. Therefore, the version stopped in the working areas, and the pressure post by the family side is also involved.

4.3 Future studies

As the third-child policy was post just before the investigation started, the further effect of the new variance in the family can only be observed further on. So based on the effects caused by the second-child policy, the effect caused by the new family policy can also be done several years later.

Moreover, the actions taken by the government to ease the effects may be a part that is well worth considering. These days, to coordinate the new change in policy, the government has post a law to strike all organizations for afterschool curriculums so that the education resource can go back to the schools and the cost for the study will be much lower.

4.4 Limitations

Most pieces of literature are from the same database

in the main body part, so the opinions get are not so generalized. In addition, the information is not up to date enough as it does not involve the attitude of citizens to the new change in family policy.

REFERENCES

- [1] Guobo, Zhuang. (2017). Research on the evolution and impact of China's family planning policy (Doctoral dissertation, Nanjing University of Aeronautics and Astronautics).
- [2] Faxiang, Yang. (2004). Research on Contemporary Chinese family planning history (doctoral dissertation, Zhejiang University).
- [3] Shi, Chen. (2021). The long-term economic impact of the third-child policy. *China bank insurance news*,2.
- [4] Yinjiang, Chen. (2019). Research on female employment discrimination under the influence of two child policy. (Doctor dissertation, School of economics and management, Beijing Jiaotong University)
- [5] Qi, Wang. (2021). Analysis on the influence of two child policy on married women's labor supply decision (Master's thesis, Zhejiang Business University).
- [6] Yilin, Chen. (2020). Research on contemporary professional women's family responsibility (Master's thesis, Hunan University of science and Technology).
- [7] Kangsi, Z., Yadi, W. (2021). Study on the influence of childbirth on married women's employment choice. *Public management review*,1-23.
- [8] Jia, Y., Yu, X. (2014). The influence of childbirth on female wage rate in China. *Population research* (01),18-29.
- [9] Liying, Chen. (2021). Intergenerational differences and related factors of family members' reproductive attitude towards two children -- Based on a survey of urban families with one child aged six and over. *Statistics and management*(07),95-101.
- [10] David, E. B., David, C., Günther, Fink., Jocelyn, E. F. (2009). Fertility, female labor force participation, and the demographic dividend. *Journal of Economic Growth*(2), doi:10.1007/s10887-009-9039-9.
- [11] Anruo, Zhang. (2021). An empirical study on the attitude towards having two children in post-95 groups---a case study of Hangzhou. *Statistics and management* (06),81-87.