

Analysis on the Influence of Double-reduction Policy on Three-child Policy

Qing Liu

Faculty of Economics, Chiang Mai University, Chiang Mai, Thailand

*Corresponding author. Email: crystal.liu@xiaocclub.com

ABSTRACT

Since 2021, from the seventh national census to the implementation of the 'Three-child' fertility policy, China's population problem has become the focus topic of most concern in all sectors of society. From Double-reduction policy to all localities no longer approving new discipline after-school training institutions for compulsory education, and discipline training institutions unallowable listed for financing as well as prohibited capitalization operation, although it has caused disruptive impact for Chinese education industry after COVID-19 pandemic, especially negatively affecting the disciplinary training institutions of K12 (kindergarten through twelfth grade), Chinese government still insists on comprehensively carrying on 'Double-reduction' policy. Subsequently, the "decision on optimizing 'Three-child' policy and promoting long-term balanced population development" was issued. This paper, through a method of literature review, will analyze the how 'Double-reduction' policy can promote the effective implementation of the 'Three-child' policy that contributes to China's birth rate and population growth. This paper finds that the 'Double-reduction' policy, to some extent, can promote the effective implementation of the 'Three-child' policy that contributes to China's birth rate and population growth. However, except education cost which can be reduced by 'Double-reduction' policy, other factors should be given equal consideration.

Keywords: Double-reduction policy, Three-child policy, Chinese fertility policy, Chinese birth rate, Chinese high cost of education, China's education industry reformation

1. INTRODUCTION

The 'Double-reduction' policy entitled as "opinions on further reducing the homework burden and after-school training burden of students in the stage of compulsory education" was released on the official website of the Chinese Ministry of Education on July 24, 2021 [2]. Subsequently, on July 30, 2021, the meeting of the Political Bureau of the CPC Central Committee issued the latest instructions on the implementation of the "Three-child" fertility policy, emphasizing the improvement of fertility, parenting, education and other supporting policies and the "three stability" policy of "no speculation in housing", stabilizing land prices, house prices and expectations [1]. From the frequent efforts of the policy side to stimulate population growth and birth rate, it can be seen that the attention of the Chinese government to population issues has been raised to the highest level. The authorities suppose that low birth rates are partly due to high expenditure of educating children. If the new policy (e.g. double-reduction policy) reduces costs,

it will help to increase the birth rate and make a contribution to the implementation of 'Three-child' policy to some extent.

Since these two new policies were both released in 2021, the in-depth academic research about this topic is insufficient currently. Meanwhile, most existing literature is about the impacts and solutions about 'Double-reduction' policy, or the effectiveness of 'Three-child' policy, while there is not any research combining these two new policies together. This paper aims to initially explore the influence of past policies to raise birth rate and why cost of education in China is so high, and then evaluate relationship between 'double-reduction' policy and the reduction in cost of education, the connection between education cost and birth rate together with other reasons for continuous fertility rate. Finally, the effectiveness on 'Three-child' policy will be explained as well. It hopes to find out the influence of 'Double-reduction' policy on 'Three-child' policy, contributing to relevant research in the future.

2. ANALYSIS

2.1 Chinese government's efforts for raising birth rate

With the higher severity of China's aging problem, Chinese government has also issued many policies in

order to improve the fertility rate, from two-child policy available for couples who are both only one-child in their family to two-child policy available for either husband or wife who is only one-child, and then to comprehensive nationwide two-child policy.

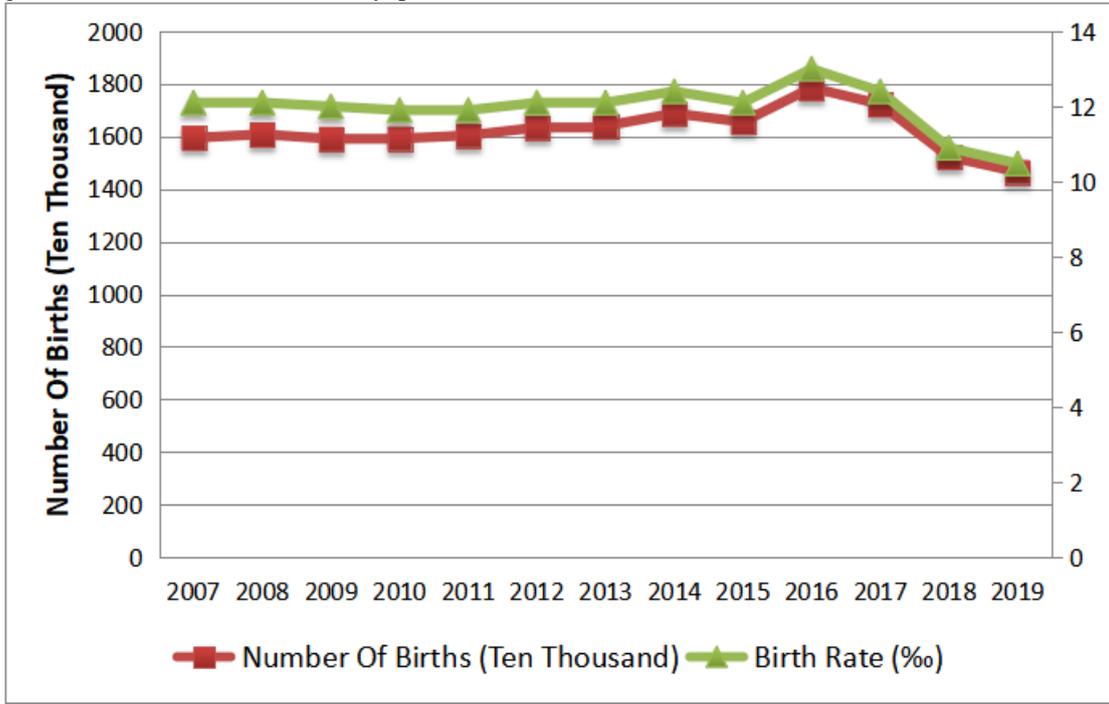


Figure 1 The number of Chinese Birth and Birth Rate 2007-2019

However, it is clear that the data released by China's National Bureau of statistics on January 17, 2021 was not optimistic [7]. At the end of 2021, China's population was 1412.6 million, with an increase of only 480,000 over the end of the previous year. The annual

birth population was 10.62 million, with a birth rate of 7.52 ‰; The death population was 10.14 million, and the population mortality rate was 7.18 ‰; The natural population growth rate was 0.34 ‰ [7].

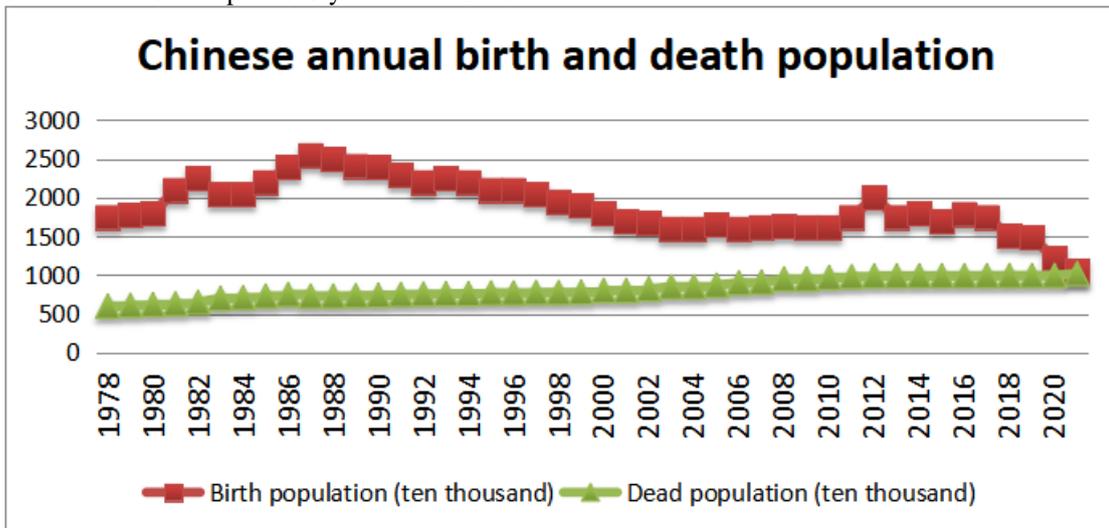


Figure 2 Chinese annual birth and death population 1978-2020

In 2021, China's birth rate and birth rate both hit new lows since 1949, and the birth rate and mortality rate were very close, and the total population was close to

zero growth. If no measures are taken, China's population will show negative growth in 2022. In 2020, there were 12 million births, with a birth rate of 8.50 ‰,

a decrease of 2.65 million and a birth rate of 1.98 % compared with 2019. After the comprehensive two-child policy in 2015, China's birth population increased significantly in 2016, but declined for five consecutive years from 2017 to 2021 [7].

2.2 The cost of education for Chinese children

According to Ha and Yan [4], at the stage of preschool, primary and secondary education, Chinese families' education expenditure accounts for 20.6% of household expenditure on average; In 14.6% of households, education expenditure occupies more than 50%. The statistics of China children's development report also shows that 60% of children participated in extracurricular counseling, with an average of 6.6 hours a week. The total parenting cost of families in the four super cities of Beijing, Shanghai, Guangzhou and Shenzhen has exceeded 2 million yuan for each child on average, and that for a large number of first-tier cities has exceeded one million yuan per child [4].

The cost of education is definitely a huge expense for all Chinese people after getting married and having children for many reasons. In the past crazy educational atmosphere of 'Fired-up Kids', 'Overloaded Kids', 'Tiger Parenting' and 'Involution', Chinese people are afraid of being outcompeted, so they want to learn and improve, not only themselves but also their kids [10]. Many parents have extremely high expectation for their next generations, arguing 'You have to outcompete and win, or you will be eliminated.' Nonetheless, young students in China are too busy competing with others, so as their parents.

2.3 The influence on the cost of education brought by the 'Double-reduction' policy

Confronted with the costly expense of education, the 'Double-reduction' policy issued on July 24 2021 mainly concentrates on after-school training institutions and in-school education [5]. For after-school training institutions, it not only limits the number of institutions, training time and charging price, but also strictly controls content behavior, random capitalization and advertising. For school education, government uses 'Double-reduction' policy so as to not only manage the teaching order, examination evaluation and teachers' illegal make-up classes, but also improve the quality of education, operation management and service level [5].

For one thing, 'double reduction' is a systematic correction of the ecology of compulsory education, which provides a guarantee for the long-term balanced development of the population. This correction is a measure to implement the three-child fertility policy and supporting support, and strive to reduce the worries of childbirth by reducing the costs of childbirth, parenting and education. Discipline education and training

institutions are not allowed to make profits, preschool training is strictly prohibited, and discipline training institutions are not allowed to be listed or capitalized. The new policy of 'double-reduction' has not only strictly managed after-school school training institutions, but also taken into account the requirements of most parents for their children's study and examination.

For another thing, after-school training institutions should become the helpers rather than the main participants of school education. Except concentrating on improving the quality of school education, it is not recommended to create 'fired-up kids' or 'psyched-up kids' and 'busy kids' or 'overloaded kids'. Meanwhile, 'tiger parenting' or 'tiger mother' are also not suggested to encourage higher-level anxiety of education. Therefore, the large number of fees spent on after-school training will be saved for parents.

2.4. The influence of Lower cost of education on higher birth rate

The above-mentioned 'Double-reduction' policy means that the state would strictly regulate after-school training (including online and offline), effectively reduce the excessive homework burden of students in the stage of compulsory education, especially the financial and energy burden of after-school training, and also reduce the parents' money consumed in after-school training for children.

From the perspective of the authorities, lower cost of education cannot only relieve stress for parents to raise children in education aspect, but also block the trend of 'fired-up kids', 'tiger parenting' and 'involution' so as to enhance the fairness of receiving compulsory education [6]. Therefore, the key is how to enable more children to enjoy high-quality and fair education, as well as make more parents alleviate educational anxiety. Chinese government is paving the way for the increase of birth rates through lowering cost of education stemming from 'Double-reduction' policy.

Nevertheless, the effectiveness is limited in the long run. Firstly, it can be noticed that many other countries such as US, UK, Australia, New Zealand and Canada who have very low education expenditure and good welfare for compulsory education for local residents still face the same problem of lower birth rate [6]. It is noticeable that present-day people are not willing to have more babies just because of low expense of education, as stated by Wong [9]. Secondly, many other factors result in this phenomenon, which will be indicated in the following part.

3. OTHER REASONS BEHIND CONTINUOUS LOW BIRTH RATE EXCEPT THE COST OF EDUCATION

The continuous low birth rate can date back to ‘One-child’ policy which made Chinese people have got used to having only one child in a family and have definitely felt its benefits in last few decades. Additionally, the social status of females in China has risen dramatically, thus females would take their own career, further study and other further development opportunities into account before getting married or having a baby. Most importantly, increasingly high

living cost has weakened the enthusiasm of having a baby or even more children [3]. In the past, raising a child only needed to solve the problems of clothing, food, housing and transportation. Now raising a child requires a lot of time, better and safer food and clothing, high-quality education, and the most fundamental housing [8].

Apart from cost of education, the rising house prices and rent have brought great pressure to most Chinese people. Especially in China's first tier cities, most people's rent and mortgage account for half or more of their income. The average house price in Shenzhen rose to nearly 90000 yuan per square meter in 2020 [3].

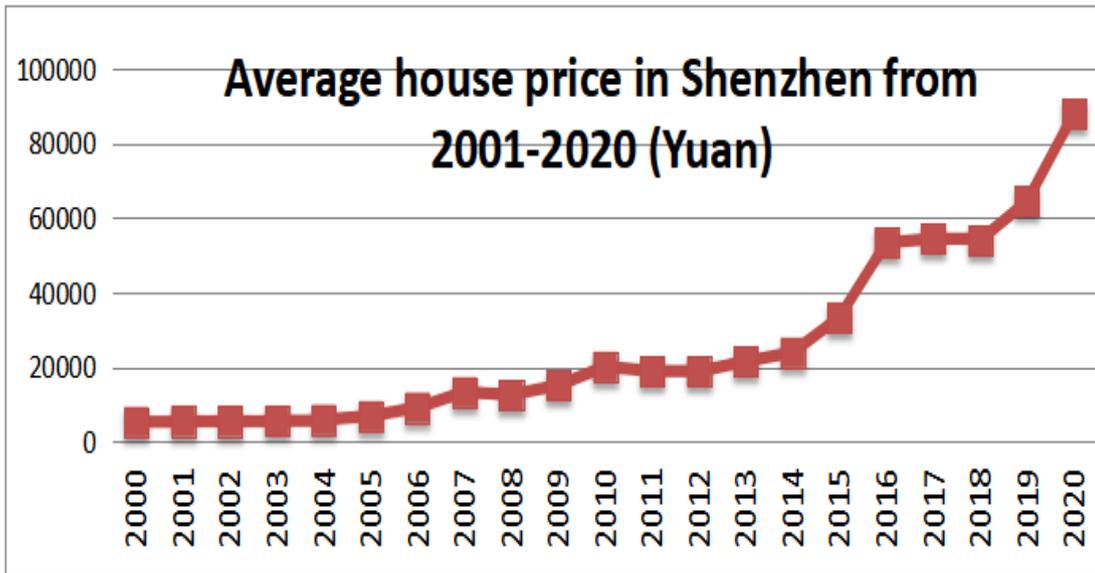


Figure 3 Average house price in Shenzhen 2001-2020 (Yuan/ square meter)

In short, earth-shaking changes have taken place in China's economy and citizens will have higher spiritual requirements with a great increase in national income and material life. With more children, it is bound to increase the cost of living and expand the pressure of work and life. Except the economic pressure, the pick-up and tutoring problems caused by children's school hours also make many first-born parents tired of the idea of having a second or third child. Hence, high education cost is only one of the major reasons for low birth rate.

4. CONCLUSION

To conclude, ‘Three-child’ policy may do little to boost birth date of China, but the participation ‘Double-reduction’ policy which contributes to reduce education cost can pave the way for ‘Three-child’ policy and be beneficial to stimulate the birth rate to some extent. However, the effectiveness is limited because high expenditure of education is only one factor responsible for low fertility rate, and there are also many other causes. Therefore, it is strongly recommended that the authorities should give policy support from multiple

angles to make more people be willing to have one more child. For example, while implementing the ‘double-reduction’ policy, the Chinese government should consider other reasons for the low fertility rate, such as house prices and women's employment. Furthermore, the government should give the current educational training institutions the opportunity and space to transform. After all, many employees and employers in this industry suffer from the unemployment rate, and the one-size-fits-all policy will seriously affect countless individuals and families. Additionally, this paper addresses the background of ‘Double-reduction’ policy and ‘Three-child’ policy, putting forward the effectiveness of ‘Double-reduction’ policy on ‘Three-child’ policy. However, there is little academic research and literature concerning the relationship between these two policies at present. Hence, it has laid the foundation for the further study about the development of these two policies.

As for the limitations of this paper, without in-depth interview, industry survey and other comprehensive qualitative and quantitative research methodologies, the research about ‘Double-reduction’ policy and

‘Three-child’ policy is not so comprehensive and deep here. The future research will also concentrate on the development of these two policies which are developing and waiting for the response from the market and individuals.

ACKNOWLEDGMENT

Grateful acknowledgement is made to Professor Paul Armstrong Taylor who supported my topic and gave me many considerable help. His many useful suggestions helped me revise my paper and qualify my content in an effective way. Moreover, Miss. Liu, as the paper supervisor, also helped greatly in revising the format and the content. In addition, my husband Mr. Zonghan Luo, as a marketing manager and software engineer in education industry, gave me many useful reference materials to finish this paper.

REFERENCES

- [1] China's 2020 Fertility and Adoption of a Three-Child Policy (2021) Available at: <https://onlinelibrary-wiley-com.ezproxy.sunderland.ac.uk/doi/full/10.1111/padr.12434> (Accessed: 1 February 2022)
- [2] China reiterates implementation of "double reduction" policy (2021) Available at: <https://news.cgtn.com/news/2021-08-22/VHJhbnNjcm1wdDU3ODM1/index.html> (Accessed: 1 February 2022)
- [3] China's Three-Child Policy May Do Little to Boost Birthrate (2021) Available at: <https://web.p.ebscohost.com/ehost/detail/detail?vid=1&sid=9c67c8e1-c283-4f76-bfe2-23da4789d004%40redis&bdata=Jmxhbmc9emgtY24mc2l0ZT1laG9zdC1saXZlJnNjb3BIPXNpdGU%3d#AN=150591362&db=bth> (Accessed: 1 February 2022)
- [4] Ha, W. and Yan, F. (2018) ‘Does money matter? The effects of block grants on education attainment in rural China: Evidence from intercensal population survey 2015’, *International Journal of Educational Development*, Vol.62, pp.174-183. Doi: 10.1016/j.ijedudev.2018.03.002
- [5] Lester, R. and Kenneth, Z. (2021) China Releases "Double Reduction" Policy in Education Sector. Available at: <https://www.jdsupra.com/legalnews/china-releases-double-reduction-policy-1019987/> (Accessed: 1 February 2022)
- [6] Liyan, Q. (2021) China Delivers Three-Child Policy, but It's Too Late for Many, Available at: <https://www.proquest.com/docview/2535639566/936BAFF122984195PQ/1?accountid=14154> (Accessed: 1 February 2022)
- [7] Tatum, M. (2021) ‘China's three-child policy’, *Lancet* (London, England), 397 (10291), pp.2238. doi: 10.1016/S0140-6736(21)01295-2
- [8] Tsang, M. (1994) ‘Costs of education in China: Issues of resource mobilization, equality, equity and efficiency’, *Education Economics*, 2(3), pp.287. doi: 10.1080/09645299400000028
- [9] Wong, J. (2021) A Better Bet on China's Three-Child Policy. Available at: <https://www.proquest.com/docview/2537034165/6F1B9FCB95954A18PQ/1?accountid=14154> (Accessed: 1 February 2022)
- [10] Wang, C.S. (2017) ‘Restoring the Authority of All-round Development of Education -- Discussion on "Transition from exam-oriented Education to Quality-oriented Education"’, *Contemporary teacher education*, 10(01), pp.6-28