Population development is a matter of great importance to the development of the Chinese nation. To put into practice the spirit of the 19th Party Congress and its second, third, fourth, and fifth plenary sessions and to promote long-term and balanced population development, the following decision has
been made with regard to improving birth policies, implementing a policy that allows couples to have three children, removing restrictive measures such as the social upbringing fee, reviewing and repealing related penalty provisions, and implementing supporting measures to encourage births (hereinafter referred to as the three-child policy and supporting measures).

I. Fully Recognize the Significance of Improving Birth Policies and Promoting Long-Term and Balanced Population Growth

The Party and the state have always adhered to a holistic approach to population and development, a scientific understanding of the laws of population development, and the basic policy of family planning, which have propelled economic growth and social progress and laid a solid foundation for building a moderately prosperous society in all respects. Since the 18th Party Congress, the Central Committee has attached great importance to population issues and, in light of the changing situation of China’s population, made a momentous decision to adjust and improve birth policies step by step to facilitate long-term and balanced population development, with notable success having been achieved on all fronts. Currently, it is of great significance to introduce the three-child policy and supporting measures in order to further adapt to new changes in the population structure and meet the requirements of high-quality development.

(i) The three-child policy and supporting measures will help improve the population structure and contribute to the national strategy of actively addressing population aging. Population aging is a general global trend and a serious challenge for China’s development. China is expected to become an aged society during the 14th Five-Year Plan period and a superaged society by around 2035, which will have far-reaching implications for all areas of economic activities, social development, and culture. Implementing the three-child policy and supporting measures will help unlock the birth potential, slow down population aging, promote intergenerational harmony, and enhance the overall vitality of society.

(ii) The three-child policy and supporting measures will help maintain China’s advantage in human resource endowments and tackle major changes in the world unseen in a century. Population is the mainstay of society’s development and a critical factor in sustainable economic development. Implementing the three-child policy and supporting measures will help maintain an appropriate total population and labor force size in the future, enable better utilization of the fundamental, overarching, and strategic role of the population factor, and provide effective support for high-quality development in the forms of human capital and domestic demand.

(iii) The three-child policy and supporting measures will help alleviate the downward trend in total fertility rate and achieve an appropriate fertility level. The general public has, on the whole, come to favor having fewer but better-raised children. Financial burdens, childcare responsibilities, and women’s concerns about career development have become the main obstacles to having children. Implementing the three-child policy and supporting measures and fostering synergy between birth policies and relevant economic and social policies will help more families realize their desires to have
children, boosting the fertility rate.

(iv) The three-child policy and supporting measures will help consolidate what has been achieved in building a moderately prosperous society in all respects and promote harmony between human beings and nature. In the near future, China’s population will remain large; the balance between population and the carrying capacity of the environment will remain tight; and the tension between population and development will remain relatively prominent in areas that have been recently lifted out of poverty and in some ecologically fragile and resource-poor areas. Implementing the three-child policy and supporting measures will help further consolidate the achievements in poverty eradication and in building a moderately prosperous society, contribute to a more rational distribution of the population, and promote the sustainable development of the population in harmony with that of the economy, society, resources, and environment.

II. Guiding Ideology, Key Principles, and Primary Goals

(v) Guiding Ideology: We must adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era; ground our efforts in the new development stage, carry through the new development philosophy, and establish a new development pattern; implement the national strategy of actively addressing population aging, implement the three-child policy and supporting measures, reform the service regulatory regime, enhance families’ capacity for development, work to achieve an appropriate fertility level, and promote long-term and balanced population development, so as to provide a solid foundation and enduring driving force for building a modern and powerful socialist nation that is prosperous, democratic, culturally advanced, harmonious, and beautiful, and for realizing the China Dream of the great rejuvenation of the Chinese nation.

(vi) Key Principles

- Centered on People: In accordance with the people’s hopes and expectations, we must actively and prudently improve birth policies and ensure that they are well coordinated and fair; meet the public’s diverse birth-related needs and consider marriage, childbearing, child-rearing, and education in a holistic manner; and effectively address the public’s concerns, so as to unleash potential fertility and promote family harmony and happiness.

- Focused on Balance: We must plan and pursue the promotion of long-term and balanced population development according to the larger interests of the party and country and within the overall context of China’s modernization, taking into account multiple policy objectives and considering issues such as population size, quality, structure, and distribution in an integrated manner, so as to ensure the sustainable development of the population in harmony with that of the economy, society, resources, and environment and promote all-around human development.

- Driven by Reform: Focusing on the prominent contradictions and issues facing China’s population development and on the strategic plan for modernization, we must deepen reform, put an end to
ideas, policies and regulations, and institutional mechanisms that hinder long-term and balanced population development, and improve the capacity for and standard of population governance.

- Grounded in the Rule of Law: We must ensure that major reforms have a legal basis and are implemented in accordance with the law. We must turn into laws the innovative ideas, reform achievements, and practical experience that the Party has gained in leading the people in resolving population-related issues with an integrated approach, so as to safeguard the people’s legal rights and interests, ensure the steady and long-term progress of population work in the new era, and realize the strategic goals in population development.

(vii) Primary Goals

By 2025, China will have basically established a policy system that actively supports births and a relatively complete service regulatory regime; the standard of services for better childbearing and child-rearing will have significantly improved; an inclusive childcare service system will have been developing at an accelerating pace; and the costs of childbearing, child-rearing, and education will have been significantly reduced, with the fertility level moderately increasing, the sex ratio of newborns becoming more balanced, the population structure gradually improving, and the quality of the population further rising.

By 2035, China will have further refined the policy and regulatory framework for promoting long-term and balanced population development; the service regulation mechanism will be operating efficiently; and fertility will have reached a more ideal level, with the population structure further improving. The standard of services associated with childbearing, childcare, and child-rearing will have satisfied the people’s needs for a better life; families’ capacity for development will have significantly improved; and even more substantial progress will have been made in all-round human development.

III. Effectively Implement the Three-Child Policy

(viii) Implement the three-child policy in accordance with the law. Amend the Law of the People’s Republic of China on Population and Family Planning, advocate marriage and childbirth at an appropriate age and better childbearing and rearing, and implement the three-child policy. Each province (autonomous region, municipality directly under the central government) shall ensure policy alignment and implement the three-child policy in accordance with the law, while taking account of the local situation of population development, conditions for carrying out this work, and risks in policy implementation.

(ix) Remove restrictive measures such as the social upbringing fee. Abolish the social upbringing fee and review and repeal related penalty provisions. The number of children that an individual has shall no longer have any relevance in household registration, school enrollment, and employment. Properly handle legacy issues in accordance with laws and regulations. In areas where the tension between population development and the economy, society, resources, and environment is prominent, it is necessary to step up publicity and guidance, ensure effective coordination between welfare
policies and birth policies, and carry out various administrative services with precision.

(x) Establish and improve the population service system. Establish and improve a population service system that covers the entire life cycle, with a focus on the elderly and the young. Strengthen the regulatory system and capacity building of grassroots services and enhance the functions of childcare and elderly care. Ensure the implementation of the birth registration system and provide consultation and guidance on childbearing. Promote a streamlined, one-stop system that simultaneously handles multiple newborn-related administrative tasks, including the issuing of medical birth certificates, child vaccination, household registration, medical insurance enrollment, and social security card application.

(xi) Strengthen population monitoring and situation assessment. Improve the national life registration management system and build a population monitoring system that covers the entire population over the whole life cycle, so as to closely monitor the fertility situation and population trends. Realize the integration, sharing, and dynamic update of basic information pertinent to population services, including education, public security, civil affairs, health, medical insurance, and social security, with the help of platforms such as the national population basic information database. Establish a system of indicators for measuring long-term and balanced population development and improve the population forecast and early warning system.

**IV. Improve the Standard of Services Associated with Childbearing and Child-Rearing**

(xii) Safeguard maternal and infant health. Fully implement the five systems for maternal and infant safety—screening and assessment of pregnancy risks, special management of high-risk pregnant women, treatment of emergencies and critical conditions, reporting of maternal deaths, and regulatory talks and notices. Carry through the project to safeguard maternal and infant health; step up the standardization and regulation of maternal and infant care providers at all levels; strengthen the capacity for critical maternal and neonatal care and enhance pediatric medicine; bolster the grassroots networks at the county, township, and village levels; and step up efforts to fill the gaps in maternity-related public services. Promote the integration of reproductive health services into the entire process of women’s health management. Enhance the standardization and regulation of child health clinics; improve screening, diagnosis, and intervention in relation to risks and illnesses among children and teenagers, such as myopia, nutritional imbalance, and dental caries. Ensure basic medical coverage for children.

(xiii) Take an integrated approach to the prevention and treatment of birth defects. Improve the network for the prevention and treatment of birth defects and implement the three-tier preventive measures. Raise public awareness and enhance consultation on the prevention of birth defects; enhance premarital healthcare; promote prepregnancy checkups; strengthen prenatal screening and diagnosis; and promote integrated management and services and multidisciplinary cooperation for the prenatal, perinatal, and postnatal periods. Expand the range of diseases covered by newborn
screening and facilitate early screening, diagnosis, and treatment. Ensure basic medical assistance and recovery support for children with birth defects.

(xiv) Regulate the use of human-assisted reproductive technologies. Strengthen planning and guidance, make the technical approval process more rigorous, and build a network of human-assisted reproductive technology services that is well distributed and commensurate with demand. Tighten the supervision of human-assisted reproductive technology services and strictly regulate the application of related technologies. Undertake targeted research on improving fertility and regulate infertility diagnosis and treatment services.

V. Develop an Inclusive Childcare Service System

(xv) Establish and improve a system of supporting policy, standards, and regulations. Incorporate infant and child care services into economic and social development planning, strengthen policy guidance, and encourage the active participation of nongovernmental forces by increasing the support of land, housing, fiscal, financial, and talent policies. Develop comprehensive solutions and establish mechanisms at the level of municipal and prefectural administrative units to boost the healthy development of childcare services. Step up efforts to train childcare professionals and gradually implement a professional qualification system for the industry in accordance with the law. Develop new forms of business such as smart childcare and foster national brands in industries such as childcare, dairy and milk powder, and animation design and production.

(xvi) Vigorously develop various forms of inclusive services. Utilize investment from the central government budget as a lead and leverage to promote the construction of convenient and accessible, affordable, and reliable childcare service providers. Encourage employers to provide childcare services for their employees if they are in a position to do so. Encourage state-owned enterprises and other entities to actively participate in the efforts by governments at all levels to establish an inclusive childcare service system. Enhance community childcare service facilities and improve activity areas and service facilities for infants and children in residential communities. Formulate regulations for family childcare homes. Support childcare models such as grandparent care and family mutual aid. Encourage domestic service companies to expand their childcare services. Encourage and support kindergartens in enrolling toddlers aged two to three if they are in a position to do so.

(xvii) Strengthen integrated supervision and regulation. All providers of infant and child care services must comply with national and local standards and regulations and bear the primary responsibility for the health and safety of infants and children. Local governments should assume supervisory responsibilities, establish and improve systems for registration, information disclosure, and evaluation, strengthen dynamic management, and establish emergency response mechanisms for special situations such as the shutdown or closure of a provider.
VI. **Reduce the Costs of Childbearing, Child-Rearing, and Education**

(xviii) Improve the maternity leave and maternity insurance systems. Strictly implement the policies on maternity leave and breastfeeding leave. Encourage regions in a position to do so to pilot parental childcare leave; improve the mechanism for sharing the cost of leave. Continue to ensure the benefits of maternity insurance—such as coverage of maternity medical expenses and maternity allowances—for insured female employees and ensure the coverage of maternity medical expenses for urban and rural residents enrolled in the basic medical insurance program, so as to lessen the burden of maternity medical expenses.

(xix) Strengthen supporting policies in areas such as taxation and housing. In conjunction with the next revision of the individual income tax law, study and promote the inclusion of expenses for the care of children under three years old in special additional deductions for individual income tax. Local governments, when allocating public rental housing to eligible families with minor children, can show due consideration in the selection of apartment layouts according to the number of minor children. Local governments can study and formulate policies that provide preferential treatment in home renting and purchasing based on the burden to a family of raising minor children.

(xx) Promote educational equity and the supply of high-quality educational resources. Promote the regulation of kindergartens built as part of urban housing developments, continue to increase the coverage rate of affordable kindergartens, and encourage them to appropriately extend operating hours or provide childcare services. Promote urban-rural integration and high-quality and balanced development of compulsory education, so as to effectively tackle the “rush for good schools” problem. Take advantage of the educational resources of schools to comprehensively offer after-school cultural and sports activities, experiential learning projects, and childcare services on the principles of public interest and inclusiveness; encourage the alignment of the end of school hours with the end of parents’ working hours. Improve the quality of in-school teaching and education evaluation; include information such as how often students attend after-school tutoring and how much it costs into the education supervision system. Balance the burden of education between families and schools and strictly regulate after-school tutoring.

(xxii) Safeguard women’s legal rights and interests in employment. Regulate the recruitment practices of government bodies, public institutions, and companies to promote equal employment for women. Rigorously implement the Special Provisions on Labor Protection of Female Employees and regularly conduct special inspections on the protection of female employees’ maternity rights. Provide reemployment training as a public service for women whose employment has been interrupted by childbearing. Make maternity-friendly practices an important aspect of employers’ social responsibilities, encourage employers to devise measures conducive to work-family balance, and encourage them to negotiate—in accordance with the law—with employees to determine flexible leave and flexible working arrangements conducive to childcare. Amend and improve current policies and regulations on leave and working hours in due course.
VII. Ensure Continuity amid Policy Adjustments

(xxii) Safeguard the legal rights and interests of families that have followed the family planning policy. Continue the current reward and support system and preferential policies for families with only one child and rural families with only two daughters born before the shift to the universal two-child policy. Explore setting up a caregiver leave system for only children to care for their parents. Strengthen legislation to protect the legal rights and interests of families that have complied with the party and government’s call for family planning.

(xxiii) Establish and improve a system of comprehensive support for families that have practiced family planning but later encountered special difficulties [i.e., whose only children are disabled or dead]. Dynamically adjust the level of support according to factors such as the level of economic and social development. Ensure the implementation of relevant policies on the basic pension and basic medical insurance for eligible members of such families; prioritize them for admission to public elderly care facilities and provide them with free or low-cost care services; prioritize those with housing difficulties for housing support programs. If possible, regions can grant a care allowance to elderly people in such families who are unable to live independently and are in financial difficulty. Secure the necessary funds for providing support; if possible, regions can explore setting up public welfare funds or foundations with a focus on assisting families that have practiced family planning but later encountered special difficulties.

(xxiv) Establish and improve a government-led support and care mechanism with civil society organizations’ participation. Encourage qualified civil society organizations to accept—through open bidding—the entrustment of families that have practiced family planning but later encountered special difficulties to provide them with services such as custodial and emotional care and, in accordance with the law, handle on their behalf matters such as admission to elderly care facilities and accompaniment to medical appointments. Thoroughly carry out the “Heartwarming Campaign.” Establish a system of routine visits, provide a two-person point of contact for families that have practiced family planning but later encountered special difficulties, and weave a robust safety net of support.

VIII. Strengthen the Organizational Safeguards for the Implementation of the Policies

(xxv) Strengthen the Party’s leadership. Party committees and governments at all levels must reinforce their political stance; heighten their awareness of national conditions and policies; make sure that their top leaders personally take charge and assume overall responsibility; adhere to and improve the target-oriented accountability system; strengthen overall planning, policy coordination, and work implementation; work to introduce supporting measures to encourage births; and ensure that responsibilities are defined, that measures are put in place, that necessary resources are invested, and that implementation is effective.
Mobilize social forces. Strengthen collaborative governance between the government and society and fully leverage the important role of mass organizations such as trade unions, the Communist Youth League, and the All-China Women’s Federation in promoting population development, family building, and maternity support. Actively bring into play the role of family planning associations, step up grassroots capacity building, and efficiently perform tasks such as publicity and education, reproductive health consultation, guidance on better childbearing and child-rearing, assistance to families that have practiced family planning, protection of rights and interests, and promotion of family health. Encourage civil society organizations to carry out public welfare activities such as raising health literacy and providing infant and child care services. Launch initiatives to boost urban vitality, with the aims of meeting the everyday needs of the elderly and creating a healthy environment for the growth of infants and children.

Advance strategic research. Continue to advance research on the national medium- and long-term population development strategy and regional population development planning, so as to build a strong modern socialist country and achieve the great rejuvenation of the Chinese nation; improve the spatial distribution of the population; and optimize the allocation of human resources. Strengthen the development of population studies and theoretical frameworks with Chinese characteristics in the new era, build up high-end think tanks for population studies, and promote international exchange and cooperation.

Provide effective publicity and guidance. Step up efforts to publicize and explain policies; align the thoughts and actions of all regions and government departments and the whole society with the major decisions and plans of the Party Central Committee; help all sectors of society to correctly understand the structural changes in China’s population; promote mainstream values and channel positive energy; promptly and appropriately respond to concerns in society; and create a favorable atmosphere. Promote the traditional virtues of the Chinese nation; respect the social value of childbirth; advocate marriage and childbirth at an appropriate age and better childbearing and rearing; encourage couples to share child-rearing responsibilities; and break with outdated customs such as exorbitant betrothal gifts and foster a new culture of marriage and childbearing.

Strengthen work supervision and inspection. Each province (autonomous region, municipality directly under the central government) must formulate implementation plans in accordance with the requirements of this decision, rigorously perform the tasks, and study and tackle incipient problems and adverse trends in a timely manner, so as to ensure that the improved birth policies yield positive results. The party committee and government of each province (autonomous region, municipality directly under the central government) shall give an annual update on the local situation of population work to the Central Committee and the State Council, which will conduct inspections as appropriate.
Interview with Wang Pei'an, Executive Vice President of China Family Planning Association: Promoting a Marriage and Childbearing Culture in the New Era to Every Household and Creating a Social Environment Friendly to Childbearing

专访中国计生协常务副会长王培安：推动新时代婚育文化走进千家万户 营造生育友好的社会环境

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China Daily, June 13: Recently, the 20th Central Finance and Economics Affairs Committee held its first meeting, emphasizing the importance of maintaining moderate fertility levels and population size to support China’s unique approach to modernization.
The China Family Planning Association announced the second batch of pilot projects for building a marriage and childbearing culture in the new era at a recent event. The association pointed out that as China’s population growth pattern had formed a new normality, it was essential to reduce the cost of childbearing, education, and upbringing, and at the same time strongly promote a marriage and childbearing culture in the new era, thereby creating a social environment friendly to childbearing families.

What changes have China’s marriage and childbearing culture undergone in recent years? What does the “marriage and childbearing culture in the new era” entail? And how will it help promote the desired fertility levels and population size in China?

Wang Pei’an, Deputy Director of the 13th National Committee of the Chinese People’s Political Consultative Conference on Population, Resources, and Environment, and Executive Vice President of China Family Planning Association, recently answered these questions in an exclusive interview with China Daily.

China Daily: What changes have taken place in China’s marriage and childbearing culture in recent years? What are the underlying causes?

Wang Pei’an: Marriage and childbearing culture is an intrinsic force that governs people’s behaviors in these areas. It is a profound and fundamental factor influencing their decisions on marriage and childbearing. Overall, the younger generation’s views on marriage and childbearing are changing. Getting married and having children later in life and preferring fewer and healthier births are now widely accepted concepts among most youths. At the same time, there is an increasing trend of couples opting to not have children, individuals choosing not to marry or bear children, and rising divorce rates. People are less inclined to see childbearing as an inevitable life choice.

A survey conducted by the Family Planning Association on university students’ views on marriage and childbearing shows that “stability in both marriage and career” has become the most crucial prerequisite for childbirth. The idea of “having a stable career before starting a family” is a target pursued by both genders. Moreover, most students no longer see divorce as a source of shame. The views of university students differ significantly from the married population, indicating a conceptual shift toward a “low intrinsic desire for childbearing”. They seek deeper personal fulfillment and the experience of a joyous life along their marriage and childbearing journey.

Several primary reasons account for these shifts in marriage and childbearing culture:

1. With socio-economic development, people spend more time on education, which heavily impacts young people’s marriage and childbearing plans. Most women find it challenging to balance child-rearing with career growth, leading to childbirth anxieties, a significant factor contributing to these changing perceptions.

2. The spread of individualistic values has led many young people to view marriage and childbearing as personal affairs. They are putting more value on personal growth, freedom, and self-realization.
rather than traditional family values.

3. Modern society’s high demands on workforce quality have increased the cost of upbringing, causing people to invest more resources in their children, therefore making its cost a major burden for families. At the same time, the cost of marriage, housing, and education, have also been rising steadily.

4. The traditional roles of family in elderly care and child upbringing are diminishing, resulting in an increase in non-traditional families like those of older singles, cohabitants, and childless couples. The family unit is also decreasing in its size. In 2020, the average household size in China dropped to 2.62 people, a decrease of 0.82 people since 2000.

China Daily: What is the background for proposing the “Marriage and Childbearing Culture in the New Era”? What does it mainly include?

Wang Pei’an: One of the contexts for proposing the “Marriage and Childbearing Culture in the New Era” is the changing landscape of population growth. On the one hand, having a vast population size is a distinctive feature of our country. On the other hand, however, our population growth shows trends of fewer children, aging, and regional population disparity. “Fewer births and aging” have become the new normal in our population growth and will become the undertone of China’s socialist modernization construction and the realization of the second centenary goal.

According to the National Bureau of Statistics, the population decreased by 850,000 at the end of 2022 compared to the end of the previous year, with a natural growth rate of -0.60‰. This marks the first negative growth in China’s population in over 60 years. Meanwhile, the population aging in China is becoming increasingly serious. During the 14th Five-Year Plan period, the population aged 60 and above will increase from 264 million in 2020 to 309 million in 2025, accounting for 21.6% of the total population in 2025, compared to 18.4% in 2020. The population aged 80 and above will increase from 35.11 million in 2020 to 42 million in 2025.

Second, the fertility level continues to decline. With the development of the economy and society, the younger generation’s views on marriage and childbearing have been rapidly changing. “Getting married and having children later in life, and preferring fewer and healthier births” has become the mainstream understanding of childbearing in China. However, issues like “unwillingness to give birth, fear of giving birth, inability to conceive, and challenges in child-rearing” have become more prominent. Surveys show that the average intended number of children for childbearing-age women to have in China was 1.64 in 2021, lower than 1.76 in 2017 and 1.73 in 2019. As the main childbearing groups, the “post-90s” and “post-00s” generations, their numbers were only 1.54 and 1.48. Judging from the fertility rate changes, China’s overall fertility rate was 2.00 in 1992, 1.77 in 2016 when the “Two-Child Policy” was officially implemented, and this number dropped to 1.15 in 2021.

Third, our people aspire to have a beautiful marriage and family life. General Secretary Xi Jinping pointed out, that “No matter how the time change, or how the economy and society develop
themselves, for a society, the family will play an irreplaceable role as people’s foundation of life, a functional part of the society, and a building block of our civilization.” General Secretary Xi Jinping’s statement on the “Three Irreplaceables” of family building comprehensively affirms the unique role of families in elderly care, emotional support, economic support, risk resistance, and more, which neither the state nor society can replace. It also highlights the pivotal role of the family in stimulating social vitality, promoting social production, strengthening social security, improving social governance, and passing on the civilizational heritage of the society. Building a marriage and childbearing culture for the new era, promoting the social value of childbearing, and highlighting the social function of family care for the elderly and children, are representative of a people-centered development philosophy and standpoint, which respond to the public’s aspirations for a better and happier life.

The Central Committee’s “Decision on Improving Birth Policies to Promote Long-Term Balanced Population Growth” suggests that we should promote traditional virtues of the Chinese nation, respect the social value of childbearing, advocate marriage and childbearing at the appropriate age, promote fertility and high-quality childrearing, encourage couples to share child-rearing responsibilities, and abandon old customs like high-priced dowries. This is a systematic and comprehensive interpretation of the marriage and childbearing culture in the new era, as well as the focus of the family planning association system of all levels in their endeavors to promote this culture nationwide. In May 2023, the China Family Planning Association, along with the National Health Commission and the Central Committee of the Communist Youth League, organized a promotional event with the theme of building a marriage and childbearing culture for the new era. They issued the Call to Action for Building a Marriage and Childbearing Culture in the New Era, which included six aspects, such as valuing marriage and childbearing, respecting the activity of childbearing, marrying and bearing children at the right age, and optimizing fertility and the promoting high-quality childrearing. These discussions cover topics like child-rearing, family education and traditions, traditional virtues, and social morals for the new era, and have received a positive response from all sectors of society.

China Daily: The association recently released the Call to Action for Building a Marriage and Childbearing Culture in the New Era, which promotes marrying and bearing children at the appropriate age and a “high quality childrearing” approach. The marriage and childbearing age for modern young people has been significantly postponed. How do you comment on this phenomenon? Many young people say that marrying and having children at the right age means losing opportunities for career and personal development. What is your view on this?

Wang Pei’an: As industrialization, urbanization, and modernization progress to new levels, the average age for young people to marry and have their first child continues to be postponed. According to statistics, in 2020, the average age of the first marriage for Chinese men and women was 29.4 and 28.0, which is a delay of 3.63 and 3.95 years compared to the number in 2010. There are various reasons why young people are postponing marriage and childbearing, including objective
factors such as longer educational commitments and rising costs of marriage and childbearing, as well as subjective reasons, such as their view of marriage and family as constraints, thereby opting for later marriages and births. Additionally, marriage and childbearing may also conflict with employment and career development.

The concern that marrying and having children at the right age means losing opportunities for career and personal development does exist in real life. Childbearing, to some extent, may consume substantial time and energy from young people, especially the time and energy of young women, which can influence their job promotions, career development and even job security. Currently, the state is enhancing the construction of childbearing support policy systems. Various local governments are continually optimizing childbearing leave systems and have introduced a series of economic and time arrangement support measures. All these solutions aim to clear people’s path to marrying and childbearing at the right age, and ensure that young people’s careers and personal developments are minimally affected during the process.

We advocate for marriage and childbearing at the appropriate age, which means encouraging young people to do what they should do at certain age stages: to date when it is time to date, to get married when it is time to marry, and to have children when it is time to have children. Balancing marriage and childbearing at the appropriate age with career development requires, on one hand, refining societal evaluation methods, respecting the societal value of childbearing, and fully recognizing the importance of young people marrying and having children at the right age. On the other hand, it is essential to improve mechanisms where the nation, society, families, and businesses jointly share childbearing costs, and build a childbearing-friendly society. This ensures that businesses will not suffer economic losses from employing childbearing-age individuals, especially women. It alleviates the dilemma women face between childbearing and employment, eliminating the concern and anxiety childbearing-age individuals might have with regard to the possibility of losing opportunities in career and personal development due to having children.

China Daily: The Call to Action indicates its advocacy of gender equality and shared responsibilities of child-rearing between couples. What does this proposal mean for achieving a moderate level of fertility?

Wang Pei’an: Gender inequality in the domestic sphere, to some extent, escalates the conflict between work and home responsibilities for employed women. Influenced by traditional Chinese culture, the division of roles with men being the main providers and women responsible for domestic duties has persisted. Employed women face the dual burdens of work and home responsibilities, which increases the opportunity cost of childbearing. Women who are on an upward trajectory in their careers are reluctant or even afraid to have children.

International experiences demonstrate that in societies with well-established gender equality, there’s a positive relationship between the degree of gender equality and fertility levels. Gender equality and shared responsibilities will not only strengthen marital bonds and enhance the quality of marriages, providing stable support for childbearing, but will also help reduce domestic burdens and life
pressures on women. This allows working women to better balance work and family, increasing their willingness to have children. We need to maximize the positive impact of gender equality on improving fertility levels, making the shared responsibility of child-rearing a societal norm and a common practice. This will help China reach a moderate fertility level and serve as a crucial foundation for high-quality population development.

China Daily: Different regions are now actively exploring supportive policies for childbearing, such as offering childbirth allowances, extending maternity and paternity leaves, and establishing inclusive childcare institutions to reduce the costs of childbirth and upbringing. As our future plan is to create a childbearing-friendly society, what other areas of improvement should be emphasized?

Wang Pei’an: Since the 19th Party Congress, the central government has issued the “Decision on Improving Birth Policies to Promote Long-Term Balanced Population Growth”, as well as “Guiding Opinions on Further Improving and Implementing Measures for Supporting Active Childbearing”. Local governments have also introduced various supportive measures, such as including childcare expenses for children under three as a tax deduction factor for personal income tax collection, experimenting with childbirth allowances, child-rearing subsidies, operational subsidies for childcare institutions, extending maternity leave, and introducing paternity leave. However, the effects of these supportive policies for childbearing need time to emerge. We need to be patient in implementing policies and observing their effects, but we must also be proactive. We must strive to promote a childbearing-friendly society to reduce the burdens of child-rearing and education on families and encourage balanced population growth in the long term. Specifically, efforts should focus on six areas:

First, strengthen economic support. Enhance tax, housing, and other support policies. Prioritize education fairness and balance the supply of high-quality educational resources. Double down on improving the housing support system, develop government-subsidized housing, and alleviate accommodation difficulties faced by new urban residents and young people. Housing policies should favor families with multiple children. We should also establish incentive mechanisms for employers under the rule of law to protect employees’ childbearing rights, and increase financial support for enterprises that provide maternal and infant care, childcare services, related vocational training, and consumer goods.

Second, improve the childcare service system. Increase the supply of inclusive childcare services. Expand the capabilities of community childcare services, and improve infant care facilities and other public services. Support qualified businesses in providing welfare-oriented childcare services for employees. Reduce the operational costs of childcare institutions. Improve policies related to land, housing, finance, banking, and talent, and encourage local governments to support inclusive childcare institutions. Enhance the quality of childcare services. Launch dedicated campaigns to establish national demonstration cities for infant and toddler care services. Progressively build a professional qualification entry mechanism for childcare practitioners under the rule of law.
Third, optimize support for time arrangements. We should enhance protection during childbirth and child-rearing processes, such as implementing flexible work schedules, to help employees balance work and family relationships and promote fair employment and career development. In accordance with practical circumstances, refine mechanisms for the reasonable sharing of labor costs during leaves, clarify the responsibilities of relevant parties, and take effective measures to ensure employees’ benefits during their leaves.

Fourth, increase intergenerational care support. Strengthen policy support for intergenerational care. Encourage models of care such as grandparenting and familial mutual assistance. Incorporate intergenerational care into family childcare service centers. Explore the possibility of including elderly involvement in infant and toddler care as a part of domestic services and provide childcare subsidies in the form of meal vouchers, pension subsidies, travel discounts, free park admissions, and more. Establish and improve the incentive, evaluation, and oversight mechanisms for elderly participation in intergenerational childcare.

Fifth, enhance the guidance on cultural values. It is essential to provide guidance on young people’s views on love, marriage, and family, and we should strive to advocate values such as self-cultivation, harmonious family relations, intergenerational heritage, and the importance of upbringing. Fully utilize the advantages of family planning associations and other mass organizations, as well as various media, to continuously promote campaigns of creating happy families, and communicate traditional virtues like respecting the elderly, loving the young, marital harmony, and frugality. Advocate for harmony within families to foster a peaceful environment, friendly neighborhoods, benevolent communities, and a harmonious society. Launch a new family culture building project, subtly influencing societal views through excellent film and TV works and online content. Organize and create a series of uplifting literary and artistic works to tell China’s stories of love, harmonious families, and happy lives in the new era. Promote family-friendly cities, communities, and organizations nationwide. Focus on breaking old customs such as extravagant bride prices and strengthen the guidance on love, marriage, and family views among rural youths. Advocate for the incorporation of new marriage and fertility culture into village regulations and civil rules, and facilitate the building of rural cultural civility.

Sixth, establish and improve supportive policies for family development. As the main body for childbearing and upbringing, the family is both the direct bearer and beneficiary of childbirth. We should raise the importance of promoting family development to a national strategy, and improve the policy system that supports family development. We should research and introduce policies beneficial to family development, and create a cultural atmosphere that promotes family development, thereby supporting the building and growth of families.

China Daily: In 2022, the China Family Planning Association initiated the first batch of marriage and fertility culture-building pilot projects in 20 places, including the Miyun District of Beijing. Up to now, what success stories and practices have
emerged?

Wang Pei’an: To put the spirit of the 20th Party Congress and the central government’s decision on optimizing fertility policies into meaningful practice, and to give full play to the role of the Family Planning Association in promoting the building of a marital and childbearing culture in the new era, the China Family Planning Association started a nationwide pilot project on marriage and childbearing culture building in 2022, designating 20 cities (or regions) as pilot areas. Over the past year, these pilot areas have proactively adapted to new situations and requirements, and actively carried out six actions including surveys, publicity platform upgrades, and revisions of village regulations and civil rules. With extensive public campaigns, they have promoted concepts such as “marriage at the right age, high-quality childbirth, gender equality, shared responsibility, and intergenerational harmony,” and communicated traditional Chinese virtues of personal cultivation, filial piety, and harmonious families. This facilitated the creation of a supportive environment and social atmosphere for unlocking childbearing potential and promoting the healthy and harmonious development of families, which garnered some experiences and guiding practices for building the marital and fertility culture of the new era.

We dedicated efforts to public awareness campaigns. For the building of a marriage and childbearing culture and to provide the right guidance on marriage and childbearing concepts, public campaigns must be our primary solution. In pilot areas, public campaigns were conducted, including issuing advocacy statements, collecting promotional slogans, holding knowledge contests, producing promotional films, and distributing promotional posters, in order to promote the marriage and childbearing culture of the new era. Various regions have also pushed innovations in mediums, forms, and methods of promotion, where campaigns are combined with local cultural characteristics and traditional customs, thus combining campaigns and public guidance with engaging and enjoyable content. Many places have produced short films and videos, integrating the new era’s marriage and childbearing culture into artistic works, thereby enhancing the promotional impact. In Qian’nan Prefecture of Guizhou Province, the Family Planning Association launched a collection campaign of folk songs related to the new era’s marriage and childbearing culture. They organized ethnic minority groups to promote new marriage and childbearing culture in the new era through Bouyei folk songs and Miao verses. In the Dazu District of Chongqing, the Family Planning Association established a certificate issuance hall, marriage and childbearing counseling rooms, and a marriage and childbearing cultural display hall at the marriage registration office. They delved deeply into the excellent marriage and childbearing cultural connotations contained in the Dazu rock carvings and designed and produced promotional items with local characteristics.

We focused on the importance of building our capabilities. Strengthening grassroots teams, sites, and mechanisms is the foundation for achieving a marital and childbearing culture in the new era. Some areas publicly recruited volunteers to form grassroots public campaign teams, while others established expert groups to offer professional support. In terms of site construction, some areas have built new publicity sites in village community service centers, while others integrated various service sites with marital and childbearing cultural elements. Regarding mechanism building, various areas
have explored the “party leadership, government guidance, association-led, departmental collaboration, and public participation” cooperative mechanism, pooling resources from various departments such as publicity, health, and civil affairs to jointly promote this cultural initiative.

**We expanded the connotation of integration.** Adhering to our value guidance, we integrated the excellent traditional culture of the Chinese nation into the building of the new era’s marriage and childbearing culture. For example, the Family Planning Association of Lijiang City of Yunnan Province integrated the essence of traditional marital customs into the new era’s marriage and childbearing culture. They achieved this integration by organizing traditional Dongba wedding performances, promoting concepts of the Naxi ethnic group’s marriage customs, such as marrying at the appropriate age, eliminating dowry practices, and promoting equal marriage and childbearing rights and responsibilities between spouses. In addition, pilot areas have integrated the new era’s marriage and childbearing culture into the daily lives of the people. In rural areas, actions to revise village regulations and civil rules have been carried out, incorporating the new era’s marriage and childbearing culture into these regulations and family teachings, guiding people to voluntarily promote such values and conduct self-education. In urban areas, the new era’s marriage and childbearing culture was integrated into community management, providing families with guidance and services on topics such as youth relationships and marriage, fertility and childbearing, reproductive health education, and child-rearing knowledge.

**We improved our performance by focusing on serving the people.** Each pilot area, under the principle of delivering “what the Party and government need, what the public urgently requires, and what the association can offer,” has combined the promotion of the new era’s marital and childbearing culture with the consideration of the public’s needs for fertility and childrearing support as well as family health. They have helped people understand, internalize, and practice this new culture through the enjoyment of public services. For example, the Ningbo Family Planning Association has set up a “Penguin Dad Studio” to organize various parent-child activities, community services, and volunteer events, which set a great example for promoting shared parenting responsibilities, and mobilized parents in promoting, improving, and practicing the new culture through their actions. In Harbin, Heilongjiang Province, the Association hosted collective public welfare weddings, giving newlyweds marital and childbearing handbooks and “love packages,” advocating new and civilized marital customs, and abandoning the old and backward traditions such as expensive dowries and lavish celebrations, thereby leading the way in starting new wedding trends.
Actively Tackle Negative Population Growth with Integrated Measures

综合施策，积极应对人口负增长

The population situation is the most fundamental and crucial aspect of the state of a nation. At the end of 2022, China had a population of 1.41175 billion, a year-on-year decrease of 850,000—the first negative growth in the national population since the start of the reform and opening up, which indicates that China’s population has peaked. In 2021, it was predicted that China’s total population would peak between 2025 and 2030. With a net increase of 480,000 people in that year, it was widely believed that the total population would maintain a certain level of growth. Surprisingly, the 2022 data showed negative population growth, the trend of population development having suddenly turned in a different direction.

Director Cai Fang’s research on the challenges and opportunities for China’s economic growth in the era of negative population growth leaves one with three impressions. First, his understanding of the problem is clear: the challenge lies in growth, the potential lies in the structure, and opportunities lie in the existing population. Second, his analysis of the problems is scientific and objective: negative population growth has a significant impact on both the supply side and the demand side. Third, his suggestions are focused and relevant; for example, reforming the household registration system and ensuring equal access to basic public services are both essential measures to take.

As will be discussed in the following sections, this article mainly makes three points on the topic of
Population Changes Will Exert Various Influences on China’s Future Economic Growth

Generally speaking, three factors influence economic growth—labor, capital, and total factor productivity. In the short term, total factor productivity can be assumed to remain unchanged, and economic growth largely depends on the size of the labor force and the amount of capital input. Negative population growth, therefore, will have a direct impact on the economy.

First, the economy’s potential growth rate will show a more pronounced downward trend. The era of negative population growth will see a decline in the supply of labor. Data from the seventh national census reveals that in 2020, the working-age population—defined as those aged between 16 and 59—totaled 880 million, having shrunk by over 40 million since 2010. It has been estimated that from 2022 to 2035, China’s working-age population will dwindle by an average of 0.83 percent annually, which will lower the potential growth rate and which, in the actual workings of the economy, will lead to labor shortages and rising wage costs.

Second, economic growth will rely more on investment. In the short term, the economy will increasingly rely on the expansion of investment to maintain stable economic growth and counteract the effect of slowing—or even negative—labor growth. When capital input grows faster than labor input, the return on investment will decline. At the same time, negative population growth will also directly affect domestic demand, especially the expansion of consumer demand. A large population means high consumption, and once the total population drops, consumption will also decrease or grow more slowly, which will have implications for China’s advantage of an enormous domestic market.

Third, the task of economic restructuring becomes more urgent. Given the shrinking workforce and declining return on investment, China must rely primarily on raising total factor productivity instead to drive economic growth. To this end, it is important to improve the skill and caliber of the workforce and translate the country’s abundance of people into an abundance of human resources and human capital. As data from the seventh national census shows, in 2020, the average years of schooling for China’s population aged 15 and above was 9.91 years, an increase of 0.83 years from 2010. As the quality of the population improves, the demographic dividend is gradually turning into a talent dividend, which will allow China to make the most of its large population. At the same time, it is necessary to step up the implementation of an innovation-driven development strategy, strive for self-reliance in advanced technologies, strengthen basic research, and enhance the efficiency of technological investment. Currently, China’s total funding for research and experimental development ranks second in the world. The key from now on is to stimulate innovation and continue to open up new fronts and arenas of development.

Fourth, the impact of population aging is deepening. China is facing the challenges of “getting
old before getting rich” and “aging without adequate preparation.” In 2021, the average GDP per capita of high-income countries was $47,887, while China’s was $12,500—only 26.1 percent of the former. An increasingly aging population will add to the burden on society. As the elderly population grows and the labor force shrinks, fewer people will have to support the care of more senior citizens, which means a higher dependency ratio, a heavier burden on society, and more pressure on public services and healthcare. As for “aging without adequate preparation,” China has yet to fully build a system of long-term care insurance for the elderly or a basic elderly care system, for example. Nor has it adequately developed health services for seniors; there are still many shortcomings to address and gaps to fill.

Fifth, there is increased pressure on the basic pension and medical insurance systems. Currently, in a few provincial-level administrative divisions, the basic pension funds have exhausted their accumulated surpluses or run growing annual deficits, and the expenditure of the medical insurance funds is growing faster than their revenue. The accelerating rise in the dependency ratio will undermine the sustainability of the basic pension and medical security systems. Given that China’s basic pension and medical insurance systems operate on a “pay-as-you-go” basis, where current social security contributions pay the current expenses of benefits, their sustainability deserves particular attention as the number of contributors becomes ever smaller and that of beneficiaries ever larger.

Apart from the impacts discussed above, negative population growth also has some positive effects. First, it means relatively less pressure on resources and the environment, and the quality of population quality will improve at a faster pace. Second, the per capita levels of economic and social development, such as GDP per capita, will rise faster. Third, the senior economy or silver economy will bring new development opportunities. Moreover, a negative growth of 850,000 people is small—almost negligible—relative to China’s vast population, though the trend of negative population growth needs to be taken seriously.

In summary, China’s current negative population growth will neither fundamentally change the overall positive trend of its economic and social development nor fundamentally alter the course of modernization with Chinese characteristics.

Study and Learn from the Valuable Experiences and Practices of Other Countries

Negative population growth and population aging are not unique to China. According to data from the 2022 World Population Prospects released by the United Nations’ Population Division, in 2021, 38 countries and areas experienced endogenous negative population growth. They are primarily located in Europe (25, such as Russia and Hungary), Asia (5, including Japan, South Korea, and Hong Kong), and North America (6, mostly island nations). Faced with negative population growth, countries around the world have adopted a variety of measures.

First, encouraging births. France and Singapore, for example, have sought to ease the conflict
faced by women between work and family responsibilities with measures such as encouraging flexible working, extending paid maternity leave, introducing special paid childcare leave, and providing childcare allowances and free or low-cost childcare services. Sweden and South Korea have tried to reduce the costs of childbearing and child-rearing by offering allowances and subsidies, rent reductions, tax breaks, and university tuition waivers. Russia awards families with a large number of children the “Order of Parental Glory” or “Medal of Parental Glory,” along with material rewards. Italy decided to provide—from July 2021—a monthly allowance of up to 250 euros for each child from the seventh month of pregnancy until the age of 21. Singapore has in place a special savings account for parents to accumulate child-rearing funds; from 2021, the government contributes up to 9,000 Singapore dollars (about 46,000 RMB)—1.5 times the original amount—to the second child’s account.

**Second, extending the retirement age.** Germany has gradually increased the statutory retirement age from 65 to 67. Some countries link the age at which one retires with the amount of their pension benefits to encourage the elderly to remain in the labor force; in Germany, for instance, retiring between the ages of 63 and 64 will result in a 3.6 percent deduction for each year short of the statutory age, while late retirement will yield a higher pension accrual of 6 percent for each year worked after the statutory retirement age. In the United Kingdom, retiring between 65 and 70 leads to an annual increase of 7.5 percent to 10.4 percent in pension payments, with an increased one-time bonus, so as to encourage delayed retirement.

**Third, attracting immigrants.** Some countries have implemented policies to encourage immigration, targeting high-caliber, highly skilled migrants in particular. The United States, Canada, and Australia, for example, have leveraged their relatively advanced levels of economic and social development, attractive living conditions, and high income levels to selectively attract both young labor and high-quality talent from other countries by setting immigration thresholds. Canada is admitting immigrants at nearly twice the rate of its natural population change, welcoming about 250,000 immigrants annually.

**Fourth, quicken the pace of industrial upgrading and technological advance.** Japan, for example, has restructured its economy by transferring labor-intensive industries to other countries and focusing on enhancing research and development and industrial advantages, so as to adapt to negative population growth. It is stepping up the pace of automation in many industries, including the service sector, to reduce reliance on labor. Germany, too, is focusing on relocating medium- and low-end industries and reallocating resources to the development of high-end industries.

**Fifth, developing elderly care services.** Initially, in response to population aging, Western countries predominantly adopted institutional elderly care, like establishing retirement homes and nursing homes. Today, however, home care has become the primary mode of elderly care in developed Western countries, and countries like Japan are making great efforts to develop in-home elderly care services as well. In the United Kingdom, about 60 percent of all elderly care facilities are run by the private sector, and a large number of private companies provide adult day care in the community, which complements home care.
Sixth, improving old-age social security systems. Faced with a growing elderly population, developed countries are reforming their old-age security systems—improving pension distribution, various types of insurance, and healthcare and caregiving services—in a bid to meet the challenges posed by population aging.

**Actively Tackle Negative Population Growth with Integrated Measures**

It is inevitable that China will face negative population growth. It is necessary to learn broadly from other countries’ experiences, respond actively and appropriately, improve China’s population development strategy, and continuously promote high-quality economic and social development.

**First, establish a policy system that supports births.** Reducing the costs of childbearing, childrearing, and education should be the aim and focus of this policy system, and supporting measures to encourage births should be improved and implemented. It is important to tackle the actual difficulties faced by women of childbearing age, such as employment and childcare. The government should explore measures such as paid maternity leave, family allowances, and tax breaks and aim to extend the scope of basic public services to include childcare services and preschool education. It should also promote the development of inclusive childcare services operated on a state-owned, privately-run or privately-owned, state-subsidized basis, so as to encourage social forces to establish inclusive childcare facilities and provide them with support and guidance.

**Second, improve retirement policies.** The 20th Party Congress report explicitly states that the statutory retirement age will be gradually raised. The Ministry of Human Resources and Social Security recently remarked that China’s current retirement age was generally low and that the ministry was working on a specific plan to delay the retirement age. When meeting the press on March 13, Prime Minister Li Qiang stated, “We will conduct careful studies and thorough analysis to roll out the policy of raising the retirement age prudently in due course.” In actual practice, it is particularly important to strictly regulate early retirement policies to prevent various forms of early retirement in disguise.

**Third, step up the building of human capital advantages.** We should thoroughly implement the initiative to strengthen education nationwide and optimize the distribution of educational resources. It is important to improve the average educational attainment of the working population and build an educated, skilled, and innovative workforce, so as to replace quantity with quality. Scholars differ on whether it is necessary to extend the period of compulsory education by three years at both ends. Additionally, it is necessary to improve the lifelong vocational training system, strengthen on-the-job continuing education for older workers, and encourage their return to the job market.

**Fourth, step up the development of modern elderly care services.** We should develop elderly care services and industries; expand the supply of inclusive elderly care; build an elderly care system that coordinates the roles played by homes, communities, and facilities and that integrates medical care and other personalized care services; strengthen senior healthcare services and management;
and look into policies to foster the silver economy. It is important to improve policies that provide for senior citizens’ voluntary relocation of their household registration to where their children are registered and to safeguard their entitlement to local basic public services in accordance with laws and regulations.

**Fifth, improve the old-age security system.** We should improve the nationwide pooling of basic pension funds and develop a multilevel, multi-pillar pension system. It is important to expand social insurance coverage, improve the mechanisms for pension financing and benefit adjustment, and gradually narrow the gap in basic pension benefits between different systems and different groups. We should ensure the well-regulated development of the third pillar of the pension system and promote the development of private pensions.

**Sixth, improve the medical insurance system.** We should promote province-wide pooling of the funds of the basic medical insurance and employment injury insurance, improve the mechanisms for the basic medical insurance’s financing and benefit adjustment, and enhance the system’s sustainability. We should promote the organic integration of the medical aid system with the basic medical insurance system and serious illness insurance system, improve the serious illness insurance and medical aid systems, and increase the accuracy of serious illness insurance payments for elderly individuals in difficulty. We should further streamline on-the-spot settlement of medical expenses regardless of the locality, so that senior citizens can conveniently settle their inpatient and outpatient bills outside their registered place of residence. It is also necessary to actively encourage the development of commercial medical insurance.

**Seventh, establish a long-term care insurance system.** We should examine and promote what has been learned from the expanded pilot program for long-term care insurance, so as to set up a unified long-term care insurance system covering both urban and rural areas. We should fully establish an allowance system for financially strained senior citizens of an advanced age or with disabilities and ensure that it is well coordinated with the pilot program for long-term care insurance and with the care allowance for persons with severe disabilities. The development of commercial long-term care insurance should be encouraged in order to establish a multilevel, sustainable long-term care insurance system.

**Eighth, utilize foreign human resources.** It is necessary to improve immigration policies to attract high-level managerial talent in the elderly care industry, skilled professionals in shortage occupations, international students, entrepreneurs, and investors to immigrate to China. This is an important lesson from foreign experiences and an area that China needs to further explore.
Breaking the “Fertility Paradox”

I. Introduction

By at least the 1940s, the theory of demographic transition had taken shape, persuasively revealing the trends and mechanisms of changes in birth rates and growth rates. It was anticipated that fertility rates would decrease with economic development (Caldwell, 1976). However, from the 1950s to the 1970s, academic and public opinion circles remained unaffected by this perspective. There was a prevailing deep concern about the “population explosion” in developing countries, leading to a flurry of concerns about population growth and its implications for economic development.

Summary: The decline of fertility rates with the advancement of economic and social development levels is a phenomenon observed universally across countries. Concurrently observed is the fact that if fertility rates remain at a low level for an extended period, it leads to continuous deepening of population aging. This, in turn, weakens the potential for economic growth and slows down the pace of socio-economic development. Due to researchers’ insufficient understanding of the determinants behind fertility rate changes, interpreting this asymmetric, even antagonistic, causal relationship seems challenging, forming the so-called “fertility paradox.” By referencing international experiences and analyzing China’s unique population transition, this article attempts to argue that the extremely low fertility rate currently observed in China is not inevitable. Through more comprehensive socio-economic development or by improving the Human Development Index, especially by addressing factors constraining family development and expanding family resource allocation curves, we can anticipate a rebound in fertility rates to replacement levels (which are also the desired levels), thereby breaking the fertility paradox.
of radical calls for population growth controls. Representatives of this trend either had not encountered the theory of demographic transition or refused to accept its conclusions about declining birth rates. Hence, they failed to foresee that fertility rates would continually drop in both developed and developing countries after that time. Meanwhile, as a comprehensive indicator of economic development, the per capita GDP in both categories of countries saw a significant rise.

With the overall growth of the global economy and shifts in regional structures, economists, based on new empirical evidence, began to abandon various paradigms regarding the relationship between population and economic growth. Notably, they uncovered the significant contribution of the demographic dividend to economic growth. For instance, starting in the 1990s, economists, represented by some professors from Harvard University, conducted pioneering work in theoretical explanation and empirical verification. They discovered the significant contribution of the dependency ratio in economic growth, especially noting that this demographic factor played a crucial role in latecomer countries trying to catch up with the forerunners. This insight gave rise to the renowned demographic dividend school of thought. Some Chinese scholars also adopted this paradigm, finding through empirical studies that the demographic dividend displayed powerful explanatory prowess for the rapid growth during China’s reform and opening-up period.

For developing or catching-up countries, the demographic dividend theory remains the most compelling and relevant population economics doctrine, providing a beneficial research paradigm for scholars. However, like any economic theory with explanatory power for specific periods or issues, it cannot universally address all matters at all times. We should not expect the demographic dividend theory to be a panacea unlocking the enigma of the relationship between population and the economy. In reality, due to the inherent limitations of the theory, when facing new challenges emerging in the new stages of demographic transition, it reveals certain inadequacies both in theoretical explanation and policy recommendation. This article will briefly outline such limitations of the demographic dividend theory to foster a more open-minded approach, drawing from various complementary analytical frameworks and tools. By integrating historical, theoretical, and practical logic, we aim to gain a more comprehensive understanding of the relationship between the population and the economy, subsequently proposing beneficial and effective policy recommendations.

First, there is a lack of a strong connection between the demographic dividend research paradigm and mainstream growth theories, inevitably reducing its breadth and depth in understanding the relationship between population and growth. This limitation in research is evident in the selection of variables that directly impact economic growth due to population factors. For instance, most studies use the population dependency ratio as a proxy for the demographic dividend and incorporate it into economic growth models to observe its significance and magnitude. As a result, the demographic dividend research confines its analytical scope, failing to recognize variables beyond the dependency ratio. Many traditional variables used in growth accounting and growth regressions are, in fact, related to population factors.

In reality, demographic changes, especially shifts in age structures, not only influence labor supply but also impact the rate of improvement in human capital, savings rates, returns on capital, and the
efficiency of resource reallocation, which subsequently affects labor productivity and total factor productivity (Cai, 2019). Due to a lack of alignment with neoclassical growth theory, this paradigm missed the opportunity to revolutionize or significantly modify the former, leading the demographic dividend theory to remain relatively marginal in growth theories.

Second, the demographic dividend research paradigm solely focuses on the supply-side effects of population factors on economic growth, neglecting demand-side effects. Indeed, for a long time, economic development patterns witnessed in many countries and regions were largely driven by harnessing the demographic dividend from the supply side, leading to extraordinarily high growth rates. Thus, theories and empirical studies in this field either validate the experience of the demographic dividend boosting potential growth or highlight the fact that growth rates will decline once the demographic dividend disappears.

However, with the global aging of the population and some developed economies entering an era of negative population growth, the impact of demographic factors is now more pronounced on the demand side. Whether it is pioneer countries in demographic transition, like Japan, or the trend already evident in China as a follower, both indicate that in the two crucial turning points of demographic change, the first—the peak of the working-age population—mainly affects economic growth from the supply side. In contrast, the second turning point, the peak of the total population, has a more pronounced impact on the demand side of economic growth. If the factors on the demand side can be integrated into the logic of the demographic dividend theory, the theory’s relevance and explanatory power regarding reality can be significantly enhanced. On the one hand, it can find common ground with the mainstream proposition of long-term stagnation. On the other hand, it can make a unique contribution to the study of this proposition, further refining and enriching its theoretical framework.

Furthermore, the demographic dividend research paradigm tends to eternalize the demographic dividend. Given that the dependency ratio is used as a quantitative indicator of the demographic dividend, according to the logic and process of demographic transition, this factor will eventually reverse in a direction unfavorable to economic growth. Hence, prominent authors in this field proposed the concept of a second demographic dividend, deviating from the previous logical trajectory. They mainly discuss the second demographic dividend from the perspective of maintaining savings levels, believing that a population consisting more of older workers and elderly will have a strong savings motivation, thus sustaining economic growth. In their view, as the effect of the first demographic dividend wanes, the second demographic dividend will emerge and persist forever. However, this so-called second demographic dividend theory has flaws in both methodology and relevance to reality. On the one hand, the source of their proposed second demographic dividend does not come from favorable demographic factors, which weakens the demographic dividend theory itself. On the other hand, the significant challenge brought by aging is not insufficient savings but excessive savings, a primary feature of long-term stagnation. Thus, this so-called second demographic dividend is not genuinely a “dividend” to be reaped.

Last, the demographic dividend research paradigm has not devoted enough passion and resources to
the topic of how to stimulate fertility rates to bounce back to replacement levels. Given that the theoretical framework itself is based on unidirectional changes in fertility rates, expecting breakthroughs in research on increasing fertility might be unrealistic. However, this creates a theoretical dilemma known as the “fertility paradox,” which researchers ultimately need to address. This article examines the paradox on three levels: First, while economic and social development lead to reduced fertility rates, once they decrease to a certain extent, they hinder economic and social progress. Second, similar to the above logic, although fertility rates can be viewed as a function of economic and social development indicators, when considering dynamic time changes and other exogenous factors, it is impossible to conclude that economic and social growth is the inverse function of fertility rates. Third, the relationship between fertility rates and economic and social development is neither linear nor unlimited. In fact, although many countries have total fertility rates breaking through the 2.1 replacement level, situations with a total fertility rate below 1 are rare. From these perspectives, the so-called fertility paradox reflects people’s understanding at a particular stage, or it poses an unresolved proposition, hoping to gain more attention from researchers.

While this proposition involves a general phenomenon common to many countries, this article focuses more on exploring the specificity of China’s experience and targeted solutions from general rules. Although, in the end, it is the different stages of declining fertility rates that determine the emergence and disappearance of the demographic dividend, the demographic transition in different countries still has its unique characteristics and differences. For example, the decline in China’s fertility rate is both a result of the general trend where economic and social development acts as a basic driving force, and is also uniquely influenced by the strictly enforced one-child policy. Therefore, the current extremely low total fertility rate might contain historical influences where fertility desires were suppressed. Hence, exploring the potential for a rebound in fertility rates is warranted, both from a general standpoint and considering China’s unique context.

Moreover, in academia, there is a research tendency to dismiss studies that suggest a negative impact of population aging on economic growth. These dismissals typically employ the following signature argument methods: 1. In response to the fact that the working-age population is declining, they usually point out that the overall scale of the working-age population remains large, thereby denying the adverse effects of the weakening or disappearance of the demographic dividend. 2. With regards to the expectation that the population will peak and then enter negative growth, they often argue that the overall scale of the population will still be large enough, negating any warning of adverse effects. 3. In the face of labor shortages and weakening comparative advantages, they often suggest that enhancing human capital can improve the quality of workers, thus compensating for the shortage in numbers. For example, a recent study concluded that a low fertility rate would not hinder China’s economic growth. The basic argument is that, even with aging, economic growth can still be promoted by improving human capital, labor participation rate, and productivity. The policy implication is that China should not focus on seeking to increase fertility. Such studies, due to their methodological flaws, inevitably lead to misunderstandings of other research conclusions, which could potentially mislead with their findings.

First, when highlighting negative trends like the disappearance of the demographic dividend, a basic
methodological premise assumes that other conditions remain unchanged, and solely because of population structure changes, economic growth suffers a blow. Aging is undoubtedly linked to labor shortages, but it does not necessarily correspond to accelerated improvements in human capital, labor participation rate, and productivity. Pointing out the challenges of the disappearing demographic dividend merely highlights the factors that once drove rapid economic growth are weakening or have been lost. It also emphasizes the need to explore other more sustainable sources of growth.

Second, indeed, under the conditions of a disappearing demographic dividend, many other economic growth factors also reverse. Macroeconomically, the economy can no longer maintain its past growth rate. For instance, with the reduction of new labor entering the workforce, the speed at which human capital among existing workers improves significantly slows. The proportion of the older population and older workers naturally tends to lower the labor participation rate. With the weakening and loss of traditional comparative advantages, it becomes easy for low-productivity enterprises to stay in business, leading to resource allocation rigidity. A premature reduction in manufacturing weight, coupled with too rapid and premature a shift of the labor force to lower productivity services, causes resource allocation degeneration, making productivity improvements more challenging (Cai Fang, 2021b).

Last, while China’s economic future should not solely rely on increasing fertility rates, boosting fertility rates does not hinder human capital accumulation, labor participation rate improvements, or productivity enhancements. In fact, policies aiming to increase fertility align with these objectives, a point further explored and validated in this article.

Hence, this article will both highlight the long-term challenges brought about by China’s low fertility rate and discuss the possibility of boosting fertility rates through reforms and policy adjustments. In the second section, this article will discuss the conditions under which a declining fertility trend could rebound or rise again, looking at general trends and international experiences. International experiences show these conditions prominently manifest when gender equality gains more attention at high human development levels. The third section, using international experience, will discuss China’s challenges and urgency in entering a deeper stage of aging, transitioning from an aging society to an aged society. The fourth section will argue that an extremely low fertility rate is not China’s fate. By analyzing the constraints on family development, we reveal opportunities to tap into fertility potential. The fifth section will provide a summary of this article’s conclusions and discuss their policy implications.

II. Can the birth rate only decrease linearly and monotonically?

With the increase in per capita income, the continuous decline in the fertility rate has become a widely observed fact. In Figure 1, based on World Bank data and definitions, countries are divided into two categories: high-income countries and low to middle-income countries. The relationship between per capita income and total fertility rate (TFR) is shown. Figure 1 presents the change in the per capita GDP index and TFR index with 1960 as the base year. Here, the per capita GDP is
calculated in constant 2015 U.S. dollars, and the TFR refers to the average number of children a woman will give birth to in her lifetime. It can be seen from Figure 1 that since 1960, as per capita GDP continued to grow in high-income countries, TFR continued to decrease; in low and middle-income countries, as the per capita GDP caught up, TFR also began to decline from the mid-1960s and did so at a more noticeable rate.

Figure 1. The global increase in per capita income and decline in fertility rates Source: World Bank Database, https://data.worldbank.org.

Furthermore, based on the World Bank’s classification, countries can be grouped into high-income, upper-middle-income, lower-middle-income, and low-income categories. The changes in per capita income and fertility rate within these groups are observed. In 1960, high-income countries had an average per capita GDP of $11,518 and a TFR of 3.03. Later, by 1975, the fertility rate dropped below the replacement level of 2.10, with a per capita GDP of $19,006. By 2019, the average per capita GDP for this group reached $43,001, with a TFR reduced to 1.57. The TFR for upper-middle-income countries started to decline from a base of 5.53 in 1965, when the average per capita GDP was $1,326. By 1994, when the per capita GDP reached $2,990, the TFR dropped below the replacement level. In 2019, the per capita GDP was $9,527, with a TFR of 1.83. The TFR for lower-middle-income countries began to decline from a base of 5.98 in 1962 when the average per capita GDP was just $626. By 2019, with a per capita GDP of $2,365, the TFR was 2.69, still above the replacement level. The TFR for low-income countries began to decline from a base of 6.75 in 1972. The World Bank database does not have the average per capita GDP data for these countries for that year. In 2019, the per capita GDP for low-income countries was $745, with a TFR of 4.57, which is significantly higher than the replacement level.

It is generally believed that since the 1950s, the global economy has entered an era of convergence (Spence, 2011). Since the 1990s, with the onset of a new wave of economic globalization, the world’s economy has also shown obvious convergence. In other words, developing countries achieved a faster per capita GDP growth rate than developed countries (Cai Fang, 2019). Another perspective on this development fact is that the rate of decline in fertility in developing countries is significantly faster than in developed countries. The universal decline in global fertility rates will inevitably lead to global population aging. According to the revised 2019 population data provided by the United Nations, the
proportion of the world’s population aged 65 and over (i.e., the aging rate) increased from 4.97% in 1960 to 9.32% in 2020. Furthermore, the average aging rate of all four income group countries has increased. Among them, high-income and upper-middle-income countries have the highest degree of aging, reaching 18.6% and 11.1% in 2020, respectively (UNDESA, 2019).

Although there are still significant differences among countries, the adverse effects of population trends on economic growth have received widespread attention and have become an essential research topic in academia. Related research includes discussions in two directions: first, since the population transition is ultimately a regular and inevitable trend, there is a need to study how to address the long-term stagnation of economic growth in the context of aging, especially how to deal with the characteristics of the new normal in the world economy, such as low inflation, low long-term interest rates, and low economic growth rates. Second, the continuous decline in fertility may not necessarily be a universal fate. At least for some countries, there is still an opportunity to slow down the rapid decline in fertility and even to achieve a rebound in fertility to some extent and for some time.

From an economic perspective, when discussing how to eliminate the obstructive effects of population changes on economic growth, it is also necessary to look at the inherent patterns of population changes and see what potential can be tapped to encourage the fertility rate to rebound to replacement levels. To reverse population aging, we ultimately need the fertility rate to return to above replacement levels. This seems like an “impossible task.” Perhaps some might think that serious researchers and policymakers who face reality should not set themselves the goal of returning to replacement-level fertility. So, what should be the realistic target for fertility rates? We can look at the current state of fertility rates worldwide, the gap between this status quo and potential fertility intentions, and the relevant determining factors.

The United Nations Department of Economic and Social Affairs’ Population Division found from many surveys that regardless of whether the current fertility rate is high or low, households in all countries tend to express a fertility preference of about two children. That is, in the absence of particular constraints, the desired fertility rate is generally consistent with the replacement-level fertility rate. Figure 2, which shows the relationship between the actual TFR of countries and the replacement-level TFR, can be combined to see which factors promote or constrain the actual fertility rate’s convergence to the preference level for countries with high and low fertility rates.
Countries that currently have high fertility rates have largely experienced a gradual decline in fertility. This corresponds with the rapid economic growth and significant poverty reduction in developing countries. This can be directly observed through cross-national data. Additionally, based on data from the World Bank, this article compares the “desired fertility rate” and the actual fertility rate of dozens of low and middle-income countries. The simple average of these two fertility rates in these countries are 3.26 and 3.78, respectively. This means that if unwanted births could be prevented, the average number of children born in these countries and regions could be reduced by 0.52, or a 13.7% reduction in fertility rate. Furthermore, the poorer the country, the greater the disparity between the desired and actual number of children. For example, in the least developed countries, as defined by the United Nations, the desired fertility rate is 3.41, while the actual fertility rate is 4.06. A study based on population trends in 195 countries and regions indicates that the long-term decline in fertility rates in such countries is largely attributed to the increased level of women’s education and the availability of contraceptives, accounting for 80%.

Research shows that for countries with low fertility rates, addressing or eliminating factors hindering childbirth, such as promoting gender equality, empowering women, and improving reproductive health services, can potentially lead to a moderate rebound in fertility rates (UNDESA, 2019). In particular, studies have shown that indicators of human development, including GDP per capita, education levels, and life expectancy, not only contribute to decreasing fertility rates over a certain period but may also be conditions for a rebound at higher levels. Using long-term data from over 100 countries, researchers have found that if high human development levels are achieved and gender equality is ensured, fertility rates among women in their later reproductive years will increase. In other words, without gender equality, general improvements in human development are not enough to boost fertility rates. The conclusion is that a balance between work and family life is essential to increase fertility rates.
III. Transition from an Aging Society to an Aged Society

Defining aging on an international comparative scale, or differentiating the degree of aging, requires quantitative descriptions. In a 1956 report, the United Nations first defined populations from an age perspective, categorizing populations with an aging rate below 4% as “young,” between 4% and 7% as “mature,” and above 7% as “aged” (UNDESA, 1956). Later, it is generally believed that the World Health Organization further delineated aging degrees: countries or regions with an aging rate over 7% are defined as an “aging society,” over 14% as an “aged society,” and over 21% as a “super-aged society” (cited from Okamura, 2016).

China’s aging rate reached 7.0% in 2000, marking its entry into an aging society. Since then, aging has become the main theme of China’s population changes. The seventh census data shows that China’s aging rate reached 13.5% in 2020. Based on the average aging rate over the past 20 years, China’s aging rate exceeded 14% in 2021, indicating its entry into an aged society. Any data adjustments that might slightly delay this milestone will not change the overall judgment that China has entered an aged society. What needs to be discussed is the economic impact of China’s transition from an aging society to an aged society, how it differs from the impacts observed to date, and its significance.

After becoming an aging society in 2000, China’s aging speed was relatively moderate until 2010, and it still enjoyed a demographic dividend for a while. Only after the working-age population peaked in 2010 did the pace of aging accelerate. Between 2010 and 2020, the primary challenge for China’s economic growth came from the supply side. The negative growth of the working-age population led to reversals in the supply and allocation of production factors, causing a significant and persistent decline in the potential growth rate. During this period, the actual growth rate was consistent with the potential growth rate, meaning there was no demand-side shock constraining economic growth (Cai, 2021). However, once China enters an aged society, it will face new and severe demand-side challenges.

To better position China’s aging population and understand the reality and severity of new challenges, it is worthwhile to compare China’s experience with that of Japan (Figure 3). Japan entered an aging society with an aging rate of over 7% in the early 1970s and entered an aged society with an aging rate of over 14% twenty years later in the early 1990s. In 1995, as Japan’s aging rate reached 14.3%, its working-age population also peaked. It was also from the 1990s that the Japanese economy entered its “lost decades.” Research indicates that from the 1990s to 2010, or during the “lost two decades,” the primary challenge for Japan’s economic growth was the vanishing demographic dividend, causing supply-side shocks. Only as Japan approached its population peak in 2010 (when the aging rate also reached 22.5%) and during the subsequent negative population growth did Japan’s economy face more apparent demand-side shocks, exhibiting characteristics of economic growth “long-term stagnation” or “Japanization” (Cai, 2021a).
Japanese economists once used four characteristics to describe the phenomenon of economic “Japanization,” or the characteristic manifestations of Japan’s economic stagnation. They are: 1. The actual growth rate is consistently below the potential growth rate. 2. The natural real interest rate is below zero, and also lower than the actual real interest rate. 3. The nominal (policy) interest rate is zero. 4. There is deflation or a negative inflation rate (Ito, 2016). This is consistent with the summary made by other economists, especially the representative figure of this theory, Summers, when discussing how aging leads to long-term economic stagnation worldwide. The insight derived from this is, as Japan, once the world’s second-largest economy, demonstrated upon becoming a super-aged society, deepening aging and negative population growth pose a significant demand-side shock to a country’s economic growth. It manifests as the overall social demand becoming a routine constraint on economic growth, often resulting in an actual growth rate that is below the potential growth rate.

China’s total fertility rate had already dropped below the replacement level of 2.1 in 1992 and continued to decline thereafter. This means that, after experiencing the inertia of population growth for a shorter or longer time, China’s population will eventually peak. In fact, the natural population growth rate has continued to decrease significantly since reaching its peak of 16.61% in 1987, and by 2020, it had already dropped to 1.45%, just one step away from the population peak. The transition to an aging society and an era of negative population growth poses challenges to the Chinese economy. The challenges are not just from the disappearing demographic dividend causing enhanced supply-side shocks, but also from the intensifying combination of supply and demand-side shocks. Moreover, the constraints on demand are increasingly becoming the main challenges facing economic growth. Among the many tasks to cope with these overlapping shocks, promoting the fertility rate to return to the replacement and expected levels is undoubtedly a long-term task requiring historical patience. However, given that this task also aligns with the goal of promoting common prosperity and can improve people’s livelihoods and stimulate consumer demand, it should be undertaken as soon as possible and pursued vigorously.
IV. Breaking the Fate of China’s Extremely Low Fertility Rate

Based on the above analysis, the following hypothetical judgments can be made and further verified:
1. International experience has shown that under very high levels of human development and gender equality, fertility rates tend to converge from very low levels to the replacement level of 2.1. 2. Chinese families still have varying degrees of unmet fertility desires, so there is unique potential for the fertility rate to rebound from its current extremely low level. 3. By focusing on improving the level of basic public services and promoting gender equality, creating a more agreeable balance between career and “Three Nurtures” (childbirth, child-rearing, and child education) both socially and within families, China’s total fertility rate is expected to recover. Based on these hypotheses, this article uses Figure 4 to illustrate the trade-offs Chinese families make between career development and the “Three Nurtures.”

![Figure 4. The Balance between Family Career Development and the “Three Nurtures”](image)

This article assumes the existence of an indifference curve $I_d$, which corresponds to having 2.1 children. Every point on this curve meets the desired fertility level and the family’s career development goals, and it can be called the “Desired Family Development Indifference Curve.” To achieve the family utility on this combination, families need to have corresponding time and income. Here, this condition is expressed as the family resource budget line $B_d$ and is called the “ Desired Family Budget Line.” The tangent point between $B_d$ and $I_d$ represents the ideal choice for family development that meets both career development and “Three Nurtures” expectations with the resources the family has. The “Desired Family Budget Line” usually includes professional achievements ensured by adequate social mobility, related income levels, a quality of life in line with societal standards, and social welfare matching the developmental stage.
If the actual resources a family can access are insufficient to meet the desired level of family
development, or if the family’s developmental capability is constrained by a budget line smaller than
$B_d$, such as the “Constrained Family Budget Line” (represented as $B$, in the graph), the family can only
match (be tangent to) an indifference curve smaller than $I_d$, or the “Constrained Family Indifference
Curve” $I_r$. This new choice space results in: First, the career development of family members,
especially working-age women, is hindered or at least does not fully meet personal expectations.
Second, the family’s income level is tight compared to reasonable expectations, resulting in a quality
of life that is less than satisfactory. Third, the actual number of children born is below the desired
level, meaning the real fertility desire under family resource constraints is lower than the ideal
fertility desire without budget constraints.

Unfortunately, the tightness of family budgets relative to the stage of economic development, which
constrains career development and reduces the willingness to give birth, resulting in obstacles to
family development, is not hypothetical. It is the unfortunate reality many Chinese families, especially
young couples, face. In a previous study, the author examined the labor income and unpaid labor
proportions of Chinese households during women’s reproductive ages (15-49) and peak reproductive
years (20-34). It was observed that neither male nor female workers reached their career status and
income peak throughout their prime reproductive years. At the same time, women’s time spent on
unpaid domestic work and caregiving activities has been increasing (Cai Fang, 2021c). This
aggregate situation, translated into the actual status of young families in real life, means they face
the tightest financial and time budgets, creating a difficult trade-off between career and the “Three
Nurtures.

Arguably, this condition is characteristic of a particular developmental stage, especially closely
related to a certain level of human development. Based on data from the United Nations Development
Programme (UNDP, 2020) and appropriate estimates, this article examines the labor participation
rate of women and the proportion of time spent on domestic labor, comparing China with other
countries and regions (Figure 5). Using 24 hours a day as a benchmark, Chinese women spend 11.1%
of their time on unpaid domestic labor, slightly below the arithmetic average of 12.5% for all
countries. However, the labor participation rate for Chinese women is as high as 60.5%, significantly
above the arithmetic average of 51.6%. Moreover, Chinese women spend 2.6 times more time on
domestic labor than men, indicating that their domestic labor burden is relatively heavy. This
combination of employment responsibility and domestic labor burden is undoubtedly a major reason
for the current low fertility rate in China.
Whether derived from existing international experiences or the current situation of balancing careers and the “Three Nurtures” in Chinese family development, we can conclude that China’s extremely low fertility rate is not predetermined. From Figure 4, by improving the level of human development, by moving the constrained family budget line to the desired family budget line level (moving from $B_r$ to $B_d$), reaching a higher level of utility satisfaction (raising the family indifference curve from $I_r$ to $I_d$), the fertility rate is expected to increase. However, according to international experience, enhancing human development is not merely about a composite human development index; it involves very specific conditions. For example, research by Myrskyla et al. (2011) shows that a sufficiently high Human Development Index combined with gender equality—ensuring the sufficiency of family resource budgets on the one hand and preventing discrimination against women in the trade-offs between career and the “Three Nurtures” on the other—constitutes a key driver for the rebound in fertility rates.

V. Conclusion and Policy Recommendations

The decline in China’s fertility rate is the result of rapid economic and social development during the reform and opening-up era and is in line with general trends. At the same time, the consequences of a low fertility rate and its resultant deepening aging population have constrained economic growth. “The person who tied the bell must be the one to untie it.” An appropriate resurgence of the fertility rate to replacement levels requires further socio-economic development. According to international experience, the socio-economic development level mentioned here is more aptly represented by the Human Development Index (HDI). As designed, theoretically defined, and statistically measured, the HDI inherently unifies economic growth and social development. In promoting this approach, social mobility and government-provided social welfare should be organically integrated.
Since the Reform and Opening-up, China’s human development has been built upon rapid socio-economic development, focusing on safeguarding and improving people’s livelihoods during development. On the one hand, the market plays a decisive role in resource allocation, emphasizing incentives and efficiency in primary distribution. On the other hand, the government plays a significant role, especially in redistribution, emphasizing fairness. This system and mechanism are consistent with the requirements for promoting shared prosperity and serve as practical measures to break the “fertility paradox.” However, just as economic growth cannot automatically resolve income distribution issues via the “trickle-down effect,” promoting fertility through human development will not happen naturally. Policies should closely address the real constraints Chinese families face to achieve tangible results.

The potential for China’s fertility rate to rebound is embedded in the following areas, and more targeted policy tools should be designed accordingly: 1. Among the factors that led to the decline in China’s fertility rate, there are both the regular driving forces of socio-economic development and the specific influence of the family planning policy. As policies continue to relax and supportive policies incentivize, the suppressed fertility desire will eventually be released. 2. China’s HDI has indeed risen quickly, reaching 0.765 in 2019, ranking among “high human development levels.” However, the fertility rate turnaround is still some way off. Typically, a rebound in fertility rates occurs when the HDI is between 0.80 and 0.85, which is in the “very high human development” category. 3. Alongside the general improvement in the HDI, it is crucial to focus on enhancing gender equality, which will create more direct conditions for reversing the declining fertility rate. China has a good foundation in this regard, but there is still a long way to go for further improvement.

The 19th Party Congress proposed continuous progress in ensuring that children are raised, students are educated, workers earn, the sick are treated, the elderly are cared for, everyone has a place to live, and the vulnerable are supported. These seven “provisions” are consistent with the direction of improving the HDI and providing more extensive coverage for basic public services for residents. In response to new challenges and demands of the new development phase, the tenth meeting of the Central Finance and Economics Commission emphasized promoting shared prosperity in high-quality development, striking a balance between efficiency and equity, and building a coordinated foundational system for primary, secondary, and tertiary distribution. In general, China has entered a phase of development where redistribution efforts are significantly increased, and the social welfare system is rapidly established. Specifically, China, under the unique condition of aging before becoming wealthy and having a very low fertility rate, has an urgent need to increase the level of basic public services and equalization, aiming to boost the fertility rate back to the desired level. As the most populous country, China has experienced the largest labor movement and demographic shift in human history and can also achieve the largest scale of fertility rate rebound.