

Why Can Guangdong Province Be Located First in China Regarding the Birth Population and Total GDP? - Analysis Based on Social Structure Change

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Abstract. Under the guidance of the three-child policy and the 14th Five-Year Plan, China's demographic and economic situations are changing. This paper takes Guangdong Province, which will rank first in China in terms of newborn population and GDP in 2022, as an example, and analyzes the reasons from the perspective of social structural transformation. The acceleration of urbanization has promoted the renewal of cities and attracted more population inflows. In terms of demographic structure, the increase in the proportion of young people proves that Guangdong Province has rich labor resources. In terms of group structure, the growth of the service sector has caused an increase in employee numbers, and the service industry has made significant contributions to Guangdong Province's economic development. The development of family units will increase the number of families, stimulate domestic demand, and promote economic development. On the other hand, the change in economic structure is conducive to Guangdong's economic development and attracting talent.

Keywords: Birth population; GDP; social structure change.

1. Introduction

In June 2021, the Chinese government began to officially implement the three-child policy, which means that the government allows a couple to have three children (more than three will be fined). According to 2022 statistics, the city of Guangdong Province had the highest number of newborns that year and was the only province with more than one million newborns. According to previous studies, some scholars believe that a high birth rate and a high rate of economic development cannot occur at the same time, and that a higher birth rate may hinder the rate of economic growth.

Guangdong Province has a high level of urbanization, with a growing urban population and an increasing urbanization rate. The demographic structure of Guangdong Province is characterized by a large youth population and abundant labor resources. In the group structure of Guangdong Province, the proportion of "knowledge" and "service" groups is increasing. In the family structure of Guangdong Province, the size of the urban family shows a trend of unitization and nucleation, and the family's independence is more significant. The economic structure of Guangdong Province is dominated by secondary and tertiary industries, with a strong emphasis on the development of new high-tech industries. The demand for talent is high, the potential for economic development is strong and the prospects for development are good.

In order to analyze the reasons why Guangdong Province maintains high population growth and high economic growth at the same time, this subsection will start from the perspective of social structure change. In section 3, the paper analyzes five aspects of social structure change, including urbanization, demographic structure, group structure, family structure, and economic structure.

2. Literature Review

According to the general theory, there is a negative relationship between the rate of economic development and the birth rate. The more economically developed a region is, the lower the birth rate is. In 2022, China's Guangdong Province will not only have the highest GDP in the country but also

the highest number of births. In terms of economic growth, Guangdong Province's relatively strong industrialization base and its manufacturing-based industrial structure have to some extent ensured the province's economic growth rate [1].

In terms of land concessions, Guangdong Province ranked fourth in China in terms of revenue from land concessions in 2022. Land concessions are a type of land finance policy in China. The government expropriates farmland at a low price and then leases it to real estate developers at a high price. The additional revenue generated by the land during the transfer process is the fiscal value added. Local governments can promote local economic growth through proper land transfer [2].

According to China's Seventh Population Census, Guangdong Province is the province with the largest foreign population in China. Faced with the expropriation of their farmland by the government, many farmers have migrated to the cities for work, becoming transients without urban citizenship. Guangdong's job market and housing market will be even hotter with the growing migrant population [2]. In recent years, many people have moved to big cities with their families. In addition to receiving migrant foreign workers, they also receive other family members of the workers, which is an important reason why Guangdong Province will have the largest foreign population and the largest newborn population in the country in 2022 [3].

Macro social perceptions affect micro individuals' employment choices, and reproductive choices [4]. Guangdong Province is deeply influenced by patriarchal thinking. The biased clan system and traditional concepts of childbearing have given some Chinese families a more serious preference for sons over daughters. Because of the over-emphasis on the devotion of boys to the family and the belief that men are better able to take care of the elders in the clan, some conservative families will continue to pursue the birth of boys [5].

In China, the spatial, economic, and social restructuring of both urban and rural areas will affect the economic development and population growth of the region [6]. The policies of industrial transfer and labor transfer implemented in Guangdong Province have facilitated the transformation of the industrial structure of Guangdong Province and optimized the labor force structure [7]. The urban economic structure of Guangdong Province is based on industrialization, with manufacturing as the mainstay. The occupational composition of workers in Guangdong Province is dominated by non-local citizens with an agricultural background. Therefore, the economic and industrial restructuring of Guangdong Province is bottom-up and led by the lower classes. In addition, the degree of industrialization and specialization is negatively correlated with the degree of class segregation that occurs during urban development [1].

3. Analytical Framework

3.1. GDP and Newborns of Guangdong in 2022

While Guangdong Province's total GDP remains the highest in the country, the number of newborns in 2022 is also the highest in China. This is perhaps contrary to the phenomenon that the higher the level of economic development in developed countries, the lower the number of newborns. Hongbin used data from 28 provinces in China and found that birth rates impede the level of economic growth [8].

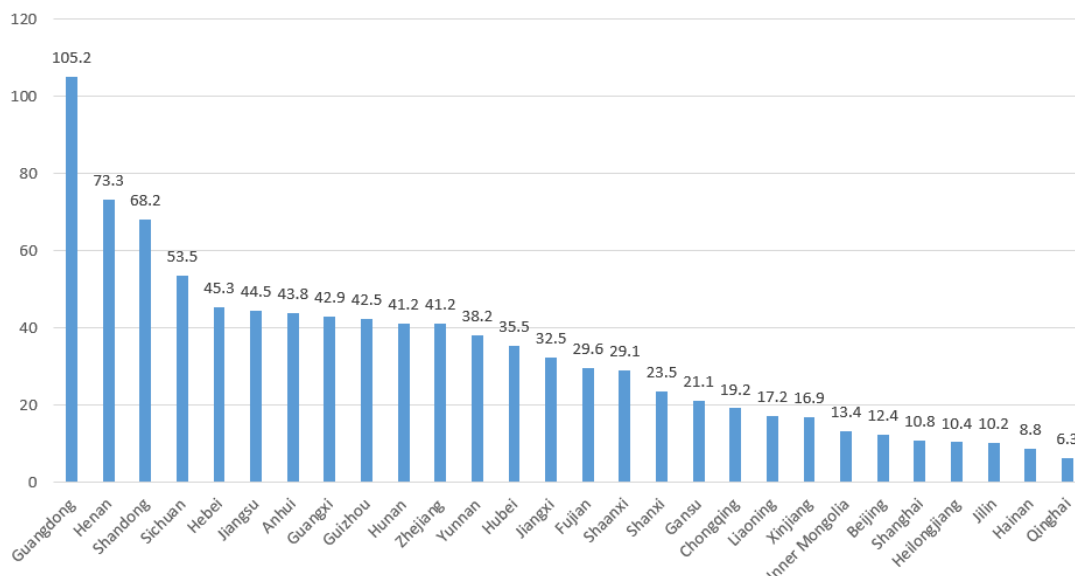


Fig. 1 Number of new births by province in 2022(in 10000) (Photo credit: Original)

Based on Figure 1, Guangdong Province is not only the province with the highest number of newborns in 2022, but it is also the only province with more than one million newborns.

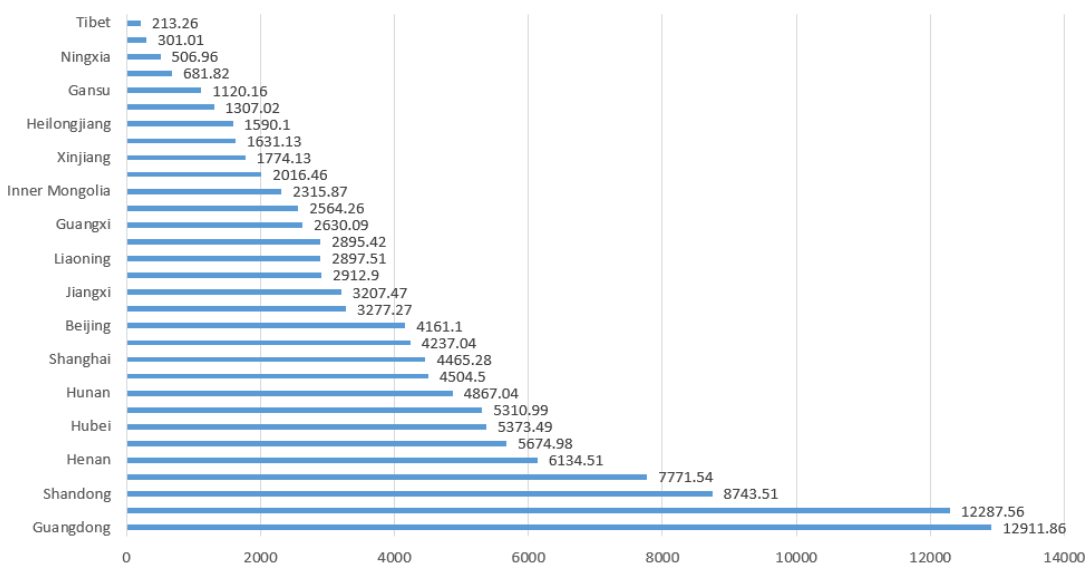


Fig. 2 Gross Domestic Product (GDP) of China in 2022 by province (in billion yuan) (Photo credit: Original)

According to Figure 2, the GDP of Guangdong Province ranked first in all of China in 2022, reaching 12,911.86 billion yuan.

By comprehensively comparing Figures 1 and 2 above, it is clear that Guangdong Province has reached first place in the country in terms of both the number of newborns and total GDP in 2022. To explain this phenomenon, which is contrary to previous studies, this paper will analyze Guangdong Province from five aspects of social structural transformation.

3.2. Explanations from Changes in Social Structure

To analyze the reasons for the high economic growth and population growth in Guangdong Province at the same time, this chapter will analyze the changes in the social structure of Guangdong Province from the perspective of social transformation. The social structural changes analyzed in this section include increased urbanization, demographic changes, group structural changes, family structural changes, and economic structural changes.

3.2.1 Increased urbanization

China's level of urbanization has increased, the urban population has grown, and the urbanization rate has risen year after year, resulting in a gradual increase in the proportion of the urban population and a gradual decrease in the proportion of the rural population.

In China, there is an urban-rural divide in both the household registration system and the land system. The variations in benefits encountered by urban and rural residents reflect the urban-rural split in the household registration system. People with different household registrations face different social security policies, medical policies, employment policies, education policies, and so on.

One of the phenomena of urbanization is the continuous flow of people from rural areas to cities and the increase in the permanent urban population. In addition to the wide coverage of welfare policies and easier living in urban areas, the loss of rural land for farmers is one of the reasons why many rural domiciles migrate to the cities (Wu et al., 2016). The urbanization of rural areas is divided into two main areas. On the one hand, there is the urbanization of the rural population and, on the other, the urbanization of rural land. The urbanization of the rural population, as mentioned earlier, refers mainly to the migration of the rural population to urban areas.

The precondition for the urbanization of rural land is that urban land has been fully developed. To continue to increase the level of urbanization and promote further urban development, cities need to expand into the surrounding rural areas. The transformation of rural land into urban land requires not only rational planning by government departments but also the approval of the owners of rural land (i.e., farmers who are registered in their villages). The successful acquisition of rural land by the government cannot be achieved without the authorization of the farmers.

There are three main scenarios faced by the rural household population: first, the rural household population actively chooses to move to urban areas and become permanent urban residents to enjoy more convenient urban conditions or benefits; second, the rural household population chooses to stay in their localities, and their household registrations automatically become urban household registrations after their rural land has been conquered and acquired and expanded to become urban; and third, the rural household population passively chooses to migrate to urban areas when faced with the situation of land expropriation.

As one of China's fastest urbanizing provinces with the highest level of urbanization, Guangdong Province has both a large urban resident population and a high urbanization rate. The cities in Guangdong Province have received a relatively large number of foreigners, and the size of the urban population in Guangdong Province has continued to expand, and the level of urbanization in Guangdong Province has also continued to grow.

More and more foreigners are working, settling and giving birth in Guangdong Province. An abundant labor force supports the economic development of Guangdong Province. As a result, Guangdong Province can ensure a more stable rate of economic growth. As the foreign population settles down and starts a family in Guangdong, their children stay in Guangdong to live and receive education. Therefore, the number of newborns in Guangdong Province is still considerable.

3.2.2 Demographic change

China's population structure is changing as a result of policy adjustments and social changes. The proportion of elderly people is increasing, the proportion of children and young people is decreasing, and the total population is growing slowly.

China's family planning strategy is a fundamental governmental policy. China's population policy as a whole has gone through four stages of development: the first stage was the stage of encouraging fertility (1949-1953), the second stage was the stage of policy change (1954-1959), the third stage was the stage of restricting fertility (1960-2014) and the fourth stage was the stage of gradually liberalizing fertility (2014-present). 2014-2015 saw the implementation of China's separate two-child policy. From 1 January 2016 to 31 May 2021, China implements a full two-child policy. From June 2021, China implements a three-child policy [9].

The population structure of Guangdong Province is characterized by “two low ends and a high middle”, which means that the proportion of children and the elderly population in the total population of Guangdong Province is low, and the youth population accounts for the majority of the resident population in Guangdong Province. This means that Guangdong Province has an adequate labor pool and talent pool.

Compared with other provinces, Guangdong Province has the advantage of having a very abundant labor force. Guangdong Province is located in the coastal area of southeastern China and has more convenient conditions for overseas exchanges. As a pilot innovative province, the demand for talents in Guangdong Province is relatively high.

3.2.3 Changes in group structure

The accelerated process of industrialization and urbanization has led to a decline in the relative weight of the “working class” and an increase in the weight of the emerging “knowledge” and “service” groups, resulting in a change in the social class structure. The social class structure has changed (shown in Table 1).

According to the Guangdong Provincial Bureau of Statistics, in 2022, the service industry above the scale in Guangdong Province realized an operating income of 4.47 trillion yuan, a year-on-year growth of 2.1 percent.

Table 1. Definition of above-scale service industry

Annual Revenue	≥20 million dollars	≥10 million dollars	≥5 million dollars
Categories	Transportation, storage and postal services	Leasing and business services	Residential services, repairs and other services
	Information transmission, software and information technology services	Scientific research and technical services	Culture, sports and recreation
	Water, environment and utilities management	Education	

In the first half of 2023, the economy of Guangdong Province continued to develop at a steady pace. Affected by the COVID-19 epidemic, the economic operation of Guangdong Province showed a rapid recovery of the service industry, pulling the province’s economic growth. From the perspective of the entire consumer market, residents’ willingness to consume has risen, and in the first half of the year, Guangdong’s total retail sales of social consumer goods amounted to 2.33 trillion yuan, up 7.4% year-on-year.

The operation of the contact aggregation service industry continued to improve, with freight traffic increasing by 3.6% and passenger traffic increasing by 68.5%, and the growth rate increasing by 2.6 and 20.1 percentage points respectively; the value-added of the transportation, warehousing and postal industry increased by 6.9%, and the growth rate increased by 6.3 percentage points.

The rapid development of the service industry in Guangdong Province is related to its geographical location, market orientation and the consumption habits of the local people. Guangdong Province is one of the main hubs connecting the domestic and international markets, with frequent domestic and international exchanges.

In short, the employment group absorbed by the tertiary sector is mainly the youth labor force. Compared with the middle-aged and the elderly this part of the labor force is not only the main force of economic development, but also the main driving force of population growth.

3.2.4 Changes in family structure

The family structure is also changing, with the size of urban families gradually shrinking and a clear trend towards unitization and nucleation of the family.

The reduction in family size means that once large families are gradually split into smaller ones, and the number of small-sized families continues to increase. As Guangdong Province is home to a large number of foreigners, these people will also increase the number of families in Guangdong Province as they form families and give birth to children there. The increase in the number of families will boost domestic demand and consumption, which will be conducive to economic growth.

One of the manifestations of the nuclearization of the family is a significant increase in the status of children in the family and a more equal parent-child relationship. As a result, there are more opportunities for children to participate in household consumption, and the structure of household consumption changes. Increased consumption by nuclear families will raise the level of household consumption, boosting domestic demand and reducing dependence on exports to some extent [10].

As the number of foreigners increases, the number of people forming families in Guangdong will also increase. The increase in the number of families will boost domestic demand and consumption, which will be conducive to economic growth. How to ensure sustainable economic development under the trend of unitization and nucleation of the family is a direction for future in-depth research.

3.2.5 Changes in economic structure

China's economy has transformed from a planned economy to a market economy, and its economic structure has undergone profound changes, including urban-rural economic differences, industrial structure changes, and labor market changes.

During the "14th Five-Year Plan" period, Guangdong Province has put forward an industrial layout with a high starting point for the development of strategic pillar enterprises, strategic emerging industries and future industries. The industrial structure of Guangdong Province is dominated by secondary and tertiary industries, and the spatial layout of industries has formed a new regional development pattern of "one core, one belt and one region".

Guangdong Province ranks first in the country in terms of added value and number of enterprises in the above-scale manufacturing industry, and has formed seven industrial clusters with output value exceeding one trillion yuan, such as new-generation electronic information, green petrochemicals and intelligent home appliances, and the output of some products, such as home appliances and electronic information, is the first in the world. Innovation ranks the top level, and regional innovation comprehensive ability maintains national first for four consecutive years.

The industrial development of Guangdong Province cannot be separated from innovation and, therefore, cannot be separated from the investment of talents. Attracting talents on a large scale by virtue of emerging industries and introducing various welfare policies to retain talents are the reasons why Guangdong Province has a large foreign population. From keeping one person to keeping a family, this is the reason why Guangdong Province has a large number of newborn populations. With the input of talents, the development speed of high-tech industries will continue to increase.

Therefore, economic restructuring and changes in industrial structure are a mutually reinforcing process with population growth and economic development. An optimized industrial structure will attract more talents, and in a way, retaining talents is also retaining the source of economic development. As to how to set up a more robust policy on the admission of talents, this is a direction that needs to be studied in depth in the future.

4. Limitation and Outlook

The shortcomings of this article consist of two main points. The first point is the lack of relevant data. Since the three-child policy is officially implemented from June 1, 2021, the relevant data is not extensive and in-depth at present. The second point is that this article does not use quantitative analysis methods. The research method of this paper mainly uses text analysis method. If more detailed data and modeling methods are available, a combination of qualitative and quantitative research should be used for in-depth exploration in the future.

For future research, this paper proposes three outlooks. First, to continuously collect data and utilize a combination of qualitative and quantitative research. Second, to explore how sustainable

economic development can be realized in the context of the development trend of small-scale households. Third, to study how to improve the policy of talent introduction in Guangdong Province and how to better retain talents as well as their families.

5. Conclusion

This paper argues that Guangdong Province's population growth and economic growth, both of which are at the top of the country, are closely related to changes in the social structure of Guangdong Province. Increased urbanization has contributed to the renewal of cities and attracted more people to the area. In the population structure, the increasing proportion of young people proves that Guangdong Province has abundant labor resources. In the group structure, the development of the service industry has led to an increase in the number of employees, and the service industry has significantly contributed to the economic development of Guangdong Province. The development of family unitization will increase the number of families, boost domestic demand and promote the economy. Changes in the economic structure, on the other hand, are conducive to the economic development of Guangdong Province and to the attraction of talents.

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