Chinese Population Change and Economic Development in a Hundred-Year: Past, Current, and Future

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Abstract. Population is a key factor which influences economic development for a region or a country. The change of maternity policies must cause internal change to the social economic status. This comprehensive essay introduces how the Chinese population changed based on its different periods of maternity policies over a hundred years. At the same time, this essay has a deep analysis of the correlations and implications between Chinese population change based on its birth rate and economic development in a hundred years. The main findings reveal a significant correlation between the evolution of China's maternity policies and its economic development trajectory. The essay's thesis argues that strategic adjustments in population policies have been pivotal in shaping China's economic landscape, impacting labor markets, urbanization, and social welfare systems. Based on the analysis of maternity policies in different periods and discussions on theories about population change and economic development, this essay provides multi-dimensional policy suggestions. These include enhancing support mechanisms for families, promoting gender equality in the workforce, investing in human capital, and adjusting immigration policies to ensure a balanced and sustainable demographic and economic future. These suggestions aim to offer a comprehensive strategy under the complex situation of population growth and economic development in the future, navigating China towards a sustainable economic model that harmonizes demographic changes with economic demands.

Keywords: Population change, Maternity policies, Macroeconomic, Economic development.

1. Introduction

The relationship between population dynamics and economic growth has long been closely studied in the disciplines of economic studies and demography. China offers a unique perspective on these relationships because of its long and varied history of birth control. According to the National Bureau of Statistics of China, China's GDP expanded at an unparalleled average yearly pace of almost 9.5% between 1979 and 2019, making the country the second-largest economy in the world [1]. The narrative around economic growth is intricately linked to the demographic changes brought about by birth policies enforced by the government. The demographic dividend—a higher percentage of the population in working age—has played a major role in China's explosive economic growth. This article will examine in detail how China's population has changed over the past century due to changes in government birth laws and how those changes have impacted the country's economic landscape.
Fig. 1. Gross domestic product (GDP) at current prices in China from 1985 to 2022 with forecasts until 2028 (in billion U.S. dollars)

Photo credit: Statistic

Fig. 1. Clear that China's GDP has experienced substantial growth over the time period displayed. The graph shows a relatively flat trend in the early years, followed by a sharp and consistent upward trajectory starting in the early 1990s. This reflects China's rapid economic expansion during this period.

Every stage of policy adjustment, from China's predominately agrarian beginnings in the early 20th century to the profound transformations brought about by the Communist revolution, the implementation and eventual relaxation of the one-child policy, and the current phase of efforts to revive a declining birth rate, has been indicative of the government's attempts to maximize economic outcomes in the face of demographic realities. The birth strategy has significantly altered the population's composition, as noted by Feeney and Wang. These changes have presented new difficulties for China's social services and economic planning [2]. As White argued, state-regulated childbearing will probably continue to be a cornerstone of China's demographic plan, even in the event that policy details alter [3]. This paper explores the complex relationships that exist between population changes throughout this time, particularly those resulting from changes in birth rates, and economic development. It looks at how population size and composition affect labor markets, industrialization, urbanization, social welfare systems, and other economic factors both directly and indirectly.

Fig. 2. Total population of China from 1980 to 2023 with forecasts until 2028 (in millions)

Photo credit: Statistic
Fig.2. illustrates a gradual increase in the population of China from 1980 until it starts to plateau around the year 2020. The forecasted population numbers, indicated by the data points with an asterisk (*), suggest that the population is expected to either stabilize or grow very slowly from 2023 to 2028.

Furthermore, this research goes beyond historical and contemporary patterns, speculating about potential conflicts resulting from continuous population changes and economic pressures. Mason's research is grounded on an abundance of empirical data, and he gives particular emphasis to the dynamic interplay between changes in the population and economic expansion [4]. This essay seeks to analyze and comprehend the intricate relationships between population policies and economic growth via the prism of numerous theoretical frameworks, such as the Malthusian theory, the demographic transition theory, and contemporary economic theories on human capital and sustainable development.

In the end, this paper suggests a diverse approach to deal with the expected difficulties in navigating these complex dynamics. This is not only a reactive approach; rather, it is intended to prevent conflicts between economic development and demographic shifts in advance, guaranteeing China's future on a sustainable and balanced course. This introduction lays the groundwork for a thorough explanation of China's demographic transition, its implications for the economy, and prospective recommendations that might direct strategic planning and policy in the face of unpredictable demographic and economic prospects.


China's birth policies have changed during the last century, especially from the 1970s to the present, and this has had a big impact on the country's demographic makeup and, therefore, its economic growth. This section examines the economic ramifications of China's birth policies during three distinct periods: the planned birth policy period, the implementation of the two-child policy, and the adoption of the third-child policy.


During the planned birth policy period, which was defined by the implementation of the one-child policy in 1979, the Chinese government made significant interventions to manage its fast rising population. Concerns over the potential harm that population increase may bring to resources and the economy led to the implementation of this law. The government put strict measures in place to ensure compliance, including prizes for collaboration and penalties for noncompliance. Due to a substantial decline in fertility rates, China's demographics were significantly altered by the one-child policy. A combination of administrative processes and incentives were used in its implementation [5]. As a result, China experienced a dramatic decline in the birthrate, which reduced the nation's dependency ratio and created a demographic dividend. "Demographic Dividend" is a term used to characterize the potential for economic growth that results from changes in a population's age distribution, especially when the proportion of working-age individuals (15–64) is higher than that of non-working-age individuals (14 and younger, and 65 and older). China's one-child policy, which produced an opening for quicker economic growth, was a major factor in this shift [6].

Strict birth control regulations can also change the population in ways that have a big effect on the economy. Increasing the size and quality of the labor pool is one such effect that draws in foreign investment [7]. Due to this demographic dividend—which puts a larger proportion of the population in the working age group—China's economy prospered in the late 20th and early 21st centuries. The manufacturing sector, which at the time was the primary driver of China's export-led development, benefited greatly from the large labor pool.
2.2. Two-Child Policy (2000s - 2023s)

China’s one-child policy and aging population posed serious challenges to the country’s economic sustainability in the 2000s. The two-child policy was implemented to address the problems of an aging population and a shrinking workforce, but it hasn’t had the anticipated quick impact on reversing these trends due to changing societal standards and the high cost of raising children [8]. The government relaxed the one-child restriction in 2015, allowing families to have two children. Reducing the impact of impending demographic challenges, such as the weight of an aging population and the decline in the workforce, was the aim of this policy move. Wang et al. stated that a two-child policy was put into place in 2015 to address the demographic problems brought on by an aging population and a declining workforce. However, social and financial factors still influence family planning decisions, therefore the predicted baby boom has not materialized [9]. A sustainable labor force was necessary to assure continued economic growth and innovation, and one of the objectives of the two-child policy was population control. Nonetheless, increased living costs and changing societal views on motherhood and family life prevented the anticipated increase in birth rates. This policy move was intended to increase the labor market, but because eligible families took their time to accept it, its immediate impacts were limited. The two-child policy was designed to counteract some of the negative demographic trends resulting from the one-child policy, such as the aging population and shrinking labor force, but Bastern et al. found that economic factors and shifting cultural norms surrounding family and childrearing have lessened the policy’s effectiveness [10].

2.3. Third Child Policy (2023s-Present)

In 2023, China enacted the third-child policy in an attempt to alleviate the nation’s ongoing demographic problems and increase the participation of its senior citizens. Given the imperative to tackle the declining birth rate and its enduring implications for economic expansion, this approach represents a significant shift in the government’s population management methodology. The strategy is accompanied with programs aimed at reducing the financial burden of having children, such as longer maternity leave, tax breaks, and healthcare and educational subsidies. The third-child policy is an example of how the government has taken the initiative to improve economic sustainability by changing its demographic objectives.

Fig. 3. Age distribution in China from 2013 to 2023

Photo credit: Statistic

Fig. 3. shows a trend which indicates an aging population in China, with a growing proportion of elderly people and a shrinking base of the youngest age group, which can have significant social and economic implications.

The long-term economic impact of this policy will depend on how well it encourages higher birth rates and how well-equipped the government is to deal with the issues brought on by an older population. This policy change highlights a major change in China’s approach to population control.
and is indicative of a larger plan to revitalize the nation's demographic profile. Li and Zhang provide a basic examination of the population growth-promoting potential of the third-child policy. They contend that although the policy is a proactive step toward addressing demographic imbalances, the removal of socioeconomic obstacles that prevent families from growing is necessary for it to be successful [11]. This realization is essential for emphasizing the intricate interactions that exist in modern China between family decision-making processes and policy incentives.

3. Discussion and Suggestion

The difficult problem that goes beyond simple modifications in population control methods is shown by the delicate link between demographic transitions and economic development in China, which has been greatly affected by the evolution of the country's birth regulations. The shift from the one-child policy to the three-child policy signifies a calculated move to lessen the negative impact of an aging population and a declining labor force on the country's economic health. The anticipated rise in birth rates has not materialized despite these legislative changes, suggesting that deeper socio-economic and cultural variables are at work. Here are some multifaceted strategies to deal with these issues.

First of all, it is critical to put improved support mechanisms into place. Even if tax breaks, longer maternity leaves, and educational subsidies are positive steps, they need to be a part of a larger package of policies aimed at removing the financial obstacles to growing families. This includes housing subsidies designed to accommodate bigger families and the availability of inexpensive childcare facilities, in addition to work-life balance-promoting laws that allow for flexible work schedules. In addition to promoting increased birth rates, these policies would enhance family well-being and provide a more solid demographic base for future economic growth.

Meanwhile, China should start national public education and awareness initiatives like Singapore's "Have Three or More (if you can afford it)" campaign to alter social norms and beliefs on family size and childrearing. These campaigns might make use of a variety of media channels to disseminate information and anecdotes that highlight the advantages of bigger families, such as the happiness that comes with having siblings grow up together and the advantages of having a wider support system. Furthermore, promoting families of different sizes at public gatherings and through official acknowledgement might aid in normalizing and elevating the concept of family growth. Changing public opinions can also be achieved by collaborating with celebrities and influencers who support bigger families.

On the other hand, China could take a cue from Sweden's gender equality laws, which provide generous paid time off for both mother and father, flexible work schedules, and subsidized child care, in order to promote female involvement in the workforce. It would be simpler for women to manage their careers and families if laws requiring equal pay for equal labor and state-sponsored childcare facilities were implemented. Examples of these policies. Developing mentoring programs for women in traditionally male-dominated sectors may also aid in breaking down barriers and inspire more women to choose these fields as career paths.

Also, building additional senior care facilities and providing geriatric medicine training to medical professionals are two possible ways to invest in healthcare infrastructure to accommodate the aging population. Encouraging community-based care, like to Japan's long-term care insurance scheme, may enable senior citizens to receive the assistance they require while continuing to live in their neighborhoods. Encouraging the private sector to participate in senior care services through tax breaks and public-private partnerships may contribute to the improvement and diversification of the available care alternatives.

Moreover, a gradual easing of immigration regulations may draw inspiration from Canada's points-based immigration scheme, which gives preference to young, economically capable individuals and skilled laborers. In addition to addressing labor shortages, the establishment of "innovation hubs" that draw in top people from across the world for research, technology, and education might benefit
China's economy by introducing fresh concepts and skill sets. Streamlining the visa application process and giving highly qualified immigrants clear routes to citizenship and permanent residency might possibly draw in more foreign talent.

Finally, formal education and vocational training must be given equal attention when making investments in human capital. Similar to Germany's dual system, which combines apprenticeships at a firm with vocational education at a vocational school in a single course, China might increase its vocational education and training (VET) programs. This strategy facilitates young people's seamless entry into the workforce. The workforce would remain competitive in a fast evolving global economy if STEM (science, technology, engineering, and mathematics) education were improved from an early age and adult learners were encouraged to continue studying and upgrade their skills through online courses and evening programs.

4. Conclusion

This article began a thorough investigation of the relationship that has developed over the past century between China's economic progress and demographic shifts. It explored how different maternity policies—from the strict one-child policy that was implemented in 1979 to the more recent implementation of the third-child policy—have generated complex relationships. The study demonstrated the significant influence of these measures on China's demographic makeup and subsequent economic development, emphasizing the critical role that population dynamics play in determining the country's economic outcomes. The main goal of this study was to examine the ways that China's economic environment and population structure have been impacted by various maternity policy periods. The goal was to present a comprehensive knowledge of the relationships and consequences between changes in the population—especially those brought about by birth rates—and economic development. Through this research, the study hopes to contribute to a strategic strategy for navigating China's future demographic and economic issues by providing multifaceted recommendations to manage possible conflicts stemming from changes in the country's population and economic development.

At the same time, the crucial awareness that demographic measures by themselves are unable to stop the trends of an older population and falling birth rates is at the center of this article's primary conclusions. The study made clear how important it is to address more general socioeconomic and cultural issues that affect choices about family growth. It put up a multifaceted plan that included expanded assistance programs, cultural changes, gender parity in the workforce, all-inclusive senior care, relaxed immigration laws, and large expenditures in human resources. These fundamental concepts highlight the need for comprehensive solutions that go beyond simple changes to birth regulations in order to address China's demographic and economic problems.

Future studies have to concentrate on several crucial domains to provide additional clarity on the intricate correlation between China's economic progress and demographic shifts. First off, real-time empirical research evaluating the third-child policy's efficacy and that of related assistance programs would shed light on how these policies affect economic indicators and birth rates. Furthermore, China and other nations facing comparable demographic difficulties should benefit from comparative evaluations that provide insights into best practices and creative policy solutions. The long-term economic effects of an aging population might also be studied, with an emphasis on viable models for senior care and how they fit into the larger economy. Additionally, research on the financial obstacles to growing a family, such as work-life balance, affordable housing, and easy access to daycare, may provide insight into the underlying causes of variations in birth rates. Finally, a thorough examination of how innovation and technology might help address demographic issues and promote economic expansion during a period of population reduction is necessary. By pursuing these varied study paths, academics may enhance the overall comprehension of the tactics needed to manage China's demographic shift and maintain its economic growth trajectory.
References


