

The Chinese Population Implosion: An Unparalleled Demographic Challenge with Global Consequences

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HARVARD Kennedy School

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About the Paper

In late May, the Politburo of the Chinese Communist Party (CCP) announced that couples would be allowed to have three children. As late as 2015, CCP finally gave up its draconic one-child policy, in force since 1979, for a two-child policy, but the number of births soon kept falling. In spite of the two-child policy the fertility rate has in the last few years actually fallen to just 1.3, well below 2.1 births per woman, the level required to maintain a stable population.

The Party is experiencing the recoil effect of its biopolitics. At the turn of the century, China's population, according to *UN World Population Prospects* (2019) medium variant, will have fallen to just over 1 billion. The population in 55 countries is expected to decrease during the next few decades, but no other country, with the exception of Iran, has undergone such a rapid and compressed demographic transformation as China, with a rapidly aging population and a diminishing labor supply. The causes are deep-rooted, beyond just launching a three-child policy. The one-child policy also had a tragic impact on the nation's gender ratio, resulting in an extreme predominance in birth rates for boys and tens of millions of "missing women." Technological developments with robots and AI will dramatically reduce the effects of China's declining supply of labor but it seems clear is that the country is facing unique demographic challenges, with global consequences. The shadow that China is casting is growing in complexity!

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In late May 2021, the Politburo of the Chinese Communist Party (CCP) announced that they would allow couples to have up to three children. The new policy was intended to “actively address the aging population and maintain China’s natural advantages in human resources.” The CCP finally gave up its draconic one-child policy, introduced in 1979, just five years ago. However, the new two-child policy introduced in its place failed to stop the country’s falling birth rate.

In the preceding weeks, media outlets around the world reported on China’s declining population growth. Specifically, they focused on the recent controversy concerning the results of China’s 2020 census. Census takers completed the census in November 2020, and results were expected in April. However, on April 27, the *Financial Times* reported that the census showed that China’s population had fallen below 1.4 billion, shocking officials in Beijing. The party-loyal *Global Times* denied the claims, stating that it was a matter of a statistical mistake.

On May 11, the results were published, putting the country’s official population count at 1.412 billion. While it had not fallen below 1.4 billion as previously reported, the number of births had fallen for the fourth year in a row. In 2020, 2.65 million fewer children were born than in 2019 (an 18 percent decrease). It was the lowest number of births since 1961, a year of mass starvation as a result of Mao Zedong’s “Great Leap Forward.” As a result, the CCP faced a dilemma: how to reconcile their recently adjusted two-child policy with such low numbers.

But why is China’s population size generating so many headlines? It has long been clear that China’s fertility rate is well below 2.1 births per woman, the level required to maintain a stable population, and that the country’s population will decrease in the coming decades in an unprecedented way. According to the medium-variant projection from *UN World Population Prospects* (2019), China’s population will have fallen to just over 1 billion by the turn of the century, a decrease greater than the current size of the US population.

It is now clear that the 2016 implementation of a two-child policy did not have the intended effects. Consequently, China’s inevitable population decline will begin earlier than expected. Despite the two-child policy, China’s fertility rate has fallen to just 1.3 in the last few years. The causes are deep-rooted, and reversing the trend will require solutions beyond simply launching a three-child policy. The CCP is experiencing the recoil effect of its biopolitics.

Chinese Biopolitics

In 1949, when the People’s Republic of China was formed, the population numbered 540 million. At that time, women gave birth to an average of just over six children. However, due to a very high mortality rate, the population grew by only 1.6 percent each year. There was no population policy in the form of family planning or other measures to influence population development.

All that would change with the revolution. With Mao Zedong, China began to develop what Susan Greenhalgh and Edwin Winkler have called “Leninist biopolitics” (*Governing China’s Population: From Leninist to Neoliberal Biopolitics*, 2005). Having children was no longer just an issue for the family; it was part of a national population policy. Because a larger population would make the nation stronger and more resilient to external threats, Mao had a basically positive view of population growth. Human reproduction was just another form of production. Therefore, the party-state established the idea of interventions to regulate population development. The choice of a life partner, too, was no longer a private matter. The party had to have its say.

With the exception of the years during the Great Leap Forward (1958 to 1961), birth rates remained high and the population grew faster as mortality was reduced. As early as 1965, mortality rates fell by half due to profound structural changes and various mass campaigns and programs, such as the

“patriotic health campaigns,” vaccinations, and literacy drives. As a result, the population grew by more than 2 percent per year.

Mao was not driven by any love for the traditional family. Rather, the family was seen as a competitor to the collective. For the sake of the nation, families should be big but not strong. This thinking reached its climax during the Great Leap Forward, when collective dining halls replaced households.

In the early 1970s, however, China’s population soared to nearly 900 million. It continued to climb, and Chinese leadership began to see the rapid growth as a problem. The grain shortage also made Mao rethink his initial stance. It became clear that the radically reduced mortality rate required lower birth rates.

In 1973, the government launched a campaign known as “wan xi shao (later, sparser, fewer),” encouraging later marriages, longer intervals between children, and fewer children. At that time, the average woman gave birth to just under six children. As early as 1978, that number had been reduced to fewer than three, and by the end of the decade, it had dropped to 2.7 births per woman. Despite this decline, the population was still growing rapidly due to a greatly reduced mortality rate compared to before the revolution. While this led to a period of dramatic demographic transition, China was moving towards birth rates that were better adapted to these lower death rates (i.e., an average of two children per woman).

However, Deng Xiaoping, who took the helm two years after Mao’s death, wanted to go even further. As part of his modernization policy, China launched its “one-child policy” in 1979, perhaps the most drastic national population program the world has ever seen. The previous path of gradually lowering the birth rate was abandoned.

As part of the modernization of China, Deng wanted to radically reduce population growth and invest heavily in improving the quality of the population. In January 1981, he issued order no. 1, which stated that cadres could use legal, administrative, and financial means to persuade families to have only one child. Deng explained in a series of speeches that the one-child policy was a prerequisite for China to be able to “catch up” with the outside world.

Deng did not specify methods but deferred to scientists and statisticians. The one-child policy was largely a product of his Social Darwinist view of what was needed to lift China. Ultimately, the policy developed into what Susan Greenhalgh described as “totalistic demographic engineering” (*Just One Child: Science and Policy in Deng’s China*, 2008). Science legitimized a policy that responded to the notion that China simply had too many people who were too far behind; there was no time to lose. In his deeply critical social satire “Frog,” published in English in 2015, Nobel Laureate Mo Yan depicts the tragic effects of the policy on society and the individual. He writes about desperate families, forced abortions, and the guilt of those who must enforce the policy.

Under Deng, giving birth required a birth permit. After the first birth, the insertion of an IUD became mandatory. For families with two or more children, the government required sterilization; pregnancies without a permit led to forced abortions. In 1983, the total number of reported abortions was 14 million. The will of the individual meant nothing.

People reacted particularly strongly to these policies in rural areas and, beginning in 1984, some modifications were made. Rural families were allowed to have a second child if the first was a girl. Furthermore, more liberal rules applied to minority families, who were allowed three to four children, depending on the size of the minority group. No restrictions applied to Tibetans. Today, these rules are still in place. However, they do not apply to the Uighur women in Xinjiang. Instead, they are forced to have fewer children.

Despite these massive efforts, China’s actual fertility rate was never the lowest in the world and never 1.0. But the degree of coercion and the consequences on gender distribution—the gender ratio—were probably unparalleled. The policy was successful in a sense reminiscent of Orwell’s dystopias.

The Missing Women

In addition to leading to widespread forced abortions and sterilizations, China's one-child policy has had a tragic impact on the nation's gender ratio, resulting in an extreme predominance in birth rates for boys. This profound gender inequality has become known as "the missing women" or "the missing girls."

In 1990, Nobel Laureate Amartya Sen published an article in the *New York Review of Books* entitled, "More Than 100 Million Women Are Missing." The article drew the world's attention to the high ratio of men to women in a number of developing countries. Sen concluded that these women were missing because they were seen and treated as less valuable than men. In China and India, countries with a strong preference for boys, the deficit was greatest. According to Sen's estimate at the time, 50 million women were missing in China. Coupled with a deep-rooted cultural preference for boys, the one-child policy had led to a vast gender imbalance.

The expected gender ratio at birth is 103 to 106 boys per 100 girls. In China, the number of boys born has traditionally been significantly higher than that. The proportions became increasingly abnormal when the one-child policy was launched and accelerated when it became possible to determine the sex of a fetus with an ultrasound. In the early 1980s, when ultrasound equipment became commonplace in the Western world as an instrument for prenatal diagnosis, China began manufacturing such equipment on a large scale. While non-medical sex determination and sex-selective abortions had long been banned, they actually remained commonplace and an important source of income for people in the healthcare system. Even today, it is estimated that 111 boys are born for every 100 girls in China, with even greater disparities for the second child, especially in rural areas.

The One-Child Culture: A Demographic Dead End

The one-child policy was not a family-planning policy but a bio-policy. While it succeeded in radically slowing population growth, the country moved closer and closer to a demographic dead end. Starting nearly 20 years ago, some researchers and experts at Chinese universities and think tanks began to discuss the serious demographic consequences of low birth rates, referencing countries like Japan. They argued that the one-child policy should be abandoned or revised. Then, in 2004, a group of leading researchers petitioned to change the country's population policy. Many other petitions followed. In June 2012, a group of researchers released a highly publicized open letter urging Chinese leadership to reconsider the policy. In its current form, they argued, it was incompatible with basic human rights and sustainable economic development.

Over the years, the policy has undergone numerous modifications. In 2015, the policy was finally explicitly abandoned, but the government never admitted to any previous wrongdoing. After all, the party was never wrong. At that time, they established the two-child policy.

Early on, the impact of the change to a two-child policy was smaller than expected. The country's National Health and Family Planning Commission said that the 2016 increase met expectations, but population experts sounded the alarm and urged the government to take further measures to stimulate childbirth.

The combination of a low, and declining, proportion of fertile women and a fertility rate as low as 1.3 children per woman, despite the new population policy, has inevitably led to a declining population. Especially in large cities like Shanghai, a "one-child culture" has emerged, determined by decades of a one-child policy as well as the conditions of urban life in terms of lifestyle, work, and housing and childcare costs.

Global Population Drama

Global population development is characterized by three trends: continued rapid but declining population growth, a drastic change in different continents' share of the world population, and a dramatically aging population. According to 2019 UN forecasts, the world's total population is expected to increase from just under 8 billion today to almost 11 billion at the turn of the century. By 2050, it will reach 10 billion, though the population in 55 countries is expected to decrease by at least 1 percent; in 26 of those countries, it is expected to decrease by 10 percent or more.

At the same time, experts estimate that more than half of the 2-billion-person global increase will take place in Africa, leading to growing migration out of the continent. According to the same forecasts, Europe is the only continent where the population will decrease in absolute terms. In 1950, three European countries (Germany, Great Britain, and Italy), along with the Soviet Union, were among the most populous in the world. Today, there are none except Russia.

East Asia is experiencing what has been described as a “demographic headwind.” Across the entire region, population is expected to decrease, leading to great concern about the growing elderly population. Japan is the most dramatic example of this demographic shift. In 2005, it became the first modern industrial nation whose population declined for reasons other than war, natural disasters, or epidemic diseases. For many years, the birth rate has been far below the requirement for a stable population; at its lowest, the total fertility rate was below 1.3 children per woman. Japan's population is estimated to decrease from 126 million in 2020 to 75 million by 2100, a decrease of one-third. As a result, the country is an example of “hyper-aging.” Today, close to 30 percent of Japanese are 65 or older, with those 75 or older accounting for more than half of that population segment. Fertility levels are even lower in Taiwan, South Korea, and Hong Kong.

In the long term, the proportion of the working-age population (age 15 to 64) in different countries will look radically different than today. According to UN forecasts, Nigeria will have over 700 million inhabitants and almost as many working-age adults as China by 2100. In India, that number is estimated to be as much as 50 percent higher than in these two countries. By 2050, there will be more people on the planet aged 65 or older than children under 15 years old.

According to the new Chinese census, the nation is now home to 264 million people aged 60 or older—almost a fifth of the population—slightly more than 5 percent higher than in 2010. That proportion is expected to increase dramatically going forward.

Challenges for China—and Beyond

China is facing two enormous challenges: a rapidly aging population and a diminishing labor supply. For a long time, China has had the advantage of a young population; it has enjoyed what international literature calls “the population dividend.” That era is over for China, while it continues apace in India. According to China's National Committee on Aging, people over 60 years old will number over half a billion by 2053. Aging is becoming a hallmark of a national condition, resulting in countries with inverted population pyramids.

No other country, with the exception of Iran, has undergone such a rapid and compressed demographic transformation as China, and many observers believe that population development is China's biggest single challenge. Further liberalization of the country's population policy is a necessity, but comprehensive social reforms are needed to reverse current trends. To start, the national retirement age must be raised from today's low levels of 60 for men and 55 for women. But even if this happens, the country's underfunded and fragmented pension system will be exposed to enormous strains.

In the words of Gideon Rachman of the *Financial Times*, “The old maxim ‘demography is destiny’ no longer holds in the same way that it used to.” It’s true that technological developments with robots and AI will dramatically reduce the effects of China’s declining supply of labor, but other challenges remain. In their newly released book, *The Great Demographic Reversal*, Charles Goodhart and Manoj Pradhan add another dimension to the drama. They focus on the coming reversal of China’s contribution to global disinflation over the last 35 years, as it faces a sharp decline in those entering the labor force and internal migration from farming to manufacturing.

The country is facing unique demographic challenges, which will have global consequences. The shadow that China is casting is growing in complexity!

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