Two Little, Too Late
China's One Child Policy and Population Collapse

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Salvatore Babones

Experts have warned for years that China will get old before it gets rich, yet the Chinese government has persisted in enforcing extreme forms of population control that seriously violate international human rights norms. The result has been a confluence of perverse demographic outcomes, including widespread sex-selective abortion.

No one knows why China retained the one-child policy long after it became clear that the nation’s birth rate was closer to being dangerously low than dangerously high. Perhaps it was the natural knee-jerk conservatism of a bureaucratic, authoritarian state; old habits die hard. When China did finally relax its one-child policy in 2013, official media confidently predicted that the state could “maneuver” its fertility rate to its desired level of 1.8 children per woman. The anticipated baby boom did not materialize. Even now that China has announced a two-child policy, Beijing has not abandoned its fertility control efforts: each family will still be limited to two, and even this upward revision will not come into effect until March 2016. And Chinese officials have warned people not to start having additional babies just yet.

That’s strange behavior for a government that is desperate to defuse a ticking demographic time bomb. China’s working age population will fall by nearly 53 million people—more than five percent—between 2015 and 2030, according to projections from the U.S. Census Bureau. Any two-child births starting in March 2016 will not impact the Chinese workforce until after 2030. And by then, things look much worse regardless. If the new policies do not boost fertility, China’s working age population will fall by another 20 percent between 2030 and 2050. China’s dependency ratio (the ratio of children and elderly to working-age adults) will soar to developed-country levels, but the country will remain far below developed-country income levels.

SEEING THE FULL PICTURE

The full demographic picture is even worse than these statistics suggest. China’s total fertility rate is now just over 1.2 children per woman based on calculations from Chinese birth data. Granted, this estimate may be low due to the systematic under-reporting of births—unapproved second and third children can pass through the system unrecorded. The Chinese Academy of Social Sciences puts the fertility rate at 1.4, a figure that is still well below the official estimate of 1.7 that is contained in government and World Bank reports and is the basis for the U.S. Census Bureau projections. But international (as well as Beijing’s) consensus is that China’s true fertility rate is much lower than the officially reported 1.7, which everyone agrees is massaged to make it look like Beijing is coming closer to meeting its targets.

Low fertility isn’t the end of the story. These days, China has one of the most extreme sex ratios in the world. Official census data show that since 1990, roughly 1.15 boys have been delivered for every girl. In other words, China’s next generation of young adults will be only 46 percent female, instead of the usual 49 percent female (natural births produce slightly more boys than girls). On its own, the paucity of women would push overall fertility rates even lower.
Women in China, as well as the rest of the world, are delaying the age in which they form families and have children, which could make China’s population problems worse. China does not report women’s median age at first birth, but calculations based on official birth data suggest a figure around 26 years of age. Since births may be slightly undercounted, the true figure might be 25 years of age. These are static estimates based on births in 2013. Today’s young women will almost certainly give birth later, putting further downward pressure on total fertility.

Taking all these factors into consideration, China’s demographic decline starts to look more like a collapse. China has no real immigration to speak of other than a small number of (mostly male) North Korean workers. Strategies do exist to reverse fertility decline, but they are expensive. Among developed countries, only France and Sweden have shown a willingness to subsidize parenthood to an extent sufficient to stimulate fertility. None of China’s East Asian neighbors has been able to regain a replacement rate of fertility once they began to fall.

WHY DOES IT MATTER?

China has already reached middle income status, and no country ever got rich by reducing its birth rate. Countries get rich by investing in skills and infrastructure. A smaller, more educated China might indeed gracefully grow rich and old at the same time. Today’s young adults in China have received an average of nine years of schooling, according to international estimates. In 1980, at the beginning of the reform era, the average was just seven years of formal education. China can afford to lose 200 million working age adults between now and 2050 if the remaining 780 million are skilled and possess solid education.

Accordingly, China is now investing heavily in expanding its university sector. But building schools is easy; delivering quality education is much more difficult. Outside of its flagship C9 universities that the central government has targeted for special treatment, educational standards at Chinese universities are abysmally low. As in the West, Chinese graduates are finding it increasingly difficult to get good jobs, suggesting that the effort to replace manpower with brainpower is not bearing the desired fruit. China is not educating itself out of its demographic crisis.

In fact, doing so would be ruinously expensive. China lacks the fiscal capacity to match Western countries’ high levels of education spending. A more realistic strategy would be for China to accept its demographic fate, acknowledge its fiscal constraints, and focus on providing the highest quality of life for its people under the difficult circumstances of a country adjusting to 35 years of extraordinarily rapid societal change.

A welcome first step in this direction would be the complete and immediate removal of all fertility restrictions. Reproductive freedom is a basic human right. In China’s current situation, it is as senseless as it is oppressive to dictate fertility. If there ever was a time for draconian fertility policies, that time has passed. Reproductive freedom is one freedom that even the Chinese government can learn to live with.