

China need Rebuild its Social System to Get Out of Low Fertility Trap

Reporter: ZHAO Di



Cai Yong

Assistant professor of Sociology at University of North Carolina and he has a PhD degree in sociology from University of Washington. Working with other authors, he published the book entitled China's Low Fertility and its Demographic Future. He also published dozens of papers. His research and teaching areas focus on China's fertility rate and demographic development, demographic policies and other social topics that exert significant influence.

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Reporter: People have different views on China's fertility ratio. Someone says it is 1.8, while others believe that it is 1.6. In your opinion, what's China's fertility rate? What kind of level is for China's fertility rate compared to other countries?

Cai Yong: China's fertility rate has changed over time. In 1990, according to census data, China's fertility ratio was around 2.1. In 1992, the Family Planning Commission announced the ratio of 1.6. At that time, people didn't believe this figure, which had significant omission. In 2000, the census result was 1.22 and it was 1.18 in 2010. After the late 1990s, the National Family Planning Commission has claimed that the fertility rate is 1.8. Now, the data could be verified through education data, public security data and census data. So, we could find that omission exists indeed, but it is not that high. Based on available data, China's fertility rate may reach 1.4, much

lower than the replacement fertility 2.1, which is a standard to maintain the demographic stable for a nation and a state.

The fertility rate in most of developed countries in the world is around 1.6-1.8. The USA is exceptional, nearly reaching 1.9. This figure remains around 2.1 and keeps dropping after the economic crisis. The fertility rate is better and never below 1.5 in North European countries because these countries have better public welfare policies. The fertility rate is very low in East Europe and South Europe, such as around 1.3 in Italy and Spain. The fertility rate in East Asia is the lowest in the world, such as 1.1 in Taiwan, 1.0-1.1 in Singapore, around 1.0 in Hong Kong, 1.2-1.3 in Republic of Korea and 1.3-1.4 in Japan.

Reporter: In your opinion, why does China keep a low fertility rate currently? What are the main reasons? How does the Family Planning Scheme affect the fertility rate?

Cai Yong: Many people believe that the family planning scheme significantly affects the fertility rate. However, this is only one of reasons. Even if China has not adopted the family planning scheme, the fertility rate in China will drop as well. Taiwan is a good example. Taiwan has never adopted the single-child policy and its fertility rate once dropped to 0.9. In the 1960s, the global population grew fast. Taiwan launched the “family plan” scheme (note: Family plan policy in Mainland is actually single-child policy, while Taiwan’s family plan scheme is different from Mainland’s single-child policy), contraception, improving women social status and other measures. So, the fertility rate drops quickly. I joke that childbirth has unified across the straits: couples have only one child in both Taiwan and Mainland. Apart from family planning, technology advancement is another important reason. Now, contraception and abortion technology have been sophisticated.

In my opinion, the progress of social and economic development is the most

important reason. As women improve their education and widely participate in economic activities, they have their dreams, rather than only focusing on family. In the past, many women had children at 18 years old. Now, many women complete their education at nearly 30 years old. It's too late for them to have babies. So, a low fertility rate is a result of a series of social development, rather than a result of one factor.

An important reason for a lower fertility rate in East Asia is that Confucian culture values children's education. First, people will make choices between education quality and quantity. With a certain amount of education expense, if a family has three children, such family may only support three children to complete high school education. If this family has one child, it could send him/her to study in the USA. Second, education has certain externality. When one-child family or family caring for the quality of education raise the education price, it will affect other family's decision to have one child or more children. People will compare their child's education background and don't want their children to lag behind others. Given as the above analysis, the fertility rate would not be high.

Reporter: In August 2014, as you said in your micro-blog account, China had fallen into the low fertility trap. What are your bases? In your opinion, when could China get out of this "trap"? What measures need to be adopted?

Cai Yong: The so-called "trap" refers to the fertility rate difficult to be recovered after falling to a certain degree (e.g. 1.5). The cost of childbirth is a social and external issue. Once the cost of childbirth is raised, it hardly drops as the house price.

I have two bases to claim that China falls into a low fertility trap. First, it is based on statistical data. Second, it is based on our lots of research and observation. For example, we survey 3000 women qualified for having their second child. Through seven years of survey, only several percent of them have second child.

I believe that it's hard to get out of this "trap" and it won't realize in next ten years at least. Japan has retained a low fertility for nearly 40 years, and Taiwan has no change as well. Although childbirth has always been encouraged in Singapore, its fertility rate is still unchanged. It's difficult to get out of the low fertility trap once falling into it. To get out of the trap, we need to change social environment, rather than changing policies. This is a long-term process. We need to rebuild social system, better integrating childbearing, raising, family life and social life.

Reporter: How do you comment the results of the policy of allowing couples to have two children if either parent is an only child? How will China develop its population policy in the future?

Cai Yong: The policy of allowing couples to have two children if either parent is an only child was promulgated at the 3rd Plenary Session of the 18th CPC Central Committee. However, in the implementation, the family planning commission delays the approval due to afraid of baby boom. The family planning commission estimates that around 2 million babies will be born each year. However, there were only 1 million applications last year. Among these application, I guess only 50% of them will have babies maximally. So, only 500,000 babies will increase this year. Now, the newly-born population is around 15 million per year in China. So, 50,000 new-born babies won't make too many changes.

We needn't worry about the consequence of second child policy at all. I think that China shall lift all controls. To ensure the safe implementation of this policy, the priority could be given to women above 40 years old and then to 35 years old.

Reporter: The long-term low fertility is considered as an important reason for Japanese economic slowdown. In your opinion, how will the low fertility affect China? Will China repeat the Japanese story again?

Cai Yong: We could not judge economic development only by determinism of population. Japan experiences the “Lost Two Decades”, which economy is stagnant and even shows a negative growth. However, Japanese life of quality is not degraded. Population is an important part of economy. Without population growth, we need other growth to compensate it, otherwise, the economy will slow down. GDP is per-capita timing number of population. In the long-term, low fertility will significantly affect economy. In the short-term, low fertility will also bring many opportunities for China. For example, China’s education has huge potential to grow. The expansion of higher education is explosive. This is the opportunities in economic and social transition.

Similar to Japan, China experiences fast economic growth when enjoying demographic bonus. Now, China’s industrial restructuring is also similar to Japan. China may repeat Japan’s economic slowdown. It is dangerous. However, in terms of demographic bonus, China has a large population. The sustainable development lies in population quality, rather than population quantity. China should lift population and registered residence control, provide more innovation space for its people and attract talents. As such, China could avoid Japan’s economic slowdown.