China's Falling Population

What is the issue?

- Official census data on China's population was released recently by its National Bureau of Statistics.
- It showed that in the decade up to 2020, China's population grew at its slowest rate since the 1950s, indicating a falling population.

What are the highlights?

- **Population** - China's population has grown from 134 crore in 2010 by 5.34% over the past decade.
- It now stands at 141.2 crore people.
- **Growth rate** - The rate of population growth, however, has been steadily falling; falling for the fourth consecutive year.
- Annually, the country grew 0.53% in the last 10 years, down from 0.57% between 2000 and 2010.
- This is the slowest of any decade since the 1950s.
- **Age composition** – In 2020, 1.2 crore babies were born in China, down from 1.465 crore in 2019, a fall of 18% in one year.
- The country's fertility rate has dropped to 1.3.
- This is far below the replacement level of 2.1 required for a generation to have enough children to replace it.
- The country's working population (between ages 15 and 59) is now 63.35% of the total, down by 6.79% from 2010.
- The number of people above age 60 has also gone up to 18.7% of the population, up by 5.44% from the last census.
- A positive factor is the greater proportion of children 14 years or younger, now at close to 18% of the population, up by 1.35% from 2010.
- This rise has been credited to China relaxing its strict one-child policy in 2016 and allowing two children per family.
- [The controversial one-child policy was put into force in the late 1970s.
- Authorities claim that it helped the country avert severe food and water shortages.
- But, theoretically, it prevented up to 40 crore people from being born.]

What is unique to China here?

- China’s slowing population growth is part of a trend seen in many countries in Asia and the West.
- It mirrors the trends seen in neighbouring South Korea and Japan.
- In 2020, South Korea saw its population decline for the first time in history.
- In the United States too, the birth rate has dropped to 1.6, the lowest on record.
- Prosperous countries like Japan and Germany face similar demographic challenges.
- But they can depend on investments in factories, technology and foreign assets.
- But China, despite being the world’s second-largest economy, is still a middle-income society.
- So, unlike the other developed countries that are part of this population trend, this will be a problem unique to China.
- It still depends on labour-intensive manufacturing and farming.
- So, a drop in demographic dividend could hurt China and other developing nations like India more than those in the rich world.

What are the challenges ahead?

- The UN expects China’s population to begin declining after 2030.
- But some experts say this could happen as early as in the next one or two years.
- By 2025, the country is set to lose its ‘most populous’ tag to India. [India, in 2020, had an estimated 138 crore people, 1.5% behind China.]
- It implies fewer young people joining the workforce and the existing population rapidly ageing.
- When the young population in a country declines, it creates labour shortages, creating a major detrimental impact on the economy.
- More older people also means that demands for healthcare and pensions can soar.
- This, in turn, will burden the country’s social spending system further when fewer people are working and contributing to it.

What are the policy measures taken?

- Policymakers will now have to find ways of sustaining China’s high growth despite the above.
- In an effort to overcome this challenge, the Chinese government announced recently that it would increase the retirement age by a few

months every year.

- While some welcome the move, others are unhappy about being forced to continue working.
- For the past four decades, the retirement age in China has been 60 for men and 55 for women, or 50 for women in blue-collar jobs.
- The government is also expected to increase incentives for couples to have more children.
- This comes although such sops have failed in the past in the face of higher cost-of-living challenges and career choices.
- Authorities have also been urged to completely drop restrictions on the number of children allowed per family.

Source: The Indian Express

SHANKAR IAS PARLIAMENT
Information is Empowering