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# China's population is falling: a consequence of a tradition of bad policies



China has officially entered the era of population decline, as its National Bureau of Statistics announced for the first time in 60 years: the population is declining. China's population has fallen by roughly 850,000 since 2021.

Whilst it attempts to catch up with the USA and become the largest economy on the planet by simplified economic criteria, this year or next, China will lose another title it has held for a long time: the world's most populous nation. India will overtake China's 1.4 billion population, with its almost double birth-rate of 86,000 new-born babies per day compared to China's 49,000.

The decline of the Chinese population was not unexpected. Both UN and national projections had already anticipated it. But not this quickly.

In 2019, the China Academy of Social Sciences estimated that the population peak would occur in 2029 and would amount to 1.44 billion people, whilst in the same year, the UN estimated that the peak would come in 2031 or 2032, at around 1.46 billion people.

Long-term trends do not give China much hope of reversing its population decline. According to UN projections, the population will decline until the end of the century, when slightly fewer than 800 million people will live in China.

On the other hand, India could expect a peak and the beginning of a downward trend between 2060 and 2070 when it could have more than 1.7 billion inhabitants.

## China got old before it got rich

The population problem in China is a combination of universal factors, seen many times throughout the world, and endemic Chinese problems, stemming from the authoritarian policies of the Communist Party government.

The beginning of the trend towards population decline is a consequence of economic

prosperity and increased living standards, as factors that have many times unmistakably decreased birth rates. China is not a global exception in this respect.

However, China will not be able to replicate the experience of Japan or South Korea, for example, which both reached a high economic level and an enviable living standard before birth rates began to decline sharply.

Population decline was recorded in China long before its economy reached the desired level, and therefore China is entering a period when its depopulation will be directly reflected in its economic performance.

China became old before it became rich. With close to 170 million residents over the age of 65, China by far tops the global list of countries with the largest number of elderly people.

This is twice as large as the next country, India, where about 85 million people live until over the age of 65.

This number says a lot about China's long-term population-related problem, which is the growing shortage of working-age citizens.

This part of the population reached its peak in 2014 and has been in constant decline since then, so in about 50 years the number of senior citizens will be larger than the number of the working-age population.

## Bitter fruits of population policy

At the root of China's population problems and negative trends is its authoritarian state policy, whose interventions in the last few decades have had disastrous consequences for the population.

The one child policy, which was implemented from 1980 to 2016, caused irreparable damage to the population, not only because of the artificial limitation of population growth, but also because of new, negative social trends.

During that period, the number of men increased. The balance between the sexes was artificially disturbed, due to the desire of many parents that the only child they were allowed to have had to be a boy. The epidemic of illegal abortions that occurred at that time also had serious consequences on attitudes towards the offspring and the family.

The government's stimulus policies after 2016 were expensive, and the effects were insufficient. "Proposed expansions to CCP-offered child cost relief—cash rewards, housing subsidies and child care centres—are estimated to cost up to 5 percent of China's GDP to boost the birth rate", said Julia Fadanelli from the Centre for Strategic and International Studies (CSIS) in Washington, D.C.

The Communist Party of China's policy on migration to cities, and particularly to industrial zones, also had an effect on demotivating young people to expand their families.

In such environments, particularly low-skilled workers did not see a motive to expand their families, or even to move their families from rural areas, primarily because of high housing costs.

## The country and the party are run by old people

After the news of the first population decline in 60 years, China's leadership has been in an intractable spiral. At the 20th National Congress of the Chinese Communist Party held last October, a return to high economic growth was made a state priority, but the question remains how this can be achieved when China's economy continues to rely on labour-intensive jobs and its population is in decline.

There are no records that any country has managed to reverse negative demographic trends, but this did not prevent them from continuing to grow and achieve high economic

performance.

Instead of the workforce, they relied on innovations: the reduction of human labour in production and openness to migrants, which compensated for the negative trends in the number of the working-age domestic population.

It will take a long time for China and its state leadership to implement such alternatives, if they even aim to do so.

A significant factor is that the leadership of the Communist Party of China is also quite elderly. At the October congress, out of about 2,300 delegates, 80% were over 45 years old.