

OPEN TEXT BASED ASSESSMENT 2016-17

Economics (030) Class - XI

Theme 1: One Child Policy of China

Learning Objectives

- ☐ To understand the concept of One Child Policy of China & its repercussions.
- ☐ To comprehend the reasons responsible for the implementation of the One Child Policy by China.
- ☐ To elaborate and comprehend the results of the One Child Policy of China.
- ☐ To analyze the reasons behind the recent withdrawal of the policy after around 45 years from its implementation.
- ☐ To compare Indo-China population growth over the last five decades.

Note to Readers

The text along with case-study should be thoroughly read, discussed and analyzed by the readers. The readers can get together for a brainstorming session discussing:

- ☐ Objectives of the text/ case-study.
- ☐ The concepts involved in the text.
- ☐ Application of concepts to real life situations.
- ☐ Description and further explanation of the case study/problem or similar situations, if any.
- ☐ Higher order thinking skills involved in answering the questions to be asked in the context of the content given.
- ☐ Exploration of varied assessment techniques.
- ☐ Analysis with different perspectives must be done by readers

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Abstract

*China has always been known for its hard to believe policy formulations and their beyond imagination implementations, be it the Great Proletarian Cultural Revolution or Great Leap Forward or the magnanimous Special Economic Zone (SEZ) policy, China has always taken far-reaching steps under its One Party - Communist Rule to ensure its socio-economic growth. One such highly talked and hotly debated policy step has been the '**One Child Policy**' (OCP) adopted by China since the year 1978 (which is recently taken back on 29th October, 2015 by the Government of China). Revoking the policy by the government may have brought smiles on the faces of innumerable couples across China, yet a segment of Economists are sceptical about success of the pull-back due to reasons like high cost of (quality) living and even conditioning of people living in a three-members family, over all these years. This text is an attempt to understand and analyse the policy and its repercussions on the socio-economic conditions of China. In addition, an attempt is also made to make a comparative study of Indo-China population growth over the last few decades.*

October 30th, 2015 (Beijing) NEWS HEADLINES 'Government Pulls Back One-Child Policy'

Win-li (*an imaginary identity*) is reading the newspaper headline regarding the pull back of the One Child Policy by the Government of China and is just trying to gel with the event where history is being re-written. He is one of those millions of lucky (or the unlucky) middle-aged urban dwellers in the capital city of Beijing who have never been into the company of any sibling (brother or sister) around him, thanks to the One-Child Policy implemented by the Chinese Government way back in 1978. Year after year, decade after decade and generation after generation of people are growing up without any 'brother/sister/sibling' in their lives and families.

There may be some valid economic arguments (like controlled fertility rate, increased per-capita income etc.) in favour of the policy of 'one child', however, for the 'void' created in the lives of millions of parents and kids, there may not be any reason which may be said to be a 'valid argument'. Also, this policy has given birth to new problems like the rising elderly dependent population in China. He begins the retrospective thought process on how and from where it all began:

Mao Zedong (1893-1976), the legendary leader of China had always believed that '**Populous China**' may give birth to a '**Prosperous China**' during the earlier part of his revolution movement. China's fertility rate remained exceptionally high during most of the 1950's and 1960's so the population began to grow rapidly. Unfortunately, there was a catastrophic famine during 1959-

1961 which brought down the fertility rate and the growth rate of the Chinese population drastically. According to very conservative estimates, it brought about as many as 20,000,000 (20 million) deaths and 30 million premature deaths due to a breakdown in agricultural production and resulting food shortages. However, it was also followed by a sharp rebound in the birth rate that lasted for several years in the decade of 1960s. In the year 1970, the population of China crossed 800 million and the State Council (China's Cabinet) called for sharp reduction in the population growth rate and as a result People's Republic of China announced its National Population Policy in 1971, due to the following two main reasons:

1. Speedy surge in population growth rate and,
2. Relatively slower pace of food supply growth vis-à-vis to the rate of rise in population.

In 1975, it came up with the slogan '**Later, Longer and Fewer**' and urged urban couples not to have more than two kids and the rural couples to restrict the number to maximum of three.



A government sign in Tangshan Township: "For a prosperous, powerful nation and a happy family, please practice family planning."

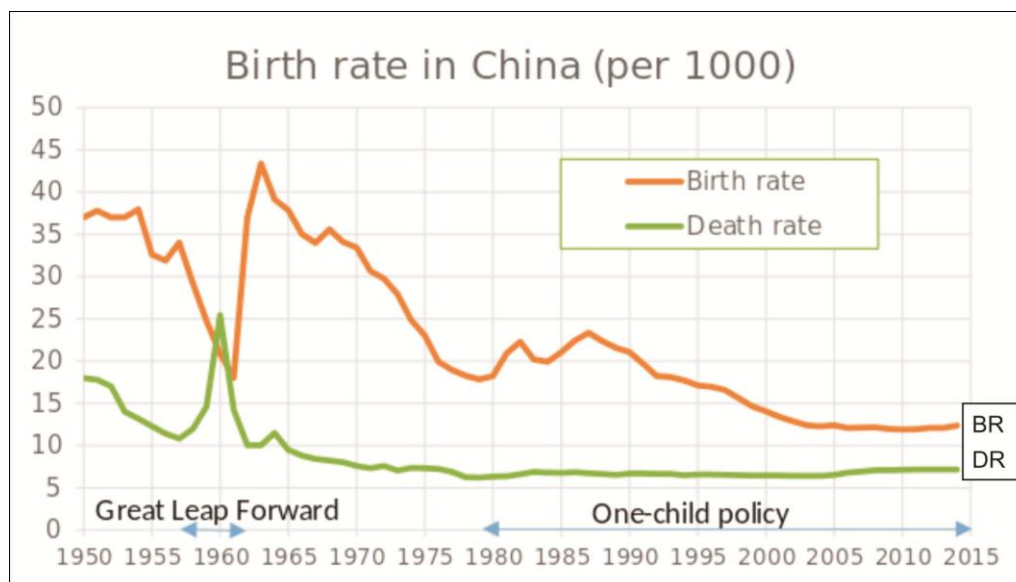
Source: Tangshan Province, Township Authority

The **One Child Policy** was introduced in 1978 (it came into effect in the year 1979, three years after the death of the legendary leader Mao), by Deng Xiaoping, father of Open Door Policy of China, as an endeavour to control the rapidly increasing population. The Chinese Authorities were so much inclined towards the implementation of the policy in the early 1980's that they used variety of methods like incentives, forced abortions, infanticide and strict penalties for those who did not follow it. However, in 1984, some relaxations were announced for rural families on certain grounds/conditions. In the year 2001, Chinese government commanded for greater decentralisation of the policy and allowed some of the local governments to impose fines and penalties for the couples having more than one child in the family.

The year 2006, however saw the **'beginning of the end'** of the One Child Policy when some of the provinces (facing the labour deficit) were allowed by the Chinese Government by easing out restrictions to the couple who were both the 'only children' of their parents. They were allowed to have two children but not beyond that and since then the relaxations have come to the present day, with the pull back of the policy by the government.

Outcomes of the One Child Policy

The Chinese authorities had claimed that the One Child Policy has been extremely successful. According to an estimate, in the first half of 1960's, the average Total Fertility Rate (TFR) was 6 children per woman, that had led to a phase of population explosion and by the end of the decade of 1960, the population in China had reached to more than 800 million. Demographers suggest that China has by now experienced two **'baby booms'** (A baby boom is a period marked by a significant increase in the birth rate); one following the Liberation War and the second after the 1960's Great Leap Forward.

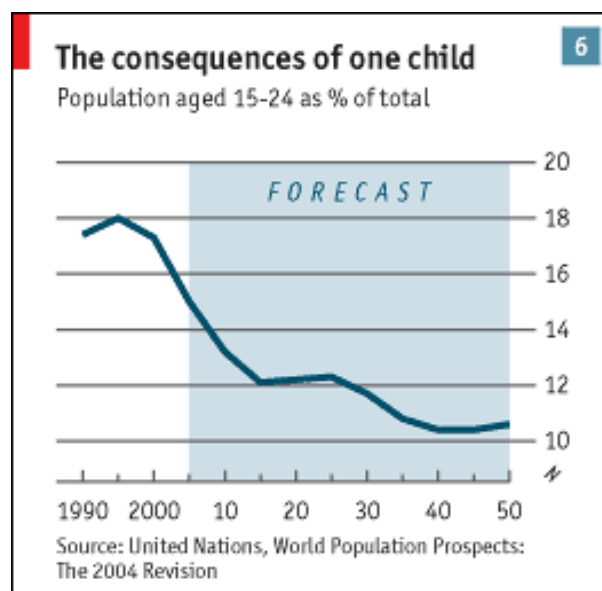


Source: China Statistical Yearbook 2014, Chapter 2- Population,
National Bureau of Statistics (China); stats.gov.cn

The graph above clearly depicts the period when the death rate outplayed the birth rate during the famine years and the subsequent upsurge in the birth rate. It also displays the effect of One Child Policy, during the period 1978-2011. The vertical distance between the Birth Rate and the Death Rate curves represents the Growth Rate of the population which, as the graph represents, is on a persistent and rapid decline over the Post-GLF (Great Leap Forward) period. The authorities in China assert that the policy has prevented around 400 million births from 1979 to 2011. However, some demographers argue that such a decline was bound to happen with the rapid rise in urbanization and fast industrialization due to the 'Open Door Policy' enforced by China. The fertility rate dropped to half in less than a decade, population growth was reduced to a handy level. As

reported by Aileen Clarke of National Geographic, presently China has its birth rate much below the replacement rate/level of 2.1%. **However, the first and foremost negative result of this policy was the beginning of the process of aging of China's average population structure, which is encountered by some other oriental countries too.**

In a study conducted by the United Nations Department of Economic and Social Affairs (before the announcement of the pull back of the One Child Policy by the Chinese Government), predicted that the number of citizens over the ages of 65 years will soar to 219 million by 2030 and will be approximately 25% of the total Chinese population by the year 2050. This will create a major addition to the ongoing labour force deficit prevailing in the country. Officials in China are hoping that with the relaxation in the population control policy, this prevailing labour deficit may come down to some significant levels.



Source: World Population Prospects: The 2004 Revision, United Nations

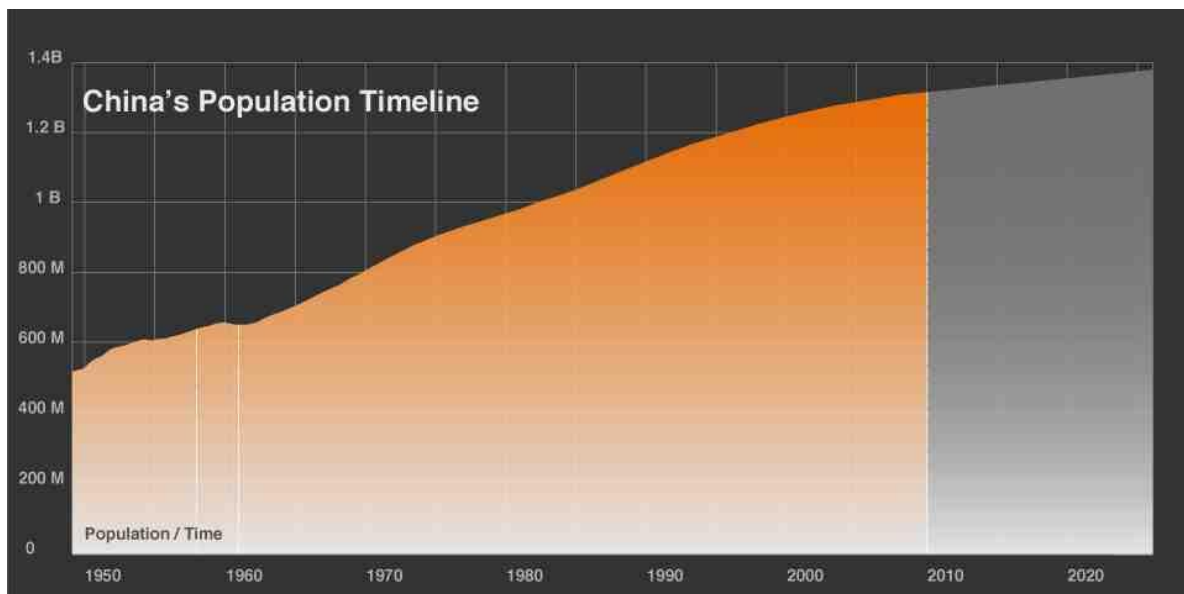
However, a few demographers and economists are of the view that the One Child Policy has worked far too well in case of China and the pull back of the policy has come way too late. Even if the Birth Rate jumps to 2 kids per woman (possibility of which seems to be too bleak) it will be well by the mid 2030's or even 2040's that there may be some upsurge in the China's labour force. As per the reported estimates, by that time other emerging economies, particularly India will move way ahead of China. Some of the economists have already started to predict India as the **'next engine of growth of the world'**.

Today, children constitute a much smaller share of Chinese population and the older age people group is on the rise. China has transformed from the phase of high fertility, high mortality and low natural growth to a phase of low fertility and lower population growth. In fact, it has entered into **'post transition society'** where life expectancy has reached new heights, fertility has declined to low level and a rapid aging population is on the horizon.



Source: China's One-Child Policy and Pension Issues, Luijie, China Daily

Apart from the problem of labour shortage, China is facing a unique and peculiar problem viz. the problem of 4-2-1. This problem refers to a situation where the 'only child' in the family has to bear the responsibility of the 'family' which may extend to both the parents and all the four grandparents in the absence of any 'sibling' as a 'helping hand' to care for the aging family. One can clearly understand this problem of 4-2-1 with the help of the cartoon. In 2015, the approximate size of the Chinese nationals over and above the age of 60 years was above 200 million and this increase in the number of elderly people will lead to augmented expenditure on the demand for health-care of six elderly people in addition to the requirements of his own family needs; the financial implications of which can be too demanding.



Source: A Guide to China's One Child Policy, Brendon

The bottom line is that the One Child Policy has significantly slowed China's population growth and without it, their population today would have been far greater than the present levels. Another possible result of the One Child Policy is the improvement in life expectancy. Between the early 1950s and early 1970s, Chinese life expectancy increased by an average of 1.5 years (every year). Taken together, that means a leap in life expectancy from below 40 years old to almost 70 years old. Similarly, better health-care has resulted in a sharp decline in mortality.

China, similar to India, has always been a country with traditional perception and preference for boys over girls. Demographic data over the years have shown that the One Child policy has only aggravated the already existing skewed sex ratio in the country. According to an estimate, the country has approximately 32-36 million more men than their female counterparts. This has been acknowledged by the Chinese Government as well, that it is not just a population problem rather has taken the shape of a social problem in China, where the quantum of marriageable age boys/men is rising at an alarming rate leading to various form of crimes and social unrest. A large number of researches have shown that there have been massive increases in the social problems, number of research studies have also found that gender-selective abortion (where a woman undergoes an ultrasound to determine the gender of her unborn baby, and then aborts it if it's a girl) was widespread for years, particularly for second or subsequent children. Millions of female fetuses have been aborted since the 1970s. China prohibited gender-selective abortions in 2005, but the law is tough to enforce because of the difficulty of proving why a couple decided to have an abortion. The abandonment and killing of baby girls has also been reported, though recent research studies say it has become rare, in part due to strict criminal prohibitions.

Removal of the One Child Policy – Reasons and Likely Impact

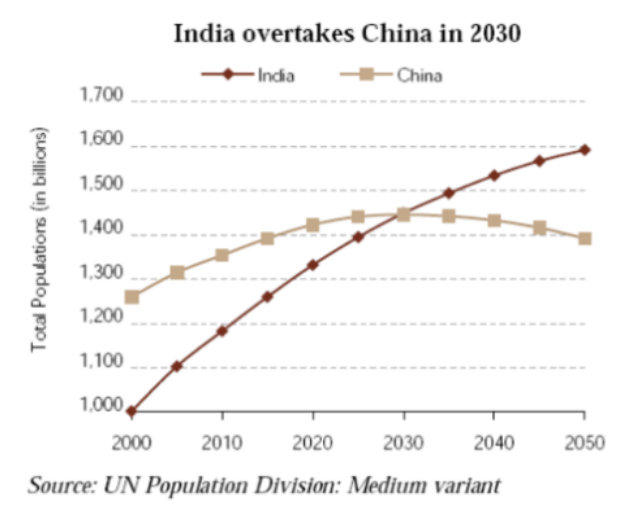
Suddenly, the thought cycle of Win-li is broken and he reads the next paragraph of the news article which said:

"A communiqué from the Communist Party's Central Committee carried on China's official Xinhua News Agency said that the decision to allow all couples to have two children was "to improve the balanced development of population" – an apparent reference to the country's female-to-male sex ratio – and to deal with an aging population". He recalled the predictions made by the United Nations, based on its citizens living longer and having fewer children, that China will lose 67 million working-age people by 2030 and simultaneously doubling the present number of elderly people in the country. That surely will put immense pressure on the individual, society, economy and governments' resources.

Scholars argue that revoking the one-child policy may not provoke any huge baby boom, as the fertility rates in China are believed to be declining in recent past even without the policy's enforcement. Previous moderations of the One Child Policy have motivated fewer births than expected, and many people among China's younger generations see smaller family sizes as ideal, may be due to the conditionings of the generations for the one child in the family.

A recently released report, by Credit Suisse, on the likely impacts of the removal of the One Child Policy propounds that removing the policy would introduce 3 to 6 million more new-born babies each year in China, starting from 2017. The report adds that the One Child Policy damaged the country demographically, but faster population growth brought on by the end of the policy is a business opportunity worth trillions of dollars over time. It is but natural that all these 'prospective people' will be needed to be fed, clothed, housed, healed, powered, transported and networked. In long run, the biggest impact of lifting One Child Policy will be felt in the services, travel and technology industries.

Comparison of demographic data of India and China:



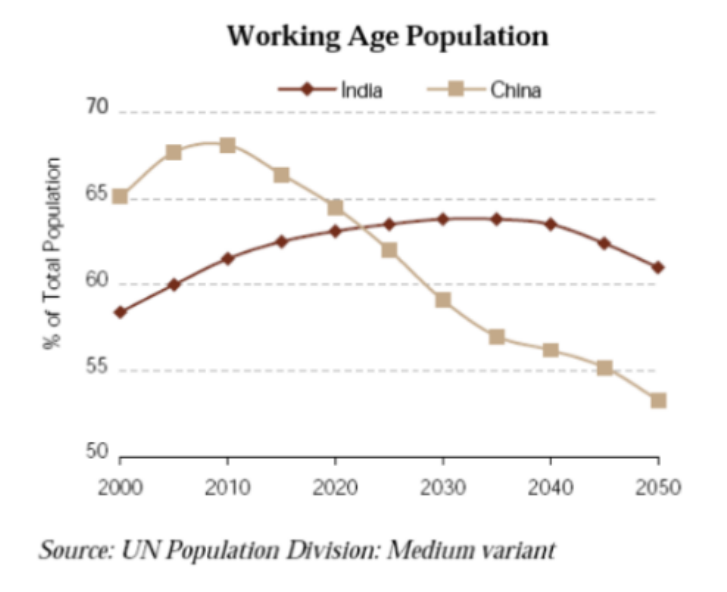
Source: United Nation, Population Division: Medium Variant

Win-li's eyes were glued onto another article that compared demographic data of the two neighbours India and China. He has often wondered how economists across the world have been extremely interested in comparison between these two countries on the planet and the prime reasons are their phenomenal growth on the front of GDP and on the front of population. They are the best case studies for the demographers too. In the present scenario, China is the most populous country in the world and India is closely inching behind it at 1.40 Bn. and 1.28 Bn. (approx.) people respectively living in these countries. Combined together these nations hold around 37% of the world population and 61% of the total population of Asian continent, undoubtedly these figures are mind-boggling.

These numbers exist against the reality of 'One Child Policy' adopted by China since 1970's and India too following population control exercise using tools of its social engineering models since last four to five decades. Population growth rate of India (1.2%) is greater than that of China (0.5%) and is responsible for quickly narrowing down the gulf of population between the two nations. While China crossed its 1bn mark in the year 1982, India touched this level in 1998 and is expected to breach 1.5 bn mark by the year 2033.

Population (Demographic Dividend) – Blessing in Disguise for India

Economists often use the term ‘demographic dividend’ which India as a nation is accruing and will continue to accrue in few decades to come. Growth rate which we are witnessing has ‘Young Indians’ as one of the primary reasons responsible for it. Hence we are far ahead and better off than our Chinese counterparts.



Source: United Nation Population Division: Medium Variant

As per the socio-economic engineering, **‘a well educated young working class can promote the country to any positive heights and vice-versa’**. We are presently standing at an advantageous position with the urban population set to rise by 41% by 2030, creating labour force.

In the figure, the gap between India and China on the front of working age population is quite visible. Whereas, in the year 2000, India was at around 58% level mark against China at 65% mark that rose to around 72% in 2010 for China and 62% for India. As per the estimates, beyond 2010, China has and will continue to witness a rapid and sustained plunge in the working age population at least till 2050. On the other hand, for India this stage of decline may accrue after 2035. This may ensure the continuity of the present momentum of growth for India in the years to come.

Win-li by now has gathered sufficient ideas for drafting his new research paper on the topic of ‘The Pullback of One Child Policy of China’. He called up his students at university for initial discussions; he has gathered some old documents and newspaper clippings to use for the purpose. He picked his bag and moved to university where his students are waiting for the class.

References

- ❑ *China Statistical Yearbook - 2014.*
- ❑ *National Population Statistics, National Bureau of Statistics (China).*

- ❑ *World Population Prospects: The 2004 Revision*, United Nations.
- ❑ *Report on China*, Department of Economics and Social Affairs, United Nations.
- ❑ www.stats.gov.cn

Sample Questions

- Q.1 “Horrors of one-child policy leave deep scars in Chinese society.” Justify the given statement.
- Q.2 ‘China often implements its policies with perfection’. Throw some light on the given statement with reference to its one-child policy.

Suggested Answers

1. The given statement can be justified with reference to:

- ❑ The coercive techniques used by the authorities in China to ensure success of the One Child Policy.
- ❑ Emotional and Psychological voids created in the lives of millions of Parents and Single Child in the family.
- ❑ There should be sufficient explanation to the arguments by the students.

(Any Other Valid Point)

2. China has decided to put an end to the One Child Policy due to:

(any two valid points to be elaborated)

- ❑ Problem of Labour force deficit.
- ❑ Increasing number of elderly people in the country.
- ❑ Skewed gender ratio.
- ❑ Problem of 4-2-1.
- ❑ There should be sufficient explanation to the arguments by the students.

(Any Other Valid Point)