

# ***Study on the Trend of Low Fertility Rate in China and Its Influencing Factors***

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**Abstract:** In recent years, China's population fertility rate has continued to decline, becoming a major issue of widespread concern in all sectors of society. This paper aims to analyze the trend of China's low fertility rate and its main influencing factors. Through the analysis of national statistical data and a review of relevant literature, this paper finds that China's total fertility rate is already far below the world level. Due to the family planning policy, China is now facing the challenges of a low birth rate and an aging population. China has problems such as insufficient government support for fertility policies and low public enthusiasm for fertility, especially in large cities, where high living costs and work pressures have a significant inhibitory effect on fertility. This paper suggests that in the future, policies should pay more attention to improving the parenting capacity of individual families, strengthening work-family balance, and improving parenting supply, to alleviate the restrictions and challenges of socioeconomic development brought about by low fertility rates.

**Keywords:** Low fertility, rate population, economic.

## **1. Introduction**

In recent years, China's fertility rate and population structure have attracted much attention from society. With the rapid development of China's economy, China's population structure has undergone significant changes, which has had a profound impact on economic development and social stability. With the acceleration of urbanization, the distribution of urban and rural populations has changed significantly. According to statistics, the proportion of the urban population in the national population will be 65.22% in 2022 [1]. Large-scale population migration has brought impetus to economic development, but it has also caused problems such as the urban-rural gap and urban resource pressure.

China's population is characterized by a large population base and a large number of new populations added each year. The sixth national census in 2010 showed that China's total fertility rate had dropped to 1.18. By 2022, the total fertility rate had dropped to 1.18. The fertility rate in China is far lower than the world's overall level. The low fertility rate has led to problems such as low birth rates and aging, which have seriously hindered the development of China's economy. In addition, China's fertility rate has continued to decline in recent years. Young couples in China generally want to postpone childbirth or not have children. This is mainly due to the high cost of raising children, housing costs, and work pressure in China [2]. In addition, the improvement in women's education level and the increase in career development opportunities have made many women unwilling to give up their careers and choose to postpone marriage and childbirth. This trend is particularly evident in

large cities, where women face a trade-off between career development and childbirth. Due to the influence of China's traditional concept of favoring boys over girls, there is still an imbalance in the gender ratio in China, resulting in a generally higher number of men than women. In addition, the aging of China is becoming more and more serious. According to the data of the National Bureau of Statistics, from 2018 to 2022, the number of people aged 60 and above will be 249 million, 254 million, 264 million, 267 million, and 280 million respectively, accounting for 20 % of the total population. 17.9 %, 18.1%, 18.7%, 18.9%, and 19.8%; 65 years and above the populations were 167 million, 176 million, 191 million, 201 million, and 210 million respectively, accounting for 11.9%, 12.6%, 13.5%, 14.2% and 14.9% of the total population. The United Nations defines an aging society as 60 years old. More than mouth occupies Compare Up to 10%, or 65 years old by superior people mouth occupy Compare Reaching 7%, China has become an aging society [3].

Low fertility rates have had a profound impact on China's economic development, social security, family structure, and policy adjustments. Low fertility rates will lead to a reduction in the future labor force, which will in turn affect the potential for economic growth. Because labor is an important factor in economic growth, as the number of labor forces decreases, production capacity declines and companies face labor shortages. This may lead to a decline in production efficiency and limit GDP growth. Future policies should pay more attention to improving family parenting ability, optimizing work-family balance, and improving the supply of childcare services to effectively respond to the multiple challenges brought about by low fertility rates. This article will explore the factors affecting low fertility rates and their impact on China's social economy and provide suggestions for improvement.

## **2. Research on the Factors Affecting China's Low Fertility Rate**

### **2.1. Economic Factors**

The high cost of living in big cities has brought great financial pressure to young people, and the expenses daily living expenses, children's education, and medical care have continued to increase. This financial burden has forced many young people to postpone or reduce their birth plans. Education expenses are one of the most significant sources of pressure. From kindergarten to university, the cost of children's education has increased year by year. In 2016, the "Survey Report on the Current Status of China's Tutoring Education Industry and Tutoring Institutions Teachers" released by the Chinese Society of Education revealed that According to the report, the market size of the after-school tutoring industry in China has exceeded 8000 billion yuan, with more than 137 million students participating. From the perspective of motivation for education investment, the traditional concept of raising“ children to provide for old age” and the emphasis on Factors such as the culture of education and the pursuit of social status stimulate families to invest in education [4]. The scarcity of high-quality educational resources has forced parents to invest a lot of money in extracurricular tutoring, interest classes, and school selection fees to ensure that their children can receive a good education. At the same time, with the continuous advancement of urbanization, housing prices, especially in first- and second-tier cities, continue to rise. Young people face huge pressure to buy a house, and many must use most of their economic resources to pay mortgages. In this case, many young families find it difficult to afford more children, so they are cautious about having children. The continuous rise in education, housing, and living expenses has made it more difficult to have and raise children. The interaction of these factors has led to more and more young people delaying childbirth or even choosing to reduce the number of children they have. This trend has become more and more obvious against the background of accelerated urbanization and has become one of the important economic factors affecting China's declining fertility rate.

## 2.2. Sociocultural Factors

With the change of marriage concept, the average age of young people getting married is gradually increasing. Usually, late marriage is often accompanied by late childbearing, and the willingness and ability of older mothers to give birth are also lower. More and more young people choose to live alone or become childless couples. This trend is particularly obvious in cities. The improvement of women's status has also had a huge impact on this traditional concept. This also means that contemporary young people are unwilling to be bound by marriage and bear too much pressure in life. Even if they get married, they are unwilling to have children, especially in terms of education, medical care, housing, etc., which makes most families feel that the cost of raising children is too high.

1982, Family planning became a basic national policy in China. This policy was implemented from 1979 to 2015, mainly to limit urban families to one child. Although this policy has effectively slowed down the population growth rate, it has also led to problems such as a potential shortage of labor market supply. Years of family planning policy have shaped the fertility concept of one or even multiple generations. During the policy period, the concept of "fewer births and better quality" was deeply rooted in people's minds. Even if the policy was relaxed, this deep-rooted concept was not easy to change, so even if the government allowed the birth of two or even three children, it had little effect.

## 2.3. Changes in Population Structure

Chinese society is facing an increasingly aging trend. With the improvement of medical conditions and the improvement of living standards, the average life expectancy of Chinese people has increased significantly, resulting in an increasing number and proportion of the elderly population. This trend has had a profound impact on the economy and society. First, aging has increased the demand for elderly care and medical services, and the government needs to invest more funds in the construction of elderly care facilities, the provision of medical services, and the protection of the lives of the elderly. The increase in these expenditures may lead to rising taxes to maintain the normal operation of the social security system. At the same time, the younger generation faces greater economic pressure, not only to raise children, but also to support elderly parents. This "double burden" makes them more cautious in their finances and postpone or reduce childbearing. In addition, the reduction in the labor force and the intensification of employment competition have further increased the anxiety of young people. In this economic and social environment, many young people have a more cautious attitude towards fertility issues. They not only consider their economic capabilities but also face the potential challenges of future elderly care and medical expenses.

In China, the serious preference for boys over girls has also led to an imbalance in the ratio of men to women. In extreme cases, some regions may even have cases of abandoned and killed baby girls after birth [5]. This has led to a serious gender imbalance in China today. In the marriage market, the gap between the number of men and women is large, which means that not everyone can get married, thus reducing the possibility of having children.

## 3. Low Fertility Rate has many Impacts on China's Social Economy

### 3.1. Decrease in Labor Supply

As fertility rates decline, the problem of labor supply and demand will become more severe. For labor-intensive manufacturing industries, the reduction in labor supply will lead to higher costs and lower profits. Space is limited, causing it to lose its original low-cost advantage [6]. As the labor supply decreases, enterprises will face problems such as labor shortages and shortages, which will lead to reduced productivity and limit economic growth. Manufacturing industries that rely on many

workers may experience a decrease in output, thereby slowing economic development. To attract new employees and retain employees, companies may need to increase wages and benefits, thereby increasing production costs. China used to rely on cheap labor to participate in global competition, and the reduction in labor and rising costs will weaken this competitive advantage. In particular, for those export industries based on low costs, the increase in labor costs may weaken their price advantage, making them face more intense competition in the international market, and may lead to a decline in market share and a decrease in profits.

### **3.2. Changes in Consumption Capacity**

The People's Republic of China on National Economic and Social Development in 2023 shows that by the end of 2023, the population aged 60 and above will exceed 290 million, accounting for 21.1 % of the national population, and China will enter a moderately aging society [7]. The consumption capacity of the elderly group is generally lower than that of people in other age groups. As the aging trend of China's population structure intensifies, the proportion of the elderly population has increased significantly, and the impact of this large elderly group on the overall consumption capacity has become increasingly obvious. Due to the reduction of income sources, strong savings awareness, and conservative consumption demand, the consumption propensity of the elderly group is relatively low. They usually spend more money on basic living expenses and medical care and spend less on entertainment, travel, fashion, and technology products. This consumption pattern has suppressed the overall social consumption demand and led to a decline in economic vitality. As the market consumption capacity weakens, enterprises may face problems such as insufficient demand and slowed production. In the long run, it will also affect the vitality of China's economy.

### **3.3. The Government and Society are Under Increasing Pressure to Respond**

To encourage childbirth, the government will invest more funds and manpower. Maternity leave and maternity insurance policies are conducive to alleviating the pressure on families with children. Economic pressure. A sound maternity leave and maternity insurance system can help families share the medical expenses of prenatal checkups and hospitalization during childbirth and provide maternity benefits to compensate for the sharp drop in income during the period of labor interruption. It can even exempt newborn medical insurance premiums, provide childcare subsidies, and exempt some childcare fees so that families with children have no financial worries [8]. Although the Chinese government's implementation of these policies to encourage childbirth can increase the fertility rate and slow down the process of population aging to a certain extent, it will also bring a series of pressures and challenges, especially in terms of fiscal expenditure, policy implementation, and social security system. Balancing fiscal expenditure in more aspects may be a major challenge in the future. Overall, although the government's implementation of policies to encourage childbirth is aimed at coping with the many challenges brought about by low fertility rates and an aging population, it will inevitably increase the burden of fiscal expenditure, pressure on the social security system, and the complexity of policy implementation. To achieve the goal of increasing the fertility rate, the government needs to balance fiscal input and social needs with limited resources, which puts higher demands on policy design and implementation.

## **4. Conclusion**

This paper studies the causes of China's low fertility rate and its impact on the social economy. The study shows that the root causes of the low fertility rate mainly come from multiple factors such as economic pressure, social and cultural changes, and changes in population structure. At the economic level, the high cost of living in big cities, including the continuous rise in housing, education and

medical expenses, forces young people to postpone or reduce their fertility plans. In addition, with the changes in social culture, the concept of marriage and family has undergone profound changes. Many young people choose to marry and have children later, or even not marry or have children. This trend is particularly significant against the background of the improvement of women's status and the increase in career development opportunities. At the same time, China's long-term family planning policy has formed the concept of "fewer births and better quality " to a certain extent. Although the policy has been relaxed, the influence of this concept is still far-reaching.

The impact of low fertility rates on China's social economy is multifaceted. First, as fertility rates decline, the future labor supply will decrease, which will directly affect China's economic growth potential. Enterprises may face labor shortages and rising costs, specially manufacturing industries that rely on cheap labor will lose their competitive advantage. Secondly, the arrival of an aging society has weakened consumption capacity, the consumption tendency of the elderly group is relatively conservative, the overall social consumption demand has declined, and economic vitality has been limited. In addition, to cope with the challenges brought about by low fertility rates and aging, the government has introduced policies to encourage childbirth. However, the implementation of these policies will significantly increase fiscal expenditures and increase pressure on the social security system, requiring the government to balance fiscal inputs with social needs under limited resources to ensure the sustainability of policies.

To sum up, this article suggests that measures such as optimizing family support policies, improving the supply of childcare services, and balancing fiscal investment can be taken to effectively address the multiple challenges brought about by low fertility rates to promote the sustainable development of China's social economy.

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