

Low Fertility's Socio - Economic Impact and Coping Strategies

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Abstract: In modern society, with the development of the economy and the improvement of people's living standards, the fertility rate generally shows a declining trend. This article uses the latest data to explore the causes of low fertility and the social and economic implications of declining fertility. The rising house prices and high educational costs will bring people a lot of financial pressure and make it difficult for them to raise a child. The acceleration of urbanization and female career development can take a lot of burden on adults and be the factors that lead people unwilling to have babies. The declining fertility rate will hurt the country and society, resulting in labor shortages, a smaller consumer market, and an increasing aging population. So increasing maternity benefits, improving the level of medical security, and optimizing fertility policies and services can be the strategies for low fertility.

Keywords: Low birth rate, birth preference, social pressure, aging population.

1. Introduction

Along with the rapid economic development and social change in China, the population issue attracts people's attention day by day. However, in recent years, China's fertility rate has continued to decline, which has brought many challenges and problems. On May 20, the official website of the Shanghai Municipal Health Commission released the "Compilation of the Main data of Shanghai Population Monitoring Statistics in 2023", which has several shocking figures: the average age of the registered population of women at first birth is 31.66 years old, and the average age of childbearing is 32.56 years old. These figures show that childbearing is happening later in life. In 2023, the city's total fertility rate will be 0.6. The average number of children per woman of childbearing age is 0.6 [1]. It takes almost two women of childbearing age to give birth to one child. In today's society, young people are facing gradually rising house prices and huge economic pressure, raising a child needs to invest a lot of money and energy, children's education, and childcare costs, these costs are very high. To some extent, this has inhibited people's demand for reproduction. Whether it is in the countryside or the city, giving birth and raising children is a big cost.

According to the "China Birth Cost Report 2024" and related statistics, the average cost of raising a child from birth to college graduation in China ranges from about 627,000 yuan to 680,000 yuan. This is also an average figure, and in large cities, it is several times or more. After the reform and opening up, with the continuous change and improvement of China's productivity and production technology, the depth and breadth of women's employment market have been greatly developed.

Since the reform and opening up, the Chinese government has devoted itself to improving the economic status of women and promoting their independence and autonomy.

Move the advanced concept of glory and encourage women to actively participate in work. Due to the change in women's traditional concept and the gradual establishment of the socialist market economic system, more and more women are heading for the employment field. Moreover, China's employment and labor protection laws are further improved, which provides a guarantee for women's employment rights, and greatly promotes women's employment. Therefore, more and more women are willing to pursue their career development and become more and more independent. As the desire to have children declines, so does the fertility rate as women become more independent.

This paper will explore the causes of the low fertility rate in China, the impact on society and the economy, and put forward countermeasures, aiming at arousing social concern and discussion, and promoting the formulation and adjustment of fertility policy.

2. Analysis of the Causes of Low Fertility Rate

2.1. High House Prices and Economic Pressure

The rise in housing prices and the economic burden it brings has a significant negative impact on the birth rate. The chart below shows the changes in the growth rate of housing prices in 100 cities in China from 2011 to 2019. It can be seen from the chart that housing prices are on an upward trend.



Figure 1: Changes in housing price growth in 100 cities in China from 2011-2019 [2]

In today's society, excessively high house prices will bring a lot of economic pressure to young couples and affect their willingness to have children. According to the research of Li Jiangyi, from 2007 to 2012, the total number of births reduced solely by rising housing prices was about 6.41 million, with an average annual decrease of about 1.07 million births, which reduced the annual new birth population by about 6.3% [3].

Many young people need to pay high mortgage pressure, resulting in a heavy economic burden on the family, it is difficult to bear the education and growth of children. On the other hand, with the continuous rise of housing prices, many young people cannot even afford a house in their city, which also makes them afraid of giving birth, worried that they cannot support their children's living expenses and tuition fees. High housing prices and high interest rates have greatly eroded young people's disposable income, and many families cannot afford the pressure of buying a house. So many young people have to put off marriage and childbearing until they can earn enough money. However, with the increase in age, female fertility will also decline, female fertility from 32 years of age

declines significantly, after 37 years of decline more rapidly. The incidence of low fertility in women over 35 years of age is 30-50%. The incidence of infertility increases with the age of the woman [4]. Therefore, the expectation of higher housing prices hurts the birth rate.

2.2. High Education Cost

According to the "China Birth Cost Report 2024", the overall cost of raising children for Chinese families (excluding Hong Kong, Macao, and Taiwan) has increased by 10.9% compared with the 2022 version of the report, the average cost of raising children aged 0-17 is 538,000 yuan, and the average cost of raising children to graduate from college is 680,000 yuan, which is 53,000 yuan higher than the 2022 version [5]. From preschool education to higher education, children need to receive a lot of education, in addition to the most basic book fees and tuition fees, in today's era of internal textbooks, Students also need to enroll in a large number of cram schools and interest classes to improve themselves and catch up with their peers. This is a lot of money to spend, and the pressure of competition is increasing, and many parents want to provide better education for their children. With the growth of children's age, medical costs will continue to increase, the usual insurance costs, physical examination costs, vaccinations, and some common pediatric disease treatments need to consume a certain amount of money. These huge costs will discourage ordinary families from having children and reduce their willingness to have children.

2.3. The Acceleration of Urbanization

China urgently urgent to develop urbanization. On September 30, 2016, the "Plan to promote 100 million non-registered people to settle in cities" was agreed by The State Council, and the core goal is to let 100 million people out of rural areas and settle in cities. The acceleration of urbanization has led to a decline in fertility. It is a common situation in China that the fertility rate is higher in rural areas and lower in urban areas. With the acceleration of urbanization, the fertility rate will be lower and lower.

First of all, urbanization has changed people's way of life and values. In rural areas, the family concept has an important impact on the fertility rate. However, as people move to cities, they tend to pursue personal development and life quality more and choose to focus on individuals, which weakens their willingness to have children. Secondly, urbanization also brings higher economic costs and pressure. The expenditure in cities is higher than that in rural areas, which makes people face higher economic pressure, which also becomes an important factor restricting the willingness to have children.

2.4. Female Career Development

Women need to devote a lot of time and energy to caring for themselves and their babies during pregnancy and childcare, which can lead them to take a break from the workforce or reduce their workload. In some areas with insufficient work support and unequal gender development, women face family and social pressure to fulfill their homemaker careers and give up their professional careers. As a result, some women are not willing to be limited as a housewife. They prefer to pursue their career and self-actualization. Also, it is hard for them to balance their work and childcare responsibilities, which may delay their childbearing or choose not to have a baby.

3. Social and Economic Implications of Low Fertility

3.1. Labor Shortage

In the link of economic growth, the population factor is in the core position. If there is no human participation in economic activity, then economic growth will not exist. As the core factor of population affecting economic growth, the labor force plays a vital role in economic development. However, the long-term low fertility rate will reduce the supply of intergenerational labor and promote aging, thus affecting the scale of labor supply. However, in reality, the low fertility rate will also have a certain impact on the labor participation rate. Therefore, as the basic source of labor supply, the number of working-age population, its structure, and labor participation rate determine the scale of labor supply when the population number is fixed. The low fertility rate will affect the number and structure of the working-age population and the labor participation rate, thereby changing the labor input, which will have an impact on economic growth.

3.2. Consumer Market

Falling fertility rates make families more inclined to have fewer children, reducing the pressure on child-related spending. Families no longer need to pay for education, health care, entertainment, and other expenses for multiple children, which will increase household disposable income. In this case, the family has more money to meet other needs, such as improving the living environment, buying a better quality of life. The decline in the fertility rate will cause a change in consumption structure. As the size of the family decreases, the demand for large consumer goods such as house space, cars, and homes also decreases. The decrease in people's consumption demand will lead to adverse effects on the consumer market, such as children's products, the toy industry, baby products, and other industries will be threatened.

3.3. Population Aging

With the continues development of medical conditions as well as science and technology, population life is constantly extending, and the continuous reduction of the fertility rate makes young children less and less.

In the aging forecast chart provided by the National Bureau of Statistics, China's aging population will rise significantly from 5% in 1953 to 30% in 2050 [6].

According to the "Middle plan" of Yuwa Population's "China Population Forecast Report 2023", it is expected that China will enter a super-aging society accounting for more than 20% around 2030, and then continue to rise rapidly to 37.4% in 2060, and will rise again to about 46% in 2080 and after a period of stabilization. At this time, nearly half of China's total population of 800 million people were elderly [7]. Therefore, the pressure of family support increases. At present, the pension mechanism in China is not perfect enough, the pension problem is a great challenge for the only child.

4. Countermeasures and Suggestions

4.1. Increase Maternity Benefits

To improve the fertility rate, it is necessary to reduce the reproductive cost of the family of childbearing age, for the family, the reproductive cost includes the time, energy, money, and other factors invested by the family members. Giving childcare subsidies is a major way to reduce the cost of childbirth. In economic terms, providing financial support is an important means to encourage people to have children. By increasing family subsidy policies such as maternity subsidies and allowances, economic help can be provided to reduce the burden of family reproduction [8]. In

addition, tax incentives can be provided for families to have children, reducing family costs and encouraging more people to have children.

4.2. Strengthen Social Security

First of all, social security policies can reduce the economic pressure on families and help increase the fertility rate. In the era of economic underdevelopment, people rely more on having multiple children to share the responsibilities of work and old age. However, with the changes in modern society, the cost of raising children is increasing. The rising cost of education, and health care has made many couples afraid to have children, opting for infertility or fewer children. However, if society provides a comprehensive social security system, such as medical care, pension, and other aspects of protection, couples can reduce their economic worries about childbearing, and be more willing to have children.

Secondly, the sound of social security policy has an important impact on women's reproductive decision-making. Traditionally, women are mainly responsible for the care of children and the family. However, in modern society, the advancement of women in economic, educational, and professional aspects has determined that they are more eager to pursue career development and personal achievement. However, having children will have a significant impact on career planning and development. If society can provide women with policy and institutional protection, such as flexible working hours, maternity leave system, and childcare services, women can better balance between childbearing and career, thereby increasing their willingness and possibility to have children [9].

4.3. Government Optimizes Fertility Policies and Service

In order to provide more comprehensive support to families, the government should optimize and improve fertility policies and services. Easing restrictions on assisted fertility technologies to provide more fertility options for infertile families. At the same time, the personnel training of family planning service institutions and medical and health services should be strengthened to provide better service quality for pregnant women before and during pregnancy, to improve the health level of mother and child and the happiness index of pregnant women [10]. In addition, the family doctor system also needs to be vigorously promoted to bring more personalized fertility guidance to families. The optimization of fertility policy can improve the health and rights of childbearing families, increase the willingness and satisfaction of childbearing, and thus increase the fertility rate.

5. Conclusion

In general, with the development and change of society, the decline of fertility rate and population size has become an important phenomenon facing China and a problem that needs to be effectively solved, and this trend has become an important issue that cannot be ignored in national development. Changes in population size and structure will have a series of effects on the economy and society. Because of declining fertility rates, the number of young people today will decline, so there will be a shortage of Labour. As the size of the family shrinks, the demand for large consumer goods will also decrease. Therefore, people's consumption desire for some specific industries (toy industry, baby products) may decrease, and these industries will face a certain blow and restrict the economic growth rate. The decline in the fertility rate reflects the awakening of the consciousness of individual rights in the process of modernization, and more and more people begin to attach importance to self-realization and personal development, rather than taking reproduction as the only goal. At the same time, the increase in economic burden, gender equality, and other aspects of the change also led to the decline in fertility. In the face of this complex situation, the government and society should work together to actively respond to the demands of the people, and create more favorable social conditions

for those families who intend to have children through a variety of ways, such as improving the fertility policy, raising the level of social security, reducing the burden of childcare, increasing subsidies, to promote the balanced development of population and social harmony and stability based on respecting individual choices.

The results of this study provide important implications for economists, sociologists, and scholars concerned with the impact of demographic changes on economic and social development. It provides an important reference value for the internal driving force of fertility decline and population size change in China, and its influence is far-reaching. Measures that will help the government formulate more effective plans to grasp demographic trends, improve employment pressure, and optimize the social security system.

Although this paper analyzes the various causes and effects of fertility decline, it is due to the differences in regional culture and economic background. In the future, the reserach will further analyze the fertility intention and influencing factors under different economic backgrounds and cultural differences to propose more comprehensive coping strategies.

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