

Social and Demographic Challenges in China

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***Abstract:** As the world's most populous and rapidly developing economy, China faces numerous social, economic, and demographic challenges. The country's economic growth has significantly increased per capita income and lifted millions from poverty. However, it has also led to a widening wealth gap, urban-rural divide, and environmental challenges. In addition, China's ageing population, gender imbalance, and ethnic diversity pose significant challenges to sustainable economic growth. The Government has introduced policies and initiatives to address these challenges, such as promoting urbanization, reducing pollution, and investing in rural development. However, addressing these challenges will require sustained efforts and investment over the long term.*

Keywords: Economic growth, Social, Demographic factors

China's economic growth and recent developments have been impressive. The country's transformation from a primarily agricultural society to an economic powerhouse is remarkable. The global community will closely watch its continued success in the future. In recent years, China has made significant strides in its economic development. The country has become a global leader in renewable energy, electric vehicles, and high-speed rail industries. It has also expanded its global reach through its Belt and Road Initiative, to access massive systems of transportation, infrastructure and commerce links across Asia, Europe, and Africa. China has undergone significant changes in demographic dividend. China's population has significantly lowered in recent years, with the population even declining for the first time in decades in 2020. The one-child policy, implemented in 1979 to limit population growth, officially ended in 2015. The country's ageing population, gender imbalance, and urban-rural divide pose significant challenges to sustainable economic growth. The Chinese Government has introduced policies and initiatives to address these challenges, such as promoting family planning, supporting rural development, and investing in healthcare for older people. However, the long-term effects of China's changing population growth remain to be seen.

Review of literature

Social and demographic issues are major concerns in China, given its

massive population and rapid economic development. Many aspects of China's demography, include population size, the number and well-being of the elderly, the working-age population, the number of births, and the marriage market.¹ Analysis of the 2000 census reveals that by 2000 the total fertility rate of China had dropped to 1.4-1.6.² The strict patrilineal and patrilocal family system in China causes the Chinese family to exhibit son preference in childbearing behaviour.³ In the early 1950s, the policy against abortion was pronatalist, as a result of which, the total population increased rapidly.⁴ Coale and Judith Banister show that by 1950, the level of excess female deaths had dropped to 5 percent, from over 15 percent before 1940.⁵ The historical roots of the culture of mortality control were summarized in Lee and Wang (1999) and further explored by other studies⁶, Peng Xizhe marked 1964 as the onset of fertility decline for urban China and 1972 for rural China.⁷ The fluctuation in the fertility trend was in part the effect of relaxing the late-marriage age rule, with earlier marriage age causing birth-heaping⁸ China's one-child policy covers the majority of the Chinese population, with some 63 percent of Chinese couples currently subject to the one-child restriction.⁹ At the same time, the policy contains numerous exemptions that allow the other third of Chinese couples to have two children.¹⁰ China's fertility transition traces its roots to a cultural tradition of proactive reproductive control long before the modern fertility decline.¹¹ The benefit of this demographic dividend is estimated to have accounted for 15 to 25 percent of China's economic growth between 1980 and 2000.¹²

Objectives

1. To understand the population issues between India and China.
2. To study the other demographic issues in China
2. To understand the social challenges in China

Objective 1

China has undergone a remarkable transformation over the past few decades, emerging as the world's fastest-growing economy. Its economic growth has been driven by various factors, including a large and increasingly educated workforce, a vast network of infrastructure, and a commitment to innovation and technology. Despite these, China is facing exuberant challenges to maintain its growth trajectory. The country's ageing population, environmental problems, and rising debt levels are all areas of concern. Additionally, the ongoing trade tensions between China and the United States have created uncertainty for Chinese businesses and investors. Significant social changes have been observed in recent decades, driven by government policies, economic development, and shifting cultural values. Here are some of the critical social and demographic changes that have taken place in China

India is projected to surpass China in terms of population growth by mid-2023, according to estimates by the United Nations. The population of India is currently estimated at around 1.4 billion people, while China's population is estimated at approximately 1.41 billion. Similarly, India's

population is expanding faster than China's due to several factors, including higher fertility rates, younger people, and decreased mortality rates. Additionally, India has not implemented a one-child policy like China, which has helped to slow population growth in that country.

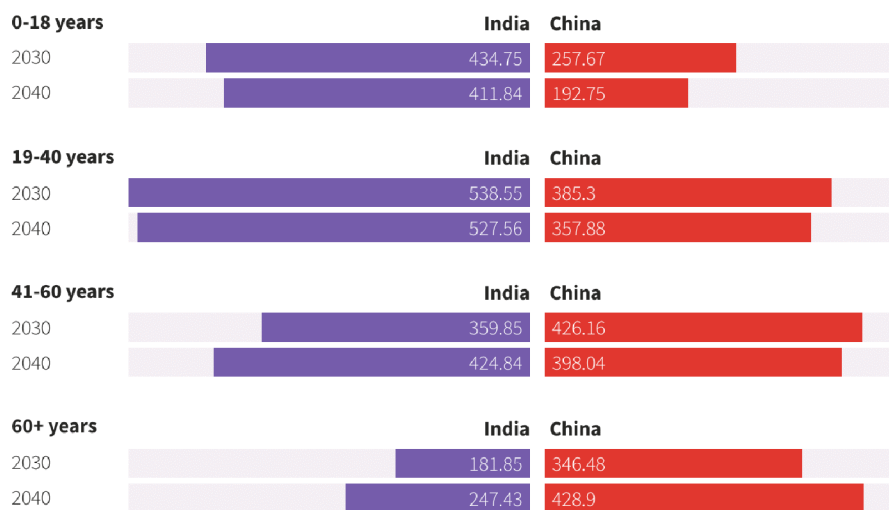
While India's population growth presents some opportunities in terms of a larger workforce and a growing consumer market, it also presents significant challenges. India already faces poverty, unemployment, and social inequality, and a rapidly growing population will only exacerbate these challenges. The Indian Government must implement policies to address these challenges, such as investing in education, healthcare, and infrastructure to support economic growth and improve living standards. Additionally, the Government will need to implement policies to address issues related to gender inequality and the environment, which are also impacted by population growth.

India's projected population growth is a significant milestone, it also presents substantial challenges for the country. The Indian Government must implement policies to address these challenges to sustain economic growth, improve living standards, and maintain social stability.

Table-1

Population comparison

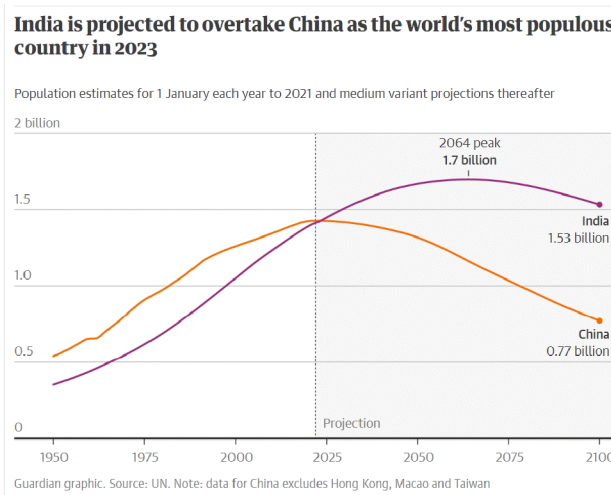
India's working age population is on course to surpass China's. The chart shows population projections in millions for selected age groups.



Source: UN Population Division | Reuters, Jan. 12, 2023 | By Sumanta Sen

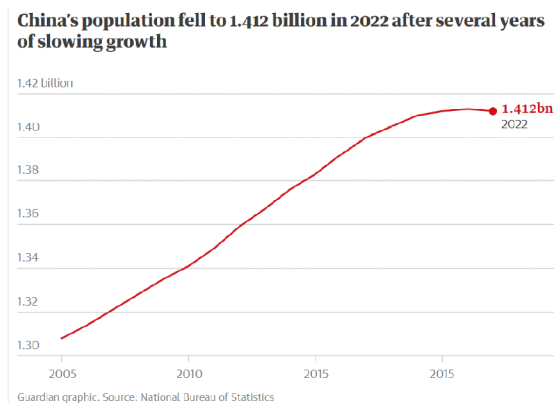
This is based on United Nations estimates, which predict that India will reach 1.45 billion by 2028, while China's population will decline after 2030 due to its ageing population and low birth rates. However, it's noted that population projections may change, such as fertility rates, migration patterns, and government policies, so these estimates may not be accurate. Table-1 shows a prediction of different age group populations in 2030 & 2040.

Table-2



Last year, the birth rate was 6.77 births per 1,000 people, down from 7.52 births in 2021, the lowest birth since the previous record. The country also experienced its highest death rate since 1976, registering 7.37 deaths per 1,000 people compared with a rate of 7.18 deaths in 2021. China's social policies, including aged care and pensions, a financial burden worsened and impacted economic growth. Table-2 shows population estimates in various years from 1950- 2100.

Table-3



Recently, an unexpected GDP had grown in China by 3% in 2022, considered one of the slowest growths in decades but was higher by stringent zero-Covid restrictions during the fourth quarter. Medical facilities and insurance caused further damage to the demographic dividend.

Objective 2

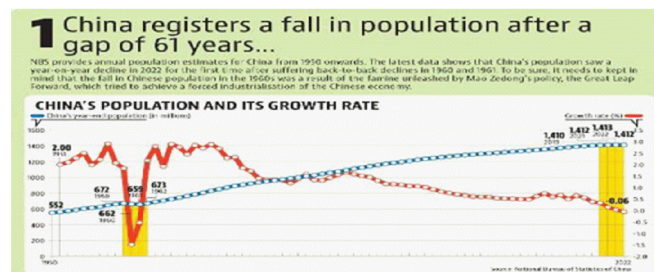
Population growth and ageing

China is one of the world's most populous countries, with over 1.4 billion people in Table-3. China has experienced significant variation in population growth and ageing over the past few decades. In the mid-20th century, China implemented a strict one-child policy to control its population growth. This policy significantly impacted the country's demographic landscape, and China's population growth rate has slowed considerably since then (Feeney and others, 1989; Feeney and Wang, 1993). However, the one-child policy was abolished in 2015, and the Government has since implemented measures to encourage couples to have more children.

China's population is also ageing rapidly.¹³ Due to the country's low birth rate and improved healthcare, the proportion of older adults in the population has steadily increased.¹⁴ This has led to concerns about an ageing population's social and economic implications, such as a shrinking workforce and increased demand for healthcare and social services.¹⁵ To overcome these challenges, the Chinese Government has implemented policies to encourage people to have more children and to promote healthy ageing. These policies include tax incentives for families with multiple children, increased retirement age, and healthcare and eldercare services investments. The Chinese Government will need to continue to balance population control with measures to promote healthy ageing and ensure sustainable economic growth.

On January 17, China's National Bureau of Statistics (NBS) estimated 1.41 billion country's population, and on December 31, 2022, falling by 850,000 from the previous year. Meanwhile, 2022 is not the only year there was a decline for the first time. It already started in the year 1961. There were some indications and symptomatic evidence of a more prominent demographic landmark than external jolts. Below are some graphs that help us to explain further in this direction in detail.

Table-4



The above data shows that China's population decreased in 2022 and every year since 1960 and 1961.

The fall in population in the 1960s was due to famine, initially controlled by the policy of Mao Zedong.¹⁶ Adopting forced industrialization was the only alternative to boosting the Chinese economy. The decline in population in 2022 was on the expected lines by United Nations estimates, which predicted a decrease in the Chinese population in 2022 and estimated that India would surpass China in mid-2023 as the world's most populous country (Table-4).

Table-5



Comparing China's decadal population growth above shows that the rate has decreased since the 1970-79 decade. The above comparison shows China's steady decrease in the population rate since 1970-79. U.N. estimates show that the Chinese population will reduce from 18% in 2021 to 13% in 2050 and 7% by 2100 (Table-5).

Birth control

According to the latest data from China's National Bureau of Statistics, the country's birth rate fell to low in 2020, with just 10.035 million babies born, a decrease of 14.9% from 2019. This is the fourth consecutive year that the number of births has declined in China. The birth rate in China has been declining for several years. The latest data indicates that the trend continues, with young couples decreasing interest in having children. The fertility rate in China in 2020 was just 1.3, which is well below the expected rate of 2.1 needed to maintain a balanced population.¹⁷ (Table-6).

This trend has significant implications for China's economy and society. An ageing population and a shrinking workforce could lead to labour shortages, decreased productivity, and increased healthcare and social welfare costs. It also poses challenges to China's long-term development and sustainability.¹⁸ To overcome this, the Chinese Government has introduced various guidelines and initiatives to encourage childbirth and support families, such as relaxing the family planning policy to allow couples to have up to three children and providing financial incentives for parents. However,

it must be observed whether these actions will effectively reverse the declining birth rate in China.

Table-6



The above is a comparison of the birth rate and death rate in China. An increase in the death rate is always better to control the population than the birth rate the above shows that the slowing down and the falling-off in the country's population resulted in a sturdy fall in the birth rate (Table-6). The Chinese state initially saw a steady decline in birth rates as a success story and originally introduce the one-child policy in the 1980s to control the population. But they had to withdraw in 2016 from the one-child policy to a two or more-child policy to promote population growth. Despite this, the fall in birth rate could be stopped. The most common reason for the drop in interest in the birth rate is that the young population fears the economic costs of childbearing. Financial concerns are essential for couples to feel they can only afford one child.

The economic consequences of Depopulation for China

China's remarkable transition from an economically weak Asian country to the world's second-largest economy is fascinating in modern capitalism's history. Impressive China's economic growth originates from its well-

educated and large pool of cheap labour, which helped establish itself as exemplary globally. The population of China was 1.411 billion people by the end of 2022, a decrease of 850,000 from the previous year. This contraction could obfuscate China's Plans for further economic growth.

Table-7



4 The economic consequences of depopulation for China

China's economic transformation from a poor Asian country to the world's second largest economy is perhaps the most fascinating rags-to-riches story in the history of modern capitalism. The origins of China's impressive economic growth are to be found in its large, relatively well educated and cheap labour, which helped it establish itself as the factory of the world. An increasingly ageing and falling population means that China will find it difficult to find enough and cheaply available workers to drive its economic growth story. China's economic anxieties over depopulation – various state policies from allowing more and more children to decisions such as banning online tuitions, which made bringing up children expensive, clearly betray the state's concern – are a lesson for voices that see population control as a silver bullet for India. To be sure, the counterfactual is equally true. Had China not had a manufacturing revolution, widespread unemployment would have thrown the country into absolute chaos. As India stands on the cusp of becoming the most populous country in the world, it must guard against both extremes.

China's ageing and declining population will be challenging to find cheaply available resources to push its economic growth story (Table-7). Depopulation is a demographic trend that refers to a decline in population size and a decrease in the proportion of working-age individuals. In the case of China, the country is expected to face depopulation in the coming decades due to a combination of factors, including a rapidly ageing population, a declining birth rate, and a shrinking workforce. This demographic shift is likely to have significant economic consequences for China.

One of the most significant economic consequences of depopulation for China is a potential slowdown in economic growth. As the proportion of working-age individuals in the population declines, the labour force will shrink, impacting productivity and output. And may lead to a decline in GDP growth and a slowdown in the country's overall economic development.

Another potential economic consequence of depopulation is a strain on the social security system. As the population ages, there will be an increasing demand for healthcare, social services, and retirement benefits. At the same time, there will be fewer working-age individuals to support these programs through taxes and other contributions. This could lead to a financial burden on the Government and a potential increase in public debt.

Depopulation could also have an impact on China's regional economies. In areas where the population is ageing and declining, demand for goods and services may also decrease, leading to a contraction in local businesses and industries. This could have a ripple effect on the overall economy, particularly in areas already struggling with economic development. There are also potential demographic consequences of depopulation that could have financial implications. For example, a decline in the number of young people in the population could lead to a decrease in entrepreneurship and innovation, hampering economic growth in the long run.

China must adopt policies that encourage population growth, increase productivity, and support social welfare programs to address the potential economic consequences of depopulation. For example, the Government could offer incentives for families to have more children, invest in education and training programs to increase the workforce's productivity and implement policies that support the social welfare of the elderly population. These efforts could help mitigate the economic impact of depopulation and ensure sustainable economic development in the long run.

During the 1970s, China's fertility rates were already decreasing, and in 1980, the Government initiated the debated one-child policy, which restricted the family planning of more babies. This otherwise helped to limit China's population growth and helped stimulate an economic boom. It resulted in low fertility rates and a large ageing population.¹⁹ The consequences of the one-child policy on the preference for male-child also created an extreme gender imparity.²⁰ The latest data shows 722 million males compared to 690 million females in China.²¹

The inequality was more profound in rural areas than in urban areas. The reason is men's failure to take responsibility for the upbringing of children. Women who give birth also severely declined in their quality of life and spiritual life. Governments have also taken measures to inspire young couples with more children, with more lucrative offers, including tax deductions, extended maternity leave, and housing subsidies.²²

Objective 3

Gender inequality and discrimination

Gender inequality and discrimination are pervasive issues that affect people of all genders and have significant social, economic, and political consequences. It refers to the perception of people on gender, leading to limited opportunities, discrimination, and bias. Women are often the primary victims of gender inequality and discrimination, facing barriers to education, employment, political participation, and social mobility. This can result in lower pay, fewer opportunities for career advancement, and limited access to resources and services. In addition, women are often exposed to various forms of gender-specific violence, including domestic violence, sexual harassment, and trafficking. Gender inequality and discrimination are deeply entrenched in many cultures and societies worldwide, and progress toward gender equality has been slow. Gender inequality and discrimination are significant issues in China, despite efforts to promote gender equality in recent years.²³

One area where gender inequality is prevalent in China is the workplace. Women often face discrimination regarding job opportunities, pay, and promotions and are underrepresented in leadership positions.²⁴ In addition, many companies in China still have gender-specific job requirements, such as height and appearance standards, that discriminate against women.

Another area where gender inequality is prevalent in China is education.²⁵ Although girls have made significant strides in access to

schooling recently, there is still a substantial gender gap in STEM fields, with fewer girls pursuing science and technology-related degrees. Gender-based violence is also an important issue in China. Domestic violence against women is prevalent, and there have been reports of sexual harassment and assault in the workplace and public spaces.

The Chinese Government has taken some steps to address gender inequality and discrimination. For example, it has implemented laws to protect women's rights and has launched campaigns to raise awareness about gender-based violence. Efforts to address these issues have included promoting women's rights, enacting anti-discrimination laws, and implementing policies to address gender-based violence. Education, awareness-raising, and challenging harmful gender stereotypes and norms are crucial in tackling gender inequality and discrimination.

However, still, a long way to achieve gender equality in China, and more efforts are needed to eliminate discriminatory practices and attitudes. It is essential to recognize that gender inequality and discrimination are not just women's issues but are issues that affect everyone. Achieving gender equality and eliminating discrimination requires all individuals' and societies' collective effort and commitment.

Income inequality and poverty

Income inequality and poverty are complex and interrelated issues affecting individuals and communities worldwide. Income inequality is the uneven distribution of wealth and income within a society or country, where some individuals or groups have significantly more resources than others. Poverty, on the other hand, is a condition where individuals or households lack the necessities, including food, shelter, and healthcare, due to limited financial resources. Income inequality can contribute to poverty, as those already financially disadvantaged have fewer opportunities to improve their economic situation. It can also lead to social and political unrest, as those who feel the economy is leaving them behind may become frustrated and disengaged from society.

Poverty is a significant challenge, particularly in developing countries, where access to essential services and opportunities is often limited. Poverty can lead to malnutrition, illness, reduced life expectancy, and limited access to education, healthcare, and other essential services. Poverty also significantly impacts children, who may miss out on crucial development opportunities and may be more likely to drop out of school or be forced to work to support their families.

Despite the impressive economic growth over the past few decades, income inequality and poverty are significant issues in China. Studies by Alesina and Rodrik (1994), Persson and Tabellini (1994) and Perotti (1996) reported that inequality exerted a negative impact on growth. Income Gaps are extensive, with a small percentage of the population with disproportionate wealth Voitchovsky (2005) Castelló-Climent (2010). Poverty

is also a considerable challenge in China Fawaz et al. (2014), particularly in rural areas, where access to essential services and opportunities are often limited. According to official data, approximately 5.5% of China's population lives in poverty, but many experts believe the actual number is much higher. Some factors contributing to income inequality and poverty in China include a lack of access to education and job opportunities, particularly for those in rural areas, and a limited social safety net. China's hukou system, which ties access to public services such as education and healthcare to an individual's place of birth, has also been criticized for perpetuating inequality and limiting opportunities for those from rural areas.

To overcome income inequality and poverty, Government must include policies to increase access to education and healthcare, improve access to job opportunities, and strengthen social safety nets in rural areas. China's Government has also launched an initiative to eliminate poverty by 2020, including infrastructure investments, training programs, and targeted financial support for impoverished areas and households. In addition, investments in infrastructure, such as transportation and communication systems, can help to create more equitable economic opportunities and reduce poverty. Focusing on sustainable and inclusive economic growth is also critical to reducing income inequality and poverty over the long term. While progress has been made in reducing poverty in China, income inequality remains a significant challenge. Continued efforts to address the root causes of income inequality and poverty are essential to creating a more equitable and prosperous society for all Chinese citizens.

Urbanization and migration

Urbanization and migration are closely related phenomena with significant social, economic, and environmental consequences. Urbanization refers to people moving from rural areas to cities. Migration is the movement of people from one place to another in search of employment, better living, and opportunities. Urbanization and migration are significant phenomena in China, where millions have shifted from rural setups to urban cities for better economic opportunities and improved quality of life. The rapid economic growth in China in past decades has led to massive urbanization, with millions moving from rural areas to cities. This has brought about significant changes in how people live and work and their attitudes and values. China has world highest rates of urbanization in the world, where 60% population lives in urban areas. Several studies have been conducted on China's rural-urban migration and urbanization, including Chang (2003), Chang and Brada (2002), Hare (1999), Knight and Song (1999), Seeborg, Jin, and Zhu (2000), Song (2001), Song and Zhang (2002), Wu (1994), and Zhao(1999). Urbanization has also contributed to income inequality in China, with the rural-urban income gap widening in recent years. This has led to social unrest and political tensions, negatively impacting economic stability. The fast urbanization process has increased pollution and environmental degradation, negatively

impacting public health and economic development.²⁶ Pollution has increased healthcare costs, reduced productivity, and damaged the country's reputation in international trade. Rapid urbanization has led to informal settlements, also known as urban villages, which lack essential services such as clean water and sanitation.²⁷ Additionally, urbanization has put significant pressure on China's natural resources and has contributed to air and water pollution.

Migration is also a significant global phenomenon, with millions of people moving from one place to another every year for better economic opportunities, safety, or a better quality of life. Migration can be voluntary or forced and can occur for various reasons, including political instability, conflict, climate change, and economic opportunities. Migration is also a significant issue in China, particularly about internal migration. Millions of people have moved from rural areas to cities for better job opportunities and improved quality of life. However, migrant workers often face significant challenges, including limited access to social services such as healthcare and education, discrimination, and low wages. Efforts have been made to address the challenges of urbanization and migration in China; these issues remain significant for the country. Continued efforts to promote sustainable urban development and protect the rights of migrants will be essential to ensuring that urbanization and migration in China benefit all members of society. The Chinese Government has launched several initiatives aimed at addressing these challenges, including efforts to upgrade informal settlements and provide affordable housing for low-income residents

Education and literacy rates

Education and literacy rates are essential indicators of a country's social and economic development. Education is critical for promoting social mobility, improving health outcomes, reducing poverty, and promoting economic growth. Literacy rates measure the percentage of the population who can read and write. They are a vital indicator of a population's ability to access information and participate fully in society. Significant progress has been in improving education and literacy rates globally in recent decades. However, many countries still face significant challenges in providing access to quality education and achieving high literacy levels.

Education has been a central focus of government policy in China for several decades, with significant investments made in expanding access to education and improving educational outcomes.²⁸ As a result, China has made impressive progress in improving literacy rates, particularly in rural areas. Ding & Knight (2011), Past research focuses on education's effect on economic growth and development, such as Stites & Semali (1991), Coman Nuta et al. (2022); Treiman (2007), and Mazumdar (2005) found the literacy rate improves the economic growth and development. Some other researchers such as Mughal et al. (2022); Wang and Wang (2022); Ibrahim and Vo (2021) and Xin et al. (2022) investigated the innovations and environmental pollution.

According to official data, China's adult literacy rate is over 96%. Efforts to improve education in China have included policies aimed at expanding access to education, improving the quality of teaching, and addressing disparities in educational outcomes between urban and rural areas. The Chinese Government has also made significant investments in education infrastructure, including building new schools and universities and providing financial support for students from disadvantaged backgrounds.

Despite progress in improving education and literacy rates, challenges remain in China, particularly concerning disparities in educational outcomes between urban and rural areas and between different socioeconomic groups. Additionally, concerns have been raised about the quality of education in China, particularly about rote learning and standardized testing. To overcome these challenges, include policies aimed at improving the quality of teaching and promoting more student-centred approaches to learning. Additionally, efforts are being made to address disparities in educational outcomes through targeted policies, such as providing financial support for students from disadvantaged backgrounds and improving access to educational resources in rural areas.

Family structure and dynamics

Family structure and dynamics refer to how families are organized and how family members interact. Family structure can vary widely between cultures and over time. It can include nuclear, extended, and non-traditional family structures such as single-parent and blended families. Family dynamics can also vary widely and can be influenced by cultural norms, socioeconomic status, and individual personality traits. Typical family dynamics include patterns of communication, decision-making, and conflict resolution.

In China, the family has traditionally been an important social institution, strongly emphasizing filial piety and respect for elders. Family structure in China has historically been centred around the extended family, with multiple generations living together in the same household. However, there has been a shift towards smaller family structures in recent decades, with nuclear families becoming more common in urban areas. Cultural norms, such as the importance of hierarchy and collectivism, also influence family dynamics in China.²⁹ Respect for authority figures, including parents and elders, is essential, and conflicts are often resolved through compromise and negotiation rather than confrontation.

In recent years, there have been significant changes in family dynamics in China, including a trend towards later marriage and lower fertility rates. This trend has been attributed to changing social norms, increased education and employment opportunities for women, and government policies aimed at controlling population growth.³⁰ Efforts to understand the changing dynamics of family life in China include policies to support families, promote work-life balance, and address the challenges of an ageing population. Additionally,

there are ongoing debates in China about the impact of these changes on traditional family values and the role of the family in society.

Political and social attitudes and beliefs

Political and social attitudes and beliefs refer to the values, opinions, and worldviews that shape individuals' political and social behaviour. Many factors, including culture, history, education, socioeconomic status, and personal experiences, can influence these attitudes and beliefs. In China, political and social attitudes and beliefs are shaped by a complex mix of traditional values, Communist ideology, and modern aspirations. The Communist Party of China (CPC) has been the dominant political force in China since 1949 and has played a central role in shaping political and social attitudes and beliefs. Communist ideology emphasizes collectivism, equality, and social justice, and the CPC has promoted policies to reduce poverty and promote economic development. At the same time, China's rapid economic growth and increasing global influence have led to the emergence of new social and cultural values, including individualism and consumerism. The tension between traditional values and modern aspirations is controversial in China.³¹

In China, political and social attitudes and beliefs are also shaped by ongoing debates about the state's role, the balance between individual rights and collective needs, and the relationship between economic development and environmental sustainability. There is also debate about the role of civil society, including the media, NGOs, and social movements, in shaping political and social change in China.

The Chinese Government has launched several initiatives to promote patriotism and national identity, including "core socialist values" such as harmony, prosperity, and social stability. At the same time, there are ongoing debates about how these initiatives successfully shape public attitudes and beliefs. The efforts to understand political and social attitudes and beliefs in China include researching public opinion and using social media to track trends and ideas. However, there are significant challenges in researching sensitive topics in China, and there are ongoing debates about how public opinion is accurately reflected in official sources.³²

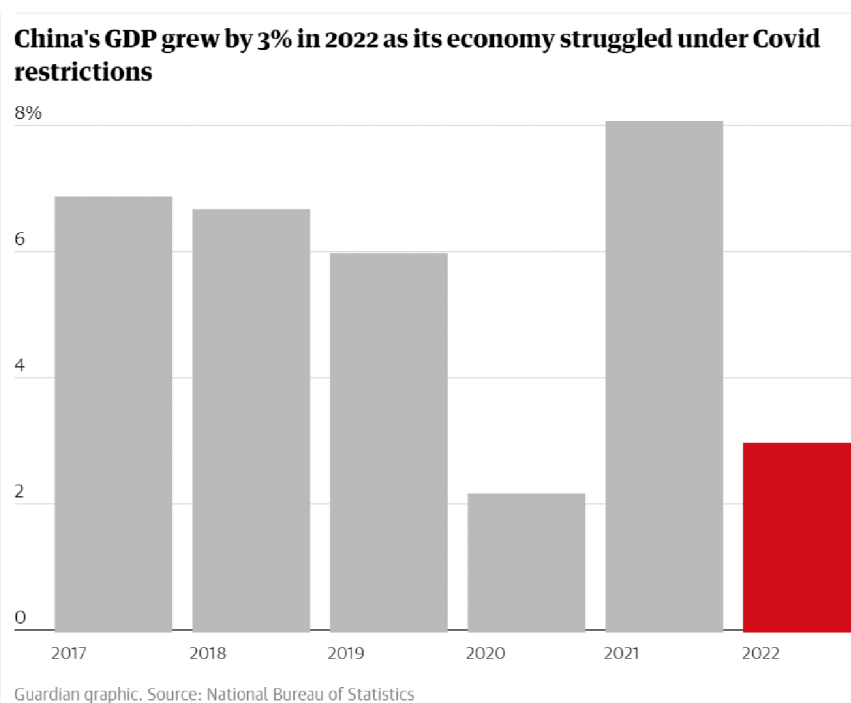
Impact of the COVID pandemic

The COVID-19 pandemic, a major natural calamity, profoundly impacted the global economy, including China, the first country to experience the outbreak. China's economy was hit hard during the pandemic in 2020, with the gross domestic product (GDP) contracting by 6.8%. However, since then, the country's economy steadily recovered.³³ The Chinese Government's response to the pandemic was swift and comprehensive.³⁴ The Government implemented strict lockdown measures and travel restrictions, which aided in restricting the spread of the virus.³⁵ The Government also provided significant economic stimulus measures to support businesses and

individuals affected by the pandemic.³⁶

COVID-19 further damaged the country's demographic outlook; Strict lockdowns and home quarantines confined people to their homes for days and weeks. China struggled to retain its economic supremacy posed by the pandemic and "the challenges of working from home and having a family under these uncertainties."³⁷ While the COVID-19 pandemic has significantly impacted China's economy, the country's swift response and robust manufacturing sector have helped drive a strong recovery (Table-8). However, challenges remain, and the Chinese Government must continue implementing policies supporting sustainable economic growth.³⁸

Table-8



One of the key factors driving China's economic recovery has been the robust manufacturing sector. China is the number one world's largest manufacturing economy. Its factories quickly ramped up production as the pandemic subsided, meeting surging demand for personal protective equipment (PPE) and electronics. China's export sector has also been a driving force behind its economic recovery. The pandemic has increased demand for medical equipment and other goods, benefiting Chinese exporters. Additionally, the Chinese Government has encouraged companies to focus on export-oriented production, which has helped to boost the country's trade surplus. Despite the strong rebound, some challenges are still facing the

Chinese economy. One of the most significant is the country's high debt levels, exacerbated by the pandemic. Additionally, the pandemic has exposed vulnerabilities in China's economy, such as the country's heavy reliance on exports and manufacturing.

China is one of the world's highly populated countries, with 1.4 billion people. Its population presents several social and demographic challenges that the Chinese Government is grappling with. One of China's most significant social issues is the urban and rural income gap. Rapid urbanization in China has resulted in substantial economic growth, leaving many rural communities behind. The Government has implemented policies to try and bridge this gap, such as investing in infrastructure in rural areas and providing subsidies to farmers. However, progress has been slow, and income inequality remains a significant challenge.

Another significant social issue in China is the elderly population. Due to the one-child policy that was in effect for many years, China's population is ageing rapidly. This strains the country's social welfare system, as fewer young people. The Government has responded to this challenge by relaxing the one-child policy and implementing policies to encourage families to go for more than one child. However, their effectiveness is to be seen in the long run. China also faces significant demographic challenges in terms of gender imbalance. Due to a cultural preference for male children, China has a significantly higher male-to-female ratio than most other countries. This presents several social challenges, such as difficulty finding marriage partners for men and increased human trafficking and other crimes. The Government has initiated several policies to resolve this issue, such as supporting gender equality and implementing anti-trafficking measures. However, progress has been slow, and gender imbalance remains a significant challenge.

In short, China faces various social and demographic challenges that the Government is working to address. Income inequality, an ageing population, and gender imbalance are among the most significant issues. The Government has implemented a range of policies to try and address these challenges, but progress has been slow, and in the long run, it remains to be seen whether these measures will be effective in the long term.

For much of world history, China has accounted for roughly one-quarter of the human population.³⁹ Labour force participation rates were not only low at the turn of the century but also declining.⁴⁰ Using data from the China Urban Labour Survey of five large cities conducted at the end of 2001, Giles et al. (2006) analyse the impact of economic restructuring on urban workers between 1996 and 2001, a period of widespread and large employment shocks in the labour market

Future implications

China's social and demographic issues will significantly impact its future, impacting economic growth, social stability, and political dynamics. One of the most significant implications of these issues is that they will strain the

country's social welfare system. China's rapidly ageing population, for example, will require more support from the Government in terms of healthcare, pensions, and other social services. This will require significant investment, which may be difficult to sustain given other competing priorities. Another implication is that social and demographic issues could exacerbate social and economic inequalities. For example, income inequality between urban and rural areas could become more pronounced if rural communities continue to be left behind by economic growth. Gender imbalance could also lead to social unrest and increased crime rates.

Social and demographic issues could also impact China's international standing. A rapidly ageing population, for example, could lead to a decline in China's economic growth and global influence. Gender imbalance could also impact China's reputation, as the country has been criticized for its human rights record regarding gender equality. Finally, social and demographic issues could have political implications. The Chinese Government has traditionally relied on economic growth to maintain political stability. Still, if social and demographic challenges undermine development, the Government may face increased pressure from social unrest and political opposition. China's social and demographic issues will have significant implications for the country's future. These issues will impact social stability, economic growth, and political dynamics. The Government must implement policies to address these challenges to maintain its global standing and political stability.

Notes and References (Endnotes)

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