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The Chinese Three-child Policy in Practice –
Family Protection and Family-friendly Measures at the
National Level, Birth Promotion Initiatives at the Local Level

A kínai háromgyermekes politika a gyakorlatban – Családvédelmi és családbarát intézkedések, születést elősegítő kezdeményezések országos és helyi szinten

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**Abstract:** In August 2021, the Chinese three-child policy took effect, ending the former restrictive population policy of the country. Low fertility intention is one of the reasons behind the rapid aging of the society in China, thus the new policy seeks to achieve its demographic goals by encouraging childbirth. The first part of this paper presents the family-friendly and family protection measures the central government has introduced in recent years. The second part, based on local family planning regulation amendment reports and related news, introduces how local childbearing promotion initiatives complement the central measures in the first four months of the three-child policy. The analysis concludes by outlining the future of the three-child policy. The policy is unlikely to reverse fertility decline and ageing, although it can slow down its pace and help China gain time to continue the development of its social care systems. It is worthwhile for Hungary to monitor what kind of unique subsidies China introduces to promote childbirth in the future.

**Keywords:** China, population policy, three-child policy, childbearing promotion, ageing society

Összefoglalás: 2021. augusztusában lépett életbe a három gyermek politika Kínában, ezzel véget ért a korábbi, korlátozó jellegű népességpolitika. Kínában az alacsony gyermekvállalási hajlandóság az egyik oka a társadalom gyors elöregedésének, ezért az új politika a gyermekvállalás ösztönzése révén próbálja elérni a kitűzött demográfiai céljait. Dolgozatom első részében bemutatom, hogy a központi kormány az elmúlt években milyen családbarát és családvédelmi intézkedéseket vezetett be. Dolgozatom második részében a helyi családtervezési szabályozások változásairól szóló jelentések és hírek elemzése alapján ismertetem, hogy a központi intézkedéseket hogyan egészítik ki helyi szintű gyermekvállalást ösztönző kezdeményezések. Az elemzés végén a három gyermek politika jövőjét vázolom fel. A politika valószínűleg nem fordítja vissza a termékenységcsökkenést és az elöregedést, ütemét azonban lassíthatja, és segíthet időt nyerni Kínának szociális ellátórendszerei folyamatos kiépítéséhez. Magyarországnak érdemes figyelemmel kísérnie, hogy Kína milyen egyedi születésösztönző támogatásokat vezet be a jövőben.

**Kulcsszavak:** Kína, népességpolitika, három gyermek politika, születésösztönzés, elöregedő társadalom

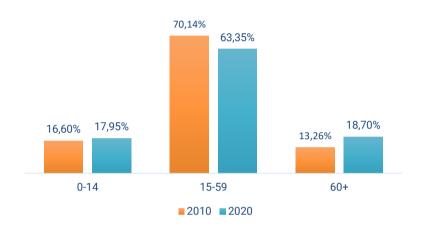
# INTRODUCTION

The results of the <u>Seventh National Population Census</u> have confirmed that Chinese society is ageing rapidly. The active population has been declining since 2011, having decreased by 40 million since the previous census in 2010. The proportion



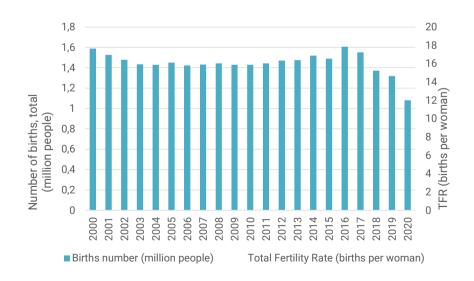
of young people is already smaller than that of the older generation (Diagram 1). The number of births has been declining since 2016: in 2020, only 12 million people were born, and the Total Fertility Rate (TFR) had dropped to 1.3 (Diagram 2).

Diagram 1
Proportion of age groups in total population



Source: 2010, 2020

Diagram 2 Number of births and Total Fetility Rate (TFR) in China between 2000-2020



Source: TFR (2000-2019 and 2020), number of births (2000-2019 and 2020)



Shortly after the presentation of the census results, during a session of the Central Committee at the end of May 2021, the Chinese Communist Party announced the introduction of the three-child policy with the purpose of handling the country's demographic challenges in the long run. Under the Population and Family Planning Law amended at the end of August 2021, each Chinese couple is allowed to have three children, regardless of their place of residence and ethnicity. Former social maintenance fees and other penalties levied on couples having more children than allowed were also abolished. This means that although only three children per couple are allowed, those bearing more than three are not sanctioned anymore.

The fertility decline in China that has continued for decades and the low fertility intention that is now typical of young couples are due to the <a href="effects">effects</a> of earlier birth restrictions and the socioeconomic development accompanying them. By now, smaller families have become the <a href="social norm">social norm</a> in China, caused by rapidly rising housing and educational costs and discrimination against women in the labour market, among other things. The variety of reasons means that <a href="easing">easing</a> birth restrictions on its own would not be enough to increase birth numbers; therefore, the <a href="amended law">amended law</a> proposes several incentive-based measures that can be carried out by local governments to encourage childbearing in accordance with their specific demographic conditions.

Since August, local governments have been revising their own family planning regulations to make them compatible with the new three-child policy. Although a three-child limit may also be seen as population control in some respects, in fact, taken together with the supportive measures, it can be regarded as an incentive-based population policy.

This paper explores the following questions:

- 1. What kinds of family protection and family-friendly measures have been introduced by the central government in recent years?
- 2. How is the three-child policy carried out in practice, i.e. what kinds of specific birth promotion measures have been introduced by local governments in the first four months of the three-child policy?

# **METHODOLOGY**

This paper presents the currently ongoing changes in the Chinese population policy, using the Chinese press as the primary source of the research. Based on a review of the related literature, the causes of the fertility decline as well as the changes in the population policy in China over the past few years are examined. Relying on news items and reports related to the Chinese population policy that have been published since June 2021, the central measures designed to protect family values and address the causes that prevent couples from childbearing were collated, and the press and reports regarding the amendment of provincial and municipal family



planning regulations were monitored. During the analysis, the most typical birth promotion measurements were observed, as well as how their application differs between provinces and municipalities. The main part of the paper focuses on the local policies that promote childbearing, and these policies are presented by type of support rather than public administrative unit to provide a more comprehensive overview of the already introduced measures. The analysis regarding local policies covers the period between August 2021 and December 2021. To the best of my knowledge, no similar comprehensive summary presenting birth promotion policies of various administrative units in one place has been previously prepared in the literature. The conclusion outlines the future of the three-child policy as well as the relevance of this topic for Hungary.

#### DISCUSSION

# CENTRAL MEASURES: FAMILY PROTECTION AND FAMILY-FRIENDLY POLICIES

Central communication seeks to change the social attitude towards family in order to reach its demographic goals. The government grants tax allowances and tries to reduce discrimination against women in the labour market with the intention of eliminating the causes of fertility decline and promoting family values. By making divorce and abortion more difficult, the government supports the preservation of family bonds and the protection of women's health. Furthermore, the 'Double Reduction' policy aims to reduce the burden on parents and children in terms of education costs.

## The importance of central communication in promoting family values

Restrictive population policy influences childbearing decisions even after its termination, therefore, the social norms regarding families must also change if the goals of the three-child policy are to be achieved. In recent years, central communication has sought to create a family-friendly environment and supported it with various promotion campaigns. As recently as six years ago, slogans promoting the one-child policy could be read and heard, but today larger families once again have become the ideal examples to follow. In 2018, the People's Daily said that childbirth is not only a family matter but also a national one, while the China Family Planning Association has collected slogans for the three-child policy from the public to be able to create an ideal social environment that is appropriate for childbearing. The Family Education Promotion Law, adopted in October 2021, is also aimed at strengthening the awareness that family values are cornerstones of national development and social stability.



#### Tax allowances

Tax allowances related to childbearing and childrearing are part of the childbearing promotion programs proposed by the <u>Decision</u> on the introduction of the three-child policy. Although tax allowances have not yet been introduced by local governments, between <u>2019–2025</u> the revenues of businesses providing childcare and domestic services are exempt from value added tax across the country, and 10% of their tax base can be deducted as well. In addition, the income tax for parents with children over the age of three can be reduced by <u>1,000 yuan</u> (USD 156) per month until the children graduate from university, as long as the educational costs are properly documented

#### Reducing discrimination against women in the workplace

Since 2019, it is forbidden to ask women about their marital status and childbearing plans during job interviews. The Outline for Women's Development in China (2021–2030), adopted by the State Council in September 2021, sets out various goals and measures for the equality of women. For example, it stipulates that gender equality must be achieved in the workplace, and that women's needs should be taken into consideration during the development of social security systems.

# Making divorce more difficult

The Civil Code of China was amended in 2020, affecting divorce, among others. Under the regulations (in force since January 2021), divorces need to be preceded by a thirty-day 'cooling-off period', and the official legal process shall only be started after this period has expired. The amendment is designed to reduce the number of rash divorces, to strengthen the stability of families, and to help create harmonious family values and social order. Following years of increasing, divorce numbers started to decline in 2020, and this trend has continued after the amendment as well. The number of divorces dropped more than 70% in the first quarter in 2021 compared to the same period in the previous year.

# Reducing the number of abortions

Reducing the number of abortions performed for non-medical purposes and better access for women to pre-pregnancy healthcare services are part of the goals set out by the <u>Outline for Women's Development in China (2021–2030)</u>. Attempts were already made to reduce sex-selective abortions during the one-child policy, with various degrees of success, although the primary motivation of those attempts

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was to reduce the imbalance in the sex ratio. However, the current guideline is already an element of the incentive-based population policy, showing local governments the priorities of the central government. Abortion has already been controlled at the provincial level in some places for years, for example, since 2018 pregnancies older than 14 weeks can only be terminated in Jiangxi province after written approval from three different medical professionals.

#### The 'Double Reduction' policy

The one-child policy made the parents of single children spend as much as possible on educating their only child, which has led to fierce competition in the education system and to the upswing of the out-of-school tutoring industry and the rise of related fees. Recognizing that this reduces childbearing willingness, the Chinese government adopted the 'Double Reduction' policy in July 2021, with the purpose of reducing the in-school and out-of-school burden on primary and middle school children, as well as tackling social inequalities. The policy seeks to relieve parents by moving tutoring classes from expensive private institutions to free or cheaper public institutions. As some parents have been sceptical about the policy, the Ministry of Education announced in September 2021 that schools, governments, or competent authorities can be held accountable for hindering the implementation of the policy.

# LOCAL MEASURES: CHILDBIRTH PROMOTION POLICIES SUPPORTING THE NATIONAL THREE-CHILD POLICY

Due to large regional differences in demographic conditions, the Chinese government is entrusting local governments with implementing the three-child policy. Provinces, municipalities, and some innovative administrative units at lower levels have been queuing up to announce that they are harmonizing their family planning regulations with the three-child policy, meaning that they are introducing birth promoting policies to replace the former restrictive ones. Supportive measures play a key role in the whole policy because quantitative easing, i.e. raising quotas on the number of children, cannot reverse the decline in fertility rate on its own.

At the end of 2021, at least 27 provinces (municipalities) out of 34 administrative divisions were actively supporting childbearing. Initiatives introduced, or in some cases announced, in the first four months of the policy, mainly focus on reducing the parental burdens and costs associated with childbearing and childrearing. Most provinces have already made decisions to extend various family-related leaves (maternity, paternity, and marriage leaves) and introduce a new type of leave specifically granted to parents with small children. For the time being, actual financial incentives (maternity, child raising, and housing benefits) are only



provided at the city/county level. Some places support educational and medical expenses as well. In several provinces it has been decided that new assisted reproductive institutions should be established, while in others more than three children per couple are allowed if certain conditions are met. In one province, anti-discrimination policies have been formulated to protect the labour rights of women, thus making starting a family more attractive. Two provinces provide daily childcare or breastfeeding breaks for mothers of young children.

#### Maternity leave

In China, determining the duration of the maternity leave is the responsibility of provincial governments, but it cannot be shorter than 98 days. This paper specifically focuses on recording policy changes, which means provinces and municipalities where the duration of maternity and paternity leaves has remained unchanged in the last few months are not mentioned. In the municipalities of Beijing, Shanghai, and Tianjin, as well as Hubei province, maternity leave has been extended from 128 to 158 days. In Beijing, the extended leave is granted only when the third child is born. Upon the approval of the employers, mothers can be entitled to an additional one to three months, which means Beijing mothers of three children can at best take up to eight months of maternity leave. In Zhejiang province, the former duration of 128 days is extended to 158 days at the birth of the first child and to 188 days at the birth of the second and third children. In the municipality of Chongging, 178 days are granted instead of the previous 158 days. In order to boost childbirth, 158 days are extended to 188 days in the provinces of Anhui, Jiangxi, and Qinghai. In Hebei province, a maternity leave extension from 158 to 188 days is only available when the third child is born. In Shaanxi province, at the birth of the third child, six months are added to the previously provided 168 days, which means the total duration of the leave can reach up to 350 days. In Jilin province, upon the approval of the employer, the duration of the maternity leave can be extended from the former 158 days to up to one year, although this is only a recommendation for the time being.

# Paternity leave

Similarly to the maternity leave, only the minimum duration of the paternity leave is set by the central government, which is <u>seven days</u>. In <u>Tianjin</u>, fathers are entitled to 15 days of paternity leave, <u>eight days</u> more than before. However, in <u>Jilin</u> province, the extension of the currently available <u>15-day</u> leave is only planned. In the provinces of <u>Chongqing</u> and <u>Liaoning</u>, the leave has been extended from <u>15</u> to 20 days. In the provinces of <u>Anhui</u> and <u>Jiangxi</u>, new fathers are granted 30 days of paternity leave, while the former provided <u>ten</u>, and the latter provided <u>15 days</u>



previously. In <u>Shaanxi</u> province, spouses are entitled to take the 30-day extended paternity leave only at the birth of the third child, which means an extra <u>15 days</u> compared to those with one or two children.

#### Marriage leave

The number of new marriages has been declining for seven consecutive years in China. In 2020, only <u>8.13 million</u> couples got married, <u>12%</u> less than in the previous year. In the interest of protecting and promoting the institution of marriage, several provinces have extended the duration of the marriage leave, which is set at three days as the national minimum standard. In <u>Ningxia</u> province, marriage leave is extended to ten days in general, and to 13 days for those who participate in promarriage medical check-ups. Newlyweds are allowed to take 15 days of paid leave in <u>Jilin</u> and <u>Qinghai</u> provinces, and 30 days is <u>Gansu</u> and <u>Shanxi</u> provinces. The minimum length of the leave has been increased by ten days in <u>Anhui</u> province and by 15 days in <u>Jiangxi</u> and <u>Hebei</u> provinces. <u>Hubei</u> province is also planning to extend marriage leave for its residents, although relevant regulations are yet to be set by the local government.

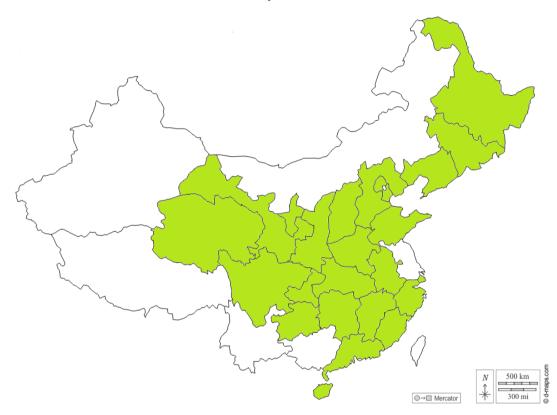
#### Childcare leave

As part of birth promotion, a new type of leave, which can be taken by parents of young children in addition to the basic annual leave, has been introduced in several provinces. The analysis found that childcare leave was the most widespread birth promotion initiative throughout China four months after the amendment of the family planning law. Map 1 shows which provinces and municipalities had introduced this new type of leave by the end of 2021. Administrative divisions where the introduction of childcare leave is officially announced or recommended by the local government are also included. For the time being, Jilin is only planning to introduce childcare leave, while Fujian and Hainan provinces have made recommendations for local employers to provide ten days of extra leave annually for parents with children younger than three. In Beijing and Shanghai, an annual five days of childcare leave is already granted to parents raising children under the age of three. In Chongging, once the maternity or paternity leave is over, either of the parents are allowed to take childcare leave until the first birthday of their child, or alternatively they can choose to take five to ten days annually until the child becomes six years old. In Tianjin municipality and in the provinces of Guangdong, Guizhou, Hebei, Heilongjiang, Henan, Hubei, Hunan, Jiangxi, Liaoning, Ningxia, Shandong, Sichuan, and Zhejiang, both parents of children under the age of three are entitled to take an annual ten days of childcare leave. In Annui province, ten days of leave is granted until the child turns six years old. For now, employers in Qinghai



province are only recommended to provide 15 days of extra leave until the third birthday of the employee's child. However, in the provinces of <u>Gansu</u> and <u>Shanxi</u>, these 15 days of leave are already available. <u>Changyuan</u> city in Henan province is arranging to introduce 30 days of childcare leave for parents with children under the age of three, which is more than the provincial minimum. <u>Shaanxi</u> has already made the decision on the 30-day childcare leave, which is granted to both parents of children aged between one and three years.

Map 1
Provinces and municipalities that had introduced, planned, or recommended childcare leave by the end of 2021



## Maternity and child raising benefits

Previously, Chinese families that were complying with birth quotas used to receive financial support. After the turnaround of the Chinese population policy, families with several children are also rewarded as part of the three-child policy. At least four locations at lower administrative levels have decided to introduce maternity and child raising benefits, although similar benefits are not guaranteed at the national and provincial level yet. Panzhihua city in Sichuan province offers 500 yuan



(USD 78) monthly for each second and third child until they turn three. Yanbian autonomous prefecture in Jilin province subsidizes parents with 1,000 yuan (USD 156) monthly for 50 months after the birth of their second child. Huangzhugen village in Guangdong province supports parents with 3,300 yuan (USD 517) per month if they are permanent residents and work in the village. This support is only given if the baby is breastfed, up until the baby turns two and a half years old. Linze county in Gansu province provides not monthly but annual subsidies to parents raising more children. It gives a yearly child raising benefit of 5,000 yuan (USD 783) to local families with two children and 10,000 yuan (USD 1,566) to those with three children, until the children turn three years old. The local government offers mothers with local residence a one-time maternity benefit as well, the sum of which is 2,000 yuan (USD 313) for the first, 3,000 yuan (USD 470) for the second, and 5,000 yuan (USD 783) for the third child.

## Housing benefits

The <u>Decision</u> on introducing the three-child policy mentions housing benefits as possible birth promotion measures. Nationwide at least three local governments help families with several children solve their housing issues. Beijing is the first Chinese city to promote childbearing by improving its public rental programs. In <u>Chaoyang</u> district, Beijing, families with more than one child that already qualified for public rental apartments before the end of September 2021 and are still waiting for their homes, skip the line to receive their properties earlier. They can choose a property from two housing projects, which they can rent at a better than market rate. <u>Jiangxi</u> province is also planning to provide housing benefits for bigger families; however, it is <u>Linze</u> county in Gansu province that is the real pioneer in this field. It offers housing subsidies of up to 40,000 yuan (USD 6,211) for its permanent residents who have two or three children. Linze county is the first administrative unit in the country that has introduced a benefit specifically for purchasing property.

## Supporting the education expenses of children

At least three provinces are planning to support the education expenses of families with more than one child. <u>Jiangxi</u> province has already announced its intention to do so, although the details are unknown yet. <u>Linze</u> county of Gansu province offers an annual 1,000 yuan (USD 156) of education support to parents whose second child attends a public kindergarten. At the birth of the third child, the benefit doubles to 2,000 yuan (USD 313). In <u>Shanxi</u> province, employers can offer a monthly education support of at least 200 yuan (USD 31) to employees whose children attend nursery or kindergarten.



#### Supporting birth and other medical expenses

There is currently no uniform health insurance system in China, and regions differ significantly both in how developed their health care institutions are, as well as the income level of their population. Traditional health insurance plans do not cover childbirth expenses, thus insurance reform has already been implemented in at least six provinces. Unlike before, 'childbirth insurance' now covers all costs related to childbirth in Tianjin municipality and in the provinces of Anhui, Gansu, Guangxi, Guizhou, and Hubei. In Shanxi province, if either of the couple went through a sterilization surgery before the introduction of the three-child policy, he or she can apply for a free reversal surgery.

#### Establishing new assisted reproduction institutions

According to the new guidelines adopted by the National Health Commission in 2021, each province and municipality needs to have one assisted reproduction institution for every 2.3–3 million people. The municipalities of Shanghai and Tianjin, and the provinces of Anhui, Guizhou, Hebei, Henan, Shaanxi, Shanxi, and Sichuan have published their new five-year plans on using fertility treatments for the period 2021–2025. Sichuan province has pledged to establish twenty new institutions for assisted reproduction by 2025, Anhui and Shaanxi provinces are planning to add ten, while Shanxi province is planning to add four new medical institutions. These measures are needed to address the problems caused by the increasing number of infertile couples and the trend of couples having children later in life.

## Allowing more than three children per couple

Heilongjiang province allows four children for those of its inhabitants who live close to the border. In the provinces of <u>Gansu</u>, <u>Hebei</u>, <u>Heilongjiang</u>, <u>Henan</u>, <u>Hubei</u>, and <u>Shanxi</u>, more than three children are allowed if any existing child has a non-treatable disease or is disabled. In <u>Shanghai</u> and in the provinces of <u>Guangdong</u>, <u>Hebei</u>, <u>Hubei</u>, <u>Heilongjiang</u>, <u>Ningxia</u>, <u>Shandong</u>, and <u>Zhejiang</u>, children born in a previous marriage are not included in the number of children allowed in the current marriage any more.

#### Other measures

In addition to the above-mentioned policies, some local governments are launching further initiatives to promote childbearing. <u>Jiangsu</u> is the first province to amend its local legislation to ensure that women with multiple children do not lose



their job due to maternity. The regulation forbids discrimination against women in the workplace and restrictions on their marriage or childbearing in a labour contract. It requires that women should be recruited using the same criteria as men. Violators of the regulations shall be liable for fines. The regulation not only restricts discrimination against women, but it actively supports childbearing as well. Both women with multiple children and their employers are entitled to receive employment support. Parents in <a href="Hainan Island">Hainan Island</a> who do not take annual childcare leave can be granted a daily childcare break of one hour until their child turns three. However, employers are not obliged to provide this type of break, as it is only a recommendation of the local government for the time being. In <a href="Shaanxi">Shaanxi</a> province, employers are required to provide opportunities for breastfeeding until the age of one. If this is not possible, they can grant a breastfeeding break of three to six months by agreement with the mother. This period is counted into the mother's service time, and the same benefits are given as during the time of the maternity leave.

# LIMITATION OF THE RESEARCH AND FURTHER RESEARCH POSSIBILITIES

As this paper presented the birth promotion measures of the first four months of the Chinese three-child policy, its results only represent a snapshot of the complete policy. Data collection finished at the end of December 2021, which means that later initiatives are not mentioned in the paper. Data was collected by monitoring the daily news, therefore it is possible that some of the newly introduced supporting measures were overlooked.

It would be worth doing similar research in six to twelve months and record the changes, as by that time birth promotion policies are expected to be in force in the whole country, and more brave and creative measures are likely to be in practice by then as well. Furthermore, the impact of the three-child policy on birth numbers and fertility should be analysed in one or two years to see which initiatives prove to be the most successful.

# **CONCLUSIONS**

Birth promotion campaigns in China will certainly intensify in the coming years, and central communication will seek to present an ideal atmosphere for childbearing. In parallel, the government will introduce additional measures to remove barriers to childbearing. Regarding birth promotion policies, more specific measures are expected to be proposed in the fields of finance, taxation, education, housing, and employment by the governments of lower administrative units. Popular and



successful solutions of reformist leaders will probably be introduced in other places, too. In almost every province a minimal level of support is likely to be created in a few years, which will be complemented by additional benefits based on the local needs and conditions. At national and local levels, family planning regulations will be shaped according to the needs and responses of the relevant population.

The incentive nature of the population policy is expected to <u>develop</u> further by 2025, and the related regulations will also be further improved in the ten years afterwards. It is foreseeable that even the three-child policy is not enough to reverse the decline in the number of births, the decrease in fertility, and the ageing of the society. However, it can <u>decelerate</u> the process with the help of supportive measures that are becoming more creative and targeted. Its immediate effect may be positive, although not enough at the <u>macro level</u>, i.e. <u>less</u> than the government is expecting from it. The policy is estimated to result in an annual increase of <u>200,000</u> to <u>300,000</u> births in the next five years.

Although the birth rate in Hungary (9.1%) is slightly higher than in China (8.52%), the Hungarian population has been declining for years, and the Chinese population is also expected to start to decline as early as 2021. A common feature of the two countries is that they seek to solve their demographic problems by encouraging their residents to have a family rather than allowing immigration into the country. China is the most populous and the second largest country of the world, and it fundamentally determines the functioning of the world economy; therefore, it is in the interest of Hungarian foreign trade policy to monitor what efforts China makes to stop the decline of its workforce. It is recommended to analyse what birth promotion initiatives will appear in China in the future that are unknown in Hungary. In addition, Hungary can also learn from the Chinese experiences that certain measures can differ locally if regional circumstances and differences are taken into consideration. This means that in accordance with their resources, local governments may also promote childbearing through their own initiatives.