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Session 49

Rethinking the Population Policy

Time: 16:15-17:30, March 25, 2016

Venue: ICC, Level 1, Dong Yu Grand Ballroom B

Moderator: YANG Lan, Chairperson, Sun Media Group and Sun Culture Foundation

Panelists:

E. Allan GABOR, President of APAC, China and Japan, Merck Biopharma

Jean - Marie Le Guen, Minister of Relations with Parliament, France

LIANG Jianzhang, Chairman & Chief Executive Officer, Ctrip

Mark TUCKER, President & CEO, AIA Group

YANG Yansui, Professor, School of Public Policy and Management, Tsinghua University

YI Fuxian, Author, A Big Country with an Empty Nest; Senior Scientist, University of Wisconsin-Madison



Key Points:

- To increase birth rate, both the government and enterprises should enhance women's child-bearing willingness.
- The government should offer tax cuts and subsidies through social security fund to child-bearing families.
- All restrictions on birth should be lifted, and the sooner, the better.
- Population ageing is not the same thing as society ageing.
- China is in a population transition period; it is shifting from the first demographic dividend to the second.

Synopsis:

Some people argue that population ageing is the gravest hazard for the world economy. Is population ageing really so horrifying? How should we increase birth rate? How should China's population policies evolve? In response to these questions, participants shared their views.

Enhancing Child-Bearing Willingness

Population ageing is closely related to birth rate.

Allan GABOR expressed the following view: To increase birth rate, both the government and enterprises should enhance women's child-bearing willingness. For enterprises, first, they can offer day-care service at workplace; second, they should give employees more free time and they should not deny women promotions for child-bearing reasons. These measures will increase women's child-bearing interest. For the government, population polices alone can hardly change the population structure anytime soon. It should increase medical input to ensure that women's child-bearing ability will not be affected by reproductive diseases.



Jean-Marie Le Guen introduced France's population policies: To ensure that after birth women can rapidly return to work in good health, France has been building more and more day care centers and child facilities over the past 18 years. This costs 1% of the French GDP. But it greatly enhances work women's child-bearing willingness.

LIANG Jianzhang made the following point: To increase child-bearing willingness, we should make child-raising affordable for young people. The government should offer tax cuts and subsidies through social security fund to child-bearing families. Meanwhile, the government should be prepared for a rise in birth rate through measures such as building more schools and hospitals. Only by doing this can we continue to maintain a fairly high fertility rate in the several years to come.

LIANG Jianzhang added the following part: Enterprises should build nurseries and kindergartens for children of its employees. This can encourage fertility. But Chinese enterprises that want to build their own nurseries and kindergartens have to deal with very complex approval procedures. The government should be open-minded and support such moves.

Adjusting Population Policies

Should China's population policies be adjusted? LIANG Jianzhang believed that China's previous strict family planning policies had some flaws. Now China should encourage child-bearing, so as to ensure a healthy age structure that stimulates the vigor for innovation and entrepreneurship.

YI Fuxian made the following arguments: Increasing child-bearing cost reduces China's fertility rate as it discourages people to bear a child. Thus, even though we cancelled family planning completely right now, fertility rate would not increase by much. China is already in a "low-fertility-rate trap". Currently, the ideal fertility rate for China should be 2.3; however, from 2010 to 2013, China's average fertility rate is only between 1.2 and 1.4. Thus, we should lift all restrictions on child-bearing, and the sooner, the better.



YI Fuxian proposed the idea of “self help via production”. He argued that the best way to provide for the elderly for today’s China is still “to produce” more children.

Population Ageing is not the Same as Society Ageing

YANG Yansui expressed his view as follows: Population ageing is not the same as society ageing because people’s life expectancy keeps increasing today. With the economy growing, people will spend more on health, which will lead to the “Silver Economy”. But the precondition for that is a high-level per capita production capacity. The problem with China is that it has to deal with population ageing before agricultural and industrial modernization is completed, which affects the emergence of the “Silver Economy”.

YANG Yansui added the following part: To ease the pressure of population ageing on the young generation, the government should serve as a bridge in guiding personnel working in traditional industries to the tertiary industry to address the lack of old-age care. Also, China should adopt measures to ease the problem of population ageing, such as ensuring the fairness of educational resource allocation, reducing the price of the first home purchased, and improving pension benefit policies.

Mark Tucker made his point as follows: China’s population ageing is not horrifying. China is in a population transition period; it is shifting from the first demographic dividend to the second. To create the second demographic dividend, first, we should increase productivity to produce more high-value-added products for our descendants; second, we need to establish the right education system to improve production and livelihood for our descendants; third, we need to improve the old-age care system to ensure that the elderly live a longer and healthier life; fourth, we should press ahead with active ageing to achieve sound growth of the economy.