

Not for quotation without
author's permission, comments
welcome.

Working Paper Series No. 18

SOME OBSERVATIONS ON CHINA'S
NEW POPULATION POLICIES

Ashwani Saith

August 1983

Contents

	<u>Page</u>
1. The context	3
2. Why control population growth? Some economic arguments	7
3. Raised stakes: lagged impact of demographic events	15
4. Causes of high population growth	16
5. New rural reforms, new demographic pressures	20
6. The response of the state: SCFP	26
7. SCFP: some implications and consequences	30
8. The trade-off	41
References	43

SOME OBSERVATIONS ON CHINA'S NEW POPULATION POLICIES

This paper is concerned with certain aspects of China's single-child family programme (SCFP) with particular reference to its operation in the countryside. This programme marks a profound change in the population control policies adopted by China, and is unique to the experience of developed as well as developing countries. The SCFP has been fashioned with a keen eye to inter-sectoral, inter-regional and inter-community differences, and even within these variations, room has been left for interpreting and implementing general provincial guidelines in the light of local specificities. Nevertheless, these remain variations around the general theme of a policy which represents a fundamental break with past efforts at coming to grips with the vexed population question. The SCFP has an enormous developmental significance both when considered within the Chinese context itself as well as when viewed through the window through which other developing countries eagerly, and often expectantly, scan China's development experimentation. As such much interest attaches to the success or failure that this programme is meeting even in its early stages of implementation, and information is building up from a variety of sources on this score. But apart from documenting regional and community variations in the population norms adopted, the central focus has really been on the rate of adoption of the SCFP by couples; their subsequent ability to keep within their pledges; on the behaviour of various demographic variables; and on the specific incentive and disincentive structures that have accompanied the SCFP to assist its adoption and implementation. The purpose of the present paper is to widen the scope of the discussion on the SCFP by considering some its wider, even though latent, social and economic consequences, and by setting this broader discussion explicitly in the extended context of the new economic and institutional policies being implemented in rural China. Especially at this early stage, it might be useful to explore some broader dimensions of the phenomenon, if only to draw specific attention to several additional aspects

which need to be monitored more closely. Otherwise there might be some danger of interpreting success or failure exclusively in terms of the numerical impact of the SCFP on population growth, while ignoring its attendant social consequences. In this context, however, it is necessary to point out that it is not always possible or valid to link some "consequence" to a "cause" rooted in the SCFP. This programme is being implemented in the framework of a much wider programme of economic reform in rural China and, as such, most of the social consequences are likely to have multiple and inter-acting causes. In this paper, we will not enter into a detailed discussion of the rural economic reforms, though they will be referred to wherever appropriate. Additionally, it needs to be emphasised strongly that this paper, while developing arguments at a seemingly general level, is really based on field observations and materials gathered in the course of three short research trips into rural China since 1979, as also on the published findings of other researchers inside and outside China. This caution is necessary, otherwise there is the risk of treating what are often analytical speculations and conditional extrapolations as being conclusions meant to apply across the board.

The context of the SCFP is set out in §1. Then, §2 looks at the rationale underlying the population control policies. Some factors which raise the stakes in the population game are discussed in §3, while §4 sets out a brief listing of the causes of high population growth in rural China. Subsequently, §5 identifies new pressures influencing rural reproductive behaviour, looking especially at the way in which the new economic and institutional policies influence decisions about the size of family desired by peasants. §6 considers the response of the Government to the new pressures, and notes the ways in which the design and the implementation of the SCFP have been tightened up. Some generally ignored, or at least underemphasised, concomitants or consequences of the SCFP (whether separately or in conjunction with other policies of the new rural reforms) form the subject matter of §7. Finally, §8 offers concluding observations on the trade-off and choice with regard to the SCFP.

§1. The Context

Like most other socialist countries, China is a target chaser: in the period of the Great Leap Forward, the slogan was to catch up with Britain within fifteen years; the current exhortation is to attain the magic number of US \$1,000 GNP per capita by the year 2000. This target is attainable if annual growth averages out at 6.8%, 7.5% or 8.1%, assuming, respectively that there is a zero population growth rate over the period, or that couples have on average 1.5 children, or 2 children. Such growth targets would raise not expectations but derisive jeers in most third world developing countries, just as the implied targets for population control would generate dismay. But in China, the track record has been good enough for both targets to appear only somewhat implausible, and even then only to an extent where they set up a challenge calling for a concerted national effort. At the level of national policies, this effort reflects itself on both sides of the equation: while one package of policies attempts to raise the rate of growth of the economy in the medium and long term through wide-ranging institutional and economic reforms, another package pivoting around the SCFP is directed towards reducing the growth rate of population, thereby accelerating the per capita growth rate further. Since both the "growth-reforms" and the population policies could legitimately be labelled drastic in their reorientation, it might be useful to reflect on the performance of China in the spheres of economic and population growth in the recent past. Are the new policies to be understood in the context of a dismal record on these fronts which calls for such strong medicine?

Let us first consider the demographic experience in a summary fashion. Since 1949, China's population has doubled, implying an average annual growth rate of about 2%. This average hides some strong patterns in the behaviour of the rates of births, mortalities and natural growth. In the year of the Revolution, the total population stood at 541.7 million, both the birth rate (36.0/1000) as well as the mortality rate (20.0/1000) were very high, yielding a natural growth rate of 16.0/1000. Since then, both the birth and mortality rates

have dropped dramatically, with the decline in the latter preceding that in the former. This allows a separation of two relatively contrasting periods each marked by a distinct pattern. In the first of these periods, covering the years from 1949 through till the late-1960s, we observe a remarkable decline in the mortality rate, which plummets from its initial level of 20.0 to 8.3 by 1968. However, though the birth rate wobbles about somewhat, it maintains a very high level, and in 1968 is found to stand at 35.8, which is almost the same as that in 1949. The main characteristic of this period, consequently, is that the rate of natural increase rises steadily and after peaking at 28.5/1000 in 1965, stands at 27.5 in 1968. The second period covers the years following upto 1979: the mortality rate continues its decline, and reaches the low level of 6.2; the birth rate also begins its descent and comes down steadily to 17.9/1000. The result is that the rate of natural increase is more than halved over a decade, and in 1979 shows the level of 11.7/1000. Only by rather special criteria could such a growth rate be interpreted as anything but low in the modern era, especially in the context of the developing economies. However, one other significant set of statistics needs to be stated: in the years 1980 and 1981, the trends seem to have been reversed. The birth rate rose to 20.9 in 1981; the mortality rate to 6.4; and the rate of natural increase moved up to 12.0 in 1980 and to 14.5 in 1981. We will return to this feature later on; here we need only emphasise that at the point in 1979 when new economic and institutional policies were beginning to be recommended and adopted in the countryside, the experience with regard to demographic trends had been a satisfactory one. Certainly there might not have been any undue cause for complacency, but there was equally no real reason for panic either.

Let us now turn briefly to some indicators of the performance of the economy with regard to production, consumption and income. Using Perkins' estimates for the period 1952-1974, we find a remarkably high annual growth rate of GDP (at 1957 prices) throughout the span; indeed, in what has come to be

described as "the lost decade", viz., 1966-76, the years of the Cultural Revolution, industry grew at an average annual rate of about 9% in real terms; agriculture at upwards of 3%; and GDP at about 6.5%. When we look at the official Chinese statistics for per capita annual spending (at comparable prices with 1952 as base), we find impressive increases once again. On both sides of the disturbed years 1958-64, the performance is excellent in a comparative perspective embracing China's own past performance, or the contemporary trends in other relatively successful and comparable developing economies. One feature is that the non-agricultural population does consistently and considerably better than the peasants, but even the latter record per capita increases in real spending of 2.5-3% per annum over the 1965-79 period. These figures have to be read in the light of the high rates of accumulation that have been kept up over the period. The rate rises from its level of 21.4% in 1952 to 27.1% in 1965, to 33.9% by 1975, and peaks at 36.5% in 1978, after which it drops in the phase of economic readjustment to a level of 30% for 1981. It is striking that in the period 1975-79 the rate of growth of real spending accelerates to about 6% per year, while the accumulation rate is held at an average of about 35%. The conclusion could be drawn that as of 1979, the recent rates of growth of consumption as well as accumulation were not problematic in terms of their levels. No doubt the subsequent downward readjustment of the accumulation rate will lead to a short term increase in the rate of consumption, but this change cannot be justified strictly in terms of any sluggishness in the immediately preceding years. So also, when we consider the production performance of a variety of articles, the story is no different. Coal, electricity generation, crude oil, steel all show fantastic increases throughout the period since 1949, as do consumer durables such as bicycles, sewing machines and wrist watches. The crucial category of food articles do not perform too badly either, with grain output for 1980 standing at 2.8 times the level in 1949, a period during which it will be recalled that population doubled. Pork, beef and mutton do far better, with aquatic products taking up an intermediate position.

The preceding discussion should not however be allowed to create the impression that the Chinese economy was, or is, free from economic problems or that the growth trajectory adopted in the pre-1979 period was near optimal. Indeed, one might argue that while the aggregate growth performances were flattering, they were also to some extent deceiving since they hid imbalances in the structure of production. Thus, perhaps the range of consumer goods was too restricted both in town and countryside, the balance between heavy and light industries was too heavily weighed in favour of the former. Perhaps the process of technological change was too clumsy and haphazard, perhaps the efficiency of production could be improved through stricter and better systems of management. Thus, both in the efficiency and direction of resource use, high growth rates of aggregates might have glossed over serious problems. Or on another tack, it could be argued also that the high growth rate of the past could not have been maintained in the future without the readjustment and the reforms now under way in China. But equally, it might also be contended that while some of the problems mentioned above were clearly real, they could have been solved within the contours of the old strategy. One would then have to search for alternative explanations for some of the new policies, including the dramatic SCF programme. The alternatives would generally need to postulate an ideological reorientation involving rather changed social and political priorities on the part of the Chinese leadership. The new emphasis and policies for increasing per capita consumption levels in the short run would then be ascribed not to the need to make up for failures of the past, but to an independent desire or political imperative to win favour with the Chinese masses and to buy support for the ideological reorientation. Reality is likely to be a complex amalgam of these various possibilities, and it is beyond the scope of this paper to attempt to tackle this difficult question. For our purpose it is enough to note that China's SCFP and other supporting policies must be viewed as efforts at achieving an exceptional rather than just an outstanding growth performance. They are certainly a far cry from the Malthusian apocalyptic ring that birth control policies have in poor non-socialist third world countries.

§2. Why Control Population Growth? Some Economic Arguments

If the economic performance of China has been satisfactory so far - at least insofar as growth indices are concerned - then what is the need for additional strong measures for the control of population growth? To some extent, this enquiry is misleading since it ignores the fact that the impressive per capita growth rates are themselves the product - in part, in the latter period - of the successful earlier measures to slow down the growth rate of population by curbing birth rates. As such this success could only emphasise the need for continuing the population control policies rather than questioning their necessity. But the question as to why the SCFP became imperative still remains to be answered, since the earlier successes were achieved without this measure. In this and the following sections we will try to summarise the logic underlying this policy.

The central relationship between the growth of population and output constitutes the pivot around which the changing official positions have hinged. As such, it might be useful to make a few brief comments on this theme. In the early Maoist framework, more people were equated with more hands and virtually axiomatically with increased output. As such there was a direct identity between the strategic thinking regarding the use of a large stock of population on the one hand, and that regarding policies relating to regulating new inflows into this stock. The concrete expression of this thinking was the key concept of "labour accumulation", a one-off process through which large parts of the Chinese countryside were transformed, and the benevolent circle of self-sustaining local development initiated. That this was an appropriate strategy for taking advantage of population as a stock variable is not really open to serious question, despite its several latter-day critics. What was clearly dubious was to conclude, as was indeed done, that in a socialist system there was no necessity to regulate population at all, and that all inflows into the stock of population could always be productively absorbed. Thus, the equation of the policies with regard to population as a stock and as a flow was a mistake which reflected the supremacy of ideology over pragmatism, of theory over practice.

Of course, this mistake was subsequently rectified in the Maoist period, and serious and strong policies of population control were instituted. In the post-Mao period, however, while the emphasis on this aspect has been much increased, there are some new dimensions which need mention. The first provides a good illustration of the working of the ideological pendulum: far from Mao's people=hands=production equation, we see the emergence of the notion of an "optimal population size" for China in the current debates between Chinese demographers. The three criteria used for arriving at the magic number are: extrapolations of past trends of economic development; an analysis of food resources, diet patterns and nutrition norms; and, the ecological balance and fresh water resources. The three criteria yield figures for the optimal population size (100 years ahead) of 650-700 million, not more than 680 million, and 630-650 million respectively. The reader is told that "methodologically, the problem of determining the desirable population size is therefore a problem of multi-criteria policy decision". Three alternative paths to achieving this optimum are offered: the first, and strongest requires the universalisation of the single-child norm by 1985, the relaxation of this norm to the replacement level fertility of 2.16 between 2000 and 2020, leading to the final level of 700 million in 2070. In the second, the total fertility rate should be brought down to 1.5 by 1990, relaxed to 2.14 between 2025 and 2040, resulting in the 700 million target being reached 120 years from the start in 1980. The third is a correspondingly less demanding version. It is suggested that "the ideal programme would be the first one"; but in case this is found impossible, the second alternative provides the bottom line. The winner in this exercise is clearly the one-child family programme. Ricardo and Malthus might both have approved in different ways, though one wonders what sarcasm Marx or Mao might have unleashed on such an exercise. It is difficult to regard such exercises as being anything other than games in numerical ideology.

The second, more interesting, new dimension is to do with new thinking about policies for making best use of the stock of population. The Maoist strategy of labour accumulation has been

all but given up; new rules prohibiting the employment of workers without direct payment by the employing unit more or less put an end to the practice, since this move meant that such units would have to pay wages related more to average productivity than to marginal productivity of additional labour within any specific work situation. The new policy of diversification of the rural household economy, including especially new activities undertaken by households on a private basis, is also rooted in the objective of maximising labour absorption with minimal inputs of capital from the collective or state units involved. The repudiation of Dazhai as a model as also of the old man who would move a mountain, have everything to do with the ideological reorientation which underlies this altered approach to tackling the unchanging problem (and opportunity) of a large stock of rural population relatively underemployed on account of a shortage of accompanying means of production including land. One might be tempted to argue that the new strategy has given up one way by which this stock could be fully utilised. But this would be substantially erroneous, since in reality one way of labour utilisation has replaced another; labour accumulation was the strategy adopted by Mao within the collective framework of the rural commune, whereas economic diversification of household based production is the corresponding strategy of the present leadership designed to dovetail with the new rural production responsibility systems based essentially on individual peasant household production systems. Thus, surplus labour still gets employment, but within a sharply different pattern of resource use and within distinctly different production relations, thereby providing an implicit critique of technological determinism.

When considering the "flow" relation between population and production, the central, overriding theme is that high population growth rates imply directly lower accumulation rates. This broad argument is hardly new in China or elsewhere, though it might be useful to dwell briefly on the specific manner in which it is presently articulated in the Chinese context. Three arguments can be identified separately; we consider each in turn.

(a) Costs of Food Production: This constitutes, perhaps, the main argument, and points to the increasing resource costs of

increasing agricultural production, in general, and of increasing marketed supplies of foodstuffs from within the total output. Let us begin by using a simple development relationship: that between the growth rates of food production and of income. In the equation below, f represents the annual rate of growth of food production; p stands for the annual rate of growth of population; y denotes the annual rate of growth of per capita income in real terms; and e represents the income elasticity of demand for food. Then, we have:

$$f = p + e.y \quad \dots (1)$$

Let us assume a value of 0.6 for e ; the value depends upon the level of income and thus represents a weighted average across sectors and regions, and could not be regarded as being too implausible one way or the other. Let us also consider the rates relating to the first path leading to the target of \$ 1,000 per capita by 2000, viz, $p = 0$; $y = 6.8$. It follows then from (1) that food production must increase at 4.1% per year in order to be consistent with the levels adopted by, or assigned to, the other variables in the equation. This is a very tall order when considered over two decades. Further, we know that population is likely to grow at between 1-2%; let us assume 1.5%. If y keeps at 6.8% (a rate not far off past achievement), then the required growth rate of food production increases to 4.7% per year; and if y rises at say 8%, then f takes on a value of 5.4%. Thus, in the context of China's ambitious growth plans, even a small increase in the growth rate of population would greatly increase the relative burden on the rural sector to deliver the goods. It is in this light that the agricultural resource relationships have to be viewed.

Against these high required growth rates for food production it should be noted that the total output of grains (including coarse grains and potato equivalents, but excluding soyabeans) increased by about 2.4% per year over the 1952-1977 period, though in view of the declining growth rate of population over this period, per capita grain output would express an increase in the latter part of the period. Comparisons with 1949 as base

and 1979 as the end-year would yield higher growth rates, but the basic orders of magnitude would not be significantly altered, and neither would the significance of these rates when compared with the requirement that food production increase by over 4% in the 1980-2000 period. Since GDP per capita grew at about 6% over the period, it follows that the bulk of the adjustment necessary to bring about equilibrium (in an ex post sense) in (1) would have had to be borne by a lower de facto value of e . This indeed has been one of the charges of the present leadership against the previous one: peasant and worker consumption grew at too low a rate. But if this is not to repeat itself in the future, agricultural growth rates will have to rise dramatically. It is here that the strategy runs into further pressures. Let F stand for food output; L for land; I for inputs; and P for population. Then the identity (2) follows.

$$(F/P) = (L/P) \cdot (I/L) \cdot (F/I) \quad \dots (2)$$

We have noted the slow rise of (F/P) above. (2) shows now the difficulties facing China in raising this rate. As population rises, the area of land available per person declines, and even after adjusting for increased irrigation and for multiple cropping, Tang computes an increase in a "land input index" of just 17.4% over the 1952-1977 period. This already reflects considerable man-made extensions and improvements, since in area terms alone, the per capita land availability drops from 2.60 mu in 1949 to 1.55 mu by 1980. Further extensions depend heavily on the expansion of highly resource expensive irrigation and water control projects. Thus (L/P) in (2) does not hold out great hope for a quick and cheap way of expanding food production. The response has been to intensify agricultural production through higher applications of modern and traditional inputs. Again, relying on Tang's estimates, the current input index (covering seed, feed, insecticides and fertilisers) rises from 100 in 1952 to 659 in 1977, while the capital and labour input indices rise to 251 and to 155 respectively. With the exception of labour (where the input is clearly underestimated for not having taken into account the increased utilisation of labour

alongside the size of the agricultural labour force), all indices are well ahead of the one for the land input. Clearly, (I/L) registers very sharp increases over the period. But the dismal end to the story is provided by the behaviour of (F/I). The rises in (I/L) are largely offset by a strong decline in the (F/I), or the output/input ratio, reflecting steeply diminishing returns to inputs. Tang's total factor productivity index drops by nearly 20% over the period. One could argue that even this presents an optimistic scenario for the future, since all the early and easy slack resources have been used up and further gains must be wrought in more unfavourable structural conditions.

The question is also complicated by regional and sectoral distributional issues. Consider for instance, a situation characterised, not unrealistically, by three types of regions. Region R is rich, has a high average productivity, but which yields low returns to additional application of modern or traditional inputs. Yet, because it is rich, it offers a much greater proportion of its incremental output for sale on the market. By contrast, Region P is poor, has a low average productivity, but a much higher marginal one than R; however, it tends to want very much to consume a high proportion of its additional product. The third Region N is new land which has low average but very high marginal productivity. Here, the marginal propensity to consume, or to retain additional output is also very low, but the problem is that opening up the area involves very heavy infrastructural expenditures on the part of the state. Developmental objectives might demand that state resources be channeled into P, but from the point of view of equation (1), this would raise e to a high level while also constricting the flow of supplies to urban areas. On the other hand, both R and N would be resource expensive in a different way. Given the crucial importance of grain procurements by the state, R and N are likely to win out, as indeed they might have done in the Chinese context. But this means too that one cannot be too optimistic about the future behaviour of (F/I).

Additionally, whatever the food production growth rate, it is imperative to allocate some of the increment for raising the consumption levels of the peasantry. This further intensifies the problem of marketed surplus, and the resource costs of generating it in

enough quantity.

The policy response to this problem has been three-fold. Firstly, incentives for rural production and intensification of resource use have been greatly increased through substantial hikes in purchase prices for the rural sector. Secondly, there have been wide-ranging and profound institutional reforms designed to create a new set of production relations which "would bring the enthusiasm of the masses into full play". These include the new rural production responsibility systems, the extension of the role of private household economic activities etc. The nature and the impact of these have been the subject of ongoing debates, and fall outside the bounds of our current interest. But the third policy response has been to intensify efforts to control the growth rate of population, especially in the countryside.

(b) Social Costs of Raising Children: It is pointed out emphatically by family planning officials that additional children mean additional bills for the state. It has been estimated that on average the costs to the state for the provision of health, primary and middle school education and other subsidies for a child during the age of 0-16 is one-third of 1600 yuan, 4800 yuan or 6900 yuan, depending upon whether the child is in a rural area, in a medium or in a large-sized city. These figures exclude implicit food subsidies. These sums could have gone into accumulation, it is pointed out. While the general argument is no doubt true, two qualifications need to be made. Firstly, even holding the level of services provided constant, it is unlikely that the marginal costs of providing such state social services are the same as the average ones; in reality, the former are likely to be well below the latter. Secondly, it would be unrealistic to assume that the level of services would not in fact be lower in the event of a resource constraint, though it is clearly as unrealistic to expect such a disagreeable or cynical assumption to be given any formal status in an ex ante formulation.

(c) Capital Costs of Employment Provision: An analogous argument is made for the employment of the child once it reaches the age of 16 and becomes eligible for employment. For a million yuan of fixed assets, heavy industrial enterprises can employ 94 workers; state-owned light industrial enterprises, 257 workers; non-mat-

erial production units, 800-1000; and the various types of service companies which have been recently established, upto 2000 jobs. But such service sector units cannot keep expanding without some relation to the rest of the productive sector, and hence, sooner or later, the easy options of labour absorption lead to no productivity gains. And in a context where technological modernisation calls for capital deepening, rather than widening, too rapidly increasing a labour force could become an unproductive burden on the overall efforts for development.

In sum, then, each of the three groups of arguments discussed emphasises the heavy drain that a high growth of population imposes on the rate of accumulation, though in terms of the motivation underlying the SCFP, one must not overlook the fact that a lower population growth rate would permit a higher growth of per capita consumption at any given accumulation rate. Indeed, the consumption factor might well be more important than the accumulation one since another part of the new strategy explicitly transfers resources from the accumulation to the consumption fund.

§3. Raised Stakes: Lagged Impact of Demographic Events

The reasons for population control discussed thus far relate to the link between population size and economic growth. Given the conclusion that this link militates in favour of restricting population growth, several other factors become relevant which add to the urgency of achieving this objective. Past demographic events create waves which cause cyclical fluctuations after intervals lasting a generation. In the current Chinese context, three such events need to be noted.

The first relates to the age structure of the present population. At present, 50% of the population of China is below the age of 21, and as much as 63% below 29. This basic fact intensifies the necessity for immediate control; a stitch in time... Secondly, at present, the babies born in the two population booms of 1953-57 and 1963-71 are either entering marriageable age, or are married and still in a crucial period of family formation. If birth control policies are not successful with them, a new, magnified wave will be transmitted into the future. These booms are traced to the periods where the case for population control in China stood ideologically repudiated or was ignored to some extent. The third demographic event is a contemporary one: before 1981, the prescribed minimum age for marriage was 25 for males and 23 for females; this has subsequently been lowered to 22 and 20 respectively. This means that at a stroke, a much higher proportion of the boom babies are suddenly eligible for marriage, thus accentuating the second factor mentioned above.

These factors do not in themselves provide any rationale for restricting population; however, should such a case be arguable, these factors tend to accentuate the importance of tackling the problem without delay, since not doing so would only pass on the problem in an exaggerated form to future generations. The timing of these demographic factors is on the whole independent of the other forces calling for the regulation of the growth of population, but in conjunction with these forces, they strengthen the arguments for drastic measures of control to a considerable extent.

§4. Causes of High Population Growth

We have been concerned so far with the costs of a high growth rate of population and with reasons making it likely that these rates might be unusually high at the present juncture owing to some special demographic characteristics of the present population. But this takes for granted that Chinese fertility behaviour would automatically make for a high growth of population. This brings us to looking at the reasons underlying such behaviour, especially viewed in terms of say a couple making decisions about the size of family they would wish to have. Since this topic has been discussed extensively in the literature, we will restrict ourselves to a quick summary treatment, developing arguments only where they have not been adequately emphasised. In particular, we will keep an eye on factors which explain how the government - or society - has a diametrically opposed position to that adopted by most Chinese couples with regard to desirable family size. The focus will be on the rural sector.

(a) Underdevelopment and Poverty: Four separate reasons, whether active or contributory, could be mentioned here. Firstly, even in non-socialist poor countries, the income of a rural household depends to a considerable extent on the size of its labour force, including children. This would remain true in a modified form in rural China, where an additional, extremely powerful link between household size and household income is provided by the rule that at the age of 16, the child enters the labour force of the team, and is entitled to share work opportunities and income on the same basis as the rest of the team's labour force. Economic returns are therefore guaranteed at the average rate, thus providing exceptionally lucrative and easy terms for entering the labour market, so to speak. Secondly, this factor is further strengthened by virtue of the fact that in rural areas, there is much greater scope for labour utilisation whether within the collective or the household sectors; i.e. the demand schedule for labour is quite buoyant. Thirdly, the cost to the couple, or to the household, of producing additional labour power is very low. This is partly due to the high degree of self-provisioning that takes place in rural areas which boast highly diversified economies, as in the south of China, but

is attributable mainly to the high proportion of cost that is borne by the collective in the form of implicit food subsidies, free provision of a variety of other necessities, including housing, private plots, education and elementary health services. Lastly, and paradoxically, the one failure of the collective system of social provisioning provides a powerful reason for increasing family size. Most collective units in the countryside have no system of providing pensions upon retirement; it is the moral and indeed legal duty of the children to support their parents in their old age. As such, in China, as in the rest of the poor world, children are seen also as sound insurance policies, especially when the premiums to be paid are so low, and the returns underwritten. The returns are further guaranteed by the absence of the option of out-migration for children once they grow up. Of course, since they are guaranteed employment in the countryside at average rates anyway, the incentive to migrate is also very low. Additionally, even after their children are married, Chinese parents generally manage to retain a very high degree of control over them, especially in regions where there is a housing shortage which makes the children somewhat obviously dependent upon their parents.

(b) Feudal-Patriarchal Society: The hangover of the old days still persists, often strongly enough to blur the new socialist vision. This factor, which works especially in the countryside, operates through the powerful preference for male offspring. This preference on the part of individual couples is hardly irrational, since they must exist and operate within the society they are part of, even if they do not sometimes share all of its expressed values. For one, the "pension" argument referred to above applies really only in the case of sons, since daughters still tend, in general to move to the husband's home after marriage. For another, the woman's position is weakened in household and society if she does not have any sons. But underlying as well as overriding it all is the high premium that the social and economic system attaches to the male in virtually all walks of life. Hence it could be fairly argued that this attitude prevails at least in part on account of the inability of the socialist system to eradicate inequalities between opportunities

available to men and to women at home, at work, at school and university and in politics.

(c) Erroneous Ideological Position: Tian Xueyuan argues that after the mid-1950s, when attention was still paid to population control, Chinese population theory took a wrong turn. "Influenced by Soviet views, China's population theory took it as a dogma from the very beginning that continuous growth was the socialist law of population. All ideas which contravened this dogma were denounced, and population theory became very one-sided. The theory that the more people a nation has, the more production there will be, the more production there is the more accumulation there will be, and the more accumulation there is, the faster development there will be became the orthodox population theory in China. As a result, population policy took very much the same course." Indeed, the first baby boom dating from 1957 has been explicitly linked in the Chinese discussion to the rejection of Ma Yinchu's "New Population Theory" arguing in favour of population control, while the second boom is linked to the years when "the Cultural Revolution got out of hand".

(d) "Egalitarianism": It is also argued that the old "egalitarian" Maoist policies created further incentives for having more children rather than for working harder for achieving a higher level of living. The denunciation of "bourgeois right" interfered with the full application of the socialist distribution rule of "to each according to one's work". The specific policies identified here are those concerning the "egalitarian" rules governing the distribution of foodgrains, and the per capita basis of distribution of private plots and housing land. Indeed, Tian Xueyuan declares that "the equal per capita allocation of housing and of living subsidies for the less well-off wage-earners in the cities was another factor pushing population growth", a statement which might not be entirely out of place in a Thatcher speech to a captive audience.

(e) Absence of Penalties or Disincentives: In keeping with the spirit of the erroneous population theories and egalitarian policies, there were no disincentives or penalties for having a large family, just as there were no special rewards for restricting family size.

The above mentioned factors explain the preference in rural Chinese families for having at least two children. Croll refers to a survey which shows less than 5% of women preferring to have 1 child, 51% wanting 2 children, and as many as 44% wanting 3 or 4. The objective basis for such a preference pattern is explained by another survey which shows that for families with only 1-2 members, 92% of the households had per capita income of less than 100 yuan while 8% had more than 100 yuan; the corresponding figures for households with 3-4, and 6-8 members were 74% and 26%, and 69% and 31%, respectively.

From an analytical point of view, the economic motivation can be best understood in terms of children being the sources of inter-generational income flows. Both when they are young (but of working age, i.e., above 5 years old) as well as when the parents are old, children set up positive flows of income from them to their parents. This phenomenon characterises most poor countries, especially in the rural sector. In rural China these flows are accentuated by virtue of the parents not having to meet the full costs of raising children. From the point of view of the population planners, this raises two issues. Firstly, it points to the need to set up corrective interventions in this inter-generational flow of income so as to make the returns reflect social costs and benefits rather than private ones. Presumably, it could be argued that should parents have to pay 'social' prices for the services of children, then the state would not need to interfere with fertility behaviour patterns through prescriptive programmes such as the SCF one. This intervention might be justifiable and necessary; however, it is unlikely to obviate the need for further direct or indirect intervention, since even with prices reflecting planners' implicit valuations of labour, food, and savings, etc., individuals might still place an extra premium on their future security; on the satisfaction of perpetuating the family name; on the pleasure of having more children about the house; on the social advantages of having more sons. Such extra-economic preferences would vary from couple to couple, and would in any event be extremely difficult to counter through the adjustment of 'prices' affecting the inter-generational flow of income.

§5. New Rural Reforms, New Demographic Pressures

The underlying causes of high fertility rates discussed in the previous section operated in the context of the pre-Reforms rural China, i.e., in the pre-1979 period. Since the new economic and institutional policies have begun to unfold in the countryside, however, it has quickly become apparent that there are new demographic pressures which the economic and institutional reforms have themselves unleashed. This has sometimes led to the contention that there exists a basic contradiction between the twin policies for achieving a high per capita income growth rate: the "production" strategy is held to run counter to the "reproduction" policies. It has even been asserted on occasion that this reflects a flaw in the planning framework. Without subscribing to this simplistic reasoning, let us discuss how the two sets of new policies are related. Before doing so, however, it is necessary to set down some of the main features of the new economic and institutional policies that are being implemented in rural China.

The main emphasis of the institutional reform seems to be to shift away from the three-layered pyramidal structure of the people's commune into smaller team-sized cooperatives of the type which preceded the communes. Within these, while planning functions are still performed by the "team" or cooperative office/leadership, the main task of agricultural production is delegated to individual peasant households which are set fixed production quotas. Variations from the quotas are then transformed into small penalties, or relatively larger rewards in the form of retentions of high proportions of the surplus, or above-quota production. Land is allocated on a medium term basis in many cases, and in one version of the production responsibility system, the team's means of production are auctioned off to the (wealthier) members of the team, though the larger implements such as tractors and threshers are obviously retained under collective ownership and management. Peasants are reassured by officials that this system will not be changed in the near future; this is meant to allay their risk aversion with regard to making land improvements, or making medium term investments.

Alongside this, the size of the private plot has been enlarged; the range of goods that can be produced on it and bought and sold freely in the markets has been greatly widened; rural and urban market fairs have been encouraged and now flourish in every part of rural China providing a ready arena for the exchange and sale of goods produced by the peasants on their private or contracted land; the range of side-line activities that private individuals were allowed to engage in has been greatly widened as well, and the limits to the operational size of such establishments has also been vastly liberalised; new private economic initiatives relying on the pooling of private capital and resources between rural households have been sanctioned; a certain (though widening degree of apprentice employment has been allowed in such and similar enterprises; a significant degree of withdrawal from collective labour has been permitted in those units where the new production responsibility system still calls for collective labour; the strictures on out-migration to the towns have been relaxed in de-facto terms; hawking, vending and selling and trading from stalls in towns is allowed; so also is poultry farming and pig-raising on a very substantial scale.

The other major policy change of relevance for our discussion is the new price policy: farm purchase prices have been raised substantially, and this has raised the income levels of the surplus peasantry to a very substantial extent, though the progressive structure of the price rise leaves the deficit producers and the marginal surplus peasants relatively untouched. This price rise raises the profitability of agriculture to a marked extent, and would permit further intensification of input use more or less across the board in potentially surplus areas. Alongside this is the new policy of encouraging crop diversification away from grain, and letting peasants decide to a greater extent how much of which crop they might wish to plant within the overall constraint of the production quota. The profitability of production thus becomes a real objective for the peasants in rural China, perhaps for the first time since the Revolution.

From these policies and their implications and corollaries stem several effects on the fertility behaviour of the peasants.

New demographic forces and pressures have been released, and while it is still too early to judge their strength, it is possible with some accuracy to speculate about their direction. These new pressures are juxtaposed upon the groups of causes of high fertility discussed in the previous section.

The negative impact of erroneous theories of population growth under socialism had already been countered in the 1970s through the introduction of serious family planning and birth control programmes. The new SCFP, however, has no doubt driven home the ideological message if it still needed doing so. However, objective economic conditions on the ground have changed radically, and this has affected factors governing fertility behaviour. Let us first look at the cost of generating labour power within a peasant household. After the reforms, it could be argued that the rejection of egalitarian distribution rules would tend to raise the implicit cost of raising children, since grain which is retained for consumption within the household after meeting the quota would now logically have to be valued at the going market price rather than the subsidised rates at which the team supplied distribution grains to its members under the previous system. Additionally, labour would not be rewarded any more at the average rate within the team, based on the average value of the work day and the number of days worked by any one worker. Now the land itself is contracted out. This for any given household, labour returns would depend on their marginal productivity on the contracted land given the pattern and level of resource endowment of the household. Thus returns to labour, and its opportunity cost would have to be reckoned in terms of its marginal contribution to output. In land short areas, this could be expected to lower the demand for labour, and therefore for children. (But these factors are countered powerfully by those making for an increase in the demand for labour.) This new land policy goes hand in hand with that of economic liberalisation, so that while the opportunity cost of peasant labour is reduced, opportunities for its use outside agricultural activities are greatly enhanced. This encourages economic diversification within the household. The demand for labour has increased very noticeably, and to an extent where

there are uncharacteristic calls from PLA soldiers to be allowed to return to their peasant homes to take financial advantage of the new opportunities. Since very many of the new activities are such as would easily absorb and benefit from the use of child labour, the demand for children could not but have increased significantly. Indeed, this is the constant answer to questions enquiring into this aspect in the course of field work in rural China. It is probable that the net balance between the increase in the costs of and the returns to additional labour power have swung in favour of the latter thus having an upward impact on fertility. Of course, parents must continue to control their children's earnings in order to benefit from having raised them. In this regard, it is unlikely that the situation has been much altered by the new reforms. On the one hand, one could argue that the increased possibility of migration, and certainly of earning outside the household and the village would lead to the weakening of parental control over the economic activities of the children. But typically, migration leaves behind ties of dependency (of the migrant on the household) in cases where the livelihood of the former is not assured. On the other side, the weakening of the collective unit is also unlikely to have created any net weakening of control, since the reorganisation of peasant production around the household level is also likely to generate a new pattern of intra-household division of labour embracing the sectoral, seasonal and sexual dimensions, and division-of-labour is another way of stating the interdependence between participating members.

Added to these new pressures for increasing the size of the household, one could list the legitimate apprehension that with the passage of the collective (of the style of the commune) into history, parents would be ever more dependent upon their offspring for providing them material support in their old age. Within the commune system, it was still possible that the richer units could institute a pension system; but in the new framework, such social cover would have to be for all persons in a much wider administrative unit, or for none; as such, the likelihood of such pension systems being put in place in rural China in the near future becomes more dim than before. Peasant perceptions in this regard

could not be faulted for being unrealistic or subjective.

Having got this far, however, it is necessary to make a few sceptical observations. The first concerns the frequently encountered argument that since the land allocations under the new responsibility systems are related to the size of the household (apart from the size and composition of its labour force), there would be a great incentive for the peasants to increase the size of family in order to lay a higher claim to team land. Such an argument would be misleading for the reason that land distributions have been linked to the incentive structures for promoting birth control. If a couple has a second child, then far from getting an extra share of the contract land, it is penalised even in terms of its previous entitlement. So also, there are no extra allocations of a private plot for second children, nor indeed of housing space. The promised periodic readjustments in the land allocations will only take into account deaths and sanctioned, or "planned" births. It is possible that there might have been a short interim period where the situation was unclear, and that this might have led to a small and temporary spurt in fertility. But it could hardly be argued to have any secular existence. The second point is that even to the extent that the fertility levels have risen in response to the increase in demand for labour, this effect could not objectively be expected to last for anything beyond a short period. The argument here would be that all these new activities and opportunities released by the new reforms constitute avenues which will soon reach a saturation level - as would the market for a good being import-substituted - with further growth rates getting linked to the trend rates of growth of income within the new framework. Thus, how many million yards of hand made lace could China absorb; how many glasses of lemonade and sticks of homemade ice cream could the Chinese consume per year? After a rapid growth soaking up unmet demand, the boom would taper off into normal growth linked to income growth. The conclusion would be that the increase in the demand for labour is also to some extent a transitional phenomenon whose impact on increased fertility will also peter out in the coming few years. The third comment derives from the inability of the current debate to link altered fertility

behaviour to expected future returns from children after they have grown up rather than somewhat mechanically to the current returns to child labour. Thus, if parents shrewdly expected that the boom in labour demand would be relatively short-lived, they would not jump to the idea of having more children. In ignoring the role of expectations of the future in making assumptions about peasant fertility behaviour, the argument lapses into a rather unrealistic and unsound one, where peasants are assumed to assume that their future economic environment will be a simple projection of their present one. Whichever way one jumps here, though, no clear conclusion can be drawn except on the basis of rather untestable assumptions about peasants' expectations. It might be reasonable to state that neither the peasant, nor the leadership would claim to have any very firm basis for forming any specific profile of future expectations.

In sum, then, it could be concluded with regard to the operation of the economic variables affected by the new policies that while the demand for labour, as also the economic returns to labour, are likely to have registered a substantial rise as a consequence of the policies, it is injudicious to assume that such an impact would lead to any immediate, emphatic or longstanding alteration in peasant fertility behaviour in favour of having more children. This is not to deny the probable presence of some positive relationship between the two variables.

However, it could be more cogently argued that the decline of the collective, and the revival of the household as the basic production unit has led to a corresponding revivification of a peasant-feudal mentality, with peasant parents showing a renewed concern over the perpetuation of the family name; over the number of sons, etc. Even casual observation in the course of field research corroborates this argument to a significant extent, especially in the case of rural households which have come good in the last few post-Reform years.

Overall, then it is likely that peasants might prefer to expand their family size as a consequence of the large increases in the demand for labour, and on account of the revival of traditional social values in the countryside, though it is difficult to draw conclusions about the strength or longevity of this effect.

§6. The Response of the State: SCFP

China is playing the modernisation game at very high stakes, and it could make or break on the population card. Given this tension between the high desired speed of growth and the new and lagged effects making for a higher population growth, the choices of the government are restricted. One of three broad options could be followed. Either the targets for the growth of per capita income could be revised downwards to take into account the demographic pressure; or the new rural reforms could be modified in a manner whereby they do not lead to an increase in the demand for labour within the peasant household; or finally, the birth control efforts and the family planning programme could be redoubled and intensified. The first two options would involve a negation of the entire economic strategy of the present leadership, and it is clear that the only credible option currently is the third one. Certainly it is the one which has been taken up with vigour and almost on an emergency basis. The adoption and implementation of the SCFP has been monitored closely inside and outside China, and we can therefore dispense with a detailed account of its progress. It is enough for us to note a few important features which have emerged even in this short span.

There is a marked difference in the rates and speed of adoption of the programme between the rural and the urban areas. The latter, led by cities such as Shanghai, have displayed very low rates of net natural increase, and very high rates of subscription to the SCFP on the part of couples with less than two children. This might be explicable in terms of a variety of factors, the main ones of which would have to do with the very reduced income generating possibilities that additional children have in cities, when compared with the diversified economy of the rural areas. Further, parents in towns generally all work in establishments which have regular pension systems, so that the other key motivation for a large family, i.e., old age security, is removed. In addition, most cities are faced by housing problems, and unlike the rural areas, there is no direct way of getting more housing land allocated upon the birth of another child; small families are a response to this condition.

There is also a marked difference in performance by nationality group and by region. For the minority nationalities, the SCFP does not really apply, and the norm remains the previous two-child one in principle, and often an unspecified one in practice. Even when we leave out of consideration regions whose performance is strongly influenced by the high proportion of population from minority nationalities, there still remain wide differences between the performance of provinces. At the low end is Sichuan, with extremely low rates of natural increase, and with a high degree of implementation of the SCFP; at the other end is Guangdong in the south, which has displayed the opposite tendencies. It should be noted though that this is typically a drive which might be expected to follow the path of a logistic curve in its advance towards maximum levels of adoption consistent with specific conditions. Viewed in this way, the inter-provincial differences would reflect, apart from different methods and styles of implementation of the SCFP, different socio-economic conditions, eg., the Guangdong rural economy is much more diversified than that of northern provinces; the length of time elapsed since the SCFP was seriously taken up by the province (and in this regard Sichuan's exceptional performance might be somewhat more explicable) etc. Certainly, the tendency to equate success rates with crude birth rates, or with the incidence of adopters places too great an emphasis on the role of the implementation machine.

It should be noted that the SCFP preceded the new institutional reforms in the countryside. Thus the early regulations laying down the incentive/disincentive structure for the SCFP ran in terms of work-points etc, and made no mention of the size of the land allocated under quota-contract to the peasant household. With the reforms, however, the regulations have been reframed so as to include the crucial clauses which penalise violators of the SCFP (as also non-adopters who have a second child) with a cut in their land allocation, or by the allocation of no additional land for any child outside the birth plan. Alongside the structure for implementation has been greatly strengthened, and in many rural areas, it is standard practice to set birth plan quotas for the leadership of the unit, with

a bonus for overfulfillment, and a penalty for not meeting the norms. One other new feature is perhaps beginning to emerge: the experience of some of the big cities shows that where a high majority of the target population does subscribe to the SCFP, the authorities frequently run into serious difficulties in meeting their promises made under the incentive system. Thus, better housing might have been promised for SCF certificate holders, but the large numbers of those eligible for this benefit mean long queues and lengthy delays; so also with school and medical facilities, and the promise of job preference. The implicit result is a weakening of the de facto incentive structure. While an identical situation might not hold in the rural areas, it is obvious that the SCFP could prove quite expensive. In the countryside, however, the key element is the private plot and the size of the contract land, and allocations of these really imply redistributions from those outside the SCFP (but eligible to be within it) to the adopters of the SCFP; such a programme, while providing powerful incentives, remains costless with regard to the additional land allocated to SCF certificate holders. Notwithstanding this, it is apparent that new regulations are frequently more tough for offenders; and increasingly, it is the disincentive side of the regulations which makes them stick. One reason for this is that with the reforms, the "profitability" of having children has risen, and hence so must the disincentives to prevent additional births. It might be added that even the incentives really operate through a punitive channel: the annual flow of incentives could add from a quarter to a third to the income of a household in some communes, but the real problem is in the rule that should the couple have a second child later, they would have to pay back the cumulative sum of benefits obtained to date. Needless to say, few households would be in a position to do this and survive, and it is this helplessness that allows the local family planning officials to put pressure on the couple to abort their second child.

Alongside this, the structure for implementation has been strengthened. This was perhaps necessary since the weakening of the old collective units. The key element of this is the

system of rewards and penalties for the leadership for meeting the quotas of births under the plan for their unit. This device can be very cost effective, to put it in somewhat cynical terms, since the proportion of the unit's population that have to be paid these benefits is very small, in fact not more than a handful of persons. Thus, rewards can afford to be very generous without upsetting any budget. On the other hand, the difference made to the income of a unit leader could be noticeable. The net result is the intensification of the SCF drive through an enthusiastic participation by the leadership in meeting birth targets.

Finally, we noted in an earlier section that the rates of increase of population had risen after 1979 in the course of the two following years. One must be careful in interpreting this change in terms of the impact of the new reforms in rural China. This might have been a contributory factor, but in the main, this rise reflects the earlier bulges in the crude birth rates that China experienced a generation earlier. It is not uncommon at all to encounter communes where the CBR is high and/or rising despite a very high rate of adoption of the SCFP. It is conceivable that this bulge effect contributes in some way to the SCFP through demonstrating the urgency of the problem to the peasantry at a local level, and in a very directly perceived manner.

§7. SCFP: Some Implications and Consequences

Throughout the paper, the radical departure that the SCFP constitutes from normal family planning practice has been justified in terms of its expected impact on the rate of accumulation and subsequently on the rate of per capita income increase. But these results, when they do materialise, reflect one part of the balance sheet. The SCFP, and especially when considered as part of the larger package of the new rural reforms, has in it the seeds of some unpalatable consequences and side-effects as well. Once again, the strength of these is difficult to judge at present: some of these are manifest already in reality, but others, while inherent in the logic of the present set-up, might not as yet have taken root. Further, the authorities clearly recognize that the SCFP, like the production responsibility systems, also creates some problems. But it is officially contended that precisely because the problems have been anticipated, they will also be dealt with appropriately with timely counter measures. Be it as it may, it is useful to dwell on this topic at some length, since these are precisely the areas of discussion which, while necessary and extremely important, have so far been substantially ignored. It will also help the reader to form a judgement about whether or not the problems are of a kind which can be tackled at the present juncture by the current leadership of the country. Our discussion is divided into two broad sets of considerations: the first group deals with the implications of the SCFP for inequalities at various levels; the second with some real and potential consequences of the SCFP for the role and position of women.

(a) Inequalities: The first point arises from the unevenness of the adoption of the SCFP between urban and rural areas. We referred earlier to the problem that city family planning authorities could face in providing incentives to SCF certificate holders. While these difficulties are real enough in the case of specific incentives, eg., housing, it does not follow that city populations do not gain significantly from other elements of the incentive package. This raises the possibility that the SCFP will become a source of increasing inequalities between the two sectors in per capita terms, since the

adoption rates are lower, and the incidence of penalties higher in the rural areas. Needless to say, such an effect could be countered to some extent through a suitable income policy, though doing so would clearly affect the operation and potency of the incentives themselves. Secondly, even if we suppose that severe penalty systems do manage to make the SCF stick in the rural areas, it does not follow automatically that this will lead to the peasants getting all the benefits that the SCF is expected to produce for China. Even if we assume that per capita income in money terms does rise, peasants still have to be able to convert their entitlements into goods. This in turn depends upon the overall rate of accumulation, on the availability of industrial goods in the countryside, and on the prices set for these goods. It is possible that the nominal increase in rural per capita incomes is higher than the real increase. Further, the implied "welfare" savings of SCF (viz., schools and hospitals not built, etc) do not always directly accrue to rural areas. Earlier we reported the official estimate that one-third of the cost of such services was borne by the state, and this saving would clearly not get automatically transferred to the SCF certificate holders. It remains possible then that the surplus or savings generated through the adoption of the SCF in the rural areas get transferred through the budgetary system into uses which tend to favour income growth in other sectors.

A third implication stems from the fact that the SCF is not intended for implementation (at least as yet) in the areas inhabited by the minority nationalities. Thus, the proportional share of the minorities in the total population could be expected to increase, but unless their share in resource allocation is also adjusted upwards, the inequality in per capita incomes between the minorities and the rest of the Chinese people will also drift upwards to an extent. This argument assumes, justifiably that in the minority areas, the marginal returns to labour are below the average returns in the present conditions.

The fourth, and perhaps the most disturbing implication is for inter-sectoral differences in the pattern of educational participation. The new production responsibility systems have

already created a serious conflict of interest between school attendance and the use of child labour by the parents. Field observations testify to this in areas where the more extreme forms of individual household based responsibility systems were being followed. The simultaneous adoption of the SCFP in such regions is likely to lead to an exacerbation of this conflict through placing an increasing premium on the labour of children in small-sized families. And where the couple ignores the penalties for the second child and expands family size, such an effect is likely to be even stronger since the family will wish to recover these penalties through the economic returns to the second child's participation in remunerative economic activities rather than in economically unrewarding educational ones. The expectation of high enough returns through this strategy would have been the motivation for incurring the penalties in the first place. This behaviour would be further encouraged by the fact that the educational and other expenses for the second child would have to be paid for by the parents, rather than by the collective, as in the case of the first child. The longer term implication of this phenomenon is unlikely to be different from those for child cowherds in poor third world countries, where early participation in the labour force does provide early benefits to the parents, but a longer term stagnation of income and opportunities for the child. In sharp contrast, the impact of the SCFP in the urban areas is likely to be the reverse. Here, the full participation of the parents in the labour force is assisted by smaller family-size, while the prospects for children to contribute to household income are but a small fraction of those in the countryside. In fact, the future of the urban child is crucially related to educational opportunity and performance. And parents are likely to have a direct interest in furthering this, as their future old-age insurance depends more than before on an only child. This is partly what explains the rise of private tuition schools in urban China in the last few years, whereas educational participation has dropped somewhat in the countryside. These difficulties are further accentuated by the increased problems that rural school-goers face in competing on "equal" terms, i.e., taking the same

examinations, with their urban counterparts. Recent independent changes in education policies along these lines had already loaded the game against the rural sector; now, the combination of the new institutional reforms and the SCFP makes it even more likely that these inter-sectoral and inter-class inequalities will be further widened, and at present, it is rather difficult to conceive how specific counteracting policies could be designed or implemented successfully.

(b) The Position of Rural Women: On the whole the implications for rural women appear to be somewhat bleak. This calls for explanation since it could normally be assumed that being freed from the burdens of repeated childbearing would be a great boon. The difference is that the rural Chinese women passed through this stage in an earlier phase of socialist China's development; the issue now is the reduction of the number of children from say 2 or 3 to strictly one. In considering the impact of the SCFP on women, it is necessary first to comment on the realised or potential effects of the new institutional reforms on the position of women, since it is in the framework of these effects that the SCFP generates its own impact.

The main implication of the move towards household based production systems in the countryside is the increased domestication of women. Since collective labour is replaced by work on the household's contracted and private land, inputs of female labour will be related to their marginal returns rather than the average as in the case of the collective. Women are therefore likely to be relegated to their traditional role of taking charge of the domestic economy, including the private plot. As elsewhere in the third world, in their "spare time" they would occupy themselves producing handicraft items, processed foods, or engage themselves in other sideline activities. Of course, it is possible, though not likely to become generalised, that where the male finds some exceptionally lucrative employment in the non-agricultural sector, the female labour power of the household would be used for agricultural activities. But the intra-household sexual division of labour would in this case too be structured unfavourably from the point of view of the woman.

Such a relegation of women to the domestic economy, coupled with other reforms aimed at shedding "extra" labour from factories

is likely to exacerbate the already pronounced sexual division of labour (which operates against the interests of women) in collective enterprises in the rural sector. So also, it is possible that the wider role assigned to private sector non-agricultural (commercial and petty industrial) activities would provide an advantage to men since these are likely to involve frequent interaction with male-dominated authority structures. This increased domestication of the labour of women will be reflected in a corresponding reduction in the extent of their participation in collective forms of labour, such as do remain. The changing sexual division of labour by type of activity is therefore likely to correspond to one categorised by its social character. The first implication of this is likely to be a weakening in the nature and extent of female participation in the decision-making process at the level of the collective unit. It is pertinent to note in this context that alongside the reforms to the leadership structure of the production teams, the usual positions assigned to women have been somewhat downgraded. Simultaneously, the role of the women's leader becomes overwhelmingly to serve as the instrument of the SCFP and ensure the desired response from women within the unit to family planning initiatives, rather than to fight the other, more serious and difficult, battles of safeguarding women's rights and improving the terms of their participation in the labour and decision-making processes. The women's leader thus forms the interface, the instrument, the agent of the State in its birth control programmes. This is of course as it should be since it would be even less acceptable in general to have a male performing this role. Yet, what is disturbing is the extent to which the women cadres spend a disproportionate extent of their time on the question of birth control, while the parallel and attendant issues arising from the implications of the rural reforms and the SCFP for women's position in rural society do not receive the intensive attention that they urgently demand.

It also needs to be remembered that the new rural reforms are part of a larger phenomenon of "going traditional", where old pre-socialist values are resurfacing, and forming the basis of new lines of authority, new groups of allegiances, and new matrices of interdependences in economic interests. The dominant factor is kinship. A part of this system of value which is not new to the lives of the elder generation, prescribes a rather clear traditional role to the woman in the household, a role which is likely to prove difficult to contest under the shadow of the old cultural ethos revived by the reorientation in the post-Mao period. How all this will square with a generation of women who have tried to organise increasingly for fighting for equality is at present imponderable.

Let us see now how the SCFP interacts with this set of factors from the point of view of women. Firstly, in keeping with the resurgence of traditional attitudes in the countryside and with the increased importance of ensuring a successful career for an only child in the urban areas, there has been a great revival of the interest in "the mothering role of women". This argument somehow always tends to slide into a position where women find themselves having to rear children and spend a greater proportion of time than before in associated household tasks. As such, this increases the pressures making for the domestication of women. Secondly, it would be almost universally true that if a couple is going to have one child, it would like to have a son. This intensified preference for male offspring accentuates pressures on women, and also influences their social position. The major implications of the SCFP for women arise from the clash between the new regulations and the preference (a) for 2 or 3 children, and (b) for sons. Let us consider each in somewhat greater detail.

With regard to the preference for more than one child, the problems for women arise not so much from observing (or not observing) the new norm, but in the manner by which an increasing number of young women eventually comply with it, i.e., through abortions. There can be little doubt that the drive to implement the SCFP has greatly increased the use of this device of birth control. Abortion is accepted, of course, as a "last resort" method of birth control, and as such, its incidence is likely to be high when family planning and birth control services and facilities are weak in an area. But our argument extends much beyond this point. If we consider the national level, the ratio of abortions to live births for China in the mid-1970s was about 1:3, which is higher than that for say, India (at almost 1:5 to 1:10), at par with that for some European countries, but lower than that for some East European countries, and for Japan in the 1950s. This national average no doubt ~~hides~~ hides inter-sectoral differences where the urban sector has lower ratios which would be ascribed to better availability of birth control facilities and other social factors. But the disturbing feature is the rising trend that the ratio displays in the rural sector in the last few years. In the absence of systematic data, we must fall back on some field notes for illustrating this argument. In a team in a rural commune in a prosperous part of Yunnan, there were 22 births and 8 abortions in 1980, the corresponding figures being 22 and 30 in 1981, and 5 and 28 in the first five months of 1982. The ratio of abortions to live births changes dramatically from about 1:2.8 in 1980 to about 1:0.16 by mid-1982. By way of an explanation, various points need to be made. Firstly, there is a sharply rising trend in conceptions, from a minimum of 30 in 1980 to an annual estimate of about 80 in 1982, a rise which cannot be ascribed solely to any kink in the age structure or earlier baby boom in the 1950s or 1960s. This feature coincides with the adoption of new economic policies in the region,

with its consequent increase in the demand for family labour. Since the cover provided by the family planning services could not be assumed to have declined in effectiveness, it is likely that the rising trend emanates from the desire (on the part of couples) to have larger families. Secondly, this trend is countered very sharply by the SCFP. This poses the puzzle: why do women get pregnant if in all probability they are going to have to abort the child? In all cases, abortions were of the second (or in some cases of the third) child. The answer lies probably in the expectation that such couples might have had about actually being able to extend their family size beyond the limits prescribed by the SCFP. The implementation of the SCFP has been variable; local regulations have not everywhere or always been strictly enforced, and this allows the objective possibility of getting away with a second child. However, in the case cited, such expectations met with a very strong response, leading to the high abortion rates observed. This would appear to imply some irrationality on the part of the couples involved. But this deduction would be somewhat unjustified. For one, we are dealing with a span of only 3 years, and it is possible, indeed even probable, that if the official response to a second child remains as it is at present, some lessons will be learnt, and the original expectations adapted. For another, it is necessary to note that the couples concerned decided to have a second child in the full knowledge of the array of economic disincentives triggered off by their step. What accounts for the decision to abort later, is not a belated realisation of such disincentives, but the sudden discovery of the range and strength of extra-economic pressures that are simultaneously brought to bear on the woman pregnant with a second child. Women's leaders, team leaders, party officials, SCFP workers, neighbours, team or waste group colleagues all join in in a barrage of propaganda and argumentation directed at the woman all aimed at making her revise the decision and to agree to an abortion.

Frequently, this can involve cases of rather late abortions terminating pregnancies of more than four months duration. This network of extra-economic "persuasion" has been operational even in the period prior to the SCFP. What is new is the intensity of its operation in the present situation, something which emphasises the rather large overlap between persuasion and outright coercion.

The increased intensity of operation of moral pressures is assisted, if not actually triggered off, by new systems of contracts and quotas concerning the number of births allowed in any one unit. Strong incentives are provided to the team leadership to ensure that team members keep within the birth plan. Thus, in the team in Yunnan mentioned earlier, the 5 team leaders get a collective bonus of 200 yuan if the team keeps within 7 births per 1000 members, and if there are no second births. For every second birth, there is a 10 yuan fine on the leaders. There are separate powerful penalties on the couple which has a second child, but since 1981, there are also penalties imposed on the work group to which the erring couple belongs. The group has a deduction of a total of 1000 work points per second child born within it. The need for the collective penalties both on the team membership and the leaders is explicable in terms of the inadequacy of even strong disincentives for the couple. The result is the pattern of conceptions, births and abortions reported earlier.

The other abnormal phenomenon which has surfaced subsequent to the adoption of the SCFP is more distressing. It concerns not second, but even first births. Given the powerful pressures to have sons, as well as the equally powerful ones to restrict family size in accordance with the SCFP, it is not altogether unexpected that there are frequent reports of female infanticide in rural China. This ghastly effect of the SCFP is difficult to quantify though in some press reports, the sex ratio for localities is reported to have been as much as 5:1 in favour of male children.

If couples are to have just one child, then they would clearly like it to be a male one. This type of effect, even if sporadic, raises profound doubts about the readiness of the population of rural China for such a radical change as the SCFP demands.

In sum, then, the implications of the SCFP, specially in the context of the wider rural reforms, are far from encouraging for women in rural China. The subjective factors released by the new socio-cultural ethos lead to a revival of old attitudes which prescribe narrow, domesticated roles for women; the objective socio-economic forces generated by the new policies provide the material conditions which further strengthen these attitudes on the one hand, and accentuate the sexual division of labour on the other; the much increased incidence of abortions poses a threat to women's health; the near coercive nature of the methods of implementation of the SCFP take away powers of decision-making about fertility from the couple to the State; the incentive structures for the leadership would create a social and political divide between the leadership and the members of a unit; and the clash between the demands of the SCFP and the strong preference for male offspring leads to the possibility that the inhuman practice of female infanticide could find new life in socialist China. These effects might well be anticipated, but what makes one curb any immediate optimism is the fact that in most parts of rural China, the role and functions of the women's leaders revolve almost exclusively around the implementation of the SCFP rather than systematic attempts to pre-empt or to counter the various negative dimensions mentioned in this section. The negative implications are significant enough to warrant the suggestion that women in rural China have been used as the instruments in the Chinese road to socialism. In the early heady phase of the Great Leap Forward the labour of rural women was socialised at a fantastic rate and it made a profound contribution to the

development drive which relied considerably on the device of "labour accumulation"! Now, in the new strategy, the role assigned to women's labour is reverting (whether as an unintended effect, or by design) to the domestic sphere. It is to be hoped that this tendency does not take root.

§8 The Trade-off

Yet again, China has launched social experimentation of a nature and on a scale which makes the rest of the developing world monitor its progress with great interest. Will the new economic and institutional reforms in the country-side succeed? Will the SCFP be accepted by the population? Whatever the answers to these crucial questions, some sceptical observers will also pose some prior queries: were the rural reforms really necessary from the developmental point of view? Is the SCFP unavoidable if China is to attain a high growth rate? The answers to the latter set of questions can be given and interpreted only within a broader framework which specifies and weighs the costs and benefits of such strategic changes. Such a specification clearly requires a statement of the ideological predilections underlying the answers. As such, the questions could never have unique answers. Be that as it may, it is arguable that the SCFP, especially in the context of the wider reforms, is something of a Pandora's Box, and is likely to unleash forces which will be difficult to control subsequently. Its negative effects, especially on the role and position of rural women, are already manifest. One lesson which the Chinese family planning drive might well learn from the Indian experience is that it is socially dangerous and politically divisive to give local level administrative officials incentives and instructions to meet quotas related to birth control. It tends to degenerate rapidly into an authoritarian system of implementation in which the main ingredient for success is coercion.

We can end by reflecting briefly on the relationship between the SCFP and economic growth. Is the former really necessary for achieving a respectable performance in terms of per capita income growth? In an earlier section, we

argued a negative reply to this question, the SCFP then becomes an element in a strategy which appears to place altogether too high a premium on attaining exceptionally high rates of growth of per capita income while turning a short-sighted eye to some undesirable attributes of this growth. In this separation of the means from the end lies the danger to socialist values; whether, on what scale, and for what duration the danger is realised will depend on the judgement of policy-makers as much as on the responses of the rural masses.

References

- Aird, J., 'Population Studies and Population Policy in China', Population and Development Review, Vol.8, No.2, June 1982.
- Cassen, R.H., India: Population, Economy, Society, Macmillan, 1978.
- Croll, E.J., 'The Sexual Division of Labour in Rural China', in Benería, L. (ed.), Women and Development: The Sexual Division of Labour in Rural Societies, Ch.9, Praeger, 1979.
- Croll, E.J., 'Production Versus Reproduction: A Threat to China's Development Strategy', World Development, 1983, (forthcoming).
- Davin, D., 'Women's Impact on China's Development', in Maxwell, N. (ed.) China's Road to Development, Pergamon, 1979.
- Feng Lanrui & Zhao Lúkuan, 'Urban Unemployment in China', Social Sciences in China, Vol.III, No.1, March 1982.
- Goodstadt, L.F., 'China's One-Child Family: Policy and Public Response', Population and Development Review, Vol.8, No.1, March 1982.
- Griffin, K. & Saith, A., Growth & Equality in Rural China, I.L.O./ARTEP, Maruzen, Singapore, 1981.
- Jain, A.K. & Adlakha, A.L., 'Preliminary Estimates of Fertility Decline in India during the 1970s', Population and Development Review, Vol.8, No.3, September 1982.
- Kane, P., 'The Single Child Family in China: Urban Policies and their Effects on the One-Child Family', Paper presented at the International Workshop 17-18 March, 1983, Contemporary China Centre, Oxford.
- Liu Zheng, et.al., China's Population: Problems and Prospects, New World Press, Beijing, 1981.
- Mosher, S.W., 'Birth Control in a Chinese Village', Asian Survey, Vol.XXII, No.4, April 1982.
- Saith, A., Field Notes: Rural China Study Visit, 1979, 1980, 1982.
- Saith, A., 'Economic Incentives for the One-Child Family in Rural China', The China Quarterly, September 1981.

- Selden, M., 1979, The People's Republic of China: A Documentary History of Revolutionary Change, M.R. Press, New York.
- Su Wenming (ed.), Population & Other Problems, China Today (1), 'Beijing Review' Special Feature Series, April 1981.
- Su Wenming (ed.), Economic Readjustment & Reform, China Today (e), 'Beijing Review' Special Feature Series, 1982.
- Tang, A.M. & Stone, B., Food Production in the People's Republic of China, Research Report 15, International Food Policy Research Institute, May 1980.
- Tien H. Yuan (ed.), Population Theory in China, M.E. Sharpe, Inc., New York & Croom Helm, London, 1980.
- Tien H. Yuan, 'Induced Fertility Transition: Impact of Population Planning and Socio-Economic Change in the People's Republic of China', Paper prepared for presentation at an International Workshop on 'The Single-Child Family in China', March 17-18, 1983, Contemporary China Centre, Oxford.
- Vicziany, M., 'Coercion in a Soft State: The Family-Planning Program of India, Part I: The Myth of Voluntarism', Pacific Affairs, Vol.55, No.3, Fall, 1982.
- Xu Dixin, et.al., China's Search for Economic Growth: The Chinese Economy since 1949, New World Press, Beijing, 1982.
- Young, K., 'Not the Church, Not the State...', to appear in Serving Two Masters (K. Young, ed.), Routledge & Kegan Paul, Autumn 1983.

Working Papers published so far:

Sub-Series on Money, Finance and Development

- No. 1 - Karel Jansen, 'An Introduction to the Research Programme of the Institute of Social Studies' (November 1982)
- No. 2 - Fernando Tenjo Galarza, 'Accumulation and the Financial Sector in Colombia (1970-1979): An Interpretation' (December 1982)
- No. 3 - E.V.K. FitzGerald, 'Aspects of Finance Capital in Latin America' (December 1982)
- No. 4 - Willem van der Geest, 'International Economic Models as Particular Views on Third World Economic Development' (December 1982)
- No. 5 - Rosalia Cortes, 'Agrarian Structures, Food Prices and Real Wages' (December 1982)
- No. 6 - Karel Jansen and Joan Verloren van Themaat, 'Recession and Adjustment in the Developing Countries. International and National Responses to the Economic Crises of the 1970s' (December 1982)
- No. 7 - William Darity, Jr. and E.V.K. FitzGerald, 'A Kalecki-Keynes Model of World Trade, Finance, and Economic Development' (December 1982)
- No. 8 - E.V.K. FitzGerald, 'Kalecki on the Financing of Development: An Elucidation and an Extension' (March 1983)

General Series

- No. 1 - Kurt Martin, 'Agrarian Reforms and Intersectoral Relations: A Summary' (December 1982)
- No. 2 - Steven J. Keuning, 'Distributive Aspects of Indonesian Agriculture' (December 1982)
- No. 3 - Steven J. Keuning, 'The Distribution of Profits in Indonesia' (December 1982)
- No. 4 - Bert Helmsing, 'Agriculture and Industry in a Regional Perspective' (December 1982)
- No. 5 - Mike Douglass, 'From Peasant to Migrant Worker: Regional Perspective from the Central Plains of Thailand' (January 1983)
- No. 6 - Ben White, '"Agricultural Involution" and its Critics: Twenty Years After Clifford Geertz' (February 1983)
- No. 7 - Jan J.P. van Heemst, 'National Accounting and Subsistence Activities in Developing Countries: A Review of Some Major Issues' (March 1983)
- No. 8 - Veronika Bennholdt-Thomsen, 'The Sexual Division of Labour in Capitalism' (March 1983)

Working Papers

The following papers have been published since our last list:

General Series

- No. 9 - Jos Hilhorst, 'Beyond the Waters: Toward Water Resource Management in Peru' (March 1983)
- No. 10 - Bert Helmsing, 'Colonos, Agricultural Colonisation and Production in Andean Countries' (April 1983)
- No. 11 - David Dunham, 'Interpreting the Politics of Settlement Policy: A Background to the Mahaweli Development Scheme (May 1983)
- No. 12 - Antony J Dolman, 'World System Processes and Third World Environment' (May 1983)
- No. 13 - Louis Emmerij, 'How to Get Out of The Crisis?' (May 1983)
- No. 14 - Gilbert Benz, "The Impact of 'The New Forms of Investment' on the 'Codes of Conduct'"
- No. 15 - Ashwani Saith, 'The Distributional Dimensions of Revolutionary Transition: Ethiopia'
- No. 16 - Ashwani Saith, Development and Distribution A Critique of the Cross-Country U-Hypothesis
- No. 17 - Benjamin White, 'Measuring Time Allocation, Decision Making and Agrarian Changes Affecting Rural Women: Examples from Recent Research in Indonesia'
- No. 18 - Ashwani Saith, 'Some Observations on China's New Population Policies'

These can be obtained from the Publications Office, Room 1.58

Arthur Bourne
Publications Manager