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Nationwide Subsidy Aims to Ease Chinese Baby Shortage

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Local governments in China have tried to lift the shrinking birthrate with perks, cash rewards and housing subsidies. Now the central government is stepping in.

Beijing plans to pay a basic annual per-child subsidy of 3,600 yuan, equivalent to about $500, until the age of 3, according to a central government decree released recently on local government websites.

China's fertility rate—the number of children a woman has over her lifetime—is around one now, one of the world's lowest, posing enormous challenges for the economy and society.

Huang Wenzheng, chief researcher of YuWa Population Research Institute, a think tank involved in the policy discussions, said the planned subsidy is half or less of what Chinese demographers, econo-mists and researchers pro -- posed. Huang thinks the spending—less than 0.1% of GDP—must be 50 times higher to return fertility to the replacement level of around 2.1.

"The mindset is still seeing the spending as costs, not investment in the future," said Huang, who had pushed Beijing to ease birth restrictions over the years, including ending the one-child policy in 2015.

China's State Council, or cabinet, and the National Health Commission didn't reply to requests for comment. Bloomberg News reported earlier on the planned subsidies.

The number of newborns in China had plunged for six straight years before a slight rebound last year following the end of Covid-19 restrictions. But only 6.1 million couples registered marriages in 2024, the latest official data show, down 21% from 2023 and the lowest since the government started releasing such statistics in 1986.

The number of newborns this year will likely drop below nine million, demographers say, less than half the number in 2016, when China allowed couples to have two children for the first time since the one-child policy was implemented nationwide in 1980. *

Authorities have held up enticements offered by cities such as Tianmen in Hubei province as having produced the kind of baby boom leaders --would like to see nationwide. But it isn't clear if the incentives there were decisive.

Skyrocketing costs of child rearing in China discourage couples. So do health scares, such as a recent scandal at a private kindergarten, where 233 children were found to have high levels of lead in their blood, the official Xinhua News Agency reported this month, citing local investigators. Authorities said kitchen staff had used industrial coloring in pastry and other foods.

"If I bring a child into a world with poisonous milk formula and foods, why should I rush to have children?" one social-media post read.

Beijing has taken steps such as gradually raising the retirement age, but policymakers seem to be adopting a halfhearted rather than a comprehensive approach to the demographic problem, said Ilaria Mazzocco, senior fellow at the Center for Strategic and International Studies, a Washing--ton- based think tank.

It is hard to see quick returns on policies to encourage births, judging by such efforts in other countries, such as South Korea and Japan, Mazzocco said. Beijing's spending on technologies for national security leaves less for improvements to social welfare that in the long term should help lift births, she said.

In China's cooling economy, many young people struggle to find jobs. And owing to falling births, it is particularly hard on kindergarten teachers.

Kiki Wang, 28, from Jiangsu, was laid off in June. "It's not that you are not a good teacher, it's just we don't have enough kids," she recalls her principal telling her. More than 20,000 kindergartens closed last year, with nearly 250,000 teachers losing their jobs, government data show.

