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► Balancing work and family in China's 'new' economic and demographic context

Policy choices and their implications for women and gender equality



▶ **Balancing work and family in China's 'new' economic and demographic context**

Policy choices and their implications for women and gender equality

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Executive summary

Overview

This report examines China's public policy and discourse concerning its changing population and demographic context from a gender perspective. The Chinese state is concerned with wide-ranging ramifications of an aging population and declining fertility for the structure of economy and society, including the rising cost of pensions, health and elder care, how to finance and ensure provision of affordable care services, and a changing labour force structure, high dependency ratios and possible labour shortage.

The government has introduced policy measures aimed at incentivising and supporting couples to have children, particularly by easing some of the financial burdens associated with child-rearing. These initiatives remain relatively small compared with the overall costs of child-rearing. Increasing (though still insufficient) attention is being paid to the provision of care services, both for children and the elderly. However, broader societal and structural challenges facing couples, and particularly women, are largely unaddressed.

This paper argues that greater attention must be paid to women's interests and empowerment, and to gender equality, in the design of policies aimed at addressing demographic change. Women face the most direct trade-offs between having children and earning an income or pursuing their own careers or other aspirations. The burden of care work – both unpaid and paid – falls predominantly on women, with care provisions and financing inadequately shared between women and men, or between the household and other institutions – the state, employers or community.

From a gender perspective, the major concern is thus with the trade-offs many women face in balancing family and work – involving choices between labour market opportunities, income and personal aspirations on the one hand, and the responsibilities that come with care for family, children and an older generation, on the other. These often harsh choices are exacerbated by various forms of societal and labour market discrimination, unequal access to social protection, and a skewed gender division of labour within the household that disadvantage women across the life course.

Addressing the challenges of China's demographic transformation and its structural economic and social implications will demand policies that focus on the needs and interests of women, address forms of gendered discrimination and support the transformation of unequal gender relations. A key question for policy then becomes how to support the achievement of a better balance between productive and reproductive work, in ways that enable families and employers to balance work and family.

In this paper, we discuss the nature of China's current demographic transformation, identify some key dimensions that should inform a gendered approach to policy, and review China's current measures from a gender perspective. We then review some international experiences in order to place China's context and responses in comparative perspective, and to draw suggestions for policy and further research. Examining policies pursued in other economies, in particular the aging contexts of East Asia and the welfare states of Europe, provides some lessons for China from experience elsewhere. These experiences shows that interventions cannot be piecemeal, but require a systemic approach that considers gender equality and women's interests as central features of policy making. Beyond financial support and incentives, they emphasize the importance of safeguarding job security and career advancement and facilitating return to work for pregnant women and mothers, providing parental leave and flexible working conditions for both women and men around childcare (and increasingly elder care), and ensuring an end to employment discrimination against women of reproductive age.

China's changing demographic context

China's government and policy makers are responding to economic and societal concerns with rapid demographic change involving both an aging society and low fertility. Three decades of stringent controls on family size combined with a strong tradition of son-preference has hastened the demographic transformation to an aging society, exacerbating the decline in fertility, and creating particular challenges to reversing this decline.

China's population is aging at an unprecedented rate. It has the world's largest population of older adults, representing nearly a quarter of the global elderly population: the number of individuals aged 60 or above nearly doubled between 2000 and 2020, reaching approximately 254 million. At the same time, the fertility rate continues to decline: the number of women of reproductive age has fallen by

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13.2%, and the birth rate has decreased to 20 births per 1,000 women, a decline of 38.5% since 2012. The total dependency ratio (of children and elderly to working age population) was 44.1% in 2020 and will continue to rise.

In an economy that has grown rapidly, prices of goods and services have also risen. This puts severe pressure on young families – particularly the current 'sandwich generation' who often have no siblings - to deal with the high cost of essential goods such as housing and education while supporting both children and the elderly.

The government has demonstrated increasing concern with the economic and social implications of this rapid demographic transformation. In 2013, it relaxed its stringent family planning regime, enabling all families to have a second child, subsequently increased to three children in 2016. A range of supportive policies and incentives, including cash transfers and tax allowances, have subsequently been introduced with the aim of raising fertility. Steps are also being taken to improve the provision and financing of child and elder care, services where were returned to the family and increasingly marketized in the wake of China's economic reform and liberalisation.

In making these policy changes, however, an official and popular discourse persists which focuses on women's child-bearing responsibilities. Greater recognition is needed of the financial and time burden of caregiving which falls disproportionately on women. A gendered policy approach would also consider whether policies can empower women to balance their own career and personal aspirations with the states' goal of increasing fertility

Balancing work and family: elements of a gendered policy framework

A central element of a gendered approach must consider the work of care and its distribution. Care work includes daily tasks of cooking and cleaning as well as care of children, the sick or elderly, and other activities necessary for the functioning of economy and society. Who undertakes care work, how it is paid for, and the conditions of such work underlie many gendered inequalities. Everywhere these 'care' roles tend to be highly feminised. In China as in most of the world, time use studies show that women, whether in the household or the labour market, predominantly undertake such work, disadvantaging them in the labour market or in access to other economic opportunities.

Rapid demographic transformation exacerbates challenges around the work of care and social reproduction, making questions around who cares (whether in the household or labour market), how care is paid for, and the work conditions of care workers (from domestic service work to the health or social care sectors) increasingly important economic and social considerations.

Key to resolving the tensions arising from this unequally shared burden is a consideration of how societies, through their public policies, can balance production and social reproduction, and what support must be provided to individuals and households to enable them to balance family and work life. Currently in China, resolving these tensions takes place largely at the level of individuals and households. Gender also intersects with other structural inequalities (for example, of income, location or migration status). Women from marginal groups are more likely to undertake low paid care work, often for higher income families, exacerbating their own family care deficits.

The ILO's 5R framework (Figure 3.4) points to key areas of policy that can be helpful in sharing the costs and redistributing care work between institutions of the household, market and state. Key policy areas include social, tax and family policies, labour market regulations and ensuring recognition and reward for care work. Balancing the costs among institutions, ensuring adequate provision of services, sharing unpaid care work between women and men in the household, while also countering discrimination in access to employment, are among key elements that could shape a more gender balanced policy approach.

State, workplace and family: towards a supportive care system

Sections 4 and 5 review a range of policies and initiatives, including those undertaken by local governments and enterprises, which reflect the diverse conditions across China. China has expanded its statutory provisions around maternity leave, and reformed insurance mechanisms for payment of benefits, though large gaps in coverage and implementation remain. Parental or paternal leave remains limited with pilots being introduced in some regions. Tax breaks benefit those employed in formal work. Other initiatives range from birth subsidies and cash transfers, recently expanded to all children under 3, and investments in increased service provision. Expansion of social insurance schemes has significantly reduced gender inequalities

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in coverage, although women remain particularly disadvantaged by unequal pensions in old age.

Despite anti-discrimination policies, labour market discrimination remains a significant barrier to employment or career progression for women of reproductive age, with poor enforcement of regulations. While family friendly workplaces are promoted, and prominent examples of good practice in supporting women and families can be found, these generally remain the exception. The private market for domestic care services, while small, is growing rapidly, but conditions and wages remain poor.

Overall, then, institutions and policy areas will need to be integrated to create a supportive environment for women, families and gender equality. A system that adequately supports families and children must ensure that family, labour market and social policies, and the supply of services, are coordinated. It will also require that conditions and rewards for paid care labour are improved and a regulated professionalised domestic and care labour market established.

China's policies in comparative perspective: implications for policy and research

Examining policies pursued in other economies, in particular the aging contexts of East Asia and welfare states of Europe, provides some experiences that may be relevant for China. Declining fertility is widespread, but has occurred most rapidly and reached the lowest levels in the familial welfare regimes of East Asia, which also provide less support to gender equality in the workplace. Aging and fertility decline has unfolded over a longer time frame in European welfare states, where high levels of social spending and a relatively strong commitment to gender equality and provision of child care services have enabled a better balance between work and family. Migration also slows demographic change in such contexts. Nonetheless, fertility rates are declining even in countries with generous benefits and strong gender equality outcomes.

The varied experiences of these groups of countries demonstrate that interventions cannot be piecemeal, but rather require a systemic and comprehensive approach with gender equality and women's interests as central features of policy. Beyond financial support and incentives to households, they underline the importance

of safeguarding job security and career advancement for pregnant women and mothers, providing parental leave and flexible working conditions for both women and men around childcare (and increasingly elder care), and ensuring an end to employment discrimination against women of reproductive age. Broader social and economic conditions including the costs of housing, education and health care, job security and social protection, as well as less tangible attitudes towards the future, all contribute to individual fertility choices.

In conclusion, key areas for policy and further research are proposed. These include investing in the care economy and care workforce, supporting working families and strengthening labour market and workplace policies, and ensuring adequate social protection. Further research is needed to assess the impacts of current interventions in order to determine effective future directions. A better understanding is also required globally of the impact of new forces, such as social media, digital technologies and climate change, on young people's views of the future and their desire to have children.

Ultimately, however, policy cannot only be directed to increasing fertility rates. This goal cannot be achieved without accompanying policies to enable families to balance work and family life, and to empower women by dismantling entrenched gender inequalities embedded in demographic and social structures. Among other things, this critically requires fostering shared responsibility between men and women for caregiving and domestic labor, supported by institutional reforms that redistribute work of care and social reproduction across government, market, and society, thus rethinking the relationship between productive and reproductive labour.

1 Introduction

China is dealing with challenges arising from four decades of remarkable, but highly compressed, demographic, economic and social transformations. Among these challenges are a low and falling birth rate, a rapidly aging population and rising elderly dependency ratios, along with a slow-down in economic growth and rising costs of goods and services, including housing and care. These trends place a heavy burden on a 'sandwich' generation of young adults, many without siblings owing to the prior stringent 'one-child policy' regime. The high costs and limited public provision of care mean that care burdens are largely shouldered by families – and in particular by women who continue to undertake most unpaid care work within households. This has significant consequences for their labour force participation, incomes, access to social security and personal well-being. For many women, the situation is exacerbated by unfavourable workplace conditions or overt discrimination against women in the labour market – conditions which combine to create disincentives to childbirth.

The Chinese leadership has responded belatedly to falling birth rates, concerned about both the longer-term implications for economic productivity and growth as well as the sustainable financing of elder care. Since 2013 the state has relaxed its strict family planning regime, now allowing families to have three children, has introduced a range of supporting policies and is encouraging local governments to put in place measures to encourage larger family size. To date however the impact on fertility has been limited, as interventions may be too small, fail to address the real trade-offs women face, or even have unintended adverse consequences for women in terms of their labour market opportunities and attachment.

This paper is concerned primarily with questions of whether and how policies can support a better balance between productive or paid work in the economy on the one hand, and reproductive or care work on the other - both of which are essential to a functioning economy and society. This trade-off specifically affects women. From a gender perspective, a major concern is with the 'harsh choices' women face in balancing work and family in a context where norms around the division of care work are still deeply gendered (Cook and Dong, 2011). Women in China (as in much of the world) continue to take responsibility for most household and care work even when they are in full time employment. They continue to face various forms of societal and

labour market discrimination as well as deeply entrenched inequalities in the division of labour within the household that disadvantages them across their life course. They experience a wage penalty and limited career progression associated with pregnancy, maternity and care, which translate into lower social security entitlements including pensions in old age. Their choice to have children thus involves a significant trade-off between incomes, career and labour market opportunities, and personal aspirations on the one hand, and the care burden and responsibilities that come with family and child-rearing, together with care for an older generation, on the other.

Addressing the challenges of China's demographic transformation and its structural economic and social implications will require policies that focus on the needs and interests of women, by reducing the burden they largely shoulder, and by tackling gender discrimination and unequal gender relations more broadly. Policies that aim to support women and families with children will need to include reducing the care burden on women and the financial burden on households of raising children and caring for the elderly. They should also protect women's job security, incomes and social security, promotion opportunities and career advancement, thus empowering women and supporting families to effectively balance work and family life. In this process, the role of grandparents - and particularly grandmothers - in undertaking care of grandchildren also needs to be acknowledged as an important source of support for young parents, but creating further tradeoffs for older women in the labour market, or for families across different locations.

In responding to these changes and their implications for the economic growth and the ability to finance an aging population, the Chinese state also needs to intervene in ways which recognise and respond to the decisions of families and individuals. The 'sandwich' generation of adults, many of whom are single children, face growing care demands, rising costs and the need to support and finance both an older and younger generation. These concerns are compounded by changing individual expectations – particularly of women - around work and career, raising the question of how such aspirations can be balanced with growing demands for care. The question then concerns what kind of state or institutional support or resources will be necessary to enable women and families to balance work and family care obligations. In Section 2, the paper reviews the current demographic and family policy context in China in comparative perspective and the institutional changes in the post-Mao era that have shifted the landscape of care provisions and support for reproductive work. Section 3 lays out some key elements that could inform a gendered approach to policies that enable a better balance of between care needs, paid work and other choices. Section 4 examines some of the main policy approaches and interventions

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currently being piloted in China. The paper then examines some comparative cases and experiences – focusing in particular on the aging societies of East Asia, particularly Republic of Korea (Korea) and Japan, as well as some European welfare states.

Drawing on this review of China's policy landscape and the current efforts to encourage fertility, and recognising the specific challenges of China's context, in the light of comparative experiences of other countries already facing declining fertility and rapid aging, we conclude with some key policy considerations and suggested directions for policy and research. In conclusion, the emphasis is on integrating a gender and social equity approach into fertility and care policies, in order to reduce the direct and indirect costs to women, counter discrimination in employment, enable families to manage the financial costs of child rearing, and strengthen the ability of women and families to balance work and family.

2

China's demographic and institutional changes and their implications for women

This section presents key elements in the critical demographic challenges facing China, including rapid aging, declining fertility, and a shrinking workforce – and their implications for women. The discussion highlights the historical and on-going impacts of the one-child policy, as well as the shifting institutional arrangements associated with economic liberalisation that returned care and reproductive work from work units and the collective back to the family, creating a heavy burden specifically for women. This burden falls particularly heavily on those from the "sandwich generation" - often single children without siblings who are responsible for both elderly parents and young children. The re-familialization of care work and women's caregiving role has exacerbated other economic pressures on families, and particularly on women, as seen in the decline in female labor force participation, shifting patterns of inequality, and changing fertility choices.

2.1 China's demographic change: key features

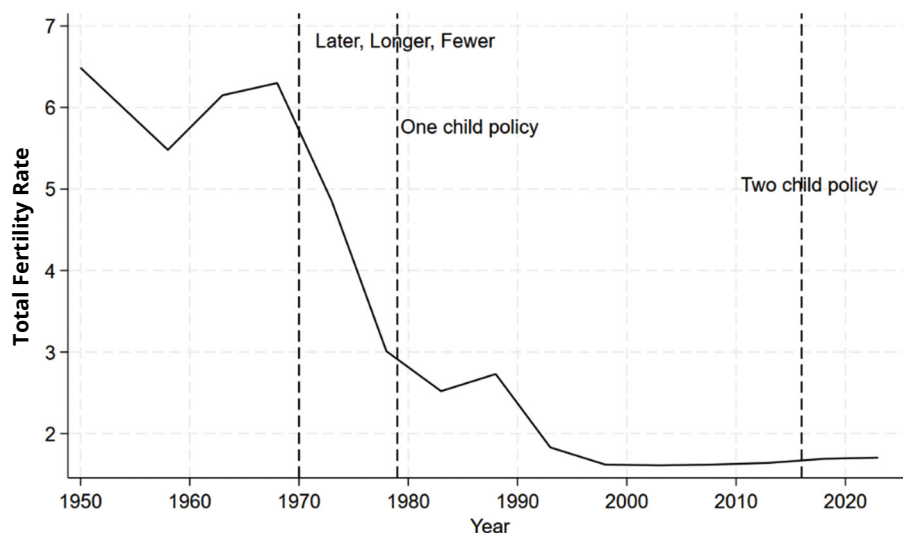
China's population development has become more complicated, marked by "three decreases" - in total population, the number of births and the working-age population, and "three increases" - in the elderly population, the proportion of very old people and the number of disabled elderly.

Reversing China's population growth: 2022 marked a historic turning point in China's demographic trajectory marking the start of now consecutive annual population decline. According to China's National Bureau of Statistics, in 2023 China's population declined by 2.08 million, from 1.411 billion in 2022 to 1.409 billion. Births fell from 9.56 to 9.02 million, a reduction of 540,000, while deaths rose from 10.4 million to 11.1 million. This natural population decline continues: in 2024 births increased slightly to 9.54 million (in part due to delayed marriages due to Covid), while deaths declined to 10.93 million.

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Declining births: China's fertility rates had already declined rapidly even before the state initiated its stringent controls on family size in 1980 – the 'One Child Policy' which lasted over three decades (see Figure 2-1). The main reduction in fertility occurred in the 1970s, with fertility falling below replacement rate (2.1 births per woman) by the early 1990s. Over the decade from 2012 to 2022, the total number of births fell from 16.3 million to 9.18 million, a decrease of 46.4%. This was a result both of the reduced number of reproductive age women which decreased by 13.2%, from 379.78 million to 313.75 million, and of the birth rate which declined from 11.9 to 8.52 births per 1,000 women, representing a decline of 38.5%.

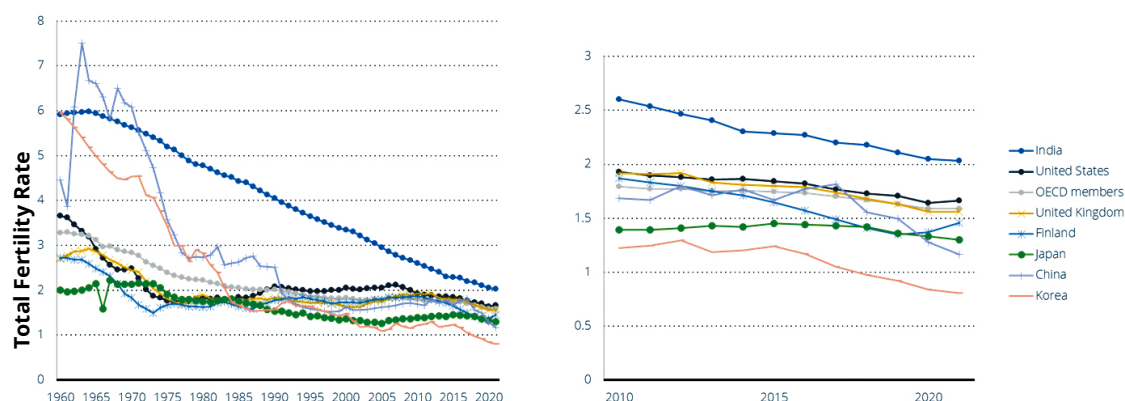
Figure 2-1 Family planning policies and total fertility rate



Source(s): National Bureau of Statistics of China

China of course is not alone in experiencing fertility decline: what marks it out is the speed over which this has occurred and how quickly it is becoming one of the lowest fertility countries globally at a comparatively low level of per capita income compared to other very low fertility countries (see Figure 2-2). As of 2024, according to UN statistics, Korea had the lowest total fertility rate of 0.9 while China stood at 1.2.

Figure 2-2 Total fertility rate selected countries, 1960-2020



Data source: National Bureau of Statistics of China

Rapid population aging: Prior 'baby booms', declining fertility, and longer life expectancy (now 75 for men and 80 for women) have driven rapid population aging in China. China is now home to nearly a quarter of the world's population aged 65 and over. As of 2023, this amounted to 220.23 million people, accounting for 15.4% of its population. China's transition towards becoming an aging society is notable for its unprecedented speed as well as scale: the proportion of citizens aged 65 and over doubled from 6.96% (88.21 million) in 2000—approaching the United Nations' 7% threshold for an aging society - to 14% within just 21 years (2001–2022). By contrast, similar demographic shifts have taken markedly longer in other nations, with correspondingly more time to adjust. For instance, doubling the share of population aged 60 and above from 7% to 14% required 115 years in France, 85 years in Sweden, 69 years in the United States, with only East Asian economies aging at similar rates to China (24 years in Japan and 18 years in Korea) (OECD, 2017). From 2022 to 2033, China's population aged 65 and above is expected to reach 272 million by 2030, 330 million by 2035, and 402 million by 2050. As a share of population, this group is expected to surpass 20% by around 2030 and to constitute nearly half of the total population by 2084 (WPP, 2024).

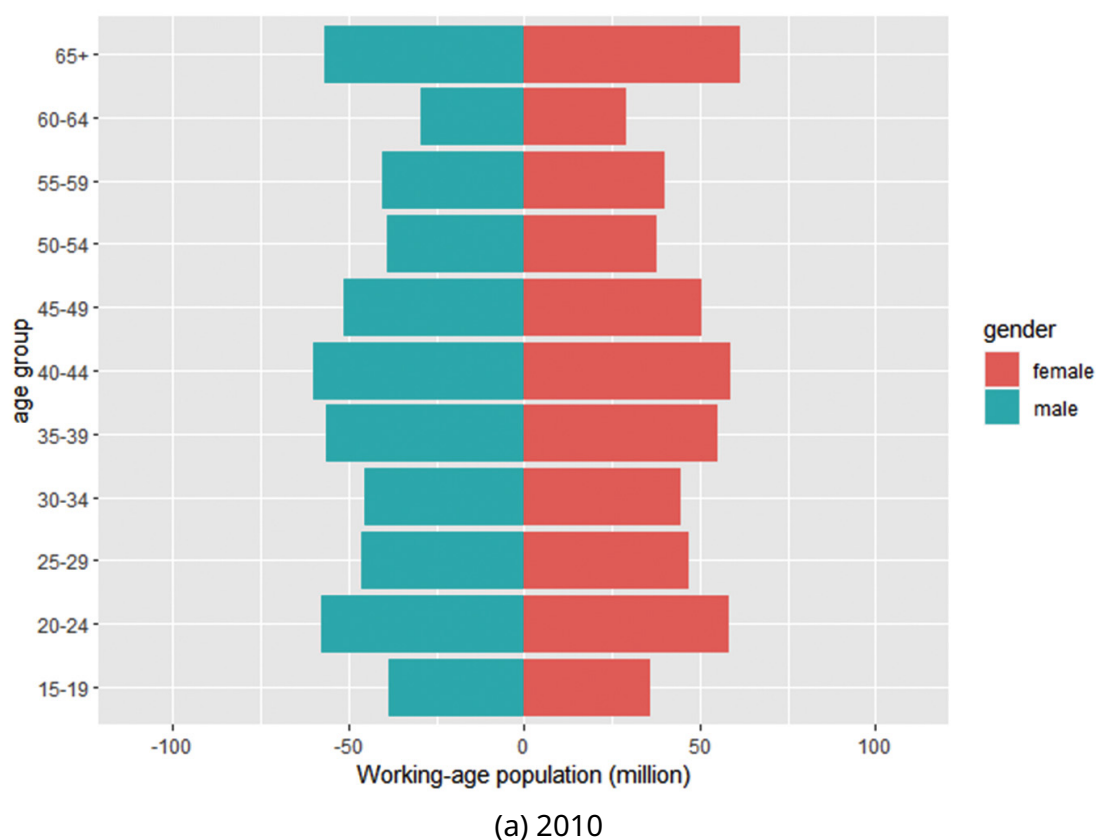
With longer life expectancy and improved medical care, China is also seeing a significant rise in its population of 'very old' people. The population aged 80 and above stood at 42.63 million in 2024, or 2.8% of the total population compared with only 1.55% in 2000. It is expected to increase to 81.05 million by 2035, surpass 100 million by 2043, and reach 149 million by 2050, a 2.5 - fold increase from 2024 (WPP, 2024). There has also been a significant increase in the disabled elderly population. The 5th National Survey on the Living Conditions of the Elderly in China shows that in 2021 about 35

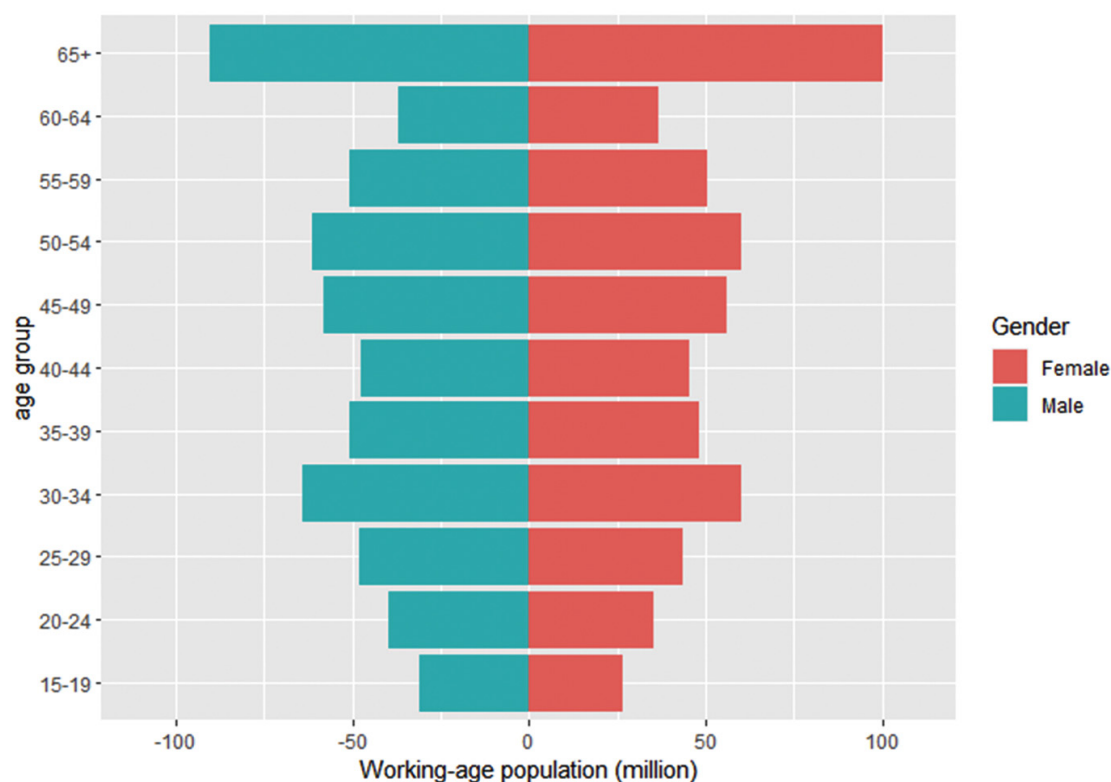
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million Chinese elderly were disabled, accounting for 11.6% of the elderly population. It is projected that by 2030, the number of disabled elderly will climb to 45.06 million and to 50.72 million by 2035.

Declining working age population: The above changes mark the end of China's remarkable 'demographic dividend' that helped to fuel rapid economic growth. Its working age population (defined as between 16-64 years old) as a share of total population peaked in 2010, at 74.5%. In terms of absolute numbers, census data show a 5.98% drop in the 15–64 age group between 2010 and 2020 (See Figure 2-3). One result of this transition has been the rising cost of labor, with the end of a supply of low-cost labor migrating from rural areas. At the same time, the changing structure of the economy and nature of economic activities, including through digitalisation and automation, is changing the opportunities available to young people. Thus, in an exceptionally compressed time frame, China has moved from demographic 'dividend' to one of demographic 'burden' – with the challenge of supporting an aging population with a shrinking labour force, while "growing old before getting rich".

Figure 2-3 Working age and elderly population pyramid by sex, 2010 and 2020





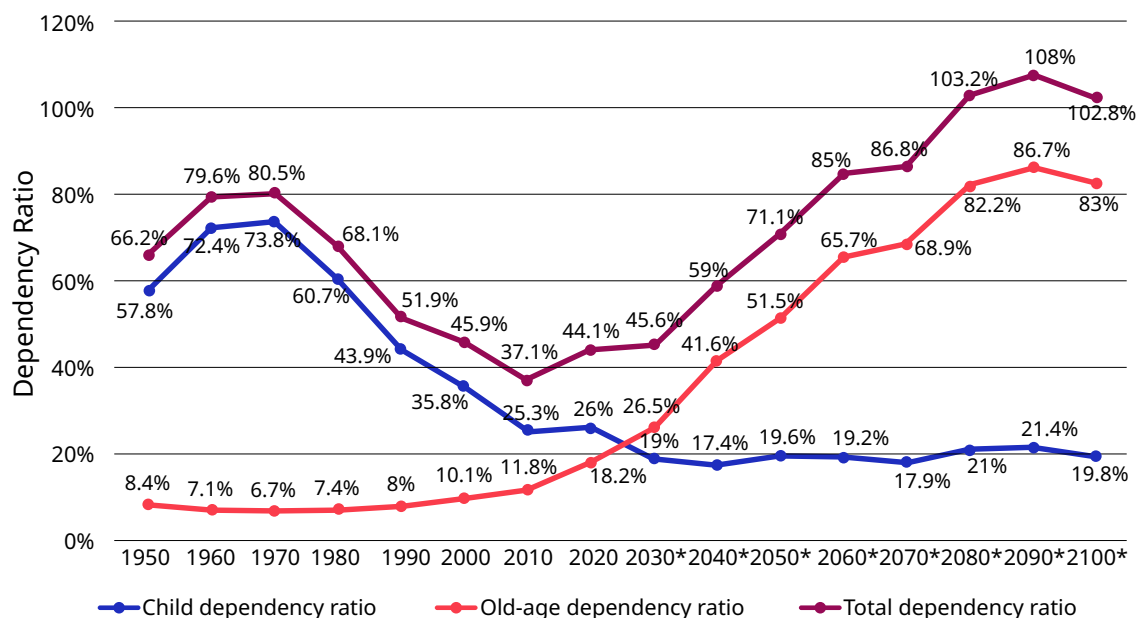
(b) 2020

Source: China Population census

Dependency ratios: The result of the above changes in longevity, fertility and a declining working age population is a marked shift in the overall dependency ratio, that is the ratio of the economically dependent population (such as children and the elderly) to the working age population who support them. While the child dependency ratio has declined significantly, from a peak of around 73% in 1970 to 26% by 2020 and is expected to stabilize at slightly under 20% (See Figure 2-4), the old-age dependency ratio has risen steeply, from under 8% around 1990, to 18.2% by 2020. Consequently, the total dependency ratio, which had been declining until around 2010 (down to 37.1%), is steadily increasing, reaching 44.1% in 2020.

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Figure 2-4 Child, old-age, and total dependency ratio in China 1950-2100



Source(s): National Bureau of Statistics of China

2.2 Economic transition and institutional change

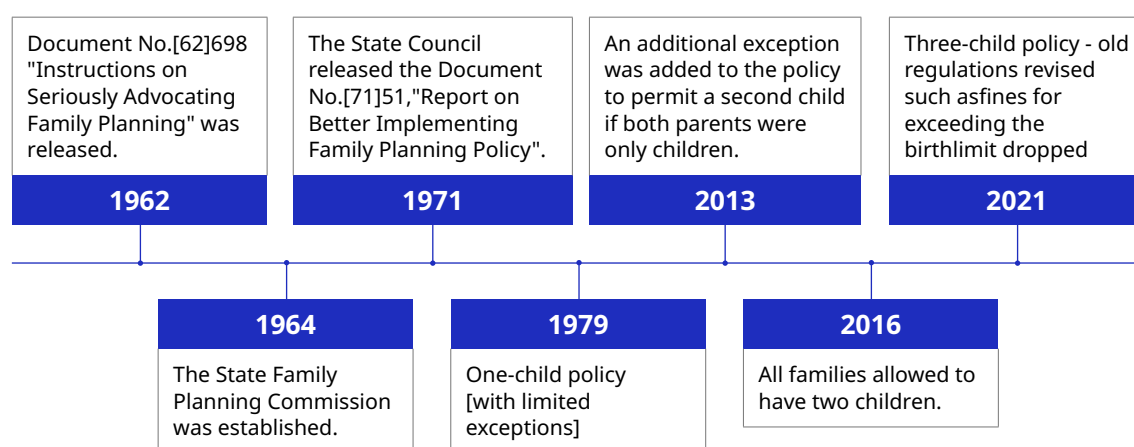
This changing demography has been closely associated with economic and institutional changes over the past 4 decades. The one-child policy has interacted with other economic and structural transformations to complicate current fertility decisions. At the national level, change in the productive structure raises concerns about whether China is facing or will face a 'labour shortage'. In an economy that has grown rapidly, the price of goods and services have risen dramatically, putting pressure on young families to deal with the high cost of essential goods, particularly housing and education. The rising burden of social security, including health, pensions and elder care, generates major concerns for both government and households over how to finance and how to ensure the provision of affordable services.

In a tighter labour market, high youth unemployment impacts family formation and fertility choices. This is further compounded by changing individual expectations around work, career and family – particularly for women with increasingly higher levels of education, raising the question of how such aspirations can be balanced with demands for care. In China as in most of the world, women, whether in the

household or the labour market, predominantly undertake care work, shouldering the dominant burden of activities associated with reproduction in their gendered role as mothers, wives and daughters. Currently, resolving tensions over care provision, and negotiating the division of labour between care or social reproduction and productive work takes place largely at the level of individuals and their families, placing heavy pressures on a 'squeezed' generation managing work, childcare and a growing demand for elder care. The question then concerns what kind of state or institutional support or resources will be necessary to enable women and families to balance labour force participation and personal aspirations with family care obligations.

Shifting population policies: Against this background, the state is redirecting policy and discourse efforts towards addressing China's demographic challenges with a focus on increasing birth rates amidst concerns over their implications for the economy. Despite a gradual relaxation to allow families to have three children (see Figure 2-5), the impacts of earlier measures persist. This occurs in part through their effect on China's sex ratio: the traditional preference for sons, combined with the 'one-child policy', resulted in significantly skewed sex ratios at birth leading to an estimated 30-40 million 'missing' women of reproductive age. Furthermore, the single child generation dominates the current working and reproductive age population, which faces a heavy burden in supporting both elderly and younger generations, potentially creating a further disincentive to increasing family size.

Figure 2-5 China's family planning policies



Shifting institutional provisions – the re-familialisation of care: Responding to the changing economic and demographic situation is complicated by the neglect of institutional care provisions during much of the post-Mao period. The priority

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placed on stimulating economic growth and liberalising markets in China's first three decades of reform meant that many institutional mechanisms for social provisioning – including health, education and child care – were neglected or dismantled. Under Mao, social reproduction had been in part collectivised (under rural Communes) or socialised through the urban work unit (danwei) system, although women still took on many care responsibilities despite being in full time employment. In what turned out to be a remarkably compressed process of economic transformation and rising incomes after 1978, these social underpinnings of production and growth were weakened. This was seen most starkly in the collapse or marketisation of health and education systems, particularly in rural areas. It was also evidenced in the collapse of institutional arrangements that had previously supported households in providing care particularly to children, but also to the elderly or sick, while enabling women to enter the work force. As a deliberate part of reform era policies under Deng Xiaoping, the responsibility for care was returned from the state to the family, with the acknowledgement that, as China's population aged, the state would be unable to provide for the elderly in the same way that European welfare states were doing, and that – in line with Confucian tradition – the family must play a key role (Cook and Dong, 2017).

The priority placed on restructuring the productive economy was thus based on an assumption that social reproduction would adjust and be managed within the household. Support for women's reproductive role was cut back substantially, with particularly adverse impacts for childcare provisions. As formal care provisions also collapsed, the burden of informal caregiving fell disproportionately on women who once again took on primary responsibility for care work, while also being expected to participate in an increasingly competitive labour market. These dual reproductive or care burdens were no longer accounted for and, as a result, women were openly discriminated against in the labour market. Women were pushed out of state sector jobs in disproportionate numbers in the restructuring of state-owned enterprises during the late 1990s, in part due to lower wages and assumptions about productivity. Female labour force participation rates fell, albeit from exceptionally high levels, and overall, women exited the labour market in large numbers at least in part to take on care responsibilities.

Recent evidence highlights these links between care and employment. A study using data from the China Family Panel Survey (2012–2020), for example, found that parental health crises, such as hospitalization, led to a 3.7% decline in female employment rates, with no significant impact on men (Wen and Huang, 2024). This effect persisted for at least six years, indicating that women often withdrew from

the workforce to provide long-term care. The 2023 'Report on Women's Career Development in China' likewise notes a negative correlation between the number of children and women's employment outcomes, with no significant impact on men's career opportunities. Compared to childless women, women with children face a 6.6% reduction in employment opportunities which further reduces by 9.3% for an additional child.

Through these processes of familialisation and marketisation, by the time China expanded its social policy provisions in the early 21st century, the contribution of women's unpaid or paid care work to the economy had become largely invisible. Once again viewed as the responsibility of women as wives, mothers or daughters, care work was largely neglected in the design of the emerging social security system. Instead, policies 'exacerbated the labour market penalty on women for their care-giving role, contributing to the deterioration of women's position in the labour market' (Cook and Dong, 2011:952).

Social stratification-education and migration: These changing institutional arrangements had diverse impacts among different groups of women according to factors such as their location, education and labour market status – with particular variation between urban and rural or migrant women. As the market economy expanded, and labour became more mobile, a cheap supply of rural female workers fueled the growth of the domestic work and care service sectors. An increasing share of care services were purchased on the market by newly affluent urban households who could afford them. This newly commodified largely female care work force was low paid and often poorly treated, with many young women leaving behind small children in the care of other family members.

For those with access to higher levels of education, as female education levels increased and even surpassed males in some disciplines, discrimination in access to jobs for female graduates became more pronounced. By the early 21st century, the competition for jobs meant that increasing numbers of educated women instead pursued higher degrees, thus delaying the age of childbirth and reducing the likelihood of additional births. Fertility is generally found to correlate negatively with parental education levels and particularly with the education of women (Zhang and Wang, 2020). Couples with a high education level have the fewest children and the lowest probability of having a second child, while couples with education levels at primary school or below have the highest fertility rates (Qin, 2024). Such couples tend to place more emphasis on children's education (quality) more than having more children (quantity) and report a lower 'ideal' number of children. Zhang and Zhao

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(2023) for example show that an additional year of schooling lowers the number of children a woman has by approximately 0.09, postpones the age of first childbirth by 0.7 years, and reduces the probability of having a second or additional child by 0.18 among mothers whose first child is a girl.

In addition, a higher level of education raises career aspirations, intensifies the conflict between childbearing and employment, and increases the cost of educating children. Nearly 70% of women with college degree or higher education have only one child based on the Seventh National Census (Zhang et al., 2023). Among women with a high school education, the proportions of those having one or two children are roughly equal, both around 47%. Meanwhile, among women with primary school education or below, the majority have two or more children, with proportions of 63.42% and 59.21% respectively. This heterogeneity translates into significant differences in resources available to invest in children, and in access to quality and affordable care and education provisions, thus becoming a major driver of inequality and social stratification.

Additionally, women with higher education levels have higher lifetime childlessness rates. In 2020, the lifetime childlessness rate for 49-year-old women with primary or middle school education was close to 5%, while for those with high school, college, or higher education, the rates were 6.46% and 7.98%, respectively (Zhang, et al., 2023). This has generated a policy and public discourse of 'left behind' women (剩女) – those who pursue their career while remaining single – and who have become the subject of criticism for sacrificing the good of society to their personal goals.

In summary, the government is responding to the key policy challenges associated with the rapid pace of fertility decline and population aging in China, relaxing its stringent family planning regime and introducing supportive policies and incentives with the aim of raising fertility. These efforts are combined with an official discourse which focuses on women's child-bearing responsibilities. Greater recognition is needed of the financial and time burden of caregiving placed on the current 'sandwich' generation, and in particular of the need to reduce and better share the work of caregiving which falls disproportionately on women. A gendered policy approach is needed that considers whether policies also empower women to balance their own career and personal aspirations with the states' goal of increasing fertility.

3

Balancing work and family: towards a gendered framework for policy

Addressing the challenges laid out above will require an approach that ensures policies aimed at increasing fertility are not undertaken at the expense of women's rights and interests. This also entails recognising diversity among women, in particular not neglecting the needs of low income, rural, migrant or lower educated women who undertake the majority of paid care work. Before examining and assessing the policies and actions currently being implemented in China, this section lays out some key elements for consideration within a gendered approach that prioritises balancing work and family, enabling women and their families, as well as enterprises and workplaces, to balance productive and reproductive demands in a way that achieves more gender equitable outcomes. Redistributing the costs of care between households, enterprises and the state, sharing the unpaid work of care between women and men, and reducing discrimination and inequalities in the labour market, are among the key elements that must contribute to a more gender balanced policy approach.

3.1 Gender, care work and the care economy

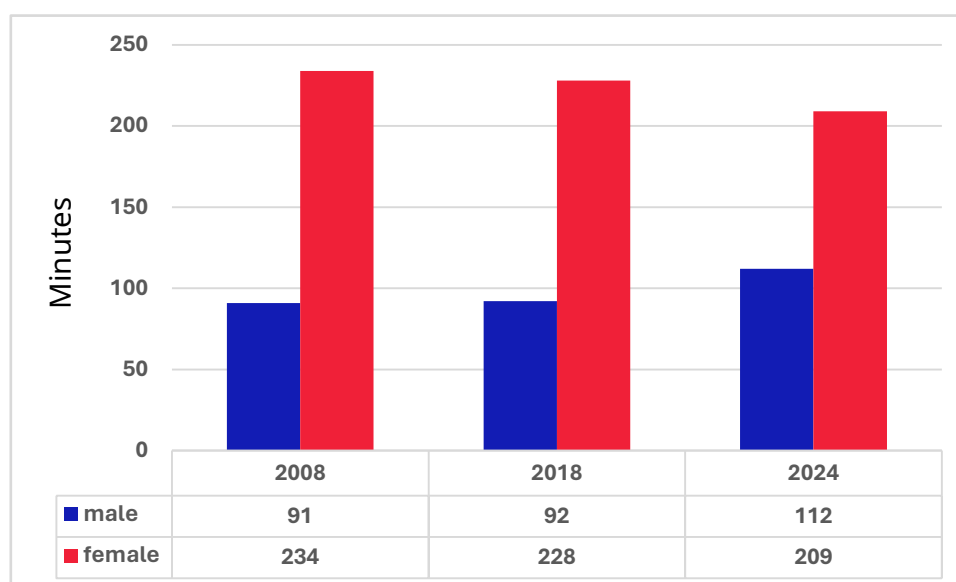
While women are uniquely capable of pregnancy and childbirth, much of the work of child-rearing and care, as well as social reproduction (that is, the processes, activities, and institutions involved in maintaining and reproducing the workforce and society over time), can be shared among different individuals, both male and female, and institutions. Based on their biological role in reproduction, women are frequently assumed to be responsible for the work associated with care and social reproduction. This leads to a gendered division of labour that positions women predominantly within the household while men dominate the external sphere of 'production' (captured in the Chinese phrase "Men are breadwinners; women are homemakers" 男主外，女主内). A gender approach is concerned with these socially constructed norms that while rooted in biological difference structure unequal roles and responsibilities of men and women, placing women in a subordinate and dependent

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position relative to men and disadvantaging them in the labour market and public sphere, in access to education and income, and thus affecting a range of well-being outcomes.

The work of care and social reproduction includes the daily and generational work that is essential for the functioning of society and the economy as well as for the welfare of individuals (Razavi, 2007). Such work may include directly caring for children, the sick and the elderly; managing the household, preparing meals, shopping, cleaning and other household tasks. Care work consists of the activities and social relations involved in meeting the physical, psychological, and emotional needs of adults and children, old and young, frail and able-bodied (OECD, 2016). Everywhere care 'work' is predominantly undertaken by women on an unpaid basis within the household, in their roles as mothers, wives or daughters. China is no exception: China's nationally representative Time Use Surveys of 2008, 2018 and 2024 show that women on average work more hours in unpaid work, and in total, than men (See Figure 3-1). In, 2018, for example, women spent approximately 225 minutes per day on unpaid care, compared with under 100 for men. The time gap was greater in rural areas where women spent more than 225 minutes daily, while men spent about 60.

Figure 3-1 Unpaid work time use by gender



Source(s): China Time Use Survey Wave1- Wave3

When undertaken in the market, such as in domestic service, child, health or social care sectors, care work tends to be highly feminised, associated with women's assumed domestic roles and thus by extension also considered to be low or unskilled work. Wages are correspondingly low. Such paid care work is often performed by marginalised or disadvantaged women (often migrant workers or ethnic/racial minorities) and may be undertaken at the expense of their own 'left-behind' children and families.

Questions around who undertakes care work, whether in the household or labour market, how care is paid for and valued, and the working conditions of care workers (from domestic service work to the health or social care sectors) have become increasingly important labour market and gender equity considerations around the world, with attention increasing through its incorporation in the SDGs. Key to resolving the tensions arising from this unequally shared burden of care is a consideration of how states, through their public policies, can balance production and social reproduction, recognising that care work creates the foundations of a productive economy.

The care economy: At the level of the economy, child-bearing and reproduction are generally seen as a 'cost' on production rather than an investment in the reproduction of labour. By failing to account adequately for care work in social reproduction, economic theory fails to address the tensions between income earning and care-giving, and thus the choices facing women and families between productive and reproductive work. Rethinking the boundaries of the so-called 'productive economy', and of the mutually constitutive relationship between production and reproduction, will be necessary for addressing what some describe as a 'crisis of social reproduction' in market driven societies (Fraser, 2023). Addressing low fertility must thus involve resolving tensions arising from this unequally shared burden – between households, state and market, and by gender and class. Within China today, this means reducing the costs and other pressures on a 'squeezed' generation trying to balance work, childcare and the growing need for elder care, as well as inequalities between those who demand and supply care work. It also means properly valuing and rewarding the work and skills of care that are needed to sustain the productive economy.

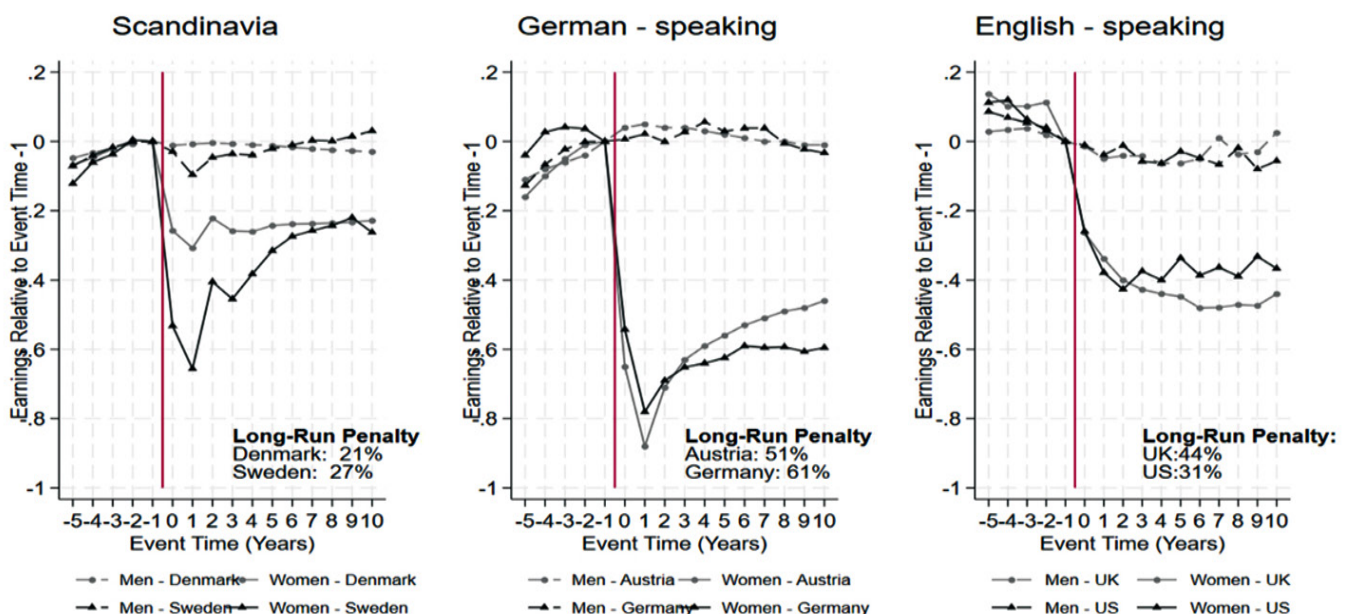
Researchers have estimated the value of unpaid care work in a number of countries. They find that, when valued at minimum wage rates, unpaid care work equates to approximately 25-30% of GDP. Similar estimates are found for China: when valued at the minimum wages of domestic workers, using 2008 Time Use data, unpaid care work was valued at the equivalent of 34.2% of China's GDP (Dong and An, 2015), while using a range of methods provides estimates of between 23 to 30% of GDP for 2008 and 21-

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30% using 2018 data (UNWomen, 2023). Furthermore, the domestic service sector more generally, while still small, is growing rapidly. According to the 2024 China Domestic Service Industry Development Status and Consumer Insight Report jointly released by the Ministry of Commerce's Service Trade Department and iiMedia Research (Economic Intelligence Consulting), the domestic service industry's contribution to the national economy almost tripled from 0.25% in 2012 to 0.92% in 2023.

Despite its significant contribution to the economy, the largely invisible unpaid care sector is not considered part of the productive economy and is therefore excluded from GDP. This has wide economic and social impacts - constraining women's access to jobs, career opportunities and incomes, and by extension, affecting their labour force participation and fertility choices. In turn this contributes to the significant workforce penalties associated not just with maternity, but with the wider gender division of labour that assigns women to reproductive labour. The expectation that women may allow their domestic responsibilities to interrupt their jobs or careers leads employers to discriminate against them in various ways, including in hiring and promotion, unequal pay, limited access to leadership positions, and stereotypes that devalue women's contributions (Waldfogel, 1998b; Dong and Nan, 2011). Such factors contribute to the persistence of gender gaps in employment opportunities, wages, career progression and social security entitlements, imposing a significant motherhood penalty even in countries economies where anti-discrimination legislation is in place (see Figure 3-2).

Figure 3-2 Child penalty in earning across countries



Source: Adda et al. (2017)

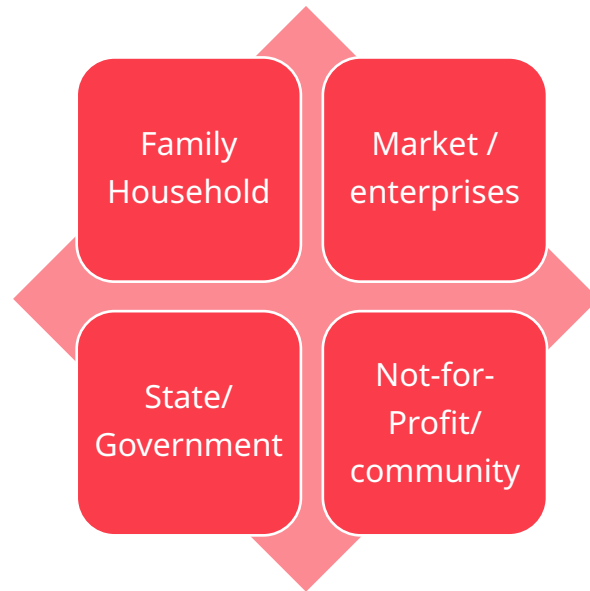
In China, the return of care responsibilities to the household during the reform era (noted above) was associated with a significant reduction in female labour force participation, admittedly from exceptionally high levels. More recent findings suggest that within 0–3 years after giving birth to their first child, women's labour force participation rate decreases by approximately 17%, and their monthly working hours are reduced by about 22 hours. As child-care institutions closed and discrimination against women in job hiring and promotion processes rose sharply, evidence also points to significant wage gaps and 'motherhood penalties' (Adda et al. 2017). These factors contribute to the persistence of gender inequality in employment opportunities, incomes and social security benefits which continue across the life-course.

3.2 Institutional provision and financing: the care diamond

As argued above, care work, and more broadly the costs of care across the life-course, will need to be more equally shared among institutions and individuals. Key sites include the state, market, the community or social organisations as well as the household. Conceptualised as the 'care diamond' (See Figure 3-3) these constitute key institutional pillars for the provision and financing of the 'care economy'. States may play a range of roles – as direct provider, financer or regulator of (child, elderly or other) care services, setting standards for private or community providers, providing training and regulating the qualifications and work conditions of care workers.

A higher degree of market or private provision – whether through care institutions or domestic service – is a partial solution but will exacerbate inequalities unless policies are in place to guarantee affordable access for those unable to pay market rates. In rare cases, large enterprises or employers may see advantages in providing workplace services (see examples in Section 5). In countries with statutory provisions, the state ensures all families have access to some minimum level of care services when required through a range of direct or indirect funding mechanisms. While providers may include community or market institutions, only the state can ensure universal access, affordability and quality of care. States are likely to play a larger role – as currently in China – when inadequate, insufficient or unaffordable care provisions contribute to a perceived crisis such as a rapid decline in fertility. Local governments, community, social and not -for-profit institutions are particularly important in addressing the needs of low income or marginal families, in locations where the market may not have an incentive in providing services. Ultimately, the 'care regime' as the balance of provision and cost-sharing among these institutions, is critical for enabling families and especially women to balance care and productive work.

Figure 3-3 The care diamond



Source: Razavi, 2007

A sustainable system of provision requires considering both direct and indirect costs, including the largely unpaid labour time, that families incur. In China, the cost of major items in household budgets, such as housing and education, have escalated, driving up the costs of child-rearing. According to a report on the cost of child-rearing across countries, average costs in China as a multiple of per capita GDP are now the highest among countries covered (Table 3.1), with average spending of 538,000 yuan. The costs of child-rearing also vary by region and by household income level. The richest 20% of households spend over 1.3 million yuan, 2.4 times the average amount and almost 10 times the amount spent by the lowest income 20% of households. At the same time the fertility preference (the ideal number of children) is among the lowest (Liang, Huang and He, 2024). Two incomes are increasingly necessary to support a family, particularly for the 'sandwich' generation. These high costs are a major factor in fertility choice for middle-income families.

Table 3-1 Costs of raising a child from 0-18 as multiple of per capita GDP

Country	Costs
Australia	2.08
France	2.24
Swedish	2.91
Germany	3.64
USA	4.11
Japan	4.26
China	6.3

Source (s): 育娲人口，中国生育成果报告 Yuwa Population Institute, Report on China's Fertility Achievements, 2024

The report calculates the time and opportunity costs for families with children (including leave, child-care responsibilities, domestic work). These costs primarily involved reduced work hours for women, lower female wage rates and decreased leisure time. This cost or "childbirth penalty" for women (including both time and opportunity costs) in China is estimated at approximately 570,000 yuan per child – varying from 770,000 yuan on average for urban residents and 310,000 yuan for rural families. Each additional child can reduce mother's earnings by approximately 17%. Du, Zhao and Zhong (2023) estimate that the total annual time cost of child-rearing for a one-child family is 41280 yuan, while for a two-child family, it rises to 64040 yuan. Moreover, the childcare time cost for mothers is nearly four times that of fathers.

3.3 Sharing the burden: recognising, rewarding and redistributing care work

Responding to these economic and social concerns and the choices that women and families make between work and incomes, family size and investments and other priorities will require action across a range of policy domains. Targeting only fertility and family size, while ignoring the broader systemic economic and social challenges within which individuals and families take decisions will have limited effect. Policy areas may include:

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- *Social policies for care* – Universal social policies and social protection mechanisms that adequately protect and support mothers and families, children, the elderly, sick and disabled; social security coverage (eg pensions) during maternity leave
- *Tax, fiscal and other redistributive mechanisms* ['family policy'] – to reduce costs, subsidise or incentivise households or ensure access to services.
- *Labour market regulations* – that ensure non-discrimination, access to paid leave, insurance, guaranteed return to work, etc. with cost-sharing between employers and the state
- *Family friendly workplaces* – incentives to employers, enterprises or locally (community) provided services and practices to ensure a family-friendly workplace and environment that supports families
- *Regulating and rewarding paid care work* – Creation of 'decent' care jobs: providing appropriate training, quality and recognition of qualifications; ensuring paid care workers receive adequate wages and decent work conditions, including social insurance; additional support to those undertaking low paid domestic service work or care of children, sick, the elderly.

The range of actions can be guided by the ILO '5 Rs' framework for decent care work, which summarises key elements for working towards gender equity in building care systems (See Figure 3-4). This involves recognising the largely invisible work of care, both paid and unpaid; sharing the burden of this work between women and men in households, as well as between institutions; ensuring affordable access to quality care services; and providing decent work conditions and wages for those involved in the provision of care services.

Figure 3-4 The ILO 5R framework for decent care work: achieving a high road to care work with gender equality

Main policy areas	Recommendations	Policy measures
Care policy	Recognize, reduce and redistribute unpaid care work	- Measure all forms of care work and take unpaid care work into account in decision-making. - Invest in quality care services, care policies, and care-relevant infrastructure. - Promote active labor market policies to support unpaid carers into the labor force. - Enact family-friendly working arrangements. - Promote gender-equal households, workplaces, and societies. - Guarantee the right to universal access to quality care services. - Ensure care-friendly and gender-responsive social protection systems - Implement gender-responsive and publicly funded leave policies. - Ensure care-friendly and gender-responsive social protection systems, including floors.
Macroeconomic policy		
Social protection policy		
Labour policy	Reward: More and decent work for care workers	- Regulate and implement decent employment terms and conditions. - Achieve equal pay for work of equal value for all care workers. - Ensure a safe, attractive, and stimulating work environment for both women and men care workers. - Enact laws and measures to protect migrant care workers.
Migration policy	Representation, social dialogue, and collective bargaining for care workers	- Ensure women's full and equal participation in leadership roles. - Promote freedom of association for care workers and employers. - Strengthen the right to collective bargaining in care sectors. - Build alliances between unions representing care workers and unpaid carers' organizations.

Source: ILO, 2018

Such measures may still not be sufficient to reverse fertility decline, as experiences of declining fertility rates in countries around the world suggests. However, without addressing these tensions between the productive and reproductive economies and the disadvantages these create for women, the greater likelihood is of continued fertility decline.

4

Family and social policies: women in the service of the economy?

China's policy responses to rapid demographic and economic change involve initiatives at central and local government levels, largely aimed at supporting families and encouraging fertility. Beyond allowing families to have three children, a range of measures are being introduced and implemented locally to incentivise child birth and reduce the financial burden of raising children. These include cash transfers, tax breaks for families with children and support for housing and education. In this section, we review existing policies including family leave provisions, social insurance, and direct service provisions for early childhood care and assess whether these are supporting the policy goal of increasing fertility while protecting women's rights and interests. The overarching question is whether such policies adequately account for the unequal burden of reproductive and care work that falls on women, or address other forms of gender disadvantage and discrimination particularly in the labour market that shape women's choices.

4.1 A changing policy environment

In the course of its 13th and 14th 5 Year Plans, China has made significant adjustments to policies relating to family and fertility, care and aging. Relevant policies are summarised in **Appendix 1**. The 13th 5YP aimed to maintain total population at around 1.42 billion, establishing a 'pro-natalist' policy environment while strengthening maternal and child health. The policy framework was developed to reduce the costs of child-rearing and support families in order to promote 'long term balanced population development'. These measures were accelerated in the 2024 State Council announcement on establishing a 'comprehensive fertility support policy system'. Standards to improve infant care services, and to improve the safety and quality of kindergartens were put in place, along with preferential policies to support the development of community-based elder- and child-care facilities. New

regulatory measures were introduced to ensure the quality of care, including through the training of care workers. The government also launched steps to develop a framework for long-term care insurance.

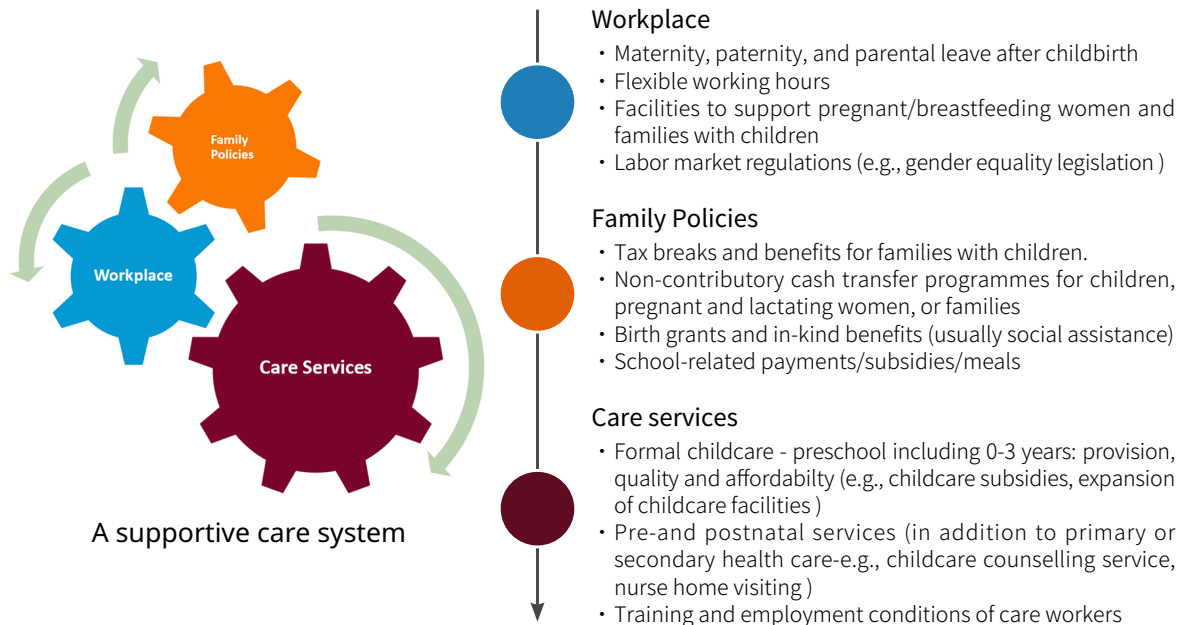
Many of these initiatives are in pilot stages. Responsibilities for implementation and funding are shared – between central and local governments, and between different actors and institutions including the state or local government and community (社区), enterprises/work places and families. While a wide range of initiatives are thus found at the local level, particularly in wealthier areas or among high profile companies (see Section 5), the main burden of care currently remains within the family, and falls heavily on women.

China's policies and their implementation can also be assessed against the globally agreed standards laid out in ILO Conventions and Recommendations (ILO, 2024). For example, ILO Maternity Convention (no.183) mandates a minimum maternity leave period of 14 weeks and recommends 18 weeks; with cash benefits of at least two thirds of previous earnings, ideally paid by social insurance or other mechanisms, not by employers. Paternity and parental leave are not regulated by international standards, but the ILO calls for periods of leave to be determined by national laws. Convention 183 also establishes that medical benefits should include pre-natal, childbirth and post-natal care, and for a right to paid worktime for breastfeeding. **Appendix 2** summarises ILO legal indicators on care and whether they are met by China.

Figure 4-1 outlines key areas for policy that are discussed in further detail below. These include measures aimed at supporting families directly, the provision of services such as childcare, and workplace and employment policies. A supportive system requires complementary interventions across a range of areas, whether targeted towards women, families, the labour market and workplace or the broader institutional environment of the care economy.

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Figure 4-1 Key elements of a supportive care system



4.2 Maternity, paternity and parental leave

Leave related to giving birth and parenthood is designed to protect the rights of all reproductive-age workers, providing them with time off from work, guaranteeing an income while maintaining their employment relationship. In China, various types of leave are recognised, including maternity, paternity and parental leave, as well as time for breastfeeding and care. The duration, amount and source of payment, maternity leave constitute important aspects of leave arrangements which affecting the well-being and rights women and families. While maternity leave generally exists to cover women and childbirth, other forms of paternity and parental leave have been gradually expanded in many countries and in some cases become a statutory right.

Following the implementation of the policy allowing couples to have three children, China has made further efforts to improve the maternity leave and maternity insurance system, specifying the implementation of maternity leave, breastfeeding leave, and exploring the implementation of parental leave. In addition, it is committed to improving cost-sharing mechanisms and enhancing the role of insurance systems in providing benefits (Yang, Zhang, and Yang, 2023). Provinces and cities have successively revised population and family planning regulations and issued the "Implementation Plan for Optimizing Birth Policies to Promote Long-Term Equitable

Development of Population" further regulating maternity leave at the institutional level. In addition to national statutory holidays, regions have generally extended maternity leave and paternity care leave, and have established parental leave.

4.2.1 Maternity leave

According to the national "Special Provisions for the Labor Protection of Female Employees" female workers are entitled to a minimum of 98 days of maternity leave in line with ILO standards. Maternity leave is legally defined in China as a mechanism to safeguard the physical health of pregnant women, protect their parental rights, and promote the healthy development of mothers and infants. Many provinces provide additional days beyond the minimum requirement. For instance, Guangdong offers an extra 80 days (178 days in total), Henan extends by 92 days (190 days in total), and Shanghai and Beijing grant an additional 60 days (158 days in total).

In practice, coverage of maternity leave falls short: approximately 40% of units with female employees provide maternity leave periods shorter than the national statutory 98 days, while many women work informally and lack legal coverage. Others may lose their jobs on becoming pregnant. A survey conducted on maternity leave and benefits for women giving birth since January 2020 (with 1043 and 2072 valid responses collected) revealed that the duration of maternity leave for employed women ranged from 30 to 365 days, with an average of 103 days. Around 59.8% were entitled to maternity leave of 98 days or more, with an average of 129 days. Among them, only 20.4% took the full 98 days of statutory maternity leave (Yang, Zhang, and Yang, 2023). The main reasons for returning to work early from maternity leave include fear of layoffs, concerns about career promotion, or being required to resume work ahead of schedule.

In 2017, China piloted the merging of maternity insurance with basic employee medical insurance, aiming to shift the cost of providing maternity benefits from the employer, and thus to better protect women's employment rights. This system provides insured female workers with allowances during maternity leave, as well as reimbursing hospital childbirth and prenatal check-up medical expenses. Workers receive maternity allowances based on the employing unit's average salary, exempt from personal income tax. Rolled out nationwide in 2019, all employees enrolled in medical insurance are simultaneously covered by maternity insurance. By 2023, the number of people covered by maternity insurance reached 249 million. Maternity leave benefits are generally unavailable to unemployed women, those in flexible, informal employment, many private enterprises, agricultural workers, and the self-employed.

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Table 4-1: Key parental leave provisions

Family policy

- Maternity, paternity, and parental leave policy
- Social security policy

	Length (weeks)	Benefit (% of previous earnings)
Maternity Leave	≥14 (max:25.4)	100% formal sector
Paternity Leave	2.1 (ranging 1-4.3)	paid by the employer
Parental Leave	No national policy (ranging 0.7-2.1)	base salary

Maternity Leave	Length (weeks)	benefit (% of previous earnings)	Paternity Leave	Length (weeks)	benefit (% of previous earnings)
Korea	12.9	82.1%	Korea	4.0	100 %
Japan	14.0	66.7% (up to a ceiling)	Japan	4.0	67.0%
Singapore	16.0	100%	Singapore	2.0	100% (up to a ceiling)
UK	39.0	30%	UK	2.0	19.1%
OECD average	18.6		OECD average	2.5	

Table 4-2: Regional variations in maternity leave provisions

Family policy

- Maternity, paternity, and parental leave policy
- Social security policy

Period	Region	Salary regulation
Clearly stipulated	Shanxi, Inner Mongolia, Liaoning, Jilin, Jiangsu, Anhui, Jiangxi, Shandong, Henan, Hubei, Hunan, Guangdong, Guangxi, Hainan, Chongqing, Sichuan, Guizhou, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang	Salary and bonus are paid in full; women on leave are treated the same as working personnel
Not clearly stipulated	Beijing, Tianjin, Hebei, Heilongjiang, Zhejiang, Shanghai, Fujian, Tibet, Yunnan	Salary paid in full or not lower than the original level
Varied stipulated	Yunnan, Tianjin, Guangxi, Tibet	Enjoy maternity leave compensation in accordance with maternity insurance payment levels
Period of maternity leave subject to negotiation	Zhejiang, Hainan, Jilin, Chongqing, Shaanxi	Compensation at 75-80% of salary level; Refer to birth insurance regulations

4.2.2 Paternity leave

Currently, China lacks nationwide statutory paternity leave. According to the Regulations on Population and Family Planning Administration 《Regulations on the Administration of Population and Family Planning》, the amount of paternity leave varies among provinces and cities, ranging from 7 to 30 days, while on average, 15 paid days are granted. Paternity leave benefits are typically paid by the employer. Employees are entitled to receive their regular salary, though details vary based on local regulations. However, paternity leave remains commonly understood in China as leave granted to care for women during and immediately after childbirth, generally overlooking the value of time that fathers could spend with their new-born children and the responsibilities they need to assume as new fathers.

The disparity in maternity and paternity leave duration and funding source exacerbates the underlying potential for gender-based employment discrimination. Paradoxically, policies and regulations intended to safeguard female maternity leave may become triggers for gender bias in employment practices. Companies see the maternity leave period and the post-maternity return as a direct or indirect cost to employers of female workers during their childbearing phase and, when faced with similar candidates for positions, will more often lean towards offering employment and promotional opportunities to men.

4.2.3 Parental or other care leave

Childcare or parental leave is a designated period that allows employees to care for young children. Both parents can take parental leave, choosing how to share the time, to care for children up to the age of three. Currently, China does not have nationwide statutory parental leave, and the cost is borne by employers, but arrangements exist with the length of leave varying across provinces and cities, typically ranging from 5 to 15 days. In most regions, employees receive their base salary during parental leave.

4.3 Childbirth subsidies

Against the backdrop of a nationwide decline in natural population growth, China introduced its three-child policy in 2021. In that year, 11 provinces in China experienced a negative natural population growth rate. In response, several provincial or municipal governments began offering pro-natalist incentives (primarily cash transfers) to encourage higher birth rates. For example, Huangshan City in

Anhui Province and Zhangzhou City in Fujian Province provided one-time childbirth subsidies to families planning to have two or more children. Shihezi City in Xinjiang Province and Panzhihua City in Sichuan Province offered monthly childcare allowances to encourage childbirth, while Changchun City in Jilin Province provided annual subsidies. Eligible families in Shenzhen, Guangdong Province, could receive both a one-time childbirth subsidy and generous childcare allowances for three years. In Shenzhen, families receive a subsidy of 19,000 RMB directly for their third child. In addition to cash subsidies, some cities also provided other supportive benefits, such as housing and education subsidies.

Table 4-3 Examples of birth subsidies: Hangzhou and Shenzhen

Hangzhou	One-off birth subsidy	First child	-
		Second child	2000
		Third child	5000
	Childcare subsidy (one-off)	First child	
		Second child	5000
		Third child	20000
Shenzhen	One-off birth subsidy	First child	3000
		Second child	5000
		Third child	1000
	Childcare subsidy yearly	First child	1500 (< 3 years old)
		Second child	2000
		Third child	3000

Childcare subsidies usually last until the child is 3 but may be paid as a one-off amount, annually or monthly. Parents may need to apply, or the system may automatically register eligible births. Overall, the subsidy amounts are low relative to the cost of having a child; and most cities, like Hangzhou, do not have a first child subsidy, thus only targeting women or families who have already decided to have an additional child (See Table 4-3).

There is limited evidence as yet on the impact of these recent birth subsidies. While they may assist families with the real expenses of associated with children, they may be too small to influence fertility decisions, and in particular the decision of whether to

have a first child. Direct cash incentives are more likely to have some effect on women who already have one or more children but have little influence on women who do not intend to have children. In the short term, subsidies may lead to a slight rise in birth rates, primarily driven by second or higher-order births, or by advancing the timing of childbirth rather than necessarily increasing the total number of births over a woman's reproductive years. However, as these women end their reproductive years, relying on cash subsidies to boost birth rates will become increasingly difficult, and are particularly unlikely to impact higher paid, better educated or career-oriented women.

4.4 Income tax deductions

In addition to direct cash transfers or subsidies, a number of deductions can be made through the tax system for those paying income tax. Since 2019, a reform of the tax law allowed tax reductions on a range of household expenses including school fees, health care and care for the elderly, and mortgage relief. To further reduce the financial burden on families for raising children and supporting elderly family members, from January 2023 the State Council raised standards for three types of special additional tax deductions (See Table 4-4).

Table 4-4 Tax breaks and benefits for families with children and elderly

Item	Applicable scope	Deduction amount	Deduction method
Nursing expenses for children under 3 years old	Nursing expenses	RMB 2,000/month for each child (or RMB 24,000/year for each child)	1. Standard deduction for each kid 2. 50/50 split between parents (guardian), or 100% deducted by one parent (guardian)
Children's education expenses	1. Pre-school education 2. Diploma education	RMB 2,000/month for each child (or RMB 24,000/year for each child)	1. Standard deduction for each kid 2. 50/50 split between parents (guardian), or 100% deducted by one parent (guardian)
Expenses for supporting the elderly	1. Parents over 60 years old 2. Other legal dependent	RMB 3,000/month (or RMB 36,000/year)	1. Standard deduction in total, regardless of the actual number of the elderly 2. Could share among siblings, but each one can deduct no more than RMB 1,500/month (or RMB 18,000/year)

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Raising the deduction standards for expenses related to "the elderly and the young" is intended to help reduce the financial pressure on families, improve livelihood security, enhance household income, and lower the costs associated with childcare, eldercare, and education. The increase in deductions for children's education expenses is especially helpful in alleviating financial hardship for some families with children, although it remains low in relation to overall childcare costs. The policy also aims to encourage women with children to participate in the labour force; however, higher wages for women increases the opportunity cost of withdrawing from the labour market to have children. Thus again, while tax subsidies are undoubtedly important for supporting families with children, and may provide women with greater choice in balancing work and family, they may not be sufficient to incentivise child-bearing and to significantly increase birth rates.

4.5 Social insurance

China has gradually expanded the coverage and comprehensiveness of its social security system over recent decades, and women's participation in various forms of social insurance – including medical, pensions, unemployment, work injury and maternity - continues to rise. Compared to 2010, when surveys showed significant gender differences in the proportion of women and men covered by social security programs, recent data shows increasing coverage of women. For example, in 2010 retirement medical care or health insurance was 52.3%, 7.9 percentage points lower than men; pension coverage was 60.5%, and work injury insurance 46.8%, both 5.4 percentage points lower than men (Li and Shu, 2010).

More recent data suggests that more women—or a greater share of women—are now covered by all major social security programs. According to the Monitoring Report on the Implementation of the Outline for the Development of Chinese Women (2021–2030), released by the National Bureau of Statistics in 2025, female coverage has substantially improved since 2010 across pension, unemployment, and work injury insurance schemes. In 2010, women's pension coverage stood at 60.5%, 5.4 percentage points lower than men's, while coverage under work injury insurance was 46.8%, also 5.4 points lower (Li and Shu, 2010). By contrast, 2023 data show that women's basic pension insurance coverage had increased to approximately 75.6% (5.2 out of 6.89), slightly surpassing the male coverage rate of 75.4% and thus reversing the previous gender gap observed in 2010. Similarly, in unemployment insurance, women's coverage reached 15.08%, compared to men's 19.44%, narrowing the gender gap to just over 4 percentage points.

Table 4-5 Women's social security coverage (2024)

Insurance	Number of women (亿)	Insurance	Number of women (亿)
Medical insurance	6.5 (48.5%)	Employee basic medical insurance	1.7 (47.8%)
		Urban and rural resident basic medical insurance	4.8 (48.8%)
Pension Insurance	5.1	Urban employee basic pension insurance	2.7
		Urban and rural resident basic pension insurance	2.1
Unemployment insurance	0.994		
Work-related injury insurance	1.12		
Maternity insurance	1.08		

% indicates the share of total participants that are women.

Source: 《National Program for Women's Development in China (2021-2030)》

Maternity insurance: The merging of maternity insurance with the employees basic medical insurance program has enhanced maternity leave benefits for female employees. In addition to maternity leave allowances discussed above, the insurance covers medical services, pre-natal and child-birth expenses. In 2020, 11.67 million women nationwide received maternity insurance benefits, with an average expenditure of 21,973 RMB per capita. While unemployed or other female workers who fall outside employee's insurance may not be eligible for maternity leave, these exclusions are partly addressed by measures such as including male employees' spouses in maternity insurance and the partial reimbursement of childbirth and prenatal examination expenses for unemployed women through the urban-rural medical insurance fund (Huang, 2023). Thus the merger also contributes to safeguarding the reproductive rights of unemployed women .

Pensions: As of 2019, women accounted for 45.5% of participants in China's basic pension insurance for urban employees and 47.8% of participants in the basic pension insurance for urban and rural residents. While these coverage rates are high,

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women are disadvantaged by earlier retirement age, lower wages, and interrupted labour force participation particularly related to child-birth and family. On average, female workers have a significantly shorter working life expectancy - 6 years less than men.

China's retirement age was set in 1950 at 50 or 55 for women (depending on their roles) and 60 for men. While initially, this difference in retirement ages aimed to provide care and protection for women at a time when life expectancy was around 40. Over recent decades it has hindered women's career development and disadvantaged them into old age. While the government has announced a gradual increase in the age of retirement – to 55 or 58 for women, and 63 for men- the disadvantages for women remain. Specifically, women's earlier statutory retirement age, reduced working years and lower average wages, combined with higher life expectancy and thus a longer duration of receiving social security benefits, combine to significantly lower accumulated personal pension account wealth for women and to reduce their retirement benefits. This discrepancy has also sparked a debate over women's shorter contribution periods, earlier retirement, and longer benefit receipt compared to men (Lin and Gu, 2016). In actuarial terms, women will inevitably have lower incomes into retirement unless policies are designed to account for these differences.

Currently women's life expectancy is 80 (as against 75 for men), so they are living longer into old age with lower incomes, making them potentially more dependent on family members for care. According to the 2020 National Population Census, older women are less able to rely on labour income and pensions as primary sources of support: their dependence on family support is 18.1 percent higher than for men (Lu and Zhang, 2023).

Furthermore, women's earlier exit from the labour force means they are generally excluded from critical opportunities for advancement to senior management positions or board memberships, effectively ending their careers prematurely while men are pursuing top roles. Many of them at this stage are also called on to take on care of grandchildren which also reduces their labour force attachment and access to social security. In this context, women face a disadvantage in life-long incomes and security even before interrupting employment and career or wage progression for child-birth.

4.6 Provision of care services

A key constraint on the labour force participation of women with children or other care responsibilities is the lack of access to reliable and affordable care services for pre-school age children (particularly age 0-3 years), but now increasingly also for the elderly. After a period of institutional decline and neglect of care facilities, the central government has taken steps in recent years to expand pre-school childcare and elder care, improve the standard of facilities and regulate care workers. A number of recent policies and documents are creating a framework for institutional provision. Nonetheless, as discussed in Section 2, women remain the primary providers of unpaid caregiving in the family, severely restricting their employment choices and career development. It also relies more heavily on private expenditure for childcare places, while childcare centres face a shortage of qualified carers or teachers.

4.6.1 Early childcare and pre-school

Early childcare refers to the supervised care, education, and nurturing provided to young children, typically from infancy to 3 and from 3 to the start of formal schooling. A range of facilities and arrangements exist, but the main challenge is the lack of care from 0-3, the high cost of early child-care, its low quality and a mismatch between supply and demand.

Table 4-6 Forms of early childcare provision

Type of service	1. full-day care 2. half-day care 3. hourly care 4. temporary care services
Institutions	1. community-embedded childcare facilities 2. nursery classes in kindergartens 3. childcare services established by employers 4. family childcare centers 5. health departments or related entities

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Demand side: China's low fertility coupled with aging populations and urbanization has accelerated the shrinking of family units, weakening traditional intergenerational care systems and amplifying the need for formal childcare support. Based on the cumulative number of births over the past three years, the population aged 0 to 3 in China was approximately 28.128 million at the end of 2024, underscoring the scale of childcare needs. Surveys indicate a stark mismatch between childcare demand and supply in China, where one-third of households with children aged 0–3 actively seek accessible, high-quality, affordable, and reliable childcare services.

Supply side: Despite this strong demand, China's childcare service sector is in an early stage of development, and faces numerous challenges, including a shortage in overall supply. By the end of 2022, there were approximately 75,000 childcare institutions across the country, with about 3.5 million childcare places, and approximately 2.5 childcare places per thousand people. Privately run childcare institutions account for over 90% of the total. The actual enrollment rate in formal childcare facilities remains at approximately 5.5% despite the strong demand, which is significantly lower than the average of 33.2% in developed countries. This gap is further underscored by international comparisons: in 2020, childcare enrollment rates reached 60.9% in the United Kingdom and 59.2% in Norway, reflecting robust institutional frameworks for early childhood care (UNECE, 2023).

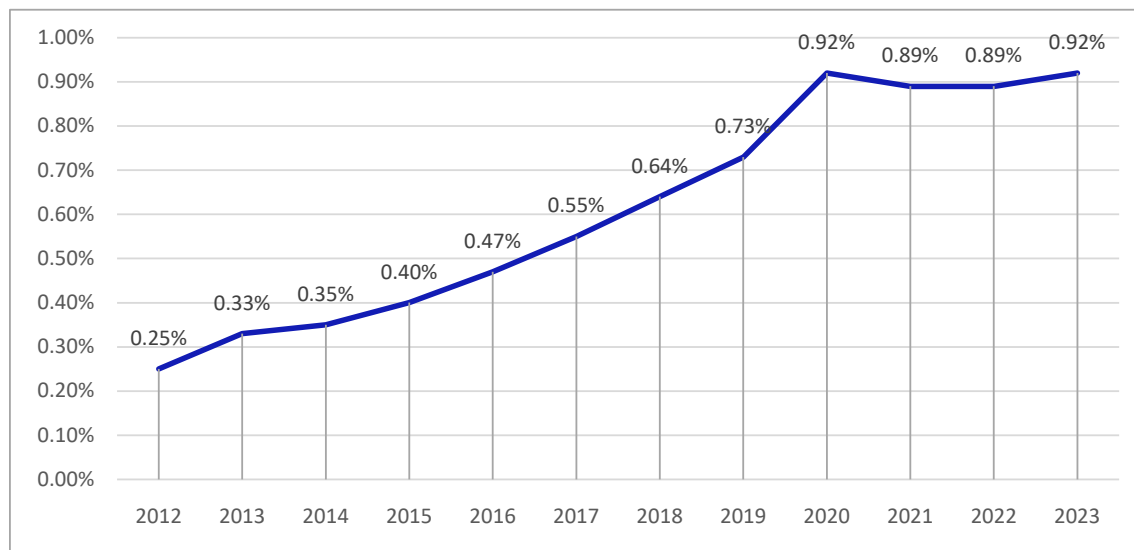
Table 4-7 Recent policy initiatives on early childcare

Date	Policy/regulation	Key Content
2019.5	Guiding Opinions on Promoting the Development of Infant and Child Care Services for Children Under 3 Years of Age	1. Increase support for community-based infant and toddler services 2. Standardize the development of diverse forms of infant and childcare institutions
2020.12	Opinions of the General Office of the State Council on Promoting the Healthy Development of Elderly Care and Childcare Services	1. Research and introduce management measures for home-based childcare facilities 2. Improve the public-construction-private-operation mechanism and explore chain operations 3. Foster national brand development in the childcare service industry

2021.5	Decision on Optimizing Fertility Policies to Promote Long-Term Balanced Population Development	1. Develop an inclusive service system 2. Policies on land, housing, fiscal support, financing, and talent development
Date	Policy/regulation	Key Content
2021.6	14 th Five-Year Plan Initiative on Active Response to Population Aging and Childcare System Development	The Outline of the 14 th Five - Year Plan: the childcare service capacity per 1,000 people should be no less than 4.5 by 2025.
2024.10	Notice of the National Health Commission on Further Improving Pricing Mechanisms to Support the Development of Inclusive Childcare Service Systems	1. Define the scope of eligible institutions 2. Implement categorized management approaches 3. Establish public fee schedules for inclusive childcare institutions 4. Improve the evaluation mechanism
2024.10	Measures on Accelerating the Improvement of Fertility Support Policies to Build a Fertility-Friendly Society	1. Expand the supply of inclusive childcare services 2. Improve policies for inclusive childcare
2024.12	Notice of the General Office of the National Health Commission on Issuing the Guidelines for Early Childhood Development Services (Trial Implementation)	1. Diversify service formats and frequency 2. Enrich service offerings 3. Define service institutions and division of responsibilities

Economic impacts of the care sector: While still small, the care sector has grown remarkably as part of the domestic service sector. In 2023, the market size of China's domestic service industry reached 1164.1 billion yuan and employed 38.5 million, contributing 0.92% of China's GDP (See Figure 4-2) , with significant potential for further expansion given the stark undersupply of affordable, quality care services.

Figure 4-2 China domestic revenue size as a proportion of GDP, 2012 to 2023



Source: National Bureau of Statistics, Ministry of Commerce

The expansion of a well-regulated, quality care sector that meets the needs of families could be a major source of decent employment particularly for less educated women who dominate in this industry. Socialized childcare services are linked to a 2–3 percentage point increase in women's labor participation. The growth in the domestic service sector boosts the probability of female employment by 10.8%, and reduces the care burden for educated women. Higher-educated women redirect household spending toward paid domestic services, reducing their own caregiving time. According to Liang Chao 梁超 et al., expenditures rose approximate 24.3% for families with more highly educated women, while women's time spent in elder care was reduced by about 6.3 hours per week, and household labor time by about 6.6 hours per week (Liang Chao, etc, 2024) .

Globally, the care and domestic work sector now accounts for 38.1 million global jobs (ILO, 2021), with emerging roles like infant caregivers and geriatric specialists driving a 31% surge in demand for lower-skilled female workers. Ensuring adequate training and recognized qualifications would expand the range of jobs offering career opportunities and skill-enhancement pathways in roles traditionally dominated by women. The opportunity thus exists to invest in early childhood care and to socialize childcare services as an economic sector that supports female labor force participation and career development, creates jobs and contributes a source of economic growth in the context of population aging.

5

Towards a gender equal and family friendly workplace

The previously high labour force participation rate of Chinese women (in both urban and rural areas) has seen a significant decline since the reform and opening-up period, declining from 73% in 1990 to 63% in 2019. This trend aligns China more with global norms, although the 63% participation rate remains higher than the global average of 48% (Index mundi, 2019). This decline is variously attributed to factors such as increased years of education, post-industrialization trends, population aging, rising child-rearing costs, and the added caregiving burden on women with the relaxation of the family planning policy. Changes in laws and policies, along with proactive measures by some enterprises and organizations, have led to some advances in gender equality in employment terms and conditions, wages and improved workplace policies that support women and are 'family friendly'. Nevertheless, conditions are still challenging with persistent gender inequalities due to social biases, institutionalized discrimination, and career penalties associated with motherhood.

5.1 Gender inequality in employment

In terms of national policies and regulations, China has put in place a framework for addressing gender inequality in the labour market, employment and workplace. Policies include the Labour Law 《Labour Law》 《Employment Promotion Law》 Social Insurance Law 《Social Insurance Law》 《Law on the Protection of Women's Rights and Interests》 《Special Provisions on Labor Protection for Female Employees》. These laws and policies are particularly concerned with gender discrimination in recruitment and wage levels and ensuring that female employees are not subjected to discrimination on the expectation of, or in the event of, pregnancy and motherhood. For example, the 43rd and 56th article of the Law on the Protection of Women's Rights and Interests 《Law on the Protection of Women's Rights and Interests》 (amended in 2022) stipulates that "during the recruitment, except as otherwise prescribed by the State, employers must not set gender-based hiring quotas, inquire about women's marital or childbearing status, and use such information as employment criteria or to impose higher hiring standards on female

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candidates" and "Women enjoy equal rights with men in terms of salary, bonus and other aspects". In addition to this, local Trade Unions and sub-national Human Resources and Social Security bureau have similarly made announcements to protect women's labour market and employment rights.

Despite these laws and policies, and examples of good practice, there is widespread evidence of weak implementation and enforcement. This includes discriminatory recruitment practices, including discrimination against women of child-bearing age in access to employment, and in the event of pregnancy and motherhood, and limited workplace provisions to support women or families with children. As a result, gender imbalances in employment, wages and career progression persist, as highlighted in some of the data below.

Recruitment and Career Development: Most companies lack initiatives to promote gender equality through support for women's career advancement. According to the China Enterprise Confederation (2022), almost 50% of private enterprises and 38% of state-owned enterprises (SOEs) have no measures in place to promote gender equality. By contrast, 77% of foreign-funded enterprises have implemented such measures. This discrimination starts with recruitment: during recruitment, 12% of companies openly prioritize male candidates, while 9% prefer to hire men given similar qualifications. Approximately 10% of companies explicitly seek male candidates in job advertisements, and this occurs predominantly in state-owned enterprises.

Gender Pay Gap: The Gender Pay Gap Report of China (BOSS Zhipin Research, 2021) reveals that on average women's salaries are only 75.9% of men's. The disparity is attributed to women being concentrated in lower-paying sectors such as education, healthcare, and finance. Following a commonly found pattern, the pay gap widens with work experience and is particularly pronounced among highly educated employees. After 15 years of work experience, the gender pay gap among highly educated individuals can reach 50.5%, largely due to men dominating senior management positions (BOSS Zhipin Research, 2021). Though the wage gap persists, some progress can be seen: according to a report by Zhilian Zhaopin (2023), the wage gap between men and women dropped by 11.5% from 2019 to 2023.

1 BOSS Zhipin Research (BOSS 直聘研究院) is a leading Chinese online recruitment platform that went public on Nasdaq in 2021.

2 Zhilian Zhaopin (智联招聘) is one of China's leading online recruitment platforms which publishes regular labor market reports.

Gender distribution of company employment: According to the China Enterprise Confederation, over 52% of companies in China have a female employee ratio of less than 40%, while only 13% have a female employee ratio exceeding 60% (China Enterprise Confederation, 2022). Furthermore, McKinsey Global Institute (2018), finds that in China women hold only 22% of mid-level management positions, and the proportion of women in senior executive roles or on boards is only 10%-11%. The 2023 Report on Women's Career Development in China found that women account for just 13.8% of board members in Chinese companies, far below the levels in most European countries. Data provided by MSCI (2023) suggests that female executive (include non-board) positions has increased from 10% in 2010 to 14% in 2015 and 20% in 2023. These figures suggest that gender disparities, are particularly severe at the middle and upper management levels of companies but nonetheless show some improvement over time.

Workplace Harassment Policies: In 2023, the Ministry of Human Resources and Social Security issued the Guideline for Eliminating Workplace Sexual Harassment, the first official document to address workplace harassment. However, only 30% of companies have established regulations to prevent workplace harassment and sexual harassment. Foreign-funded enterprises outperform others in this regard, but only 10% of companies have mechanisms to prevent and address workplace violence and sexual harassment. These gaps highlight the urgent need for better mechanisms to identify, report, and handle workplace harassment in Chinese companies (McKinsey, 2024).

Supply Chain Gender Equality: These inequalities extend though China's supply chains. Over half of companies do not monitor whether their suppliers or distributors promote gender equality. Foreign-funded enterprises lead efforts to promote gender equality in supply chains, with 33% implementing relevant measures. In contrast, only 20% of SOEs and 8% of private enterprises have taken steps in this direction.

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5.2 Family friendly workplaces

Balancing employment and care also requires that workplaces are flexible in supporting mothers and fathers to share care responsibilities, enabling women to remain in employment and progress in their careers. According to Research Report on Enterprise Initiatives to Advance Workplace Gender Equality: Questionnaire Survey Findings (企业推动工作场所性别平等问卷调查报告), few companies are found to have implemented policies that help employees balance work and family, such as remote work, flexible working hours, or support for post-maternity return to work or career progression. Survey data shows that companies request policy support from the government to support gender equality: 70% of companies, including 80% of private enterprises, express a need for policies that share the cost and benefits of maternity leave.

Some province and cities, such as Shanghai, Zhejiang and Guangdong, are exploring 'family friendly' (家庭友好) policies, such as a paternity leave system. Zhejiang has piloted the implementation of 30 days paternity leave in some state enterprises, with 10 days being mandatory. The medical insurance fund shares the burden, by covering 50% of the cost. The result has been a sharp increase in paternity leave taken by male employees from 12% to 58% in pilot enterprises (Hangzhou Municipal Health Commission, 2023).

A number of high profile labour intensive enterprises have also pioneered initiatives to retain female workers and support families. Large companies such as Huawei and Tencent are building kindergartens or hosting schools on site to foster employee loyalty and meet the needs of families for quality childcare. Others are piloting more flexible working arrangements. The following case studies provide further examples of how leading or well-known enterprises with a large workforce are making efforts to provide better services and benefits to attract and keep female employees. While in some cases the beneficiaries and impacts may be relatively small, or the information is not necessarily independently verified, nonetheless they provide examples of innovative approaches and play a role in showcasing good practices. (see Boxes below).

ANTA Group

ANTA was established in 1991 and developed into one of the largest comprehensive sports equipment enterprises in China. As a clothing industry company with concentrated employment of women, the total number of employees in the Group is about 60000, of which 75.2% are women.

Field	Strategy
Career Development of Female Employees	Launching 'Women's Workplace Strength Crouse' to promote the successful experiences of women in the workplace, enhancing their workplace abilities and competitiveness.
	Integrating special resources from female leaders.
Physical and Mental Health of Female Employees	Providing benefits such as gynecological examinations, maternity and child rooms, maternal and child health services, and childcare facilities.
	Launching the 'Cherry Blossom Rope Program' on Women's Day, providing pregnant and breastfeeding mothers with free time for meals, no queuing for meals, exclusive seating, and other benefits.
Staff Composition	331 female executives (directors and above), accounting for 36.6%. 2302 female middle-level managers below the director level, accounting for 53.5%.
	The board of directors of ANTA Group has also been adjusted from an all-male composition in 2020 to include 20% female members in 2023.

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TRIP.COM

Trip.com Group, founded in 1999, is a leading global travel service provider with more than 30 thousand employees. Trip provides comprehensive travel services including wireless applications, hotel reservations, flight bookings, etc. and its reserved network covers 134 countries all over the world.

Field	Strategy
Gender Composition	The proportion of female employees promoted in 2022 exceeded 50%.
	More than half of total employees, 41% of the middle-level employees, and one third of senior executives (at or above the level of Vice President) are female.
Childbirth Encourage	Releasing welfare benefits such as transportation expenses during pregnancy, maternity gifts, and medical subsidies for childbirth.
	Providing mother and baby rooms and other support facilities, with an investment of 8 million yuan per year on maternity welfare.
Outcome	'Cheng Er Dai's Growth Gift' provides an annual subsidy of 10000 yuan to each employee's newborn until the child is five.
	The proportion of families with newborns increased by 147%, and the proportion of families with second children increased by 329%.

DiDi

As the world's leading mobility technology platform, Didi Chuxing was grouping up in China in 2012 and shows an advancing example to promote gender equality for both female drivers signed by platform and female employees inside Didi.	
Field	Strategy
Platform Employment	2.71 million female drivers have earned income on the Didi platform around the world, including 2.37 million Chinese female drivers.
	Freely choosing from various modes such as full-time, part-time, seasonal and cyclical part-time jobs, gives female drivers more freedom to balance work and family.
Outcome	Investigation shows that 66% of female drivers choose this job because they can control their own time and 41% of female drivers believe that this job can increase their time spending with family
Inside Career Growth and Working Environment	Establishing DiDi Women's Network (DDWN) and launching multiple women's growth programs.
	For example, the 'Women's Leadership Program' aims to help middle and senior-level female managers enhance their self-awareness and leadership skills. The 'Her Growth Plan' and 'Women Empowerment Program' provide growth resources and communication platforms for all female employees.
Outcome	More than 10 thousand women take part in the activities of DDWN from 2021 to 2023.
	'Women Empowerment Program' has trained 35 employees at the mid-management level.

Overall, while policies provide safeguards and an enabling environment to move towards greater gender equality, many are vaguely worded or merely encourage voluntary compliance. For example, regulations concerning workplace harassment make it hard to provide evidence or proof. Issues such as gender equality in supply chains lack specific policies. Family-friendly policies also face low adoption due to high costs for enterprises or employers. As in the case of paternity leave, the cost largely falls on enterprises. Furthermore, it is not always favoured by employees: 42% of male employees give up their right to paternity leave due to concerns that it will affect their chances of promotion (Zhilian Zhaopin, 2023).

6

International experiences

This section examines some experiences and policy approaches of a number of countries faced with falling fertility and in some cases declining population. Two groups of countries with distinct welfare regimes are covered: first, in East Asia, Korea and Japan achieved rapid economic growth with a strong focus on productivist social policies that focused on labour force productivity with welfare largely left to the family. These familial welfare regimes rank globally among economies with lowest fertility and most rapid aging. Second, countries in Europe, with varying degrees of state welfare provisions, high social spending and commitment to gender equality, have generally experienced much slower rates of population and fertility decline, which has also taken place at higher levels of income. Notwithstanding these differences, all these economies, despite variation in experience and policy to date, now face fertility decline.

6.1 East Asia

6.1.1 Republic of Korea

From the late 20th century, Korea experienced a rapid and sustained decline in fertility, falling by 2005 to becoming one of the lowest fertility countries in the world. By 2005, the issue of population decline and rapid aging was viewed as a potential crisis leading the government to initiate a series of policies (See Table 6-1). Despite these interventions, the trends have largely continued and the fertility rate is now the lowest in the world (0.92). Between 2016 and 2022, the number of births in Korea decreased by 157,200 compared to 2016, and the total fertility rate dropped by 0.39 (Chung, 2015).

Korea's first plan to address its aging society and shrinking population, was introduced in 2006. Lasting to 2010, it primarily targeted low-income families with two key groups of measures: "strengthening social responsibility for childbearing and parenting" and "cultivating a family-friendly and gender-equal social culture". During this period, Korea saw a slight recovery in its fertility rate, but according to Luo (2022), this increase was due to the "interactive effects" of demographic, economic and policy factors, rather than solely the outcome of population policies. The second

plan, launched in 2011, maintained the same policy direction but expanded its target groups to include the middle class and added support measures for workplace parenting and education. The third 2016 plan aimed to create a more favorable social environment for parenting.

Table 6-1 Republic of Korea basic plans to address low fertility

Time Period	Policy Goals	Key Areas of Focus
First Low Fertility Plan (2006-2010)	Strengthening social responsibility for childbearing and parenting; Cultivating a family-friendly society	Expanding support for childbearing and parenting responsibilities; Promoting a good model for social culture; Strengthening gender equality in society; Promoting family-friendly public policies
Second Low Fertility Plan (2011-2015)	Strengthening the relationship between aging society and population policies	Improving the work-life balance; Supporting children's health and development; Strengthening job security for parents; Expanding financial support for families
Third Low Fertility Plan (2016-2020)	Strengthening family-friendly policies and gender equality	Addressing the growing gap in family income; Strengthening community-level support; Increasing financial incentives for childbearing; Reforming childcare services
Fourth Low Fertility Plan (2021-2025)	Strengthening job support for parents and creating a favorable social environment	Supporting the employment of parents, especially working mothers; Expanding the availability of childcare services; Establishing a long-term mechanism to improve fertility rates

Source: 《The Evolution, Efficacy, and Trends of Korea's Low Fertility Countermeasures (2006-2021)》

Despite these measures, the state has been unable to reverse the ongoing decline in Korea's fertility rate. In the early stages of the reforms (2006–2015), the temporary material or financial assistance to those in need failed to recognize the impact of the wider social environment on fertility choice (Park, 2011). Subsequently, expanded

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reforms were directed at improving the social environment for parenting in areas such as housing and employment, but were also critiqued as coming too late and providing insufficient support. For example, in 2018, support for childcare for dual-income families accounted for only 2.5% of household income, significantly lower than the OECD average of 10% (Jeong. et al, 2022).

Several studies have shown that high housing and education costs, long working hours, excessive work stress, economic insecurity, pessimistic attitudes about the future, and prevailing gender norms and discrimination are among the reasons why young people in Korea are reluctant to marry and have children (Hwang. et al, 2022). According to OECD data, in 2021, the average weekly working hours for men were 78 hours, and for women 60 hours, double that of European countries like Denmark and Norway. At the same time, housing prices in Korea are significantly higher than in Japan.

Many of these factors are also found in contemporary China. The limited impact on fertility of Korea's extensive policies over the past two decades points to the complexity involved in reversing decline, including the broader economic and societal context and social attitudes, including the influence of unequal labour market opportunities for women, and holds lessons for China in the challenges of reversing the decline.

6.1.2 Japan

Japan's economic growth and fertility decline began earlier, starting in the mid-20th century, dropping from 4.5 children per woman in 1947 to 2 children per woman by 1957 and continuing to decline alongside rapid population aging (Tsuya, 2017). Since 2000, Japan's total fertility rate has fluctuated between 1.3 and 1.4. Since 1995, the Japanese government has introduced several initiatives to address these issues, including the Angel Plan, the New Angel Plan, and the Support Plan for Parents and Children. These plans variously aimed to provide support for child-rearing, improve corporate culture, and foster a more supportive social atmosphere.

The "Children and Parenting Vision (2010-2014) ," announced in 2010, was similar to the Support Plan for Parents and Children but aimed to fundamentally address the low fertility rate by creating an environment where "the whole society supports child-rearing" and "work and child-rearing can be balanced." 12 key policy measures were formulated including: ensuring educational opportunities, improving work practices, expanding support for pregnancy and childbirth, strengthening support for disabled

children, expanding child-rearing networks, establishing a child safety society, providing support for non-regular employees, and creating a work environment that favours work-life balance. Many commentators regard this plan as a significant shift in focus from traditional low fertility strategies, centred around issues of delayed marriage, to those affecting child-rearing, women's advancement, and families with children. The plan laid the institutional foundation for broad societal responses, acknowledging that addressing low fertility must also address other challenges particularly for women with children.

Child-rearing Support Policies: Government supported childcare facilities and services have been established in different cities and regions, including regional child-rearing support centers, temporary daycare centers, and daycare services for sick children. To address the shortage of daycare centers, the government has increased the number of licensed daycare centers and kindergartens, improved working conditions, and trained more personnel. After school daycare services have been expanded for families with primary school children.

Improving the Child-rearing Environment: Tax exemptions have been introduced and a legal framework strengthened to promote youth employment, in order to support marriage and childbirth. In some cases, local governments and Chambers of Commerce have cooperated to implement marriage support programs, offering young men and women opportunities to meet. Professionals such as healthcare workers have established "Integrated Support Centers for Parenting Generations," which provide comprehensive consultation on issues from pregnancy to child-rearing.

Support for Families with Multiple Children: Support measures for families with multiple children aim to alleviate the financial burden of child-rearing, education, and housing. For example, the cost of daycare and kindergartens is halved for the second child, and the third child and beyond are exempt from these fees. In cooperation with local governments, businesses, and public transport providers, the "Parenting Support Passport Program" has been implemented, offering various services to families with multiple children.

Improving Women's Workplace Conditions: The Japanese government has taken steps to reduce systemic gender biases within the workplace. These include direct support for working women and the "Thank You, Dad Project," which provides paternity leave immediately after birth, and has increased the paternity leave rate among Japanese men to 80%. The government also advocates diverse working

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arrangements, such as flexible work hours and remote working, to support women returning to the workforce after maternity leave. Additional measures in the "Law on Promoting Women's Participation and Advancement in the Workplace" aim to ensure that informal female workers are not left behind in their careers after pregnancy and childbirth and to provide the necessary support for reemployment. Businesses are encouraged also to introduce work-life balance support measures under the "Next Generation Parenting Support Measures Promotion Act 《Post-WWII Japan's Fertility Policy Transition: Analysis and Implications》 (Li Zexi and Huang Jin, 2023), Guojin Securities Research Institute."

Strengthening Regional Policies: Given the varying population environments across different regions, local governments also need to develop more targeted strategies. In December 2014, the Cabinet approved the "Comprehensive Strategy for the Regeneration of Towns, People, and Work," which includes central government subsidies to encourage local governments to adopt measures to increase fertility rates. Efforts are also being made to identify and promote best practices from small cities. Additionally, since 2013, local public organizations, businesses, and NGOs are involved in a "Parenting Support Connection Project" (Park, 2020).

Overall, compared to Korea, Japan's policies have evolved to cover a broader range of areas and provide stronger support, contributing to maintaining Japan's total fertility rate at around 1.3 (Zhao Wei, 2024). Furthermore, Japan's public spending on such policies remains lower than that of European countries, with limited support in terms of cash incentives and tax breaks.

Table 6-2 Japan's policies to address low birthrates

Time Period	Policy
1994-1999	Child Rearing Plan (Support for future children's upbringing and basic measures for enhancing child rearing environment, such as expanding daycares, extending maternity leave)
2000-2004	New Child Rearing Plan (Increased investment in child rearing, aimed at balancing work hours and child rearing)
2003	Basic Child Rearing Social Policy (Legislation to strengthen responsibility for addressing low birthrate and formulating more specific child-rearing policies)

Time Period	Policy
2004	Child Rearing Social Policy Framework (Implementation of stronger measures, such as increasing childcare subsidies and supporting work-family balance)
2010-2014	Basic Framework for Social Policy Concerning Child Rearing (Support for children and child-rearing, with a focus on family law, providing more flexible child-rearing services, and supporting businesses that support parents)
2015	Second Low Birthrate and Aging Society Framework (Efforts to improve child-rearing, marriage, and employment systems, with a focus on welfare, housing, and promoting women's employment)
2016	Japan's 1 Million Lives Plan (Focusing on stabilizing youth employment and improving work-life balance, while enhancing family care and educational services)
2017	New Economic Policy - Policy Design ("Youth Revolution" and "Early Childhood Education," promoting education for children, elimination of child poverty, and higher education reforms)
2019	Childcare Support Law Reform (Enhancing policies for children's education, creating a welfare system that includes support for working mothers)
2020	Fourth Low Birthrate and Aging Society Framework (Policies focused on improving care for elderly, youth, and addressing challenges faced by youth, such as marriage support)

Sources: Li Jian (2022) ; Park (2020); Wang Wei (2019) ; Schad (2006)

6.2 Europe

Compared to East Asian countries, European nations started their fertility decline earlier, with a much slower process of population aging. Unlike East Asia, fertility rates in many countries are maintained in part through migration of younger working age populations. In this section we examine the experience of European welfare states with strong family policies (育娲人口研究, 2021).

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6.2.1 France

France's total fertility rate declined sharply in the 1960s, but later stabilized before gradually increasing and has remained stable at around 2.0, ranking among the top among OECD countries. This can in part be attributed to the government's support for families with multiple children.

Public Financial Support for Families: According to OECD data, the French government allocates about 4% of its GDP to subsidies for families with children, childcare services, and tax reductions, ranking second among OECD countries, just behind the UK, which has the highest expenditure ratio. Additionally, spending on services for children under 6 years old accounts for about 1.8% of GDP, significantly higher than the European average of 0.95%.

Work and Family Balance: The French government has established a policy that allows eligible parents to take up to three years of parental leave, after which they can return to the same position or a similar role with the same employer. Furthermore, France provides various allowances for parents (as detailed in the table below), which are roughly equivalent to half of the minimum wage.

Table 6-3 France's parental allowance policies

Year	Name	Content
1985	Parental Education Subsidy	If parents have a third child, they can reduce their working hours or stop working (extended to the second child in 1994), and receive a subsidy for up to 36 months.
2004	Childcare Subsidy Plan	Expanding housing allowances for families with more than one child, with eligibility limited to 12 months.
2012	Optional Homecare Subsidy Plan	Subsidies for families with more than one child, but with a limited period of eligibility for 12 months.

Source: OCED,2016

The case of France suggests the importance of government funding to support family welfare and security for maternity, while the extension of maternity leave should be supported by government financing mechanisms, not borne by employers or enterprises, as the ILO also recommends (Thévenon, O., 2016).

6.2.2 Norway

Norway's family support policies are among the most comprehensive in the OECD, aimed at supporting full-time participation of parents in the labor market, while encouraging families to have multiple children. From the 1990s to the early 21st century, Norway's total fertility rate was consistently higher than the OECD average, at around 2.0. Policies include paid parental leave, cash benefits for childcare, early childhood education and care, as well as after-school services. Paid parental leave and cash care benefits provide financial support to families during the newborn's early months, with monthly benefits close to the average full-time wage.

Early childhood education and care policies significantly reduce the time parents need to spend on childcare after the child reaches one year old. Subsidies for early childhood education have also led to a very high enrollment rate in Norwegian kindergartens. Together with after-school services, these measures effectively reduce the pressure on Norwegian parents to balance family child-rearing with work.

Since introducing a quota of parental leave that can be taken only by fathers, take up of paternal leave has significantly increased. International evidence also shows that fathers taking parental leave leads to a more equal distribution of domestic labor, improving satisfaction for both parents, especially for mothers, and increases the relative income of mothers (OECD, 2023).

Since 2009, however, Norway's fertility rate has declined by nearly 30%, falling to 1.41 in 2022, significantly below the OECD average. Over the past decade, housing costs for young people have risen sharply, and economic insecurity has worsened, which may have made the necessary conditions for starting a family more complicated, which may suggest policies focused on increasing the supply of social housing or reducing housing costs for young people may be needed to help maintain fertility rates.

Table 6-4 Norway's policies to address low birthrates

Category	Name	Content
Parental Leave	Paid Parental Leave (Mother)	Paid leave for mothers who give birth, typically for 15 to 19 weeks.
Parental Leave (Father)	Paid Parental Leave (Father)	Fathers can take up to 15 weeks of dedicated paternity leave, which cannot be transferred to the mother
Shared Parental Leave	Shared Parental Leave	Parents can share the leave period, with varying amounts depending on employment status and regional differences.
Breastfeeding Leave	Breastfeeding Leave	Mothers can take leave to breastfeed. The cost is covered by maternity leave benefits.
Childcare Benefits	Cash Childcare Benefits	Monthly childcare subsidy
Childcare Subsidies	Early Childhood Education and Care (ECEC)	For children attending daycare services, the fee depends on family income and number of children, with lower-income families receiving more assistance.
Out-of-School Care Services	Out-of-School Care Services	Aimed at primary school students under 12, covers costs of services.

Source: OCED, 2023

Norway's quota for fathers to take paternity leave deserves attention in China's policy reforms, as it can help to establish the concept of gender equality within the household, reduce the costs to women of having children, and reduce employment discrimination on the basis of childbirth.

6.3 Summary of select country experience – lessons for China

European welfare states have generally pursued higher social spending and stronger redistributive policies in order to ensure the sustainable and equitable development of their societies and populations. The highest spending is generally among Nordic countries which spend about 3% to 4% of their GDP on family welfare, expenditures that have helped to maintain higher levels of fertility than the European average. By contrast, Southern and Eastern European countries, with weaker economies and limited government budgets, spend only around 1% to 2% of GDP on family welfare, and tend to have lower fertility rates.

Hungary provides a contrasting case, at least in the past two decades where a populist government has pursued pro-natalist policies. Several family support policies have been introduced, including direct subsidies such as baby care allowances, childcare fees and family allowances, as well as indirect subsidies such as tax allowances and housing subsidies. These policies have helped to maintain fertility rates, but at a significant fiscal cost. Among these measures, housing subsidies are reported to have had the most significant positive effect on fertility rates.

Key to resolving demographic issues are improvements in the social status of women and a commitment to equity and social inclusion. In Nordic countries, policies strongly encourage both partners to participate in child-rearing. In Sweden, for example, couples share 13 months of paid parental leave, supporting them in sharing domestic work, and protecting women's labour force attachment. Additionally, despite the general decline in marriage rates due to increased female education and employment, fertility rates have remained largely unaffected due to the high acceptance of children born outside marriage. According to recent data,, more than half of newborns in Nordic countries are born outside marriage, with the figure as high as 70% in Iceland (OECD, 2023). While gender equality and a high level of social inclusion, giving women the freedom to choose whether to raise children, the welfare system provides the necessary conditions to support women and their partners in these choices.

In East Asia, governments to date spend relatively little on social welfare while progress on equality for women remains limited. Korea's early policies demonstrate the limits of small and temporary financial incentives or slogan-based encouragement of women to have children. In contrast, Japan's policies have gradually expanded to create a multifaceted support system, spanning child-rearing, family, housing, and women's employment, which has arrested the further decline in fertility, although it remains low.

7

Conclusion: Key messages and directions for policy and research

7.1 Summary and key messages

China's current efforts to transform its economy and foster new productive forces based on technological, green and digital transformations will require significant adaptation of policies and practice to the realities of its demography. The foundations of any productive economy lie in its processes of social reproduction, which require institutions and mechanisms to ensure individuals and households can balance work and family, with livelihood security, stable incomes and adequate social protection across their life course. During China's four decades of stunning growth and transformation, investments in the social foundations of the economy were subordinated to economic growth. As the social welfare system was reconstructed in the early 21st century, the care economy was largely ignored on the assumption that families could absorb the costs of social reproduction. This has placed particular burdens on women, while also engendering inequalities between those able to purchase care services on the market (often from low income, migrant women) and those unable to do so. While these are not the only reasons for declining birthrates, any efforts to slow or reverse this decline cannot succeed without addressing these gender and social inequalities, and the high financial and opportunity costs to women and families of caring for children and the elderly.

China started its economic liberalization from a situation of very high female labour force participation and relatively comprehensive care provisions at least for urban workers. Female labour force participation declined during the transition process, but remains relatively high, without much change in the expectation that women should take on most domestic and care work while also competing for jobs in the labour market. This provides some contrast to the 'male breadwinner' model that underpinned European welfare states at earlier stages of development where women were expected to remain in the home, with entitlements to welfare generally determined by their role as mothers or obtained through the rights of their husbands. The gender bias inherent in this male breadwinner assumption was

ignored in early scholarship on welfare states, with women's role remaining largely invisible. With increasing demands for equality and empowerment of women, the realization of substantive equality and non-discrimination, and a growing body of feminist scholarship on the welfare state, systems have had to adapt to the realities of dual earner households and of diverse family arrangements, through expanding family policies and state support for maternity and childcare provisions, and ensuring non-discrimination in employment and workplaces. In China, despite dual income households being the norm, the social welfare system has nonetheless developed to date with equally little attention to the invisible work undertaking largely by women within the household. Furthermore, even dual incomes are increasingly insufficient to cover the costs – including housing and education – of raising children, while often overtly discriminatory practices in employment and workplaces severely disadvantage women, creating a significant 'motherhood penalty' that persists into old age.

Beyond the family and workplace as the critical domains for addressing key constraints for women and families of balancing care, family life and income security, more general economic and social factors undoubtedly impact choices to have children. Excessive competitive pressures for education, qualifications and jobs, uncertainty about the future even after having made such investments, different aspirations including on issues such as marriage, family living arrangements and gender identity, or pessimism about global trends such as climate change, can all impact the decisions young people are making. China is similar to Korea in the extreme competitive education and job pressures facing young people, but other factors contribute to trends seen around the world where fertility declines are taking place. Some may have policy solutions in different contexts; others call for further research to understand the drivers of choices among young people, including the impact of social media and changing technology on younger generations; while other issues (such as climate related concerns) require global action.

Cutting across all these issues, women's aspirations and empowerment must be prioritised if policy is to find the right balance of maintaining fertility, ensuring social reproduction and supporting the economy, while advancing broader gender and social rights and equity. Interventions to encourage childbirth are unlikely to significantly slow or reverse fertility decline unless accompanied by measures that address persistent gender inequalities.

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7.2 Directions for policy and research

Investing in the care economy: A key policy domain for state investment is the care economy. This would involve developing care systems, including provisions and financing arrangements, that ensure universal entitlements to affordable, quality services for children, the sick or disabled and elderly; recognising the critical role of care 'work' (both paid and unpaid) and valuing it accordingly. Such a system would support, incentivize or regulate different actors – including the state (central and local), employers, communities and families, creating a comprehensive set of policies and institutions to address the care needs of the population.

Creating a qualified care workforce: A strong, regulated care sector, requires qualified workers with decent working conditions, including access to social security and the ability to care for their own families. Recognising and valuing such workers would both create better quality employment and improve the quality of essential services.

Strengthening family policy: A key part of the care economy relates to the ability of families to access quality and affordable care provisions, as well as ensuring housing, income and consumption at appropriate levels. Benefits for children, subsidies or tax credits, or other mechanisms to support particularly lower income families with children, or care responsibilities (due to disability, age or ill-health) need to be standardized with a level of predictability and generosity that give households security to make decisions about the future.

Support for working parents: Employment related policies such as entitlements to parental leave – also ensuring that fathers have access to leave – is important for creating the conditions for more equitable sharing of childcare. Statutory leave needs to be paid, and particularly in the case of maternity leave should be funded preferably through social insurance or state schemes rather than directly by employers, according to ILO recommendations. Reducing the direct costs to employers, and sharing the costs among employers and the state, helps to reduce the direct costs of child-bearing on specific employers, and thus reduce risks of discriminating in hiring practices.

Labour and workplace policies: Beyond paid maternity leave entitlements, stronger enforcement of provisions to protect women in the workplace are needed, including protection of positions, facilitating return to work, enabling breastfeeding and other care provisions, and ensuring career progression opportunities. Workplaces also need to be incentivized to provide more flexible working arrangements and facilities for new mothers, and for all parents with children, as well as for those with other care responsibilities.

Social security entitlements: The penalty for women associated with childbearing and care work is severe and accumulates over the life course. It is further exacerbated by an earlier retirement age which significantly reduces the time available to accumulate pension entitlements which then must last over a longer life expectancy. This inequality needs to be addressed, for example through providing social insurance and pension contributions for women during maternity, and extending or ultimately equalizing the pension age at least for some types of workers.

Addressing inequalities: Currently in China, many relevant policies primarily benefit urban, formal sector employees, often those with higher levels of education and incomes. Those with higher levels of education and aspirations are precisely the group – and particularly women – most likely to make different choices and seek alternative life-styles. Greater support needs to be paid to those who fall largely outside the formal system, but who tend to have larger families and face greater difficulties in generating incomes and providing education opportunities for their children. This includes the informally employed, rural and migrant women and families, and left behind children. More attention is needed to identify how to support such groups – including those engaged in low-paid care work – and to reduce growing group and intergenerational inequalities.

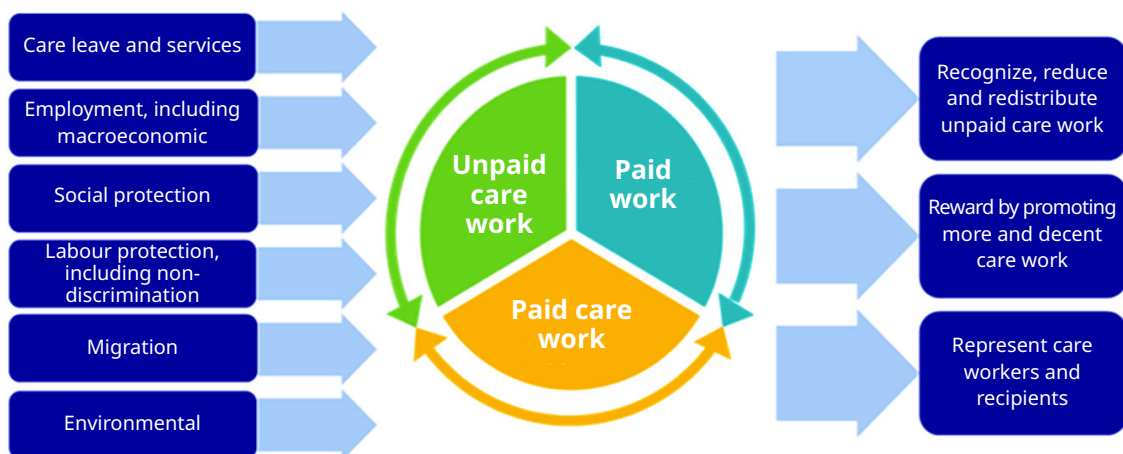
Regulating market-based provisions: The market will of course be a key element in the provision of care services. Regulation is required to ensure adequate quality, ensure affordability, and incentivize provision in less favourable locations or that reaches more marginalized populations. Marketisation of services alone will lead to the under-provision of social goods, and will exacerbate existing inequalities. Pilots may be needed to identify appropriate balance of state, market and community provision and funding given different socio-economic contexts across China.

Reducing the financial costs of children: Most of the above measures in some way aim to reduce the direct and indirect costs to women and families of childbirth and child-rearing. Families in China currently face exceptionally high costs, particularly around housing and education, but also more general increasing living costs. For young people who also face higher employment insecurity the risk of taking on such costs may be one of the reasons for delayed fertility or a deterrent to having children. Additional efforts may be needed, at a larger scale than current transfers, to reduce these costs significantly.

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A holistic and integrated approach: As international experience also suggests, there are no easy or quick fixes to trends of declining fertility which are driven by a wide range of factors. Generally, the approach will need to be holistic and comprehensive, based on an understanding of the individual choices of both women and men of reproductive age, of the structural gender and social inequalities women in particular face, of the high costs, economic and social pressures and uncertainty about the future faced by many young people. A holistic approach will need to consider diverse domains of policy including education and housing, tax and welfare, labour and employment as well as gender and other social inequalities. Addressing these challenges will require significant fiscal spending and policy leadership from central and local governments. It will also need more general social change and mobilization to recognize gender and social inequalities, to address discrimination and injustice, empower and support women in their choices around career and family, and enable a better balance of work and family life.

Figure 7-1 The 5R framework on decent care work for gender equality and social justice



Source: ILO, Decent work and the care economy, ILC.112/VI, 2024. 4

7.3 Research gaps

This paper has provided a review of many of the initiatives currently being undertaken by central and local governments in their efforts to reverse China's declining birth rates and rapid pace of aging. Given the recent policy changes and large number of local pilot initiatives, the information cannot be comprehensive or decisive. Further research is needed in a number of key areas.

Understanding impacts of current policies and pilots: Research to analyse the impact of current policy changes and related interventions, including the three child policy and associated incentives, subsidies and payments, will be needed to inform the expansion of such policies. Based on Japan's early policy and more recent experience in Korea, transfers and subsidies need to be significant in size, and quite broadly targeted, to shift fertility choices. Better information would be useful on the scale and receipt of transfers, who benefits from these subsidies, how the benefits are distributed among different income groups or regions, and what is the fiscal cost. Analysis may shed light on whether such incentives may have more impact on higher order births, that is in encouraging families with at least one child to have an additional child, rather than supporting couples to start a family. The range of local government pilots in different regions provides a potentially rich data base for analysing the impacts and learning from different pilots,

Social change, attitudes and behaviour: The Chinese context including its history of one-child policy, unbalanced sex ratios and rapid economic and social transformations, creates specific contributing factors to the speed of aging and fertility decline. However, there are many drivers of these trends that are insufficiently understood – not just in China. There is limited understanding of changing social attitudes of young people towards family formation and having children, and how this varies among different social or educational groups. In a context where child-bearing outside marriage is socially proscribed, single parenthood, or parenthood outside marriage or in non-traditional relationships or family structures, is highly constrained. Understanding changing attitudes to 'family' among young people, and enabling greater flexibility in family forms and structures, may also encourage fertility and ensure social and reproductive rights for more individuals. The impact of a highly pressured education system and of new technologies and social media, attitudes to family of the 'digital generation', and how climate change affects attitudes to the future are all issues that may require deeper understanding – both in China and elsewhere - if some of the drivers of lower fertility are to be addressed.

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Overall, then, steps can be taken urgently to expand interventions in the directions currently identified and piloted in China, though on a larger scale with more generous transfers. However, lessons from both neighbouring East Asian economies and from welfare states, all point to the limits of these limited, targeted and piecemeal measures. Above all, failing to understand the changing social demands of young people, and particularly of young women faced with multiple social and structural forms of discrimination and disadvantage in education, employment and the household, will continue as a major obstacle to change. Empowering women, reducing the trade-offs between the choices they make, and supporting families in achieving work-family life balance through a gender equitable approach, are all key elements that need to be integrated throughout multiple domains of policy and in the general approach to ensuring sustainable social reproduction and provision of care within future economic transformations.

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Appendix 1 Relevant policies

Policy	Policy	Policy goals	Year	Policy Institution
Equalization of Public Services				
	Plan for Promoting the Equalization of Basic Public Services in the 13th Five Year Plan	To enhance the basic public service system by 2020, achieving greater equality in access to education, employment, healthcare, housing, and social security, while establishing comprehensive standards, solidifying support mechanisms, and ensuring effective governance of public services across urban and rural areas.	2017	State Council
Integration of Maternity and Medical Insurance				
	Pilot Program for the Integration of Maternity Insurance and Employees' Basic Medical Insurance	The explicit goals of the policy are: 1) to initiate a pilot program by the end of June 2017 to explore a system and mechanism for merging maternity insurance and basic employee medical insurance, and 2) to implement the pilot for approximately one year.	2017	General Office of the State Council
	Opinions of the General Office of the State Council on Comprehensively Promoting the Combined Implementation of Maternity Insurance and Employee Basic Medical Insurance	The goals are to merge maternity insurance with basic medical insurance for employees by the end of 2019, ensuring unchanged maternity benefits while achieving synchronized registration, combined fund operation, unified supervision, and enhanced management efficiency.	2019	General Office of the State Council
Fertility Policies and Support (Including a Fertility-Friendly Society)				
	National Family Planning Development Plan for the 13th Five Year Plan	Maintain a total population of around 1.42 billion by 2020, with an annual natural growth rate of about 6 ‰ and a sex ratio at birth below 112, ensuring comprehensive implementation of family planning rewards and support systems, and establishing a pro natal policy environment alongside a robust maternal and child health service system.	2017	National Development and Reform Commission

	Decision on Optimizing Reproductive Policy for Long term Balanced Population Development	Establish a comprehensive support system for active childbearing by 2025, significantly reduce the costs of childbirth, upbringing, and education, and by 2035, further refine the policy and regulatory framework to achieve balanced population development, improved population structure, and enhanced family development capabilities.	2021	State Council
	Guiding Opinions on Further Improving and Implementing Positive Fertility Support Measures	Emphasise an integrated "old and young" services system and simplify birth registration plus childcare subsidy disbursement procedures.	2022	
	Several Measures on Accelerating the Improvement of the Birth Support Policy System and Promoting the Construction of a Birth Friendly Society	Establish a comprehensive fertility support policy system and create a fertility friendly society, aiming to reduce the costs of childbirth, upbringing, and education, and to promote high quality population development.	2024	The General Office of the State Council
	Notice of the General Office of the State Council on Issuing the Measures for Accelerating the Improvement of the Fertility Support Policy System and Promoting the Building of a Fertility Friendly Society	Strengthen the childcare service system. Reinforce support measures for education, housing and employment. Foster a fertility friendly social environment.	2024 10.19	State Council
Infant and Childcare Services				
	Guiding Opinions of the General Office of the State Council on Promoting the Development of Care Services for Infants and Young Children Under 3 Years of Age	Establish a foundational legal and standard framework for infant care services by 2020, with significant improvements in service quality and accessibility, and to develop a comprehensive, diversified system of infant care that meets the needs of families across urban and rural areas by 2025.	2019	General Office of the State Council

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	Building Design Code for Nurseries and Kindergartens	Update the building design code for nurseries and kindergartens to ensure the safety of children and childcare workers.	2019	Ministry of Housing and Urban Rural Development of the People's Republic of China
	Measures for the Management of Family Child Care Centers (Trial)	To regulate the development of various forms of childcare services, specifically family based childcare centers for children under 3 years old	2023	National Health Commission, Ministry of Housing and Urban Rural Development etc.
	Notice on Further Improving the Price Formation Mechanism and Supporting the Construction of an Inclusive Child Care Service System	Support the construction of inclusive childcare service systems by improving the price formation mechanism, expanding the supply of affordable childcare services, reducing the overall burden of childcare for the public, and better meeting the childcare needs of the population.	2024	National Development and Reform Commission, National Health Commission
	Implementation Program of the "14th Five Year Plan" for Positive Response to Population Ageing Project and Child Care Construction	To implement the national strategy of actively responding to population aging, promote high quality population development, improve the elderly care and childcare service system, and continuously meet the people's growing needs for a better life.	2024	National Development and Reform Commission, Ministry of Civil Affairs, National Health Commission
Tax Incentives and Deductions				
	Circular on the Establishment of a Special Additional Deduction for Individual Income Tax for the Care of Infants and Young Children Under the Age of 3 Years	To implement the "Decision of the Central Committee of the Communist Party of China and the State Council on Optimizing Fertility Policies to Promote Long Term Balanced Population Development" and to establish a special additional deduction for individual income tax for the care of infants and young children under 3 years old.	2022	State Council

Women's Development and Gender Equality				
	Equality, Development and Sharing: The Development and Progress of Women's Affairs in New China in the Past 70 Years	Enhance international awareness of China's 70 years of progress in women's causes, promote gender equality and women's comprehensive development, ensure equal civil rights and participation in social and economic development, and contribute to achieving the "two centenary goals" and the Chinese dream of national rejuvenation.	2019	State Council Information Office
	China's Women Development Program (2021-2030)	To implement gender equality as a national priority, ensuring women's equal rights in health, education, economy, politics, and social security. It seeks to enhance women's development, promote family supportive policies, foster societal values of equality, as well as strengthen legal protections.	2021	State Council
Aging Affairs and Elderly Care Services				
	Opinions on the Development and Implementation of Care Service Programs for the Elderly	Enhance the well being of the elderly by improving their happiness, ensuring minimum living security for impoverished families, promoting comprehensive support in areas such as healthcare and participation, and achieving basic direct settlement of cross provincial medical expenses by the end of 2017.	2017	General Office of the State Council
	National Plan for the Development of the Aging Career and the Construction of the Elderly Care System in the Thirteenth Five Year Plan	Significantly enhance the overall level of elderly care and social security systems by 2020, ensuring comprehensive coverage, fairness, and sustainability, with improved legal, informational, standard, and regulatory frameworks to support elderly care development and build a more friendly social environment for the aging population.	2017	State Council

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	Guiding Opinions on Launching Pilot Long Term Care Insurance System	Establish a social insurance system for long term care funding through mutual assistance, aiming to create a comprehensive insurance framework that meets diverse needs during the 14th Five Year Plan period.	2020	National Healthcare Security Administration / Ministry of Finance
	Opinions on Promoting the Healthy Development of Elderly Care Services	Promote the healthy development of elderly care and childcare services, improve people's well being, promote family harmony, cultivate new economic growth drivers, enhance the people's sense of gain, happiness, and security, and ensure that new residential areas are equipped with elderly care and childcare facilities that are planned, built, inspected, and delivered simultaneously. Additionally, to ensure that training and recuperation facilities transition to providing elderly care services by the end of 2022.	2020	General Office of the State Council
	Opinions on Strengthening Aging Work in the New Era	Strengthen elderly affairs in the new era to enhance older people's sense of gain, happiness and security.	2021	State Council
	Notice of the State Council on Issuing the 14th Five Year Plan for the Development of the National Aging Undertakings and the Elderly Care Service System	Industry integration policies: support the development of rehabilitation aids, senior tourism, age friendly retrofitting, and promote cross sector integration of elder care with culture tourism and technology.	2021	State Council

	Opinions of the CPC Central Committee and the State Council on Deepening the Reform and Development of Elderly Care Services	1. Tiered Service System: Establish a three-tier elderly care model comprising government-led basic support, market-involved universal services, and diversified high-end customized care, aiming to achieve full coverage of the elderly care service network by 2029. 2. Social Security Transfer and Continuation: Enable cross-provincial pension insurance transfer via a unified online platform, and promote integrated elderly care services in key regions such as Beijing-Tianjin-Hebei and the Yangtze River Delta. 3. Life-Cycle Policy Integration: Create a closed-loop support system linking fertility support to elderly care services, including social security coordination (e.g., medical insurance covering assisted reproduction to hospice care) and Industry synergy (e.g., aligning childcare and silver economy sectors)	2024	State Council
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Appendix 2 ILO legal indicators for China

Maternity leave											
Duration of maternity leave in national legislation	Transfer of the maternity leave period to fathers	Amount of maternity leave cash benefits (% of previous earnings)	Source of funding of maternity leave cash benefits	Ratification of Convention 183	Alignment with requirement of C183	Maternity leave cash benefits coverage for self-employed workers	Maternity leave availability for adoptive parents	Maternity leave length of protection against dismissal	Burden of proving the reasons for dismissal are not related to maternity leave	Right to return to the same or equivalent position	Prohibitions against pregnancy test in employment
14 weeks (98 days)	No	Average monthly wage of preceding year of employees of the employing unit	Social insurance only (employer liability for women who are not enrolled in in maternity insurance)		Not assessable	Yes (voluntary)	No	Pregnancy, leave, additional period	Employer not required to prove	Not guaranteed	No prohibition
Paternity leave											
Duration of paternity leave in national legislation	Amount of paternity leave cash benefits (% of previous earnings)	Source of funding of paternity leave cash benefits	Legal coverage of paternity leave for self-employed workers	Paternity leave availability for adoptive parents	Paternity leave availability for same- sex parents	Paternity leave length of protection against dismissal	Burden of proving the reasons for dismissal are not related to paternity leave	Right to return to the same or equivalent position			
-	-	-	-	-	-	-	-	-			
Parental leave											
Duration of parental leave in national legislation	Amount of parental leave cash benefits (% of previous earnings)	Source of funding of parental leave cash benefits	Legal coverage of parental leave for self-employed workers	Parental leave availability for adoptive parents	Parental leave availability for same- sex parents	Parental leave length of protection against dismissal	Burden of proving the reasons for dismissal are not related to parental leave	Right to return to the same or equivalent position			
-	-	-	-	-	-	-	-	-			
Long-term care leave						Emergency leave					
Presence of long-term care leave		Source of funding of long-term care leave cash benefits		Legal coverage of long-term care leave for self-employed workers		Presence of emergency leave in weeks		Source of funding of emergency leave cash benefits		Legal coverage of emergency leave for self-employed workers	
No		-		-		Yes paid		Employer liability		No	
Health and nursing											
Night work protection			Time off for prenatal medical examinations			Provisions on dangerous or unhealthy work			Alternatives to dangerous or unhealthy work		
Prohibition			Not provided			Prohibition (w); prohibition			No alternative		
Breastfeeding											
Entitlement to paid nursing breaks		Number of daily nursing breaks		Total daily nursing break duration		Months during which nursing breaks are allowed by law		Statutory provisions of working nursing facilities			
Paid		Not specified		60		Until the child reaches 1 year of age		Not provided			
Childcare service system (children aged 0-2 years)						Pre-primary education system (children aged 3 years and above)					
Presence of a national childcare service system	Government support	Starting age	Guaranteed hours	Presence of national pre-primary education system	Government support	Starting age	Guaranteed hours				
No	-	-	-	Yes	Universal	Age 3	Full day				
Long-term care											
Presence of long-term care service system	Family obligations to care for relatives in law	Statutory provision of in-home personal care services	Statutory provision of community day centre services	Statutory provision of residential care services	Source of funding of long-term care services	Government support for long-term care services					
No	Yes	-	-	-	-	-					
Childcare policy gap											
Starting age of free ECCE or primary education (months)	Starting age of free ECCE or primary education (years)	Childcare related paid leave reserved to households (months)	Childcare related paid leave reserved to households (years)	Childcare policy gap (months)	Childcare policy gap (years)	Childcare policy gap - full rate equivalent (months)	Childcare policy gap - full rate equivalent (years)				
36.0	3.0	3.2	0.3	32.8	2.7	36.0	3.0				

Sources: ILO 2022 and ILO, n.d.-a.

This report analyzes policy directions in the context of demographic changes in China from a gender perspective. It points out that although the government has introduced measures to encourage childbirth and alleviate parenting burdens, it has yet to adequately address the deep-seated structural challenges women face in balancing work and family responsibilities. The report emphasizes that the burden of care primarily falls on women, while social policies still exhibit shortcomings in areas such as gender equality, occupational security, and the sharing of childcare and elderly care responsibilities. It recommends that China draw on international experiences to implement systematic policy interventions that place gender equality at the core. By safeguarding women's employment rights, promoting shared parenting responsibilities between men and women, and providing flexible work arrangements, among other measures, the relationship between productive and reproductive labour can be better coordinated to more effectively respond to the socioeconomic impacts of demographic transition.

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