1. China's Declining Birthrate and Impacts - Economy

The Chinese population has been consistently declining since 2022

China's population decline (2025)- your data implies

1. **Confirmed headline trend (2025)-** China's population fell for the 4th consecutive year in 2025, down 3.39 million to 1.405 billion.
2. **Birth collapse is the primary driver-** Births fell to 7.92 million (down 17% from 9.54 million in 2024), and the crude birth rate dropped to 5.63 per 1,000—a record low in official reporting.
3. **Deaths continue to exceed births-** Deaths rose to 11.31 million, widening the natural decrease and accelerating population shrinkage.
4. **Structural, not cyclical-** The decline reflects low fertility, fewer women of child-bearing age, delayed marriage, urban cost pressures, and limited family-support systems—so one-off incentives have not been enough.

China's pronatalist pivot has underperformed

1. **Policy relaxation is necessary but insufficient-** Moving from one-child → two-child (2016) → three-child (2021) removed legal caps, but did not change underlying economic and social constraints (housing, education, childcare, job insecurity).
2. **Incentives face diminishing returns-** Subsidies and cost-reduction measures struggle because the lifetime cost of raising a child in major cities is high and opportunity costs (career penalties, time) remain large.
3. **Marriage decline matters directly-** Fewer marriages reduce first-birth formation; administrative facilitation can help at the margin, but it does not reverse broader preferences and constraints.
4. **Aging accelerates fiscal stress-** As the elderly share rises, governments face tighter budgets for long-horizon family spending because pensions/healthcare absorb more resources.

Core impacts of a sustained low-birth, aging trajectory in China

Economic growth and competitiveness

1. **Labor-supply compression-** A shrinking working-age cohort raises labor scarcity, pushes up wages, and pressures China's labor-intensive manufacturing edge; firms respond via relocation or automation.
2. **Innovation and productivity risk-** Aging can shift risk appetite and savings/investment patterns; productivity must rise faster to compensate for fewer workers.

Fiscal and welfare pressures

1. **Higher old-age dependency-** More retirees per worker strains pay-as-you-go systems and requires retirement-age reforms, higher contributions, or benefit adjustments.
2. **Healthcare load increases-** Chronic disease prevalence grows with age, expanding health expenditure needs.

Social and political economy consequences

1. **Family formation delayed-** High housing and education costs discourage second/third births; urban living intensifies this constraint.
2. **Gender imbalance legacy effects-** Past sex-ratio distortions can reduce marriage matches in some cohorts, indirectly depressing births.

India's demographic and health transition- it matters in this comparison

1. **Mortality improvements (SRS-based reporting)-** India's IMR declined from 39 (2014) to 27 (2021); NMR from 26 to 19; U5MR from 45 to 31.
2. **Sex ratio at birth improved-** From 899 (2014) to 913 (2021).
3. **Fertility nearing replacement-** Your note of TFR ~2.0 (2021) is consistent with India's broad shift toward near-replacement fertility, implying the next advantage depends less on "more births" and more on human capital + jobs + women's workforce participation.

China's demographic slowdown creates strategic opportunities for India

1) Manufacturing and supply-chain reallocation opportunity

1. China's shrinking workforce + rising wages increase incentives for global firms to diversify production bases.
2. India can position itself as an alternative for-
    1. **Labor-intensive manufacturing** (textiles, footwear, electronics assembly)
    2. **Tier-2 supplier ecosystems** that follow anchor firms
3. What India must deliver to convert the opportunity-
    1. Industrial land + logistics readiness
    2. Stable, predictable tax/regulatory regime
    3. Faster dispute resolution and contract enforcement

2) "Demographic dividend" as a geopolitical-economic lever

A younger workforce can support

1. Scale in domestic consumption
2. Export competitiveness
3. Talent pipeline for global services and emerging tech

But the dividend is conditional - Without mass job creation and skilling, the dividend can become a demographic burden (educated unemployment risk).

3) Services, talent, and innovation upside

As China ages, its economy tends to shift toward elder-care, healthcare, and higher-value production, potentially reducing the intensity of low-cost export competition in some segments. India can scale-

1. IT/ITeS + GCC ecosystem
2. health-tech, pharma manufacturing, med devices
3. education and training exports (including digital skilling platforms)

4) Strategic autonomy via resilient trade and technology ecosystems

If global firms "China+1" their supply chains, India can negotiate-

1. Better integration into trusted supply networks
2. Co-development and standards participation
3. Technology partnerships, provided India strengthens IP enforcement and R&D incentives

5) Soft power and global governance narrative

India can frame itself as

1. A large market with improving health outcomes and near-replacement fertility
2. A platform for SDG-aligned growth (health, education, decent work), reinforcing credibility in multilateral negotiations.

Way forward- India should prioritize to "cash in" on the China demographic shift

Job-rich growth strategy- prioritize sectors with high employment elasticity (manufacturing + construction + care economy).

Human capital acceleration- improve learning outcomes, technical education, apprenticeships, and on-the-job skilling.

Women's economic participation- childcare infrastructure, safety, flexible work, and anti-discrimination enforcement.

Urban reforms- rental housing, mass transit, and serviced industrial clusters to reduce migration friction.

Health system strengthening- sustain mortality declines and build preventive healthcare capacity (critical for productivity).

Conclusion

China's 2025 data confirm a deepening demographic contraction driven by low births and rising deaths, with aging now a central constraint on long-term growth. India's opportunity is real but not automatic- the "advantage" comes only if India converts its working-age scale into productive employment, competitive manufacturing ecosystems, and strong human capital anchored in SDG-aligned health and education progress.

Source- https-//www.thehindu.com/news/international/can-the-chinese-government-arrest-its-ageing-problem-explained/article70523073.ece