Consumerism and China’s One Child Policy – the second generation…

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Introduction

The Chinese government’s implementation of the one-child policy in 1979 has been the subject of many harsh stories about strict fertility restriction placed on a large population. Forced abortions, sterilizations, and other draconian measures that violate reproductive rights of Chinese people have been associated with the policy. A generation later, although the policy is still technically in place, limiting family size to one child has become more of a choice for many Chinese couples. As China has grown into the second largest global economy it can be useful to look at this policy and ask what role it has played in promoting this fast-paced development of China? What impact has this generation of “little emperors & empresses had on supporting China’s moves toward becoming a consumer society? Parents and grandparents of these only children lived through the Great Leap Forward and the Cultural Revolution, and therefore see it as imperative to provide their children with a better life than the one they experienced. Similar to parents in post-WWII America and Europe who wanted their children to benefit from the rising global economy in the 1950s & 60s, consumer behavior of China’s parent today reflect their desires to live vicariously through providing for their children the products and opportunities denied.

This new focus on the youth of China has marketing implications including the emergence of new product preferences, especially within the luxury market, and the shift from the older generation to Chinese youth as a target or advertisers. Although not addressed here, this change has further implications for issues related to social &
psychological effects of a nation of only children, resource management and the environmental impact as these only children strive to live up to their parents’ expectations.

Family is the institution most closely associated with traditional Chinese culture. Ancestor worship so ancient in practice that it has no formal religious name defined the foundations of China’s well known Confucian cannon and statecraft. The intervention of the state into the lives of the Chinese people down to the natural agricultural village became the hallmark of the revolution led by Mao and the CCP in mid-20th century. Implementation of the one-child policy in 1979 took that a step further into the bedrooms and was done with the intention of slowing down population growth in the hope of putting the country on the fast track to becoming a first World nation. Although there have been several changes made to the one-child policy since its implementation, the Chinese government is still devoted to controlling keeping it at 1.3 billion people, or 20% of the world’s total population and the government has pledged to keep the population under 1.45 billion in 2020” (Hamayoun 1).

This fertility transition succeeded in speeding up the rate of modernization in China by restricting the number of children per family. Instead of large families investing portions of their income in each child, the policy ensured that families would invest heavily in their single child so they would attain “first world living standards and educational opportunities” (Fong(a) 3). These “singletons” of China were dubbed “Little Emperors and Empresses” because of the large portion of time and money their parents bestowed onto them. As the middle class continues to grow in China, more and more families are able to provide their only children with the luxuries that they themselves did not have as children.
Nutritionally, singletons are provided higher quality food than the other family members to ensure health and provide them the necessary energy for schoolwork. Basically anything that a parent can do (within reason) to give the child “comfort and peace of mind” is thought to improve their academic performance; therefore child-driven consumption is a main factor in purchasing patterns (Fong(a) 3).

Child-driven consumption is not only prominent within nuclear Chinese families but also carries over to extended family members as well. Singletons are also the apple of their grandparents’ eyes since that child may be the only grandchild in their family. The “Six Hands One Pocket” idea refers to the phenomenon of both sets of grandparents and parents all contributing to the single child’s financial needs. This is also referred to as the 4:2:1 (4 grandparents, 2 parents, and 1 child) ratio and reflects a dependence of the older generation on the singleton and vice versa. While the singleton is the focus of attention and financial assistance while he or she is a young adult, once the grandparents and parents begin to age the burden will fall on the single child to support the elder generation. Thus the educational system in China emphasizes the importance of academic success in order to achieve financial wealth that will provide for the elder generation.

Singletons face intense pressure from their parents and competition from their fellow students educationally and in the job market. Therefore, parents invest large portions of their salary in education in order to ensure the success of their children. As it was in traditional China, it is still largely accepted that academic achievement is the main route to wealth. Children are mandated to attend school from age 7 to 15. At age 15, students must take a high school entrance exam to determine whether or not they will be admitted to further education. High school is seen as a privilege in China and only those with the highest scores
attend. Those who fail receive some form of “on-the-job training in various vocational occupations” (Phelps 233). “Pressure to perform starts at an early age and is unrelenting” (Phelps 234).

After completing high school, a student’s scholastic aptitude is tested in a college entrance exam determines which college that student can enter based on academic performance. There is a common saying in China that the college entrance exam "reshapes one's fate" (Jing 1). In such a competitive environment, above average exam scores are viewed as a key to success. A high score on the exam means acceptance to a high ranked university and then the attainment of a well paying job (Jianxiong 1). In 2010, the Ministry of Education in China reported that while 9.57 million Chinese students applied to take the college entrance exam, only 68% of them were able to enter college (“China Tightens Security…”).

Since scores determine the university you will attend they also plays a key role in your future success and social status. The concept of “face” in China is used to express one’s dignity or prestige. Since Chinese children are used as a vehicle for acquiring “face,” they are often given an excess of resources in order to elevate the status of the entire family. As the child’s successes help to boost the family’s status, the child’s failures cause the family a loss of “face.” Chinese people value status more than Western cultures. Students’ high achievement on the college entrance exam will boost their family’s status and cause them to gain “face” in the community. Some high school students are not only expected to do well on the college entrance exam but also pressured by their families to get into a certain university. Money for tutors is provided to help assure that this happens. It is so competitive
and fear of failing is so great, some students and parents hire others to take the test in their place.

In recent years, students who fail to get into Chinese universities, look for opportunities to study overseas. For example, international students contributed $20 billion to the US economy last year with the number of international students rising 4.7% since last year to a total of more than 750,000. China, the top country of origin - sent 157,588 undergraduates and graduates to American universities - a rise of 23% since last year. Much of this money is supplied by Chinese families eager to have their only child become an academic and therefore a financial success. Kansas State provost Duane Nellis commented, "There is a whole emerging middle class of Chinese, well over 300 million, many of them with one child families who are interested in sending their son or daughter abroad with higher educational experience" (“Chinese Students…”).

The financial burden to finance a child’s study abroad is especially costly due to visa requirements and the currency exchange rates between the Yuan and the US dollar. However, study abroad is not only favored for its educational value but also because it elevates the status of the child and the family. In 2001, Harvard Girl, a book written by a set of parents details the upbringing up their daughter and how they prepared her to be accepted at Harvard University …it sold 1 million copies and launched a spurt of titles on how to get singletons into Ivy League schools in the United States.

Chinese children are not as culturally bound to traditions as their parents and have an ever-growing desire to experience and acquire a Western lifestyle. This cultural divide causes anxiety amongst Chinese parents who want their students to study abroad to enhance their marketability for employment but do not want their children to adopt Western values or
ways of life. A more serious concern for Chinese parents is the fear that their child will become involved in a romantic relationship abroad which will discourage him/her from returning to China. Chinese parents whose only children reside outside of China fear that their son or daughter will abandon their responsibilities and dread that their investment will be wasted and they will be deprived of the financial support and care they will need as they age. The continued expansion of economic opportunities in China is the biggest hedge against this happening; more Chinese students educated outside of China are returning home to pursue their careers.

A 2004 study in China estimated that “nationally a total of nearly 40% of a typical family’s income was spent on its children” (Croll 174). Beyond the consumption of family income on the singleton’s education, other spending on children has become a vehicle for demonstrating the wealth and status of the family. Maslow’s Hierarchy of Needs places self-actualization (the need for development, creativity, and achievement) at the top of the pyramid for Western consumers. However, for the Asian consumer, their focus is on the second tier from the top of the pyramid, the need for social status. A study in Hong Kong reported that “70% of respondents indicated that earning a great deal of money and acquiring luxury goods were among the most important goals in life” (Schütte and Ciarlante 101). Conspicuous consumption, or the purchase of consumer goods that provide visible evidence of one’s ability to afford luxury goods, is particularly prominent in China where members of a large population are competing for elevated status. The importance of gaining social recognition is especially important in collectivist societies because the challenge of “standing out” is more difficult.
China, as a collectivistic culture, places greater emphasis on shame and honor than individualist cultures. As already indicated, losing face can come from the failure to reach one’s goals, revelation of personal inadequacy, and any kind of damaged relationship, including familial or business relationships (Rosenburg 1). Status gives someone “face” while losing status causes a loss of “face” at the same time. Chinese parents can obtain status through their children, and thus strive to provide them with the resources they need to succeed in all aspects of life from education to social relationships. In these circumstances, the symbols of status become very important.

In the late 1800s American philosopher Charles Peirce developed the idea that when deciding to buy a product, the key to the consumer’s purchase decision is that of symbolism. Symbolism in this context is defined as what the product means to the purchaser and to other people. Symbolism can also be placed under the umbrella of semiotics, or the study of the correspondence between signs and symbols and their roles in how we assign meanings. Semiotics gives insight into consumer behavior because it uses products to express social identities (Solomon 77). When consumers buy a product, the appeal of that product is intensified by its associated symbolism. Whether it be a brand name or how a product is tied to a particular icon the value of certain products is derived from their symbolism.

Young Chinese singletons as consumers provide many opportunities for global marketers because they have the opportunity to assign learned meanings to their products. The French jeweler, Cartier, had tremendous success in China marketing its “Love” series of bracelets and rings to young female professionals. Cartier strategically associated the symbol of love with their products, attracting young professional consumers who will probably be brand loyal to Cartier for the rest of their lives.
A study on Chinese consumer behavior indicated that “younger consumers are more likely to seek advertised and brand name products but that older consumers are more likely to pursue practical aspects of consumer products and ignore the advertisement and brand names” (Li and Xiao 44). Singletons have grown up driving consumption within their families and as they age they will continue to embrace their role as consumers.

By targeting the younger generations, marketers hope to take advantage of “circle marketing.” Groups of young people congregate in circles of friends, classmates, or neighbors and each circle contains one or few opinion leaders. A purchase by an opinion leader influences the consumer behavior of the entire group (Thorniley 24). Circle marketing is extremely effective in China because young people are greatly influenced by their peers. This tendency is especially severe in a collectivist society where conformity is the cultural norm and thus widely accepted. Getting the daily deal that depends on having a certain number of your friends to also partake in the discounted item is much easier in the Chinese context.

Today in China, young people seem to have an obsession with designer labels and foreign brands. One example of this is apparent in China’s $3.8bn watch market “which is almost completely dominated by the luxury brand, Swatch Group” (Gleeson 1). Young singletons are so infatuated with the Swatch brand that “Swatch” has become a popular name amongst young Chinese girls when assigning themselves an “English” name. Even though luxury products such as Swatch watches place a financial strain on Chinese parents, they buy these goods for their children not only to elevate their status but also to compensate for their inability to express themselves through fashion when they were adolescents.
Rural women in China suffered most in the early years of the One-child policy. In rural areas boys are still valued more highly than girls because of their ability to perform manual labor and carry on the family name. As a result female infanticide and sex selective abortion were common practices that resulted in a skewed ratios of males to females. Today, on average China has a male to female ratio of 117 to 100; however in some rural areas the ratio is 144 to 100 (“China Battles ‘Gendercide’”).

In response to the adverse impact on women and to address the gender imbalance, the government issued a campaign entitled “Care for Girls” to change the society’s view of females by demanding respect for girls. Government propaganda urging citizens to value their female children just as much as male children was plastered on billboards throughout rural China. One such billboard simply stated, “Love your girl children” (Gifford 229). The effectiveness of the campaign has been more apparent throughout recent years.

Today the benefits to the female population of the one-child policy in China outweigh the negatives. Western influence and the one-child policy have weakened gender inequality and male dominance as women increasingly make important decisions about the household and the education of the children giving women more influence in household decisions. One survey of Chinese families with a singleton found that children influenced 68% of all household purchase decisions compared with 45% in the United States (Croll 199). Mothers have traditionally been in charge of family purchases such as household needs, children’s tuition and activities, while husbands are left to make decisions on bigger purchases such as cars, homes, and insurance plans. “Over 60% of housewives control the family budget” and the majority of that budget is put toward the child (Schütte and Ciarlante 52). Moreover, the one-child policy has elevated the status of women because, with fewer children to care for,
women have more time to take on roles outside the home. The integration of women in the work place has created a more egalitarian relationship between men and women in urban China. (*Women, the Family, and Policy: A Global Perspective* Chow and Berheide 78)

Parents are most concerned with their child’s ability to support them when they are too old to support themselves. Prior to the one-child policy it was unheard of that a daughter would be able to fulfill her filial obligation of supporting both her parents. However, now with a greater proportion of women in the workplace, Chinese parents have fewer gender biases against daughters. Both sons and daughters are capable of financially providing for elderly parents. In the early 2000s, “85% of urban mothers worked outside of the home” and this percentage will undoubtedly continue to increase as China comes closer to gender parity (McNeal and Chyon-Hwa(b) 544).

In addition to empowering mothers in consumer decisions, the one-child policy has also empowered Chinese daughters. In previous generations, parents were unaware of the potential for daughters to be successful and thus “were reluctant to spend money on daughters’ education” (Fong(b) 1103). Spending money on a daughter’s education seemed like a bad investment for parents especially when they had sons who were perceived as more “filial and worthy of parental investments” (Fong(b) 1103). The one-child policy eliminated the presence of brothers for parents to favor and provided daughters with the resources necessary for success. Chinese parents also note that females have multiple routes to upward mobility, “if she falls short of family background, career success, or educational attainment, a woman can compensate with a pleasant personality, physical attractiveness, and the ability to do housework” (Fong(b) 1104). While men can compensate based on these qualities as well, it is not to the extent that women can.
Growing consumption in China has resulted in an increased amount of waste. As Chinese people become more financially secure they are able to purchase more goods, which has in turn increased the amount of trash generated by Chinese citizens. The one-child policy adds to this problem because children are brought up as consumers from a young age. Therefore, they are accustomed to buying goods more frequently.

The one-child policy has helped increased average disposable household income and also unleashed new consumer demands. “In 1985 average annual household income in China was $293; in 2006 the average income was $2,025”, and in 2009, it was $5,344 (China Data…). Since Chinese consumers have higher incomes, they now demand better quality food, toys, educational equipment and clothing for their children. They seek the best possible products for the development and achievement of their only child.

The baby food market expanded greatly in the mid 2000s when Chinese consumers began to see the importance of balanced diets for their toddlers in their crucial growing years. Analysts are now predicting that in the upcoming years the diaper industry in China will see drastic growth. Western companies such as Kimberly-Clark are already expecting increases in the use of disposable diapers in China and have begun to target the Chinese market. Their Huggies diapers which cost $28.30 for a 48 pack are significantly more expensive, compared to the $2.17 open-seat reusable pants that Chinese consumers are currently using (Chen 2).

Not only does China have the largest population in the world but it also has the largest population of children in the world (300 million under the age of 15), and therefore the most potential consumers of any nation (McNeal and Chyon-Hwa(b) 542). An interview with a Chinese mother who spends 50% of her disposable income on her five-month-old son
revealed, “My baby is so important to me, he is the most worthwhile cause for me to spend my money on” (Chen 2). This mentality is prevalent throughout China as parents seek the highest quality standard of living for their singletons. In a study of Beijing families with only one child, results showed that annually an average of one month’s salary was spent solely on children’s toys (Shao and Herbig 18). Parents who have more discretionary income than ever before are committed to giving their singletons everything they can afford. While companies that sell baby goods target Chinese parents and grandparents, other industries directly advertise to Chinese children who greatly contribute to the purchasing decisions of their parents. Also Chinese children are extremely active in media outlets such as the Internet and television. The greater exposure of these children to media allows advertisers more face time with the child in order to sell their brand.

Television advertisements reflect the power shift from the older generation to the younger generation. Popular ads show little emperors demanding products from their submissive parents which have aggravated traditional Chinese customs of respecting elders (Valero 2). Traditionally, Chinese society has accepted that power is distributed unequally and that less powerful members of organizations accept and expect the inequality. In a comparative study of Chinese and American television advertisements, found that American commercials displayed a higher level of power distance by using adults as spokespersons for products. In China, however, a result attributed to the one-child policy showed that China has moved away from its traditional values of respecting older people as authority figures and has shifted more focus to the fulfillment of the single child’s needs (Ji and McNeal 89). Ironically, this has not gone unnoticed by the government censors who have final approval on commercials. Advertisements that target children are discouraged from portraying adults
as powerless to their demanding singletons. Nevertheless, this increased power of singletons to influence consumption is likely to lead to intergenerational conflicts and interfere with the transference of “Confucian values” in a market socialist state.

Environmentally, China has surpassed the US as the world’s biggest “consumer of energy and emitter of greenhouse gases” (Oster 20). Rising household incomes has meant the steady rise in the number of cars sold in China each year. As environmentally significant as this is [and not unrelated to the one child policy], the greater environmental impact of the policy may be on the rise of the “disposable” consumables that comes with the focus on a single child. Marketers of diapers are currently trying to convince Chinese parents that they should be using disposable diapers as opposed to reusable open-seat pants. If successful, there will be an immense environmental impact due to the growing diaper industry within China. It is estimated that “27.4 billion disposable diapers are used each year within the United States which translates into more than 3.4 million tons of waste dumped into landfills” (Paul 1). Within the United States there are only approximately 4 million births per year, compared to China with 27 million babies being born annually. Therefore, the amount of diapers used within China and the waste generated from those diapers will far exceed that of the United States.

Conclusion

By restricting its population to only having one child per family, the Chinese government has altered the way its people behave as consumers. The one-child policy increased the amount of disposable income for Chinese families and ensured that a family’s resources would be focused on a sole offspring instead of many. While China’s singletons enjoy the great luxuries of being only children, they are also expected to repay their parents
later in life as part of the Confucian value of filial piety. The dependence of the older
generation on the younger generation and the intense competitive environment of singletons
have resulted in a change in consumer behavior within China. This change is mainly apparent
in the amount of money parents spend and where they spend that money to ensure the
success of their children. This focus of resources is particularly concentrated on the
enhancement of educational opportunities for China’s Little Emperors.

China is a unique opportunity for marketers because of its vast population; companies
are flooding into China with the hopes of attracting singletons from a young age. Chinese
children are more active in media outlets than their parents and have an immense power over
their family’s purchase decisions. China represents an opportunity for companies to spread
brand awareness and lock in brand loyalty from a young age.

The growing presence of Western influences and the expanding power of Chinese
children as consumers have led to intergenerational conflicts that will intensify as time goes
on. The one-child policy has created a society that is focused on providing an excess of
resources to single children and, as a result, has moved away from its traditional values.
Also, the policy allows for Chinese citizens to be more financially secure than ever before
and therefore they are able to purchase more than any other previous generation. As a result,
China has experienced rapid economic growth that is coupled with the need for the
government to take action on several key issues.

As the most populated nation in the World, China has a social responsibility to
change public policy in regards to the educational system and the environment. The
government established the one-child policy to provide a better life for its citizens and now
they need to maintain the same goal and restructure their educational system. Instead of using
one standardized test to determine a child’s future, there should be a variety of ways to test a person’s intelligence. This type of change would foster creativity and experimentation amongst China’s youth and increase their value as World citizens.

In terms of the environment, China is endangering its population by exposing them to the current levels of pollution in several major cities. In its pursuit of economic growth, the government has lost track of the initial intentions of the one-child policy, to provide a first World lifestyle for single children. The environmental state in China continues to worsen as the government fails to take aggressive actions that would require sacrificing productivity and profit. However, as the Chinese government faces increased levels of pressure both internally and externally, they will be more inclined to fulfill their social responsibility.

In conclusion, the one-child policy altered numerous aspects of Chinese culture. As the population of singletons grows up, more and more effects of the policy will become apparent. There is a current need for the government to adapt to meet the needs of singletons as time progresses. This way, the government will be able to counteract or decrease the policy’s negative side effects. In addition, the government should pay attention to the effects of the policy to determine whether the pros outweigh the cons. The utility of this type of evaluation will be vital in regards to future decisions regarding the lengthening of China’s one-child policy.
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