Macroeconomic Policy Synergy and the Pursuit of High-Quality Full Employment

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Abstract: *Full employment and economic growth are the two core objectives of macroeconomic regulation. While economic growth typically drives job creation, its employment elasticity tends to decline as the level of economic development rises and industrial structures upgrade. International experience reveals that prioritizing growth versus employment stabilization leads to distinct policy paths and outcomes; indeed, several economies experienced jobless recoveries following the global financial crisis. Meanwhile, international explorations of new policy instruments such as nominal GDP targeting offer new perspectives on balancing economic growth with employment improvements. Currently, China's sources of job creation are becoming increasingly diversified, and the platform economy is developing rapidly. Against the backdrop of insufficient domestic demand and the disruptive shocks of artificial intelligence, there is an urgent need to enhance the consistency of macroeconomic policy orientation. To this end, China should strengthen macroeconomic policy synergy, adhere to an employment-first principle, and bolster demand-side management to expand domestic demand. Furthermore, it is essential to align industrial progress with job creation through "tech-for-good" initiatives, improve the coordination mechanism between fiscal, monetary, and industrial policies, and provide a solid safety net for key target groups to achieve high-quality full employment.*

Keywords: *High-quality full employment; Consistency of macro policy orientation; Jobless recovery; Nominal GDP targeting*

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1. Introduction

Employment is the fundamental variable underpinning economic and social stability. It is more than just a byproduct of economic growth; it is the vital link that connects production, income distribution, and social cohesion. Economic growth provides the material foundation for job creation by driving demand, incentivizing investment, and expanding production capacity. Conversely, a stable and improving job market feeds back into the economy by anchoring income

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expectations, sustaining consumption, and fostering human capital. From a historical perspective, economic growth and employment expansion have moved in lockstep, serving as the twin pillars of macroeconomic regulation. However, as development stages shift and technological landscapes evolve, the mechanisms connecting the two are undergoing a profound transformation. The traditional logic that growth automatically drives employment no longer holds (Chen, 2026), and employment challenges have become significantly more complex.

In policy terms, achieving high-quality full employment is not something that happens because of a single measure; it requires a suite of macro policies pulling in the same direction. While economic growth creates the basic conditions for generating new jobs, the actual number and types of work positions depend heavily on the growth pattern, the structure of demand, and the specific technological path being followed. Fiscal, monetary, and industrial policies are the primary levers that control aggregate demand, thus guiding resources and market expectations that define the employment configuration. When these macro policies are not properly coordinated, targeted efforts to stabilize the labor market often fall short, undermined by weak demand, structural mismatches, or shaky expectations. Often, the real problem is not related to a specific employment policy but to a fundamental lack of synergy across the policy framework.

There is a present and pressing need to prioritize consistency across macroeconomic policies that affect the labor market. First, the entities responsible for creating jobs have become increasingly diverse, which has significantly broadened the range of policy areas that impact the labor market. Consequently, employment stability now depends more than ever on how effectively different policy objectives are harmonized. Second, in an environment of weak domestic demand, the willingness and capacity of companies to hire are naturally restricted, making the labor market even more sensitive to the overall macroeconomic stance. If fiscal, monetary, and industrial policies pursue separate goals, the net effect of the policy mix is easily diluted, potentially amplifying employment risks during economic fluctuations. At the same time, the rapid pace of technological progress, particularly in artificial intelligence, has added new pressure on the job market. Encouraging innovation and maintaining employment stability are no longer two separate issues; instead, they require a unified direction across industrial, employment, and even education and social security policies. Without this shared orientation, different policies may end up working in opposing directions, further deepening structural mismatches. Employment stability can no longer be achieved through internal labor market adjustments alone; it has become a barometer of overall macroeconomic health, showing whether macro policies are moving in harmony. In recent years, China has introduced a series of important policy documents, including the *14th Five-Year Plan for Employment Promotion* and the *Outline of the 15th Five-Year Plan (2026-2030) for National Economic and Social Development.* These documents have underscored the importance of prioritizing employment in macroeconomic regulation and enhancing both the consistency and effectiveness of macro policy orientation, providing an important policy backdrop for the present study.

From a theoretical standpoint, the literature in development economics regarding labor allocation during industrial restructuring, combined with modern labor-market theories focused on matching and frictions, offers a comprehensive picture of employment dynamics. However, given

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the current reality of deep structural adjustments, rapid technological shifts, and the diversification of labor supply and demand conditions, there is an urgent need to reframe the promotion of high-quality full employment within the analytical framework of macroeconomic policy synergy. The new macroeconomic policy framework that integrates stabilization, growth, and structural policies provides crucial theoretical support for ensuring macro-policy consistency (Chen, 2022, 2024) and is particularly applicable within the context of the slowing potential growth rate. Enhancing the coordination of macroeconomic policies to promote high-quality full employment has become an urgent priority for stabilizing both employment and the economy.

2. Economic Growth and Employment Expansion

Economic growth and employment expansion are interdependent and mutually reinforcing, but the roles they play may be different at different development stages (Du, 2024). On the one hand, slower economic growth and faster structural adjustment mean that growth no longer pushes employment forward as before. On the other hand, demographic shifts, rapid technological progress, and changes in industrial patterns have reshaped the mechanisms through which jobs are created. In this context, simply judging the employment situation by growth indicators, or treating employment improvements as a natural byproduct of growth, no longer reflects how the economy operates. Therefore, to lay the foundation for better balancing growth and employment at the current stage, it is necessary to understand the internal logic between economic growth and employment expansion from two perspectives: the historical evolution of development stages and the relevant theoretical analysis.

2.1 Stage-Specific Features in the Relationship Between Economic Growth and Employment Expansion

From a historical perspective, the relationship between economic growth and employment expansion has undergone continuous recalibration alongside shifts in development stages. Each distinct phase has introduced significant variations in growth-driving mechanisms, industrial configurations, and labor supply-and-demand dynamics. Thus, the intrinsic connection between economic growth and employment expansion can only be fully understood when evaluated within their specific developmental context.

During the early stages of industrialization, economic growth and employment expansion exhibited a tight, highly positive correlation. As the traditional agricultural economy transitioned toward an industrial one, machinery operated primarily in an auxiliary capacity, exerting a limited substitution effect on labor. Consequently, expanding production scales translated directly into a multiplied influx of human labor. The mushrooming of each new factory directly implied the creation of thousands of manufacturing jobs. Surplus labor migrated from traditional agricultural sectors, where marginal productivity was nearly zero, into the emerging modern industrial sector, offering an ample labor supply to propel industrial advancement (Lewis, 1954; Ranis & Fei, 1961). Throughout this period, employment elasticity remained at a historical apex, rendering job expansion an inherent by-product of economic growth. It can even be argued that the massive injection of low-cost labor provided the very backbone for the rapid economic growth during this

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period of capital accumulation. The primary employment challenge in this specific phase was how to facilitate the transfer of the rural workforce.

At the middle stage of industrialization, the relationship between economic growth and employment expansion underwent a pivotal shift. On the one hand, the growth paradigm transitioned from extensive to intensive expansion, with technological progress increasingly anchoring economic momentum. As the value-added share of capital- and technology-intensive industries in GDP increased, the labor input required per unit of output steadily diminished, dragging the employment elasticity coefficient onto a downward trajectory. Consequently, despite the continuous expansion of the aggregate economy, the pace of job creation decelerated. On the other hand, the service sector gradually emerged as a major reservoir for labor absorption, thereby mitigating the impact of manufacturing's declining employment capacity. Along this process, the labor market experienced a structural bifurcation: labor-intensive legacy industries suffered acute pressures from overcapacity and downsizing, whereas emerging sectors and modern services witnessed an escalation in demand for high-skilled labor. The employment challenge in this era was characterized by structural employment contradictions with an emerging mismatch between the domestic labor supply and the shifting requirements of industrial upgrading.

During the late stage of industrialization, the linkage between economic growth and employment expansion loosened further, resulting in a perennially depressed employment elasticity. Technological innovation has become the core engine of growth. As intelligent technologies achieve widespread penetration, the substitution effect of automation for human labor intensified dramatically. This led to a severe contraction in the manufacturing sector's capacity for labor absorption, even giving rise to what Rodrik (2016) calls "premature deindustrialization". The traditional dynamic between growth and employment was fundamentally reversed. High macroeconomic growth coexisted with sluggish job creation or even employment contraction. This divergence took place because core value creation increasingly originated from innovations secured behind steep technical barriers, rather than from large-scale, labor-intensive cooperation. Furthermore, while the service sector served as an employment reservoir and the primary anchor for the workforce, its internal labor structure experienced significant segmentation. Modern, knowledge-intensive services created new jobs for highly skilled professionals, offering job stability and premium compensation. Conversely, consumer-oriented services, despite generating a vast volume of job openings, were plagued by endemic instability and depressed wages, exposing a stark disparity in employment quality.

The brief synthesis presented above offers insights into the evolving relationship between economic growth and employment expansion. First, whether economic growth catalyzes employment expansion depends on the underlying growth paradigm rather than the absolute growth velocity. During early industrialization, characterized by relatively homogeneous growth patterns, scaling up production directly generated substantial labor demand. Conversely, in the middle and late stages of industrialization, economic momentum derived primarily from efficiency gains and technological innovation. In the absence of adaptive institutional recalibrations, such growth often did not result in commensurate job gains. This demonstrates that the alignment between economic growth and job creation is inherently unstable across different developmental

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stages. Consequently, diagnosing labor market health solely through the prism of GDP growth rates, while ignoring structural growth modes, inevitably induces cognitive biases. Second, full employment undergoes a fundamental redefinition as an economy matures. In the initial phase of industrialization, full employment objectives focused on absorbing surplus labor into the formal production apparatus, meaning that employment challenges were quantitative in nature. Further industrial development gives rise to structural employment contradictions, characterized by a qualitative mismatch between the skill sets of the workforce and the evolving qualification prerequisites of modern occupations. Under these conditions, even a stable macroeconomic growth trajectory cannot insulate a nation from structural underemployment and deteriorating job quality, both of which demand targeted interventions at the institutional level. The shifting dynamic between growth and employment dictates a timely realignment of macroeconomic policies. In early industrialization, positioning economic growth as the primary policy anchor successfully created a parallel expansion in employment. In the middle and late stages, however, relying strictly on economic growth as a panacea for labor market challenges yielded diminishing results. Therefore, achieving full employment should transition from being treated as an automatic byproduct of economic expansion to being elevated as an explicitly targeted policy objective.

Overall, analyzing the relationship between economic growth and employment expansion from a development-stage perspective helps clarify a fundamental understanding: economic growth has always been an important foundation for employment expansion, but as economic development evolves, its mode of action and realization pathways constantly change. How to make economic growth serve the goal of full employment more effectively while respecting the laws of development remains a core issue that must be continually addressed in socioeconomic development.

2.2 Theoretical Connections Between Economic Growth and Employment Expansion

The linkage between economic growth and employment expansion has long been a core concern of economics, yet a definitive consensus remains elusive. Broadly speaking, the literature is divided into two doctrinal camps. The first maintains a sanguine outlook on the employment-generating capacity of economic expansion, asserting that growth inherently fosters job creation by scaling up the aggregate economy and stimulating total demand. The second camp adopts a more tempered posture, underscoring that economic growth does not automatically translate into employment gains, because employment elasticity hinges upon specific growth paradigms, technological trajectories, and structural contingencies. This divergence does not stem from theoretical opposition, but rather from different theories emphasizing different key constraints in real-world economic operations, and mirrors the complexity of the growth-employment nexus across diverse development stages and economic contexts.

One line of thinking explains the impact of economic growth on employment from the perspective of expanding aggregate demand and improving overall macroeconomic performance. From this perspective, economic growth means higher output and rising market demand; to meet this demand, firms expand production, increase their use of labor, and unemployment falls as a result. Okun's Law (Okun, 1962) was put forward precisely in this context. Its core point is not

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to establish a precise quantitative relationship between growth and unemployment, but to reveal a relatively stable association between the two. Subsequent research, however, has shown that the coefficient linking growth and unemployment in Okun's Law differs across countries, development stages, and policy environments, and can even vary over time within the same country (Porras-Arena & Martín-Román, 2023). This indicates that the employment effect of growth is not static; it depends strongly on labor market institutions, macroeconomic policy, and the actual structure of the economy. This provides important evidence for understanding why economic growth does not necessarily and automatically create more jobs. Likewise, the early Phillips Curve (Phillips, 1958), which describes the relationship between unemployment and the strength of macroeconomic activity, also seemed to support the view that better overall economic performance is favorable to employment expansion. Its failure during the stagflation of the 1970s, however, further shows that the links among macroeconomic variables are highly context dependent. These theories mostly took shape during a period of advancing industrialization, when productive capacity had not yet been fully used and the demand for labor was relatively elastic. What they have in common is an emphasis on how economic growth, by enlarging the overall scale of economic activity, tends to create a more favorable environment for employment.

Another line of thinking has taken shape amid rapid structural change and accelerating technological progress. These theories do not deny the importance of economic growth but emphasize that its impact on employment is clearly conditional. Neoclassical growth theory holds that long-term growth is driven by technological progress (Solow, 1956). However, such progress is not necessarily neutral across different skill and task groups. Theories of skill-biased and task-biased technological change argue that new technologies tend to substitute workers engaged in routine tasks (Acemoglu, 2002; Autor et al., 2003), thereby weakening the employment-enhancing effect of economic growth. Development economics further stresses that economic growth is typically accompanied by changes in the industrial structure, and that sectors differ markedly in their capacity to absorb labor (Lewis, 1954; Kuznets, 1966). When growth is concentrated primarily in capital- and technology-intensive sectors, employment elasticity may decline, leading to a decoupling between output growth and employment expansion. Modern labor market theory adds that unemployment stems not only from insufficient demand, but also from matching frictions and incomplete information (Diamond, 1982; Mortensen & Pissarides, 1994). Even when growth generates additional labor demand, employment gains may still be constrained if the skill composition or geographic distribution of workers diverges from the requirements of newly created jobs, hence reducing matching efficiency. Despite their different angles, these theories converge on a common insight: the conversion of economic growth into employment, rather than being determined solely by the pace of growth, is jointly shaped by the institutional environment, structural conditions, and policy arrangements. Most of these theoretical contributions emerged in the middle and later stages of industrialization and shared a central concern with uncovering the mechanisms through which economic growth fails to automatically resolve employment problems.

Overall, the optimistic and cautious theoretical approaches are not simply opposed to each other; rather, they reveal different facets of the boundary conditions governing the relationship between economic growth and employment. The optimistic view highlights that growth provides

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the macroeconomic conditions needed for job creation, while the cautious view reminds us that these conditions do not guarantee actual outcomes. As economies move to higher stages of development and both the mode and structure of growth keep changing, the cautious perspective has become increasingly important for explaining real-world employment issues. Notably, the theories and empirical evidence discussed above jointly demonstrate that growth can be effectively turned into broad-based employment gains only when macroeconomic policy and institutional arrangements manage to improve the conversion mechanism from growth to job creation. This implies that employment expansion can no longer be treated as the automatic byproduct of growth. Instead, both theory and policy need to focus more closely on how growth is transformed into better employment outcomes. It is in this sense that placing the relationship between economic growth and employment expansion within a more integrated theoretical framework has become an inevitable choice for contemporary economic analysis.

2.3 Analytical Framework of Macroeconomic Policy Synergy and High-Quality Full Employment

Building on the preceding analysis of the stage-specific features and theoretical connections between economic growth and employment expansion, it becomes clear that the stable expansion of employment does not depend solely on economic growth itself, but rather on the ways in which the system of macroeconomic policies drives the conversion from growth to employment. Therefore, the consistency of macro policy orientation must be clearly defined as the logical foundation for the subsequent analysis. In this paper, the consistency of macro policy orientation refers to the alignment of different macroeconomic policies around common objectives, instruments, and implementation mechanisms, so that their effects are mutually reinforcing. This paper further characterizes how macroeconomic policy influences employment from the perspective of policy synergy and constructs an analytical framework shown schematically in Figure 1.

We take macroeconomic policy synergy as the starting point of the analytical framework and decompose it into three interrelated dimensions. The first dimension is policy goal consistency, referring to the alignment of different policies around common objectives. This is reflected in a shared orientation toward core goals such as stabilizing growth, employment, and expectations, while avoiding conflicts among objectives and deviations in policy direction. The second is synergy of policy effects, that is, whether the combined outcomes of different policies reinforce one another after implementation, avoiding contractionary overlaps or the fallacy of composition, so that the overall policy mix generates a coherent, cumulative impact. The third is coordination of policy mechanisms, which concerns the alignment of implementation rhythms, the linkage of instruments, and collaboration in execution. This includes coordination of the timing of policy announcements, the interaction among policy tools, and joint implementation across government agencies. These three dimensions capture the internal requirements of macroeconomic policy synergy in terms of direction, outcomes, and process, respectively, and jointly determine the effectiveness of the policy system.

When macroeconomic policies are effectively coordinated, their impact on employment is realized through changes in the broader macroeconomic environment. This process is reflected

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through three aspects: (1) aggregate demand environment, namely whether policy coordination can generate a combined expansionary effect that supports synchronized growth in enterprise output and labor demand; (2) market expectations, that is, whether policy orientations remain stable and broadly consistent, so that firms and households gain greater confidence in future economic conditions and are therefore more willing to make forward-looking investment and hiring decisions; (3) environment for structural adjustment, namely whether policies, while promoting economic growth, also direct resources toward sectors with stronger employment absorption capacity and higher value added, thereby helping ease structural tensions in the labor market.

Under the combined influence of these macroeconomic conditions, the ultimate impact on employment outcomes takes shape. The higher the degree of macro-policy coordination, the more likely it is to create a virtuous cycle of demand expansion, improved expectations, and structural optimization by enhancing the aggregate demand environment, stabilizing market expectations, and optimizing structural adjustment paths, thereby achieving both an expansion in overall employment and an improvement in job quality. Conversely, when policy orientations are not correctly aligned, different policy measures may offset one another or even produce compounded contractionary effects, weakening the impetus for employment expansion and potentially amplifying the risk of employment volatility.

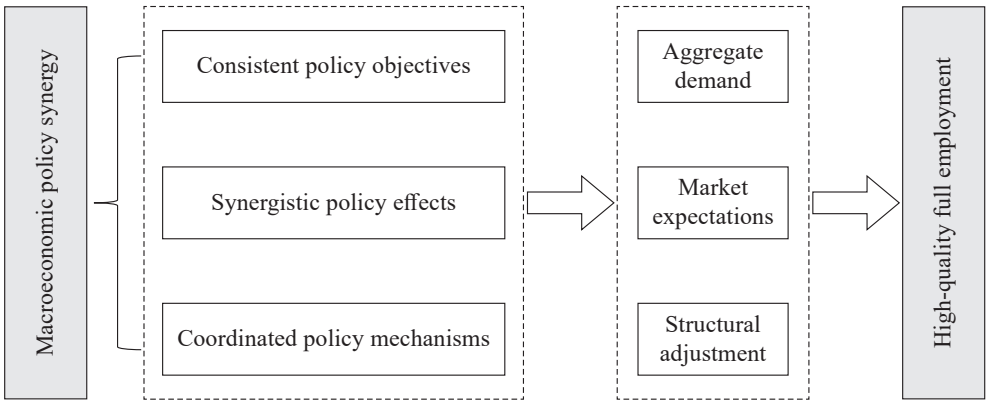

Fig.1. Analytical Framework for Macroeconomic Policy Synergy and High-Quality Full Employment

3. Practical Experiences with Different Target Orientations and Policy Tools

The above analysis shows that the relationship between economic growth and employment expansion depends not only on the stage of economic development, but also on how macroeconomic policy goals are set and implemented. This makes it necessary to shift the analytical lens to real-world settings where the link between growth and employment can be observed more directly and clearly. The recovery phase following the global financial crisis of 2007-09 offers a highly concentrated time window for examining the decoupling and subsequent reconnection between economic growth and employment expansion. Under powerful and synchronized external shocks, cross-country differences in employment performance are difficult to explain solely by long-term factors such as industrial structure or level of development. Rather, they more directly reflect how macroeconomic policies, in responding to the crisis, placed different weights on growth and employment objectives.

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3.1 International Experience with Growth-Stabilization and Employment-Stabilization Orientations

In the context of the economic crisis, macroeconomic policies across countries broadly followed two orientations. One was to prioritize rapid economic recovery as the primary goal. The financial turmoil triggered by the 2007 US subprime mortgage crisis quickly escalated into a global financial crisis and inflicted severe damage on the real economy and labor markets. In the wake of the crisis, some economies experienced what is widely described as a jobless recovery. Macroeconomic indicators stabilized first and even returned to growth, while improvements in the labor market lagged noticeably behind. The United States represents a prominent case. Real GDP growth in the US, measured year-on-year, bottomed out in the second quarter of 2009 and then began to pick up. The National Bureau of Economic Research (NBER) noted that the recession that started in December 2007 had ended by June 2009.[1] Yet the rebound in GDP did not lead to an immediate improvement in employment. As shown in Figure 2, from the second half of 2009 onward, US real GDP growth moved from deep negative territory back into positive and, during 2010-2011, returned to the range of about 2% to 3%. Over the same period, however, the unemployment rate continued to rise and in the fourth quarter of 2009 climbed to nearly 10%. The repair of the labor market clearly lagged the pace of economic recovery. Even after GDP growth had turned positive and remained stable, the unemployment rate did not begin to decline until after 2010, and the speed of decline was much slower than in recovery phases following earlier recessions. One possible explanation is that technological progress contributed to labor market polarization, with many middle-skill jobs being displaced by new technologies (Goos et al., 2014). Many workers then faced long periods of occupational and sectoral transition (Acemoglu & Restrepo, 2019), which in turn slowed employment growth during the recovery. However, based on data for 71 recessions in 17 advanced economies between 1970 and 2011, Graetz and Michaels (2017) examined how recoveries have changed since the late 1980s. For advanced economies other than the United States, they found that technological progress was not the main driver of jobless recoveries. This suggests that the US pattern of jobless recovery was shaped by a combination of factors. It reflected both the short-term orientation of macroeconomic policy and deeper, long-standing structural constraints. In the short run, US crisis-response policies placed emphasis on stabilizing aggregate demand and repairing the financial system through monetary and fiscal measures. The policy effects therefore relied mainly on the indirect channel of growth-driven job creation, which naturally implies a lag in employment recovery. From a longer-term perspective, the US labor market has already undergone a series of structural changes. First, in terms of industrial structure, the share of manufacturing continued to fall while services expanded, and middle-skill jobs with strong employment-absorbing capacity shrank. Second, in terms of labor market institutions, declining union coverage weakened mechanisms for employment stability and wage bargaining. Third, under the global division of labor, the relocation of some manufacturing activities overseas led to the loss of domestic jobs. Fourth, skill mismatch intensified, with a

[1] See the announcement by the National Bureau of Economic Research (NBER) on September 20, 2010, available at:https://www.nber.org/news/business-cycle-dating-committee-announcement-september-20-2010.

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persistent lag between workers' skill profiles and the requirements of new and emerging jobs. These factors amplified the lag in employment recovery relative to output during the post-crisis rebound. The US experience of jobless recovery can be traced to macroeconomic policies that, given the existing structural conditions, leaned more toward growth targets. This tilt reinforced the temporary disconnect between economic growth and employment in the short term.

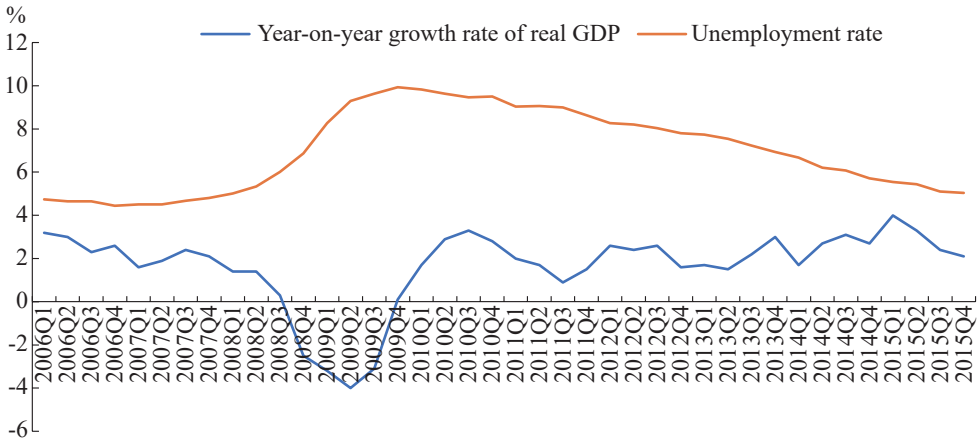

Fig.2. Changes in Indicators Related to the US Jobless Recovery

Source: Compiled by the authors based on data from the US Bureau of Economic Analysis and the US Bureau of Labor Statistics.

In the early stage of the financial crisis, US policymakers focused primarily on preventing downside economic risks from spiraling out of control. To stabilize economic activity, the Federal Reserve adopted an ultra-accommodative monetary policy stance, reducing the federal funds rate target to near zero and successively implementing several rounds of quantitative easing. These measures were intended to create financial conditions conducive to economic recovery by compressing long-term interest rates, restoring the credit transmission mechanism, and stabilizing asset prices. This policy orientation proved effective in containing the recession and supporting an earlier recovery in GDP growth. However, its effects on employment were transmitted through the indirect channel of economic growth, and improvements in labor market conditions lagged noticeably. On the fiscal side, the United States expanded public expenditure and implemented tax reductions through measures such as the American Recovery and Reinvestment Act (ARRA), which provided short-term support for aggregate demand and helped ease downward pressure on employment. Nevertheless, fiscal stimulus was directed primarily toward infrastructure investment, and support for the corporate sector. As a result, employment effects were reflected more in preserving existing jobs and cushioning unemployment than in generating substantial new employment opportunities. As fiscal stimulus was gradually withdrawn, the recovery of private-sector employment remained slow, suggesting that a policy mix centered on demand stimulus had clear limitations in addressing severe labor market damage and structural unemployment. In fact, the United States has experienced multiple episodes of jobless recovery, and an important underlying reason has been the gradual erosion of employment's priority in macroeconomic policymaking over a prolonged period (Cai, 2009).

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The alternative policy orientation placed greater emphasis on stabilizing employment rather than pursuing economic growth alone. Figure 3 shows that while the collapse in external demand caused Germany's GDP to shrink significantly, the unemployment rate did not rise during the same period but instead declined slightly. This disconnect between economic contraction and labor market performance was the result of Germany's decision to make job stability its central goal. To achieve this, the government introduced a variety of employment-oriented tools, with the short-time work scheme, known as *Kurzarbeit*, playing a leading role. This was combined with broader labor market reforms and economic stimulus measures to create a comprehensive, multi-layered framework for protecting jobs. The basic thinking behind the short-time work scheme was straightforward. When companies face a sudden drop in orders or production due to external shocks like the financial crisis, they can choose to reduce working hours instead of laying off workers. The income workers lose from these reduced hours is shared by the government and the firms. This helps businesses lower their labor costs to survive the crisis while ensuring that workers keep their jobs and a basic level of income (Cahuc, 2024). During the financial crisis, the German government made some key adjustments to refine this program. In the first rescue package of 2008, the maximum period for receiving short-time benefits was extended from six to eighteen months for firms facing temporary shortages. A second package followed in 2009, which further relaxed the eligibility criteria and strengthened the existing framework, comprising cyclical, transitional, and seasonal support. Under these rules, the government covered 60% of net earnings lost due to reduced working hours, which increased to 67% for workers with children. At the same time, the Federal Employment Agency reimbursed half of the social insurance contributions paid by firms, and such reimbursement could reach 100% if a company provided ongoing training to employees during these shorter hours.[2] According to data from the German Federal Employment Agency, the number of workers covered by applications for short-time work benefits due to temporary order shortages was 291,000 in January 2009 and surged to 699,000 in February 2009. This mechanism preserved a vast number of jobs and successfully prevented a wave of mass layoffs.[3] In 2009, every G7 nation saw its GDP growth turn negative, yet, as Figure 3 shows, Germany managed to keep its unemployment rate stable or even slightly lower compared to 2008 levels. This stands as a clear testament to the success of its employment-centered approach.

Unlike the United States, which leaned primarily on aggregate demand stimulus, Germany's short-time work scheme took a much more direct route toward preserving employment. The heart of this mechanism was keeping intact the partnership between firms and workers through specific institutional arrangements. By doing so, Germany avoided the breakdown of employment relationships and the high costs of re-matching workers to jobs. Looking through a comparative institutional lens, the differences between these two nations were not just about policy goals; they

[2] See European Foundation for the Improvement of Living and Working Conditions (Eurofound), "New allowances for short-time work in bid to offset economic crisis," published June 14, 2009, https://www.eurofound.europa.eu/en/publications/all/new-allowances-short-time-work-bid-offset-economic-crisis.

[3] See Federal Employment Agency (Germany), Monthly Report on the Labour Market, March 2009, https://statistik.arbeitsagentur.de/Statistikdaten/Detail/200903/arbeitsmarktberichte/monatsbericht-monatsbericht/monatsbericht-d-0-200903-pdf.

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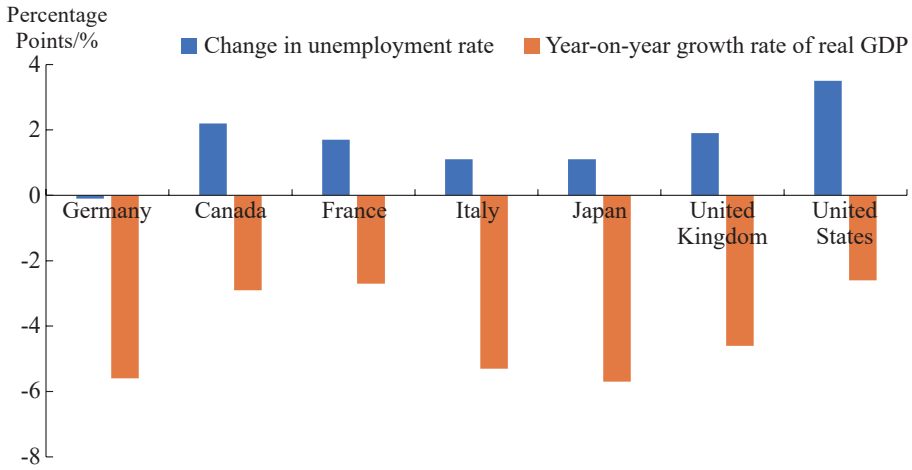

Fig.3. Changes in Key Indicators for G7 Economies after the 2008 Financial Crisis

Source: Compiled by the authors using data from the International Monetary Fund (IMF).
Note: The change in the unemployment rate is calculated as the difference between the rates in 2009 and 2008. Real GDP growth rates refer specifically to 2009 data.

were rooted in the very foundations of their labor markets. Germany's high union coverage and developed collective bargaining made it easier to implement hours-reduction deals at the firm level. Furthermore, as manufacturing accounted for a significant share of the German economy and employment relationships tended to be more stable, it was more feasible to adjust internally through reduced working hours rather than externally through layoffs. The US labor market, in contrast, is defined by higher mobility and much more flexible hiring and firing practices. While this flexibility lets firms react quickly to shifts in demand, it also makes layoffs the default adjustment tool, which inevitably exacerbates employment volatility during a downturn. This comparison of the US and German responses suggests that the specific target orientation of macro policy is a deciding factor in how an economy handles shocks. Focusing too heavily on growth while sidelining employment targets risks a decoupling of the two. On the other side, making job stability a core objective can foster a more positive interaction between output and employment. These experiences show that saving jobs requires more than just looking at the big picture; it demands coordination among specific tools and a clear consistency of policy objectives. It is also worth noting that the recovery paths seen after the recent pandemic have only reinforced the importance of this policy alignment, though those cases are left for future research due to space constraints.

3.2 A New Policy Instrument: Nominal GDP Targeting

As can be seen from the comparison of the US and German crisis responses, the consistency of macro-policy orientations directly affects the linkage between economic growth and employment expansion. However, a mere examination of individual policy instruments cannot fully account for such divergences. At a deeper level, the question is whether there is an aggregate policy anchor that can coordinate both growth and employment. This is exactly why nominal GDP (NGDP) targeting started gaining traction in policy circles.

In the wake of the 2008 global financial crisis, the global economy was stuck with weak demand. Traditional inflation targeting proved inadequate under extreme circumstances, as central

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banks found it difficult to stimulate the economy effectively through conventional means such as interest rate cuts. This created a real need for a framework with stronger aggregate adjustment capacity that could anchor both prices and output simultaneously. Nominal GDP targeting, which targets the total value of real output multiplied by the price level, became the focus of attention. The idea is to use monetary policy or other macro tools to keep this total nominal value growing along a predetermined path. Compared to the usual inflation targets, NGDP targeting is more balanced; it reflects economic growth while accounting for inflationary pressures.

However, this framework has yet to be officially adopted on a wide scale. For one thing, the public is more familiar with real GDP and inflation. Nominal GDP is a more abstract concept, which can lead to confusion about what the policy is trying to do. In 2011, the Federal Open Market Committee (FOMC) even discussed the potential benefits of an NGDP target but noted it was too complex to explain clearly to the general public (Bernanke, 2015). There is also the issue of timing: GDP data usually comes out quarterly, and that lag can make it hard to adjust policy quickly enough (Bernanke, 2022).

From the perspective of macroeconomic policy synergy, the core value of nominal GDP targeting lies in its ability to provide a unified aggregate constraint and a shared reference point for diverse policy instruments. This effectively strengthens the consistency between growth and employment at an institutional level. On the monetary side, nominal GDP targeting establishes the stabilization of aggregate demand as a central intermediate target. This ensures that when shocks occur, policymakers focus not only on inflation deviations but also on changes in output and employment, thereby serving the goal of job stability more directly. On the fiscal side, the government can conduct counter-cyclical adjustments aligned with the projected nominal GDP path. By utilizing public spending and tax measures to offset shortfalls in private demand, fiscal policy can work in tandem with monetary efforts to create a coordinated response. Nominal GDP targeting is far more than a single policy tool. It functions as an institutional framework capable of integrating monetary and fiscal actions while balancing the need for short-term stability with the requirements of long-term growth.

From an employment perspective, nominal GDP targeting, as a macroeconomic policy framework, offers distinctive advantages for stabilizing jobs and improving job quality. Its transmission channels not only go beyond some of the limitations of traditional inflation targeting but also fit more closely with the actual decision-making logic of firms and households. First, nominal GDP targeting helps to cover marginal groups in the labor market. During downturns, some unemployed individuals withdraw from job search because they see little hope of finding work. Statistically, this appears to be a decline in the labor force participation rate rather than a higher measured unemployment rate. Underemployment and hidden unemployment are widespread in economic slowdowns. Since nominal GDP reflects changes in aggregate nominal income, it can more sensitively capture the situation of these marginal groups and provide a more accurate picture of actual employment conditions. Second, nominal GDP targeting is directly related to firms' capacity to create jobs. A firm's ability to pay wages and sustain operations depends on its nominal sales revenue, not on physical output alone. When overall demand weakens and sales revenue shrinks, firms may cut back on hiring or even lay off workers because of liquidity constraints,

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even if output has not yet fallen sharply. A nominal GDP target provides a clear long-term income anchor. That helps maintain overall employment stability when facing shocks. Third, nominal GDP targeting is conducive to stabilizing the aggregate wage bill. When nominal GDP grows steadily, this usually implies rising corporate revenues and higher national income. In such an environment, nominal wages are more likely to increase, which supports household consumption and strengthens firms' willingness to employ. In this way, a positive feedback loop can emerge among income, spending, and employment.

Taken a step further, nominal GDP targeting offers a workable route for putting an employment-first orientation into macroeconomic practice. Compared with policy arrangements that stress employment targets in principle but lack a clear aggregate constraint, a nominal GDP target anchors total income and thereby embeds employment objectives within the macroeconomic policy framework itself. In doing so, it converts the goal of prioritizing employment from a general policy guideline into a set of enforceable institutional rules.

4. The Urgent Need for Greater Consistency of Macro Policy Orientation in the Employment Sector

The practical experiences discussed above suggest that when economic uncertainty rises and structural issues intensify, whether macroeconomic policies work in concert is directly reflected in the labor market. The conditions underpinning job creation have become significantly more complex than in the past. Today, the labor market is shaped by a combination of factors: a more diverse range of job creators, persistent weakness in domestic demand, and the shock of technological change. The rise of varied employment entities, together with the impact of artificial intelligence, has altered the structure of work. On one side, a broader array of employers and work arrangements has made employment services more dispersed and labor forms more flexible. On the other side, the impact of AI has accelerated the pace of substitution for specific positions, especially entry-level ones. These structural shifts have made employment much more sensitive to the state of domestic demand. In fact, any fluctuation in demand now reaches the labor market faster and more directly than before. This effectively amplifies the negative impact that weak demand has on the creation of new jobs. Given this environment, enhancing consistency of macro policy orientation has become an essential requirement for managing the layered and complex pressures now facing the employment sector.

4.1 Increasingly Diverse Job Creators and the Rising Complexity of Employment Services

From the early days of reform and opening up in the 1980s until the turn of the century, job creation in China was concentrated in three areas. The first involved State-owned and collective enterprises. As the main players in the transition from a planned to a market-based economy, these entities held primary responsibility for labor placement, absorbing a vast number of urban workers and rural migrants across various sectors, not least traditional manufacturing and infrastructure. The second area was labor-intensive industry. Sectors like textiles, apparel, and electronics assembly were the primary destination for rural labor moving out of agriculture. The third area was individual businesses and private firms. At the time, these were merely a supplement to the broader

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economy, with limited capacity to create jobs and no clear status as a mainstream employment source. Since the early 2000s, however, China's industrial structure has undergone a profound shift. The service sector has surged, strategic emerging industries have increased, and new business models—from the digital and platform economies to the green economy—have continued to surface. As the market system matured and market entities became more dynamic, a diversified landscape of job creators took root. This shift completely broke the old, centralized model of employment generation. Today, this diversity is not just about the sheer number of job creators, but also the variety of ownership types, industries, and employment forms. A new pattern has emerged where the State-owned economy provides guidance, the private sector drives the bulk of hiring, and new business forms function as a vital supplement, with all these entities working together to create jobs. Looking at the current landscape, this diversification is most visible in four key areas.

First, the private sector has become the core engine of job creation. As the market economy system continued to improve, the private sector shed its role as a mere supplement to the State economy, emerging as the primary driver of growth and hiring across manufacturing, services, and high-tech sectors. Today, China's private economy contributes more than 80% of urban employment (Ouyang et al., 2023). Small and micro-sized private firms, which are numerous, widely distributed, and highly flexible, are adapting quickly to market shifts. They play an irreplaceable role in absorbing key groups like rural migrants, the urban unemployed, and university graduates. Compared to State-owned and collective firms, private enterprises use much more flexible hiring models and varied forms of work. This creates a need for public employment services that are more standardized and finely tuned, a clear departure from the traditional service models originally designed for State and collective enterprises.

Second, the rise of new industries, business formats, and business models has given birth to a wide array of new job-creating entities, significantly expanding the scope and landscape of employment. Driven by the rapid development and widespread application of digital technologies, new economic forms such as the platform economy, sharing economy, and digital economy have rapidly given rise to a range of job-creating entities distinct from traditional firms, mainly including platform enterprises and sharing-economy enterprises. These new employment generators differ fundamentally from traditional firms. While legacy companies rely mostly on offline production and stable, full-time labor relations, these new entities utilize digital platforms to enable flexible work arrangements and diverse work scenarios. This shift has produced a variety of new job types, including ride-hailing drivers, food-delivery couriers, livestream hosts, freelancers and digital artisans. According to the Ninth National Survey on China's Workforce in 2022, workers in these new employment forms have reached 84 million, representing 21% of China's total number of employees. Since these roles often involve informal labor relations and high mobility, they require specific public services. The "platform + worker" employment model has broken the traditional boundaries of labor relations, fundamentally changing the subjects, targets, and methods of public employment services.

Third, the employment function of State-owned enterprises (SOEs) has undergone a major transformation, shifting from job placement to quality-oriented leadership. As SOE reforms have deepened and the State sector's footprint has been optimized, these enterprises have gradually optimized their industrial layout and increasingly focused on industries vital to national security

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and the broader economy. Their role in the labor market has shifted accordingly. In the past, SOEs carried a heavy burden of social placement, which often resulted in relatively low-quality job creation. Today, however, they prioritize high-quality development and technological innovation. Their hiring is now concentrated on high-end manufacturing, strategic emerging industries, and modern services, where positions offer higher technical content, better pay, and more room for career growth. Furthermore, SOE employment systems have become increasingly market-oriented, with mechanisms such as labor contract systems, market-based recruitment, and performance appraisals gradually refined and perfected. As the gap in employment practices between SOEs, private firms, and new digital entities continues to narrow, the demand for more unified and standardized public employment services has only grown stronger.

Fourth, the diversification of rural sources of job creation has sparked a historic shift in urban-rural employment, making rural public employment services an important component of the national public employment service system. Under the traditional model, rural jobs were mostly confined to agricultural production, and rural employment depended mainly on self-initiated migration and spontaneous market adjustment. However, with China's implementation of the rural revitalization strategy, a more diverse range of entities has emerged. First, new types of agricultural business entities—including family farms, farmer cooperatives, and leading agribusinesses—have pushed the transition from traditional farming toward large-scale, intensive, and industrialized models, absorbing significant local labor. Second, entities in rural secondary and tertiary industries—with the rapid growth of rural industry and rural services—such as agricultural processing, rural tourism, and e-commerce, have become major carriers of non-agricultural employment in rural areas. Third, a wave of rural entrepreneurship driven by college graduates, veterans, and returning migrant workers has given rise to innovative start-ups that optimize the rural employment structure. This diversification has moved China's urban-rural landscape away from segregation and one-way flow toward integration and two-way flow. Rural employment services are no longer a weak link; they are expanding the reach and increasing the complexity of the entire public service system.

4.2 The Massive Shock of Artificial Intelligence on Employment

Compared to the era of industrial automation, the impact of artificial intelligence (AI) on the labor market is broader, deeper, and more complex (Jia & Du, 2024). This shift is driven by three primary factors. First, the pace of technological evolution has accelerated significantly. Powered by massive computing gains and data accumulation, AI iteration cycles have shortened considerably, and the time from research and development to application has been significantly compressed. This has fueled a rapid cross-industry diffusion of technology. Second, the scope of application is much wider. AI is no longer confined to traditional sectors like manufacturing or logistics; it is quickly penetrating finance, education, healthcare, and public services, taking over numerous tasks that once relied heavily on human experience and judgment. Third, the mode of substitution is deeper. Unlike previous waves of technology that primarily replaced physical labor or repetitive tasks, AI's growing capabilities in recognition, analysis, and decision-making are changing the core content of middle-skill and even high-skill positions. These characteristics suggest that AI's influence on

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employment will not be gradual or localized. Instead, it is likely to be fast-paced and far-reaching. Indeed, research suggests that roughly 40% of jobs in the global labor market are now at risk of exposure to the effects of AI (Cazzaniga et al., 2024).

While the increasing adoption of AI has boosted production efficiency and driven industrial upgrading, it has also put significant pressure on the employment landscape. On one hand, intelligent upgrades and automation have effectively cut costs and improved operational efficiency, providing fresh momentum for economic growth. On the other hand, labor market adjustments typically lag behind the diffusion of technology. Roles are often replaced faster than new ones can be created, leading to short-term employment pressure, especially for those with narrow skill sets who find it hard to pivot. At the same time, AI does not affect every industry, region, or group in the same way. This imbalance risks deepening structural contradictions and splitting the labor market even further. Without proper guidance and support policies, the productivity gains from technological progress won't automatically turn into stable, sustainable job growth; instead, they could negatively impact job expectations and even social stability. One particular concern is that generative AI hits entry-level workers much harder than senior staff. Entry-level positions have historically been the primary way young people break into the workforce and are a critical layer for absorbing new labor. According to projections from the Population Simulation and Employment Monitoring Laboratory of the Chinese Academy of Social Sciences (CASS), China's youth population (aged 16-24) will continue to grow, peaking at 161 million in 2033. Since the inflow of new young entrants to the labor market remains at a high level,[4] AI's displacement of entry-level jobs means young workers bear the brunt of this technological shock.

Given this reality, it is more vital than ever to emphasize the consistency of macro policy orientation while advancing AI development. We must find a way to balance industrial development with job stability. Global experience shows that the spread of AI is irreversible. Simply trying to restrict or avoid it will not work; even if a country slows down its own deployment, technological progress will still exert its influence through international competition and global supply chains. Therefore, the key is not whether to develop AI, but how to do so while simultaneously accounting for the employment carrying capacity and the need for structural adjustment.

4.3 Insufficient Domestic Demand Weakens the Foundation for Job Creation

From the perspective of macroeconomic performance, insufficient domestic demand has increasingly become an important constraint on both the quality of economic growth and the broader employment landscape. China's household consumption rate is 10 to 30 percentage points lower than that of developed economies, suggesting there is still significant untapped potential to unlock. According to data from the National Bureau of Statistics of China, total retail sales of consumer goods in April 2026 rose by only 0.2% year-on-year. This represents a renewed slowdown, once again falling below 1%, following the slowdown recorded in

[4] This projection uses data from the seventh national census as a baseline, calibrated with National Bureau of Statistics data from 2021-2024. The cohort-component method was applied across high, medium, and low scenarios based on total fertility rates (TFR). The figures reported here reflect the medium scenario.

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December 2025,[5] highlighting the persistent weakness of domestic demand, which is a fundamental driver of economic growth. At the same time, the willingness of firms to invest is constrained by expectations of future demand and returns. Firms have grown cautious in expanding investment, with project launches and recruitment plans remaining relatively conservative. When the demand outlook is unclear, businesses naturally prioritize cost control and risk mitigation over the aggressive production and recruitment typically used to capture market share. Consequently, economic performance has come to rely more heavily on short-term policy stimulus or support from specific sectors. Unlike external demand or investment-driven growth, domestic demand expansion is characterized by strong sustainability and broad coverage, whereas its persistent weakness does not just hurt current performance, but restricts the economy's medium- and long-term capacity to absorb labor.

The impact of weak domestic demand on job creation is felt through various channels, hitting both the total number of jobs and their overall quality. Since job creation fundamentally depends on a steady rise in effective demand, a sluggish market will stifle a firm's desire to hire, even if they have the technical capacity to expand. In these conditions, labor market pressure does not manifest itself chiefly in a rapid rise in the unemployment rate, but rather as a slowdown in job creation and a decline in absorption capacity. Employment adjustments often appear in more subtle forms, such as delayed recruitment plans, downsizing of staffing structures, and a shift toward more flexible employment arrangements. This is especially true in the service sector and for small to medium-sized enterprises, where hiring is extremely sensitive to the ebb and flow of demand. In many cases, weak demand affects job growth long before it results in a visible drop in production output. Furthermore, weak demand undermines the quality of the labor market, as jobs tend to be concentrated in low-value, temporary, or precarious roles, which constrains wage growth and career development. If domestic demand remains sluggish, job creation will be constrained by the coexistence of ample labor supply and insufficient labor demand, weakening the capacity of economic growth to absorb the workforce.

In these circumstances, employment performance has grown far more dependent on macroeconomic policy orientation and imposes higher requirements on cross-policy coordination. When demand is weak, spontaneous market corrections are rarely enough to drive job growth; as a result, the impact of macro policies on the labor market becomes much more direct. However, if policy objectives are not well-aligned, they can hurt employment through demand, cost, and expectation channels. If the policies aimed at stabilizing growth, adjusting structure, and controlling risks are not aligned in their direction of effort on the demand side, even the most robust employment initiatives can be neutralized by a sluggish demand environment. A weakness in domestic demand magnifies the damage caused by inconsistent policy directions. Stabilizing employment is no longer a task confined to a single policy domain, but has become a macro-level outcome requiring coordinated consideration. Enhancing consistency of macro policy orientation is not just an optional strategy; it is a fundamental necessity for maintaining a stable job market when domestic demand is insufficient.

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[5] See the release by the National Bureau of Statistics of China on May 18, 2026, "Total Retail Sales of Consumer Goods Increased by 1.9% in January-April 2026," available at: https://www.stats.gov.cn/xxgk/sjfb/zxfb2020/202605/t20260518_1963727.html.

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5. Key Priorities for Strengthening Macroeconomic Policy Synergy

China's labor market is currently facing serious challenges: industrial restructuring, shifts in demand, and a full-scale technological revolution. Given the coexistence of structural contradictions and aggregate pressure, it is more urgent than ever to ensure that macroeconomic policies pull in the same direction. We need to address the problems of policy fragmentation and inconsistent orientations and forge a coordinated front to build a policy system with the employment-first principle as its foundation, with demand-side management and industry-employment synergy as its two core areas, backed by solid coordination mechanisms and a safety net for key groups as the bottom-line support. Only by integrating these resources can we effectively respond to new challenges, expand employment and improve the quality of the job market, and ensure that high-quality employment and economic growth reinforce each other.

5.1 Maintaining an Employment-First Orientation Throughout the Macro Policy Chain

High-quality full employment is not just a secondary goal; it should be the center around which all macro policies—fiscal, monetary, and industrial—are designed, implemented, and evaluated. A binding employment impact assessment mechanism should be established for every major government initiative. Whether we are planning a new regional strategy, a massive infrastructure project, or a major reform, we must use core indicators such as the number of new jobs created or the employment-driving coefficient (number of jobs created per 100 million yuan of investment) as important bases for project approval and funding, thereby ensuring that macro regulation, industrial upgrades, and regional development remain tightly aligned with the goal of promoting high-quality full employment.

5.2 Aligning Industrial Upgrading and Employment through "Tech-for-Good" to Enhance Job Quantity and Quality

China must proactively adapt to the ongoing technological and industrial shifts by carefully balancing technological innovation with job stability. By adhering to a "tech-for-good" policy orientation, the state should regulate the deployment of technology—including its application scenarios, the pace of substitution, and its transformation pathways. Furthermore, technological adoption should be guided toward enhancing efficiency, expanding business formats, and optimizing services, rather than focusing solely on the displacement of labor. This proactive approach is essential to prevent the disorderly application of technology from causing short-term shocks in the labor market. An assessment framework should be established to evaluate the employment impact of technological applications. For large-scale automation projects, we should set early-warning thresholds for job displacement ratio; any project that exceeds these limits must be paired with a clear plan for worker retraining and redeployment. At the same time, we need to improve the mechanism for synchronizing skill upgrading with industrial upgrading, equip workers with the AI literacy needed to enter and remain in the labor market and strengthen the lifelong vocational training system, focusing on improving workers' digital skills, transferable skills, and innovation skills. By aligning the supply of human capital with the demands of industrial transformation, we can foster a sustainable economy where technological progress empowers

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industry, industrial growth drives job creation, and a higher-quality workforce sustains long-term development.

5.3 Strengthening Demand-side Management: Expanding Domestic Demand to Bolster Endogenous Employment Growth

Persist in deeply coordinating the strategy of expanding domestic demand with stabilizing and protecting employment. Strengthening demand should drive job growth, while market stability provides the necessary foundation for the broader employment base. Priority should be given to restoring and expanding consumption. By raising household incomes, improving the consumption environment, and fostering new types of spending, we can unlock latent potential that supports the steady development of major job-absorbing sectors—including commercial services, cultural tourism, elderly and childcare, and logistics. Policymakers should explore and implement employment-oriented consumption stimulus programs. For labor-intensive service sectors, such as consumer services, specific support allocations should be established alongside clear targets for jobs created per 100 million yuan of consumption stimulus. At the same time, we must continue to improve the business environment. Coordinated efforts in fiscal and tax policy, finance, social security, and cost-reduction measures should strongly support MSMEs and self-employed businesses in overcoming difficulties and achieving development, fully leveraging their role as the main channel for employment absorption. By stabilizing market entities to stabilize employment and expanding domestic demand to expand job positions, we can provide solid economic support and lasting endogenous driving force for high-quality full employment.

5.4 Improving Policy Coordination to Enhance Consistency and Effectiveness of Macro-Regulation

A sound coordination mechanism for employment must be established across departments, sectors, and regions. This requires stronger linkages among agencies responsible for financial affairs, human resources and social security, development and reform, industry and information technology, and agriculture and rural affairs, to unify policy orientations, work rhythms, and key priorities. To this end, special task forces for employment stabilization should be set up at provincial, municipal, and county levels. Issues requiring regional or departmental coordination should be elevated for supervision and unified coordination, creating a working pattern that is vertically aligned and horizontally cohesive. A cross-departmental data-sharing platform is also needed to break down data silos among employment, industries, enterprises, and social security. This platform would strengthen dynamic monitoring of labor market supply and demand, enterprise hiring, employment of key groups, and unemployment risks, and achieve real-time monitoring of the employment situation and coordinated policy responses. Contingency plans and policy reserves must be prepared in advance to face risks triggered by economic volatility or external shocks. It is essential to prevent conflicts between policy objectives, misalignments in implementation timing, and the dilution of support intensity. By ensuring consistency in policy orientation, synergy in execution, and overall regulatory efficacy, a robust safety net for employment stability can be established.

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5.5 Focusing on Bottom-Line Support to Enhance Policy Fairness and Inclusivity

Consistent and coordinated macroeconomic policymaking should enhance fairness and inclusivity by improving job stability, development opportunities, and expectations for all workers. The connection between macro policies and targeted help for specific groups needs to be strengthened, with a clear focus on fairness and safety-net functions. For college graduates, migrant workers, older laborers, people with employment difficulties, and veterans, macro policy design should include targeted support. It is essential to precisely incorporate employment support, entrepreneurship assistance, and skills training into industrial, regional, and livelihood policies. Dynamic ledgers for key groups should be established to provide "one-person-one-plan" tracking services, utilizing clear metrics such as post-training employment rates and re-employment success rates. Furthermore, the coordination of policy tools—including employment subsidies, guaranteed entrepreneurship loans, public-interest job placements, and social insurance contribution deferrals, rate reductions, and subsidies—is essential to promote the organic integration of macro-level job stabilization with micro-level bottom-line support. Through this synergy, we can expand overall capacity while addressing structural mismatches, ensuring that we improve job quality while preventing any large-scale unemployment. By leveraging the consistency and synergy of macroeconomic policy, the state can ensure that all workers benefit from more stable employment, more equitable development opportunities, and more secure long-term expectations.

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