Enhancing Livelihoods Development in China: From the 14th to the 15th Five-Year Plan

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Abstract: *China's people-centered development philosophy finds its clearest expression in ensuring and improving people's livelihoods. This approach, which integrates livelihood improvements with national development, reflects the people-oriented essence of China's development model. It also underscores the understanding that substantive progress in well-being is a gradual, long-term process. During the 14th Five-Year Plan (FYP) period, these priorities yielded tangible gains: employment in China continued to expand, job quality improved markedly, living standards rose steadily, common prosperity advanced on a solid foundation, and social security systems expanded coverage and increased benefits. Looking ahead to the 15th FYP period, China will intensify its focus on "investing in human capital," driving high-quality and full employment, promoting high-quality population development, and further elevating the standards of social security and public services.*

Keywords: *Livelihood development; High-quality full employment; Human capital investment*

JEL Classification Codes: J18; J24; H53

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Recommendations of the Central Committee of the Communist Party of China for Formulating the 15th Five-Year Plan for National Economic and Social Development (hereinafter referred to as the *Recommendations*) were adopted at the Fourth Plenary Session of the 20th CPC Central Committee in October 2025. The *Recommendations* set out a series of major strategic arrangements to secure and improve people's livelihoods. Continuously intensifying efforts in this area and resolutely advancing common prosperity for all represent both the point of departure and the ultimate objective of Chinese modernization. The livelihood blueprint outlined in the *Recommendations* for the 15th FYP period (2026-2030) builds on the achievements of the 14th FYP period (2021-2025). Accordingly, this article reviews the principal progress in livelihood development during the 14th FYP period and offers an outlook on key priorities for the 15th FYP period.

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1. Ensuring and Improving People's Livelihoods through Development

Livelihood development is the core embodiment and primary vehicle of people-centered development philosophy. Every policy in the livelihood domain affects millions of households and directly impacts people's well-being. Ensuring and improving livelihoods amid development not only underscores people-oriented nature of economic growth but also recognizes that such improvements are a long-term, gradual process.

1.1 Livelihood Demands Evolving with Economic Development Levels

Meeting people's aspirations for a better life is the primary goal of development. Among the many facets of socioeconomic progress, advances in livelihood development have the most direct bearing on the fulfillment of these aspirations. To better align livelihood policies with public needs, it is essential to understand the patterns by which livelihood demands change with economic development levels and to closely examine how shifts in development conditions affect the capacity to provide policy in this area.

People's sense of happiness and fulfillment tends to increase with higher levels of development, though this relationship is not linear. Economic inquiry into subjective well-being and its determinants dates back to the influential papers by Richard Easterlin several decades ago. Easterlin observed that, over many decades in developed countries, substantial rises in real income were not accompanied by corresponding improvements in subjective well-being, which remained largely stable (Easterlin, 1973, 1974). This disconnect between income growth and happiness became known as the "Easterlin Paradox." The paradox has since sparked extensive economic literature on drivers of subjective well-being. Studies drawing on data from developed countries show a broad consensus: absolute income has only a modest effect on subjective well-being. In contrast, relative income exerts a stronger influence on life satisfaction. This implies that both promoting income growth and refining income distribution play vital roles in boosting public happiness. Most developed economies have already completed major structural transformations, such as industrialization and urbanization. Analyses based on their data thus reflect observations of relatively stable societies, and findings may differ markedly from those in economies experiencing rapid structural change. In particular, whether patterns and determinants of happiness shift dramatically as an economy approaches or crosses the high-income threshold warrants further in-depth study.

In practice, demands across all livelihood domains evolve in tandem with rising levels of economic development. Employment, the foundation of people's livelihoods, benefits from sustained economic growth that expands job opportunities while simultaneously generating demand for higher-quality positions. This trend has become particularly evident in China since the Lewis turning point, when shifts in labor supply-demand relations have rendered high-quality employment as important as full employment. Comparable dynamics are evident in public service sectors such as education. The scope of educational provision must continuously expand, with compulsory education—an essential public service—extending both backward to early childhood education and forward to higher levels, while simultaneously advancing toward higher-quality. At the middle-income stage, the primary task of the social security system is to broaden coverage;

upon entering the high-income stage, however, public expectations increasingly shift toward higher standards and benefit levels. These developments highlight a broader imperative: in advancing economic growth and improving livelihoods, policymakers must accurately grasp the dynamic evolution of people's sense of happiness and fulfillment. As economic development deepens, expectations for a better quality of life rise accordingly. Newly emerging demands and challenges must therefore be continuously addressed and resolved within the ongoing process of development itself.

1.2 Promoting Development through Livelihood Improvement

Ensuring and improving livelihoods is not only a central objective of development but also a crucial means of promoting it. As economic development advances, the role of livelihood improvement as a growth-enhancing mechanism becomes increasingly significant. This relationship is clearly reflected in the interaction between progress in key livelihood areas and overall economic growth.

First, improvements in education and health constitute the primary pathways for human capital accumulation. Human capital is the fundamental driver of long-term economic growth and a decisive factor in fostering new quality productive forces. Modern economic growth theory has long established the central role of human capital, yet its formation is inseparable from high-quality development in livelihood-related sectors. Developing new quality productive forces in line with local conditions, as emphasized in the *Recommendations*, centers on achieving a substantial leap in total factor productivity, which is based on sustained human capital accumulation. Moreover, advancing new quality productive forces requires coordinated progress across production, distribution, circulation, and consumption, ensuring that development gains are more widely shared. Such inclusiveness is essential for mobilizing initiative, proactivity, and creativity across society—objectives that cannot be realized without solid advancement in livelihood development.

Second, full employment and high-quality growth are both core development goals and vital engines of growth. Long-term economic expansion depends on efficient labor markets and sustained labor contributions. In any economy, employment growth and labor market expansion are fundamental drivers of economic growth. From an analytical perspective, economic growth can be decomposed into employment growth and improvements in labor productivity. China's historical experience demonstrates that labor market expansion has been a major contributor to economic growth, accounting for more than half of total growth (Du, 2024). Looking ahead, full employment and high-quality employment will remain critical sources of long-term economic dynamism.

Third, a well-functioning and efficient social security system not only safeguards livelihoods and reinforces the bottom line of social protection, but also serves as a key pillar for enhancing residents' willingness and capacity to consume. In this sense, it provides essential support for the transition toward consumption-driven economic growth. Implementing the strategy of expanding domestic demand and building a comprehensive internal demand system is vital to long-term development and enduring stability. The *Recommendations* clearly identify domestic demand as a strategic anchor, emphasizing the need to promote positive interactions between consumption and investment, as well as between supply and demand, to strengthen the endogenous momentum and reliability of the domestic economic cycle. Within this framework, expanding consumption occupies a central position. By strengthening the social safety net and continuously improving the quality and level of livelihoods, policymakers can generate a powerful leverage effect—stimulating consumption propensity, transforming the growth model, and injecting new momentum into sustained long-term economic growth.

1.3 Growing Capacity of Supply in Livelihood

Policy provision in livelihood-related domains evolves alongside economic and social development, becoming an unavoidable and pressing issue as China's economy enters a new stage. First and foremost, promoting high-quality and full employment remains the most fundamental means of advancing development and safeguarding livelihoods. As development levels rise, employment structures undergo profound transformation, and job creation itself—both in nature and in modalities—is evolving rapidly. In China, manufacturing employment peaked during the 13th FYP period (2016-2020). Since then, despite continuous improvements in industrial sophistication and international competitiveness, the sector's capacity to absorb labor has declined. The service sector has emerged as the primary engine of job creation and the main source of employment growth—a trend that will become even more evident as China moves into the high-income stage. In particular, the development of modern, producer-oriented services is increasingly strategic. From the perspective of employment governance, marked differences in work organization, job content, and employment management systems pose new challenges for policy design and delivery.

Second, rising economic development has led to a more diversified household income structure in China. At lower stages of development, labor typically constitutes households' primary asset and endowment, making the expansion of labor-intensive industries and employment the most effective pathway to income growth. As living standards improve, however, property income plays an increasingly large role in boosting household earnings. At the same time, enhanced comprehensive national strength enriches the content and diversifies the forms of transfer income. This diversification fundamentally alters the mechanisms through which residents' incomes can be increased. Consequently, the policy instruments required to promote income growth differ substantially from those suited to a stage dominated by wage income, giving rise to new policy challenges.

Third, the acceleration of technological progress—most notably the irreversible advance of the Fourth Industrial Revolution centered on artificial intelligence(AI)—has exerted increasingly visible effects on employment and income distribution. Under these conditions, policymakers face a dual imperative: to vigorously cultivate new, high-quality productive forces and drive economic transformation and upgrading, while also managing labor market disruptions induced by technological change and promoting a more equitable income distribution. Striking this balance significantly raises the complexity and difficulty of policy calibration.

In addition, China's ongoing demographic changes have elevated the development of a high-quality population to a more prominent position in its efforts to advance development and improve livelihoods. This shift calls for the continuous expansion of public service provision and underscores the urgency of deploying new policy instruments to support the higher-quality development of the population.

2. Major Achievements in Livelihood Development During the 14th FYP Period

The *Recommendations* summarize the historic achievements realized during the 14th FYP period, noting that "China's economic strength, scientific and technological capabilities, and comprehensive national power have reached new heights; Chinese modernization has advanced with solid steps along its distinctive path; and the new journey toward the second centenary goal has gotten off to a strong and promising start." These accomplishments have laid a solid foundation for economic and social development during the 15th FYP period and created favorable conditions for further safeguarding and improving livelihoods. Progress in livelihood development during the 14th FYP period is primarily reflected in the following areas.

2.1 Maintaining Overall Stability in Employment

Employment, as the foundation of people's livelihoods, has long been a central concern in efforts to safeguard and improve well-being. The 14th FYP period was marked by extraordinary challenges, such as the once-in-a-century COVID-19 pandemic and a volatile, complex external environment. Nevertheless, by consistently implementing the employment-first policy and prioritizing job stability, China maintained overall labor market stability and fulfilled the employment targets set out in the 14th FYP period as scheduled. From key labor market indicators, several defining features of employment performance during this period can be identified.

First, the surveyed urban unemployment rate remained within policy targets. During the 14th FYP period, annual targets set in successive *Government Work Reports* were adjusted in line with evolving conditions, generally remaining at or around 5.5%. As shown in Figure 1, the monthly average surveyed urban unemployment rate averaged 5.24% through November 2025. Except for a limited number of months affected by pandemic-related shocks, the rate remained below the 5.5% target for most of the period. The prime working-age population (25-59 years), which constitutes the core of the labor force, consistently recorded unemployment rates below the overall average. Overall fluctuations in the surveyed urban unemployment rate were modest. Across the 59 months of the 14th FYP period, the standard deviation was 0.25, with a coefficient of variation of 0.048, indicating a relatively high level of labor market stability. Achieving such outcomes amid the dual pressures of a global health crisis and heightened international economic uncertainty required efforts well beyond historical norms and underscores resilience and effectiveness of China's employment policies.

Second, China's total employment continued to expand during the 14th FYP period. Despite the acceleration of population aging and the sustained decline in the working-age population, China's overall employment continued to increase, reflecting ongoing improvements in the efficiency of human resource utilization. Urban employment rose from 462.71 million at the end of 2020 to 473.45 million in 2024, representing an increase of 10.74 million persons (2.3%). By the third quarter of 2025, the total number of migrant workers reached a historic high of 191.87

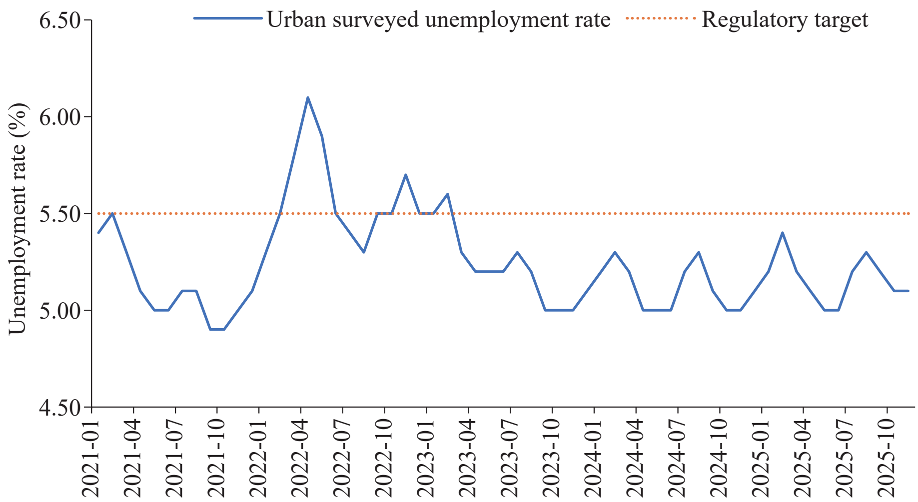

Fig. 1. Urban Surveyed Unemployment Rate during the 14th FYP Period

Source: National Bureau of Statistics.

million, an increase of 22.28 million (13%)[1] compared with the end of the 13th FYP period. Expanded employment means that more individuals can participate in economic activity and share in the benefits of economic growth—an outcome with clear and significant implications for livelihoods.

Third, employment quality improved markedly. Alongside the expansion in employment scale, China's average labor productivity increased at an annual rate of 6% during the 14th FYP period[2]. Wage levels rose steadily, and overall job quality continued to improve, indicating that substantive gains in efficiency and remuneration accompanied employment growth.

2.2 Steady Growth of Household Incomes

During the 14th FYP period, China's sustained employment expansion and improving job quality drove steady growth in household incomes in both urban and rural areas. According to data from the National Bureau of Statistics (NBS), China's national per capita disposable income rose from 32,189 yuan in 2020 to 41,314 yuan in 2024[3]. This corresponds to a compound annual growth rate (CAGR) of 6.4%. After adjusting for inflation, real income grew at an average annual rate of 5.6%, exceeding the pace of economic growth over the same period. From an urban-rural perspective, per capita disposable income of urban residents increased from 43,834 yuan in 2020 to 54,188 yuan in 2024, corresponding to a nominal CAGR of 5.4% and a real annual growth rate of 4.5%. Rural residents experienced faster income growth, with per capita disposable income rising from 17,131 yuan to 23,119 yuan over the same period. The nominal CAGR reached 7.8%, while real income grew at an average annual rate of 7.0%. The significantly faster growth of rural incomes highlights tangible progress toward narrowing the urban-rural income gap.

Rising incomes naturally boosted consumption levels. During the 14th FYP period, China's national per capita consumption expenditure increased from 21,210 yuan in 2020 to 28,227 yuan

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[1,3] Source: *China Statistical Yearbook 2025*.

[2] Source: Calculated based on data from the *China Statistical Yearbook 2025*.

in 2024, with a nominal CAGR of 7.4% and a real annual growth rate of 6.5%. Urban residents' per capita consumption expenditure grew at an average annual rate of 6.4% in nominal terms (5.4% in real terms). In contrast, rural residents' consumption rose more rapidly, with nominal and real growth rates of 8.9% and 8.1%, respectively. This pattern indicates faster improvements in rural living standards and reflects concrete progress toward common prosperity.

At the same time, the diversification of income sources expanded channels for income growth. Household income primarily comprises wage income, operating income, property income, and transfer income. During the 14th FYP period, the overall income distribution of urban and rural residents in China remained relatively stable. Labor income remained the dominant source: wage income accounted for more than 60% of urban residents' per capita disposable income, reaching 60.7% in 2024. For rural residents, wage income accounted for 42.4% of total disposable income in 2024; when combined with operating income—which also has a strong labor component—the two together accounted for 76.3%. Notably, strengthened livelihood support measures led to a substantial increase in rural transfer income, rising from 3,661 yuan at the end of the 13th FYP period to 4,895 yuan in 2024. This growth in transfer income was an important driver of rapid rural income growth during the 14th FYP period.

2.3 Promoting High-Quality Population Development

Population issues are of vital importance to the great rejuvenation of the Chinese nation, and high-quality population development constitutes an important foundational condition for advancing the Chinese path to modernization. Promoting such development is thus a vital dimension of livelihood policy—one distinguished by its comprehensive coverage of all demographic groups and its focus across the full life cycle. In response to challenges such as a declining birth rate and population aging, it is imperative to fully implement the guiding principles of the Third and Fourth Plenary Sessions of the 20th CPC Central Committee, with a focus on support for "the elderly and children", and to improve population service and governance systems continuously.

During the 14th FYP period, the central and local governments introduced a series of major policy measures to address declining birth rate, primarily in four areas:

First, enhanced support for families. A special individual income tax deduction for childcare expenses of children under the age of three was implemented early in the 14th FYP period. Beginning in 2025, a national child-rearing allowance of 300 yuan per child per month was introduced. This represents the first nationwide, universal, and direct cash subsidy provided to the masses to offset child-rearing costs. At the local level, many governments further expanded maternity and paternity leave beyond national standards, provided direct childcare subsidies for families with two or more children, and introduced housing-related incentives such as purchase subsidies or preferential access to public rental housing.

Second, support for childcare and education institutions. At the national level, clear standards and regulatory frameworks for childcare institutions were established. Local governments subsequently rolled out a range of complementary measures, including construction subsidies, operational subsidies (often linked to the number of childcare slots), and incentives for model institutions. Preferential policies were also extended in areas such as taxation, property use, land supply, and utility fees, easing both entry barriers and operating costs.

Third, incentives for employer participation to foster a more family-friendly workplace. National guidelines encouraged employers to negotiate flexible working hours and leave arrangements with employees, support the provision of workplace-based childcare services where feasible, and participate in childcare facility construction through diverse institutional arrangements.

Fourth, strengthened community-based services. Policies focused on strengthening community-based public service infrastructure, with some cities promoting "embedded" childcare facilities and mutual-aid family childcare models within neighborhoods. From the autumn semester of 2025 onward, preschool education fees will be progressively exempted nationwide. This measure not only reinforces the public service nature of early childhood education but also directly reduces the cost of child-rearing. In parallel, government authorities at all levels advanced supporting reforms through dedicated planning, enhanced protection of women's rights, improvements in medical and maternity insurance schemes, and streamlined administration of marriage and birth registration.

During the 14th FYP period, China's education system sustained robust development, playing a central role in enhancing population quality. The average years of schooling among the working-age population have reached 11.2 years, while new entrants to the labor force average 14.3 years—approaching levels typical of advanced economies. This marked improvement in human capital provides a critical foundation for economic restructuring and upgrading, and creates favorable conditions for sustainable development during the 15th FYP period and beyond. By 2024, gross enrollment rates in preschool education and senior secondary education had reached 92%, and balanced development of compulsory education had been realized across all 2,985 counties nationwide[4], marking a new level in the pursuit of educational equity.

2.4 Making Solid Progress toward Common Prosperity

During the 14th FYP period, China's income distribution outcomes continued to improve, with progress evident across several key dimensions. First, the share of labor remuneration in primary distribution has continued to rise. From 2021 to 2023, this share increased from 51.4% to 52.8% and then to 53.2%[5], indicating that labor remuneration has gradually assumed a dominant position in primary distribution. A well-functioning income distribution system depends on a coherent and balanced structure, with primary distribution playing a foundational role. Labor remuneration—including wages, benefits, and social security contributions—reflects labor's relative contribution among production factors and anchors the basic pattern of income distribution. This shift provides an essential institutional basis for advancing common prosperity.

Second, China's urban-rural income gap narrowed significantly. Historically, disparities between urban and rural incomes have been a major source of overall inequality. During the 14th FYP period, sustained pro-poor and pro-rural policy support enabled rural residents' incomes to

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[4] Source: Huai Jinpeng, "Developing Education that Meets People's Expectations," in *Study Guide for the Proposals of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development*.

[5] Source: *China Statistical Yearbook 2025*.

grow markedly faster than those of urban residents, resulting in a sustained decline in the urban-rural income ratio. As illustrated in Figure 2, the ratio fell from 2.56 at the end of the 13th FYP period to 2.34 in 2024—a reduction of 8.6%. This marked narrowing provides powerful evidence of steady, solid progress toward common prosperity.

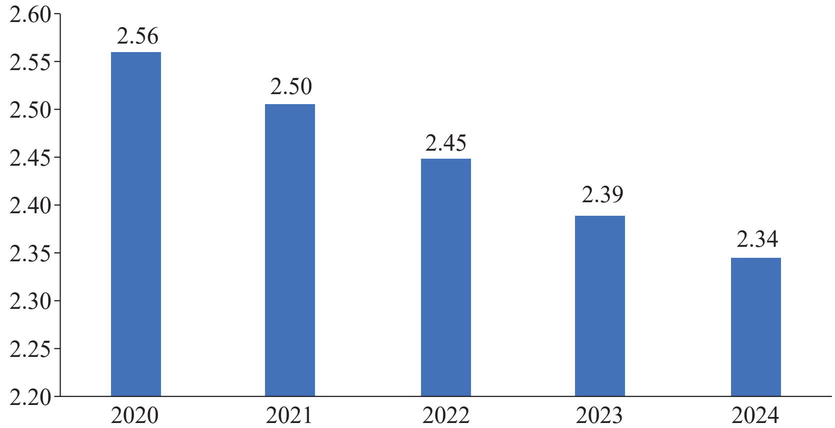

Fig. 2. Urban-Rural Income Ratio during the 14th FYP Period

Source: National Bureau of Statistics.

Third, the structure of household income distribution in China continued to improve. The national Gini coefficient registered a modest but steady decline, falling from 0.468 at the end of the 13th FYP period to 0.465 in 2024. This incremental progress underscores that narrowing income disparities is a long-term undertaking. Moving forward, sustained improvement will require a multi-pronged approach: harmonizing the roles of primary, redistribution, and tertiary distribution, and scaling up transfer payments to low- and middle-income groups. Only through such a comprehensive approach can the overall income distribution pattern be continuously optimized.

2.5 Steady Enhancement of Social Security and Public Services

By the end of 2024, China's basic pension insurance covered more than 1 billion people, and basic medical insurance covered 1.33 billion[6]. Realizing such broad coverage of basic social security in a country with a large population is a significant historical achievement. The phased implementation of a higher statutory retirement age, starting in 2025, stands as one of the major livelihood reforms of the 14th FYP period. Alongside this, the introduction of the personal pension system diversified the pension framework and bolstered preparedness for population aging. Throughout the period, pensions for urban employees and basic allowances for rural and non-employed residents rose at varying rates, delivering meaningful improvements in elderly income security.

In key public service areas, such as education, healthcare, eldercare, and housing, services keep improving as robust safety nets safeguard the basic needs of vulnerable groups. National

[6] Source: Chen Yiqin, "Increase Efforts to Ensure and Improve Public Wellbeing," in *Study Guide for the Proposals of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development*.

standards were developed and regularly refined to ensure access to 81 essential services across 9 key areas. Concurrently, ongoing reform of the household registration (*hukou*) system furthered the equalization of public services, helping to narrow urban-rural and regional gaps.

3. Key Areas and Challenges for Livelihood Development in the 15th FYP Period

China's economy is poised to cross the high-income threshold. According to the latest World Bank classification (July 2024-July 2025), the high-income threshold stands at a per capita GNI exceeding 14,005 US dollars. With China's per capita GNI reaching 13,359 US dollars by the end of 2024, only a modest further increase (4.84)[7] is required—meaning the high-income threshold is expected to be crossed around the end of the 14th FYP period. Rising per capita incomes will naturally heighten public aspirations for a better life. The 15th FYP period must therefore proactively address these evolving needs, focusing on strategic areas to drive further gains in living standards.

3.1 Closer Integration of Investment in Human and Physical Capital

The *Recommendations* underscore the importance of "integrating livelihood enhancement with consumption stimulus, while closely aligning investment in physical assets with investment in human capital." China's shifting growth model and accelerating demographic transition both necessitate a significant reorientation of public investment. Since the initiation of reform and opening-up in 1978, China's rapid industrialization and urbanization have been fueled by a massive accumulation of physical capital. Sustained, intensive investment in infrastructure, heavy industry, manufacturing, and real estate has substantially augmented the nation's total capital stock. However, sustained high investment rates in physical capital inevitably encounter diminishing returns, leading to declining efficiency. As the pace of total population decline accelerates during the 15th FYP period, maintaining the previous scale of physical capital investment will be increasingly inefficient. Therefore, increasing investment in people should be a central pillar of the domestic demand expansion strategy and a crucial nexus for fostering positive interactions between consumption and investment, as well as between supply and demand. The key to intensifying investment in human capital lies in maximizing the leveraging effect of public finance. During the 15th FYP period , the public investment structure must be further optimized to reflect a deeper integration of physical and human capital. By increasing the magnitude of human capital investment, the state can simultaneously enhance the efficiency of remaining physical capital expenditures. While public finance already plays a dominant role in securing and improving livelihoods, there remains significant fiscal space for China to expand "investment in people" as its national strength grows and public demands evolve. Investment in people inherently combines the attributes of both consumption and investment: through targeted public spending, it guides households to increase expenditures in education, healthcare, culture, skills training, sports, and leisure, while simultaneously enhancing individuals' competence, health, and overall quality,

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[7] China's GNI per capita is slightly lower than its GDP per capita; for reference, the latter stood at 13,445 dollars in 2024. Calculations are based on the annual average exchange rate of Renminbi against the US dollar.

constituting a sustained investment in human capital. Because of this intrinsic link to consumption, investment in people yields immediate stimulus effects and positively influences long-term income levels and the marginal propensity to consume.

During the 15th FYP period, investment in people should target the relatively weak links in China's current human capital framework. This necessitates increased public investment in pro-natalist services and early childhood development. By reducing household outlays in these areas, the state can bolster both families' capacity and willingness to consume. Moreover, public investment in these sectors yields high long-term returns, justifying proactive public intervention.

3.2 Promoting High-Quality and Full Employment

Over the 15th FYP period, China's demographic shifts are expected to exert more evident and multifaceted pressures on its labor market. While China's working-age population continues to contract and age, the youth cohort (aged 16-24) is projected to increase from 140.36 million in 2025 to 158.46 million by 2030[8]. Ensuring high-quality and full employment must therefore be anchored in these shifting demographics and supported by highly targeted policy interventions.

First, the service sector—particularly modern services—must assume a central role in job creation. Following decades of rapid industrialization, China's manufacturing sector has achieved unparalleled scale and sophistication. However, rising capital intensity and the adoption of labor-saving technologies have transitioned manufacturing into a sector characterized by net labor reduction. Manufacturing employment, which peaked during the 13th FYP period and declined through the 14th FYP period, is unlikely to reverse its trajectory. As the economy matures, the service sector must become the primary engine of job creation. During the 15th FYP period, this shift necessitates a strategic emphasis on several critical domains. Global population aging is driving a sustained surge in demand for healthcare, eldercare, and long-term care services. In China, rapid demographic aging will inevitably increase labor demand in these sectors. Concurrently, expanding public infrastructure for infant and toddler care can simultaneously alleviate child-rearing costs, incentivize fertility, and generate a new stream of service-oriented jobs. Beyond the care economy, sectors such as education, scientific research, technical services, producer services, and the cultural and entertainment industries retain significant potential for employment expansion.

Second, addressing youth employment must become a cornerstone of China's 15th FYP period. Youth unemployment has become a prominent issue and is likely to remain so in the medium term. While youth labor market frictions are a global phenomenon, China faces specific pressures, notably the increasing difficulty of securing employment for university graduates. Effective mitigation requires creating high-quality positions that align with the skill sets and professional aspirations of younger generations. The CPC Central Committee's strategic *Recommendations* emphasize "building a modern industrial system and consolidating the foundation of the real economy" by upgrading traditional sectors and fostering emerging and future-oriented industries. The successful implementation of these objectives during the 15th FYP period will be the most

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[8] Source: *Population Projections 2025*, by Laboratory of Population Simulation and Employment Monitoring, Institute of Population and Labor Economics, Chinese Academy of Social Sciences.

effective lever for expanding high-value employment opportunities for youth.

Third, during the 15th FYP period, China must proactively mitigate employment disruptions that the burgeoning technological revolution may trigger. As this new wave, underpinned by AI, accelerates, the mechanisms through which technological progress influences labor dynamics remain inherently complex. However, historical evidence suggests that through strategic adaptation and the judicious harnessing of innovation, a synergy between productivity gains and employment expansion is attainable (Du et al., 2025). This principle is vital for navigating the current transition. Given that China is a global leader in AI application and deployment, the demand-generative potential of these technologies constitutes a primary engine for job growth. Therefore, during the 15th FYP period, China should capitalize on its edge in AI applications to generate new jobs,thereby reconciling the goals of high-quality and full employment.

3.3 Advancing High-Quality Population Development

Advancing high-quality population development during the 15th FYP period requires a steadfast focus on the "the elderly and children" . This entails scaling up investment in human capital, deepening reforms to the fertility support system, and establishing robust, long-term institutional mechanisms.

As previously noted, the Chinese economy is poised to cross the threshold into a high-income nation. This rise in comprehensive national strength provides the fiscal capacity to bolster fertility support policies, particularly by increasing public investment to reduce the direct and opportunity costs of childbearing, child-rearing, and education. International experience from developed economies, where family support policies have evolved over decades, typically centers on three pillars of public expenditure: cash transfers (e.g., child allowances, parental leave income support, and single-parent assistance); in-kind and service subsidies (e.g., financing for early childhood education, childcare facility subsidies, and specialized support for disadvantaged families); and tax relief (e.g., exemptions or deductions indexed to the number of children). Building on the initiatives launched during the 14th FYP period, such as childcare subsidies and tax deductions, the 15th FYP period should see these efforts scaled up, with the goal of raising family-oriented public expenditure to 1% of GDP.

Proactive responses to demographic aging should prioritize the development of the "silver economy", leveraging China's massive elderly population through precise market segmentation. Aging will accelerate during the 15th FYP period: China's population aged 65 and above is projected to rise from 221.53 million in 2025 to 266.88 million by 2030, with its share of the total population increasing from 15.8% to 19.3%. By 2030, China's 65-69 age cohort will reach 92.89 million, followed by 63.02 million in the 70-74 group, 57.88 million in the 75-79 bracket, and 54.25 million among those aged 80 and above[9]. According to UN population data, the global median country population in 2023 was 54.89 million—meaning each of these Chinese age cohorts exceeds the total population of most countries worldwide. Demand for products and services differs

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[9] Source: *Population Projections 2025*, by Laboratory of Population Simulation and Employment Monitoring, Institute of Population and Labor Economics, Chinese Academy of Social Sciences.

markedly across these age groups; only when a cohort reaches sufficient scale can truly specialized markets emerge. China's enormous elderly population enables economies of scale even in niche segments, fostering greater specialization, efficiency, and professionalism. On the supply side, China's position as the world's largest manufacturing economy and the most complete industrial chain positions it uniquely to combine massive demand with strong production capacity, thereby developing globally competitive silver industries. During the 15th FYP period, China should fully leverage these demographic features by focusing on specialized sub-markets within the silver economy.

3.4 Strengthening the Social Security System and Equalization of Public Services

During the 15th FYP period, efforts must intensify to strengthen the social safety net and firmly safeguard the minimum floor of people's livelihoods. Building on existing foundations, reforms should be deepened to continuously refine the social security system and further enhance public service equalization. As population aging accelerates, priority must be given to enhancing the system's intrinsic sustainability—its capacity to provide stable, self-sustaining support over the long term. This calls for a coordinated deployment of demand-side and supply-side instruments to expand the coverage, depth, and adequacy of old-age security. At the same time, the 15th FYP period should further advance nationwide pooling and coordination within the social security system, thereby strengthening its overall inclusiveness.

In parallel, public services in key livelihood domains must undergo substantial improvements in quality and accessibility to achieve genuine equalization. This critical window for reform should be seized to pursue a two-pronged strategy: "stock" reforms that optimize existing structures and address inefficiencies, together with "incremental" reforms that expand service provision. A central direction is to progressively anchor people-centered investment and public service delivery at the individual level, thereby laying a more robust institutional foundation for comprehensive equalization. One effective mechanism is the establishment of individual public service accounts, making services personal and portable, detached from one's place of residence. In this framework, central fiscal transfers directed toward individuals would follow the person directly, mitigating regional disparities in provision and removing location-based barriers. Complementing this approach, the development of an integrated "one-stop" administrative system for public services would improve investment efficiency and help dismantle longstanding institutional bottlenecks that impede equitable access and delivery.

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