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Research on Optimization of China's Development Strategy Based on Labor Market Theory

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ABSTRACT

This article is based on labor market theory to discuss deeply the optimization path of our country's development strategy. Firstly, the core concepts and main contents of labor market theory are expounded, including labor supply and demand, wage determination mechanism, human capital and so on. Then analyze the current situation and characteristics of China's labor market, such as the change of the total labor force and structure, employment pressure and challenge, wage level difference. On this basis, the optimization strategy of China's development strategy is studied from many dimensions such as industrial structure adjustment, investment in education and human capital, improvement of employment policy and improvement of social security system, aiming to improve labor market efficiency, promote sustainable development of economy and social fairness and harmony, and provide theoretical basis and practical guidance for China to maintain competitiveness in the global economic pattern.

KEYWORDS

Labor market theory; Development strategy; Labor supply and demand; Human capital; Industrial structure

1 Introduction

As an important part of the economic system, the labor market plays a key role in the allocation of resources, economic growth and social stability. The western Marxist labor market theory mainly reveals the control of capital over labor and its influence on capitalist reproduction and labor employment through the investigation of capitalist labor process [1]. Bowers pointed out that the Marxist labor market theory revealed two kinds of relations in capitalist production: one is the market "exchange of equivalent value" relationship based on the law of value, and the other is the relationship of capital's domination and exploitation of labor [2].

With the rapid development and transformation of China's economy, the labor market is faced with a series of new opportunities and challenges. To study deeply the optimization of China's development strategy based on labor market theory is of great significance to rationally allocate labor resources, improve labor productivity, promote industrial upgrading and realize social justice. Through scientific development strategy optimization, we can better adapt to the changes in the domestic and international economic situation, promote China's economy to continue to move forward on the track of high-quality development, and improve the well-being of all people.

2 Overview of Labor Market Theory

2.1 Labor Supply and Demand

The so-called labor market is the operating mechanism of allocating labor resources and regulating labor supply and demand by the market under the macro-control of the state [3]. The supply and demand relationship in the labor market is the most basic relationship, affecting many aspects of economic development, and the supply and demand relationship in the labor market is also an important link connecting population and economic development [4]. Labor supply is mainly affected by population size, age structure, labor participation rate and other factors. Under the background of population aging, the total quantity and structure of labor supply will change significantly. For example, as the proportion of the elderly population increases, the working-age population relatively decreases, and the growth rate of the labor supply slows. Dong Baohua believes that "the improper intervention and excessive restriction of labor market flexibility in the Labor Contract Law is systematic", and its entire guiding ideology is wrong and absolutely impossible without major reform [5]. Labor demand is closely related to the level of economic development and industrial structure. Different industries have different requirements for the quantity, skills and quality of the workforce. For example, high-tech industries tend to require a large number of highly skilled, innovative talents, while traditional manufacturing may be more focused on ordinary labor. When labor supply and demand are out of balance, unemployment or labor shortage will occur, which will affect the stable operation of the economy.

2.2 Wage Determination Mechanism

Wages play an important role in regulating labor supply and demand in the labor market. Lai Desheng [6] believes that China's labor market segmentation has an important impact on education and income distribution. Because enterprises in the labor market within the system are constrained by the government in many aspects, their operation shows the characteristics of planned economy, while enterprises in the labor market outside the system are completely market-oriented, resulting in a large difference in the wage determination mechanism between the two [7]. In a perfectly competitive market, wages tend to equal the marginal productivity of labor. However, in reality, there are imperfect competition factors in the labor market, such as labor union organization, labor market segmentation, etc., which will affect the decision of wages. With the transformation of our country from planned economy system to market economy system, the distribution mode has gradually changed. How to adapt the wage determination mechanism to this change and how to be consistent with the goal of economic development is an urgent problem that needs to be solved in theory and practice [8]. In addition, there are differences in wage levels between different industries and regions, which are related to factors such as the profitability of the industry, the level of economic development of the region and the cost of living.

2.3 Human Capital Theory

Human capital theory divides human ability into two categories: one is cognitive ability represented by IQ, logical thinking, memory and reasoning ability; The other kind is the non-cognitive ability represented by personality characteristics, self-confidence, self-esteem and other characteristics [9]. Education is an important way of human capital investment, through which workers' cognitive ability, professional skills and innovation ability can be improved. For example, the professionals trained by higher education can meet the needs of high-tech industries and knowledge-intensive service industries and promote industrial upgrading. At the same time, the on-the-job training of employees is also helpful to improve the work skills of employees and adapt to the needs of technological progress and business expansion of enterprises. Investment in health is also important, as healthy workers maintain high productivity and reduce sickness absenteeism, which has a positive impact on the economic well-being of individuals and societies.

3 The Present Situation and Characteristics of China's Labor Market

3.1 Total Labor Force and Structural Changes

China has huge labor resources, but the growth of the total labor force has gradually slowed down in recent years. With the acceleration of the aging process, the proportion of working-age people in the total population began to decline. At the same time, the structure of the labor force is also undergoing profound changes. On the one hand, the demand for highly skilled and high-quality talents is increasing, while the supply of such talents is relatively insufficient. On the other hand, the problem of labor surplus in traditional industries still exists to a certain extent, and the distribution of labor is uneven among different industries and regions. For example, the eastern coastal areas are economically developed and have attracted a large influx of labor, while some traditional industries in the central and western regions are facing pressure from labor loss and transformation and upgrading.

3.2 Employment Pressure and Challenge

Although the growth of the total labor force has slowed down, the employment pressure is still large. A large number of college graduates are added every year, and the job competition is fierce. At the same time, the scale of rural labor force transfer to the city is still large, and they face many problems such as skill matching and household registration system restriction in urban employment. In addition, with the adjustment of economic structure and technological progress, some traditional industries have seen layoffs, such as some labor-intensive manufacturing industries due to rising costs and intensified market competition and industrial transfer or upgrading, resulting in worker unemployment. Under the new normal of the economy, the development of emerging industries is not yet fully mature, the absorption capacity of employment needs to be further improved, and the structural contradictions in employment are more prominent.

3.3 Wage Level Difference

China's wage level in different industries, regions and groups there are great differences. From the perspective of industry, the wage level of emerging industries such as finance, Internet, and technology is generally high, while the wage level of some traditional manufacturing industries, agriculture and other industries is relatively low. Among regions, the wage level in the developed eastern regions is significantly higher than that in the central and western regions. This wage difference leads to the tendency of labor mobility, and a large number of labor forces move to high-wage regions and industries, further aggravating the development imbalance between regions and industries. At the same time, wage differences may also lead to social equity issues, and the quality of life and development opportunities of low-income groups are relatively limited, which is not conducive to social harmony and stability.

4 China's Development Strategy Optimization Strategy Based on Labor Market Theory

4.1 Industrial Structure Adjustment Strategy

We will increase investment in technological transformation and innovation in traditional manufacturing and other traditional industries to improve their automation and intelligence. For example, enterprises are encouraged to adopt industrial robots and intelligent manufacturing technology to improve production efficiency and product quality, so as to reduce the dependence on a large number of low-skilled labor and realize the transformation of traditional industries to high-end manufacturing. This not only helps to enhance the competitiveness of traditional industries, but also creates more job opportunities for highly skilled labor and optimizes the distribution of labor structure among industries.

Actively cultivate emerging industries such as artificial intelligence, new energy, biomedicine and strategic industries, which are characterized by high added value, high innovation and high growth, and can attract a large number of high-quality talents, drive the development of related supporting industries, and create more jobs. The government should promote the rapid growth of emerging and strategic industries through industrial policies, fiscal subsidies, tax incentives and other means, so that they can become a new growth point of China's economy, and at the same time provide strong support for solving the contradiction of employment structure.

4.2 Education and Human Capital Investment Strategy

Strengthen basic education, improve the quality of the whole people, and lay a solid foundation for subsequent education and career development. Pay attention to the coordinated development of vocational education and general education, adjust the professional setting and course content of vocational education according to market demand, and train skilled talents to meet the needs of different industries. For example, in response to the upgrading needs of the manufacturing industry, CNC technology, industrial automation and other majors are set up; Aiming at the development of the service industry, we will set up old-age care, e-commerce and other majors. We will intensify the reform of higher education, improve the quality of higher education, strengthen industry-university-research cooperation between universities and enterprises, and cultivate high-end talents with innovative and practical abilities.

Enterprises are encouraged to establish a sound on-the-job training system to provide employees with continuous learning and skills upgrading opportunities. The government can support enterprises to carry out training activities through tax incentives and financial subsidies. At the same time, a sound lifelong learning system should be established to provide workers with diversified channels of continuing education, such as adult education, online education, community education, etc., so that workers can constantly update their knowledge and skills, adapt to the dynamic changes in the labor market, and improve their employment competitiveness and human capital value.

4.3 Employment Policy Improvement Strategy

The government should formulate active employment policies, encourage enterprises to expand the scale of employment, and give incentives or tax incentives to enterprises that create more jobs. At the same time, we will increase support for entrepreneurship, lower the threshold for entrepreneurship, provide entrepreneurship training, entrepreneurial capital support, and preferential policies and measures to stimulate the enthusiasm of workers for entrepreneurship, and promote employment through entrepreneurship. For example, the establishment of a business incubation base, to provide start-ups with office space, equipment and facilities, technical consulting and other one-stop services, to help entrepreneurs successfully start and grow.

We will establish and improve a public employment service system covering both urban and rural areas, provide services such as employment information release, job introduction, and vocational skills appraisal, improve the informatization level of employment services, and promote the matching of supply and demand in the labor market. We will strengthen vocational guidance to help workers understand their own career interests, abilities and market demand, formulate reasonable career plans, and increase the success rate of employment. For different groups such as college graduates, migrant workers, unemployed people, we will carry out targeted employment assistance activities, provide personalized employment services and training, and solve the special difficulties they encounter in the process of employment.

4.4 Social Security System Improvement Strategy

We should expand the coverage of social security and gradually bring all types of workers into the social security system, especially vulnerable groups such as migrant workers and flexible employment workers. For example, improve the industrial injury insurance and pension insurance systems for migrant workers, so that they can enjoy basic social security benefits in the process of urban employment, and reduce the social risks caused by industrial injury and pension problems. We will strengthen social security policy publicity and services for people with flexible employment, provide them with convenient channels to participate in insurance and reasonable payment standards, and protect their legitimate rights and interests.

In light of the level of economic development and rising prices, we will adjust social security benefits, such as pensions and unemployment insurance benefits, in a timely manner to ensure that social security can truly play a role in guaranteeing the basic livelihood of workers. At the same time, we will strengthen the management and operation of social security funds, improve the fund's ability to maintain and increase value, and provide a solid financial guarantee for the sustainable development of the social security system. Through a sound social security system, we can alleviate the worries of workers, promote the reasonable flow of labor force and the stable operation of the labor market.

5 Safeguard Measures for Implementation of Strategy Optimization

5.1 Policy Coordination and Integration

The implementation of development strategies requires synergies between policies. For example, industrial policy and education policy should be linked together, and the talent training needed for industrial restructuring should be reflected and guaranteed in the education policy. Employment policies and social security policies should complement each other, and employment promotion measures should be coordinated with social security systems such as unemployment insurance, so as to form a synergy of policies and improve the effectiveness of the implementation of development strategies. The government should establish a cross-departmental policy coordination mechanism, strengthen communication and cooperation between different departments, and ensure the consistency and coherence of various policies in terms of objectives and measures.

5.2 Financial Support and Resource Allocation

The government should increase financial input in industrial upgrading, investment in education and human capital, employment promotion and social security. We will allocate financial resources appropriately and improve the efficiency of the use of funds. For example, in terms of education investment, we will optimize the distribution structure of education funds and give preference to key areas such as vocational education and education in the central and western regions. In terms of industrial support, the object and scale of financial subsidies are accurately determined to ensure that funds can truly promote the innovative development and structural adjustment of the industry. At the same time, guide social capital to participate in investment in related fields, such as encouraging enterprises to invest in vocational education and participate in the operation of social security funds, broaden the source of funds, and provide sufficient financial guarantee for the implementation of the development strategy.

5.3 Monitoring and Evaluation Mechanism

Establish a scientific monitoring and evaluation mechanism to track and monitor the implementation process and effect of the development strategy. Collect and analyze labor market data on a regular basis, such as labor supply and demand situation, wage level changes, employment structure adjustment, and evaluate the impact of various strategic measures on the labor market. Based on the results of monitoring and evaluation, timely adjustment and optimization of development strategies and policy measures to ensure that they can adapt to the dynamic changes in the labor market and the actual needs of economic and social development. For example, if it is found that the development of emerging industries in a certain region has a poor effect on attracting talents, the reasons should be analyzed in time and the industrial support policy or the talent training and introduction policy should be adjusted to improve the effectiveness of the strategy implementation.

6 Conclusion

It is of great practical significance to optimize the study of China's development strategy based on labor market theory. Through in-depth analysis of the connotation of labor market theory and the current situation and characteristics of

China's labor market, this paper puts forward multi-dimensional optimization strategies including industrial structure adjustment, education and human capital investment, employment policy improvement and social security system improvement, and probes into the safeguard measures for strategy implementation. In the increasingly fierce global economic competition and the critical period of China's economic transformation, the implementation of these optimization strategies will help to better cope with the various challenges faced by the labor market, improve the efficiency and vitality of the labor market, and promote the rational allocation and full utilization of labor resources. This will promote sustainable and high-quality development of the Chinese economy, while increasing economic aggregate and competitiveness, ensuring social fairness and harmony, and improving the living standards and well-being of all the people. In the future, with the constant changes in the economic situation at home and abroad, it is necessary to continue to pay attention to the dynamics of the labor market, further improve and refine the development strategy and its implementation mechanism, in order to meet the new development needs, and realize the long-term stable development goals of China's economy and society in the process of constantly optimizing the development strategy.

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