

Despite US employment numbers, China has advantages in jobs amid trade row

By Hu Weijia

The US economy added 213,000 jobs in June as the unemployment rate remained at a low level, which is a hard-earned achievement at a time when escalating trade friction between China and the US has been worrying investors.

Some observers said the low unemployment rate suggests those who are unemployed because of the trade spat might have an easier time finding new jobs, giving Washington more leeway to play hardball in the trade friction. However, the low unemployment reading can't mask fears of trade row-induced economic losses.

What's worse, the trade frictions may lead to an increase in structural unemployment. Soy farmers and some other groups are caught in the crosshairs of an escalating trade war, but it is not easy for them to switch paths and find new jobs in sectors that may benefit from Washington's protectionist measures. This is alarming and suggests that the employment outlook is perhaps not so rosy in the long run.



JUNE 13: Farmer John Duffy loads soybeans from his grain bin onto a truck before taking them to a grain elevator on June 13, 2018 in Dwight, Illinois. U.S. soybean futures plunged with renewed fears that China could hit U.S. soybeans with retaliatory tariffs if the Trump administration follows through with threatened tariffs on Chinese goods. (Photo by Scott Olson/Getty Images)

The trade friction rewards certain groups and disadvantages others. US President Donald Trump will have a hard time balancing different interest groups, and if he fails, those who lose their jobs because of the trade friction may protest against Trump's trade policy. Washington will perhaps feel more pressure from US industry and worker associations, who always serve as a voice for their members in dealing with the government.

It's possible that the trade friction between China and the US will evolve into a long-lasting battle over economic endurance. Amid a growing trade row, job creation is perhaps a determining factor. China has to focus more on the employment issue and develop a concrete plan as soon as possible to shield targeted groups from the sting of US tariffs.

Constant efforts to create a policy environment that supports the digital economy and entrepreneurship will likely serve as a buffer against possible job losses caused by US tariffs. Urbanization is creating better-paid jobs in China's third-tier and fourth-tier cities, broadening China's employment channels and relieving employment pressure in big cities and processing bases that are hit hard by US tariffs.

China created a record 6.13 million new jobs in the January-May period, up 140,000 compared to a year earlier, according to official data. It seems China enjoys more advantages than the US in alleviating employment pressure caused by the trade frictions, but more efforts are needed.

Source: People's Daily/Global Times