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RAILWAY CONSTRUCTION AND SERVICE COMPANY EMPLOYMENT

Abstract:

Do railway constructions cause more employment in service sectors? Is it similar or unlike industrial sector? Using more than 300 cities' data from 1999 to 2014 in China, this paper gives strong evidence that there are positive relations between railway constructions and service company employment increase. Speedup events and high-speed railway openness cause more employment in service sectors. The effects are larger in the cities with more population. Population increasement and job opportunity caused by railway constructions are main mechanism of this effect, retail and finance are two most beneficial industries, and all of these adjustments are accompanied with the decline of SOE enterprises' employment. The results are robust when we investigating the different group sample.

Keywords:

Railway construction, Employment adjustment, Service company

JEL Classification: E24, L92, O14