

Highway Traffic Infrastructure Development and the Income Gap between Urban and Rural Residents--From the Perspectives of Agglomeration and Diffusion Effects

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Abstract: Since the reform and opening up, China's highway traffic infrastructure has developed greatly, but the distribution of highway traffic infrastructure between urban and rural areas and between regions is unbalanced; at the same time, the disposable income of urban and rural residents has increased significantly. This paper intends to study the direct and spatial spillover influences of highway traffic infrastructure development on the income gap of urban and rural residents from the perspectives of agglomeration and diffusion effects. By constructing an analytical framework of moderator effects, panel data model and spatial panel model are estimated based on panel data of 186 prefecture-level cities in China from 2010 to 2019. The main conclusions are as follows: (1) The direct, spatial spillover and total effects of highway traffic infrastructure development on the income gap between urban and rural residents are significantly negative, suggesting that the diffusion effect of transportation infrastructure is greater than the agglomeration effect, through which the improvement of highway traffic infrastructure will narrow the income gap between urban and rural residents; (2) There is reverse moderation effect through the share of the secondary and tertiary industries: the higher the share of the secondary and tertiary industries, the lower the narrowing influence of highway traffic infrastructure development on the income gap between urban and rural residents;(3) There is also reverse moderation effect through the urbanization rate: the higher the urbanization rate, the lower the narrowing influence of highway traffic infrastructure development on the income gap between urban and rural residents. This paper has policy reference value for promoting the cross-regional integrated development of transportation facilities, speeding up the construction of national unified market and promoting the balanced development of urban and rural areas.

Keywords: Highway Traffic Infrastructure Development; Urban-Rural Income Gap; Direct Effect; Spatial Spillover Effect; Moderation effect;

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