

Employment Effect of Service Industry Development

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Abstract

In recent years, in the process of China's economic development, the proportion of the added value of the service industry in GDP has continued to rise, and exceeded 50% for the first time in 2015, and the growth rate of the added value of the service industry has generally remained above 10%. The service industry has become an important supporting force for the high-quality development of China's economy, and the development of modern service industry has become an important development goal. This paper divides the service industry into traditional and modern service industries. The research and analysis shows that China's service industry as a whole needs more labor inflow; The employment absorption capacity of traditional service industry tends to be saturated, resulting in labor surplus; There is a shortage of labor in modern service industry, which needs more labor inflow.

Keywords

Service industry; Employment; Traditional service industry; Modern service industry.

1. INTRODUCTION

In recent years, China's service industry has become the strategic focus of economic development, the scale has been expanding and has developed into an important support for the national economy. The development of service industry can not only promote the needs of high-quality development of the national economy and meet the needs of industrial structure adjustment, but also has great potential in absorbing labor employment in the current severe employment situation. The number and proportion of service industry are rising, and has become the "main channel" to absorb employment. [1] In addition, the Ministry of science and technology also stressed the need to accelerate the innovation and development of modern service industry in 2012. [2] Therefore, it is of great significance to further develop the service industry to improve China's employment situation. This needs to analyze the current basic situation of employment in China's service industry, further understand the relationship between service industry and employment, comply with the trend of economic and social development, and take the development of service industry as an important channel to absorb labor force.

2. METHODS BASED ON EMPLOYMENT ELASTICITY COEFFICIENT AND DEVIATION DEGREE OF INDUSTRIAL STRUCTURE ANALYSIS

Based on the calculation results of employment elasticity coefficient and industrial structure deviation, this paper makes a basic analysis on the impact of China's service industry development on service industry employment with a descriptive method. The employment elasticity coefficient can reflect the percentage point that the service industry employment can increase for every one percentage point increase in the output value of China's service industry,

reflecting the pulling effect of the development of the service industry on the service industry employment. The deviation degree of industrial structure can reflect whether the industrial structure and employment structure of China's service industry have reached a balanced state, that is, whether they have achieved coordinated development. At the same time, it can reflect whether the traditional and modern service industries need labor outflow or labor inflow. [3]

3. EMPLOYMENT EFFECT OF SERVICE INDUSTRY DEVELOPMENT

This paper mainly uses the employment elasticity coefficient and the deviation degree of industrial structure to make a basic analysis of the effect of service industry development on service industry employment.

3.1. Analysis on Employment Elasticity Coefficient of Service Industry

Employment elasticity coefficient refers to the ratio of employment growth rate to growth rate of output, which is used to measure the change of employment growth caused by the growth of output value. [4]

Table 1. Employment elasticity coefficient of national service industry from 2009 to 2019

Year	National service industry	Traditional	Modern
2009	0.2341	0.8806	0.5138
2010	0.1041	0.2289	0.3499
2011	0.1928	0.6655	0.4061
2012	0.1125	0.9378	0.5832
2013	0.5194	0.9336	0.6556
2014	0.5384	1.2563	0.8966
2015	0.3803	0.7896	0.7549
2016	0.2602	0.7599	0.5548
2017	0.2977	0.6433	0.7088
2018	0.2982	0.5088	0.6136
2019	0.1709	0.9997	0.5983

It can be seen from table 1 that the employment elasticity coefficient of the national service industry from 2009 to 2019 is greater than 0, indicating that China's service industry has a good role in stimulating employment on the whole. From 2009 to 2014, the employment elasticity coefficient of the national service industry showed a trend of increasing fluctuation on the whole, and even exceeded 0.5 in 2013 and 2014, indicating that for every one percentage point increase in the output value of the service industry, the growth of employment in the service industry can increase by about 50%. This may be closely related to the promotion of the rapid development of the service industry emphasized by the 18th CPC National Congress in 2012, [2]and the employment pulling role of the service industry has been significantly enhanced.

From the employment elasticity coefficient of traditional and modern service industries, the employment elasticity coefficient of traditional service industries showed an obvious decreasing trend from 2015 to 2018, which shows that the pulling effect on the employment of traditional service industries continues to decrease for every one percentage point increase in the output value of service industries. In contrast, although the employment elasticity coefficient of modern service industry has decreased significantly after 2014, it can be seen that the employment elasticity coefficient of 2017-2018 is greater than that of traditional service industry. This shows that with each percentage point increase in the output value of the service

industry, the pulling effect on the employment of the modern service industry is greater than that of the traditional service industry.

3.2. Analysis on Deviation Degree of Service Industry Structure

The deviation degree of industrial structure is not only an important index to measure the sustainable development of social economy [5], but also an important index for the coordinated development of industrial structure and employment structure. The structural deviation of the service industry is expressed by the difference between the output value of the tertiary industry in GDP and the employment of the industry in the whole society. Similar to the research of other scholars, the output structure of service industry is not coordinated with the employment structure, and the difference is obvious. [6]

Table 2. Deviation degree of national service industry structure from 2008 to 2019

Year	National service industry	Traditional	Modern
2008	0.0966	0.0812	0.1470
2009	0.1031	0.0844	0.1637
2010	0.0958	0.0838	0.1528
2011	0.0859	0.0745	0.1468
2012	0.0936	0.0660	0.1474
2013	0.0838	0.0522	0.1437
2014	0.0744	0.0337	0.1565
2015	0.0806	0.0192	0.1658
2016	0.0830	0.0052	0.1786
2017	0.0698	-0.0108	0.1761
2018	0.0584	-0.0224	0.1805
2019	0.0633	-0.0524	0.1970

It can be seen from table 2 that the deviation degree of China's national service industry structure showed a fluctuating downward trend from 2008 to 2019, and both were positive, indicating that the industrial structure and employment structure of China's service industry are adjusting in the direction of coordinated development, but the coordinated development has not been realized at present.

From the perspective of the structural deviation of traditional service industry, the average annual value from 2008 to 2016 is positive and continues to decrease, indicating that the number of labor required to flow into traditional service industry is declining during this period. The deviation from 2017 to 2019 is negative, and the absolute value is increasing. This shows that after 2016, there are too many employees in China's traditional service industry, there is a surplus of labor, and more labor needs to flow out of the traditional service industry.

From the perspective of the deviation degree of modern service industry structure, it generally showed a decreasing trend from 2009 to 2013, which shows that the industrial structure and employment structure of modern service industry are developing in a coordinated direction, but the deviation degrees are greater than 0, indicating that labor inflow is still needed. From 2014 to 2019, the structural deviation of modern service industry continues to increase, which indicates that the demand for labor in modern service industry has been expanding in recent years, and more labor is needed to flow into modern service industry.

4. CONCLUSION

From the above analysis, it can be concluded that China's service industry has become a national pillar industry and an important channel for China to absorb labor force. However, there are some problems in the development of the service industry: the traditional service industry developed rapidly in the early stage and absorbed more labor force, but the stage of rapid development has passed, the demand for labor force is also declining, and there is a situation of excessive labor force. Modern service industry has ushered in an important period of development, but it lacks sufficient labor force. These problems are not conducive to the coordinated development of China's service industry structure and employment structure.

In order to solve some employment problems in the development of service industry, this paper puts forward some practical suggestions. First of all, to promote the development of the service industry, we need to guide more practitioners to choose modern service industry for employment, encourage the labor force to continuously improve their knowledge, specialty and skills, so that they can flow into and integrate into the modern service industry. Secondly, although the training and gathering of high-end service talents is conducive to economic development, employers cannot blindly set the entry threshold too high, because it not only hinders the inflow of talents to a certain extent, but also is not conducive to the improvement of the employment situation of the whole society.

Finally, the sustained and healthy development of China's service industry is inseparable from the role of the market and the guidance of the government. In this process, the development of service industry needs to play the decisive role of market mechanism and the role of government macro-control, stimulate service innovation, promote industrial integration, promote industrial agglomeration, deepen service industry reform, expand the opening of service industry, create a good employment environment and guide employees to flow to modern service industry.

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