A Study of Three Sectors Employment Effects Resulting from Foreign Direct Investment- Empirical Analysis on the Data from Shanghai

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***Abstract*—With the development of China's reform policy, China's economy has integrating into the global economy. As a result, more and more foreign capital continues to flow into China. Since 1990, foreign direct investment (FDI) was mainly concentrated in the Yangtze River Delta region, and Shanghai enjoyed strong economic strength, thanks to its abundant human resources and convenient transportation network; as these are excellent qualities for attracting foreign investment, Shanghai became one of the major cities attracting FDI. FDI has had a tremendous impact on many aspects in Shanghai, including employment. Therefore, Shanghai was chosen as the research object of this paper. This paper is organized as follows. Firstly, a theoretical analysis of the employment effects of FDI is presented. Secondly, after combining the actual utilization of FDI and employment in Shanghai, an empirical analysis of the effects of FDI on employment's quantity, employment's distribution and employment quality is carried out by collecting relevant data and establishing regression models. This study finds that while FDI does exert a positive influence on the quantity of employment in Shanghai's tertiary industry, it is not conducive to primary and secondary industries. In addition, FDI has shown positive and negative impacts on the quality of employment. Lastly, some suggestions are proposed to enhance the positive role of FDI on employment.**

***key words*—Foreign Direct Investment, Employment Effects, Three Sectors, Shanghai, China's economy.**

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