Transport Infrastructure Improvements, Intra-City Migration, and Spatial Sorting: Evidence from a BRT system in Buenos Aires*

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Abstract

How do improvements in the urban transport infrastructure affect spatial sorting between high- and low-skilled workers? In this paper, I will leverage individual level panel data on the addresses of more than two million individuals in order to study the effect of the construction of a bus rapid transit system (BRT) in the city of Buenos Aires, Argentina, on the spatial reorganization of residents within the city. I then develop a dynamic quantitative spatial equilibrium model of the city in order to quantify the heterogenous welfare effects of this BRT system, as well as to study the effect of different counterfactual scenarios on the spatial sorting of workers within the city. My findings suggest that the effects of increasing market access on the share of high-skilled residents is increasing in the initial high-skill share of the neighborhood. For census tracts in neighborhoods with the lowest share of high-skill workers, an increase in market access reduced the share of high-skilled workers living in those census tracts. However, for census tracts with an initially high share of high-skill workers, an increase in market access resulted in an increase in the high-skill share. I show that these spatially differentiated effects led to an increase in the spatial segregation between high and low-skilled residents in the city.

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