

RESEARCH PROJECT: EARLY RESULTS

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QUESTION

- Recent empirical evidence from India shows a high amount of slack in village labor markets (Breza, Kaur, and Shamdasani, 2021)
 - Workers prefer jobs at the market wage over unemployment or self-employment
- Does better connectivity help lower self-employment (or disguised unemployment)?
- Does better connectivity help increase wage employment?

DATA

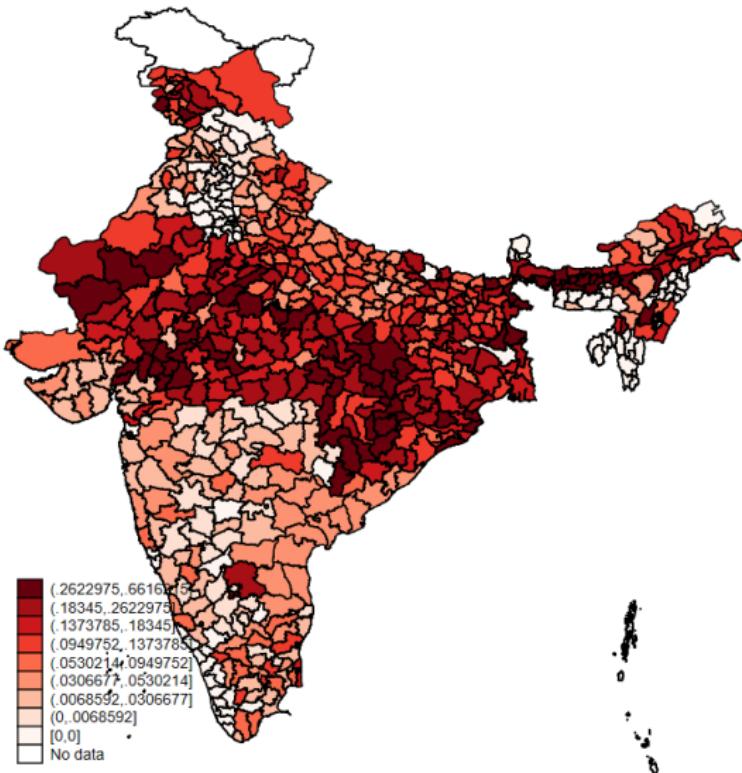
1. Time Use Survey (2025): Household level survey
 - Collects information on time use for every member above 6 years of age
 - Information on activity status and nature of employment
 - Information on district of residence
2. PMGSY data on new roads (at the village level)

METHODOLOGY

- Examine this in the context of a large national rural road program that connected previously unconnected habitations
- Analyze the effects at a local labor market level (district indexed by i)

$$Y_{it} = \beta \times SharePopExposedToRoad_{it} + \gamma_s + \epsilon_{it}$$

- **Treatment:** Share of population exposed to roads (Aggarwal, 2020)
- **Outcomes:** Average share of time spent on paid employment, wage employment, and self employment



Distribution of share of population exposed to roads

RESULTS

VARIABLES	(1)	(2)	(3)
	Paid employment	Wage employment	Self employment
Share exposed to roads	-0.028*** (0.010)	-0.058*** (0.009)	0.016 (0.011)
Constant	0.135*** (0.001)	0.040*** (0.001)	0.061*** (0.001)
Observations	603	603	603
R-squared	0.395	0.397	0.318
State FE	✓	✓	✓

Robust standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

HURDLES AND NEXT STEP

- Explain the mechanisms through which wage employment might be affected negatively
- Explore heterogeneity by gender: are males and females using their times differently?
 - Is there intra-household specialization?