

RESEARCH PROJECT: FINAL RESULTS

Ananyo Brahma

UC Santa Cruz

QUESTION

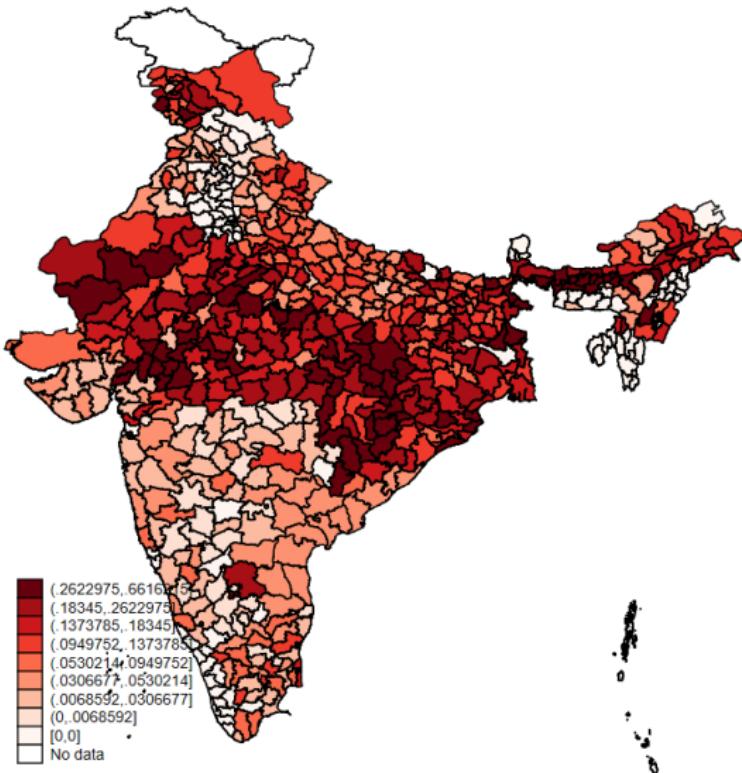
- Recent empirical evidence from India shows a high amount of slack in village labor markets (Breza, Kaur, and Shamdasani, 2021)
 - Workers prefer jobs at the market wage over unemployment or self-employment
- Does increased spatial integration help increase wage employment outside the household?
 -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

DATA & METHODOLOGY

- **Data:** Time Use Survey (2024), PMGSY
- **Methodology:** Analyze the effects at a local labor market level (district d in state s)

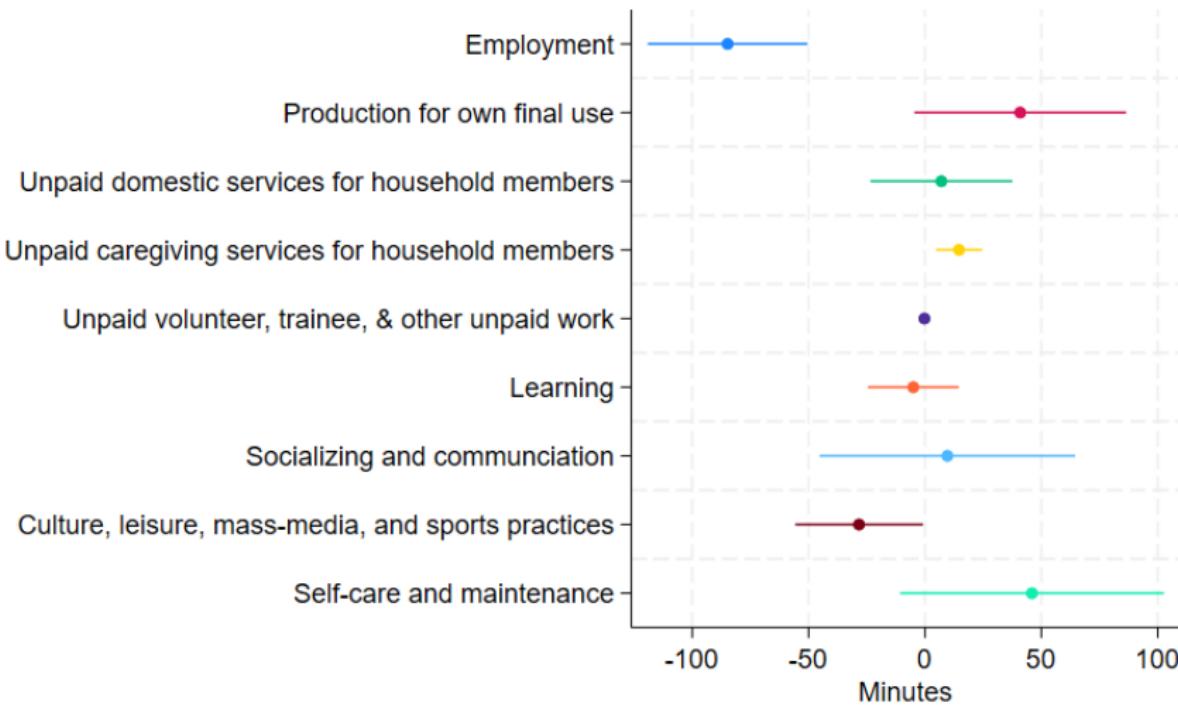
$$Y_{ds} = \beta \times SharePopExposedToRoad_{ds} + \gamma_s + \epsilon_{ds}$$

- **Treatment:** Share of population exposed to roads (Aggarwal, 2020)
- **Outcomes:** Average number of minutes spent on various activities

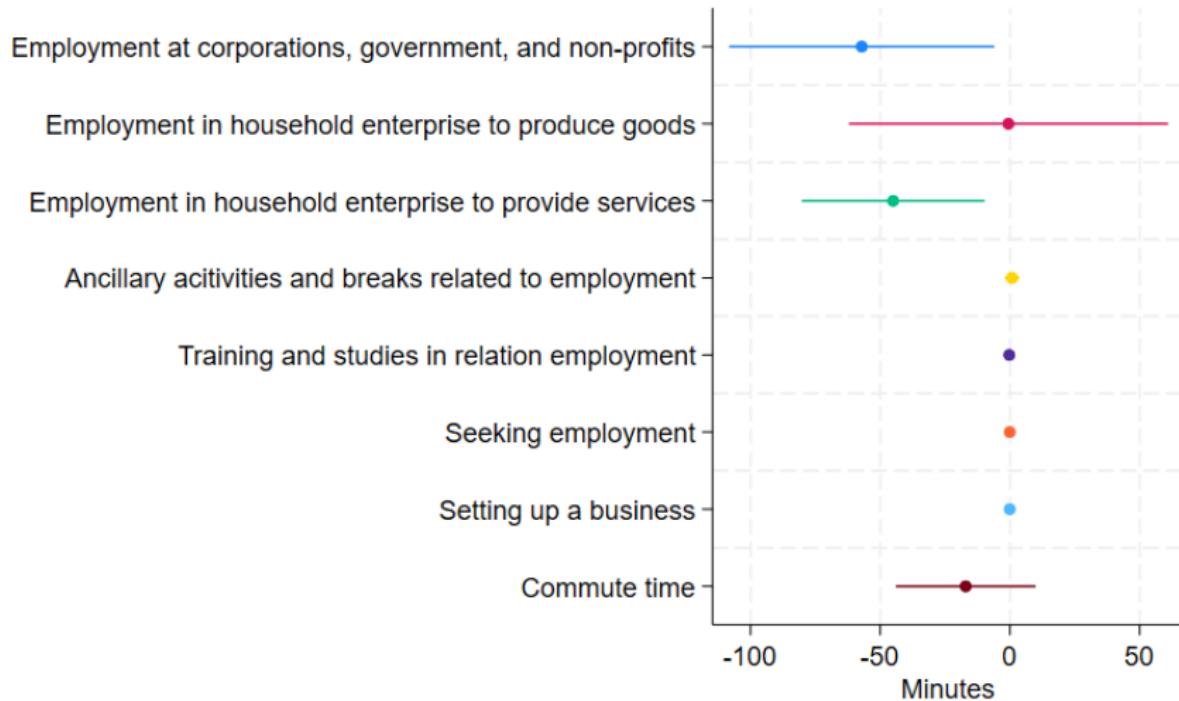


Distribution of share of population exposed to roads

TIME USAGE FOR EVERYONE IN WORKING-AGE POPULATION



TIME USAGE FOR INDIVIDUALS IN WORKING-AGE POPULATION IN LABOR FORCE



DISCUSSION

- Explanation #1: Wage effects
 - If wages increase, people may work fewer hours.
 - Do not observe wages, but look at consumption (indirect)
 - Evidence is contrary: Consumption is ↓
- Explanation #2: Labor markets are more competitive
 - Spatial integration increases number of people vying for the same jobs
 - Likely heterogenous effects on workers