

# RESEARCH PROJECT: FINAL RESULTS

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## QUESTION

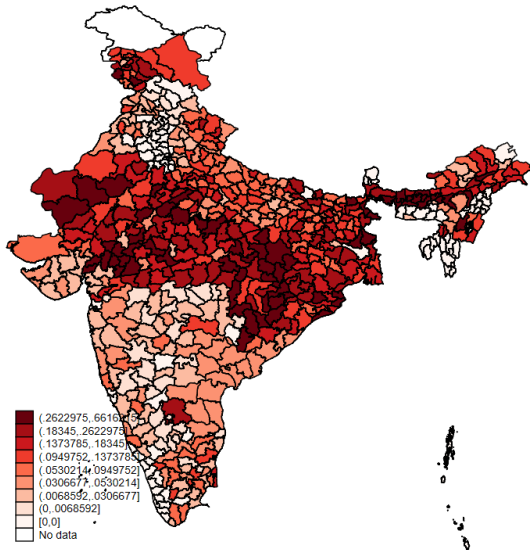
- Recent empirical evidence from India shows a high amount of slack in village labor markets (Breza, Kaur, and Shamdasani, 2021)
  - Workers prefer jobs at the market wage over unemployment or self-employment
- Does increased spatial integration help increase wage employment outside the household?
 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

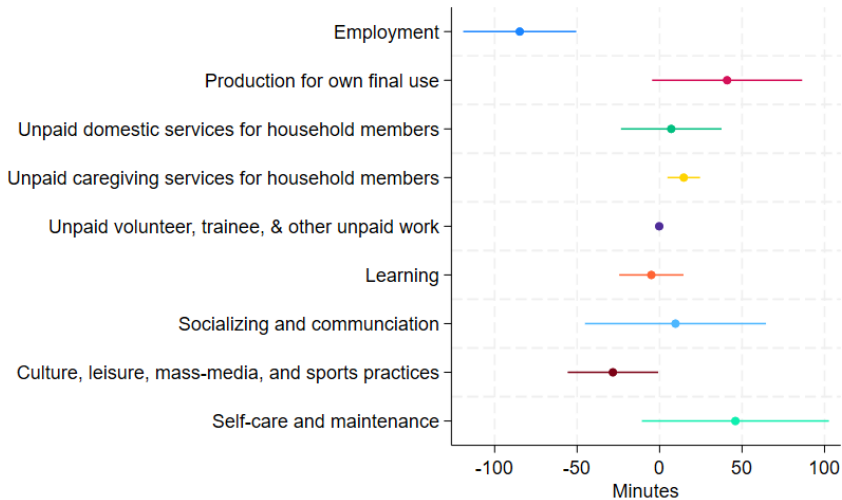
$$Y_{ds} = \beta \times \text{SharePopExposedToRoad}_{ds} + \gamma_s + \epsilon_{ds}$$

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

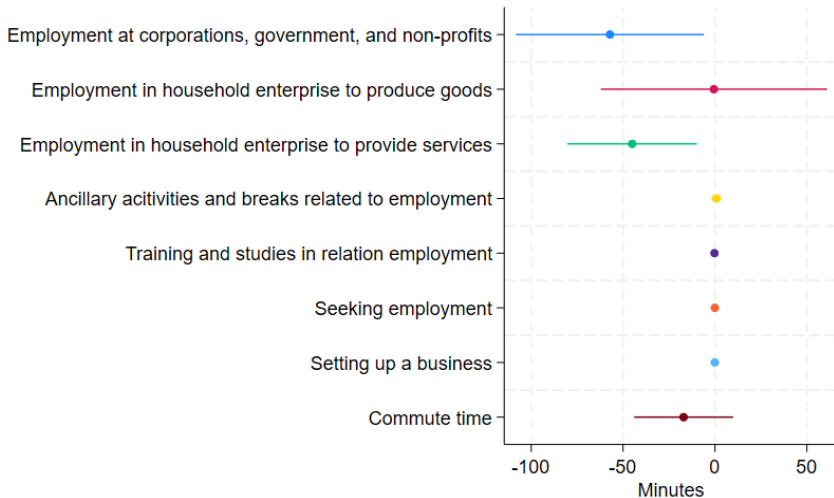


Distribution of share of population exposed to roads

# 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 heterogeneous effects on workers