

Effect of Rural Roads on Migration Patterns in India: An Instrumental Variable Approach

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Abstract: This paper examines the impact of Pradhan Mantri Gram Sadak Yojna (hereafter, PMGSY) on pattern of migration in India. Using the data from Census and PMGSY, during 2001 to 2011, we investigate the role PMGSY has played in migration. We first find that the construction of rural roads has led to an overall fall in the migration. Further, we separate the migration into two types, rural to urban migration and rural to rural migration. We note that rural to urban migration has witnessed a significant decline with the building of roads under PMGSY. However, the interesting point to note in our results is the pattern of rural-to-rural migration. We find a significant increase in the rural-to-rural migration caused by PMGSY. For robustness, we use a geography-based instrument 2SLS analysis as well. The results are still identical and statistically significant.

Keywords: Rural Roads, Migration and Instrumental Variable

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