

EDUCATION

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## EFP Takeaways

Spillover Impacts on Education from Employment Guarantees

### Background

The Mahatma Gandhi National Rural Employment Guarantee Act in India is the world's largest guaranteed jobs program, providing employment to adults in 53 million households (23% of Indian households). But does it impact education negatively? Evidence from some other developing countries indicates that an increase in the supply of low-skill jobs can lead to higher school dropout rates. Anjali Adukia explores whether similar evidence is found in India. Her work is published in vol. 17 issue 1 of *EFP*.

### The Study

The author analyzes the effects of the Indian jobs guarantee program on children's educational attainment in rural districts between 2005 and 2009. She uses administrative data from the District Information System for Education Database and household survey data from the Annual Status of Education Report Database. The sample includes schools in 437 rural districts.

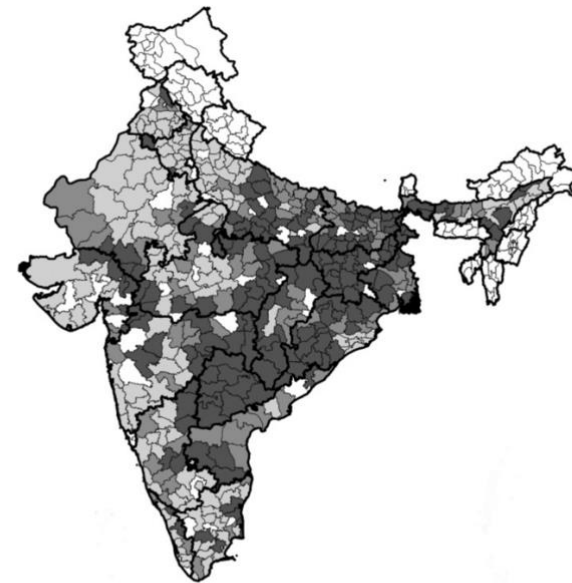
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Adukia, A. (2022). Spillover Impacts on Education from Employment Guarantees. *Education Finance and Policy*, 17 (1): 129-159.

### Findings

Overall, the author finds that the jobs guarantee program did not induce substantive declines in children's educational attainment. For every 43 to 50 households (depending on the particular data source), there is a one-child decline in school enrollment.

The author concludes that while the program does result in a slight increase in school dropout rates, that decline in enrollment can be mitigated by directing less than 0.35% of MGNREGA expenditure towards education interventions.



Notes: Figure 1 shows the 437 sample districts that are represented in the school-level DISE dataset. The districts that are shaded with the darkest gray received Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) benefits in Phase I. The districts that are shaded with the medium gray received MGNREGA in Phase II. The districts that are shaded with the lightest gray received MGNREGA in Phase III. The districts that are not shaded (white) are excluded from the main analysis sample and are included in the analysis in online table A.3.

Figure 1. Map of Sample Districts Using District Information System for Education (DISE) Data