

Lecture Series on Governance and Politics in South Asia Department of Political Science

The Welfare Effects of India's National Rural Employment Guarantee Act

by

Professor Stefan Klonner

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This study empirically evaluates the effects of the NREGA on household consumption and poverty rates in rural India. Combining regionally coded data from national consumption surveys with information on the district-wise rollout of the program, we estimate program effects during the initial years of the program. We find large, season-specific effects among scheduled castes and scheduled tribes. For this group of households, employment opportunities under the scheme have cut poverty during the agricultural lean season by as much as one half while there is no effect during the agricultural peak season. In a cost-benefit analysis we find that consumption increases among this group of households are of the same order of magnitude as the wage outlays of the program. We conclude that the employment program has had a large and lasting effect on consumption smoothing across agricultural seasons among traditionally deprived rural subpopulations.



Stefan Klonner joined Heidelberg's South Asia Institute as Professor of Development Economics in 2010. He earned a master's degree in statistics and econometrics from the University of Utah in 1996 and a Ph.D. in economics from Heidelberg University in 2001. Previously, he has held positions as postdoctoral fellow and visiting lecturer at Yale University, assistant professor at Cornell University, and Professor of International and Development Economics at Goethe University, Frankfurt. His research focuses on microeconomic aspects of low-income economies, in particular determinants and measurement of poverty, impact evaluation of welfare programs, and the functioning of credit markets. His regional specialization is South India, where he has carried out several data collections and field studies.

Date: Monday, May 7, 2018

Time: 16:00-18:00

Venue: SAI 317

All are cordially invited!