*Appendix: Railways, Development, and*

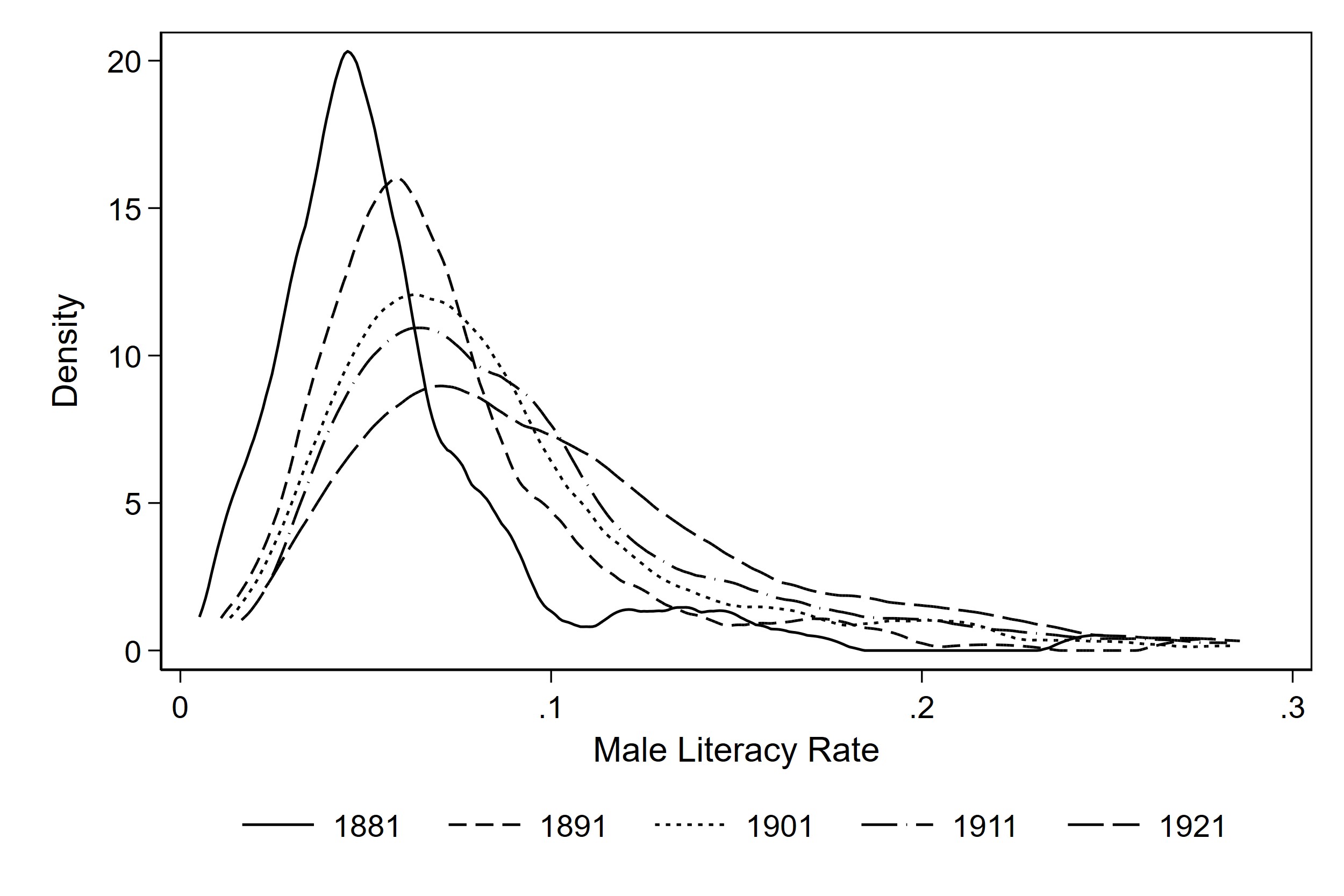
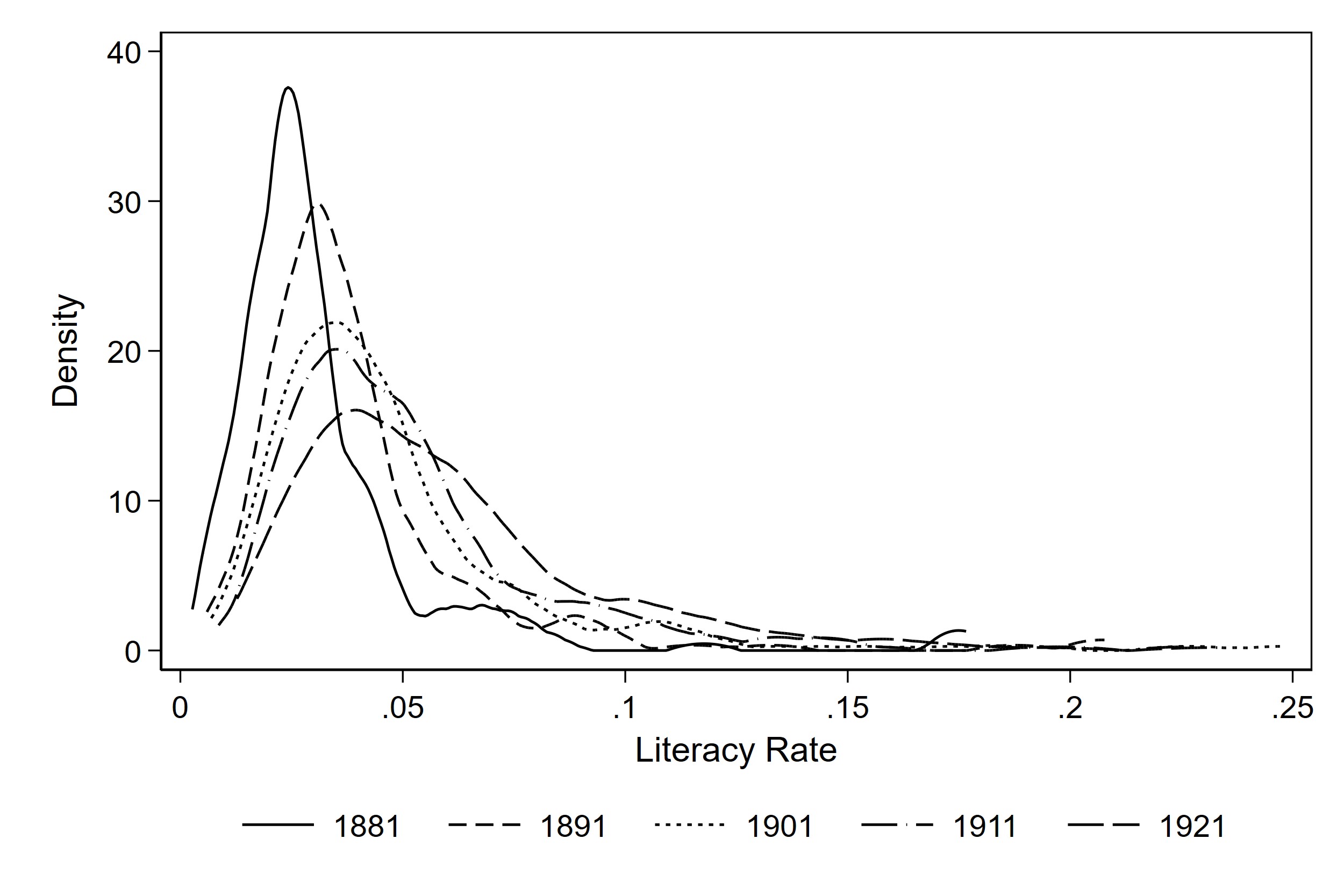
*Literacy in India*

We study the effect of railroads, the single largest public investment in colonial India, on human capital. Using district-level data on literacy and two different identification strategies, we find railroads had positive effects on literacy, in particular on male and English literacy. We show that railroads increased literacy by raising secondary and elite primary, rather than vernacular primary, schooling. Our mediation analysis suggests that non-agricultural income, urbanisation, and opportunities for skilled employment are important mechanisms, while agricultural income is not.

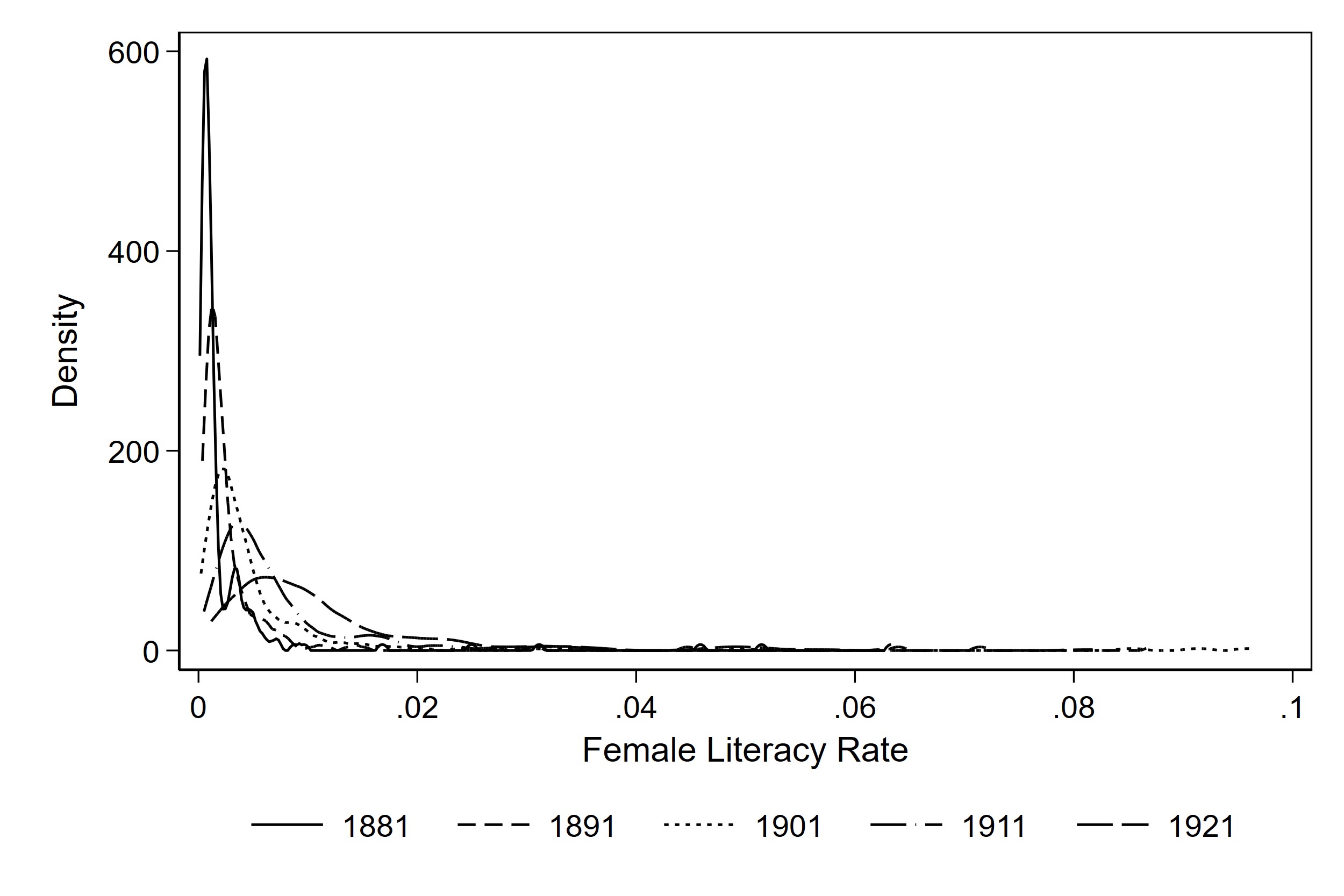
# Appendix Figures

FIGURE 1. Distribution of Literacy

Total Literacy Male Literacy



Female Literacy



Total distribution truncated at 25%, male distribution at 30%, and female distribution at 10%. Fewer than 1% of observations are above these cutoff.

# 

FIGURE 2. Map of Total Literacy, 1881-1921, Quintiles

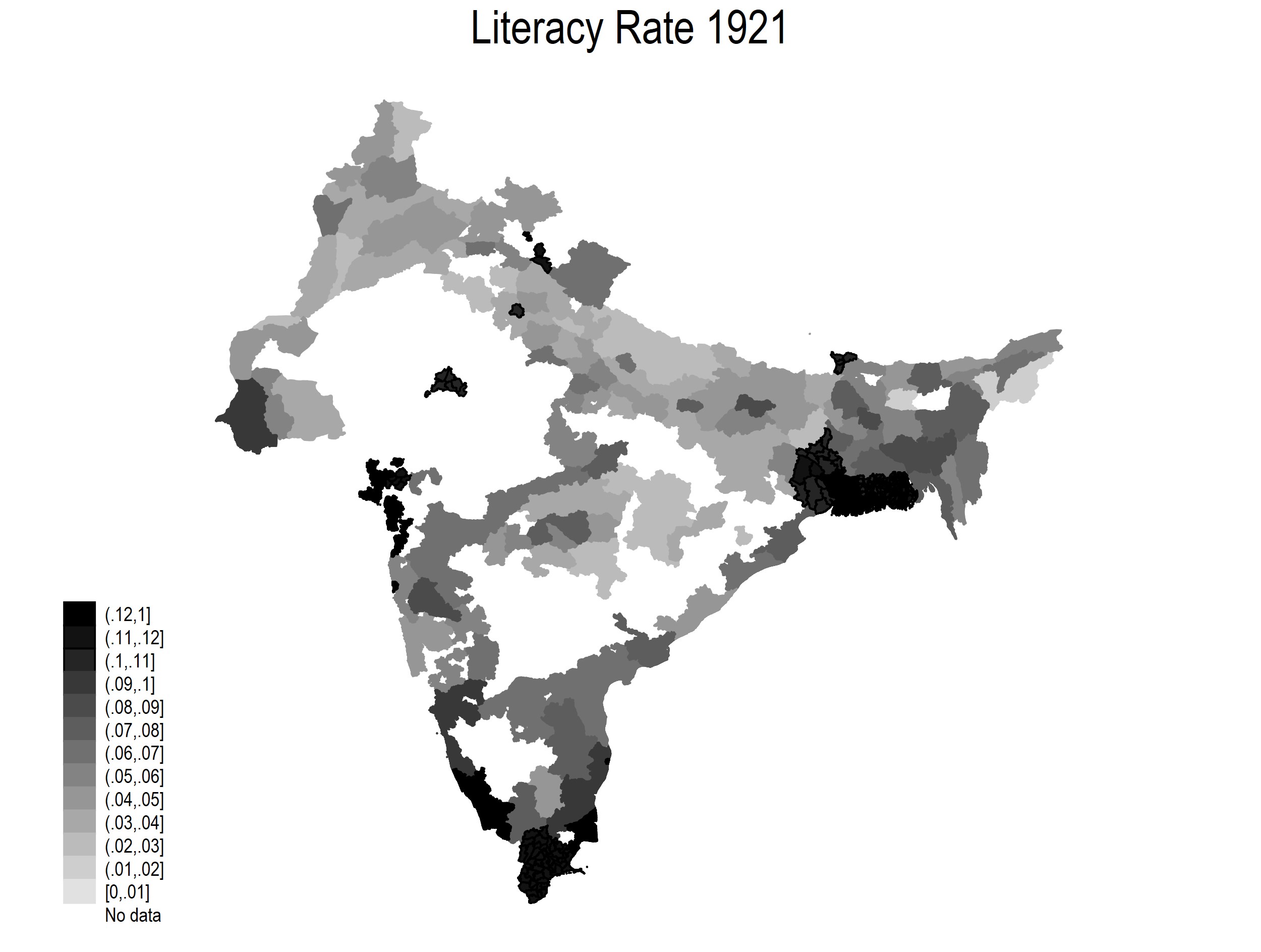
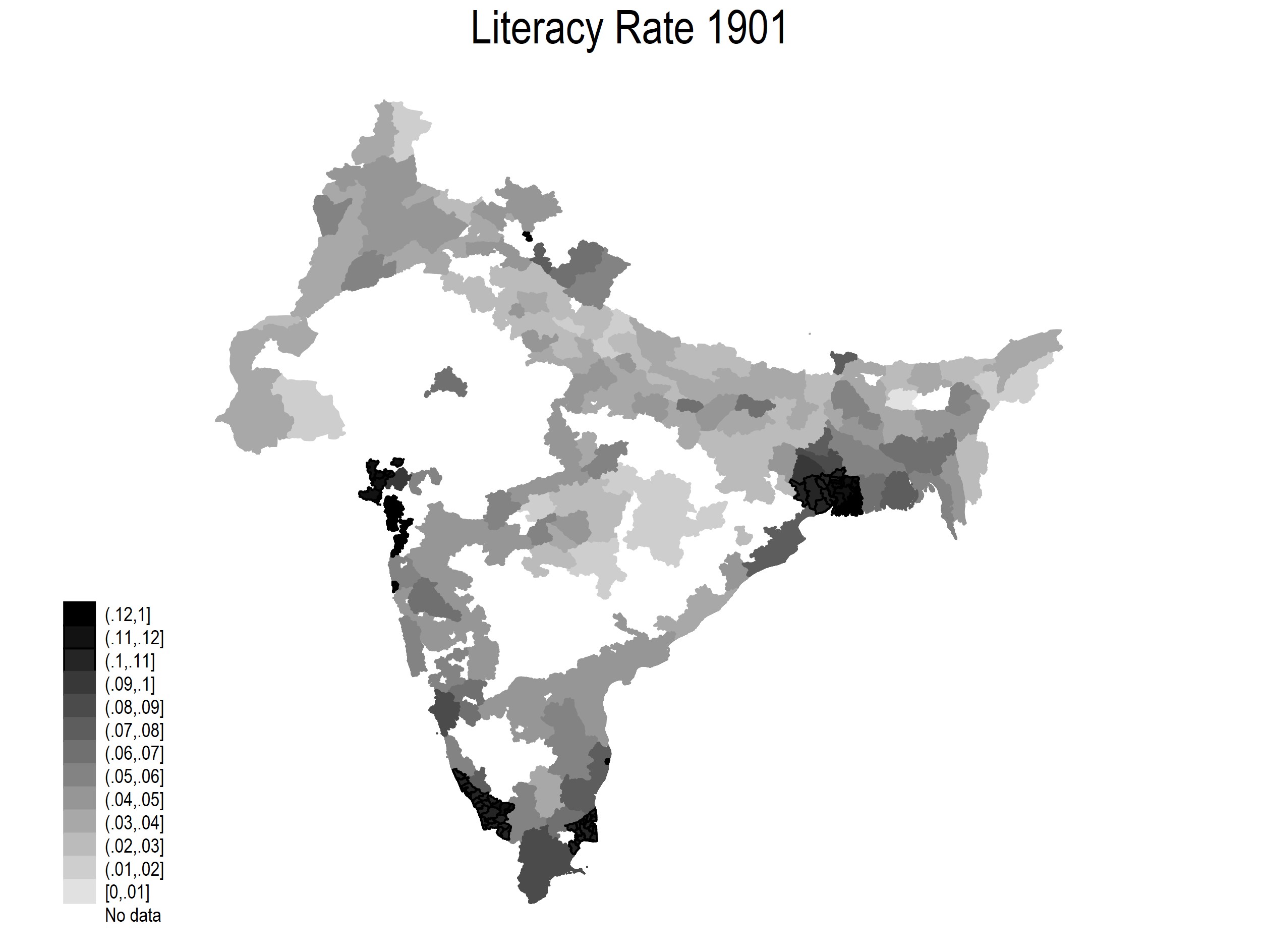
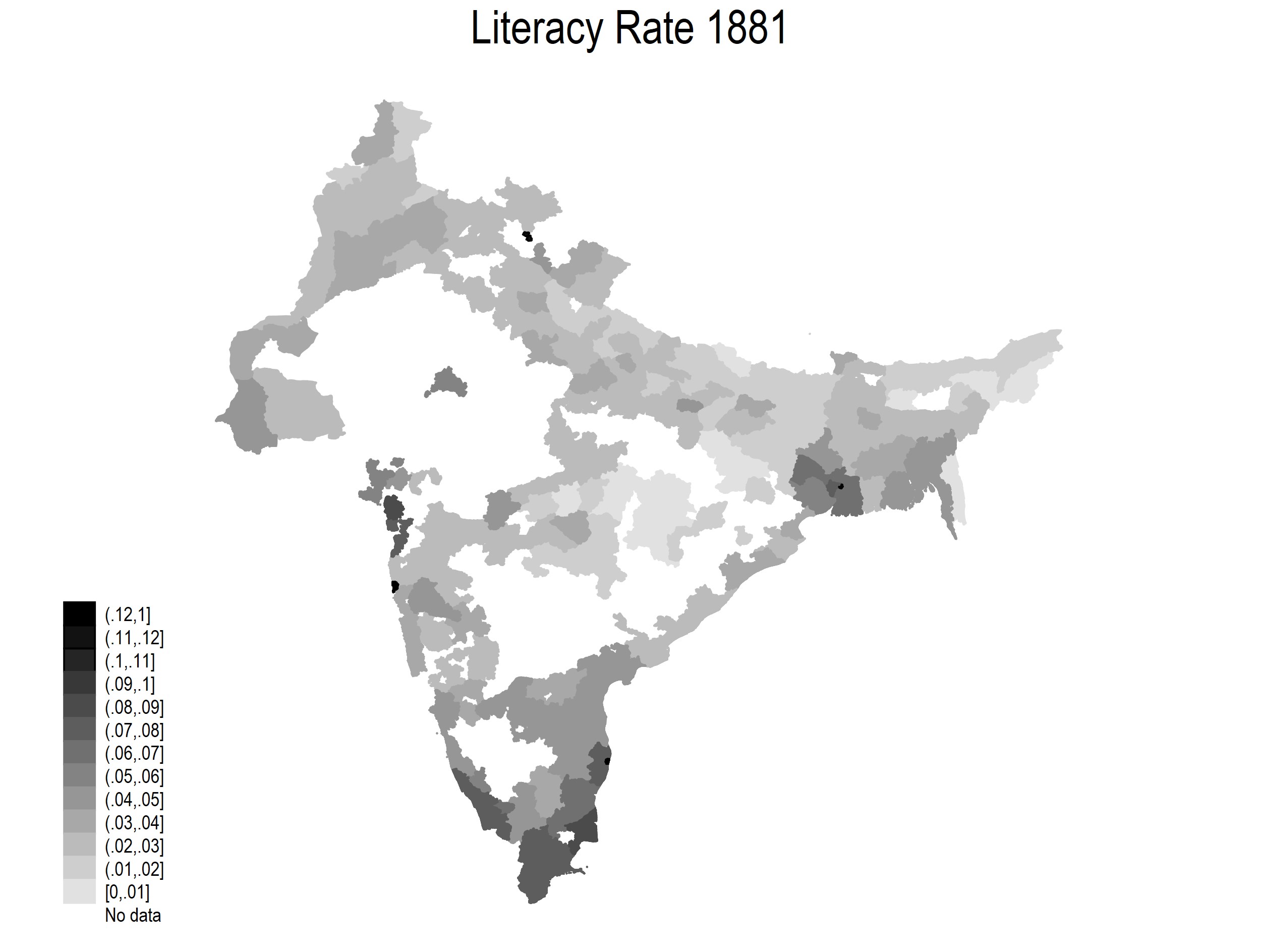


FIGURE 3. Scatterplot of Railroad Years and Literacy, 1881

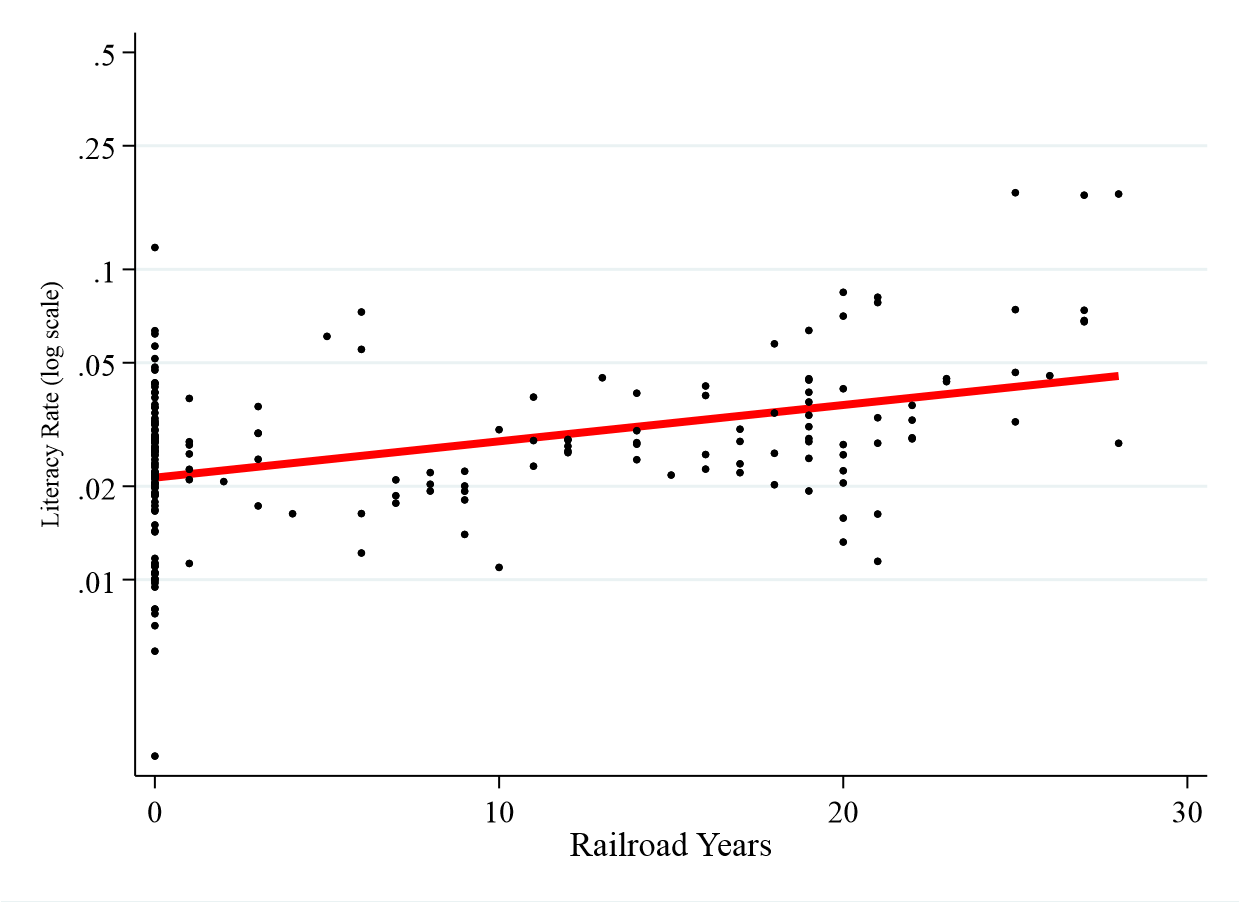
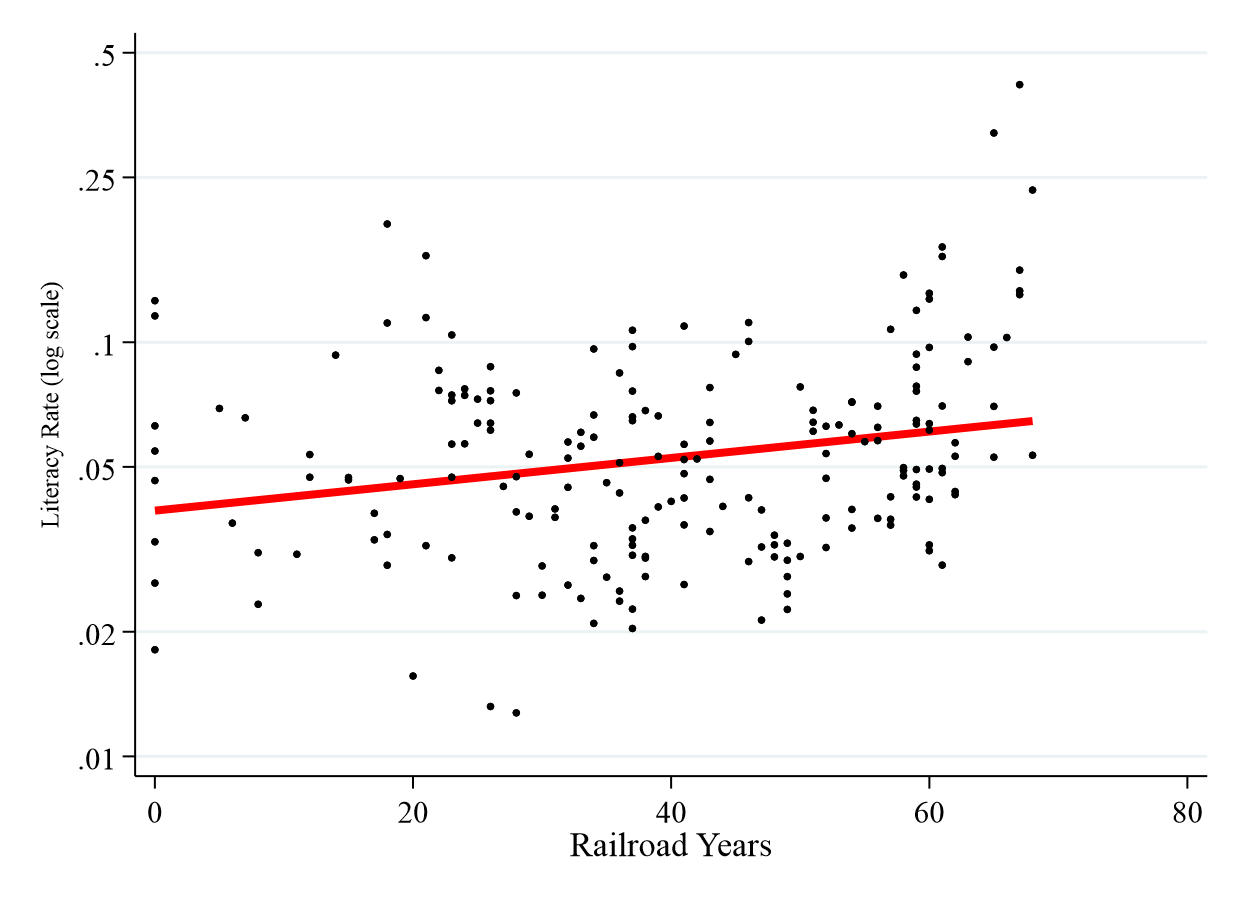


FIGURE 4. Scatterplot of Railroad Years and Literacy, 1921



# 

## REFERENCES

Chandler, T. and Fox, G. (1974). *Three Thousand Years of Urban Growth*. Academic Press, New York.

Conley, T. G. (1999). GMM estimation with cross sectional dependence. *Journal of Econometrics*, 92(1):1–45.