

Comments on “The ABC of housing strategies. Are housing assistance programs effective to enhance children’s well being?”

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IEN – Fifth Meeting

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Overview of the paper

- **Question:** Effect of housing assistance program on child enrollment and labor participation, and poverty?
- **How:**
 - Data: administrative data + registry of the poor
 - Two empirical strategies: (1) conversion of voucher into house, (2) age of siblings relative to treatment
- **Results:**
 - Positive effects on the three outcomes (very large!)
 - Possible mechanisms: sanitation, house attributes, overcrowding

Identification (I)

- Times aspects (i.e. choices) used for identification in first approach:
 - (1) Application, (2) Follow up survey of SELBEN, (3) Time elapsed between getting the voucher and converting it
- Actions taken
 - a. Selecting the sample to look at comparable periods (for 2 and 3); but heterogeneity could remain in selected samples
 - b. Time of application argued to be random; but it is a choice variable that could (i) determine actual length; (ii) reflect household conditions (e.g. stage in progressive housing process) and preferences; (iii) early takers may deal with different housing/credit markets (time-varying factors)

Identification (II)

- To identify changes in the demand for schooling need to assume the supply is fixed

But what if social housing projects also motivated investments in more schools and basic services (problematic if there is systematic variation in the supply between early and late program takers)

Identification (III)

- Within-household comparison using siblings:
 1. **Assumption:** removes unobserved family characteristics that are common for children within a family (urgency in the need of a house, access to information, ability to convert voucher);
⇒ But problem is that they are not fixed but likely change over time (e.g. urgency to get house/economic conditions may be systematically larger or lower for older siblings).
 2. **Measurement issues:** although unlikely endogenous, it is not clear if measure of enrollment based on years of schooling for older siblings that are not in school is accurate (e.g. overage, age at entry)

How meaningful are the impacts on poverty?

- Analysis seems to be picking a “mechanic” rather than a “causal” relationship:
 - **Program subsidizes housing** → gets new house → increases access to **clean water**, **basic sanitation**, improved **materials of floors** and roofs; reduces house **overcrowding**
 - **Measure of poverty**: (1) inadequate housing (i.e. **material of floors**), (2) inadequate provision of basic services (**clean water and sanitation**), (3) **overcrowding**, (4) economic dependence, (5) no enrollment of at least one child in relevant age
- Not surprisingly, the program is very effective in reducing poverty (by 20 percentage points – 26 and 52 percent!)

How meaningful is the identification of the channels of transmission?

- Another “mechanic” (i.e. identity) relationship:
 - **Program subsidizes housing** → gets new house → increases access to **clean water, basic sanitation**, improved **materials of floors and roofs**; reduces house **overcrowding**
 - **Channels**: increases access to **sanitation**, better **quality of materials of the house**, reduced probability of **overcrowding**

Equivalent to running **Y on X**, where **$X = Y + Z$**

Better to look at impact heterogeneity based on baseline data

- **Theoretically**, children 14-17 less susceptible to lack of clean water and sanitation, so then why are these the most likely mechanisms? What about income effects, credit constraints?
- Unclear why housing ↑ enrollment in non-compulsory school

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