

Housing Subsidies, Labor Supply and Household Welfare

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Brief summary

- Experimental evaluation of a social housing policy program (Zona Cero) implemented in one of the largest cities of Argentina
- Uses both administrative data and a household survey, including formal labor market trajectories before and after the program of applicants and spouses
- The study convincingly shows that the program reduced formal employment among beneficiaries. No significant differences in unemployment. Smaller household sizes for beneficiaries (vs controls)
- Employment reduction is larger among women and workers 50 years or older, who tend to have higher labor supply elasticities (good argument)
 - Relocation or income effect?

Relocation or income effect?

- Understanding what was the driver of the effect is key for policy implications of this study
- Pure (or mostly) relocation? Galiani and Schargrotsky (2004) for example find no income effect in land titling program, as mentioned in the paper.
- Long(er) term impact? Interesting to see that effects are seen a few years after the program. How did the program evolved? Did the expected expansion take place? This might affect development of this suburban area and employment opportunities.

Relocation or income effect?

- Differences in inactivity rate (and not in unemployment rates) points to income effect. Hidden unemployment?
- Income effect and moral hazard. What were the rules and payment enforcement of the program? Administrative delays with payments, design of the timing of legal ownership, and others could have led to income effect.

Few (smaller) comments...

- More information about the program's rules would be useful (for example, how were vacancies assigned to *suplentes*, when pertinent? Ranking? Another lottery?)
- More about compliance and beneficiaries' characteristics
- More about data - employers, types of jobs, occupations, hours, wages, etc to understand drop in formal employment
- Many other interesting research questions with different outcomes - Savings effect? Children's education? Peers/neighborhood effects?
- Overall, great paper! Thank you