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Geographic Isolation, Network and Cooperation: Evidence from a Public Housing Experiment in India

By Sharon Barnhardt, Erica Field and Rohini Pande

With a global population that the United Nations estimates will reach roughly 9 billion by 2050, accompanied by a mass migration from the countryside and agrarian communities to cities across the globe, attention is increasingly focused on the critical need to provide affordable urban housing, especially for lower-income residents. Most of the urban poor living in the developing world reside in informal slum housing characterized by high poverty rates, poor infrastructure and limited access to public services. This rapidly expanding urban population, expected to reach 6.4 billion over the next four decades, poses a challenge for policy-makers and urban planners to create affordable housing that meets the social and economic needs of urban residents. Until recently little attention has been paid to the factors of social and spatial distance in the housing choices of poor urban residents and the economic impacts of relocating urban residents to areas that are remote from their local social support systems. For people living in urban areas who rely on public services within their immediate neighborhoods, moving to a new area that lacks these social and labor networks could make it difficult to maintain their livelihoods and their relationships with family and friends, especially if the advantages of better housing and neighborhoods don't compensate for the loss of social support.

Recent research by Sharon Barnhardt, Erica Field and Rohini Pande reveals how critical the location of urban housing is to poor residents' choice of living situations. The authors' paper "Isolation or Opportunity? Experimental Analysis of a Housing Program for Urban Slum Dwellers in India", funded in part by the Real Estate Academic Initiative at Harvard University, examines how relocating urban residents away from the city center affects their interactions with family and friends, as well as their ability to maintain home-based businesses and other sources of employment. Their findings have far-reaching implications for urban slum redevelopment strategies and public policy-making in South Asia and other developing countries.

Barnhardt, Field and Pande have focused their research on a slum relocation program in Ahmedabad, India that uses a lottery to allocate housing units in an area remote from the city center. In this setting, the authors investigate greater access to formal housing in a distant neighborhood affects their ability to tap into new and old support systems for risk-sharing in their economic and social spheres. This question has largely been ignored in urban redevelopment schemes since policy-makers and real estate developers generally presume the urban poor have easy access in

The REAI is an interfaculty, interdisciplinary program focused on real estate and urban development research and education at Harvard University. Periodic research briefs document the REAI-funded research work of Harvard faculty and students.

Sharon Barnhardt is an Assistant Professor at IFMR (Chennai) where she teaches development economics. She is also a faculty affiliate with J-PAL South Asia and a Research Fellow at Evaluation for Policy Design at Harvard University. Barnhardt received a PhD from Harvard University, an MPA from Princeton University, and a BS in Finance from NYU.

Erica Field is an Associate Professor in the Department of Economics at Duke University. Field's primary fields of interest are development and labor economics, with a regional focus on Latin America. Her current research examines the link between health investments and economic mobility. She holds a PhD in Economics from Princeton University and a BA in Economics and Latin American Studies from Vassar College.

Rohini Pande is the Mohammed Kamal Professor of Public Policy at Harvard Kennedy School at Harvard University, and Co-Director of Evidence for Policy Design (EPoD) at the Center for International Development, Harvard University. Her research examines how the design of democratic institutions and government regulation affects policy outcomes and citizen well-being, especially in South Asia. Her work emphasizes the use of real-world evidence to test economic models, often through large-scale field experiments in developing countries. Pande received a PhD in Economics from London School of Economics, a MA in Philosophy, Politics and Economics from Oxford University and a BA in Economics from Delhi University.

This brief was written and prepared by **Lisa Chase**, research associate at the Harvard Business School.

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cities to extensive labor and financial markets, as well as social contacts and more diverse social networks than residents of rural areas. However, given the size and sprawl of most cities, residential segregation, uneven public services and slow transportation, access to markets and social networks, is highly localized within this dense urban environment. Particularly in South Asia, including India, slums tend to be centrally located in city centers, housing residents close to their sources of employment. Considering these factors, the question for urban planners and for the authors is whether slum redevelopment programs should prioritize relocating new housing away from informal, substandard housing and crowded living conditions, or focus on upgrading and improving slum housing where it is located? The costs to the urban poor of greater social isolation, higher commuting costs and less access to jobs and other economic opportunities may simply outweigh the benefits of better housing quality and less violence in their neighborhoods.

The housing lottery that is the focus of "Isolation or Opportunity?" was conducted in Ahmedabad, India's sixth most populous city with 3.5 million residents, located in one of the country's most industrialized and fastest-growing states. Ahmedabad also has a population living below the national poverty line (34 percent) that is 1.4 times the country's average, partly because of the decline of the city's textile industry in the 1960s. Before it declined, the textile sector attracted migrant workers who organized themselves into neighborhoods of similar caste and regional backgrounds. A significant rise in the informal employment sector followed the deterioration of Ahmedabad's textile industry, typically comprised of unlicensed home businesses and wage laborers and accounting for approximately 76.6 percent of the city's employment and 46.8 percent of its income. These informal workers now comprise the majority of Ahmedabad's urban poor and live in the city's slums, chawls (multi-storied one-room tenements with shared toilets) and pols (gated communities). The housing in these neighborhoods is typically old and dilapidated with limited access to

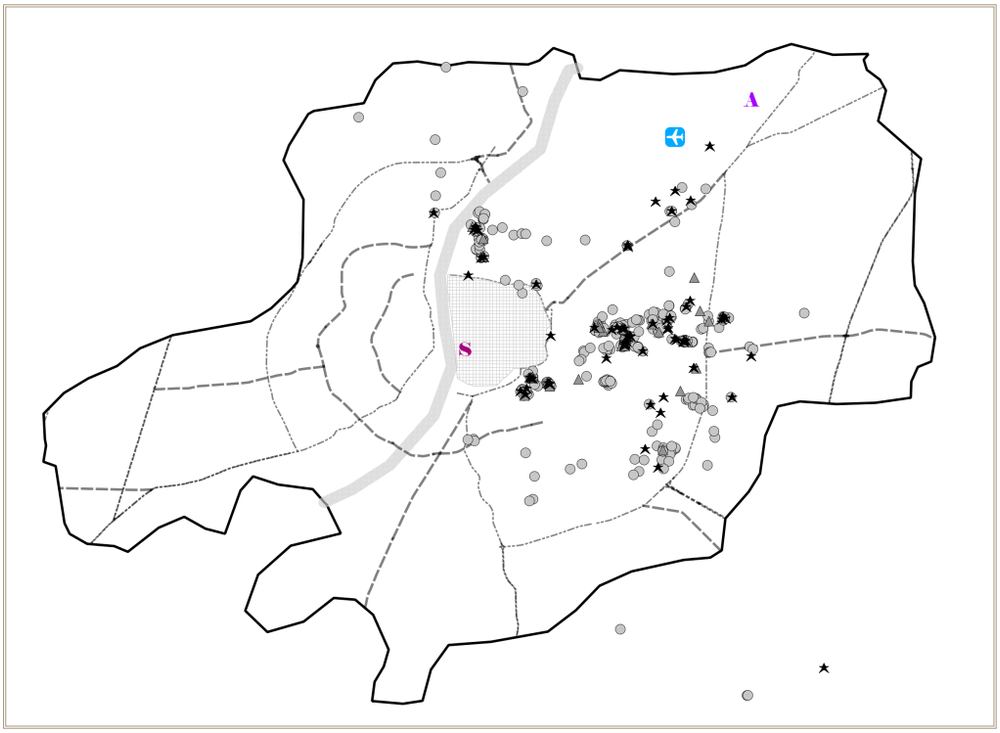
Both of the above are examples of insecure housing in Ahmedabad.

photos by Sharon Barnhardt

Housing built by SEWA Union and the Ahmedabad local government.

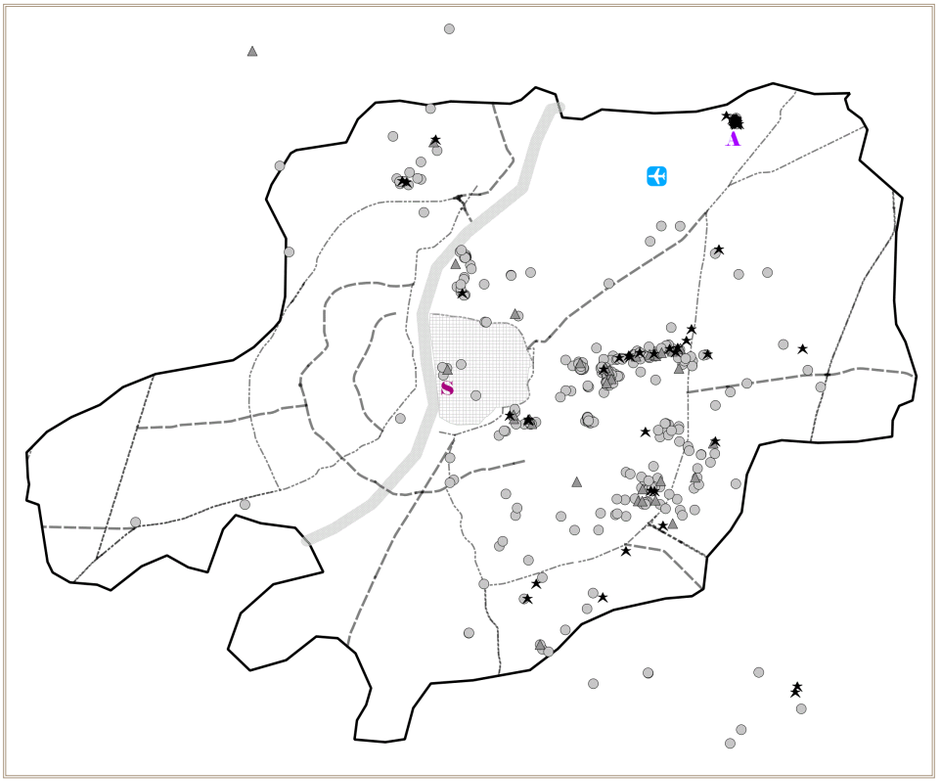
public services, where slum residents remain organized along ethnic and caste lines. The weakness of these informal structures leaves residents vulnerable to natural disasters and earthquakes, while poor sanitation and lack of access to safe drinking water exposes them to higher risks of contracting contagious and water-borne disease.

The idea for the Ahmedabad housing lottery started with the Self Employed Women's Association (SEWA), the city's primary informal workers' union, in the 1980s. SEWA recognized that the city's bidi (unfiltered cigarettes) workers, who were primarily women, constituted one of its most vulnerable groups, largely because the workers' insecure housing made it more difficult to generate income. SEWA asked the local government to build a new housing development for their bidi workers, and in 1987 SEWA launched a housing lottery to allocate 110 single-story row houses, built on vacant government land on Ahmedabad's periphery. The houses included official water and electricity connections and private toilets. The housing lottery was open to the poorest bidi rollers whose household income was less than 700 rupees (approximately $12) per month and who were members of the SEWA Union. Out of 497 bidi roller members who entered the lottery, 110 "winners" were randomly selected and offered the opportunity to purchase subsidized houses in the new housing development. Lottery winners did not receive a title to the houses they purchased, but rather an "allotment" letter that would be converted to a title once all winners repaid their mortgages.



1987

2007



Legend
- Winner - family moved to Colony A
- Winner - never moved to Colony A
- Non-winner

Landmarks
- Airport
- A Colony A
- S SEWA Union Headquarters
- Old City

Ahmedabad Highways (OpenStreetMap map data -Last maps update: 13 December 2011)
- motorway
- primary
- trunk
- Sabarmati River
- Ahmedabad City

Approximately 14 years after Ahmedabad's lottery winners moved into their new homes in 1993, Barnhardt, Field and Pande launched an investigation to find out how the opportunity to relocate from Ahmedabad's urban center to the outskirts of the city affected their economic and social opportunities and outcomes. Comparing lottery winners and losers, including winners who elected not to move to the new housing, the authors' research encompasses information about residents' reports of health, their social interactions and professional networks, and how they use these networks for risk-sharing and collective action, including an extensive survey to collect a housing and employment history for the lottery participants and their immediate families over the previous 20 years. Additionally, the authors collected information on the lottery participants' social networks, immediate neighbors, and bidi rolling. The research also included information on major shocks and disruptions the households experienced, such as from earthquakes and disease, and the residents' coping mechanisms for dealing with these challenges.

The Ahmedabad research findings are striking and reveal the importance of location in the urban poor's housing choices. Most significantly, the authors found that nearly 40 percent of the lottery winners decided not to move into houses in the new development, presumably because of the remoteness of the location, which was built further from the city center than originally planned. Lottery winners generally are as economically well-off as non-winners living in other areas of the city, based on their current income, employment status, levels of education and the marriage patterns of their children, but many residents have been forced to commute long distances for work. Access to health care is worse for lottery winners living in the new housing, who live approximately a mile further away from the city center, although school access is about the same. Complementary interviews suggest that these problems were exacerbated by the housing development's lack of access to public transportation when it was first built.

The most significant differences between lottery winners and non-winners have to do with their family and neighborhood networks. For example, residents today are less likely to have adult working sons living with them, possibly because the housing is too far from the majority of Ahmedabad's job opportunities. Overall, the results reveal that the opportunity to move to the city's periphery has weakened residents' traditional caste and family networks, which they replaced with new connections with neighbors in the new housing development. Because of their isolation from caste-based connections and family, lottery winners built more cooperation to create local public goods, including working together on community improvement projects. In general, winners are more likely to borrow or lend money within their neighborhoods than from networks beyond their residences, and to rely on their neighbors during a crisis. When they suffer an economic shock or disaster like a flood, earthquake or viral epidemic, however, lottery winners have less informal support than non-winners. This is likely because all neighbors were exposed to the same shocks and unable to help each other.

Lack of healthcare access and isolation from traditional caste-based networks and family connections have driven several residents to leave the housing development. Citing long and exhausting commutes, lack of medical facilities and reputable doctors, and sheer loneliness from living far away from family and friends, residents who left their new homes simply found it too difficult to function within their newly created support networks. One resident described the housing development as "deserted and lonely – someone could die there and no one would even know that you had died." While home ownership was an important goal for both lottery winners and losers, the lottery losers who found homes elsewhere tended to move to areas of the same caste, where their support system and sense of community is based on these class distinctions. The reasons residents describe for moving from the newly built development to other areas of Ahmedabad illustrate that for the urban poor, particularly in areas where caste and family connections are critical, the quality of housing may be less important than its location and proximity to established social networks.

The Ahmedabad research provides lessons for policy-makers throughout South Asia and other developing countries faced with the urgency of devising solutions to the housing needs of the urban poor. Slum redevelopment and housing provision must take into account not just the requirement for safe, high-quality and affordable housing, but also the social and community support networks that are critical to the urban poor's well-being. After all, there's little value in providing structurally improved housing options for slum dwellers if those benefits don't make up for the loss of social insurance. Today initiatives to provide high-quality

and economically accessible housing for the urban poor in India are paying closer attention to the social and economic consequences of relocating slum dwellers away from their communities. Urban redevelopment projects throughout the developing world can benefit from the lessons Barnhardt, Field and Pande provide, by integrating the factors that influence the urban poor's housing choices into their planning and policy-making strategies. Recognizing the broader implications of housing location on the urban poor's economic and social well-being can help ensure that urban redevelopment projects are truly beneficial over the long term.

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Real Estate Academic Initiative at Harvard University
48 Quincy Street
Cambridge, MA 02138

617.495.2604

www.reai.harvard.edu