



Titling and chronic diseases: evidence from a natural experiment in Uruguay.

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Abstract

In this paper we exploit a natural experiment to study the effects of granting formal property rights on health. Titling could improve health outcomes through various channels: housing investment, income or family cohesion. We found that titling diminishes the probability of suffering of several chronic diseases (hypertension, diabetes, sinusitis and rheumatism) but could not find supporting evidence for the housing channel.

Keywords: home ownership, property rights, chronic diseases, Uruguay

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but formal property rights could be assigned only to members of three communities due to reasons that are independent of any characteristic of the families living there or in the other communities.

The Instituto Nacional de la Vivienda Económica (INVE, National Institute of Inexpensive Housing) was a public institution whose goal was to provide affordable housing solutions to low income families. It was created in 1937 by law N° 9.723. Several decades later, in 1974 the Ministry of Housing was created (law N° 14.218) as the central public institution in charge of housing policies. As such the INVE was under its jurisdiction.

In the mid-seventies the INVE built thirteen small neighborhoods to attend the housing needs of their objective population. These neighborhoods received the name of “comunidades” (communities). They are: 18 de Julio, Lavalleja, 25 de Agosto, 19 de Abril, Independencia, Sarandí, Rincón, Guayabos, Grito de Asencio, Las Piedras, Misiones, 19 de Junio and Ituzaingó,

In all cases purchase agreements were signed and implicit mortgage contracts were in place.⁷ Most of the communities were constructed in land owned by the INVE. Three communities were built in land owned by the Municipality of Montevideo (Misiones, 19 de Junio and Las Piedras) and one was build in land that nowadays the authorities are not clear about which public institution is the actual owner (Ituzaingó).

Just a couple of years after the building of the communities, by a law of May 1977 (law N° 14.656) the Ministry of Housing was eliminated and in June 1977 (law N° 14.666) the INVE was also eliminated. INVE’s goals and property were assigned to the state-owned mortgage bank, Banco Hipotecario del Uruguay (BHU). Over the following decade various institutions have been officially in charged of the management of these communities. The management of the communities implied taking care of the provision of several public goods, receiving the payments implied in the purchase agreement,

⁷ See figure 2 in the appendix for a scan of an original mortgage agreement of one family from Guayabos.

