

Xavier Giné, World Bank, **WEDNESDAY 15.05.2024 at 12.15 h**

Host: Stefan Klonner

Policy Evaluation with Implementation Delays: Evidence from a Home Upgrading Project *

Abstract:

This paper develops a subjective well-being (SWB) valuation framework that accounts for adaptation and disappointment with implementation delays and uses it to evaluate a home upgrading government program for low-income households in the Dominican Republic. Comparing the structurally estimated gains using two SWB measures and changes in rental income, we find that the benefit-cost ratio is 0.44 using rental income but close to 1 for households without delays using either SWB measure. Failure to account for delays leads to median program impacts that are 40\% of those for beneficiaries without delays. SWB measures thus capture important information about preferences and should complement income-based measures in policy evaluation.

*joint work with Meritxell Martínez and Virginia Melo