

Call for Research Proposals for LAC countries on:
a) *Households' Demand for Education/Education Production Functions*
b) *Households' Health Production Functions*

A research project funded by the RBLAC-UNDP
2009 Regional Report on Inequality in Human Development

1.-Motivation

Inequality has been identified as one of the main barriers to human development. Overcoming the structural forces that create and perpetuate extreme inequality is one of the most efficient routes to defeating extreme poverty, enhancing the welfare of society, and accelerating progress towards the Millennium Development Goals.

The Regional Bureau for Latin America and the Caribbean of the United Nations Development Programme (RBLAC-UNDP) is preparing the 2009 Regional Report on Inequality in Human Development. The Report concentrates on identifying the main determinants for the inter-generational transmission of inequality in human development aiming at deriving policy recommendations for the enhancement of capabilities in LAC countries. In particular, the Report's main goal is to identify the major binding constraints that impede the poor to accumulate human capital through education, health, and labor market participation. The Report will be published by mid 2009 and will have wide dissemination throughout the region. More information about the Report can be found at www.lacregionalhdr2009.org.

2.-Objectives of the call for Research Proposals (RP)

The Report is seeking to develop high quality **empirical studies** to estimate the causal relationships underlying education and health inequality outcomes in LAC countries, and to derive policy recommendations based on those estimates. It is expected that at least 5 RP for each of the two topics are going to be selected for funding.

3.-Conceptual framework and research strategy for each RP

Inequities in the access to quality education and to good health by infants, children, and the youth, form a crucial link in the intergenerational transmission of inequality. In turn, those inequities depend on a broad spectrum of inequities in private, public and local goods that support family well-being as a whole, whose presence is geographically correlated with socioeconomic status. To reduce inequities public policies must address all of these areas and be tailored to local needs. Several of the determinants are not subject to improvement through market policies, but rather through a more democratic and egalitarian exercise of economic policies.

As indicated above, the RP should aim at identifying the major binding constraints that impede the poor to accumulate human capital through education and health. Those constraints could be, for instance, in the area of the family itself, in its connections and capacity for agency, in community and location characteristics, or in the unavailability of necessary public goods in health or education (Mayer-Foulkes, 2007; Devarajan and Kanbur, 2005).

3.1 Households' Demand for Education/Education Production Functions

The Selection Committee will favor those RP that use behavioral models and address causal relationships. A good theoretical reference is Glewwe and Kremer (2005), in particular its section III.A. Other approaches are also welcome, provided they have strong foundations. RP should also pay attention to the different ways of addressing data limitations, and to the identifying assumptions needed to justify alternative approaches (Todd and Wolpin, 2003).

3.2 Households' Child Health Production Functions

RP addressing this topic should be based on state-of-art models. It is now well established that adult health is correlated with income and socioeconomic status; economic inequality is thus partly explained by differences in health human capital. A large part of the health human capital that matters is determined in early childhood, however (Cole, 2003). But differences across families in their capacity to protect children from shocks related to chronic health conditions –a capacity mainly determined by the family's lifetime income, translate into increasing differences in health status across children as they age (Case et al, 2002). This process produces the gradient in health status, and it is partly responsible for the way inequality is transmitted across generations. In this process several variables interact to jointly determine parental choices; in particular household and parental characteristics interact with community characteristics and policy variables to determine parental demand for child health inputs [Rosenzweig and Schultz (1983), Grossman and Joyce (1990)].

In order to estimate this *health production functions* issues of self-selection and endogenous determination of health inputs must be addressed using instrumental variables or treatment evaluation methods [Schultz (2004), *Economics & Human Biology*, vol. 2, 3, and 2004]. RP should also pay attention to the different ways of addressing data limitations, and to the identifying assumptions needed to justify alternative approaches (Todd and Wolpin, 2003).

4.-Data:

Time constraints imply that the RP will most probably have to be based on already existing and available data sets either from retrospective data or from randomized trials and natural experiments.

5.-Content of Research Proposals

The proposals should specify:

- a. The specific issues/hypotheses that will be evaluated and the methodology that will be applied. If applicable, a clear explanation on the way identification and causality issues will be addressed.
- b. A summary of previous findings and existing literature must be specified as part of the proposal.
- c. An indication of which data set(s) is(are) going to be used.
- d. A list of the researchers who will be involved in the project as well as the name of who will coordinate the research. CVs of the researchers should appear following the RP.
- e. Contact information of the author (or the coordinator, is more than one researcher is involved)
- f. A timetable.

Note: Proposals should be submitted in English.

6. - Selection Criteria

- A.-Quality of the proposals
- B.-Evidence of researchers' qualifications to conduct the studies
- C.-Feasibility for the research to be completed following the timetable (see point 8 below).

7. Financial Aspects

The RBLAC-UNDP 2009 Regional Report on Inequality in Human Development project will provide between US\$6.000 and US\$12.000 for each selected RP.

8.-Timetable:

Submissions: Deadline August 31st, 2008

Notification: September 15th, 2008.

Teleconference with individual authors: September 16th-September 19th, 2008.

First Meeting with all authors: November 20th-22nd, 2008 at the 13th LACEA Annual Meetings in Rio de Janeiro. We will discuss the modeling approach and the planned empirical strategy of each accepted RP. At least a preliminary data analysis should also be ready for this meeting.

First drafts: January 31st. 2009.

Second drafts: February 28, 2009.

Final drafts: March 15, 2009

9.-How to apply.

Enter <http://www.lacregionalhdr2009.org/callforresearchproposals/>

Click on "Call for papers: Education" or on "Call for papers: Health"

Upload your Research Proposal and CV's in one single document.

10. - Questions?

Write (or phone) to Isidro Soloaga (Project Coordinator) at:

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11.- References

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