

Monitoring the Urban Quality of Life in Latin America

Book Proposal Submitted by the Inter-American Development Bank to the Latin American Development Forum (A joint series by Palgrave Publishers, the World Bank, the Economic Commission for Latin America, and the Inter-American Development Bank)

Motivation. Latin America is the only region in the developing world where the majority of the population lives in urban areas. This process of urbanization has been accompanied by a very substantial improvement in the quality of housing infrastructure. Though much remains to be done to solve the persistent deficit in dwellings of reasonable quality, a variety of other problems, from insecurity to traffic congestion, and from lack of public spaces to severe socio-economic segregation, affect many Latin American cities. There is a need to develop criteria to prioritize policy actions in order to improve the quality of life in the region's rapidly growing cities. This book is the result of a research project designed to fill that void.

Methodology and Results. A methodology is developed that combines the hedonic pricing method and the life-satisfaction approach to identify and value housing characteristics, as well as neighborhood amenities and services. The valuations can be used to produce quality of life indexes which make it possible to compare neighborhoods and assess the impact of public amenities and services on housing prices and on the quality of life of different socio-economic groups. The methodology is applied in pilot case studies of eight cities in six Latin American countries. The extensive policy implications of the findings range from offering criteria to prioritize public expenditures and to identify which expenditures should be paid through home taxes, to ways to target expenditures in order to tackle the segregation problems that are endemic to Latin American cities.

Status of the book. Except for an introduction or prologue, the book is complete in draft form. However, the city case studies (Chapters 4 thru 9) are being edited in order to avoid repetition, which occurs in the sections of motivation, literature review and econometric methodology. Since this editorial process will only be completed by late November, we are submitting the book for peer reviewing in its present status. Peer reviewers are asked to take this into account.

Expected completion date: November 30, 2008

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