Seminario de Microeconomía Aplicada - Reparations as Development? Evidence from the Victims of the Colombian Armed Conflict

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Resumen del documento: Can reparations for victims of human rights violations help rebuild lives? We estimate the effects of reparations across the life cycle, leveraging variation induced by Colombia's program for victims of the internal armed conflict. The reparations consist of large, one-off, lump-sum payments of up to 10,000 USD (PPP 26,000 USD) and represent, on average, three times recipients' annual household income. We link comprehensive national administrative panel microdata and measure numerous individual- and household-level outcomes, including work and living standards, health care utilization, and intergenerational impacts on victims' children. We exploit the staggered rollout of reparation payouts and the unexpected timing of their receipt using event study approaches and document three main sets of results. First, reparations cause an immediate decrease in the probability of formal employment driven by shifts out of low-pay, high-risk, salaried jobs. Three years after receipt, victims have higher wages and are more likely to own an active business. Second, reparations cause an economically meaningful decrease in health care utilization, consistent with improved health due to better working and living conditions. Third, reparations increase high school test scores and college attendance rates of victims' children. We conclude that the large transfers of money provided by reparations allow households to make fundamental investments, narrow the gaps formed due to conflict, and appear to be an effective policy tool to promote recovery and development. **Coautores:** Juliana Londoño, Christian Posso

Tiempo de exposición: 1:30 p. m. a 3:00 p. m.

Fuente: https://www.banrep.gov.co/es/seminario-microeconomia-aplicada-reparations-development-evidence-victims-colombian-armed-conflict