

# Inclusive Infrastructure: People versus Place (Balboni, Bryan, Morten, O'Connor, and Siddiqi 2025)

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# Summary

- Effects of infrastructure on places and people
  - Differentiating between initial and final residents
  - With panel data that track individuals across locations
- Bus Rapid Transit in Dar es Salaam
  - Place effects differ from people effects
  - Incidence depends on sorting

# Data

- 1,750 households with follow-up survey
  - And retrospective survey of in-movers
- General insights
  - What panel data identify
  - What non-panel data miss (if people are mobile)
- Migration panels are relatively rare
  - Perhaps new insights from those that exist (Infutor in US)
  - What about retrospective cross-sections? (SUSENAS in Indonesia)

# Selection through sorting

*We find evidence of place-based effects, but much weaker effects on final residents, suggesting the place-based effects are driven by selection.*

- Framed around classic question of selection or value added
  - Ignoring selection leads to spurious results
- Sorting also involves city-wide effects
  - Pure sorting leads to gains in targeted places
  - At the cost of losses in untargeted places
  - Alternative diagnostic: look for losses elsewhere (leakage)

# Policy objectives

- Why target with infrastructure instead of transfers?
  - Infrastructure is getting built anyway, and distributional effects matter
  - Easier to target places than people (?)
  - Something special about transport/buses (?)
- What is the policymaker's objective function?
  - Initial residents, final residents, and places
  - Employment, earnings, and welfare

# Equity and efficiency

- The paper is about equity and “inclusive infrastructure”
  - Interesting and policy-relevant
  - Important politically
- Is there a market failure?
  - If not, sorting is efficient
  - Migrants are utility-maximizing
  - To prevent sorting is to add constraints – bad for welfare

# Future work

- Within-city migration in lower-income countries
  - Beyond the focus on urban infrastructure
  - Tensions with incumbants and in-migrants, owners and renters
- Redistribution in urban settings
  - Especially with mobile populations and high turnover
- Distributional implications of climate adaptation
  - Sea level rise and urban inequality (Hsiao 2024)
  - The rich push out the poor in pursuit of higher ground