

**Capstone project progress**

**ECOM30002/90002 Econometrics 2, Semester 2, 2024**

***The impact of water insecurity on mental illness: evidence from Ghana.***

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## **Rationale**

This report will look into the impact of water insecurity on mental health. The WHO defines health as the “state of complete physical, mental and social well-being” (World Health Organisation, 1948, p. 1 ). Despite this, much of the literature to date only explores the relationship between water insecurity and physical health (Achore & Bisung 2022, Fink 2011 and Apanga et al. 2021). By exploring this relationship between water insecurity and mental health, we hope to develop a more fulsome illustration of water insecurity on overall health outcomes to compound the imperative for governments to continue investing in this access for citizens.

## **Regression models**

For this progress report, we test this relationship by producing a linear and multiple regression model as shown in Table 2. In both instances, the dependent variable is a dummy variable indicating that someone is likely to have at least a mild mental health disorder. It is constructed from the Kessler 10 scores, where scores of at least 20 indicate someone is likely to have a mild mental health disorder (Kessler et al. 2003). Our key causal variable is a dummy variable indicating if someone has access to basic drinking water services. UNICEF defines this as being 30 minutes from a drinking water source, coming from an improved source UNICEF (2017, p. 12).

We propose to use four control variables when testing our causal relationship: being female, age part of the religious minority (non-Christian) and living in a rural area. We think all of these personal attributes will independently impact the likelihood of having at least a mild mental health disorder.

*Table 1: Summary statistics*

<b>Variable</b>	<b>Mean</b>	<b>SD</b>	<b>Minimum</b>	<b>Maximum</b>
Mental health status dummy	0.31	0.46	0	1
Access to basic drinking services dummy	0.76	0.43	0	1
Sex dummy	0.55	0.5	0	1
Age	39.09	18.73	1	109
Religious minority dummy	0.34	0.47	0	1
Rural dummy	0.65	0.48	0	1

*Note: number of observations is 9282.*

In our linear regression model, there is a baseline chance of being likely to have at least a mild mental health disorder in our sample of 40.9%, whereas access to basic drinking water services decreases this likelihood by 13.4 percentage points.

In our multiple regression model, this baseline chance of being likely to have at least a mild mental health disorder in our sample is 10%. Access to basic drinking water services decreases this likelihood by 9.3 percentage points. Being female, each additional year of age, being part of the religious minority and living in a rural area all increase this likelihood by 8.6, 0.04, 9.9 and 7.4 percentage points respectively.

*Table 2: Models for mental health status*

	Linear regression model		Multiple regression model	
Predictors	Estimates	CI	Estimates	CI
Intercept	0.409 ***	0.390 – 0.428	0.100 ***	0.066 – 0.134
Access to basic drinking services dummy	-0.134 ***	-0.155 – -0.112	-0.093 ***	-0.115 – -0.071
Sex dummy			0.086 ***	0.067 – 0.104
Age			0.004 ***	0.003 – 0.004
Religious minority dummy			0.099 ***	0.079 – 0.118
Rural dummy			0.074 ***	0.054 – 0.094

\* p<0.05 \*\* p<0.01 \*\*\* p<0.001

### **Approach for dealing with remaining omitted variable bias**

Despite our efforts above, our estimates may still suffer from endogeneity due to omitted variable bias. Given the complexity of factors which interact to produce mental health outcomes, adding further control variables is not a robust method for dealing with this endogeneity.

In order to address the remaining omitted variable bias, we propose the use of Instrumental Variable (IV) estimation. Using a variable that is both relevant and exogenous, we can obtain fitted values for our variable of interest, access to basic drinking services.

Useful instruments must fulfill the assumptions of relevance and exogeneity:  $Cov(\text{Access to basic drinking services}_i, Z_i) \neq 0$  and  $Cov(u_i, Z_i) = 0$ .

Suitable data that can be used to construct IV estimates is the survey responses for distance from drinking water. This is because one's distance to a water source is likely both correlated with access to basic drinking services, and uncorrelated with omitted variables that are correlated with mental health. We consider that it's reasonable to think proximity from primary drinking water source would not have any direct impact on mental health status, as the location of one's residence should not have a direct relationship to your mental health status.

It is possible this exogeneity assumption could break down for instances where the distance from the drinking water source is extremely far, but this is something we can try account for in our robustness checks.

### **Proposed robustness checks and extensions**

As part of the final report, we intend to undertake several robustness checks and extensions to our analysis.

Firstly, as noted above, we intend to test the robustness of the exogeneity assumption for our instrument when distances are very far. We can do this by conducting heterogeneity analysis on different ranges of proximity from drinking water sources. That is, by testing if our results are similar with large changes in the underlying samples we use for estimation, we can speak to the robustness of the exogeneity assumption for our IV estimator.

Secondly, we can test different definitions of water access to assess the robustness of our results. UNICEF and the WHO have a collection of hierarchical definitions for water access, where we have used just one for our analysis above. As these different definitions (no services, unimproved, limited, basic and safely managed) are hierarchical, the impact of mental health status should improve as access improves. Formally testing this will ensure our results are robust regardless of what particular definition is used.

## References

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