

## **Project Summary: Homeownership and Societal Stability: Assessing Causal Effects in Central Eurasia**

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MRI Topic: FY2012 Topic # 2: Models of Societal Resilience and Change, Subtopic 2-C

The proposed research examines *whether, how, and why homeownership contributes to societal stability*. The US government promotes homeownership at home and abroad based on the proposition that homeownership promotes societal stability by improving living conditions, inducing respect for private property, and creating better citizens. However, there is little theoretical basis and scant evidence for these purported effects. Existing research is limited by vague and simplistic concepts, weak measures, a failure to employ research designs that can identify causal effects, and a narrow empirical focus on advanced capitalist democracies. Therefore, basic scientific knowledge lags significantly behind policy, and social scientists cannot say whether homeownership indeed plays the stabilizing role attributed to it. Our study will make major strides toward rectifying this gap in knowledge.

We will address this question first by advancing theoretical analysis of the relationship between homeownership (and other related but distinct aspects of housing) and societal stability. We derive core hypotheses specifying how different aspects of ownership might affect the proximate causes of instability: political grievances, social grievances, civic norms, and ideology. We also hypothesize how these relationships vary within and across countries depending on macro-level variables such as political regime, social climate, social structure, and culture; that is, we propose possible macro-micro linkages that shape whether and how housing influences stability.

Second, we will test our hypotheses empirically using original survey and focus group data that we will collect in four semi-authoritarian countries: Azerbaijan, Kyrgyzstan, Russia, and Ukraine. These countries are uniquely suited for testing whether housing has causal effects on societal stability for the following reasons. First, they face elevated risk of experiencing various forms of instability. Second, they experienced a quasi-experimental distribution of homeownership as a result of Soviet-era housing distribution policies, post-Soviet housing privatization, and failed housing markets since the Soviet collapse. Third, property rights that in Western contexts are usually bundled together under “ownership” are often dispersed in these countries, producing a rare opportunity to test hypotheses about which specific aspects of ownership matter for which outcomes related to societal stability. Finally, variations in macro-conditions across these four study countries permit us to test hypotheses about macro-micro linkages.

Our data collection plan involves conducting two waves of surveys with the same respondents, each preceded by focus group interviews. Each country’s survey sample will consist 2400 respondents, including a nationally representative sample of 1600 respondents ages 18-49, plus the following oversamples of 800 to let us test specific hypotheses: internally displaced persons in Azerbaijan, residents of regions that have experienced ethnic violence in the last three years in Kyrgyzstan, residents of regions with high concentrations of Muslims in Russia, and mortgagors in Ukraine. To carry out this major data collection, we will engage teams of international researchers (one from each country) with extensive experience carrying out survey and focus group research on related topics.

We will analyze the data we collect using state-of-the-art statistical techniques. First, we will perform tests to ascertain whether the each theoretically important component of housing status is exogenously distributed. Second, we will use structural equation modeling to develop precise measures of our theoretical constructs and distinguish direct from indirect effects of the different components of housing status. Third, to deal with potential endogeneity, we will use instrumental variable estimation, propensity score estimation with sensitivity analysis, and difference-in-differences estimates.

This study will produce a major advance in basic knowledge about how housing affects core attitudes and behaviors within populations residing in semi-authoritarian contexts, and how macro-level factors shape the individual-level relationships. The results will help policymakers to better target homeownership promotion policies in semi-authoritarian societies so as to maximize their benefits for US national security interests. Military planners will understand the longer-term consequences of military actions that affect housing and gain insight into whether constructing housing and/or promoting ownership can help counter-insurgency campaigns. We will make our data available to other social scientists, train graduate students in areas of research that are relevant to national security, and develop an international network of social scientists specializing in these issues.